

ASX / Press Release

26 October 2018

Mitula Shareholders to vote on Scheme of Arrangement for proposed acquisition by LIFULL Co. Ltd

The Mitula Group Limited (“**Mitula Group**” or “**Company**”) (ASX:MUA) advises that the Supreme Court of Victoria has ordered that a meeting of Mitula Group shareholders (“**Scheme Meeting**”) be convened to consider and vote on the proposed Scheme of Arrangement (“**Scheme**”) in relation to the previously announced acquisition of Mitula Group by Tokyo Stock Exchange listed LIFULL Co. Ltd, owner of Trovit.

The Scheme Meeting will be held at 2.00pm (Melbourne time) on Tuesday, 11 December 2018 at the office of Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne.

All Mitula Group shareholders are encouraged to vote by either attending the Scheme Meeting in person, or by lodging a proxy form with the Mitula share registry by 2.00pm (Melbourne time) on Sunday, 9 December 2018. Details of how to submit a proxy form are included in the scheme booklet in relation to the Scheme (“**Scheme Booklet**”).

Scheme Booklet Registration

The Scheme Booklet has today been registered by the Australia Securities and Investments Commission.

A copy of the Scheme Booklet, including the Independent Expert’s Report, a notice of Scheme Meeting and a copy of the proxy form for the Scheme Meeting, along with an election form for the scrip consideration, and Form A and Form B is attached to this announcement and will be sent to Mitula Group shareholders on or about Monday, 5 November 2018.

The Independent Expert, BDO Corporate Finance (East Coast) Pty Ltd, has concluded that the Scheme is fair and reasonable and is therefore in the best interests of Mitula Shareholders, in the absence of a superior proposal.

The Independent Expert’s conclusions should be read in the context of the full Independent Expert’s Report and the Scheme Booklet.

For personal use only

Indicative Timetable for the Scheme

The indicative timetable for the Scheme is set out below.

Event	Expected Date
Scheme Booklet dispatched to Mitula shareholders	Monday, 5 November 2018
Latest time and date for receipt of Proxy Forms and powers of attorney for the Scheme Meeting	2.00pm on Sunday, 9 December 2018
Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm on Sunday, 9 December 2018
Scheme Meeting to be held at the offices of Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne, Victoria 3000	2.00pm on Tuesday, 11 December 2018
If the Scheme is approved by Mitula Shareholders	
Nominee Schedule Return Date	7.00pm on Wednesday, 12 December 2018
Second Court Date for approval of the Scheme	10.30am on Thursday, 13 December 2018
Effective Date Court order lodged with ASIC and announcement to ASX Last day of trading in Mitula Shares — Mitula Shares suspended from trading on ASX from close of trading	Thursday, 13 December 2018
Election Date — last time and date for receipt of an Election Form	7.00pm on Thursday, 13 December 2018
Scheme Record Date for determining entitlements to Scheme Consideration	7.00pm on Tuesday, 18 December 2018
Implementation Date Provision of Scheme Consideration	Tuesday, 8 January 2019
Settlement Completion Date	Friday, 18 January 2019

For personal use only

Further Information

Mitula Shareholders can obtain further information in relation to the Scheme Booklet or the Scheme by calling the Mitula Shareholder Information Line on 1300 046 608 (within Australia) or +61 2 9290 9662 (outside Australia) between 8.15am and 5.30pm Monday to Friday.

ENDS

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 110 vertical search sites across property, employment, motoring, and fashion in 54 different countries and 21 different languages. These sites operate under the Mitula, Fashiola, Kleding.nl, Nestoria and Nuroa brands; and
- It operates 10 property portals in 9 South East Asian countries under the DotProperty and Thailand-property brands.

The Mitula Group generated a record 85.7 million visits in May 2018 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 sales;
- Advertising based revenues: display advertising, listing sales (on portals), native ads, and other advertising products; and
- Transaction based revenues: cost-per-acquisition, cost-per-lead and commission sharing 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

For personal use only

Scheme Booklet

Mitula Group Limited
ACN 604 677 796

For personal use only

For a scheme of arrangement between Mitula Group Limited and its shareholders in relation to the proposed acquisition by LIFULL Co., Ltd.

This is an important document and requires your immediate attention.

You should read it in its entirety before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt about how to deal with this document, you should contact your broker or financial, taxation or legal adviser immediately.

MitulaGroup



Stratford
Advisory Group

Important Notices

Nature of this document

This Scheme Booklet provides Mitula Shareholders with information about the proposed acquisition of Mitula by LIFULL. If you have sold your Mitula Shares, please ignore this Scheme Booklet.

Defined terms

A number of defined terms are used in this Scheme Booklet. These terms are explained in section 13 of this Scheme Booklet.

No investment advice

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to your own investment objectives, financial situation, taxation position and particular needs. It is important that you read this Scheme Booklet in its entirety before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. If you are in any doubt in relation to these matters, you should consult your financial, legal, stockbroking, taxation or other professional adviser.

Not an offer

This Scheme Booklet does not constitute or contain an offer to Mitula Shareholders, or a solicitation of an offer from Mitula Shareholders, in any jurisdiction.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations outside Australia.

This Scheme Booklet and the Scheme does not constitute an offer of shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and no shares may be offered or sold, in any country outside Australia except to the extent provided in section 12.6.

Regulatory information

This document is the explanatory statement for the scheme of arrangement between Mitula and the holders of its fully paid ordinary shares as at the Scheme Record Date for the purposes of section 412(1) of the Corporations Act. A copy of the proposed Scheme is included in this Scheme Booklet as Annexure C.

A copy of this Scheme Booklet was provided to ASIC for examination in accordance with section 411(2)(b) of the Corporations Act and was lodged with ASIC for registration under section 412(6) of the Corporations Act. It was then registered by ASIC under section 412(6) of the Corporations Act before being sent to Mitula Shareholders.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearing to approve the Scheme. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

Notice of Scheme Meeting

The Notice of Meeting is set out in Annexure E.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting.

Any Mitula Shareholder may appear at the Second Court Hearing, expected to be held at 10.30am on Thursday, 13 December 2018 at the Supreme Court of Victoria, 210 William Street, Melbourne.

Any Mitula Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Mitula a notice of appearance in the prescribed form together with any affidavit that the Mitula Shareholder proposes to rely on.

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that the Court has ordered under section 411(1) of the Corporations Act that the Scheme Meeting be convened and has directed that the Scheme Booklet accompany the Notice of Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme nor as to how Mitula Shareholders should vote (on this matter Mitula Shareholders must reach their own decision);
- has prepared, or is responsible for, the content of the Scheme Booklet; or
- has approved or will approve the terms of the Scheme.

Disclaimer as to forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements.

All forward-looking statements in this Scheme Booklet reflect views only as at the last practicable date before the date of this Scheme Booklet, and generally may be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Similarly, statements that describe Mitula's, or LIFULL's objectives, plans, goals or expectations are or may be forward-looking statements.

The statements contained in this Scheme Booklet about the impact that the Scheme may have on the results of Mitula's operations and the advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by these forward-looking statements.

The operations and financial performance of Mitula and LIFULL are subject to various risks, including those summarised in this Scheme Booklet, which may be beyond the control of Mitula and LIFULL. Mitula Shareholders should note that the historical financial performance of Mitula and LIFULL is no assurance of future financial performance of Mitula or LIFULL (whether the Scheme is implemented or not). Those risks and uncertainties include factors and risks specific to the industry in which Mitula and LIFULL operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. As a result, the actual results of operations and earnings of Mitula and LIFULL following implementation of the Scheme, as well as the actual advantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet are made only as of the last practicable date before the date of this Scheme Booklet.

Any forward-looking statements included in the Mitula Information have been made on reasonable grounds. Although Mitula believes that the views reflected in any forward-looking statements included in the Mitula Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

Any forward-looking statements included in the LIFULL Information have been made on reasonable grounds. Although LIFULL believes that the views reflected in any forward-looking statements included in the LIFULL Information have been made on a reasonable basis, no assurance can be given that such views will prove to have been correct.

None of Mitula, LIFULL, Mitula's officers, LIFULL's officers, any persons named in this Scheme Booklet with their consent or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (express or implied) as to the likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement.

You should review all of the information in this Scheme Booklet carefully. Section 1.1 sets out some important considerations if you will receive New LIFULL Shares, section 1.2 sets out the reasons why you should vote in favour of the Scheme and section 1.3 sets out the reasons why you may not wish to vote in favour of the Scheme.

All subsequent written and oral forward-looking statements attributable to Mitula, LIFULL or any person acting on their behalf are qualified by this cautionary statement.

Subject to any continuing obligations under relevant laws or the listing rules of a relevant exchange, Mitula and LIFULL do not give any undertaking to update or revise any such statements after the last practicable date before the date of this Scheme Booklet, to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

Explanation of certain financial measures

Mitula and LIFULL have used certain financial measures in this Scheme Booklet that are not recognised under accounting standards. These measures are collectively referred to as non-IFRS financial measures under Regulatory Guide 230 "Disclosing non-IFRS financial information" published by ASIC. The non-IFRS financial measures that are referred to in this Scheme Booklet include:

- EBITDA is earnings before interest, income tax, depreciation and amortisation and net foreign exchange gains and losses; and
- EBIT is earnings before interest, income tax and net foreign exchange gains and losses.

Although the Directors of Mitula and LIFULL believe these financial measures provide useful information about the performance of the respective entity, they should be considered as supplements to the income statements and cash flow statements in this Scheme Booklet that have been presented in accordance with accounting standards, and not as a replacement for them. Because these non-IFRS financial measures are not based on accounting standards, they do not have standard definitions and the way that these measures have been calculated may differ from similar titled measures used by other companies. Mitula Shareholders should therefore not place undue reliance on these non-IFRS financial measures.

Responsibility statement

Mitula has been solely responsible for preparing the Mitula Information. The information concerning Mitula and the intentions, views and opinions of Mitula and the Mitula Directors contained in this Scheme Booklet has been prepared by Mitula and the Mitula Directors and is the responsibility of Mitula. LIFULL and its directors and officers do not assume any responsibility for the accuracy or completeness of any such Mitula Information.

LIFULL requested that the cover of this Scheme Booklet repeat the Mitula Directors' recommendation that Mitula Shareholders should vote in favour of the Scheme. Mitula did not agree to this request.

LIFULL has been solely responsible for preparing the LIFULL Information. The information concerning LIFULL and the intentions, views and opinions of LIFULL contained in this Scheme Booklet has been prepared by LIFULL and is the responsibility of LIFULL. Mitula and the Mitula Directors and officers do not assume any responsibility for the accuracy or completeness of any such LIFULL Information.

BDO has prepared the Independent Expert's Report in relation to the Scheme and takes responsibility for that report. The Independent Expert's Report is set out in Annexure A.

PricewaterhouseCoopers Securities Ltd has prepared the Investigating Accountant's Report in relation to the Scheme and takes responsibility for that report. The Investigating Accountant's Report is set out in Annexure B.

Boardroom Pty Limited has had no involvement in the preparation of any part of this Scheme Booklet other than being named as the Mitula Registry. Boardroom Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

Privacy

Mitula and LIFULL may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of Mitula Shareholders and the name of persons appointed by those persons to act as a proxy, attorney or corporate representative at the Scheme Meeting. The primary purpose of the collection of personal information is to assist Mitula and LIFULL to conduct the Scheme Meeting and implement the Scheme. Personal information of the type described above may be disclosed to the Mitula Registry, print and mail service providers, authorised securities brokers, Related Bodies Corporate of Mitula and LIFULL, and Mitula's, and LIFULL's advisers and service providers. Mitula Shareholders have certain rights to access personal information that has been collected. Mitula Shareholders should contact the Mitula Registry in the first instance, if they wish to access their personal information. Mitula Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

Date of this Scheme Booklet

This Scheme Booklet is dated 26 October 2018.

Contents

	Contents	1
	Key Dates	2
	Letter from the President and CEO of LIFULL	8
1	Key considerations relevant to your vote	9
2	Frequently asked questions	15
3	What should you do?	25
4	Overview of the Scheme process	28
5	Scheme Consideration	31
6	Information about Mitula	45
7	Information about LIFULL	53
8	Information about the Combined Group	73
9	Risks	84
10	Tax implications of the Scheme	93
11	Comparison of relevant Australian and Japanese laws	100
12	Additional information	113
13	Glossary and interpretation	127
	Annexure A	
	Independent Expert's Report	140
	Annexure B	
	Investigating Accountant's Report	141
	Annexure C	
	Scheme	142
	Annexure D	
	Deed Poll	143
	Annexure E	
	Notice of Meeting	144
	Annexure F	
	LIFULL significant accounting policies	148
	Corporate Directory	160

For personal use only

Key Dates

Date of this Scheme Booklet	Friday, 26 October 2018
Cut-Off Date for Cash Consideration	7.00pm on Wednesday, 24 October 2018
Latest time and date for receipt of Proxy Forms and powers of attorney for the Scheme Meeting	2.00pm on Sunday, 9 December 2018
Time and date for determining eligibility to vote at the Scheme Meeting	7.00pm on Sunday, 9 December 2018
Scheme Meeting to be held at the offices of Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne, Victoria 3000	2.00pm on Tuesday, 11 December 2018
If the Scheme is approved by Mitula Shareholders	
Nominee Schedule Return Date	7.00pm on Wednesday, 12 December 2018
Second Court Date for approval of the Scheme	10.30am on Thursday, 13 December 2018
Effective Date Court order lodged with ASIC and announcement to ASX Last day of trading in Mitula Shares — Mitula Shares suspended from trading on ASX from close of trading	Thursday, 13 December 2018
Election Date — last time and date for receipt of an Election Form	7.00pm on Thursday, 13 December 2018
Scheme Record Date for determining entitlements to Scheme Consideration	7.00pm on Tuesday, 18 December 2018
Implementation Date Provision of Scheme Consideration	Tuesday, 8 January 2019
Settlement Completion Date	Friday, 18 January 2019

For personal use only

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court. Any changes to the above timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through ASX and notified on Mitula's website at <https://www.mitulagroup.com/investors>.

All references to time in this Scheme Booklet are references to Melbourne, Victoria time, unless otherwise stated. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction.

Letter from the Chairman of Mitula

Dear Mitula Shareholder

On 9 May 2018, Mitula announced that it had entered into a Scheme Implementation Deed with LIFULL, a Japanese online real estate classifieds company listed on the Tokyo Stock Exchange, under which it is proposed that LIFULL will acquire all of the issued capital of Mitula via a scheme of arrangement, subject to Court and shareholder approval.

If the Scheme is implemented, LIFULL intends to merge the operations of Mitula with Trovit (a wholly owned subsidiary of LIFULL) to create a significant global player in online classifieds. The combined business will be headed up by the current Chief Executive Officer of Mitula, Gonzalo del Pozo. He will be supported by Mauricio Silber, the existing Chief Executive Officer of Trovit, who will be appointed as Chief Operating Officer of the combined business.

If the Scheme is implemented, Scheme Shareholders who do not make an All Scrip Election will be entitled to receive:

- \$0.80 cash per Scheme Share for the first 20,000 of their Scheme Shares that were held as at 7.00pm, Wednesday 24 October 2018 (**Cash Consideration**); and
- 0.0753 New LIFULL Shares for each remaining Scheme Share including any Scheme Shares for which they became the beneficial or registered holder after 7.00pm, Wednesday 24 October 2018, subject to the application of the Downside Price Protection Mechanism or the Upside Participation Cap (**Scrip Consideration**),

(together, the **Standard Consideration**).

Alternatively, Scheme Shareholders may elect to receive the Scrip Consideration for all of their Scheme Shares by making an All Scrip Election.

Based on the LIFULL Share price and the AUD/JPY exchange rate immediately prior to announcement of the Transaction, the implied value of the Scrip Consideration was \$0.85 per Scheme Share.¹ There has been volatility in the LIFULL Share price since the announcement of the Transaction. For example, as a result of changes in the LIFULL Share price and movements in exchange rates since the announcement of the Transaction, as at 17 October 2018, the implied value of the Scrip Consideration was \$0.605 per Scheme Share.² However, on Tuesday 23 October 2018 (the last trading day before this Scheme Booklet was lodged with the Court) the implied value of the Scrip Consideration was \$0.726 per Scheme Share.³

Views of the Directors

The Mitula Directors are very disappointed by the significant decrease in the implied value of the Scrip Consideration driven by a material decrease in the LIFULL Share price.

Your Directors continue to believe in the strategic rationale of combining the Mitula and Trovit businesses and are fully aware that Mitula would represent approximately 9% of the Combined Group's revenue and 17% of the Combined Group's EBITDA.

The Mitula Directors recognise that at the time of publishing this Scheme Booklet, the date scheduled for the Scheme Meeting remains some weeks away and in that time the LIFULL share price may recover. If the LIFULL Share price increases, this should increase the implied value of the Scrip Consideration (subject to any changes in the AUD:JPY exchange rate).

¹ Based on the five-day VWAP of LIFULL Shares of JPY925 and the AUD/JPY exchange rate of 81.9. See Mitula's announcement ('MUA signs Scheme Implementation Deed with LIFULL Co. Ltd') released on ASX on 9 May 2018 for further detail.

² Based on the LIFULL Share price of JPY575 and the AUD/JPY exchange rate of 80.12 as at Wednesday, 17 October 2018.

³ Based on the LIFULL Share price of JPY684 and the AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018.

In accordance with the Scheme Implementation Deed with LIFULL, Your Directors recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Mitula Shareholders. Subject to those same qualifications, each of Your Directors presently intend to vote all of the Mitula Shares held or controlled by them in favour of the Scheme.

Your Directors are also required by their fiduciary and statutory duties to monitor the situation and advise shareholders up until the date of the Scheme Meeting if they change their recommendation.

Accordingly, Your Directors will continue to execute their fiduciary and statutory duties and monitor market announcements by and sentiment towards the LIFULL business, the impact this has on the LIFULL Share price and thus the implied value of the Scrip Consideration, and will update Mitula Shareholders should their recommendation change.

Your Directors consider that the Scheme provides a number of advantages to Mitula Shareholders and is in the best interests of Mitula Shareholders for the following reasons:

- the consideration under the Scheme represents a significant premium to Mitula's recent historical trading prices on ASX and an attractive multiple of earnings;
- compared to the closing price of Mitula Shares on ASX on 9 May 2018, the last trading day before the announcement of the Transaction:
 - the Cash Consideration of \$0.80 per Scheme Share represents a **77.8%** premium; and
 - the implied value of the Scrip Consideration of \$0.726 per Scheme Share⁴ as at Tuesday, 23 October 2018 represents a 61.3% premium;
- the Scheme represents an opportunity for Mitula Shareholders to realise certain cash value for their first 20,000 Scheme Shares and to participate in the future potential growth of LIFULL (which will include the combined operations of Mitula and Trovit);
- the proposed combination of Mitula and Trovit will enhance the prospects of the Mitula business and is superior to other strategic options currently available to Mitula; and
- 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 offer.

New LIFULL Shares

If the Scheme is implemented and either:

- you hold more than 20,000 Scheme Shares;
- you became the registered holder of any of your Scheme Shares after 7.00pm, 24 October 2018; or
- you make an All Scrip Election (and you are not an Ineligible Foreign Shareholder),

then you will receive New LIFULL Shares for some or all of your Scheme Shares. These shares will be listed on the Tokyo Stock Exchange and will be quoted in Japanese Yen. The New LIFULL Shares will not be listed on ASX.

Holding shares in a Japanese company listed on the Tokyo Stock Exchange is different to holding shares in an Australian company listed on the ASX. If you hold more than 20,000 Scheme Shares, became the registered holder of any of your Scheme Share after 7.00pm, Wednesday 24 October 2018 or you intend to make an All Scrip Election, then

⁴ Based on the LIFULL Share price of JPY684 and the AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018.

you should read sections 1.1 (Important considerations if you will receive New LIFULL Shares), 5 (Scheme Consideration), 7 (Information about LIFULL), 8 (Information about the Combined Group) and 11 (Comparison of relevant Australian and Japanese laws) carefully.

If you wish to retain your New LIFULL Shares to sell or deal with as you wish, you must complete Form A and open a Designated Securities Account.

If you wish for your New LIFULL Shares to be sold after 3 months or sold earlier at your request, you must complete Form B and your shares will be held in Comprehensive Account A.

If you wish to have your New LIFULL Shares automatically sold approximately 3 months after Settlement Completion Date, do not fill in Forms A or B and your New LIFULL Shares will be held in Comprehensive Account B until they are sold.

The above is a summary only and section 5 (Scheme Consideration) sets out important information about the ways in which you can hold your New LIFULL Shares (section 5.4(b)), how you can sell or otherwise deal with your New LIFULL Shares (section 5.5) and the terms of the Termination Sales Policy (section 5.7). You should also seek advice from your stockbroker regarding the New LIFULL Shares.

Independent Expert

Your Directors appointed BDO as the Independent Expert to assess the merits of the Scheme. The Independent Expert in a report prepared relying on information available at 23 October 2018 has concluded that the Scheme is fair and reasonable, and therefore that the Scheme is in the best interests of Mitula Shareholders, in the absence of a superior offer. In particular, the Independent Expert:

- estimated the fair market value of a Mitula Share, on a controlling interest basis, to be between \$0.585 and \$0.65 per share based on the expert's assessment of the quoted market price of Mitula Shares on ASX before the announcement of the Transaction;
- concluded that the Cash Consideration of \$0.80 was 'fair' given it is higher than the quoted market price valuation range for Mitula Shares;
- estimated the fair market value of the Scrip Consideration to be between \$0.65 and \$0.75 per Mitula Share, based on the expert's assessment of LIFULL's quoted market price on the Tokyo Stock Exchange; and
- concluded that the Scrip Consideration was 'fair' given that the valuation range is higher than the quoted market price valuation range for Mitula Shares.

A complete copy of the Independent Expert's Report is included in Annexure A of this Scheme Booklet.

How to vote

Your vote is important, and I encourage you to vote by attending the Scheme Meeting or alternatively by completing the Proxy Form accompanying this Scheme Booklet. The Scheme requires the approval of Mitula Shareholders at a Scheme Meeting to be held at 2.00pm on Tuesday, 11 December 2018 at the offices of Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne, Victoria 3000, and the approval of the Court.

If you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme Resolution and approve the Scheme.

Regardless of how you intend to vote (or whether you intend to vote at all), you should also decide:

- whether or not to make an All Scrip Election to receive the Scrip Consideration for all of your Scheme Shares (if the Scheme is implemented). You can do this by completing the Election Form accompanying this Scheme Booklet; and
- if you will receive Scrip Consideration, how you will hold your New LIFULL Shares. You can do this by submitting either a validly completed Form A or Form B.

Further information

This Scheme Booklet sets out important information about the Scheme, including the reasons for your Directors' recommendation, the Independent Expert's Report and the Investigating Accountant's Report. It also sets out some of the reasons why you may not wish to vote in favour of the Scheme.

Please read this document carefully and in its entirety as it will assist you in making an informed decision on how to vote. I would also encourage you to seek independent financial, legal, stockbroking and taxation advice before making any investment decision in relation to your Mitula Shares.

If you require any further information, please call the Mitula Shareholder Information Line on 1300 046 608 (within Australia) or +61 2 9290 9662 (outside Australia) between 8.15am and 5.30pm Monday to Friday.

I would also like to take this opportunity to thank you for your continued support of Mitula.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Baker', is placed over a light grey rectangular background.

Simon Baker
Chairman
Mitula Group Limited

For personal use only

Letter from the President and CEO of LIFULL

Dear Mitula Shareholder

The Board of Directors and management of LIFULL are pleased to provide you with the opportunity to participate in the combination of Mitula and LIFULL. The combination of the operations of Mitula and Trovit (a wholly-owned subsidiary of LIFULL) will create a global leader in the online classifieds industry.

The LIFULL Board of Directors unanimously supports the Scheme, and we encourage you to vote in favour of the combination at the Scheme Meeting scheduled to be held on Tuesday, 11 December 2018. As a Mitula Shareholder, your vote is important in order to realise the attractive value being offered under the Scheme.

The combination of Mitula and Trovit is underpinned by a strong commercial and strategic rationale. It is expected to result in the creation of a leading global online classifieds and marketplaces group. The combined business will:

- operate in 63 countries;
- have more than 400 million listings and 170 million visits to its sites per month;
- provide customers access to more traffic and a greater range of products and services; and
- be well positioned to leverage the strength of both businesses to pursue growth opportunities.

Further details of the benefits of the Scheme are provided in section 1.2.

The value of the Scheme Consideration represents an attractive premium to the trading prices of your Mitula Shares on the ASX prior to the announcement of the Transaction. In addition, the Scheme provides additional flexibility by enabling Mitula Shareholders to elect to receive Scrip Consideration for all of their Scheme Shares by making an All Scrip Election.

Scheme Shareholders who receive New LIFULL Shares will have the opportunity to participate in the future performance of the Combined Group and the potential benefits of combining the Mitula and Trovit businesses.

This Scheme Booklet provides important information in relation to the Scheme and you should read it carefully.

On behalf of the LIFULL Board of Directors, I encourage you to vote in favour of the Scheme at the Scheme Meeting on Tuesday, 11 December 2018.

Yours sincerely,



Takashi Inoue
President and CEO
LIFULL Co. Ltd

1 Key considerations relevant to your vote

1.1 Important considerations if you will receive New LIFULL Shares

At the time that Mitula entered into the Scheme Implementation Deed on 9 May 2018, the implied value of the Scrip Consideration was \$0.85 per Mitula Share.⁵

However, the LIFULL Share price has fluctuated. On 17 October 2018, the implied value of the Scrip Consideration was \$0.605 per Mitula Share and the Downside Price Protection Mechanism had been fully exhausted.⁶ This represents a 28.8% decrease in the implied value of the Scrip Consideration. On Tuesday 23 October 2018, the implied value of the Scrip Consideration was \$0.726 per Mitula Share. This represents a 14.6% decrease in the implied value of the Scrip Consideration.⁷

The Mitula Directors are very disappointed by this significant decrease in the implied value of the Scrip Consideration, which is driven by a material decrease in the LIFULL Share price.

The Mitula Directors continue to believe in the strategic rationale of combining the Mitula and Trovit businesses and are fully aware that Mitula would represent approximately 9% of the Combined Group's revenue and 17% of the Combined Group's EBITDA.

The Mitula Directors recognise that a significant percentage of Mitula Shareholders held 20,000 or fewer Mitula Shares as at 23 October 2018 and will receive \$0.80 cash per share under the Scheme (assuming they do not elect to receive the Scrip Consideration for all of their Scheme Shares).

The Mitula Directors also recognise that Mitula Shareholders who hold significantly in excess of 50% of the Mitula Shares on issue will receive New LIFULL Shares for the majority, if not all, of their Scheme Shares. The Mitula Directors expect that these shareholders will focus on the current and potential value of LIFULL Shares.

The Mitula Directors draw your attention to the fact that, if the Scheme is implemented and the New LIFULL Shares issued under the Scheme are sold, the seller will receive the market price of New LIFULL Shares at the time they are sold. This may be less than the implied value at the time the Scheme Implementation Deed was entered into on 9 May 2018, or even less than the current implied value. Shareholders may find this unacceptable.

The Mitula Directors recognise that at the time of publishing this Scheme Booklet, the date scheduled for the Scheme Meeting remains some weeks away and in that time the LIFULL share price may recover. If the LIFULL Share price increases, this should increase the implied value of the Scrip Consideration (subject to any changes in the AUD:JPY exchange rate).

The Mitula Directors are required by the terms of the Scheme Implementation Deed to recommend that Mitula Shareholders vote in favour of the Scheme.

However, the Mitula Directors are also required by their fiduciary and statutory duties to monitor the situation and advise shareholders up until the date of the Scheme Meeting if they change their recommendation.

Accordingly, the Mitula Directors will continue to execute their fiduciary and statutory duties and monitor market announcements by and sentiment towards the LIFULL business, the impact this has on the LIFULL Share price and thus the implied value of the Scrip Consideration, and will update Mitula Shareholders should their recommendation change.

⁵ Based on the five day VWAP of LIFULL Shares of JPY925 and the AUD/JPY exchange rate of 81.9. See Mitula's announcement ('MUA signs Scheme Implementation Deed with LIFULL Co. Ltd') released on ASX on 9 May 2018 for further detail.

⁶ Based on the LIFULL Share price of JPY575 and the AUD/JPY exchange rate of 80.12 as at 17 October 2018.

⁷ Based on the LIFULL Share price of JPY684 and the AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018.

1.2 Why you may wish to vote in favour of the Scheme

The Scheme has a number of advantages and disadvantages which may affect Mitula Shareholders in different ways depending on their individual circumstances. Mitula Shareholders should seek professional advice on their particular circumstances, as appropriate.

As set out in the Mitula Chairman's letter and subject to the qualifications in that letter and in section 1.1, Your Directors recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Mitula Shareholders.

Subject to the same qualifications, each of Your Directors presently intend to vote all of the Mitula Shares held or controlled by them in favour of the Scheme. The proportion of the total number of Mitula Shares held by or on behalf of each Mitula Director (as at 23 October 2018) is set out in the table below.

Director	Proportion of total Mitula Shares
Simon Baker	4.85%
Gonzalo del Pozo	12.63%
Gonzalo Ortiz	11.24%
Joe Hanna	4.15%
Sol Wise	0.15%
Georg Chmiel	0.03%
TOTAL	33.05%

In forming their recommendation, the Directors have had regard to the advantages of the Scheme set out in this section 1.2. This section should be read in conjunction with section 1.3, which sets out reasons why Mitula Shareholders may not wish to vote in favour of the Scheme. You should read this Scheme Booklet in full, including the Independent Expert's Report and Investigating Accountant's Report, before deciding how to vote at the Scheme Meeting.

✓ **The consideration represents a significant premium to recent historical Mitula Share trading prices and an attractive multiple of earnings**

Under the terms of the Scheme, subject to the Scheme becoming effective Scheme Shareholders (other than Ineligible Foreign Shareholders) will be entitled to receive:

- \$0.80 cash per Scheme Share for the first 20,000 of their Scheme Shares that were held as at 7.00pm, 24 October 2018; and
- 0.0753 New LIFULL Shares for each remaining Scheme Share including any Scheme Shares for which they became registered as the holder after 7.00pm, 24 October 2018 (with an implied value of \$0.726 per Scheme Share as at Tuesday, 23 October 2018), subject to the application of the Downside Price Protection Mechanism or the Upside Participation Cap.

Alternatively, Scheme Shareholders (other than Ineligible Foreign Shareholders) may elect to receive the Scrip Consideration for their entire holding of Scheme Shares.

The \$0.80 offer price of the Cash Consideration represents a premium of:

- 77.8% to the closing price of Mitula Shares on 9 May 2018 (the last trading day before the announcement of the Transaction);
- 78.2% to the three-month VWAP of Mitula Shares to 9 May 2018;
- 62.9% to the six-month VWAP of Mitula Shares to 9 May 2018;

- a multiple of 32.8 times Mitula's price to earnings ratio for the year ended 31 December 2017; and
- a multiple of 13.3 times Mitula's EBITDA for the year ended 31 December 2017.

The \$0.726⁸ implied value of the Scrip Consideration on 23 October 2018 represents a premium of:

- 61.3% to the closing price of Mitula Shares on 9 May 2018 (the last trading day before the announcement of the Transaction);
- 61.6% to the three-month VWAP of Mitula Shares to 9 May 2018;
- 47.8% to the six-month VWAP of Mitula Shares to 9 May 2018;
- a multiple of 29.7 times Mitula's price to earnings ratio for the year ended 31 December 2017; and
- a multiple of 11.9 times Mitula's EBITDA for the year ended 31 December 2017.

✓ **You will receive certain value for some or all of your investment in Mitula**

The Cash Consideration of \$0.80 per Scheme Share (for each of the first 20,000 Scheme Shares you hold as at 7.00pm, 24 October 2018) provides you with certainty of value for some or all of your Scheme Shares held as at that date.⁹

The certainty of this cash payment should be compared with the risks and the uncertainties of remaining a Mitula Shareholder.

✓ **Since the announcement of the Transaction, no Superior Proposal has emerged**

Since the announcement of the Transaction on 9 May 2018 and up to the last practicable date before the date of this Scheme Booklet, no Superior Proposal has emerged.

Your Directors have not become aware of any alternative proposal and have no basis for believing that an alternative proposal will be received.

✓ **The price of Mitula Shares is likely to fall if the Scheme is not implemented**

If the Scheme is not implemented, Mitula Shares will continue to remain quoted on ASX and will continue to be subject to market volatility, including general stock market movements, the impact of general economic conditions and the demand for listed securities. As such, if the Scheme is not implemented, it is likely that the price at which Mitula Shares trade will fall, including to a price that is well below the value of the consideration being offered under the Scheme.

Over the year before the announcement of the Transaction on 9 May 2018, Mitula Shares have traded between a high of \$1.075 on 17 July 2017 and a low of \$0.37 on 22 February 2018. On the last trading day before the announcement of the Transaction (being 9 May 2018), the price of Mitula Shares closed at \$0.45. On the day immediately following announcement of the Transaction (10 May 2018), the price of Mitula Shares closed at \$0.74. Between 10 May 2018 and the last practicable date before the date of this Scheme Booklet, Mitula Shares have traded between \$0.54 (23 October 2018) and \$0.78 (10 May 2018).

⁸ Based on the LIFULL Share price of JPY684 and the AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018.

⁹ For further information, see section 5.2(a).

✓ **The Scheme will create a significant global player in online classifieds**

LIFULL is a leading player in the Japanese online real estate classifieds industry with revenue of JPY33.6 billion (\$411.9 million based on an AUD/JPY exchange rate of 81.61, as at 31 March 2018) and EBITDA of JPY4.5 billion (\$55.7 million based on an AUD/JPY exchange rate of 81.61, as at 31 March 2018) for the 12 months to 31 March 2018. LIFULL has a market capitalisation of approximately JPY81.3 billion (\$1.02 billion based on an AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018).

If the Scheme is implemented, LIFULL intends to merge the operations of Mitula and Trovit (a wholly-owned subsidiary of LIFULL). The combined business will be wholly-owned by LIFULL and will be a significant global player in online classifieds operating in 63 countries with over 170 million visits per month, giving customers access to more traffic and a greater range of products and services.

✓ **The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in your best interests**

Your Directors appointed BDO to prepare an Independent Expert's Report, including an opinion as to whether the Scheme is in the best interests of Mitula Shareholders.

The Independent Expert, in a report prepared relying on information available at 23 October 2018 has concluded that the Scheme is fair and reasonable, and therefore that the Scheme is in the best interests of Mitula Shareholders, in the absence of a superior offer. In particular, the Independent Expert:

- estimated the fair market value of a Mitula Share, on a controlling interest basis, to be between \$0.585 and \$0.65 per share based on the expert's assessment of the quoted market price of Mitula Shares on ASX before the announcement of the Transaction;
- concluded that the Cash Consideration of \$0.80 was 'fair' given it is higher than the quoted market price valuation range for Mitula Shares;
- estimated the fair market value of the Scrip Consideration to be between \$0.65 and \$0.75 per Mitula Share, based on the expert's assessment of LIFULL's quoted market price on the Tokyo Stock Exchange; and
- concluded that the Scrip Consideration was 'fair' given that the valuation range is higher than the quoted market price valuation range for Mitula Shares.

A complete copy of the Independent Expert's Report is included as Annexure A of this Scheme Booklet and your Directors encourage you to read this report in full.

If you hold more than 20,000 Scheme Shares, you became the registered holder of any of your Scheme Shares after 7.00pm, 24 October 2018 or you intend to make an All Scrip Election, your Directors also encourage you to read section 1.1 (Important considerations if you will receive New LIFULL Shares) carefully.

1.3 Why you may not wish to vote in favour of the Scheme

Although the Scheme is recommended by your Directors (in the absence of a Superior Proposal) and the Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, in the best interests of Mitula Shareholders (in the absence of a superior offer), factors which may lead you to consider voting against the Scheme include the following:

- **You may disagree with the Mitula Directors' recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests**

Despite the view of your Directors and the Independent Expert, you may believe that the Scheme is not in the best interests of Mitula Shareholders or not in your individual interests.

- **The value of New LIFULL Shares issued as part of the Scheme Consideration is not certain**

The implied value of the New LIFULL Shares which form part of the Scheme Consideration is not certain and is dependent on the price of LIFULL Shares and the AUD/JPY exchange rate. Subject to the Downside Price Protection Mechanism or the Upside Participation Cap, variations in the implied value of the New LIFULL Shares due to fluctuations in the LIFULL Share price and the AUD/JPY exchange rate will continue until the Scrip Consideration is provided on the Implementation Date.

Given your New LIFULL Shares will not be transferred into a Designated Securities Account or Comprehensive Account A until the Settlement Completion Date (expected to be Friday 18 January 2019), you will not be able to deal with your New LIFULL Shares until then. This means you will also be exposed to variations in the implied value of the New LIFULL Shares due to fluctuations in the LIFULL Share price and the AUD/JPY exchange rate between the Implementation Date and the Settlement Completion Date.

- **Holding New LIFULL Shares will change the profile of your current investment in Mitula**

You may wish to maintain your investment in Mitula in order to have an investment in an Australian publicly listed company with the specific characteristics of Mitula in terms of industry, operational profile, size, capital structure and potential dividend stream. Following implementation of the Scheme, you will hold an interest in the Combined Group, which involves exposure to an increased number of countries, their economies and variations in currency, as well as a larger and more diverse portfolio of websites, because the current Mitula business will only form part of the Combined Group.

Mitula Shareholders who wish to maintain their investment profile may find it difficult to find an investment with a similar profile to that of Mitula. If Mitula Shareholders can find an investment with a similar profile, they may incur transaction costs in undertaking this investment.

- **You will be exposed to differences between the applicable corporations and securities laws given the New LIFULL Shares trade on the Tokyo Stock Exchange**

Mitula is incorporated in Victoria, Australia and the Mitula Shares trade on ASX. LIFULL is incorporated in Tokyo, Japan and the New LIFULL Shares will trade on the Tokyo Stock Exchange.

If the Scheme is implemented and a Mitula Shareholder receives New LIFULL Shares under the Scheme, that person's rights as a shareholder will no longer be governed by the laws of Australia, the ASX Listing Rules and the constitution

of Mitula. Instead, that person's rights as a holder of those New LIFULL Shares will be governed by the laws of Japan, the Tokyo Stock Exchange rules and the articles of incorporation of LIFULL.

Although some of the material differences between the corporations and securities laws in Australia and Japan could be viewed as advantageous to Mitula Shareholders, others could be viewed as disadvantageous to Mitula Shareholders.

Further details of the rights attaching to the New LIFULL Shares and the differences between applicable company laws, listing rules and other relevant laws, can be found in section 11.

- **The tax consequences of the Scheme may not suit your financial position**

Implementation of the Scheme may trigger taxation consequences for Mitula Shareholders. A general guide to the taxation implications of the Scheme is set out in section 10. This guide is expressed in general terms only and Mitula Shareholders should seek independent tax advice regarding the tax consequences applicable to their own circumstances.

- **You may consider that there is potential for an alternative proposal to emerge**

It is possible that a more attractive proposal for Mitula Shareholders could materialise in the future, such as a takeover bid with a higher offer price than the Scheme Consideration. However, as at the last practicable date before the date of this Scheme Booklet, your Directors have not received or become aware of any alternative proposal and have no basis for believing that an alternative proposal will be received.

- **Depending on how you choose to hold your New LIFULL Shares, you may have limited ability to deal with your New LIFULL Shares and they may ultimately be sold on your behalf**

The ways in which you can hold any New LIFULL Shares you receive pursuant to the Scheme are different to the way in which your Mitula Shares (which are listed on ASX) are currently held.

You can choose to hold your New LIFULL Shares in one of three accounts — a Designated Securities Account, Comprehensive Account A or Comprehensive Account B. The differences between these accounts are explained in section 5.4. Depending on the account in which you choose to hold your New LIFULL Shares, you may have limited rights to deal with your New LIFULL Shares. Further information regarding your rights to deal with New LIFULL Shares are set out in sections 5.5 and 5.6.

Unless you choose to receive your New LIFULL Shares in, or transfer your New LIFULL Shares to, a Designated Securities Account, your New LIFULL Shares will ultimately be sold on your behalf and the proceeds of sale will be remitted to you. This sale process will commence three months after the Settlement Completion Date and may take an extended period of time to complete. Further information regarding the sales process is set out in section 5.7.

2 Frequently asked questions

Question	Answer	More information
Details of the Scheme		
What is the Scheme?	<p>The Scheme is a scheme of arrangement between Mitula and Mitula Shareholders at the Scheme Record Date. The Scheme will effect the acquisition of Mitula by LIFULL.</p> <p>A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire another company.</p> <p>If the Scheme is approved and implemented, Scheme Shareholders will receive the Scheme Consideration.</p>	Section 4 and Annexure C
What do the Mitula Directors recommend and how do they intend to vote?	<p>Your Directors recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Mitula Shareholders.</p> <p>Each of Your Directors presently intends to vote all of the Mitula Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Mitula Shareholders.</p>	Sections 1.2 and 12.1
What is the opinion of the Independent Expert?	<p>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 offer.</p> <p>The Independent Expert's estimated the fair value of:</p> <ul style="list-style-type: none"> a Mitula Share to be between \$0.585 and \$0.65 per share; and the Scrip Consideration to be between \$0.65 and \$0.75 per Mitula Share. <p>The Mitula Directors draw your attention to the fact that, if the Scheme is implemented and you sell your New LIFULL Shares, you will receive the market price for those shares at the time they are sold, which may be less than the theoretical 'fair value' of the LIFULL Shares determined by the Independent Expert.</p>	Sections 1.1 and 1.2 and Annexure A
Who is LIFULL?	<p>LIFULL was established in 1997 by founder and Chief Executive Officer Takashi Inoue and is now a leading player in the Japanese online real estate classifieds industry.</p> <p>LIFULL operates the homes.co.jp site with over six million listings. LIFULL also owns and operates Trovit, a vertical search competitor of Mitula and based in Barcelona, Spain.</p> <p>LIFULL is listed on the Tokyo Stock Exchange with a market capitalisation of approximately JPY81.3 billion (\$1.02 billion based on an AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018).¹⁰</p>	Section 7
What are the tax implications of the Scheme for me?	<p>A general summary of the main Australian and Japanese tax implications of the Scheme for certain Mitula Shareholders is set out in section 10.</p> <p>You should seek your own independent tax advice in respect of your individual circumstances, particularly if you are not covered by the general summary in section 10.</p>	Section 10

¹⁰ Based on the LIFULL Share price of JPY684, 118,789,100 LIFULL Shares on issue and the AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018.

Question	Answer	More information
Conditions precedent		
Are there any conditions to be satisfied or waived?	<p>There are a number of conditions that will need to be satisfied or waived (where capable of waiver) before the Scheme can become effective.</p> <p>In summary, as at the last practicable date before the date of this Scheme Booklet, the outstanding conditions include:</p> <ul style="list-style-type: none"> • no legal restraints or impediments to the Scheme; • Mitula Shareholders approve the Scheme; • the Court approves the Scheme; • no LIFULL Material Adverse Change or Mitula Material Adverse Change occurs; • no LIFULL Prescribed Occurrence or Mitula Prescribed Occurrence occurs; • the representations and warranties given by Mitula and LIFULL to each other are true and correct in all material respects; and • arrangements have been put in so that all Deferred Shares have been issued as Mitula Shares. 	Section 12.3(a)
When must the conditions be satisfied or waived by?	<p>Apart from the conditions relating to Mitula Shareholder approval and Court approval, the conditions must be satisfied or waived as at 8.00am on the Second Court Date.</p> <p>While any conditions precedent (other than Court approval) remain unsatisfied and have not been waived (if applicable), there is a risk that the Second Court Hearing will be delayed until after those conditions precedent have been satisfied or waived (if applicable). If the Second Court Hearing is delayed, this may in turn delay the Implementation Date.</p> <p>In addition, the Scheme will not proceed if any of the conditions precedent are not satisfied or waived (if applicable) by the End Date, and either Mitula or LIFULL terminates the Scheme Implementation Deed.</p> <p>The End Date is 14 December 2018 and may be extended by agreement between Mitula and LIFULL.</p>	Section 12.3(a)
When does the Scheme become effective?	<p>In order to become Effective, the Scheme must be approved by the Court at the Second Court Hearing.</p> <p>Mitula will apply to the Court for an order approving the Scheme if the Scheme is approved by the requisite majorities of Mitula Shareholders voting at the Scheme Meeting and all other conditions precedent (other than Court approval) have been satisfied or waived.</p> <p>If the Court makes orders approving the Scheme, Mitula will lodge a copy of those orders with ASIC under section 411(10) of the Corporations Act. As soon as the copies of the Court orders approving the Scheme are lodged with ASIC, the Scheme will become Effective. This is expected to occur, on or shortly after the date on which the Court issues orders approving the Scheme (currently scheduled to be at 10.30am on Thursday, 13 December 2018).</p>	Section 4.1

Question	Answer	More information
What will I receive?		
What will I receive if the Scheme is implemented?	<p>Standard Consideration</p> <p>If the Scheme is approved and implemented, unless you make an All Scrip Election or you are an Ineligible Foreign Shareholder, you will receive the Standard Consideration, comprising:</p> <ul style="list-style-type: none"> • \$0.80 cash per Scheme Share for the first 20,000 of their Scheme Shares that were held as at 7.00pm on 24 October 2018 (Cash Consideration); and • 0.0753 New LIFULL Shares for each remaining Scheme Share including any Scheme Shares for which you became the beneficial or registered holder after 7.00pm on 24 October 2018, subject to the application of the Downside Price Protection Mechanism or the Upside Participation Cap (Scrip Consideration). <p>All Scrip Consideration alternative</p> <p>If the Scheme is approved and implemented, you can elect to receive the Scrip Consideration for all of your Scheme Shares by making an All Scrip Election. If you make an All Scrip Election, it will apply to all of your Scheme Shares.</p> <p>You can make an All Scrip Election by submitting an Election Form in accordance with the instructions specified in this Scheme Booklet and the Election Form.</p> <p>Completed Election Forms can be submitted by email, post or delivered in person and must be received by the Mitula Registry prior to 7.00pm on the Election Date.</p> <p>If you do not submit an Election Form, or if your Election Form is invalid or is received after the Election Date, you will receive the Standard Consideration.</p>	Section 5
When will the Scheme Consideration be issued or paid?	<p>If the Scheme is approved and implemented, the Scheme Consideration will be paid or provided (as applicable) to Scheme Shareholders (other than Ineligible Foreign Shareholders) as follows:</p> <ul style="list-style-type: none"> • the Cash Consideration will be paid on the Implementation Date, which is currently scheduled to be 8 January 2019; and • the Scrip Consideration will be: <ul style="list-style-type: none"> – issued on the Implementation Date, which is currently scheduled to be Tuesday, 8 January 2019; and – transferred into a Designated Securities Account or Comprehensive Account A, or will remain in Comprehensive Account B, on the Settlement Completion Date (the seventh Business Day after implementation of the Scheme). This is currently scheduled to be Friday, 18 January 2019. <p>Any cash payments will be made by direct deposit into your Australian dollar denominated bank account, as advised to the Mitula Registry as at the Scheme Record Date. If you have not nominated an Australian dollar denominated bank account, payment will be made by Australian dollar cheque sent by post to your registered address as shown on the Mitula Register.</p>	Section 4.1(d)
Can I split my shareholding into one or more parcels?	<p>If LIFULL or Mitula are of the opinion that a Scheme Shareholder has been a party to Share Splitting or division in an attempt to obtain an unfair advantage in relation to accessing the Cash Consideration, LIFULL and Mitula have the discretion to aggregate those holdings for the purposes of the Scheme.</p> <p>Both Mitula and LIFULL are of the view that no Share Splitting or</p>	Section 5.8(b)

Question	Answer	More information
	<p>division in an attempt to obtain an unfair advantage in relation to accessing the Cash Consideration had occurred prior to the announcement made by Mitula on 22 October 2018 intruding the Cut Off Date. Accordingly, both Mitula and LIFULL have confirmed that they will not exercise this discretion in respect of any transactions that occurred prior to the Cut Off Date.</p>	
<p>What if I am a Nominee Shareholder?</p>	<p>If you are a Nominee Shareholder, and the Scheme is approved and implemented, then the Standard Consideration will be provided in respect of each parcel of Scheme Shares that you hold as trustee or nominee for, or otherwise on account of, another person.</p> <p>Those Mitula Shareholders (including those Mitula Shareholders whose Scheme Shares are held by a Nominee Shareholder as trustee or nominee, or otherwise on account of, them) who do not make an All Scrip Election, will receive the Cash Consideration for their first 20,000 Scheme Shares that were held (either legally or beneficially) at 7.00pm on 24 October 2018 and 0.0753 New LIFULL Shares for each remaining Scheme Share including any Scheme Shares for which they became registered as the holder after 7.00pm on 24 October 2018, subject to the application of the Downside Price Protection Mechanism or the Upside Participation Cap.</p>	<p>Section 5.9</p>
<p>Can a Nominee Shareholder make a separate All Scrip Election on behalf of an underlying beneficial owner?</p>	<p>A Nominee Shareholder who holds a parcel of Scheme Shares as trustee or nominee for, or otherwise on account of, another person may make separate All Scrip Elections in relation to each of those parcels of Scheme Shares.</p> <p>However, a Nominee Shareholder will only be able to make a single election (by submitting either a Form A or a Form B) regarding how any New LIFULL Shares are to be issued. In other words, New LIFULL Shares issued to a Nominee Shareholder on behalf of one or more underlying beneficial holders will be issued to the same account.</p>	<p>Section 5.9(a)</p>
<p>Information regarding the Scheme Consideration</p>		
<p>What are the New LIFULL Shares?</p>	<p>The New LIFULL Shares will be fully paid ordinary shares in the capital of LIFULL.</p> <p>The New LIFULL Shares will be listed on the Tokyo Stock Exchange (under the code "2120") and will be quoted in Japanese Yen. They will not be listed on ASX.</p>	<p>Section 5.4</p>
<p>What is the implied value of the Scrip Consideration?</p>	<p>As at Tuesday 23 October 2018, the implied value of the Scrip Consideration was \$0.726 per Scheme Share.¹¹</p> <p>The implied value of the Scrip Consideration will vary over time depending on the LIFULL Share price, the AUD/JPY exchange rate and the application of the Downside Price Protection Mechanism or Upside Participation Cap.</p>	<p>Section 5.1</p>
<p>What are the alternatives for holding my New LIFULL Shares?</p>	<p>As the New LIFULL Shares will be listed on the Tokyo Stock Exchange, the mechanisms for holding any New LIFULL Shares you receive pursuant to the Scheme are different to the way in which your Mitula Shares (which are listed on ASX) are currently held.</p> <p>You can elect to hold your New LIFULL Shares in either:</p> <ul style="list-style-type: none"> • a Designated Securities Account, being a securities account in which any New LIFULL Shares are held by you, or on your behalf through a stockbroker or global custodian, by submitting a validly completed Form A and ensuring that your stockbroker issues the required matching instruction to JASDEC for this purpose. In order 	<p>Section 5.4</p>

¹¹ Based on the LIFULL Share price of JPY684 and the AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018.

Question	Answer	More information
	<p>to be able to do this you will need to establish a Designated Securities Account with a stockbroker before you submit a Form A; or</p> <ul style="list-style-type: none"> • a Comprehensive Account A, if you do not want to establish a Designated Securities Accounts prior to the Election Date, you can submit a Form B in which case your New LIFULL Shares will be held by the Settlement Agent (being Pacific Custodians Pty Limited, a wholly owned subsidiary of Link Market Services Limited) on your behalf for three months after the Settlement Completion Date. <p>At the end of this period, any shares remaining in Comprehensive Account A will be sold on Tokyo Stock Exchange in accordance with the Termination Sales Policy.</p> <p>Following completion of the sale of all Termination Sale Shares, the Sales Agent will transfer the Australian dollar amount of the sales proceeds of all Termination Sale Shares (converted from Japanese Yen at the prevailing AUD/JPY exchange rate) less any brokerage fees to a bank account held by the Settlement Agent. The Settlement Agent will then distribute to each relevant Scheme Shareholder their pro-rata proportion of the sales proceeds.</p> <p>If you hold more than 20,000 Scheme Shares and are not an Ineligible Foreign Shareholder, you should submit either a validly completed Form A or Form B even if you do not make an All Scrip Election.</p>	
<p>What if I do not submit a validly completed Form A or Form B?</p>	<p>If you do not submit a validly completed Form A or Form B, your New LIFULL Shares will be held in Comprehensive Account B on your behalf for three months after the Settlement Completion Date.</p> <p>At the end of this period, any shares remaining in Comprehensive Account B will be sold on the Tokyo Stock Exchange in accordance with the Termination Sales Policy.</p> <p>Following completion of the sale of all Termination Sale Shares, the Sales Agent will transfer the Australian dollar amount of the sales proceeds (converted from Japanese Yen at the prevailing AUD/JPY exchange rate) less any brokerage fees to a bank account held by the Settlement Agent. The Settlement Agent will then distribute to each relevant Scheme Shareholders their pro-rata proportion of the sales proceeds.</p> <p>If you wish to sell your New LIFULL Shares before the end of the three-month period after the Settlement Completion Date, then you will need to first transfer your New LIFULL Shares to either:</p> <ul style="list-style-type: none"> • a Designated Securities Account; or • Comprehensive Account A. 	<p>Section 5.4(c)</p>
<p>What does 'holding my New LIFULL Shares in a Designated Securities Account' mean?</p>	<p>A Designated Securities Account is a securities account in which any New LIFULL Shares are held by you, or on your behalf through a stockbroker or global custodian.</p> <p>Holding your New LIFULL Shares in a Designated Securities Account will enable you to sell your New LIFULL Shares on the Tokyo Stock Exchange through your stockbroker.</p> <p>Your New LIFULL Shares will only be held in this account if you submit a validly completed Form A and you ensure that your stockbroker issues the required matching instruction to JASDEC for this purpose.</p>	<p>Sections 5.4(a) and 5.5(a)</p>
<p>How do I establish a Designated Securities</p>	<p>You will need to contact an appropriately licensed stockbroker that is able to trade securities on the Tokyo Stock Exchange.</p> <p>A number of major stockbrokers in Australia may be able to trade</p>	<p>Section 5.4(c)</p>

Question	Answer	More information
Account?	<p>securities on the Tokyo Stock Exchange. Such stockbrokers may be able to assist with establishing a Designated Securities Account in which any New LIFULL Shares are held by you, or on your behalf through a stockbroker or global custodian.</p> <p>You should contact your existing stockbroker, or a major stockbroker in Australia, if you require assistance with establishing a Designated Securities Account.</p> <p>Generally, fees are not ordinarily charged by Australian stockbrokers for establishing a Designated Securities Account, but you will need to provide certain information (including identification documentation) to the stockbroker in order to set up an account. You will generally be charged fees and potentially other transaction costs in connection with trading securities on the Tokyo Stock Exchange. You should be aware that these fees and costs may be higher than those ordinarily charged for trading securities on the ASX. Fees and charges may vary between stockbrokers.</p>	
What does 'holding my New LIFULL Shares in Comprehensive Account A' mean?	<p>If your New LIFULL Shares are held in a Comprehensive Account A, your New LIFULL Shares will be held by the Settlement Agent on your behalf for three months after the Settlement Completion Date.</p> <p>During this period, you will be able to take any of the following actions:</p> <ul style="list-style-type: none"> • transfer your holding into a Designated Securities Account (if you have established one); • sell your holding by submitting a Sales Request Form, pursuant to which your New LIFULL Shares will be sold in accordance with the Sales Request Policy; and • exercise voting rights attaching to your New LIFULL Shares. <p>You will receive any LIFULL dividends to which the registered holder of your New LIFULL Shares becomes entitled from the Implementation Date to the time your New LIFULL Shares are sold.</p> <p>Your New LIFULL Shares will be held in this account if you submit a validly completed Form B.</p>	Sections 5.4(a) and 5.5(b)
What does 'holding my New LIFULL Shares in Comprehensive Account B' mean?	<p>If your New LIFULL Shares are held in a Comprehensive Account B, your New LIFULL Shares will be held by the Settlement Agent on your behalf for three months after the Settlement Completion Date.</p> <p>During this period, you will be able to transfer your New LIFULL Shares to either:</p> <ul style="list-style-type: none"> • a Designated Securities Account (if you have established one); or • Comprehensive Account A. <p>If your New LIFULL Shares are held in Comprehensive Account B, you will:</p> <ul style="list-style-type: none"> • not be able to deal with your New LIFULL Shares unless and until you have instructed the Settlement Agent to transfer your New LIFULL Shares into either a Designated Securities Account or Comprehensive Account A; and • not be able to exercise any voting rights attaching your New LIFULL Shares. <p>You will receive any LIFULL dividends to which the registered holder of your New LIFULL Shares becomes entitled from the Implementation Date to the time your New LIFULL Shares are sold.</p> <p>Your New LIFULL Shares will be held in this account if you do not submit a validly completed Form A or Form B.</p>	Sections 5.4(a) and 5.5(c)

Question	Answer	More information
<p>How do I make an election regarding how I want to hold my New LIFULL Shares?</p>	<p>You can instruct the Mitula Registry regarding how you wish to hold your New LIFULL Shares by doing one of the following:</p> <ul style="list-style-type: none"> • submit a validly completed Form A if you wish to hold your New LIFULL Shares in a Designated Securities Account (and ensure that your stockbroker issues the required matching instruction to JASDEC for this purpose); • submit a validly completed Form B if you wish to hold your New LIFULL Shares in Comprehensive Account A; or • do not submit a Form A or Form B if you wish to hold your New LIFULL Shares in Comprehensive Account B. <p>The validly completed Form A or Form B must be received by the Mitula Registry prior to 7.00pm on the Election Date.</p> <p>If you hold more than 20,000 Scheme Shares and are not an Ineligible Foreign Shareholder, you should submit either a validly completed Form A or Form B even if you do not make an All Scrip Election.</p>	<p>Section 5.4(c)</p>
<p>What happens at the end of the three-month holding period?</p>	<p>Any New LIFULL Shares that remain in Comprehensive Account A or Comprehensive Account B after the end of the three-month holding period will be sold on the Tokyo Stock Exchange in accordance with the Termination Sales Policy.</p> <p>Accordingly, you will not be able to take any action in relation to those New LIFULL Shares following the end of this period.</p> <p>You will then receive the net proceeds of sale of those New LIFULL Shares (after deduction for any applicable brokerage, stamp duty and other selling costs, taxes and charges).</p>	<p>Sections 5.5 and 5.7</p>
<p>Can I change an election regarding my Form A or Form B?</p>	<p>You may change an election regarding your Form A or Form B by submitting a replacement validly completed Form A or Form B (as applicable) provided that it is received by the Mitula Registry prior to 7.00pm on the Election Date.</p> <p>You can obtain replacement copies of the Form A or Form B by contacting the Mitula Shareholder Information Line on 1300 046 608 (within Australia) or +61 9290 9662 (outside Australia) between 8.15am and 5.30pm, Monday to Friday.</p>	<p>Section 5.4(c)</p>
<p>Voting on the Scheme</p>		
<p>Where and when is the Scheme Meeting?</p>	<p>The Scheme Meeting is scheduled to be held at the offices of Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne, Victoria 3000 on Tuesday 2.00pm on 11 December 2018.</p>	<p>Annexure E</p>
<p>Who can vote at the Scheme Meeting?</p>	<p>If you are a Mitula Shareholder at 7.00pm on the Voting Record Date, you may vote at the Scheme Meeting.</p> <p>If you are eligible to vote and have appointed a proxy, attorney or corporate representative, that individual may vote at the Scheme Meeting on your behalf.</p>	<p>Section 3.2 Annexure E</p>
<p>What are the approval thresholds?</p>	<p>For the Scheme to be approved, the Scheme Resolution must be passed by the requisite majorities, being:</p> <ul style="list-style-type: none"> • more than 50% in number of Mitula Shareholders who are present and voting, either in person or by proxy, by attorney or, in the case of a corporation, by its duly appointed corporate representative, at the Scheme Meeting; and • at least 75% of the total number of votes cast on the Scheme Resolution. 	<p>Section 4.1(a)</p>

Question	Answer	More information
What if I do not vote at the Scheme Meeting or if I vote against the Scheme?	If the Scheme is approved by the requisite majorities of Mitula Shareholders, then, subject to the other conditions precedent being satisfied or waived (if applicable) and the Scheme becoming Effective, the Scheme will be implemented and will be binding on all Mitula Shareholders, including those who voted against the Scheme, or did not vote.	N/A
Trading		
Can I sell my Mitula Shares before the Scheme is implemented?	<p>Yes, you are able to sell your Mitula Shares on the ASX in the usual manner on or before the Effective Date (which is currently scheduled to be Thursday 13 December 2018) if you do not wish to hold them and participate in the Scheme.</p> <p>However, you should note that if you choose to sell your Mitula Shares, you may not receive consideration equivalent to the implied value of the Scheme Consideration, and brokerage expenses on the sale may be incurred.</p> <p>If you are in any doubt as to what you should do, you should seek advice from independent and appropriately licensed financial, legal, stockbroking and taxation advisers before making any decision regarding the Scheme.</p>	Sections 4.1(b) and 4.1(c)
How do I deal with the New LIFULL Shares I receive on the Tokyo Stock Exchange?	<p>You can deal with your New LIFULL Shares as follows:</p> <ul style="list-style-type: none"> • If you hold your New LIFULL Shares in a Designated Securities Account, after the Settlement Completion Date, you will be able to deal with your New LIFULL Shares on the Tokyo Stock Exchange through your stockbroker. <p>You should consult your stockbroker with respect to dealing with your New LIFULL Shares.</p> <ul style="list-style-type: none"> • If you hold your New LIFULL Shares in Comprehensive Account A, during the three months after the Settlement Completion Date, you can: <ul style="list-style-type: none"> – transfer your holding into a Designated Securities Account (if you have established one) by submitting Form A-2 to the Settlement Agent and ensuring that your stockbroker issues the required matching instruction to JASDEC for this purpose; or – sell your holding by submitting a Sales Request Form to the Settlement Agent, pursuant to which your New LIFULL Shares will be sold by the Sales Agent in accordance with the Sales Request Policy. • If you hold your New LIFULL Shares in Comprehensive Account B, you will not be able to deal with your New LIFULL Shares unless and until you have instructed the Settlement Agent to transfer your New LIFULL Shares into either a Designated Securities Account or Comprehensive Account A. <p>During the three months after the Settlement Completion Date, you can transfer your New LIFULL Shares to either:</p> <ul style="list-style-type: none"> – a Designated Securities Account; or – Comprehensive Account A. <p>Any New LIFULL Shares that remain in Comprehensive Account A or Comprehensive Account B three months after the Settlement Completion Date will be sold on the Tokyo Stock Exchange in accordance with the Termination Sales Policy.</p>	Section 5.5

Question	Answer	More information
Information on the Combined Group and the combined Mitula and Trovit business		
How will the Combined Group be managed?	Takashi Inoue will remain the President and Chief Executive Officer of LIFULL after the Scheme is implemented. As at the date of this Scheme Booklet, no changes to the LIFULL senior management team or the LIFULL directors are expected.	Sections 7.8 and 8.4
How will the combined Mitula and Trovit business be managed?	<p>It is currently intended that an advisory board be created to monitor progress of the combined Mitula and Trovit business, review potential acquisitions and consult on key strategic issues. It is currently intended that some of the resigning Mitula Directors be appointed as members of the advisory board. Their comprehensive expertise in the sector will be valuable during the integration period and in the strategic development of the combined Mitula and Trovit business thereafter.</p> <p>It is currently intended that the executive management teams of Trovit and Mitula be retained to oversee the integration of the two businesses and to drive the future development of the combined business. The combined executive management team will be led by Gonzalo del Pozo, who will be appointed as Chief Executive Officer of the combined Mitula and Trovit business. Although the terms of Mr del Pozo's engagement have not been finalised, it is expected that they will be commensurate with his role as the Chief Executive Officer of the combined business, and where there are changes that will result in an increase in remuneration this will not materially exceed his current remuneration.</p> <p>Mr del Pozo will be supported by Mauricio Silber, the existing Chief Executive Officer of Trovit, and who will be appointed as Chief Operating Officer of the combined Mitula and Trovit business. Although the terms of Mr Silber's engagement have not been finalised, it is expected that they will be commensurate with his role as the Chief Operating Officer of the combined business.</p>	Section 8.4
What will be the strategy of LIFULL's overseas business (including the combined Mitula and Trovit business)?	<p>It is expected that the combined Mitula and Trovit businesses will have a broader geographical footprint than either of the current businesses have independently and will leverage each business' core strengths to pursue a growth strategy.</p> <p>The combined Mitula and Trovit business will operate as part of LIFULL's overseas business unit. The strategy of LIFULL's overseas business is to accelerate the development of a global platform, with the combined Mitula and Trovit business at its centre, to become the best life event database and solution company in the world.</p>	Sections 7.5(b) and 8.1
What is LIFULL's dividend policy?	<p>In fiscal year ended 31 March 2017, LIFULL had a dividend payout ratio of 24.3% (compared to 19.7% in fiscal year 2016).</p> <p>There is no guarantee LIFULL will continue to pay dividends in the future.</p>	Section 7.6
When will I receive a dividend from the Combined Group?	<p>Scheme Shareholders who receive New LIFULL Shares will be eligible to receive any dividends to which the registered holder becomes entitled from the Implementation Date.</p> <p>LIFULL has historically paid dividends on an annual basis. However, there is no guarantee LIFULL will continue to pay dividends in the future.</p>	Sections 5.5, 7.6 and 8.3(e)
In what language and where will LIFULL conduct its annual general meetings?	<p>LIFULL intends to hold all annual general meetings in Japanese in Tokyo, Japan. However, the following information about LIFULL is available in English on its website and through the Tokyo Stock Exchange's website (https://www.release.tdnet.info/index_e.html):</p> <ul style="list-style-type: none"> summary of annual consolidated financial information (kessan) 	Sections 7.20 and 7.22

Question	Answer	More information
	<p>tanshin);</p> <ul style="list-style-type: none"> • summary of quarterly consolidated financial information (kessan tanshin); • mid-term business plan; • convocation notice (notice of meeting) of LIFULL shareholders' meeting; and <p>releases relating to key developments such as new collaborations, alliances, investments or acquisitions.</p> <p>English language versions of LIFULL disclosures are made available on these platforms as soon as practicable and within one week after the Japanese language disclosures have been released. Convocation notices are made available in English on the same day as the Japanese language version is released.</p>	
Further questions		
<p>Who can I contact if I have further questions in relation to the Scheme?</p>	<p>If you have any further questions, you should seek advice from independent and appropriately qualified financial, legal, stockbroking and taxation advisers.</p> <p>You may also call the Mitula Shareholder Information Line on 1300 046 608 (within Australia), or + 61 2 9290 9662 (outside Australia), between 8.15am and 5.30pm, Monday to Friday.</p>	<p>N/A</p>

3 What should you do?

3.1 Step 1: Carefully read this Scheme Booklet in full and seek advice if you have any questions

You should carefully read this Scheme Booklet in its entirety to assist you in making an informed decision on how to vote on the Scheme.

This Scheme Booklet contains important information, including:

- the reasons for the Mitula Directors' recommendation;
- the reasons why you may choose to vote for or against the Scheme;
- information about the Scheme Consideration (including the New LIFULL Shares);
- information about Mitula, LIFULL and the Combined Group;
- the Investigating Accountant's Report; and
- the Independent Expert's Report.

If you have further questions, you can call the Mitula Shareholder Information Line on 1300 046 608 (within Australia), or +61 2 9290 9662 (outside Australia), between 8.15am and 5.30pm, Monday to Friday.

If you are in any doubt as to what you should do, you should seek advice from independent and appropriately qualified financial, legal, stockbroking or taxation advisers before making any decision regarding the Scheme.

3.2 Step 2: Vote on the Scheme

(a) Your vote is important

For the Scheme to proceed, it is necessary that sufficient Mitula Shareholders vote in favour of the Scheme.

If you are registered as a Mitula Shareholder at 7.00pm on the Voting Record Date, you will be entitled to vote on the Scheme.

(b) Notice of Meeting

The Scheme will be voted on by Mitula Shareholders at a meeting to be held at the offices of Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne, Victoria 3000 on Tuesday 11 December 2018, commencing at 2.00pm.

The Notice of Meeting is contained in Annexure E to this Scheme Booklet.

(c) Procedure

You may vote on the Scheme:

- in person, by attending the Scheme Meeting;
- by proxy, by completing, signing and lodging the original Proxy Form in accordance with the instructions set out on the form. You should arrange to have your proxy or proxies attend if you are appointing a person other than the Chairman of the Scheme Meeting as your proxy;
- by attorney, by appointing an attorney to attend and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the registered office of Mitula by 2.00pm on Sunday 9 December 2018; or
- by corporate representative, in the case of a corporation which is a Mitula Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting on your behalf and providing a duly executed certificate of appointment (in accordance with sections 250D and 253B of the Corporations Act) prior to admission to the Scheme Meeting.

Further, information on how to vote using each of these methods is contained in the Notice of Meeting attached as Annexure E to this Scheme Booklet.

If you are in favour of the Scheme, you should vote in favour of the Scheme.

The Scheme will not proceed unless the Scheme is approved by Mitula Shareholders.

(d) **Voting entitlement**

Each Mitula Shareholder who is registered on the Mitula Register at 7.00pm on the Voting Record Date is entitled to attend and vote at the Scheme Meeting, in person, by proxy, by attorney or, in the case of a corporation which is a Mitula Shareholder, by its representative appointed in accordance with the Corporations Act.

Information on entitlements to vote, including if you are a joint holder of Scheme Shares, is contained in the Notice of Meeting which is attached as Annexure E to this Scheme Booklet.

3.3 Step 3: Regardless of your vote, decide whether to make an All Scrip Election

You may make an All Scrip Election to receive the Scrip Consideration for all of your Scheme Shares by submitting the Election Form by the Election Date. This form is provided with this Scheme Booklet. If you do not make an All Scrip Election you will receive the Standard Consideration for each Scheme Share you hold. If you became the registered or beneficial holder of any of your Scheme Shares after 7.00pm on 24 October 2018, you will receive only the Scrip Consideration for those Scheme Shares. For further information, see section 5.3.

If you make an All Scrip Election, it will apply to all of your Mitula Shares.

The above is a summary only. See section 5 for more detailed information about the Scrip Consideration.

You can make an All Scrip Election even if you choose to vote against the Scheme or not to vote. This is because, if the Scheme is implemented, all Scheme Shareholders will receive the Scheme Consideration whether they voted for or against the Scheme or did not vote.

3.4 Step 4: Regardless of your vote, if you will receive Scrip Consideration, decide how you will hold your New LIFULL Shares

Scheme Shareholders who will receive Scrip Consideration should elect how they would like to hold their New LIFULL Shares by submitting either a validly completed Form A or Form B. These forms are provided with this Scheme Booklet.

If you:

- wish to hold your New LIFULL Shares in a Designated Securities Account, you should submit a validly completed Form A and ensure that your stockbroker issues the required matching instruction to JASDEC for this purpose; or
- have not established a Designated Securities Account prior to the Election Date and you wish to hold your New LIFULL Shares in Comprehensive Account A, you can submit a validly completed Form B.

If you do not submit either a Form A or a Form B, or if you submit an invalid Form A or Form B, your New LIFULL Shares will remain in Comprehensive Account B. If your shares are still in Comprehensive Account B on the date three months after the Settlement Completion Date, they will be sold on the Tokyo Stock Exchange in accordance with the Termination Sales Policy as set out in section 5.7.

If you hold more than 20,000 Scheme Shares or became the registered holder of any of your Scheme Shares since 7.00pm on 24 October 2018 and are not an Ineligible Foreign Shareholder, you should submit either a validly completed Form A or Form B even if you do not make an All Scrip Election.

For personal use only

The above is a summary only. See section 5 for more detailed information about the Scrip Consideration, and specifically section 5.4(b) for further details about how you can hold your New LIFULL Shares.

4 Overview of the Scheme process

4.1 Key steps in the Scheme

(a) Scheme approval requirements

The Scheme will only become effective and be implemented if it is:

- agreed to by the requisite majorities of Mitula Shareholders at the Scheme Meeting to be held on Tuesday 11 December 2018; and
- approved by the Court at the Second Court Hearing.

Agreement by Mitula Shareholders requires the Scheme Resolution to be agreed by:

- a majority in number (more than 50%) of Mitula Shareholders present and entitled to vote at the Scheme Meeting (either in person or by proxy, by attorney or, in the case of a corporation, by its duly appointed corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Mitula Shareholders present and entitled to vote at the Scheme Meeting (either in person or by proxy, by attorney or, in the case of a corporation, by its duly appointed corporate representative).

The Court has the power to waive the first requirement.

In the event that:

- the Scheme is agreed to by the requisite majorities of Mitula Shareholders at the Scheme Meeting; and
- all other conditions (except Court approval of the Scheme) have been satisfied or waived (where capable of waiver),

then Mitula will apply to the Court for orders approving the Scheme.

Each Mitula Shareholder has the right to appear at the Second Court Hearing.

ASIC has advised that it is reserving its position regarding whether any votes cast by Mitula Shareholders should be discounted or disregarded by the Court at the second court hearing on the basis of fairness. ASIC has also advised it will closely look at the effect the differing consideration offered under the Scheme will have on the outcome of the voting due to different groups of Mitula Shareholders being entitled to different consideration.

Mitula has agreed to provide ASIC and the Court with a voting report detailing the outcome of the voting for each Mitula Shareholder at the Scheme Meeting. This will assist ASIC (and the Court) to assess fairness of the Scheme by observing how different Mitula Shareholders who held less than 20,000 Mitula Shares and who held more than 20,000 Mitula Shares voted, and whether there is any divergence in the voting pattern between different Mitula Shareholders.

(b) Scheme Record Date

Scheme Shareholders, being those Mitula Shareholders on the Mitula Register on the Scheme Record Date (currently expected to be at 7.00pm on Tuesday 18 December 2018) will be entitled to receive the Scheme Consideration in respect of the Scheme Shares they hold as at the Scheme Record Date.

(1) Dealings on or prior to the Scheme Record Date

For the purpose of determining which Mitula Shareholders are eligible to participate in the Scheme, dealings in Mitula Shares will be recognised only if:

- in the case of dealings of the type to be affected using CHESS, the transferee is registered on the Mitula Register as the holder of the relevant Mitula Shares on or before the Scheme Record Date (currently expected to be at 7.00pm on Tuesday 18 December 2018); and

- in all other cases, registrable transmission applications or transfers in respect of those dealings, or valid requests in respect of other alterations, are received by the Mitula Registry on or before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purposes of determining entitlements under the Scheme, Mitula will not accept for registration nor recognise any transfer or transmission applications or other request received in respect of Mitula Shares received after the Scheme Record Date, or prior to the Scheme Record Date but not in a registrable or actionable form, as appropriate.

(2) **Dealings after the Scheme Record Date**

For the purpose of determining entitlements to the Scheme Consideration, Mitula must maintain the Mitula Register in its form as at the Scheme Record Date (currently expected to be at 7.00pm on 18 December 2018) until the Scheme Consideration has been provided. The Mitula Register in this form will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- all statements of holding for Mitula Shares will cease to have effect as documents relating to title in respect of such Mitula Shares; and
- each entry on the Mitula Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Mitula Shares relating to that entry.

(c) **Effective Date**

If the Court approves the Scheme and all other conditions have been satisfied or waived (where capable of waiver), the Scheme will become Effective on the date when a copy of the Court order approving the Scheme is lodged with ASIC. Mitula will, on the Scheme becoming Effective, give notice of that event to ASX.

Mitula intends to apply to ASX for Mitula Shares to be suspended from official quotation on ASX from close of trading on the date the Scheme becomes Effective.

(d) **Implementation Date**

The Implementation Date is the eighth Business Day after the Scheme Record Date, currently expected to be Tuesday 8 January 2019.

No later than three Business Days before the Implementation Date, LIFULL must pay into a trust account nominated by Mitula the aggregate Cash Consideration payable to Scheme Shareholders who have not made an All Scrip Election.

The Scheme Consideration will be paid or provided (as applicable) to Scheme Shareholders as follows:

- the Cash Consideration will be paid on the Implementation Date; and
- the Scrip Consideration will be:
 - issued on the Implementation Date; and
 - transferred into a Designated Securities Account or Comprehensive Account A, or will remain in Comprehensive Account B, on the Settlement Completion Date, which is currently scheduled to be Friday 18 January 2019.

You will not be able to trade (whether on a deferred settlement basis or otherwise), or otherwise deal with, your New LIFULL Shares until after the Settlement Completion Date.

Any cash payments will be made by direct deposit into your Australian dollar denominated bank account, as advised to the Mitula Registry as at the Scheme Record Date. If you have not nominated an Australia dollar denominated bank account, payment will be made by Australian dollar cheque sent by post to your registered address as shown on the Mitula Register.

Immediately after the Scheme Consideration is paid and/or issued (as applicable), the Scheme Shares will be transferred to LIFULL without Scheme Shareholders needing to take any further action.

(e) **Deed Poll**

On 27 July 2018, LIFULL executed the Deed Poll pursuant to which LIFULL has undertaken in favour of each Scheme Shareholder to provide each Scheme Shareholder with the Scheme Consideration to which they are entitled under the Scheme, subject to the Scheme becoming effective.

A copy of the Deed Poll is contained in Annexure D.

4.2 If the Scheme does not become effective

If the Scheme does not proceed, Mitula Shareholders will continue to hold their Mitula Shares.

In the absence of any alternative or competing proposal to the Scheme, Mitula will continue as a stand-alone entity. Mitula Shareholders will be exposed to the risks relating to Mitula's business.

In the absence of an alternative proposal which is similar or superior to the Scheme, it is likely that the price at which Mitula Shares trade will fall.

Depending on the reasons why the Scheme does not proceed, Mitula may be liable to pay the Mitula Break Fee, and LIFULL may be liable to pay the LIFULL Break Fee.

Information on the Mitula Break Fee and the LIFULL Break Fee is set out in sections 12.3(d) and 12.3(e).

Prior to the Scheme Meeting, transaction costs will have been incurred, or will be committed, by Mitula in relation to the Scheme. Those transaction costs have either already been paid or will be payable by Mitula regardless of whether or not the Scheme is implemented. If the Scheme does proceed, additional costs will be incurred.

4.3 Warranties by Mitula Shareholders

The Scheme provides that each Scheme Shareholder is taken to have warranted to Mitula and LIFULL on the Implementation Date, and appointed and authorised Mitula as its attorney and agent to warrant to LIFULL on the Implementation Date, that all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under the Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Scheme Shares to LIFULL together with any rights and entitlements attaching to those shares.

4.4 Delisting of Mitula

On a date after the Implementation Date as determined by LIFULL, Mitula will apply:

- for termination of the official quotation of Mitula Shares on the ASX; and
- to have itself removed from the official list of the ASX.

5 Scheme Consideration

5.1 Overview of Scheme Consideration

If the Scheme is implemented, Mitula Shareholders will be entitled to receive either:

- the Standard Consideration, which comprises of the Cash Consideration (as described in section 5.2(a)) and the Scrip Consideration (as described in section 5.2(b)); or
- if the Mitula Shareholder made an All Scrip Election, the All Scrip Consideration (as described in section 5.3).

5.2 Standard Consideration

(a) Cash Consideration

The Cash Consideration is \$0.80 per Scheme Share for the first 20,000 Scheme Shares held (legally or beneficially) by a Mitula Shareholder on the Mitula Register as at 7.00pm on 24 October 2018. Any Scheme Shareholder who becomes the beneficial or registered holder of Scheme Shares after 7.00pm on 24 October 2018 will not be eligible for Cash Consideration in respect of those Scheme Shares, and will receive Scrip Consideration.

(b) Scrip Consideration

The Scrip Consideration is 0.0753 New LIFULL Shares for each Scheme Share to which the Cash Consideration does not apply, subject to a share exchange ratio adjustment mechanism by way of the application of the Downside Price Protection Mechanism or the Upside Participation Cap.

Receipt of the Scrip Consideration will give rise to tax consequences. A general summary of the main Australian and Japanese tax implications of the Scheme for certain Mitula Shareholders is set out in section 10. You should seek your own independent tax advice in respect of your individual circumstances, particularly if you are not covered by the general summary in section 10.

(1) Downside Price Protection Mechanism

Under the Downside Price Protection Mechanism, if there is a decline of 10.7% or less between the Australian dollar equivalent of the Initial LIFULL Share Price and the Final LIFULL Share Price, then the share exchange ratio of New LIFULL Shares received for each Scheme Share will correspondingly increase. This has the effect of maintaining the implied value of the Scrip Consideration at \$0.85 per Scheme Share for a downward movement of up to 10.7% in the Australian dollar equivalent of the Initial LIFULL Share Price.

However, if there is a decrease of more than 10.7%, then the share exchange ratio will not be increased, and the implied value of the Scrip Consideration will be reduced. If, for example, the LIFULL Share Price as at Tuesday, 23 October 2018 (\$8.60) was used as the Final LIFULL Share Price, then the Australian dollar equivalent Initial LIFULL Share Price would have decreased by more than 10.7%. In this case, the share exchange ratio of New LIFULL Shares received for each Scheme Share would not be increased, and the Scrip Consideration would have an implied value of less than \$0.85 per Scheme Share.

Below is a worked example of the impact of the Downside Price Protection Mechanism at various Australian dollar equivalent LIFULL Share prices (including the price as at Tuesday, 23 October 2018):

Final LIFULL Share Price (expressed in AUD)	Change from Initial LIFULL Share Price (expressed in AUD)	Share exchange ratio	Implied value of Scrip Consideration (AUD per Scheme Share)
11.29	0.0%	0.075300	0.850
10.73	-5.0%	0.079300	0.850
10.08	-10.7%	0.084336	0.850
9.60	-15.0%	0.084336	0.809
9.03	-20%	0.084336	0.762
8.47	-25%	0.084336	0.714
8.60 ¹²	-23.8%	0.084336	0.726

Below is a worked example of the impact of the Downside Price Protection Mechanism at various exchange rates based on the Initial LIFULL Share Price:

Exchange rate	Change from Initial Exchange Rate	LIFULL Share Price (expressed in JPY)	LIFULL Share Price (expressed in AUD)	Share exchange ratio	Implied value of Scrip Consideration (AUD per Scheme Share)
81.90	0.0%	925	11.29	0.0753	0.850
83.95	+2.5%	925	11.02	0.0771	0.850
86.00	+5.0%	925	10.76	0.0790	0.850

The maximum number of New LIFULL Shares which a Scheme Shareholder may receive is capped at 0.084336 New LIFULL Shares for each Scheme Share held as at the Scheme Record Date.

(2) Upside Participation Cap

Under the Upside Participation Cap, if there is an increase of 8% or less between the Australian dollar equivalent of the Initial LIFULL Share Price and the Final LIFULL Share Price, then the share exchange ratio of New LIFULL Shares received for each Scheme Share will not be adjusted.

However, if there is an increase of more than 8%, then the share exchange ratio of New LIFULL Shares received for each Scheme Share will correspondingly decrease. This has the effect of allowing Scheme Shareholders to benefit from the first 8% increase in the implied value of the Scrip Consideration but caps the implied value Scheme Shareholders can receive at \$0.918 per Scheme Share (being 108% of the implied value of the Scrip Consideration at the time of the announcement of the Transaction).

¹² Based on the LIFULL Share price of JPY684 and the AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018.

For personal use only

Below is a worked example of the impact of the Upside Participation Cap at various Australian dollar equivalent LIFULL Share prices:

Final LIFULL Share price (expressed in AUD)	Change from initial LIFULL Share price (expressed in AUD)	Share exchange ratio	Implied value of Scrip Consideration (AUD per Scheme Share)
11.29	0.0%	0.0753	0.850
11.85	5%	0.0753	0.893
12.19	8%	0.0753	0.918
12.42	10%	0.0739	0.918

Below is a worked example of the impact of the Upside Participation Cap at various exchange rates based on the Initial LIFULL Share Price:

Exchange rate	Change from Initial Exchange Rate	LIFULL Share Price (expressed in JPY)	LIFULL Share Price (expressed in AUD)	Share exchange ratio	Implied value of Scrip Consideration (AUD per Scheme Share)
81.90	0.0%	925	11.29	0.0753	0.850
79.85	-2.5%	925	11.58	0.0753	0.872
77.81	-5.0%	925	11.89	0.0753	0.895
79.49 ¹³	-2.9%	925	11.64	0.0753	0.876

5.3 Making an All Scrip Election

Scheme Shareholders (other than Ineligible Foreign Shareholders) can make an All Scrip Election to receive the Scrip Consideration for all of their Scheme Shares. If you make an All Scrip Election, it will apply to all of your Scheme Shares.

An eligible Scheme Shareholder may make an election by submitting an Election Form to the Mitula Registry. This form is provided with this Scheme Booklet.

Election Forms must be completed in accordance with the instructions set out in this Scheme Booklet and the Election Form and must be received by the Mitula Registry prior to 7.00pm on the Election Date. An Election Form that is not submitted in accordance with the instructions specified in this Scheme Booklet and the Election Form, or an Election Form that is not received by the Mitula Registry by the Election Date, will not be a valid All Scrip Election for the purpose of the Scheme.

A Scheme Shareholder who does not submit an Election Form, or whose Election Form is invalid or is received after the Election Date, will receive the Standard Consideration for all their Scheme Shares if the Scheme is approved and implemented.

A Scheme Shareholder can change their All Scrip Election (so that they receive the Standard Consideration instead of the Scrip Consideration for all of their Scheme Shares) by submitting a replacement Election Form, provided that it is received by the Mitula Registry prior to 7.00pm on the Election Date. Scheme Shareholders can obtain replacement Election Forms by contacting the Mitula Shareholder Information Line on 1300 046 608 (within Australia) or +61 2 9290 9662 (outside Australia) between 8.15am and 5.30pm, Monday to Friday.

The decision whether to receive the Standard Consideration or to make an All Scrip Election will depend on your individual circumstances.

¹³ Based on the LIFULL Share price of JPY684 and the AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018.

If you are in any doubt as to whether to make an All Scrip Election, you should seek advice from independent and appropriately licensed financial, legal, stockbroking and taxation advisers.

5.4 New LIFULL Shares

(a) Overview

The New LIFULL Shares will be fully paid ordinary shares in the capital of LIFULL.

The New LIFULL Shares will not be listed on ASX. Instead, the New LIFULL Shares will be listed on the Tokyo Stock Exchange (under the code "2120") and will be quoted in Japanese Yen.

The following table provides a summary of the ways in which you can hold your New LIFULL Shares and the key implications associated with each holding method.

Method of holding New LIFULL Shares	Implications associated with this holding method	More Information
Designated Securities Account	<p>Any New LIFULL Shares are held by you, or on your behalf through a stockbroker or global custodian.</p> <p>You will be able to sell your New LIFULL Shares on the Tokyo Stock Exchange through your stockbroker at any time following the Settlement Completion Date.</p> <p>You will be able to exercise voting rights attaching to your New LIFULL Shares.</p> <p>You will receive any LIFULL dividends to which the registered holder of your New LIFULL Shares becomes entitled from the Implementation Date to the time your New LIFULL Shares are sold.</p>	Section 5.5(a)
Comprehensive Account A	<p>Your New LIFULL Shares will be held by the Settlement Agent on your behalf for three months after the Settlement Completion Date.</p> <p>During this period, you will be able to:</p> <ul style="list-style-type: none"> transfer your holding into a Designated Securities Account (if you have established one); sell your holding by submitting a Sales Request Form, pursuant to which your New LIFULL Shares will be sold in accordance with the Sales Request Policy; and exercise voting rights attaching to your New LIFULL Shares. <p>At the end of the three-month period, any New LIFULL Shares remaining in Comprehensive Account A will be sold on the Tokyo Stock Exchange in accordance with the Termination Sales Policy. You will receive your pro rata proportion of the sales proceeds.</p> <p>You will receive any LIFULL dividends to which the registered holder of your New LIFULL Shares becomes entitled from the Implementation Date to the time your New LIFULL Shares are sold.</p>	Section 5.5(b)
Comprehensive Account B	<p>Your New LIFULL Shares will be held by the Settlement Agent on your behalf for three months after the Settlement Completion Date.</p> <p>During this period, you will:</p> <ul style="list-style-type: none"> be able to transfer your New LIFULL Shares to 	Section 5.5(c)

Method of holding New LIFULL Shares	Implications associated with this holding method	More Information
	<p>either a Designated Securities Account (if you have established one) or Comprehensive Account A;</p> <ul style="list-style-type: none"> • not be able to deal with your New LIFULL Shares unless and until you have instructed the Settlement Agent to transfer your New LIFULL Shares into either a Designated Securities Account or Comprehensive Account A; and • not be able to exercise any voting rights attaching your New LIFULL Shares. <p>At the end of the three-month period, any New LIFULL Shares remaining in Comprehensive Account B will be sold on the Tokyo Stock Exchange in accordance with the Termination Sales Policy. You will receive your pro rata proportion of the sales proceeds.</p> <p>You will receive any LIFULL dividends to which the registered holder of your New LIFULL Shares becomes entitled from the Implementation Date to the time your New LIFULL Shares are sold.</p>	

(b) **Ways in which you can hold your New LIFULL Shares**

The ways in which you can hold any New LIFULL Shares you receive pursuant to the Scheme are different to the way in which your Mitula Shares (which are listed on ASX) are currently held.

The New LIFULL Shares can be held in a:

- **Designated Securities Account** — being a securities account in which any New LIFULL Shares are held by you, or on your behalf through a stockbroker or global custodian. You will need to establish your own Designated Securities Account;
- **Comprehensive Account A** — if you have not established a Designated Securities Account prior to the Election Date, your New LIFULL Shares can be held by the Settlement Agent in Comprehensive Account A on your behalf during the three months after the Settlement Completion Date; or
- **Comprehensive Account B** — if you have not established a Designated Securities Account prior to the Election Date, and you do not elect to have your New LIFULL Shares held by the Settlement Agent in Comprehensive Account A, your New LIFULL Shares will be held by the Settlement Agent on your behalf during the three months after the Settlement Completion Date in Comprehensive Account B. Comprehensive Account B will be a JASDEC Account in the name of the Settlement Agent on behalf of the relevant Scheme Shareholders.

If, after implementation of the Scheme, you receive less than 100 New LIFULL Shares (being less than a trading unit for the purposes of trading LIFULL Shares on the Tokyo Stock Exchange under the Unit Share System), you can still hold your New LIFULL Shares in any of the three ways described above.

(c) **Electing how to hold your New LIFULL Shares**

Scheme Shareholders who will receive Scrip Consideration should elect how they would like to hold their New LIFULL Shares by submitting either a validly completed Form A or Form B. If you are not an Ineligible Foreign Shareholder, you should do this even if you do not make an All Scrip Election. Form A and Form B are provided with this Scheme Booklet.

If you wish to hold your New LIFULL Shares in a Designated Securities Account, you should submit a validly completed Form A in accordance with the instructions on that form and ensure that your stockbroker issues the required matching instruction to

JASDEC for this purpose. The information required to be provided is set out in Form A, and includes:

- details to identify your holding of Scheme Shares;
- your contact details; and
- details about your stockbroker.

You will need to have established a Designated Securities Account before you submit a Form A. To establish a Designated Securities Account, you will need to contact an appropriately licensed stockbroker that is able to trade securities on the Tokyo Stock Exchange. A number of major stockbrokers in Australia may be able to trade securities on the Tokyo Stock Exchange. Such stockbrokers may be able to assist with establishing a Designated Securities Account in which any New LIFULL Shares are held by you, or on your behalf through a stockbroker or global custodian.

Generally, fees are not ordinarily charged by Australian stockbrokers for establishing a Designated Securities Account, but you will need to provide certain information (including identification documentation) to the stockbroker in order to set up an account. You will generally be charged fees and potentially other transaction costs in connection with trading securities on the Tokyo Stock Exchange. You should be aware that these fees and costs may be higher than those ordinarily charged for trading securities on the ASX. Fees and charges may vary between stockbrokers.

If you have not established a Designated Securities Account prior to the Election Date and you wish to hold your New LIFULL Shares in Comprehensive Account A, you can submit a validly completed Form B in accordance with the instructions on that form. The information required to be provided is set out in Form B, and includes:

- details to identify your holding of Scheme Shares;
- your contact details; and
- your bank details.

The validly completed Form A or Form B must be received by the Mitula Registry prior to 7.00pm on the Election Date. A Form A or Form B that is not submitted in accordance with the instructions specified in the relevant form (including if the form is not received by the Mitula Registry prior to 7.00pm on the Election Date) will not be a valid election, and you will be treated as not having submitted either a Form A or Form B.

If you do not submit either a Form A or a Form B or if you submit an invalid Form A or Form B, your New LIFULL Shares will remain in Comprehensive Account B. As set out in section 5.5, on the date three months after the Settlement Completion Date, any New LIFULL Shares remaining in Comprehensive Account B will be sold on the Tokyo Stock Exchange in accordance with the Termination Sales Policy as set out in section 5.7.

You may change an election regarding how you hold your New LIFULL Shares by submitting a validly completed replacement Form A or Form B, provided that it is received by the Mitula Registry prior to 7.00pm on the Election Date. You can obtain replacement copies of the Form A or Form B by contacting the Mitula Shareholder Information Line on 1300 046 608 (within Australia) or +61 2 9290 9662 (outside Australia) between 8.15am and 5.30pm, Monday to Friday.

If you have any questions about the process for holding your New LIFULL Shares or need assistance with validly completing a Form A or Form B, please contact the Mitula Shareholder Information Line on 1300 046 608 (within Australia) or +61 2 9290 9662 (outside Australia) between 8.15am and 5.30pm, Monday to Friday.

5.5 Dealing with your New LIFULL Shares

Dealing with your New LIFULL Shares may give rise to tax consequences. A general summary of the main Australian and Japanese tax implications of the Scheme for certain Mitula Shareholders is set out in section 10. You should seek your own independent tax advice in respect of your individual circumstances, particularly if you are not covered by the general summary in section 10.

(a) New LIFULL Shares held in a Designated Securities Accounts

A Scheme Shareholder who receives New LIFULL Shares in a Designated Securities Account will be able to sell and control their New LIFULL Shares in accordance with their stockbroker's requirements after the Settlement Completion Date.

Such Scheme Shareholders should consult with their stockbroker about how they can sell, and otherwise deal with, their New LIFULL Shares.

LIFULL follows the 'unit share system' (which is standard in Japan) whereby shareholders have one voting right for each unit of shares held by them and shares constituting less than a full unit carry no voting rights (**Unit Share System**). LIFULL's articles of incorporation provide that one unit comprises 100 LIFULL Shares. In addition, pursuant to Rule 15 of the Business Regulations of the Tokyo Stock Exchange, shares constituting less than one unit are not deemed to comprise a trading unit, except in limited circumstances, and accordingly may not be sold on the Tokyo Stock Exchange.

Scheme Shareholders who hold less than a full unit of LIFULL Shares will be entitled to submit a Form A in the usual manner. Such Scheme Shareholders may, at any time after the Settlement Completion Date, request, through JASDEC by consulting with their stockbroker, that LIFULL purchases their New LIFULL Shares at either:

- the closing price of LIFULL Shares on the Tokyo Stock Exchange on the day on which such request is received by LIFULL's transfer agent; or
- if there is no trade on such a day, at the price of the first trade that is made thereafter.

(b) New LIFULL Shares held in Comprehensive Account A

Scheme Shareholders who hold their New LIFULL Shares in Comprehensive Account A during the three months after the Settlement Completion Date can take the following actions in respect of those New LIFULL Shares:

- **Transfer of New LIFULL Shares to a Designated Securities Account:** a Scheme Shareholder is able to transfer their New LIFULL Shares to a Designated Securities Account by submitting Form A-2 to the Settlement Agent and ensuring that their stockbroker issues the required matching instruction to JASDEC for this purpose. You will need to have established a Designated Securities Account before you submit a Form A-2.
- **Sale of New LIFULL Shares under the Sales Request Policy:** a Scheme Shareholder is able to sell their New LIFULL Shares in accordance with the Sales Request Policy by submitting a Sales Request Form to the Settlement Agent.
- **Voting rights:** a Scheme Shareholder is able to exercise their voting rights in accordance with the directions of the Settlement Agent.

On the date three months after the Settlement Completion Date, a Scheme Shareholder who holds New LIFULL Shares in a Comprehensive Account A will not be able to take any of the actions described above, and any New LIFULL Shares remaining in Comprehensive Account A will be sold on Tokyo Stock Exchange in accordance with the Termination Sales Policy as set out in section 5.7.

The Unit Share System procedures described in section 5.5(a) above also applies to New LIFULL Shares held in Comprehensive Account A.

Scheme Shareholders will receive LIFULL dividends to which the registered holder of their New LIFULL Shares becomes entitled from the Implementation Date to the time the New LIFULL Shares are sold. The Scheme Shareholder will receive the dividend at the

time it is paid by LIFULL in Australian dollars after deduction of any applicable stamp duty and other costs, taxes (including any applicable withholding tax) and charges.

(c) **New LIFULL Shares held in Comprehensive Account B**

Scheme Shareholders who hold their New LIFULL Shares in Comprehensive Account B can take the following actions in respect of those New LIFULL Shares:

- **Transfer to a Designated Securities Account:** A Scheme Shareholder is able to transfer their New LIFULL Shares to a Designated Securities Account by submitting Form A-2 to the Settlement Agent and ensuring that your stockbroker issues the required matching instruction to JASDEC for this purpose.
- **Transfer to Comprehensive Account A:** A Scheme Shareholder is able to transfer their New LIFULL Shares to a Comprehensive Account A by submitting Form B-2 to the Settlement Agent.

You will not be able to submit a Sales Request Form or otherwise sell your New LIFULL Shares, or exercise any voting rights attaching to your New LIFULL Shares, whilst your New LIFULL Shares are in Comprehensive Account B.

On and from the date three months after the Settlement Completion Date, a Scheme Shareholder who holds New LIFULL Shares will not be able to take any of the actions described above, and any New LIFULL Shares remaining in Comprehensive Account B will be sold on Tokyo Stock Exchange in accordance with the Termination Sales Policy as set out in section 5.7.

Scheme Shareholders will receive LIFULL dividends to which the registered holder of their New LIFULL Shares becomes entitled from the Implementation Date to the time the New LIFULL Shares are sold. The Scheme Shareholder will receive the dividend at the time it is paid by LIFULL in Australian dollars after deduction of any applicable stamp duty and other costs, taxes (including any applicable withholding tax) and charges.

5.6 Sale facility relating to the Sales Request Policy

(a) **Introduction**

LIFULL will establish a sales facility in order to enable Scheme Shareholders to sell some or all of their New LIFULL Shares held in Comprehensive Account A during the three months after the Settlement Completion Date in accordance with the Sales Request Policy.

To use the sales facility, Scheme Shareholders will need to submit a validly completed Sales Request Form to the Settlement Agent between the Settlement Completion Date and the end of the three-month period. A Sales Request Form may only be submitted in relation to New LIFULL Shares held in Comprehensive Account A at that time. Validly completed Sales Request Forms will be actioned on and from the Business Day after the Settlement Completion Date (**SRP Sales Commencement Date**).

If you submit a Sales Request Form and:

- **do not select to have all of your New LIFULL Shares sold**, you may only request to sell your New LIFULL Shares in multiples of 100 New LIFULL Shares in accordance with the Unit Share System; or
- **request to have all your New LIFULL Shares sold**, any New LIFULL Shares that are not a multiple of 100 will be repurchased by LIFULL in accordance with the Companies Act of Japan, LIFULL's articles of incorporation and its share handling regulations (**LIFULL Buy-Back Procedure**). The repurchase price will be the closing price of LIFULL Shares on the Tokyo Stock Exchange on the day on which such request is received by LIFULL's transfer agent, or if there is no trade on any such day, the price of the first trade on the next day on which trading occurs. For example, if you receive 120 New LIFULL Shares, and request to have all of your New LIFULL Shares sold, 100 New LIFULL Shares would be sold on the Tokyo Stock Exchange (see below for further details) and 20 New LIFULL Shares would be repurchased by LIFULL in accordance with the LIFULL Buy-Back Procedure.

(b) **General process for sales under the Sales Request Policy**

By submitting a Sales Request Form, a Scheme Shareholder agrees that those New LIFULL Shares that are the subject of that form (and which are in a multiple of 100) are to be sold as soon as practicable after the Settlement Agent receives the validly completed form (but in all cases not before the SRP Sales Commencement Date). Any New LIFULL Shares held by a Scheme Shareholder that are not in a multiple of 100 will be repurchased by LIFULL in accordance with the LIFULL Buy-Back Procedure.

The Settlement Agent will from time to time issue an instruction to the Sales Agent requiring the Sales Agent to implement the sale of such New LIFULL Shares in the ordinary course of trading on the Tokyo Stock Exchange. An instruction will continue to be effective until such time that all LIFULL Shares that form part of that instruction are sold. The length of time required to complete the sale will depend on a number of factors, including the number of New LIFULL Shares to be sold and market-related factors.

Following completion of the sale of all New LIFULL Shares that are the subject of the same instruction (**Sale Batch**), the Australian dollar amount of the sales proceeds (converted from Japanese Yen at the then prevailing AUD/JPY exchange rate) for that Sale Batch will be transferred to a bank account held by the Settlement Agent. The Settlement Agent will subsequently distribute, as soon as practicable, to the relevant Scheme Shareholder their pro-rata proportion of the sales proceeds of the relevant Sale Batch and the proceeds of any repurchase of their New LIFULL Shares in accordance with the LIFULL Buy-Back Procedure, less any applicable brokerage, stamp duty and other selling costs, taxes and charges.

The amount a relevant Scheme Shareholder will receive under the Sales Request Policy will be calculated in accordance with the following formula:

$$A = ((B \div D) \times C) + E$$

where:

- **A** is the Australian dollar amount received by the relevant Scheme Shareholder;
- **B** is the aggregate sales proceeds of the relevant Sale Batch (converted from Japanese Yen at the then prevailing AUD/JPY exchange rate) less any applicable brokerage, stamp duty and other selling costs, taxes and charges ;
- **C** is the number of New LIFULL Shares that are the subject of the relevant Sale Batch shown in that Scheme Shareholder's validly completed Sales Request Form;
- **D** is the aggregate number of New LIFULL Shares which form part of the same Sale Batch; and
- **E** is the repurchase proceeds of the New LIFULL Shares that are not in a multiple of 100 in accordance with the LIFULL Buy-Back Procedure attributable to that Scheme Shareholder (converted from Japanese Yen at the then prevailing AUD/JPY exchange rate) less any applicable brokerage, stamp duty and other selling costs, taxes and charges.

Scheme Shareholders will receive their pro-rata proportion of the sales proceeds and any repurchase proceeds as soon as possible and within twelve weeks from the time their validly completed Sales Request Forms are received.

(c) **Treatment of Ineligible Foreign Shareholders**

On the SRP Sales Commencement Date, the Settlement Agent will issue a single instruction to the Sales Agent requiring the Sales Agent to implement the sale, in accordance with the Sales Request Policy, of:

- all New LIFULL Shares that are the subject of a validly completed Sales Request Form received before the SRP Sales Commencement Date; and
- all New LIFULL Shares that would have been issued to Ineligible Foreign Shareholders,

(together, the **First SRP Sale**).

The process for remittance of sales proceeds of the First SRP Sale will be the same as described in section 5.6(b).

None of Mitula, LIFULL, the Settlement Agent or the Sales Agent gives any assurance as to the price that will be achieved for the sales of New LIFULL Shares by the Sales Agent in accordance with the Sales Request Policy.

As noted in Section 5.10, based on the Mitula Register as at 23 October 2018, no Ineligible Foreign Shareholders held more than 20,000 Mitula Shares. If this position remains as at the Scheme Record Date, then the sale process described above will not apply to any New LIFULL Shares that would have been issued to Ineligible Foreign Shareholders.

5.7 Sale facility relating to the Termination Sales Policy

LIFULL will establish a termination sales facility in order to sell the New LIFULL Shares remaining in Comprehensive Account A and Comprehensive Account B three months after the Settlement Completion Date (**Termination Sale Shares**), and in respect of which a valid Sales Request Form has not been received by the Settlement Agent, in accordance with the Termination Sales Policy.

If the total number of New LIFULL Shares remaining in Comprehensive Account A and Comprehensive Account B three months after the Settlement Completion Date is not a multiple of 100, then the excess New LIFULL Shares will be repurchased in accordance with the LIFULL Buy-Back Procedure.

The Sales Agent will commence selling all of the Termination Sale Shares on the date three Business Days after the end of the three-month period. Such sales will occur in the ordinary course of trading on the Tokyo Stock Exchange. The length of time required to complete the sale of all Termination Sale Shares will depend on a number of factors, including the number of Termination Sale Shares and market-related factors, and will continue until all Termination Sale Shares have been sold. Under the Termination Sales Policy, the maximum number of Termination Sale Shares that may be sold on a trading day is: (a) in the first six months after the end of the three-month period, 25% of the average daily trading volume during the four weeks preceding the week in which the relevant trading day falls; or (b) in the next six months, 30% of the average daily trading volume during the four weeks preceding the week in which the relevant trading day falls.

Following completion of each sale of Termination Sale Shares, the Sales Agent will transfer the Australian dollar amount of the relevant sales proceeds (converted from Japanese Yen at the then prevailing AUD/JPY exchange rate) less any applicable brokerage, stamp duty and other selling costs, taxes and charges to a bank account held by the Settlement Agent. Once the sale of all Termination Sale Shares has been completed, the Settlement Agent will distribute, as soon as practicable, to each relevant Scheme Shareholder their pro-rata proportion of the sales proceeds.

The amount a relevant Scheme Shareholder will receive under the Termination Sales Policy will be calculated in accordance with the following formula:

$$A = (B \div D) \times C$$

where:

- **A** is the Australian dollar amount received by the relevant Scheme Shareholder;
- **B** is the aggregate sales proceeds of all Termination Sale Shares (converted from Japanese Yen at the then prevailing AUD/JPY exchange rate) less any applicable brokerage, stamp duty and other selling costs, taxes and charges;
- **C** is the number of New LIFULL Shares remaining in Comprehensive Account A or Comprehensive Account B on the date that is three months after the Settlement Completion Date that are held on behalf of the relevant Scheme Shareholder; and
- **D** is the aggregate number of all Termination Sale Shares.

None of Mitula, LIFULL, the Settlement Agent or the Sales Agent gives any assurance as to the price that will be achieved for the sales of New LIFULL Shares by the Sales Agent in accordance with the Termination Sales Policy.

Scheme Shareholders will receive their sales proceeds as soon as possible and within twelve weeks from the date three business days after the three-month period following the Settlement Completion Date, upon which the Sale Agent commences selling the Termination Sale Shares.

5.8 Fractional entitlements and shareholding splitting or division

(a) Fractional entitlements

If the number of Scheme Shares held by a Scheme Shareholder is such that the aggregate entitlement of the Scheme Shareholder to the Scheme Consideration includes a fractional entitlement to a New LIFULL Share, then the entitlement of that Scheme Shareholder must be rounded down to the nearest whole number of New LIFULL Shares.

(b) Shareholding splitting or division

If LIFULL or Mitula are of the opinion that a Scheme Shareholder has been a party to Share Splitting or division in an attempt to obtain an unfair advantage in relation to accessing the Cash Consideration, then LIFULL and Mitula must consult in good faith to determine whether such matters have arisen. If agreement is reached between LIFULL and Mitula following such consultation, Mitula must give notice to those Scheme Shareholders:

- setting out their names and registered addresses as shown in the Mitula Register;
- stating that opinion; and
- attributing the Scheme Shares held by all of them to one of them as specifically identified in the notice.

After such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares.

Both Mitula and LIFULL are of the view that no Share Splitting or division in an attempt to obtain an unfair advantage in relation to accessing the Cash Consideration had occurred prior to the announcement made by Mitula on 22 October 2018 introducing the Cut Off Date. Accordingly, both Mitula and LIFULL have confirmed that they will not exercise this discretion in respect of any transactions that occurred prior to the Cut Off Date. However, if the Nominee Schedules returned in accordance with section 5.9 show that Share Splitting has occurred by way of the creation of trusts or splitting of beneficial holdings between the announcement made by Mitula on 22 October 2018 introducing the Cut Off Date and the Cut off Date itself, Mitula reserves the right to exercise its discretion.

5.9 Nominee Shareholders

(a) Standard Consideration for underlying beneficial owners

If you are a Scheme Shareholder who can demonstrate to the satisfaction of both Mitula and LIFULL (each acting reasonably) that you hold one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, then you will be a 'Nominee Shareholder' for the purposes of the Scheme.

If you hold Scheme Shares as trustee or nominee for, or otherwise on account of, another person, and want to be treated as a Nominee Shareholder, then you must submit to the Mitula Registry by the Nominee Schedule Return Date a duly completed schedule in respect of that parcel of Scheme Shares (**Nominee Schedule**), which includes:

- registration details of the Nominee Shareholder (including their name, shareholding balance at 22 October 2018, the Cut Off Date and what will be held

at the Scheme Record Date, and securityholder reference number or holder identification number); and

- the name, full address details and shareholding balance at 22 October 2018, the Cut Off Date and what will be held at the Scheme Record Date of the underlying beneficial owner of that parcel.

The Nominee Schedule can be requested via email to corporateactions@boardroomlimited.com.au. The completed Nominee Schedule must be posted to Boardroom Pty Limited at GPO Box 3993 Sydney NSW 2001 plus a scanned PDF copy and an electronic spreadsheet emailed to corporateactions@boardroomlimited.com.au.

In determining whether a Scheme Shareholder has demonstrated that they are a Nominee Shareholder, Mitula and LIFULL confirm that provided a Scheme Shareholder returns a fully completed Nominee Schedule by the Nominee Schedule Return Date, they will be taken to be a Nominee Shareholder unless there is clear evidence obvious to LIFULL and Mitula on an inspection of the Mitula Register and the information provided in the Nominee Schedule that:

- there are numerous separate holdings in the same name or in false names in substitution for a single holding; or
- a single holding has been split across multiple nominees (where the underlying beneficial holder has not changed),

in circumstances where there does not appear to be a legitimate commercial rationale for doing so.

If you are a Nominee Shareholder, then each parcel of Scheme Shares that you hold as trustee or nominee for, or otherwise on account of, another person will be treated as though it were held by a separate Scheme Shareholder. This means that the underlying beneficial owner of each parcel will be entitled to receive the Standard Consideration in respect of that parcel of Scheme Shares. In particular, Nominee Shareholders who hold parcels of shares on behalf of multiple different beneficial holders will, unless they make an All Scrip Election in respect of one or more of those parcels, receive Cash Consideration in respect of the first 20,000 Scheme Shares in each parcel that were held at the Cut Off Date and that continue to be held at the Scheme Record Date. However, any beneficial holdings created after the Cut Off Date, or any additional Scheme Shares acquired in respect of a beneficially held parcel after the Cut Off Date will only be eligible to receive the Scrip Consideration.

As outlined in section 5.9(b), a Nominee Shareholder may make separate All Scrip Elections in respect of any parcels of Scheme Shares it holds as trustee or nominee for, or otherwise on account of, another person.

Those Mitula Shareholders (including those Mitula Shareholders whose Scheme Shares are held by a Nominee Shareholder as trustee or nominee, or otherwise on account of, them) on the Mitula Register as at 7.00pm on 24 October 2018 who do not make an All Scrip Election, will be entitled to receive the Cash Consideration for their first 20,000 Scheme Shares held as at 7.00pm on 24 October 2018 and the Scrip Consideration for the balance of their Scheme Shares, including any Scheme Shares for which they became the beneficial or registered holder after 7.00pm on 24 October 2018. For further information, see section 5.2.

If you want to be a Nominee Shareholder, you should contact the Mitula Shareholder Information Line on 1300 046 608 (within Australia), or +61 2 9290 9662 (outside Australia), between 8.15am and 5.30pm, Monday to Friday, for further information or to obtain a Nominee Schedule.

(b) Separate All Scrip Elections by Nominee Shareholders

A Nominee Shareholder who holds a parcel of Scheme Shares on behalf of an underlying beneficial owner of the shares may make a separate All Scrip Election in respect of that parcel, so that the parcel is treated as though it were held by a separate Scheme Shareholder. A Nominee Shareholder holding parcels on behalf of multiple underlying beneficial owners may make separate All Scrip Elections in respect of each such parcel.

To make an All Scrip Election in respect of such a parcel, the Nominee Shareholder must submit to the Mitula Registry:

- an Election Form in respect of that parcel by the Election Date; and
- a duly completed Nominee Schedule in respect of that parcel by the Nominee Schedule Return Date.

The Nominee Schedule can be requested via email to corporateactions@boardroomlimited.com.au. The completed Nominee Schedule must be posted to Boardroom Pty Limited at GPO Box 3993 Sydney NSW 2001 plus a scanned PDF copy and an electronic spreadsheet emailed to corporateactions@boardroomlimited.com.au.

An All Scrip Election made in respect of any underlying parcel of Scheme Shares, or an omission to make an All Scrip Election in respect of any underlying parcel of Scheme Shares, will not be taken to extend to any other underlying parcels. However, a Nominee Shareholder will only be able to make a single election (by submitting a single Form A or Form B) regarding how any New LIFULL Shares are to be issued. In other words, New LIFULL Shares issued to a Nominee Shareholder on behalf of one or more underlying beneficial holders will be issued to the same account.

A Nominee Shareholder who wishes to make an All Scrip Election on behalf of underlying beneficial holders should contact the Mitula Shareholder Information Line on 1300 046 608 (within Australia), or +61 2 9290 9662 (outside Australia), between 8.15am and 5.30pm, Monday to Friday, for further information or to obtain additional copies of the Election Form and the Nominee Schedule.

5.10 Ineligible Foreign Shareholders

A Scheme Shareholder will be an Ineligible Foreign Shareholder for the purposes of the Scheme if their address as shown in the Mitula Register (as at 7.00pm on the Scheme Record Date) is in a place which is unlawful or unduly onerous to issue that Scheme Shareholder with New LIFULL Shares when the Scheme becomes Effective.

A Scheme Shareholder whose address shown in the Mitula Register (as at 7.00pm on the Scheme Record Date) is within Australia and its external territories, New Zealand, Spain, Hong Kong, the United Arab Emirates, the United Kingdom, Monaco, the Netherlands, Singapore, Thailand, Malaysia or the United States will not be an Ineligible Foreign Shareholder.

If you are an Ineligible Foreign Shareholder and the Scheme is approved and implemented, you will not be able to receive New LIFULL Shares under the Scheme. Instead, if the Scheme is approved and implemented:

- you will receive \$0.80 cash for each of the first 20,000 Scheme Shares you held as at 7.00pm on 24 October 2018 and continue to hold; and
- in respect of any remaining Scheme Shares you hold, any New LIFULL Shares to which you would have been entitled if you were not an Ineligible Scheme Shareholder will be issued into Comprehensive Account B on the Implementation Date.

On the Settlement Completion Date, you will be deemed to have submitted:

- a Form B in respect of all your New LIFULL Shares such that those will be transferred from Comprehensive Account B into Comprehensive Account A; and
- a Sales Request Form in respect of your New LIFULL Shares such that they will be sold on the Tokyo Stock Exchange in accordance with the Sales Request Policy.

Following completion of the First SRP Sale, the Australian dollar amount of the sales proceeds (converted from Japanese Yen at the then prevailing AUD/JPY exchange rate) will be transferred to a bank account held by the Settlement Agent. The Settlement Agent will subsequently distribute, as soon as practicable, to an Ineligible Foreign Shareholder their pro-rata proportion of the sales proceeds of the First SRP Sale less any applicable brokerage, stamp duty and other selling costs, taxes and charges.

Ineligible Foreign Shareholders will receive LIFULL dividends to which the registered holder of their New LIFULL Shares becomes entitled from the Implementation Date to the time the New LIFULL Shares are sold. The Ineligible Foreign Shareholder will receive the amount of the dividend at the time it is paid by LIFULL in Australian dollars after deduction of any applicable stamp duty and other costs, taxes (including any applicable withholding tax) and charges.

See section 5.6 for further details on the Sales Request Policy and how the net sale proceeds will be calculated and distributed to Ineligible Foreign Shareholders.

Based on the Mitula Register as at 23 October 2018, no Ineligible Foreign Shareholders held more than 20,000 Mitula Shares.

6 Information about Mitula

6.1 Introduction

Mitula was founded in 2009 and is an online classifieds group operating vertical search sites, property portals and transaction-based business units.

Mitula is implementing a 'Closer to the Transaction' strategy by focusing more on capturing value from the existing visits to its sites, rather than just on increasing the number of visits to its sites. To achieve this, Mitula is implementing a series of advertising and transaction-based products and services that allow more value to be potentially captured from each visit to its sites.

Mitula generates revenue in a number of different ways through visits to its network of vertical search and property portal sites. For the year ended 31 December 2017, Mitula reported revenue from core operations of \$33.6 million and EBITDA of \$11.6 million.

6.2 Overview of business

(a) Vertical search business unit

The vertical search business unit operates 110 vertical search sites across property, employment, motoring and fashion verticals in 54 different countries and in 19 different languages, operating under the Mitula, Nestoria, Nuroa, Kleding, and Fashiola brands. The vertical search sites give users the ability to search for classified listings from more than one advertiser in each vertical, which provides visitors with a more convenient and efficient search experience than performing a search on a single classifieds site.

Mitula works with property, employment, motoring and fashion classifieds sites to source listings for its sites. In total there are over 15,000 classifieds sites with which Mitula currently works. Mitula has a dedicated listing and content acquisition team that is responsible for the identification and signing up of advertising partners. This team works with the advertising partners to ensure that their listings are included on Mitula's sites. Each month there are over 320 million listings in the Mitula databases.

Visitors are attracted to Mitula's vertical search sites through a combination of search engine optimisation (which are strategies and processes aimed at improving the visibility of, and increasing the visits to, a site by obtaining a high-ranking placement in the search results page of general search engines), paid search engine marketing and direct traffic acquisition (which involves the payment of a fee to a general search engine to have Mitula sites shown in top placements on search results pages), and through the use of mobile applications.

These vertical search sites provide visitors with the ability to search, with one query, through all the classified listings within the segments and country they are interested. Once the search results are displayed, the visitor has the choice of:

- clicking on a listing and being redirected to the classified's site that provided that listing (**click out**);
- clicking on an advertisement provided by Google (**Google AdSense**);
- in some markets, clicking on display advertising; or
- doing nothing.

Mitula monetises visits to its vertical search sites through a combination of:

- cost per click: whereby Mitula charges the providers of the classifieds listings a fee per click out;
- Google AdSense: whereby Google pays Mitula a percentage of any revenue it receives from a click on the Google AdSense advertisement;
- display advertising revenue: whereby advertisers (classifieds sites and third-party advertisers) pay Mitula a fee to display their brand and their products on Mitula's vertical search sites; and

- in the case of its fashion sites operating under the Kleding and Fashiola brands, cost per acquisition: whereby Mitula receives a percentage of the total spend by the user on the destination site during the first 30 days from the time of the click out.

(b) **Property portals**

Mitula operates 10 property portals in 9 South East Asian countries under the DotProperty and Thailand-property brands.

The property portals source their listings directly from agents and developers and attract visitors through Mitula's vertical search sites, search engine optimisation, paid search engine marketing and direct visitation. Visitors to the property portal sites are able to conduct detailed searches through the agent and developer listings and then generate a lead to the advertisers.

The property portal sites generate revenue through:

- listing fees: whereby the agents and developers pay Mitula a fee to advertise their properties on the property portal sites; and
- display advertising revenue: whereby third-party advertisers pay Mitula a fee to display their brand and their products on the property portal sites.

(c) **Property transactions**

In 2017, Mitula commenced a property transactions business unit in Thailand.

This business sources listings from new home developers and advertisers on Mitula's vertical search and property portal sites. It markets the property on Mitula's property portal sites and other sites to generate leads to potential buyers. These leads are directed to a team of sales people — some employed and some contracted — to finalise the sale. If there is a sale, Mitula receives a percentage of the purchase price paid by the buyer.

6.3 Mitula dividends

Under the terms of the Scheme Implementation Deed, Mitula has agreed not to pay any dividends between now and the time the Scheme is implemented.

If the Scheme is not implemented, the Mitula Directors intend to pay dividends to Mitula Shareholders consistent with Mitula's existing dividend policy.

6.4 Mitula Board and senior management

(a) **Board**

The Mitula Board comprises the following directors:

Simon Baker	Independent Chairman
Gonzalo del Pozo	Chief Executive Officer and Executive Director
Gonzalo Ortiz	Non-Executive Director
Joe Hanna	Independent Non-Executive Director
Sol Wise	Independent Non-Executive Director
Georg Chmiel	Independent Non-Executive Director

(b) **Senior executive team**

Members of Mitula's senior executive team are:

Gonzalo del Pozo	Chief Executive Officer
Ricardo Gómez de Olea	Chief Financial Officer
Marcelo Badimon	Chief Operating Officer (Vertical Search)

Miguel Galera	Chief Operating Officer
Simon Bray	General Manager of Real Estate
Peter Langenkamp	General Manager Fashiola

6.5 Mitula Directors' intentions

The Corporations Regulations require a statement by the Mitula Directors of their intentions regarding Mitula's business. If the Scheme is implemented, the current Mitula Directors intend to resign, and an alternative board will be determined by LIFULL. It is for the new Mitula Board to determine its intentions as to:

- the continuation of the business of Mitula;
- any major changes, if any, to be made to the business of Mitula; and
- the future employment of the present employees of Mitula.

If the Scheme is implemented, LIFULL will have 100% ownership and control of Mitula. The current intentions of LIFULL with respect to these matters are set out in section 8.3.

If the Scheme is not implemented, the Mitula Directors intend to continue to operate the business in the ordinary course.

6.6 Historical financial information

This section 6.6 contains the Mitula Financial Information, which comprises:

- historical income statements of Mitula for the years ended 31 December 2016 and 31 December 2017, and the half year ended 30 June 2018;
- historical balance sheet of Mitula as at 30 June 2018; and
- historical cash flow statements of Mitula for the years ended 31 December 2016 and 31 December 2017, and the half year ended 30 June 2018.

The financial information set out in this section is in abbreviated form and does not contain all the information usually provided in an annual report prepared in accordance with the Corporations Act. See section 6.11 of this Scheme Booklet for details of where Mitula's full financial reports, including all notes to those financial reports, can be found.

(a) **Basis of preparation of the Mitula Financial Information**

(1) **Mitula Financial Information**

The Mitula Financial Information has been extracted from the financial statements of Mitula for the years ended 31 December 2016 and 31 December 2017, and the half year ended 30 June 2018. The statutory historical financial statements for the years ended 31 December 2016 and 31 December 2017, and for the half year ended 30 June 2018 have been prepared under International Financial Reporting Standards (**IFRS**) and have been audited or reviewed by PricewaterhouseCoopers in accordance with Australian Auditing Standards. PricewaterhouseCoopers issued unqualified opinions for each period.

(2) **Mitula's accounting policies**

The IFRS accounting policies adopted by Mitula in the preparation of the financial information for the years ended 31 December 2016 and 31 December 2017, and the half year ended 30 June 2018 are set out in Mitula's financial reports for the years ended 31 December 2016 and 31 December 2017, and for the half year ended 30 June 2018. See section 6.11 for further details about where those reports can be found.

(b) **Mitula summary income statements**

The historical income statements of Mitula for the years ended 31 December 2016 and 31 December 2017, and for the half year ended 30 June 2018 are summarised in the table below.

	HY 18	FY 17	FY 16
	\$	\$	\$
Revenue	21,296,182	33,595,067	28,022,988
Cost of sales	(7,507,616)	(7,738,577)	(3,515,307)
Gross profit	13,788,566	25,856,490	24,507,681
Total operating expenses	(9,424,708)	(14,209,523)	(12,576,275)
Earnings before interest, tax, depreciation and amortisation and foreign exchange difference	4,363,858	11,646,967	11,931,406
Depreciation and amortisation	(2,051,283)	(3,658,294)	(1,974,293)
EBIT	2,312,575	7,988,673	9,957,113
Net finance Income / (Expense)	22,807	35,942	316,651
Net foreign exchange gains/(losses)	(203,075)	(1,110,204)	208,483
Profit before tax	2,132,307	6,914,411	10,482,247
Income tax	(780,518)	(1,636,690)	2,308,524
Profit for the year	1,351,789	5,277,721	8,173,723
Other comprehensive income for the period, net of tax	625,625	904,245	(554,725)
Total comprehensive income for the period	1,977,414	6,181,966	,618,998
Total comprehensive income attributable to owners	1,977,414	6,181,966	7,618,998
Earnings per share for profit attributable to the ordinary equity holders of the company:	Cents	Cents	Cents
Basic earnings per share	0.63	2.47	3.89
Diluted earnings per share	0.63	2.44	3.84

(c) **Mitula balance sheet**

The historical balance sheet of Mitula as at 30 June 2018 is set out below.

30 June 2018 (\$)	
ASSETS	
Current Assets	
Cash and cash equivalents	20,756,710
Trade and other receivables	9,123,730
Current tax assets	-
Other current assets	3,691
Total current assets	29,884,131
Non-current assets	
Property, plant and equipment	849,205
Goodwill	27,938,895
Other intangible assets	10,119,251
Other non-current financial assets	518,206
Deferred income tax asset	134,573
Total non-current assets	39,560,130
Total assets	69,444,261
LIABILITIES	
Current liabilities	
Trade and other payables	5,504,046
Current tax liabilities	1,598,825
Other financial liabilities	-
Provisions for other liabilities and charges	-
Total current liabilities	7,102,871
Non-current liabilities	
Other liabilities	280,177
Deferred tax liability	2,511,508
Total non-current liabilities	2,791,685
Total liabilities	9,894,556
Net assets	59,549,705
EQUITY	
Contributed equity	35,096,233
Other equity	1,302,853
Reserves	1,943,051
Retained earnings	20,044,648
Translation differences	1,162,920
Total equity	59,549,705

(d) **Mitula cash flow statements**

This historical cash flow statements of Mitula for the years ended 31 December 2016 and 31 December 2017, and the half year ended 30 June 2018 are summarised in the table below.

	HY 30 June 2018	31 December 2017	31 December 2016
	\$	\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and service tax)	21,372,811	34,668,404	27,621,295
Payments to suppliers and employees (inclusive of goods and service tax)	(14,193,422)	(24,050,098)	(16,609,154)
	7,179,389	10,618,306	11,012,141
Cost associated acquisition of subsidiary	-	(128,781)	(128,251)
Income tax paid	(126,342)	(2,348,528)	(2,303,323)
Interest paid	(6,724)		
Interest received	29,531	39,459	346,144
Net cash flows from operating activities	7,075,854	8,180,456	8,926,711
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	-	(13,649,477)	(6,915,264)
Payments for other financial assets	(10,711)	(31,101)	(29,691)
Payments for property, plant and equipment	(116,782)	(333,175)	(426,640)
Payments for other intangibles	(452,453)	(1,484,589)	(197,554)
Repayment of loans by related parties			
Proceeds from sale of available-for-sale financial assets			
Net cash flows from investing activities	(579,946)	(15,498,342)	(7,569,149)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities	1,120,000		
Proceeds from borrowings			3,300,000
Loans with Mitula Classified Shareholders			-
Payments IPO			
Dividends paid			
Payment of Borrowings			(5,168,797)
Interest paid		(3,517)	(29,493)
Net cash flows from financing activities	1,120,000	(3,517)	(1,898,290)
Net increase in cash and cash equivalents	7,615,908	(7,321,403)	(540,728)
Cash and cash equivalents at the beginning of the fiscal year	13,140,802	20,462,205	21,002,933
Cash and cash equivalents at end of the half-year / fiscal	20,756,710	13,140,802	20,462,205

6.7 Capital Structure

As at 23 October 2018, the only securities on issue in Mitula are 219,530,625 Mitula Shares. This includes 1,173,741 Mitula Shares (the **Deferred Shares**) issued on 18 September 2018 in respect of Mitula's acquisition of Dot Property Pte Ltd.

Mitula announced a buy-back program on 26 February 2018. Mitula has not bought back any Mitula Shares under the program, and does not intend to do so prior to the Implementation Date.

Other than as described in this section 6.7, there are no other securities on issue, and there are no offers or agreements to issue any securities, in Mitula.

6.8 Substantial shareholders

As at 23 October 2018, the following persons have notified Mitula of the fact that they hold substantial holdings (within the meaning of the Corporations Act) in Mitula Shares.

Shareholder	Number of Mitula Shares at time of notice	Voting power at time of notice
HSBC Custody Nominees (Australia) Limited	33,099,777	15.08%
Gonzalo del Pozo	27,729,164	12.63%
Marcelo Badimon Reverter	26,986,353	12.29%
Gonzalo Ortiz	24,682,500	11.24%

6.9 Trading update and outlook

During the period 1 January 2018 through 31 May 2018, Mitula generated \$17.1 million in revenue according to Mitula's unaudited management accounts.

May 2018 was a record month for revenue generated by Mitula (based on Mitula's unaudited management accounts) and visits to Mitula's network of sites (based on Google analytics). In May 2018:

- Mitula generated \$4.1 million in revenue, a 56.2% increase to the revenue generated in May 2017; and
- Mitula's network of sites had 85.7 million visits, an increase of 34.1% to the number of visits in May 2017.

This information was provided to the ASX on 12 June 2018.

Mitula has not provided any financial outlook to the market.

6.10 Material changes to Mitula's financial position since 30 June 2018

Other than:

- the accumulation of earnings in the ordinary course of trading; and
- as disclosed in this Scheme Booklet or as otherwise disclosed to ASX by Mitula,

within the knowledge of the Mitula Board, the financial position of Mitula has not materially changed since 30 June 2018, being the date of the Mitula financial statements for the half year ended 30 June 2018 (released to the ASX on 22 August 2018).

A copy of the Mitula financial statements for the half year ended 30 June 2018 and for the year ended 31 December 2017 are available free of charge on the ASX's website <https://www.asx.com.au/asxpdf/20180822/pdf/43xkqmdwjhn16s.pdf>, Mitula's website <https://www.mitulagroup.com/investors> or by contacting the Mitula Shareholder

Information Line on 1300 046 608 (within Australia) or +61 2 9290 9662 (outside Australia) between 8.15am and 5.30pm, Monday to Friday.

Further information about Mitula's financial performance is set out in the Independent Expert's Report which forms Annexure A to this Scheme Booklet.

6.11 Public information available for inspection

As a company listed on the ASX and a disclosing entity under the Corporations Act, Mitula is subject to regular reporting and disclosure obligations. Broadly, these require Mitula to announce price sensitive information as soon as it becomes aware of the information, subject to exceptions for certain confidential information. Mitula's recent announcements are available from <https://www.asx.com.au>. Further announcements concerning developments at Mitula will continue to be made available on this website after the date of this Scheme Booklet.

Mitula is required to prepare and lodge with ASIC and ASX both annual and half-yearly financial statements accompanied by a statement and report from the Mitula Directors and an audit or review report. Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office and on the Mitula website <https://www.mitulagroup.com/investors>.

ASX maintains files containing publicly disclosed information about all companies listed on the ASX. Information disclosed to ASX by Mitula is available on ASX's website at <https://www.asx.com.au>.

7 Information about LIFULL

7.1 Introduction

LIFULL was established in 1997 by founder and Chief Executive Officer Takashi Inoue and is now a leading player in the Japanese property portal industry. The company operates the homes.co.jp site with over seven million listings. LIFULL also owns and operates Trovit, a vertical search competitor of Mitula and based in Barcelona, Spain. LIFULL is listed on the Tokyo Stock Exchange under stock code "2120".

For the 12 months to 31 March 2018, LIFULL had revenue of JPY33.6 billion (\$411.9 million, based on an AUD/JPY exchange rate of 81.61 as at 31 March 2018) and EBITDA of JPY4.5 billion (\$55.7 million, based on an AUD/JPY exchange rate of 81.61 as at 31 March 2018). LIFULL has a market cap of approximately JPY81.3 billion (\$1.02 billion, based on an AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018).

7.2 Brief history of LIFULL

LIFULL was established in 1997 as a service to provide real estate and housing information to consumers. Following significant growth, LIFULL listed on the Tokyo Stock Exchange (Mother's Section, where emerging companies are listed) in October 2006. LIFULL continued to acquire, establish and grow new business arms as well as open new branches across Japan, and in March 2010 LIFULL shares became listed on the Tokyo Stock Exchange's First Section (where leading large companies are listed). LIFULL also expanded globally into many countries including Spain and Vietnam.

In November 2014, LIFULL acquired 100% of Trovit, a Spanish company operating one of the world's largest aggregation sites. Since that acquisition, LIFULL has continued to grow and expand its businesses and service offerings across the globe.

7.3 Overview of business

(a) Overview

The LIFULL corporate structure currently consists of 14 consolidated subsidiaries (11 domestic and three outside Japan). LIFULL Group conducts its business in three business segments: "LIFULL HOME'S and Related Business", "Overseas Business" and "Other Business".

(b) LIFULL HOME'S and Related Business

This business segment is centred around LIFULL HOME'S' domestic real estate and residential website and provides internet marketing services, customer relationship management services for leased property operators, operational support services for property developers, and various services to both consumers and real estate agents to support residential relocation.

LIFULL HOME'S is one of the largest real estate and housing information websites in Japan in terms of both the volume of information available on the website and the number of site visitors. LIFULL HOME'S is LIFULL's main source of revenue. LIFULL also generates revenue by supporting real estate agents to attract clients by making available to those real estate agents various advertising products on the LIFULL HOME'S website.

The LIFULL HOME'S website contains a wide range of information and content. This includes information directly relating to relocation services, such as leasing, second hand real estate sales, new construction and custom-built housing information, and information ancillary to relocation services such as shopping, parking, sale assessments, real estate investment and renovations. LIFULL HOME'S is a platform which can be used by users for a variety of reasons and situations.

The number of customers (being real estate agents) using the services of LIFULL HOME'S has been increasing year by year. In June 2018, the number of such customers is more than 26,000.

LIFULL also offers the following operational support services to property developers:

- **Consulting service**
LIFULL Marketing Partners Co., Ltd., a subsidiary of LIFULL, offers consulting services in relation to the management of advertisements by real estate agents, and other supporting services ranging from creating and managing websites, to acting as an advertising agency.
- **Private data management platform**
LIFULL supports marketing by customers by using audience data from LIFULL HOME'S, and from companies which have business alliances with LIFULL, to enable customers to approach individual users depending on each user's preference and character.
- **Sales force automation and customer relationship management services**
LIFULL offers the following systems that promote efficient advertising: a real estate management system, a system that manages feedback on each portal site, a function to manage customer relations and a function for following up clients.

(c) **Overseas Business**

This business segment consists of real estate websites and aggregation businesses that operate outside Japan. This includes the wholly owned subsidiary, Trovit.

(d) **Other Business**

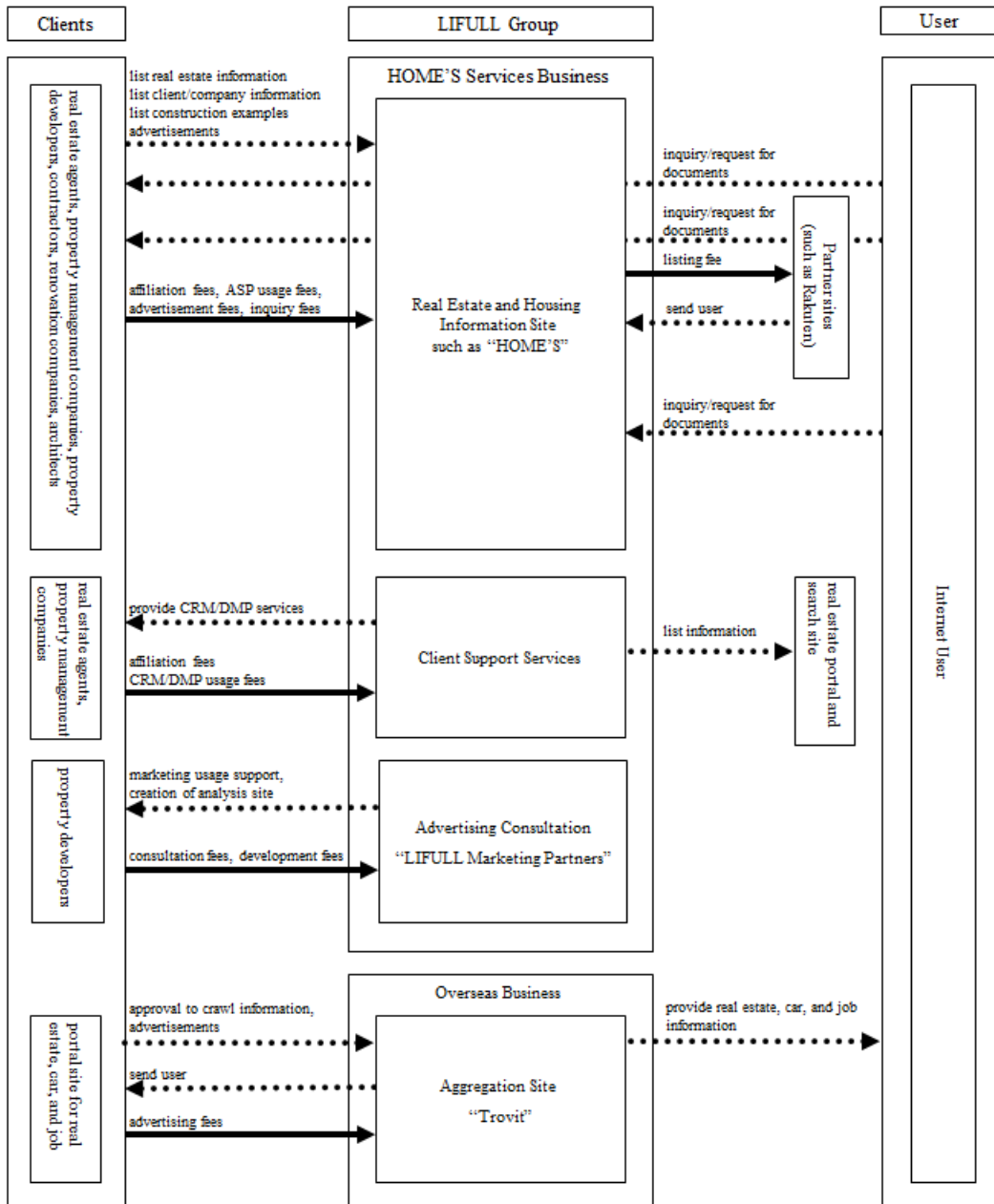
This business segment consists of internet search sites "LIFULL Nursing-care" (for old age nursing and nursing care homes searches), "LIFULL Insurance Advice" (for insurance agent searches and appointments manager), "LIFULL Movers" (for residential relocation), "LIFULL Trunk Rooms" (for storage space search), "LIFULL Interior" (for interior goods e-commerce), an insurance agency business and other new entry businesses.

(e) **Diagram of LIFULL Group's business operations**

The following diagram set outs LIFULL Group's business operations:

For personal use only

Business Organization



..... information/service flow

————— finance flow

※ other business have been omitted.

7.4 Overview of industry

(a) Introduction

In the professional information site industry, companies offer opportunities for users to search for and browse information relating to a certain category, such as real estate, human resources or motor vehicles, on a single website by posting large amounts of information for that specific category, together with advertisements targeted at users.

LIFULL offers, as its core business, portal sites posting real estate information and advertisement information provided by its real estate agents together with information services relating to various aspects of a person's life such as relocation, insurance and interiors.

The main business of both Mitula and Trovit is the operation of aggregation sites. Such sites automatically collect, unify and post information which is provided by multiple operators, thereby giving end users the opportunity to browse aggregated information and introducing those users to portal website providers.

(b) Market trends and growth drivers

The professional information site industry is an industry whose business environment changes remarkably quickly. LIFULL understands that capturing and addressing the current trends accurately will be a key driver of LIFULL's future growth prospects. Growth drivers include:

- expanding the number of business operators which are potential LIFULL clients, and creating a strong database through deep cooperation with clients;
- improving usability by continuously updating search, data posting and other methods;
- strengthening collaboration with business operators by expanding business support services available to them;
- adding value by offering consulting services for clients to improve the effect of advertising for business operators;
- creating new business opportunities in the area of real estate technology using the latest technology, such as AI (Artificial Intelligence), XR (virtual reality, extended reality and mixed reality) and block chain; and
- increasing the average customer spend by managing attractive websites and providing attractive services.

(c) Competition

In the professional information site industry, there are limited barriers to entry as the amount of initial investment required is low. This means it can be difficult to achieve differentiation. As there are many competitors in the market, it is important to expand market share by improving convenience for both customers and users and providing value.

By combining the Mitula and Trovit businesses, LIFULL intends to create a strong global player in the field of real estate aggregation sites. However, LIFULL recognises that there are several competitors that operate aggregation sites relating to human resources, used motor vehicles and others, and competition includes aggregation sites that focus on specific local areas. Therefore, it is important to expand traffic in each area of LIFULL's business, provide services which are closer to transactions (such as real estate sales or rentals), and improve the value LIFULL derives per customer transfer.

LIFULL is seeking to create an environment where people can carry out real estate transactions by using domestic real estate information made available by LIFULL. Similarly, in the global market, by aggregating the data of Mitula and Trovit, LIFULL is seeking to create a platform where real estate transactions (including real estate investments) can be completed online anywhere in the world using a real estate database that is based on a unified standard.

7.5 Strategy

LIFULL's management philosophy is to "Create a society where everyone can attain 'comfort' and 'happiness' through continuing social innovations".

Under the slogan "becoming the best life-event database and solution company in the world", LIFULL strives to provide support to enable everyone to head for the future in comfort and happiness. LIFULL is working to provide the best information to users who need information through various devices and channels by accumulating, sorting and integrating the huge amount of information that is now available.

Under this strategy, LIFULL seeks to focus on strengthening LIFULL HOME'S' services business, building a foundation for the overseas business and considering of new countries for entry, and securing profits in new fields other than real estate and the development of new businesses.

Details of LIFULL's strategies for each of its business segments are as follows.

(a) LIFULL HOME'S Related Business

In the LIFULL HOME'S segment, LIFULL is seeking to create a world where LIFULL HOME'S is a must-have service by providing services that have a close affinity with both users and real estate agents. To achieve this goal, LIFULL seeks to:

- build LIFULL HOME'S into an online space where people can obtain all of the information they need through effective visual presentation and inputting their requirements so as to obtain the result they are seeking. LIFULL is also seeking to offer effective visual presentation and results-gathering in areas that it currently does not operate in, such as second-hand real estate sales information, building performance evaluations and real estate agents' evaluations;
- strengthen its development of operational support services that use advanced technology. LIFULL improves customers' (i.e. real estate agents') profits by contributing to effective visual presentation and promoting efficiencies in their operations;
- strengthen its sales capabilities to expand its number of customers; and
- build a solid customer base and improve average revenue per agent by providing LIFULL HOME'S and operational support services.

In order to directly address users' concerns and problems that cannot be resolved solely online, LIFULL is expanding the number of locations of LIFULL HOME'S *Sumai-no-madoguchi* (physical counters) that provide face-to-face counselling to customers and telephone consultation services to users.

(b) Overseas Business

In order to achieve further sales growth, LIFULL (through Trovit) is working to advance its search engine optimisation and marketing capabilities and to continue to develop new products. Trovit is also developing a system for further efficiencies in posting advertisements.

LIFULL is also working to strengthen resources in its overseas operations and reinforce collaboration across the LIFULL Group with the aim of strengthening its developing capabilities of all parts of the LIFULL Group.

(c) Other Business

LIFULL is seeking to create a new business segment to be the third pillar of the LIFULL Group. LIFULL is working to develop various new services using LIFULL's know-how and resources. By incorporating new businesses, LIFULL will seek to achieve further acceleration of business decisions and foster its management capabilities.

7.6 Dividend policy and history

This section 7.6 describes LIFULL's dividend policy and history.

(a) Dividend policy

LIFULL considers the distribution of profits to shareholders to be one of its key management policies.

LIFULL's basic dividend policy is to reflect mid/long-term business plans and conduct flexible profit distribution based on the annual financial results. LIFULL seeks to distribute dividends once per year following the fiscal year-end. The year end dividend is decided by the general meeting of LIFULL shareholders, which is expected to be held in December each year. There is no guarantee LIFULL will continue to pay dividends in the future. There is a possibility that LIFULL will not declare a dividend if it fails to make any profits for a fiscal year.

(b) Dividend history

LIFULL's dividend history for 2015, 2016 and 2017 is set out below:

DIVIDEND PER LIFULL SHARE (JPY)	RECORD DATE	TOTAL AMOUNT (JPY thousands)	PAYMENT DATE
5.75	31 March 2015	324,641	26 June 2015
4.50	31 March 2016	534,219	29 June 2016
5.66 ¹⁴	31 March 2017	671,929	29 June 2017
0.82	30 September 2017 ¹⁵	97,346	22 December 2017

7.7 Dividend reinvestment plan

LIFULL has not established a dividend reinvestment plan.

7.8 Board, corporate auditors and senior management

(a) Board

As at 1 October 2018, the board of LIFULL comprises the following members:

- (1) **Takashi Inoue - Representative Director, President and Chief Executive Officer**

Takashi Inoue has been Representative Director, President and Chief Executive Officer of LIFULL since March 1997.

Mr Inoue joined Recruit Cosmos Co., Ltd. (currently Cosmos Initia Co., Ltd.) in 1991, and founded NEXT HOME Co (currently LIFULL Co., Ltd.) in 1995.

Mr Inoue previously served as Division Manager of HOME'S Business Department, Overseas Business Division and Global Corporate Communications of LIFULL. Mr Inoue currently serves as General Manager of LIFULL HOME's Business Department, Manager of Promoting Regional Revitalization Division, representative director of Next Wisdom Foundation, chairperson of Trovit Search, S.L. and director of Japan Association of New Economy.

¹⁴ This dividend included a JPY 1.00 component in commemoration of the 20th anniversary of the foundation of LIFULL.

¹⁵ LIFULL changed its fiscal year end from 31 March to 30 September as a result of a resolution passed at LIFULL's Annual General Shareholders' Meeting held on 28 June 2017. Accordingly, the fiscal year ended on 30 September 2017 comprises the six months from 1 April 1 2017 to 30 September 2017. The lower dividend amount was attributable to the change to its fiscal year end during that period and a decrease in its net profits caused by an increase in advertising costs that were incurred in order to promote the company name and brand change that occurred on 1 April 2017. The dividend amount reflected LIFULL's target dividend payout ratio of 20%, consistent with previous periods.

As at 30 June 2018, Mr Inoue held 32,941,000 LIFULL Shares.

(2) **Takashi Yamada - Director, Managing Corporate Officer**

Takashi Yamada has been Director, Managing Corporate Officer of LIFULL since June 2014.

After working for Bab-Hitachi Business Corporation (currently HITACHI INFORMATION ENGINEERING, LTD.) and Eto Soft Office Ltd., Mr Yamada joined LIFULL in 1996.

Mr Yamada previously served as Managing Corporate Officer, Deputy General Manager of HOME'S Business Department and General Manager of Product Development Department of LIFULL. Mr Yamada currently serves as Deputy General Manager of LIFULL HOME'S Business Department and General Manager of Technology Platform Department of LIFULL, Representative Director of LIFULL Marketing Partners Co., Ltd., and Mandatory Representative of Vietnam Creating Consulting Co. Ltd.

As at 30 June 2018, Mr Yamada held 160,200 LIFULL Shares.

(3) **Yosuke Hisamatsu - Director, Managing Corporate Officer**

Yosuke Hisamatsu has been Director, Managing Corporate Officer of LIFULL since June 2014.

After working for R&C TOURS CO., LTD., Mr Hisamatsu joined LIFULL in 2003.

Mr Hisamatsu previously served as Manager of Marketing Division, HOME'S Business Department and Deputy General Manager of HOME'S Business Department of LIFULL. Mr Hisamatsu currently serves as SEO Strategy Division Manager of LIFULL HOME'S Business Department, director of LIFULL Marketing Partners Co., Ltd., director of LIFULL Interior Co., Ltd., and director of SUI Products Co., Ltd.

As at 30 June 2018, Mr Hisamatsu held 8,000 LIFULL Shares.

(4) **Masato Takahashi - Outside Director**

Masato Takahashi has been an Outside Director of LIFULL since June 2013.

After working for Recruit Co., Ltd., Mr Takahashi joined Rakuten, Inc. in 2007. Mr Takahashi previously served as managing corporate officer of Rakuten, Inc., representative director and president of Fine Trading Co., Ltd., representative director and president of Rakuten Shigoto Shokai, Inc., director of Rakuten Mart, Inc., director of Shareee, Inc. (currently Rakuten Coupon, Inc.), director of Rakuten EMOBILE, Inc., director of Rakuten Liquor, Inc. (currently Rakuten Mart, Inc.), and representative director and president of Rakuten Auction, Inc..

As at 30 June 2018, Mr Takahashi held no LIFULL Shares.

(5) **Akira Morikawa - Outside Director**

Akira Morikawa has been an Outside Director of LIFULL since June 2015.

After working for Nippon Television Network Corporation and Sony Corporation, Mr Morikawa joined Hangame Japan Corporation (currently LINE Corporation) in 2003 and served as representative director and president of that company. Mr Morikawa currently serves as representative director and president of C Channel Co., Ltd.

As at 30 June 2018, Mr Morikawa held no LIFULL Shares.

(6) **Yoshihisa Yamada - Outside Director**

Yoshihisa Yamada has been an Outside Director of LIFULL since June 2017.

After working for the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) and Goldman Sachs Japan Co., Ltd., Mr Yamada served as managing director of Rakuten, Inc., representative director and president of Rakuten Travel Inc., managing corporate officer of Rakuten, Inc., and representative director and president of bitWallet Inc. (currently Rakuten Edy Inc.). Mr Yamada currently serves as chief financial officer and executive vice president of Rakuten, Inc..

As at 30 June 2018, Mr Yamada held no LIFULL Shares.

(b) **Corporate auditors**

The LIFULL corporate auditors comprise the following members:

(1) **Kiyoshi Shishido - Full-time Outside Corporate Auditors**

Kiyoshi Shishido has been a Full-time Outside Corporate Auditor of LIFULL since June 2016.

Mr Shishido previously worked at Mitsubishi Corporation, and has previously served as general manager of Motor Vehicle Dept. of Mitsubishi International Steel Inc. (U.S.), chief executive officer of Vitamin C60 BioResearch Corporation, specially appointed professor of Tokyo Institute of Technology, general manager of Technology & Business Development Dept. of Mitsubishi Corporation, member of the board and executive officer in charge of Strategy Planning of Trility Pty Ltd (Australia), and general manager in charge of audits of Global Environmental & Infrastructure Business Group of Mitsubishi Corporation.

As at 30 June 2018, Mr Shishido held 1,000 LIFULL Shares.

(2) **Hideki Matsushima - Outside Corporate Auditor**

Hideki Matsushima has been an Outside Corporate Auditor of LIFULL since September 2005.

Mr Matsushima registered with the Tokyo Bar Association in 1971 and established Tokiwa Sogo Law Offices in 1976. Mr Matsushima previously served as representative director of Japanese Association of Turnaround Professionals and outside director of Corporation for Revitalizing Earthquake Affected Business. Mr Matsushima currently serves as outside director of Business Planning Forum Co., Ltd., outside director of Nojima Corporation, outside corporate auditor of Raysum Co., Ltd., outside corporate auditor of Kumamoto Electric Railway Co., Ltd., non-executive director of Regional Economy Vitalization Corporation of Japan, adviser of Japanese Association of Turnaround, and partner of Nishimura & Asahi.

As at 30 June 2018, Mr Matsushima held no LIFULL Shares.

(3) **Takeshi Hanai - Outside Corporate Auditor**

Takeshi Hanai has been an Outside Corporate Auditor of LIFULL since June 2013.

Mr Hanai previously worked with the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.), and served as its executive officer and general manager of Shanghai Branch, its managing corporate officer and head of Asia & Oceania, chairman of Mizuho Corporate Bank (China), Ltd. (currently Mizuho Bank, Ltd.), managing corporate officer of Rakuten, Inc., corporate auditor of eBANK Corporation (currently Rakuten Bank, Ltd.), director of Rakuten Securities, Inc., director of bitWallet Inc. (currently Rakuten Edy Inc.), director and managing executive officer of Rakuten, Inc., director of Rakuten Bank, Ltd., director of Airio Life Insurance Co., Ltd., director of Rakuten KC Co., Ltd. (currently Rakuten Card Co., Ltd.), director of Rakuten Insurance Planning, Co., Ltd., adviser of Kowa Real Estate Co., Ltd. (currently Nippon Steel Kowa Real Estate Co., Ltd.) and adviser of The Senshu Ikeda Bank, Ltd. Mr Hanai currently serves as adviser of Corporate Directions, Inc., outside director of ASICS Corporation, outside director of Maruwn Corporation, and outside director of Nippon Seisen Co., Ltd.

As at 30 June 2018, Mr Hanai held no LIFULL Shares.

(4) **Makiko Nakamori - Outside Corporate Auditor**

Makiko Nakamori has been an Outside Corporate Auditor of LIFULL since June 2013.

After working for Nippon Telegraph And Telephone Corporation, Ms Nakamori joined Asahi & Co. (currently KPMG AZSA LLC) and registered as Certified Public Accountant in 1996.

Ms Nakamori previously served as corporate auditor of Oracle Corporation Japan, director of Oracle Corporation Japan, and outside corporate auditor of Global-Dining, Inc.. Ms Nakamori currently serves as director of Nakamori CPA offices, outside corporate auditor of istyle Inc., outside corporate auditor of the Jade Group K.K. (currently Locondo,

Inc.), outside corporate auditor of M&A Capital Partners Co., Ltd., outside director of ITOCHU Techno-Solutions Corporation, and outside corporate auditor of TeamSpirit Inc.

As at 30 June 2018, Ms Nakamori held no LIFULL Shares.

(c) **Senior management**

The LIFULL senior management comprises the following members:

(1) **Takashi Yamada - Director, Managing Corporate Officer**

See Mr Yamada's biography in section 7.8(a).

(2) **Yosuke Hisamatsu - Director, Managing Corporate Officer**

See Mr Hisamatsu's biography in section 7.8(a).

(3) **Keizo Tsutsui - Managing Corporate Officer**

Keizo Tsutsui has been Managing Corporate Officer of LIFULL since 2012.

After working for Merrill Lynch & Co., The Boston Consulting Group, Rakuten, Inc. and Dream Incubator Inc., Mr Tsutsui joined LIFULL in 2011.

Mr Tsutsui currently serves as Manager of Executive Office of LIFULL, director of Trovit Search, S.L, director of LIFULL Social Funding Co., Ltd., director of LIFULL MOVE Co., Ltd., and director of LIFULL SPACE Co., Ltd.

As at 30 June 2018, Mr Tsutsui held 192,000 LIFULL Shares.

(4) **Yukihiro Hada - Managing Corporate Officer**

Yukihiro Hada has been Managing Corporate Officer of LIFULL since 2015.

Mr Hada joined LIFULL in 2005.

Mr Hada currently serves as General Manager of Human Resources Department of LIFULL and director of LIFULL Senior Co., Ltd.

As at 30 June 2018, Mr Hada held no LIFULL Shares.

(5) **Yuji Ito - Managing Corporate Officer**

Yuji Ito has been Managing Corporate Officer of LIFULL since 2015.

Mr Ito joined LIFULL in 2006.

Mr Ito currently serves as Deputy Manager of LIFULL HOME's Business Department, Manager of Sales Business Division and Manager of New UX Development Division, LIFULL HOME'S Business Department.

As at 30 June 2018, Mr Ito held no LIFULL Shares.

(6) **Kazuhiko Abe - Managing Corporate Officer**

Kazuhiko Abe has been Managing Corporate Officer of LIFULL since 2016.

After working for The Mitsubishi Bank, Limited. (currently MUFG Bank, Ltd.), Hikari Tsushin, Inc., Intuit Co., Ltd. (currently Yayoi Co., Ltd.) and CAPCOM CO., LTD., Mr Abe joined LIFULL in 2016.

Mr Abe currently serves as General Manager of Group Company Business Development Department of LIFULL, and director of LIFULL Social Funding Co., Ltd.

As at 30 June 2018, Mr Abe held no LIFULL Shares.

(7) **Kohei Kawasaki - Managing Corporate Officer**

Kohei Kawasaki has been Managing Corporate Officer of LIFULL since 2018.

After working for IMG SRC, Inc., Beacon Communications k.k., and J. Walter Thompson Japan, Mr Kawasaki joined LIFULL in 2017. Mr Kawasaki currently serves as General Manager of Creative Department of LIFULL and Chief Representative of LIFULL Laboratory.

As at 30 June 2018, Mr Kawasaki held no LIFULL Shares.

7.9 Interests of LIFULL's directors, corporate auditors and senior management

(a) Shareholding interests in Mitula

As at Tuesday 23 October 2018, no LIFULL directors, corporate auditors or senior managers have a Relevant Interest in any Mitula Shares.

(b) Fees or benefits given or agreed to be given in connection with the Scheme

No fees or benefits have been given or agreed to be given to any LIFULL director, corporate auditor or senior manager in connection with the Scheme.

(c) Material contracts with directors, corporate auditors and senior management

No LIFULL director, corporate auditor or senior manager has entered into an agreement or arrangement with another person in connection with or conditional on the outcome of the Scheme. Moreover, no LIFULL director, corporate auditor or senior manager has any interest in any contract entered into by Mitula.

(d) Takashi Inoue

Mr Inoue is the representative director, President and Chief Executive Officer of LIFULL.

The relationship between Mr Inoue (in his capacity as representative director) and LIFULL is considered an entrustment relationship, rather than an employment relationship, under Japanese laws. There is no entrustment agreement or other written agreements between Mr Inoue and LIFULL formalising this relationship, with the terms of the entrustment relationship being governed by Japanese laws and LIFULL's articles of incorporation. Under the provisions of the Civil Code of Japan concerning entrustments, Mr Inoue has a duty to exercise due care and diligence in the discharge of his responsibilities to LIFULL.

As LIFULL's representative director, Mr Inoue has the power to act on behalf of, and bind, LIFULL. In accordance with LIFULL's articles of incorporation, Mr Inoue's term of office as the representative director will end in December 2018 unless he is re-elected as a director at the annual general meeting of LIFULL shareholders in December 2018. Mr Inoue's term of office as the representative director may also end before December 2018 if he voluntarily resigns or the annual general meeting of LIFULL shareholders approves earlier termination.

Following the end of his term of office as the representative director, Mr Inoue will not be subject to any restraints of trade or other non-compete restrictions.

Whilst Mr Inoue also holds the titles of President and Chief Executive Officer of LIFULL, these two titles do not specifically vest Mr Inoue with any particular authority under Japanese laws and LIFULL's articles of incorporation. There are no separate employment or other arrangements governing Mr Inoue's status as President and Chief Executive Officer of LIFULL.

7.10 Corporate governance

(a) Overview

The LIFULL board is the ultimate decision-making body of LIFULL, except with respect to those matters reserved to shareholders. The LIFULL board acts as an adviser and counsellor to senior management and ultimately monitors LIFULL's performance.

LIFULL is established under the laws of Japan. As such, LIFULL's general corporate activities are not primarily regulated by the Corporations Act or by ASIC, but instead are regulated by the Companies Act of Japan and by the rules of the Tokyo Stock Exchange.

LIFULL considers fulfilling its social responsibilities to various stakeholders including its customers, as well as shareholders, employees, business counterparties, creditors and regional society, as a key management focus. To realise this objective, LIFULL continually strives to strengthen its management capabilities, such as effective decision making, appropriate operational execution, efficiency, enhanced transparency, when structuring its corporate governance.

(b) Outline of corporation governance system

(1) Overview of decision making bodies

The LIFULL board of directors, which is the core of LIFULL's management, consists of six members including three outside directors. A board of directors meeting is held once a month to make decisions on the fundamental management policies of, and essential matters concerning, LIFULL. The board of directors supervises the business performance of LIFULL's managing officers.

LIFULL has also adopted a corporate audit system, which is explained further in section 7.10(c). From the viewpoint of strengthening the functions of the directors, LIFULL has adopted the current system with the aim of separating decision-making and supervision from the execution of business operations in the future.

(2) Internal control system

The following policies and systems make up LIFULL's internal control system:

- (A) a system for ensuring that the execution of duties of the directors and employees of LIFULL and its subsidiaries conform to applicable laws and regulations and LIFULL's articles of incorporation;
- (B) a system for the storage and management of information pertaining to the execution of duties by the directors;
- (C) procedures and other systems for managing the risk of loss in LIFULL and its subsidiaries;
- (D) a system for ensuring the efficient execution of duties by the directors;
- (E) a system for ensuring appropriate corporate operations across LIFULL and its subsidiaries;
- (F) a system for ensuring efficient execution of duties by the directors of LIFULL's subsidiaries;
- (G) a system regulating circumstances where a corporate auditor requests that a LIFULL employee assist with his/her duties as a corporate auditor;
- (H) a system regulating the independence of LIFULL employees specified in item 7 above from LIFULL directors;
- (I) a system securing the effectiveness of instructions to LIFULL employees specified in item 8 above;
- (J) a system for directors and employees of LIFULL and its subsidiaries reporting to corporate auditors, and other systems for reporting to corporate auditors;

- (K) a system for ensuring that personnel who make a report under item 10 above do not receive unfavourable treatment due to such reporting;
- (L) a policy concerning expenses arising in relation to the performance of duties by corporate auditors or policies concerning the treatment of debts; and
- (M) other systems to ensure that audits are conducted effectively by the corporate auditors.
- (3) **Improving risk management systems**

LIFULL has established a risk management committee, chaired by the representative director, to manage risks that could have a significant impact on LIFULL in a unified manner, thereby improving LIFULL's entire risk management systems.

(4) **Exemption from liability of directors and corporate auditors**

In order to allow LIFULL's directors and corporate auditors to carry out and perform their expected roles and duties to the fullest extent, LIFULL's articles of incorporation stipulate that directors and corporate auditors will be exempt from liability for damages arising in the event that the directors (including former directors) or corporate auditors (including former corporate auditors) have neglected their duties by the passing of a resolution of the board of directors to the extent permitted by the laws and regulations.

(c) **Internal auditing and corporate audit system**

(1) **Internal auditing**

LIFULL has an internal audit office that is directly under the representative director and is independent from the departments subject to auditing. The internal audit office ascertains risks related to LIFULL and carries out internal audits based on the internal audit plan. The internal audit office reports the internal audit results to the representative director and, as necessary, the board of corporate auditors, widely discusses LIFULL's business management systems that are subject to auditing and provides information regarding the audits.

(2) **Corporate audit system**

LIFULL has also adopted a corporate audit system. There are four corporate auditors (including one full-time corporate auditor), and all four are outside corporate auditors. All corporate auditors attend the board of directors' monthly meetings. The full-time corporate auditor also participates in important meetings such as management meetings and supervises the execution of the duties of the directors. LIFULL generally holds a corporate auditor meeting once a month to share opinions on the details of the agenda to be referred for discussion and resolution by the board of directors, as well as the management situation of LIFULL. At the meetings, discussions are held and decisions are made on important matters concerning corporate audits, such as corporate audit policies and corporate audit plans.

(d) **Outside directors, independent outside directors, outside corporate auditors and Independent Officers**

(1) **Roles of outside directors, independent outside directors, outside corporate auditors and Independent Officers**

Outside directors, independent outside directors, outside corporate auditors and independent officers are all officeholders that are independent of a company's management and controlling shareholders.

The main roles of outside directors, independent outside directors and independent officers are to provide independent advice on business policies and areas for business improvement, based on their knowledge and experience and to independently monitor management through important decision-making at the board level.

The main role of outside corporate auditors is the independent audit of the performance of directors' duties.

An outside director is a director of a company, such as LIFULL, who satisfies certain requirements set forth in the Companies Act of Japan, including not being, and not having

been in the ten years prior to her/his appointment, an executive director or executive officer, manager, or other employee of that company or any of its subsidiaries.

An outside corporate auditor is a corporate auditor of a company, such as LIFULL, who satisfies certain requirements set forth in the Companies Act of Japan, including not having been in the ten years prior to her/his appointment a director, accounting advisor or executive officer, manager, or other employee of that company or any of its subsidiaries.

Under the rules of the Tokyo Stock Exchange, an independent officer of a listed company must be either an outside director or an outside corporate auditor of that company who is unlikely to have a conflict of interest with general shareholders of that company. Under the rules of the Tokyo Stock Exchange, listed companies must make efforts to appoint at least one independent officer as a director.

(2) **Outside directors**

As at Tuesday 23 October 2018, LIFULL has three outside directors, being Masato Takahashi, Akira Morikawa and Yoshihisa Yamada.

(3) **Independent outside directors**

As at Tuesday 23 October 2018, LIFULL has one independent outside director, being Akira Morikawa.

(4) **Outside corporate auditors and independent officers**

As at Tuesday 23 October 2018, all four corporate auditors of LIFULL are outside corporate auditors.

LIFULL has also designated three of those outside corporate auditors (being Kiyoshi Shihido, Takeshi Hanai, Makiko Nakamori) as "independent officers" under the rules of the Tokyo Stock Exchange.

(e) **Disclosure obligations**

LIFULL has certain legal and regulatory requirements regarding the public disclosure of information as set out under the Securities Listing Regulations of the Tokyo Stock Exchange and the Financial Instruments and Exchange Act of Japan.

As required by the Securities Listing Regulations, when certain material matters are decided or occur in relation to LIFULL and such matters may significantly affect investors' decisions, LIFULL must disclose that information publicly through the Tokyo Stock Exchange immediately.

The Financial Instruments and Exchange Act of Japan also requires that if LIFULL discloses material non-public information to certain persons (in general, being financial institutions, LIFULL shareholders and certain institutional investors) and those persons are not (i) required to keep such information confidential, and (ii) prohibited from trading in LIFULL Shares, LIFULL must publicly disclose that information simultaneously.

LIFULL is committed to observing its disclosure obligations under the Securities Listing Regulations of Tokyo Stock Exchange and the Financial Instruments and Exchange Act of Japan.

7.11 Historical financial information

The LIFULL Information has been prepared by and is the responsibility of LIFULL. Mitula does not assume any responsibility for the accuracy and completeness of the LIFULL Information. This section 7.11 should be read in conjunction with the limitations contained in the Important Notices section of this Scheme Booklet under the heading "Responsibility statement".

This section 7.11 contains the following financial information:

- historical income statements for LIFULL for the years ended 31 March 2016 and 31 March 2017; and
- historical cash flow statements for LIFULL for the years ended 31 March 2016 and 31 March 2017.

On 28 June 2017, LIFULL changed its fiscal year end from 31 March to 30 September. Consequently, LIFULL issued financial information for the six months ended 30 September 2017 and 31 March 2018 during this transitory period. As such, the financial information for the following periods has been included in this section 7.11:

- historical income statements for LIFULL for the six months ended 30 September 2017 and 31 March 2018; and
- historical cash flow statements for LIFULL for the six months ended 30 September 2017 and 31 March 2018; and
- historical balance sheet for LIFULL as at 31 March 2018.

Subsequently, on 22 October 2018, LIFULL issued its first accounts under the new fiscal year end. These unaudited accounts have also been included in section 7.11:

- historical income statements for LIFULL for the year ended 30 September 2018; and
- historical cash flow statements for LIFULL for the year ended 30 September 2018; and
- historical balance sheet for LIFULL as at 30 September 2018.

(a) **Basis of Preparation of LIFULL Financial Information**

(1) **LIFULL historical financial information**

The historical financial information has been extracted from the financial statements of LIFULL for the years ended 31 March 2016 and 31 March 2017 and the interim reports for the six months ended 30 September 2017 and the six months ended 31 March 2018. The statutory historical financial statements for the years ended 31 March 2016 and 31 March 2017 have been prepared under IFRS and have been audited by Deloitte Touche Tohmatsu LLC in accordance with auditing standards generally accepted in Japan (**Japanese GAAS**). Deloitte Touche Tohmatsu LLC issued unqualified opinions for each period. The statutory historical financial statements for the six months ended 30 September 2017 and the six months ended 31 March 2018 have been prepared under IFRS and have respectively been audited and reviewed by PricewaterhouseCoopers Aarata LLCs in accordance with Japanese GAAS auditing standards. PricewaterhouseCoopers Aarata LLC issued unqualified opinions for each period.

The historical financial information for the year ended 30 September 2018 has been extracted from LIFULL's announcement to the Tokyo Stock Exchange on 22 October 2018. The information is unaudited.

(2) **LIFULL's accounting policies**

The IFRS accounting policies adopted by LIFULL in the preparation of the financial information for the years ended 31 March 2016, 31 March 2017, the six months ended 30 September 2017, the six months ended 31 March 2018 and the year ended 30 September 2018 are set out in Annexure F.

For personal use only

(b) **LIFULL historical income statements**

The historical income statements of LIFULL are summarised in the table below.

Yen (thousands)	Audited	Audited	Audited	Reviewed	Unaudited
	LIFULL year ended 31 March 2016	LIFULL year ended 31 March 2017	LIFULL six months ended 30 September 2017	LIFULL six months ended 31 March 2018	LIFULL year ended 30 September 2018
Revenue	25,707,617	29,920,333	15,948,686	17,669,772	34,564,915
Cost of revenue	(2,127,531)	(3,080,588)	(1,862,470)	(1,875,824)	(3,879,270)
Gross profit	23,580,085	26,839,745	14,086,215	15,793,947	30,685,645
Total operating expenses	(19,585,470)	(22,773,554)	(13,069,637)	(13,301,174)	(26,370,270)
Operating income	3,994,615	4,066,190	1,016,579	2,492,773	4,315,374
Financial revenue	29,453	53,119	71	87	25,907
Financial expenses	(10,654)	(34,786)	(20,243)	(10,575)	(19,806)
Share of profit (loss) of investments accounted for using the equity method	4,810	2,654	(39,193)	(56,223)	(164,964)
Profit before taxes	4,018,225	4,087,178	957,214	2,426,062	4,156,511
Income tax expenses	(1,306,963)	(1,275,159)	(473,716)	(884,844)	(1,356,515)
Profit for the period	2,711,261	2,812,018	483,497	1,541,217	2,799,995

(c) **Commentary on LIFULL results**

Detailed commentary from LIFULL Directors on historical financial statements and other publicly available information including management presentations are available on LIFULL's website (<https://lifull.com/en>).

For personal use only

(d) **LIFULL balance sheet**

Set out below is the balance sheet for LIFULL as at 31 March 2018, and 30 September 2018.

Yen (thousands)	Reviewed LIFULL 31 March 2018	Unaudited LIFULL 30 September 2018
Assets		
Current assets		
Cash and cash equivalents	5,446,501	7,571,312
Accounts receivable-trade and other current receivables	5,131,961	4,577,193
Other current financial assets	32,661	230,000
Other current assets	542,286	521,720
Total current assets	11,153,410	12,900,226
Non-current assets		
Property, plant and equipment	1,867,183	1,810,709
Goodwill	9,690,927	9,806,312
Intangible assets	2,206,362	2,018,313
Investments accounted for using the equity method	489,217	785,146
Other long-term financial assets	1,606,539	1,293,708
Deferred tax assets	435,099	563,833
Other non-current assets	8,654	3,714
Total non-current assets	16,303,985	16,281,738
Total assets	27,457,395	29,181,965
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable-trade and other current payables	2,983,658	2,791,544
Short-term loans	476,727	-
Lease obligations	3,781	4,205
Accrued corporate income taxes	783,310	1,356,368
Other short-term financial liabilities	22,871	-
Other current liabilities	1,707,971	2,029,275
Total current liabilities	5,978,318	6,181,394
Non-current liabilities		
Lease obligations	82,814	80,600
Provisions	518,866	533,662
Deferred tax liabilities	313,006	364,316
Other non-current liabilities	31,725	25,664
Total non-current liabilities	946,412	1,004,244
Total liabilities	6,924,733	7,185,638
Net assets	20,532,662	21,996,326
Equity		
Attributable to owners of the parent		
Capital stock	3,999,578	3,999,578
Capital surplus	4,326,818	4,256,942
Retained earnings	13,107,328	14,394,920
Treasury shares	(8,694)	(8,694)
Other components of equity	(952,278)	(761,446)
Attributable to owners of the parent	20,472,752	21,881,301
Attributable to non-controlling interests	59,910	115,025
Total equity	20,532,662	21,996,326
Total liabilities and equity	27,457,395	29,181,965

(e) LIFULL cash flow statements

The historical LIFULL cash flow statements are summarised in the table below.

Yen (thousands)	Audited LIFULL year ended 31 March 2016	Audited LIFULL year ended 31 March 2017	Audited LIFULL six months ended 30 September 2017	Reviewed LIFULL six months ended 31 March 2018	Unaudited LIFULL year ended 30 September 2018
Cash flow from operating activities					
Profit for the period before tax	4,018,225	4,087,178	957,214	2,426,062	4,156,511
Depreciation and amortization	866,236	1,247,464	528,852	552,833	1,091,879
Impairment losses	-	14,407	-	-	-
Net financial expenses	(18,799)	22,193	20,172	10,488	(6,101)
Change in working capital	(947,789)	(262,785)	784,527	(887,602)	(503,796)
Others	377,696	(180,238)	249,420	(348,640)	392,700
Subtotal	4,295,569	4,928,220	2,540,187	1,753,140	5,131,192
Interest and dividends received	5,219	3,326	1,969	87	96
Interest paid	(7,762)	(2,590)	(9,843)	(9,447)	(18,602)
Income taxes paid	(1,117,651)	(1,765,022)	(622,319)	(273,395)	(441,234)
Net cash from operating activities	3,175,375	3,163,933	1,909,994	1,470,384	4,671,452
Cash flow from investing activities					
Purchase of available-for-sale financial assets	(106,118)	(229,999)	(45,968)	(404,866)	(75,672)
Proceeds from sale of available-for-sale financial assets	132,525	13,015	4,213	-	23,748
Purchase of property, plant and equipment	(86,935)	(665,716)	(926,272)	(85,861)	(209,324)
Proceeds from sale of property, plant and equipment	1,973	5,627	1,318	-	864
Purchase of intangible assets	(661,054)	(476,259)	(145,305)	(175,872)	(405,500)
Proceeds from sale of intangible assets	-	4,190	7,303	-	-
Payments into time deposits	(27,300)	-	-	-	-
Proceeds from refunds of time deposits	1,001,000	-	-	-	-
Acquisition of subsidiaries	(132,551)	(151,409)	(88,655)	-	-
Payments for loans receivable, net	-	-	-	(30,000)	(230,000)
Payments for lease and guarantee deposits	(49,522)	(640,989)	(6,992)	-	(57,862)
Proceeds from refund of leasehold deposits and guarantee deposits	-	8,122	439,915	-	2,892
Acquisition of shares of associates	-	-	(239,124)	(317,918)	(717,784)
Proceeds from sales of shares of associates	-	-	-	135,000	135,000
Others	21,059	(1,543)	-	(42,212)	-
Net cash from investing activities	93,075	(2,134,962)	(999,566)	(921,731)	(1,533,639)
Cash flow from financing activities					
Repayment of short-term loans	(7,000,000)	-	-	-	-
Proceeds from long-term loans	3,000,000	-	-	-	-
Repayment of long-term loans	(499,995)	(1,001,188)	(499,995)	(499,995)	(1,000,017)
Dividends paid	(350,506)	(535,419)	(671,929)	(97,342)	(98,082)
Repayment of lease obligations	-	-	(1,447)	(1,609)	(3,400)
Dividends paid to non-controlling interests	-	(16,640)	(37,506)	(1,577)	(1,577)
Purchase of shares in subsidiaries	-	-	(391,391)	(11,438)	(11,438)
Proceeds from share issuance to non-controlling interest	3,982,103	35,389	714	28,000	41,972
Proceeds from issuance of bonds	-	-	-	3,000	-
Purchase of treasury shares	(476)	(25)	(49)	-	-
Net cash from financing activities	(668,874)	(1,517,883)	(1,601,605)	(580,963)	(1,072,543)
Effect of exchange rate changes on cash and cash equivalents	(42,380)	(89,409)	153,875	(30,830)	(3,599)
Net increase (decrease) in cash and cash equivalents	2,357,195	(578,323)	(537,302)	(63,140)	2,061,670

7.12 Material changes in financial position since last accounts

LIFULL has assessed any potential changes in financial position from its most recent accounts for the year ended 30 September 2018. As part of this assessment, LIFULL considered changes in the business, new accounting pronouncements, and other factors and has concluded that there is no material change in LIFULL's financial position since 30 September 2018.

7.13 Financing

As at Tuesday 23 October 2018, LIFULL has no debt. LIFULL previously had certain short term loans, which were fully discharged on 31 July 2018.

7.14 Capital structure

As at Tuesday 23 October 2018, LIFULL is authorised to issue up to 350,452,800 LIFULL Shares without amending its articles of incorporation.

As at Tuesday 23 October 2018, there were 118,789,100 LIFULL Shares on issue (including the shares held in treasury). There are no outstanding convertible securities in LIFULL.

All LIFULL Shares rank equally with each other in all matters, including voting, and entitle the holder to participate in distributions and the proceeds on winding-up of LIFULL in proportion to the number of shares held. LIFULL shareholders have one voting right for

each unit of LIFULL Shares held by them under the Unit Share System. LIFULL Shares constituting less than a full unit carry no voting rights.

At LIFULL's shareholders' meeting on 28 June 2018, the issue of up to 18,514,334 LIFULL Shares in accordance with the Scheme Implementation Deed was approved.

7.15 Substantial holders

As of 30 June 2018, LIFULL is aware that the following persons held more than 5% of the LIFULL Shares on issue as at that date:

SHAREHOLDER	NUMBER OF LIFULL SHARES	% OF ALL LIFULL SHARES ON ISSUE
Takashi Inoue	32,941,000	27.73%
Rakuten, Inc.	23,797,100	20.03%
Japan Trustee Services Bank, Ltd. (trust account)	9,804,700	8.25%

7.16 Rights attaching to LIFULL Shares

Holders of LIFULL Shares as at the record date for dividends are entitled to receive dividends as and when authorised by resolution of a general meeting of LIFULL shareholders. Holders of LIFULL Shares have no pre-emptive or conversion rights and are not subject to further assessment by LIFULL. Upon LIFULL's voluntary or involuntary liquidation, dissolution or winding-up, the holders of LIFULL Shares are entitled to share rateably in the remaining assets available for distribution, after payment of liabilities.

There are no differences between the rights attaching to the New LIFULL Shares and the rights of other LIFULL Shares. However, there are a number of differences between the rights attaching to Mitula Shares and to LIFULL Shares (including because of the differences between Australian law and Japanese law). A summary of these differences is set out in section 11.

7.17 Restrictions on ownership and transfer of LIFULL Shares

LIFULL's articles of incorporation do not contain restrictions on share ownership and share transfers.

7.18 Recent share price performance

LIFULL is a member of the Tokyo Stock Price Index (TOPIX) on the Tokyo Stock Exchange. The below chart shows the performance of LIFULL Shares on the Tokyo Stock Exchange over the last one year, as compared to the TOPIX during the same period.

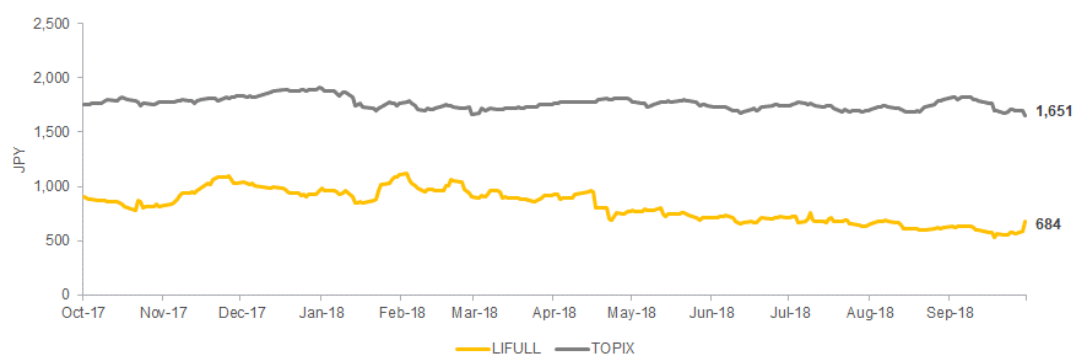
As at Tuesday 23 October 2018:

- the closing price of LIFULL Shares on the Tokyo Stock Exchange was JPY684; and
- the lowest and highest closing prices of LIFULL Shares during the previous three months were JPY536 and JPY755, respectively.

As at the close of trading on the Tokyo Stock Exchange on 9 May 2018, being the last close of trading on the Tokyo Stock Exchange before Mitula and LIFULL announced that they had entered into the Scheme Implementation Deed, the closing price of LIFULL Shares on the Tokyo Stock Exchange was JPY948.

The current LIFULL share price may be accessed from the Tokyo Stock Exchange website (<http://www.jpx.co.jp/english/>).

LIFULL and TOPIX Share Price Performance – Previous 12 Months to 23 October 2018



Source: Bloomberg market data

7.19 Litigation

As at Tuesday 23 October 2018 and as far as the LIFULL directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative or criminal or governmental prosecution of a material nature in which LIFULL or any of its subsidiaries is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of LIFULL.

7.20 LIFULL annual general meetings

LIFULL holds an annual general meeting of shareholders, which is usually held each December in Tokyo, Japan. These meetings are conducted in the Japanese language. Certain information about LIFULL (including summaries of LIFULL's annual and quarterly consolidated financial information) is made available in English as described in Section 7.22.

7.21 LIFULL's interests in Mitula Shares

(a) Interest in Mitula Shares

As at Tuesday 23 October 2018, none of LIFULL or any of its associates has any Relevant Interest or voting power in any Mitula Shares.

(b) Dealing in Mitula Shares in previous four months

None of LIFULL or any of its associates has provided or agreed to provide consideration for any Mitula Shares under any other transaction during the period of four months before 23 October 2018.

(c) Benefits to holders of Mitula Shares

During the four months before Tuesday 23 October 2018, none of LIFULL or any of its associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an associate to:

- vote in favour of the Scheme; or
- dispose of Mitula Shares,

where the benefit was not offered to all Mitula Shareholders.

(d) **Benefits to Mitula officers**

None of LIFULL and its associates will be making any payment or giving any benefit to any current officers of Mitula as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

7.22 Further information

LIFULL files annual, quarterly and extraordinary reports in Japanese language with the Financial Services Agency of Japan (**FSA**). LIFULL's FSA filings are available to the public at the EDINET website at <http://disclosure.edinet-fsa.go.jp/> or at LIFULL's website at <https://lifull.com/en/ir/>.

The following information about LIFULL is available in English on its website and through the Tokyo Stock Exchange's website (https://www.release.tdnet.info/index_e.html):

- summary of annual consolidated financial information (*kessan tanshin*);
- summary of quarterly consolidated financial information (*kessan tanshin*);
- mid-term business plan;
- convocation notice (notice of meeting) of LIFULL shareholders' meeting; and
- releases relating to key developments such as new collaborations, alliances, investments or acquisitions.

English language versions of LIFULL disclosures are made available on these platforms as soon as practicable and within one week after the Japanese language disclosures have been released. Convocation notices are made available in English on the same day as the Japanese language version is released.

The information provided in LIFULL's FSA filings (or available on the Tokyo Stock Exchange's website or LIFULL's website) is not part of this Scheme Booklet and is not incorporated by reference.

8 Information about the Combined Group

8.1 Business overview

(a) Overview

The combination of LIFULL's wholly owned subsidiary Trovit with Mitula will create a leading global online classifieds and marketplaces group.

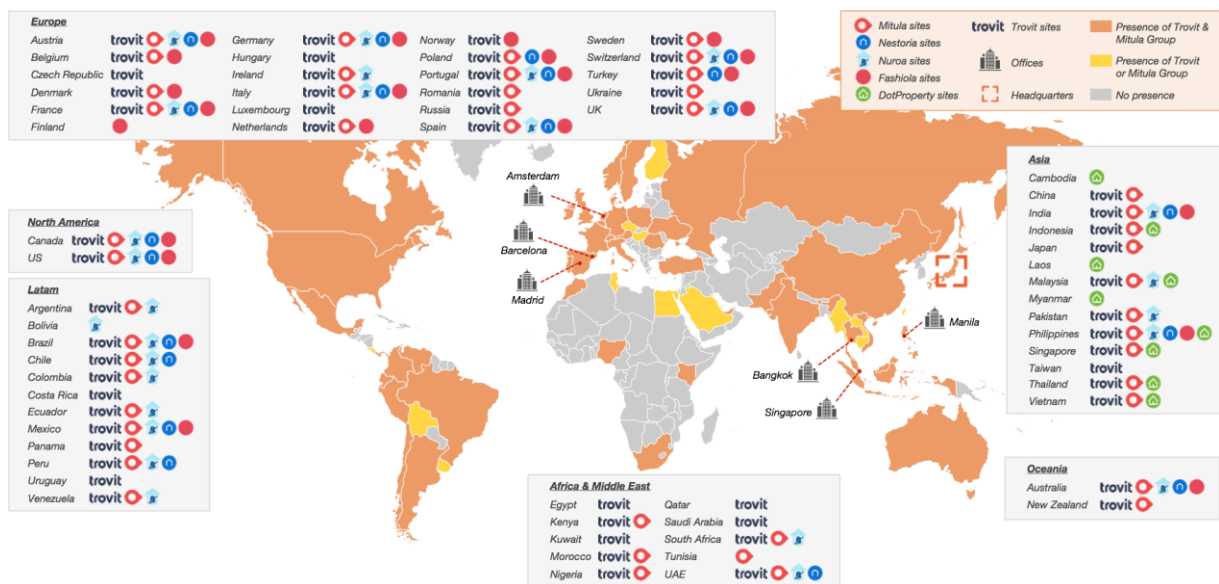
The combined Mitula and Trovit business is expected to:

- operate in 63 countries; and
- have more than 400 million listings and 170 million visits to its sites per month.

On implementation of the Scheme, the Combined Group will be listed on the Tokyo Stock Exchange under LIFULL's existing symbol, 2120, and will have a pro forma market capitalisation of approximately JPY91.3 billion (\$1.1 billion based on an AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018).¹⁶

(b) Geographical footprint

The combined Trovit and Mitula business is expected to operate in 63 countries globally offering vertical search in property, cars, jobs and fashion.



(c) Operational profile

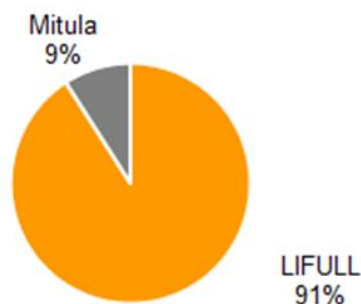
The Combined Group is expected to offer a similar service to those provided by LIFULL and Mitula to their respective customers. Further details relating to the services offered by Mitula and LIFULL are provided in sections 6.2 and 7.3 respectively.

Once the Scheme is implemented, Mitula is expected to contribute approximately 9% of the Combined Group's revenue and 17% of the Combined Group's EBITDA.

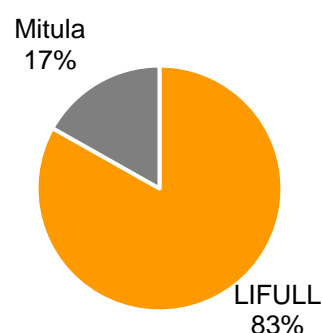
¹⁶ Based on the LIFULL Share price of JPY684 and the AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018 and assumes: (1) 133.5 million LIFULL Shares on issue immediately following implementation of the Scheme; and (2) no Scheme Shareholder makes an All Scrip Election. The actual number of LIFULL Shares to be issued under the Scheme may vary due to the number of Scheme Shareholders who make an All Scrip Election, the AUD/JPY exchange rate and any elimination of fractional share entitlements.

Combined Group's operational profile¹⁷

Revenue Contribution



EBITDA Contribution



8.2 Benefits of the Scheme

The combination of the Mitula and Trovit businesses is expected to generate material benefits by leveraging the core strengths of both businesses and LIFULL expects there to be synergies available through the creation of a market leading vertical search and online marketplaces business.

LIFULL believes that, following implementation of the Scheme, it will be able to use the real estate, job listing, used motor vehicle and fashion data within Mitula's business to improve the profitability of the combined Mitula and Trovit business, by delivering a superior quality service and offering new value to users and clients.

(a) Technology

Trovit has invested strongly in its technology offerings. The combined business will be able to utilise the key strengths of each business to enhance its offering and provide clients with a superior product suite.

(b) New products and businesses

The combined business will be able to utilise the learnings of both Trovit and Mitula to identify new revenue streams and improve yields per visit. As outlined in section 6.1, Mitula has been pursuing a 'Closer to the Transaction' strategy that focuses on increasing the value captured from each visit rather than relying on increasing the number of visits. The combined business will continue to leverage this strategy to enhance value per visit.

The combined business will also be in a strong position to make strategic investments, including domestic and overseas M&A in targeted growth areas.

8.3 LIFULL's intentions

(a) Overview

This section 8.3 sets out certain elements of LIFULL's current intentions in relation to Mitula and the Combined Group, including LIFULL's intentions regarding:

- the continuation of the business of Mitula or how Mitula's existing business will be conducted;
- any major changes to be made to the business of Mitula, including any redeployment of the fixed assets of Mitula; and
- the future employment of the present employees of Mitula,

in each case, after the Scheme is implemented.

¹⁷ Based on the LIFULL financial information for the year ending 31 March 2018 and the Mitula financial information for the year ending 30 June 2018 translated at a AUD/JPY exchange rate of 85.77 (being the average AUD/JPY exchange rate for the year ended 31 March 2018).

The intentions set out in this section 8.3 have been formed on the basis of facts and information concerning Mitula and the general business environment which are known to LIFULL as at the last practicable date before the date of this Scheme Booklet.

Final decisions regarding the matters set out below will be made by LIFULL in light of all material information, facts and circumstances at the relevant time. Accordingly, it is important to recognise that the statements set out in this section 8.3 are statements of current intentions only, which may change as new information becomes available or as circumstances change.

(b) **Corporate structure**

LIFULL will be the parent company of the Combined Group following implementation of the Scheme. Mitula will be a wholly owned subsidiary of LIFULL following implementation of the Scheme.

(c) **Operations**

LIFULL intends to review the operating structure of Mitula (as well as Trovit) following implementation of the Scheme to achieve the most suitable operating structure for the Combined Group. That review may result in changes to the operating structure of Mitula.

If the Scheme is implemented, LIFULL intends to merge the Mitula operations with its existing Trovit business to create a significant global player in the online classifieds industry.

(d) **Continuation of business**

LIFULL intends to, over time, seek to maximise the performance of the Combined Group's business through operational improvements, including through the combination of Mitula and Trovit.

(e) **Dividend policy**

Following the implementation of the Scheme, LIFULL (as the parent company of the Combined Group) intends to maintain its current dividend policy. See section 7.6 for further details.

(f) **Further employment of the present employees of Mitula**

LIFULL recognises that there is a deep pool of talent throughout Mitula's operations globally. LIFULL intends to evaluate the future employment requirements of the Combined Group as part of the integration process.

LIFULL does not currently have any definitive plans in relation to Mitula employees.

(g) **Headquarters**

LIFULL intends to keep the principal operational centre of Mitula in Madrid, Spain following implementation of the Scheme.

(h) **Delisting**

If the Scheme becomes Effective, LIFULL will procure that Mitula apply to the ASX to be removed from ASX's official list.

Following delisting, Mitula Shareholders will no longer be able to acquire or trade in Mitula Shares on ASX.

(i) **Funding of the Cash Consideration**

Based on the composition of the Mitula Register as at Tuesday 23 October 2018, ignoring any separate underlying beneficial holdings, and assuming that no Scheme Shareholder makes an All Scrip Election, the maximum amount of cash to be paid to Scheme Shareholders as part of the Scheme Consideration equals approximately \$36.2 million (**Estimated Maximum Total Cash Amount**). Applying an AUD/JPY exchange rate of 79.49 as at Wednesday 23 October 2018, the Estimated Maximum Total Cash Amount is equal to approximately JPY2,877 million.

As at 30 June 2018, LIFULL had cash reserves of approximately JPY7,136,000,000, or approximately \$89,772,298 (based on an AUD/JPY exchange rate of 79.49 as at Wednesday 23 October 2018). This exceeds the Estimated Maximum Total Cash Amount.

LIFULL intends to use its cash reserves to fund the total amount of cash to be paid to Scheme Shareholders as part of the Scheme Consideration.

8.4 Board representation and senior management

(a) Board representation

Existing LIFULL directors

Each of the existing six LIFULL directors will continue as directors following the implementation of the Scheme (which means they will be directors of the Combined Group). Profiles for each of the existing LIFULL directors are set out in section 7.8(a).

Existing Mitula Directors

Each of the existing six Mitula Directors will resign as Directors of Mitula upon implementation of the Scheme. None of the Mitula Directors will be appointed as directors of LIFULL.

(b) Senior Management

Takashi Inoue will remain the President and Chief Executive Officer of LIFULL after the Scheme is implemented. As at the last practicable date before the date of this Scheme Booklet, there are no expected changes to the LIFULL senior management team.

It is currently intended that an advisory board be created to monitor progress of the combined Mitula and Trovit business, review potential acquisitions and consult on key strategic issues. It is currently intended that some of the resigning Mitula Directors be appointed as members of the advisory board. Their comprehensive expertise in the sector will be valuable during the integration period and in the strategic development of the combined Mitula and Trovit business.

It is currently intended that the executive management teams of Trovit and Mitula be retained to oversee the integration of the two businesses and to drive the future development of the combined business. The combined executive management team will be led by Gonzalo del Pozo, who will be appointed as Chief Executive Officer of the combined Mitula and Trovit business. Although the terms of Mr del Pozo's engagement have not been finalised, it is expected that they will be commensurate with his role as the Chief Executive Officer of the combined business, and where there are changes that will result in an increase in remuneration this will not materially exceed his current remuneration.

Mr del Pozo will be supported by Mauricio Silber, the existing Chief Executive Officer of Trovit, who will be appointed as Chief Operating Officer of the combined Mitula and Trovit business. Although the terms of Mr Silber's engagement have not been finalised, it is expected that they will be commensurate with his role as the Chief Operating Officer of the combined business.

8.5 Financing

Section 7.13 provides an outline of LIFULL's stand-alone financing sources. LIFULL envisages that the financing sources outlined in section 7.13 will remain in place following implementation of the Scheme.

As described in section 8.3(i), LIFULL will use its cash reserves to fund the total amount of cash to be paid to Scheme Shareholders as part of the Scheme Consideration.

Mitula is currently debt free.

8.6 Capital structure of the Combined Group

The capital structure of the Combined Group will depend on the number of Scheme Shareholders who make an All Scrip Election and the Final Share Exchange Ratio based on the Downside Price Protection Mechanism or the Upside Participation Cap. As such, the final number of LIFULL Shares to be issued under the Scheme is unknown.

The capital structure shown in the figure below is based on two scenarios (in each case ignoring any separate underlying beneficial holdings):

- all Scheme Shareholders make an All Scrip Election and the Final Share Exchange Ratio is equal to 0.084336, such that a total of approximately 18,514,335 New LIFULL Shares will be issued; and
- no Scheme Shareholder makes an All Scrip Election and the Final Share Exchange Ratio is equal to 0.084336, such that a total of approximately 14,698,984 New LIFULL Shares will be issued.

Number of LIFULL Shares on issue before and after implementation of the Scheme¹⁸

	All Scheme Shareholders make All Scrip Elections	No Scheme Shareholders make an All Scrip Election
Total LIFULL Shares on issue as at the date of this Scheme Booklet	118,789,100	118,789,100
New LIFULL Shares to be issued as part of the Scheme Consideration ¹⁹	18,514,335	14,698,984
Total LIFULL Shares on issue following Implementation Date ²⁰	137,304,335	133,488,084
Scheme Shareholders' pro forma ownership of the Combined Group	13.5%	11.0%

8.7 Pro forma historical financial information for the Combined Group

(a) Overview

This section provides financial information in relation to the Combined Group to assist Mitula Shareholders in understanding the impact the implementation of the Scheme will have on them (**Combined Group Financial Information**). The Combined Group Financial Information has been prepared by and is the responsibility of LIFULL (except to the extent that the Combined Group Financial Information is based on information provided by Mitula, for which Mitula takes responsibility). Mitula does not assume any responsibility for the accuracy and completeness of the Combined Group Financial Information (except to the extent that the Combined Group Financial Information is based on information provided by Mitula, for which Mitula takes responsibility). This section 8.7 should be read in conjunction with the limitations contained in the Important Notices section of this Scheme Booklet under the heading "Responsibility statement".

The Combined Group Financial Information comprises:

- pro forma historical income statement for the Combined Group for year ended 31 March 2018;
- pro forma historical cash flow statement for the Combined Group for the year ended 31 March 2018; and
- pro forma historical balance sheet for the Combined Group as at 31 March 2018.

The Combined Group Financial Information is unaudited.

As discussed in section 6.6, the underlying financial statements for Mitula for the year ended 31 December 2017 were audited and for the half year ended 30 June 2018 were reviewed

¹⁸ Proforma capital structure is based on a total of 3,063 Mitula Shareholders, 2,775 of which hold 20,000 or fewer Mitula Shares and in aggregate hold 39,479,889 Mitula Shares and 288 Mitula Shareholders who are eligible to receive cash for their first 20,000 Mitula Shares. This is based on the Mitula Share Register as at 23 October 2018.

¹⁹ Assumes that a total of approximately 219,530,625 Mitula Shares are on issue on the Scheme Record Date, including the Deferred Shares.

²⁰ Assumes that a total of approximately 118,789,100 LIFULL Shares are on issue on the Scheme Record Date.

by PricewaterhouseCoopers. As further discussed in section 7.11(a), the underlying financial statements for LIFULL for the six-month period ended 30 September 2017 were audited by PricewaterhouseCoopers Aarata LLC and the interim financial statements for the six months ended 31 March 2018 were reviewed by PricewaterhouseCoopers Aarata LLC. Mitula and LIFULL appointed PricewaterhouseCoopers Securities Ltd as the Investigating Accountant to prepare an Investigating Accountant's Report in relation to the Combined Group Financial Information. A copy of the Investigating Accountant's Report is contained in Annexure B.

The financial information in this section should be read in conjunction with the risks described in section 9 and other information contained in this Scheme Booklet.

Notwithstanding the aforementioned change in the LIFULL year end (refer section 7.11), the Combined Group Financial Information has been presented for the year ended 31 March 2018. The Combined Group Financial Information has been presented in abbreviated form. It does not contain all the disclosures usually provided in an annual report prepared in accordance with the Corporations Act.

(b) Basis of preparation of Combined Group Financial Information

The Combined Group Financial Information has been prepared under IFRS and the accounting policies of LIFULL. All numbers are presented in Japanese Yen unless otherwise stated and rounded to the nearest hundred thousand. Following the implementation of the Scheme, LIFULL will be the reporting entity and Mitula Shareholders will receive LIFULL financial statements presented in Japanese Yen.

The Combined Group Financial Information has been derived from the aggregation of:

- LIFULL's audited financial statements for the six-month period ended 30 September 2017 and LIFULL's reviewed financial statements for the six months ended 31 March 2018; and
- Mitula's audited financial statements for the year ended 31 December 2017, less Mitula's reviewed half year financial statements ended 30 June 2017, plus Mitula's reviewed half year financial statements ended 30 June 2018.

Pro forma adjustments have been made to the financial information to convert the Mitula Financial Information into Japanese Yen, to align accounting policies, and to show the impact of purchase price accounting as if the acquisition occurred on 1 April 2017 (in the case of the income statement and cash flow statement), and 31 March 2018 (in the case of the balance sheet), assuming that no Mitula Shareholders make an All Scrip Election.

No pro forma adjustments have been made to align the period end of Mitula of 30 June to that of the Combined Group Financial Information with a 31 March year end as this adjustment was determined to be immaterial.

A comparison of Mitula and LIFULL accounting policies has been undertaken. On the basis of this analysis, the directors of LIFULL do not consider there are any material impacts on the Combined Group Financial Information, and accordingly no adjustments have been made.

The financial information in this section 8.7 is presented in an abbreviated form insofar as it does not include all of the presentation disclosures, statements or comparative information as required by IFRS. The Combined Group Financial Information in this section 8.7 has been prepared in accordance with the recognition and measurement requirements of IFRS.

(c) Acquisition accounting

The Combined Group Financial Information was prepared using the acquisition method of accounting with LIFULL treated as the acquiring entity. Accordingly, the historical consolidated financial information has been adjusted to give effect to the impact of the consideration issued in connection with the Scheme. In the Pro Forma Historical Balance Sheet for the Combined Group, LIFULL's purchase price has been allocated to Mitula's assets acquired and liabilities assumed based upon LIFULL management's preliminary estimate of their respective fair values. Any differences between the fair value of the consideration issued, and the fair value of the assets acquired and liabilities assumed will be recorded as goodwill. The amounts allocated to the assets acquired and liabilities assumed in the Combined Group Financial Information are based on LIFULL's preliminary valuation

estimates. Accordingly, the purchase price allocation adjustments and related depreciation and amortisation reflected in the Combined Group Financial Information are preliminary, have been made solely for the purpose of preparing the Combined Group Financial Information and are subject to revisions based on a final determination of fair value upon implementation of the Scheme.

The acquirer is allowed a period of 12 months from the acquisition date to finalise the identification and valuation process and any resultant accounting adjustments. LIFULL has not finalised the identification and valuation of Mitula's assets and liabilities, with finalisation to take place after implementation of the Scheme. For the purposes of preparing the pro forma historical balance sheet for the Combined Group, it has been assumed that the carrying value of Mitula assets and liabilities are equal to their fair value and that additional separately identifiable intangible assets of JPY843 million will be recognised, and the balance allocated to goodwill. Additional amortisation relating to identified intangible assets may arise as a result of the Transaction and the finalisation of the accounting for the Transaction and has not been reflected in the Combined Group Financial Information. The quantum of any additional amortisation will depend on the incremental value allocated, and the useful lives ascribed, to the identifiable intangible assets as part of the final purchase price allocation. For illustrative purposes, for every JPY100 million increase in value ascribed to identifiable intangibles with an average useful life of six years, annual pro-forma Combined Group EBIT would decrease by JPY16.7 million.

For the purpose of preparing the pro forma historical balance sheet of the Combined Group, a deferred tax liability is recognised in relation to identified intangible assets as the amortisation on these items is non-deductible for tax purposes in Japan. As such, to the extent any adjustments are made to the allocation between goodwill and identifiable intangible assets, a corresponding tax adjustment will also be required.

The pro forma historical income statement for the Combined Group does not include the impacts of any revenue, cost or other operating synergies that may result from the Scheme or any related restructuring costs. LIFULL and Mitula have recently begun collecting information in order to formulate detailed integration plans to deliver planned synergies. However, as at 23 October 2018, the integration plans are in their preliminary stages and the associated acquisition related costs are estimates and not yet factually supportable for the purposes of inclusion in the Combined Group Financial Information.

(d) **Purchase price**

For the purpose of preparing the accompanying pro forma historical balance sheet for the Combined Group as at 31 March 2018, the preliminary estimate of the purchase price was calculated as follows:

Item	Unit	At 23 October	At announcement
Mitula Shares (fully diluted, including Deferred Shares)	#m	219.5	219.5
Lifull closing price	Yen	684.0	925.0
Share exchange ratio		0.0843	0.0753
Value per Mitula Share	Yen	57.7	69.7
Cash consideration per Mitula Share	A\$/share	0.8	0.8
FX Rate	AUD/JPY	79.5	81.9
Cash consideration per Mitula Share	Yen/share	63.6	65.5
Shares held by shareholders with less than 20k shares	#m shares	39.5	9.6
Shareholders with >20k, receive first 20k in cash	#m shares	5.8	7.7
Total Mitula Shares to be paid in cash	#m shares	45.2	17.3
Assuming no Scheme Shareholders make All Scrip Election			
Cash consideration	Yen\$m	2,876.9	1,133.3
Scrip consideration	Yen\$m	10,054.1	14,086.1
Total consideration	Yen\$m	12,931.0	15,219.4
Assuming all Scheme Shareholders make All Scrip Election			
Cash consideration	Yen\$m	-	-
Scrip consideration	Yen\$m	12,663.8	15,290.9
Total consideration	Yen\$m	12,663.8	15,290.9

The estimated purchase price reflected in the Combined Group Financial Information does not purport to represent what the actual purchase price will be when the Scheme is implemented. In accordance with the IFRS 3 Business Combinations, the fair value of equity securities issued as part of the consideration transferred will be measured on the Implementation Date at the then current market price. This requirement will likely result in a per-share equity component different from the JPY12,931 million assumed in the Combined Group Financial Information and that difference may be material, which would result in a corresponding increase or decrease to goodwill in the Combined Group Financial Information.

(e) **Pro forma historical income statement for the Combined Group**

Set out below is the pro forma historical income statement for the Combined Group for the year ended 31 March 2018. The pro forma adjustments have been summarised in the table below.

Yen (millions)	Pro forma adjustments			Pro forma Combined Group 31 March 2018	Pro forma Combined Group 31 March 2018 (AUD) (4)
	LIFULL financials 31 March 2018 (1)	Mitula financials 30 June 2018 (2)	Acquisition accounting adjustments (3)		
Revenue	33,618.5	3,360.4		36,978.9	431.1
Cost of revenue	(3,738.3)	(1,018.4)		(4,756.7)	(55.5)
Gross profit	29,880.2	2,342.0		32,222.2	375.7
Selling, general and administrative expenses	(26,357.7)	(1,827.1)	(140.6)	(28,325.4)	(330.2)
Other income(expense), net	(13.1)	-		(13.1)	(0.2)
Operating income	3,509.4	514.9	(140.6)	3,883.7	45.3
Financial revenue	0.2	3.2		3.4	0.0
Financial expenses	(30.8)	-		(30.8)	(0.4)
Share of profit (loss) of investments accounted for using the equity method	(95.4)	-		(95.4)	(1.1)
Net foreign exchange gains/(losses)	-	(50.7)		(50.7)	(0.6)
Profit before taxes	3,383.4	467.4	(140.6)	3,710.2	43.3
Income tax expenses	(1,358.6)	(118.2)	43.4	(1,433.4)	(16.7)
Profit for the period	2,024.8	349.2	(97.1)	2,276.8	26.5

Assumed number of shares (# millions)	118.8 million	133.8 million ⁵
EPS (JPY)	17.0	17.1
EPS (AUD)	0.20	0.20

Notes:

- 1 Extracted from LIFULL income statement for the six months period ended 30 September 2017 and the six-month period ended 31 March 2018 as set out in section 7.11(b).
- 2 Extracted from Mitula income statement for the year ended 30 June 2018 (being the aggregation of Mitula's audited income statement for the year ended 31 December 2017 less Mitula's reviewed income statement for the half year ended 30 June 2017 plus Mitula's reviewed income statement for the half year ended 30 June 2018), translated at an exchange rate of AUD/JPY 85.77 (the average exchange rate for the pro forma period presented being the year ended 31 March 2018).
- 3 Reflects adjustments to depreciation and amortisation expenses of JPY141 million for the year ended 31 March 2018 representing an increase in amortisation expense related to the assumed fair value of identified intangible assets of JPY843 million over a six-year life. An effective tax impact of 30.9% (being the Japanese corporate tax rate) is assumed. As noted in section 8.7(b) the acquisition accounting is preliminary, and the identification of any additional intangible assets may result in further amortisation charges.
- 4 For illustrative purposes the pro forma historical income statement for the Combined Group for the year ended 31 March 2018 in Japanese Yen has been translated to Australian dollars at an exchange rate of AUD/JPY 85.77 (the average exchange rate for the pro forma period presented being the year ended 31 March 2018). However, the Combined Group will only prepare future financial information in Japanese Yen.

- 5 Assumes that a total of approximately 219.5 million Mitula Shares are on issue on the Scheme Record Date, and all Mitula Shareholders receive the Standard Consideration (that is, no Mitula Shareholder makes an All Scrip Election), as set out in the table in section 8.6.

(f) **Pro forma historical balance sheet for the Combined Group**

Set out below is the pro forma historical balance sheet for the Combined Group at 31 March 2018. The pro forma adjustments have been summarised in the table below.

Yen (millions)	LIFULL Group 31 March 2018 (1)	Mitula Group 30 June 2018 (2)	Pro forma adjustments		Pro forma Combined Group 31 March 2018 (AUD) (4)
			Acquisition accounting adjustments (3)	Pro forma Combined Group 31 March 2018	
Current assets					
Cash and cash equivalents	5,446.5	1,694.0	(2,876.9)	4,263.6	52.2
Accounts receivable-trade and other current receivables	5,132.0	744.6		5,876.5	72.0
Other current financial assets	32.7	-		32.7	0.4
Other current assets	542.3	0.3		542.6	6.6
Total current assets	11,153.5	2,438.9	(2,876.9)	10,715.4	131.3
Non-current assets					
Property, plant and equipment	1,867.2	69.3		1,936.5	23.7
Goodwill	9,690.9	2,280.1	7,488.3	19,459.3	238.4
Intangible assets	2,206.4	825.8	843.5	3,875.7	47.5
Investments accounted for using the equity method	489.2	-		489.2	6.0
Other long-term financial assets	1,606.5	-		1,606.5	19.7
Deferred tax assets	435.1	11.0		446.1	5.5
Other non-current assets	8.7	42.3		50.9	0.6
Total non-current assets	16,304.0	3,228.5	8,331.7	27,864.2	341.4
Total assets	27,457.5	5,667.4	5,454.8	38,579.6	472.7
Liabilities					
Current liabilities					
Accounts payable-trade and other current payables	(2,983.7)	(449.2)		(3,432.8)	(42.1)
Short-term loans	(476.7)	-		(476.7)	(5.8)
Lease obligations	(3.8)	-		(3.8)	(0.0)
Accrued corporate income taxes	(783.3)	-		(783.3)	(9.6)
Other short-term financial liabilities	(22.9)	-		(22.9)	(0.3)
Other current liabilities	(1,708.0)	(130.5)		(1,838.5)	(22.5)
Total current liabilities	(5,978.4)	(579.7)	-	(6,558.0)	(80.3)
Non-current liabilities					
Lease obligations	(82.8)	-		(82.8)	(1.0)
Provisions	(518.9)	-		(518.9)	(6.4)
Deferred tax liabilities	(313.0)	(205.0)	(260.6)	(778.6)	(9.5)
Other non-current liabilities	(31.7)	(22.9)		(54.6)	(0.7)
Total non-current liabilities	(946.4)	(227.9)	(260.6)	(1,434.9)	(17.6)
Total liabilities	(6,924.8)	(807.6)	(260.6)	(7,992.9)	(97.9)
Net assets	20,532.7	4,859.8	5,194.2	30,586.7	374.8
Equity					
Capital stock	3,999.6		10,054.1	14,053.7	172.2
Capital surplus	4,326.8			4,326.8	53.0
Retained earnings	13,107.3			13,107.3	160.6
Treasury shares	(8.7)			(8.7)	(0.1)
Other components of equity	(952.3)			(952.3)	(11.7)
Attributable to non-controlling interests	59.9			59.9	0.7
Total equity	20,532.7	-	10,054.1	30,586.7	374.8

Notes:

- 1 Extracted from LIFULL balance sheet as at 31 March 2018 as set out in section 7.11(d).
- 2 Extracted from Mitula's reviewed balance sheet as at 30 June 2018, translated at an exchange rate of AUD/JPY 81.61, as at 31 March 2018, being the date presented for the pro forma balance sheet.
- 3 Reflects the following adjustments a result of purchase price accounting, assuming no Mitula Shareholder makes an All Scrip Election, as set out below. As noted in section 8.7(c) the

acquisition accounting is preliminary, and further intangible assets may be recognised upon finalisation of acquisition accounting.

Item	Unit	Balance
Acquired net assets @ 30 June 2018	<i>A\$m</i>	59.5
FX Rate @ 31 March 2018	<i>AUD/JPY</i>	81.6
Acquired net assets	Yen\$m	4,859.9
Preliminary allocation to intangible assets	<i>Yen\$m</i>	843.5
Preliminary allocation to goodwill	<i>Yen\$m</i>	7,488.3
Recognition of deferred tax liability on intangible assets	<i>Yen\$m</i>	(260.6)
Total estimated purchase price		12,931.0

- i. Reflects identifiable intangible assets expected to be recognised in connection with the Scheme, relating to brand names and customer relationships.

As noted in section 8.7(c) the purchase price accounting is preliminary only. Upon finalisation of acquisition accounting, the fair value of the customer relationships intangible asset will be valued using a multi-period excess earnings method, a form of the income approach, and incorporate the estimated future cash flows to be generated from Mitula's existing customer base. Excess earnings are the earnings remaining after deducting the market rates of return on the estimated values of contributory assets, including debt-free net working capital, tangible assets, and other identifiable intangible assets. The excess earnings are thereby calculated for each year of a multi-year projection period and discounted to present value. Accordingly, the primary components of this method consist of the determination of excess earnings and an appropriate rate of return.

- ii. Goodwill is calculated as the difference between the fair value of the purchase price and the values assigned to the identifiable tangible and intangible assets acquired and liabilities assumed. See table above for the calculation of the amount of goodwill recognised in connection with the Scheme.
 - iii. A deferred tax liability on intangible assets at the Japanese corporate tax rate of 30.9% has been recognised with a corresponding entry to goodwill.
 - iv. Shareholders' equity reflects an adjustment of JPY4,860 million to eliminate Mitula historical shareholders' equity, which represents the historical book value of Mitula's net assets, as a result of the application of acquisition accounting. It also reflects adjustments of JPY10,054 million to common stock to reflect the issue of 14.7 million New LIFULL Shares to satisfy LIFULL's obligations in relation to the Scrip Consideration (assuming a closing price of LIFULL Shares on 23 October 2018, of JPY684 per share) and a reduction in cash of JPY2,877 million to reflect that no Mitula Shareholder makes an All Scrip Election. Refer to section 8.6 for further details.
- 4 For illustrative purposes the pro forma historical balance sheet for the Combined Group as at 31 March 2018 in Japanese Yen has been translated to Australian dollars at an exchange rate of AUD/JPY 81.61 (being the exchange rate as at 31 March 2018). However, the Combined Group will only prepare future financial information in Japanese Yen.

(g) **Pro forma historical cash flow statement for the Combined Group**

Set out below is the pro forma historical cash flow statement for the Combined Group for the year ended 31 March 2018. The pro forma adjustments have been summarised in the table below.

Yen (millions)	LIFULL financials 31 March 2018 (1)	Mitula financials 30 June 2018 (2)	Acquisition accounting adjustments (3)	Pro forma Combined Group 31 March 2018	Pro forma Combined Group 31 March 2018 (AUD) (4)
Profit for the period before tax	3,383.3	467.4	(140.6)	3,710.1	43.3
Depreciation and amortization	1,081.7	394.8	140.6	1,617.0	18.9
Operating income	4,465.0	862.2	-	5,327.2	62.1
Changes in working capital and other non-cash items	(171.6)	140.3	-	(31.3)	(0.4)
Interest and dividends received	2.1	4.1	-	6.2	0.1
Interest paid	(19.3)	(0.6)	-	(19.9)	(0.2)
Income taxes paid	(895.7)	(118.2)	-	(1,013.9)	(11.8)
Net cash from operating activities	3,380.5	887.8	-	4,268.3	49.8
Purchase of available-for-sale financial assets	(450.8)	(2.7)	-	(453.5)	(5.3)
Proceeds from sale of available-for-sale financial assets	4.2	-	-	4.2	0.0
Purchase of property, plant and equipment	(1,012.1)	-	-	(1,012.1)	(11.8)
Proceeds from sale of property, plant and equipment	1.3	(28.6)	-	(27.3)	(0.3)
Purchase of intangible assets	(321.2)	(127.3)	-	(448.5)	(5.2)
Proceeds from sale of intangible assets	7.3	-	-	7.3	0.1
Acquisition of subsidiaries	(88.7)	(1,170.8)	-	(1,259.5)	(14.7)
Payments for loans receivable	(30.0)	-	-	(30.0)	(0.3)
Proceeds from refund of leasehold deposits and guarantee deposits, net	432.9	-	-	432.9	5.0
Acquisition of shares of associates	(557.0)	-	-	(557.0)	(6.5)
Proceeds from sales of shares of associates	135.0	-	-	135.0	1.6
Others	(42.2)	-	-	(42.2)	(0.5)
Net cash from investing activities	(1,921.3)	(1,329.4)	-	(3,250.7)	(37.9)
Repayment of long-term loans	(1,000.0)	-	-	(1,000.0)	(11.7)
Dividends paid	(769.3)	-	-	(769.3)	(9.0)
Repayment of lease obligations	(3.1)	-	-	(3.1)	(0.0)
Dividends paid to non-controlling interests	(39.1)	-	-	(39.1)	(0.5)
Purchase of shares in subsidiaries	(402.8)	-	-	(402.8)	(4.7)
Proceeds from share issuance to non-controlling interest	28.7	-	-	28.7	0.3
Proceeds from issuance of bonds	3.0	-	-	3.0	0.0
Purchase of treasury shares	-	-	-	-	-
Net cash from financing activities	(2,182.6)	-	-	(2,182.6)	(25.4)
Effect of exchange rate changes on cash and cash equivalents	123.0	-	-	123.0	1.4
Net increase (decrease) in cash and cash equivalents	(600.4)	(441.6)	-	(1,042.0)	(12.1)

Notes:

- 1 Extracted from LIFULL cash flow statement for the six month period ended 30 September 2017 and the six-month period ended 31 March 2018 as set out in section 7.11(e).
- 2 Extracted from Mitula's cash flow statement for the year ended 30 June 2018 (being the aggregation of Mitula's audited cash flow statement for the year ended 31 December 2017 less Mitula's reviewed cash flow statement for the half year ended 30 June 2017 plus Mitula's reviewed cash flow statement for the half year ended 30 June 2018), and translated at an exchange rate of AUD/JPY 85.77 (being the average exchange rate for the pro forma period presented being the year ended 31 March 2018).
- 3 Reflects adjustments to depreciation and amortisation expenses of JPY141 million for the year ended 31 March 2018 representing an increase in amortisation expense related to the assumed fair value of identified intangible assets of JPY843 million over a six-year life. As noted in section 8.7(c) the acquisition accounting is preliminary, and the identification of any additional intangible assets may result in further amortisation charges.
- 4 For illustrative purposes the pro forma historical cash flow statement for the Combined Group for the year ended 31 March 2018 in Japanese Yen has been translated to Australian dollars at an exchange rate of AUD/JPY 85.77 (the average exchange rate for the pro forma period presented being the year ended 31 March 2018). Note, however, that the Combined Group will only prepare future financial information in Japanese Yen.

9 Risks

9.1 Introduction

This section 9 describes a number of key risks associated with:

- the Combined Group and its business;
- New LIFULL Shares; and
- share ownership in general.

A significant number of these risks are, or will be, risks to which Mitula Shareholders are already exposed. However, as the Combined Group comprises other businesses in addition to Mitula, Mitula Shareholders will potentially be exposed to additional risks in respect of the Combined Group.

The information set out in this section should be considered in conjunction with other information contained in this Scheme Booklet and is not, and should not be relied on as, an exhaustive list of the risks that Mitula Shareholders may face or to which they may be exposed.

These risks are general in nature and have been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Mitula Shareholder or any other person. Mitula Shareholders should consult with their relevant professional advisers as to what risks may be relevant to their personal circumstances.

Additional risks and uncertainties that Mitula and LIFULL are currently unaware of, or that may currently be considered immaterial, may also become important factors that can adversely affect the Combined Group's operating and financial performance.

9.2 Specific risks relating to the Combined Group and its business

(a) Expected benefits of the Scheme

After implementation of the Scheme, LIFULL intends to merge the Mitula business with its existing Trovit business. If some or all of the benefits of the combination are not achieved, the business, financial condition and results of operations of the Combined Group could be materially and adversely affected.

(b) Integration issues, including in relation to the realisation of synergies

The long-term success of the Combined Group will depend on, amongst other things, the success of the intended combination of the Mitula and Trovit businesses.

While both Mitula and LIFULL expect that value can be added to the Combined Group through the intended combination of the businesses and the realisation of synergies, there is a risk that implementation of the Scheme may not result in the full realisation of the expected synergies due to various factors, including:

- unexpected delays, challenges, liabilities and costs in relation, but not limited, to integrating operating and management systems such as information technology, information or accounting systems; and
- the loss of key personnel or customers of the Combined Group.

If the integration is not achieved in an orderly manner, the expected synergies and benefits may be achieved only in part, or not at all. This could adversely impact the Combined Group's financial performance and position and the future prospects of the Combined Group.

9.3 Specific risks relating to the New LIFULL Shares

(a) The rights attaching to New LIFULL Shares will be different to those attaching to Mitula Shares

Holding Shares in a Japanese company listed on the Tokyo Stock Exchange is different to holding shares in an Australian company listed on ASX. The rights attaching to New LIFULL Shares will be primarily governed by the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, the Tokyo Stock Exchange rules and LIFULL's articles of incorporation.

The differences between the rights attaching to New LIFULL Shares and Mitula Shares are summarised in section 11.

(b) Risks associated with LIFULL's businesses

(1) Customer enquiries may decrease

LIFULL's primary service, LIFULL HOME'S, utilises in some of its services a fee charging scheme which varies depending on the volume of enquiries from internet users received by its real estate agent customers.

The revenues from this fee charging scheme vary depending on the volume of enquiries and are therefore susceptible to any decline in LIFULL HOME'S' end-user appeal. There is the possibility that LIFULL's financial results could be affected if enquiries decrease.

(2) Pricing of services provided by LIFULL

The pricing of various services provided by LIFULL may be revised depending on prices of similar competing products, the level of value added by the service and changes in costs.

There is the possibility that LIFULL's financial results could be affected if revisions to pricing materially affect client usage or changes in costs cannot be passed on to clients through pricing.

(3) Number of clients may decrease

LIFULL may suffer an unexpected increase in subscription termination, such as forced termination due to breaches of service contracts, and in particular, termination of service with a large-scale client with multiple branches. There is the possibility that LIFULL's financial results could be affected by a decrease in the number of clients.

(4) LIFULL's websites are dependent on third-party search engines for client access

Users who access LIFULL's websites, for the most part, utilise search engines and are therefore reliant on the search results of these engines. The rank order of a particular search result is controlled by each search engine operator. LIFULL undertakes search engine optimisation to improve the rank order of LIFULL's websites in search results, and actively promotes its brands or applications to increase the percentage of users who access LIFULL's websites independently of search engines. However, LIFULL does not have any direct influence over rank orders.

Therefore, it is possible that search engine operators can change their rank order logic in a manner that could result in unfavourable search results for LIFULL and its websites. There is the possibility that LIFULL's financial results could be affected by any degeneration in client access efficiency.

(5) Investment to adapt to technological innovation

LIFULL's businesses rely on information, internet and communications technologies to offer services and products to its customers. LIFULL's business units and research institutes actively pursue technologies considered effective to enhance the value of LIFULL's services and develop those services accordingly. However, the current rapid pace of innovation in information, internet and communications technologies may marginalise LIFULL's ongoing technology, leading to decline in user and client satisfaction, which could possibly affect LIFULL's financial results.

The costs associated with development in information, internet and communications technologies (both in-house and through third-parties, including by purchasing or obtaining licences), such as network-related hardware and software in order to adopt and take advantage of new technologies, may also increase, which could possibly affect LIFULL's financial results.

(6) **Current and potential internet legal regulations and possible effects**

Legislation regulating Japanese internet information traffic is on the rise, necessitating services changes to ensure compliance with new laws. Regulation in non-domestic jurisdictions will also require services changes to ensure compliance in those countries. If LIFULL were to become legally liable for international multi-jurisdictional disputes involving clients and users, there is the possibility that LIFULL's financial results could be affected.

(7) **Personal information policy**

LIFULL holds or maintains various types of sensitive information, including personal information and confidential information of clients. LIFULL believes that appropriate management of such information is extremely important and exercises due caution in its use, including through the implementation of internal rules on handling of information, periodic employee training, increased security for systems, and internal audits on use of such information. When legal or regulatory obligations require disclosure of any such information, LIFULL consults with its legal counsel and regulatory agencies to ensure it undertakes an appropriate response.

However, should there be leakage, loss, falsification, or unauthorised use of such information, whether through unauthorised access of outside parties, faults in internal security management or otherwise, costs to contain and resolve such issues and loss of public credibility (which could result in a decrease in users and clients), this could possibly affect LIFULL's financial results, notwithstanding available insurance coverage.

(8) **Network security**

LIFULL provides its services through the internet and operates in an environment connected to the internet. LIFULL undertakes various security measures to protect itself from computer virus infection, hacker attacks and similar internet-related risks. However, it is impossible to be prepared for all possibilities. For example, LIFULL could undergo unexpected system failures which could lead to unexpected events or contingencies such as temporary suspension of all or part of the services it provides, possibly affecting LIFULL's financial results.

(9) **Disputes between users and clients providing classified ads on LIFULL's websites**

LIFULL maintains an information examination and review unit to monitor the information provided on LIFULL's websites. When disputes arise between users and clients providing classified ads on LIFULL's websites, where LIFULL is contacted by the user, LIFULL refers the complaint to the client in question to request it provide an explanation to the user and to alleviate the cause of the dispute. LIFULL also independently considers the circumstances, including termination of the service contract if necessary.

However, LIFULL's request to the client to alleviate the cause of the dispute may not be enforceable by LIFULL, nor can all users who experience an issue or have a complaint be expected to be completely understanding or satisfied. Should the services provided by LIFULL suffer reputational degradation, there is the possibility that LIFULL's financial results could be affected.

(10) **Intellectual property**

If LIFULL is required to make significant payments of damages or is subject to termination of certain services or contracts, due to infringement of specific technology, business models, trademarks or other intellectual property material to LIFULL's operations or financial results, there is the possibility that LIFULL's operations or financial results could be affected.

LIFULL currently utilises certain licences to use certain third-party intellectual property. Should any of these licences be revoked or otherwise limited or terminated, LIFULL may incur certain costs necessary to handle such issues. There is the possibility that LIFULL's financial results could be affected.

(11) **Overseas expansion**

LIFULL has undertaken, and continues to undertake, expansion of its services overseas. Overseas expansion involves various risk factors including but not limited to business risks and legal requirements idiosyncratic to the region. LIFULL implements measures to minimise these risks, but if risks associated with overseas expansion should materialise unexpectedly, there is the possibility that LIFULL's financial results could be affected.

(12) **Foreign currency effect**

LIFULL operates its business globally, exposing its financial results to sudden fluctuation in foreign currency as such fluctuation influences product prices and service costs in overseas operations and corporate transactions between regions. The value of overseas assets and liabilities are translated into Japanese Yen for consolidation, resulting in translation gain/loss due to currency fluctuation. Sudden unexpected fluctuation in currency rates could possibly affect LIFULL's financial results.

(13) **Risk of impairment of goodwill**

LIFULL acquired 100% of the issued share capital in Trovit in November 2014 for approximately EUR 80 million (excluding ancillary expenses for the acquisition). The acquisition resulted in a significant amount of goodwill being added to LIFULL's financial accounts. If the profitability of the acquisition should decrease significantly to warrant an impairment of goodwill, there is the possibility that LIFULL's financial results could be affected.

(14) **Competing entities**

LIFULL will continue to seek to differentiate its business from its competitors by increasing the volume of listed information, enhancing user convenience and reliability, and strengthening brand reputation. However, low barriers to, and ease of entry onto, the internet in an industry difficult to differentiate may invite excessive competition, which could erode LIFULL's competitiveness. There is the possibility that LIFULL's financial results could be affected.

(c) **Risks concerning LIFULL's operations**

(1) **Dependence on management**

LIFULL's President and representative director, Takashi Inoue, is the founder of LIFULL, and has been the Chief Executive Officer since its establishment. He is extremely experienced in both the real estate and internet industries and plays a highly significant role in deciding management policies and business strategies as well as in their execution.

In order to decrease its level of dependency on Takashi Inoue, LIFULL is engaged in strengthening its management organisation and sharing information amongst its officers and management personnel on the board of directors and management committee and introduced the executive officer system to broaden the division of responsibility and expedite decision making. However, if Takashi Inoue, for whatever reason, cannot continue his association with LIFULL, there is the possibility that LIFULL's financial results could be affected. Following the end of his term of office as the representative director, Mr Inoue will not be subject to any restraints of trade or other non-compete restrictions.

(2) **System failure or equipment malfunction**

LIFULL's business is dependent on computer systems and communication networks for its operations. LIFULL utilises power generation facilities and seismic structures to cope with blackouts and earthquakes, and routinely backs-up server data.

However, if communication networks are cut by unforeseen natural disasters or accidents or a temporary surge in access communication traffic prevents functioning of servers

operated by LIFULL or its providers, confidence in LIFULL's systems could be undermined, possibly affecting LIFULL's results.

Hardware and parts constituting the major functions of LIFULL's operation are subject to a dual back-up system to strengthen resiliency to failure. However, unexpected technical difficulties could lead to temporary suspension of all or part of LIFULL's services, possibly affecting LIFULL's financial results.

(3) **Business expansion through corporate acquisitions**

LIFULL considers corporate acquisitions or joint ventures as a means for entry into new business sectors or domains and/or expansion of its existing businesses (including by acquiring technologies), to be an important business strategy.

When conducting such acquisitions or joint ventures, LIFULL conducts exhaustive due diligence on the financial condition and contractual obligations of the target entity or asset to minimise any risk. However, there are cases where due diligence cannot be conducted to the fullest extent, leaving open the possibility of contingent or undiscovered liabilities emerging after the acquisition. There is also the possibility of difficulties in integrating information and internal control systems of the acquired entity or asset, or loss of officers, employees or clients of the acquired entity or asset due to the acquisition. There is the possibility that LIFULL's financial results could be affected.

(4) **Entry into new business domains**

LIFULL is developing new businesses outside of real estate information services, with a view that such businesses will constitute a major part of profit generation in the future. New business entries are conducted based on business plans developed through preliminary research and investigation data, and investment return estimates.

However, accurate estimates of the effect of new businesses on LIFULL's operations and financial results is difficult, and new developments in the business environment may deflect achievement of the original plans, possibly affecting LIFULL's results.

In addition, entry into new business domains or new services may entail risks particular to that business domain and possibly become a risk factor to LIFULL.

(5) **Compliance**

LIFULL considers the strengthening of its compliance organisation and internal control systems to ensure compliance with all laws and regulations to be of paramount importance. LIFULL conducts appropriate training and instruction to its employees, as well as implementing necessary safeguards, to prevent and discover any unlawful acts or engagement with antisocial groups.

However, internal control systems have inherent limitations, and do not guarantee complete success. Therefore, if there are any future infractions in compliance, inviting loss of confidence from users and clients, or legal action from business counterparties, there is the possibility that LIFULL's financial results could be affected.

(d) **Others**

(1) **Dividend policy**

LIFULL considers "Dividend Distribution of profits to Shareholders" to be one of its main management policies, along with continuing to increase profits by "Investment in Future Growth" and "Retained Earnings" to maintain and strengthen financial stability.

LIFULL has historically paid past dividends on an annual basis.

LIFULL's basic policy for dividends is to reflect mid/long term business plans and conduct flexible profit distribution based on annual financial results.

Therefore, there is the possibility that dividends declared will be zero, if LIFULL fails to make any profits for a fiscal year. There is no guarantee LIFULL will continue to pay dividends in the future.

(2) **Relationship with Rakuten, Inc.**

Rakuten, Inc. is a major shareholder in LIFULL holding 20.03% of LIFULL Shares as of 31 March 2018. LIFULL is an affiliated company of Rakuten, Inc. and LIFULL maintains a broad and friendly relationship with Rakuten, Inc., including commercial transactions such as listing of LIFULL's real estate information on portal sites operated by Rakuten, Inc., and LIFULL's outside director, Yoshihisa Yamada, serving concurrently as an executive director of Rakuten, Inc.

There can be no certainty that this relationship will be maintained in its current form in the future. If the current relationship is not maintained, although the volume of commercial transactions is relatively small, it is possible that the change in relationship may affect LIFULL's business strategy and capital policy.

9.4 General risks relating to share ownership

(a) **Markets and investments in equity capital**

There are general risks associated with any investment in a Tokyo Stock Exchange listed company. As is the case in respect of ASX listed companies, the share prices for many Tokyo Stock Exchange listed companies have been subject to substantial fluctuations and may experience fluctuations in the future.

The trading price of New LIFULL Shares may fluctuate depending on the financial condition and operating performance of the Combined Group, as well as other external factors over which the directors of LIFULL have no control.

These external factors include: general movements in international stock markets; investor sentiment; international economic conditions and outlook; changes in interest rates and the rate of inflation; changes in government regulation and policies; announcement of new technologies; and geo-political instability, including international hostilities and acts of terrorism.

Fluctuation in the LIFULL Share price may cause difficulties in raising capital, attracting analyst coverage, and accessing liquidity and funding.

No assurances can be given that the price of LIFULL Shares will not be adversely affected by these factors. None of LIFULL, the LIFULL Board, Mitula, the Mitula Board or any other person guarantees the market performance of LIFULL Shares.

(b) **Adverse global economic conditions**

General economic conditions, globally or in one or more of the markets served by the Combined Group, may adversely affect the Combined Group's financial and operational performance. A number of factors affect the performance of the stock markets, which could affect the price at which New LIFULL Shares trade on Tokyo Stock Exchange, following implementation of the Scheme.

Recessionary or low economic growth conditions in key markets and the ongoing disruption in global financial markets can significantly impact, and may continue to significantly impact, the business of key customers. As a result, customers may fail to make payments or perform their other obligations on time or at all.

These factors may affect the Combined Group's operational and financial performance both in the short and medium term.

(c) **Exposure of earnings to fluctuating foreign exchange rates**

The Combined Group will have operations in many jurisdictions. Therefore, it will be exposed to foreign earnings, expenses and borrowings, which are primarily: (i) transaction exposures affecting the value of transactions translated back to the functional currency of the relevant subsidiary; and (ii) translation exposures affecting the value of assets and liabilities of overseas subsidiaries when translated into Japanese Yen.

The Combined Group may manage the impact of exchange rate movements on both its earnings and balance sheet by entering into hedging transactions, including derivative financial instruments. To the extent the Combined Group does not hedge effectively, or at

all, against movements in the exchange rate of these currencies, such exchange rate movements may adversely affect its earnings and or balance sheet.

(d) Changes in accounting or financial reporting standards

Changes in accounting or financial reporting standards may adversely impact the reported financial performance of the Combined Group.

(e) Litigation

Like any business, disputes or litigation may arise from time to time in the course of the business activities of the Combined Group. There is a risk that any material or costly dispute or litigation could adversely affect the Combined Group's reputation, financial performance or value.

(f) Negative publicity and failure to communicate effectively

The Combined Group will be subject to the risk that negative publicity, whether true or not, may affect stakeholder perceptions of the Combined Group's past actions and future prospects. As LIFULL is listed on the Tokyo Stock Exchange, the Combined Group will be subject to risks relating to market expectations for its business, and financial and operating performance. If LIFULL does not communicate these expectations in an effective manner, this may give rise to a loss of investor confidence in its business and management.

(g) Unfavourable changes in taxation laws

Variation in the taxation laws of the countries where the Combined Group will operate could materially affect the Combined Group's financial performance. The interpretation of taxation laws could also change, leading to a change in taxation treatment of investments or activities.

9.5 Risks relating to implementation of the Scheme

(a) Uncertain value of the Scrip Consideration

As at Tuesday 23 October 2018, the implied value of the Scrip Consideration was \$0.726 per Scheme Share.²¹ The implied value of the Scrip Consideration will vary over time depending on the prevailing LIFULL Share price and the AUD/JPY exchange rate. As a result of changes in these factors, the implied value of the Scrip Consideration is likely to change, including between 23 October 2018, the date of the Scheme Meeting, the Election Date, the Implementation Date, the Settlement Completion Date and the completion of the sale process described in section 5.7.

Following implementation of the Scheme, the price of the New LIFULL Shares will continue to rise or fall, including based on factors such as market conditions and the Combined Group's financial and operating performance.

(b) Conditions to the implementation of the Scheme

Implementation of the Scheme is subject to a number of conditions. These conditions are summarised in section 12.3(a). Some of these conditions are beyond the control of Mitula and LIFULL. There can be no guarantee that the conditions will be satisfied or waived in a timely fashion or at all. Any failure or delay in satisfying the conditions could prevent or delay implementation of the Scheme, which could reduce the benefits that LIFULL expects to obtain from the Scheme, increase the costs associated with the Scheme and impede successful integration of LIFULL's and Mitula's businesses.

(c) Court approval

There is a risk that the Court may not approve the Scheme, or that the approval is delayed. In particular, if there is a material change in circumstances between the Scheme Meeting and the Second Court Date, then the Court will have regard to that change in deciding how it should proceed. If such changes are so important that they materially alter the Scheme, there is a risk that the Court may not approve the Scheme at the Second Court Hearing or may impose conditions on its approval.

²¹ Based on the LIFULL Share price of JPY684 and the AUD/JPY exchange rate of 79.49 as at Tuesday, 23 October 2018.

(d) **Integration risk**

The Scheme will involve the combining of the Mitula and Trovit businesses which have previously operated independently. There is a risk that unexpected issues and complications may arise during the integration. There is a risk that the Combined Group may face unanticipated liabilities and costs, operational disruption and the possible loss of key employees, customers or market share if integration is not achieved in a timely and orderly manner.

Potential factors that may impact a successful integration include:

- difficulty in managing a significantly larger organisation;
- difficulty in coordinating geographically separate organisations;
- difficulty in aligning and executing the strategy of the Combined Group;
- difficulty in consolidating corporate and administrative infrastructures and eliminating duplicative operations;
- difficulty in integrating management information systems;
- difficulty in merging the culture and management styles of two organisations;
- lower than expected cost savings;
- unintended losses of key employees;
- unanticipated market conditions; and/or
- changes in the regulatory environment, or regulatory conditions imposed in connection with the Scheme, impacting the ability of the Combined Group to leverage its increased scale, presence and market intelligence to achieve anticipated benefits.

Integration planning based on public information is taking place to mitigate the risk of these issues occurring. However, a risk remains that difficulties may arise.

(e) **Employee risk**

The Combined Group's success after completion of the Scheme will depend in part upon its ability to retain people who are currently key employees of LIFULL (including Trovit) and Mitula. Employee retention may be particularly challenging during the pendency of the Scheme and following the combination of the operations of Mitula and Trovit, as employees may experience uncertainty about their future roles. If there is a departure of key employees during the pendency, or as a result, of the Scheme, integration could prove more difficult than anticipated, and the Combined Group's business could be adversely affected. Furthermore, the Combined Group may have to incur significant costs in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent relating to the Combined Group's business, and the Combined Group's ability to realise the anticipated benefits of the Scheme may be adversely affected. In addition, there could be disruptions to or distractions for the workforce and management associated with activities of labour unions or works councils or the integration of employees into the Combined Group. No assurance can be given that the Combined Group will be able to attract or retain its employees as successfully as LIFULL and Mitula have in the past, or that the Combined Group will have the benefit of the ongoing employment of current employees of LIFULL and Mitula following implementation of the Scheme.

Implementation of the Scheme could result in the termination of management positions or employment contracts of certain executives or employees of LIFULL or Mitula, which may result in the payment of termination benefits.

Certain key executives and other employees of LIFULL or Mitula and their respective subsidiaries (including Trovit) may terminate their management positions or their employment contracts on their own initiative or that of the Combined Group as a result of the Scheme. If members of the Combined Group's senior management depart, the Combined Group may not be able to find effective replacements in a timely manner, or at all, and its business may be disrupted.

(f) **Litigation risk**

In connection with the Scheme, LIFULL and/or Mitula could face new claims and litigation, in particular brought by partners, suppliers, competitors and/or regulators of LIFULL or Mitula, or by investors in connection with the Scheme.

10 Tax implications of the Scheme

10.1 Introduction

This section summarises the general taxation position of Scheme Shareholders in relation to the Scheme if it is implemented. This section 10 does not provide a complete analysis of the potential tax implications of the Scheme. Rather, it is only a general guide on the tax implications in Australia and Japan.

This section 10 does not constitute tax advice. It should not be relied upon as a substitute for advice from an appropriate professional adviser having regard to your individual circumstances. Scheme Shareholders are strongly advised to seek their own independent professional advice on the tax implications of the Scheme based on their own specific circumstances.

10.2 Australia

(a) Introduction

This is a summary of the Australian income tax considerations of the Scheme for Scheme Shareholders who are residents of Australia for Australian income tax purposes and hold their Scheme Shares on capital account for Australian income tax purposes. This summary does not specifically address the Australian tax consequences associated with the operation of the sale facilities relating to the Sales Request Policy (as outlined in section 5.6) or the termination sales facility (as outlined in section 5.7). This summary also does not consider the consequences for Scheme Shareholders who:

- are not residents of Australia for Australian income tax purposes;
- hold their Scheme Shares as a revenue asset (i.e. trading entities or entities who acquired their Scheme Shares for the purposes of resale at a profit) or as trading stock for Australian income tax purposes;
- acquired their Scheme Shares through, or in connection with, an employee share scheme;
- are under a legal disability;
- are temporary residents for the purposes of Australian income tax law;
- may be subject to special tax rules, such as insurance companies, partnerships, tax exempt entities and entities subject to the Investment Manager Regime under Subdivision 842-I of the Income Tax Assessment Act 1997 (Cth) in respect of their Scheme Shares; or
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Scheme Shares.

This summary is necessarily general in nature and is based on Australian income tax legislation and administrative practice in force as at the date of this Scheme Booklet. It does not take into account any financial objectives, tax positions or investments needs of any Scheme Shareholders and should not be construed as being investment, legal or tax advice to any particular Scheme Shareholder.

As the taxation implications of the Scheme will depend upon a Scheme Shareholder's particular circumstances, Scheme Shareholders should seek and rely upon their own independent tax advice before concluding on the particular taxation treatment that will apply to them.

Scheme Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Scheme that are not covered by this summary. Such shareholders should seek and rely upon their own independent tax advice in relation to the taxation implications of the Scheme in any jurisdictions that are relevant to them.

Neither Mitula nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Scheme.

(b) **Certain income tax consequences of the Scheme for Scheme Shareholders**

Under the Scheme, Scheme Shareholders will dispose of their Scheme Shares to LIFULL in exchange for the Scheme Consideration.

(c) **Income tax consequences of the Scheme for Australian resident Scheme Shareholders**

(1) **Capital Gains Tax (CGT) event**

The disposal of Scheme Shares to LIFULL under the Scheme will give rise to a CGT event at the time Scheme Shareholders transfer their Scheme Shares to LIFULL under the Scheme (i.e. on the Implementation Date).

(2) **Calculation of capital gain or loss**

Scheme Shareholders will make a capital gain on the disposal of each of their Scheme Shares to the extent that the capital proceeds received in respect of the Scheme Shares is more than their cost base. Conversely, Scheme Shareholders will make a capital loss to the extent that the capital proceeds in respect of each of their Scheme Shares is less than their reduced cost base for those Scheme Shares.

Scheme Shareholders who are residents of Australia for income tax purposes and make a capital gain on the transfer of their Scheme Shares may be eligible to choose scrip for scrip roll-over relief to the extent they receive Scrip Consideration. The roll-over relief is discussed below under the heading "CGT Roll-Over Relief".

(3) **Capital proceeds**

The capital proceeds from the disposal of the Scheme Shares should include the Scheme Consideration received by Scheme Shareholders.

Where a Scheme Shareholder receives Cash Consideration only for the transfer of their Scheme Shares to LIFULL, the capital proceeds should be the Cash Consideration received.

Where a Scheme Shareholder receives Scrip Consideration only, the Scheme Shareholder will only receive New LIFULL Shares and the capital proceeds should be the market value of the New LIFULL Shares received on the Implementation Date.

Where a Scheme Shareholder receives a combination of Scrip Consideration and Cash Consideration for the transfer of the Scheme Shares, the capital proceeds received in respect of the CGT event should be the sum of:

- the Cash Consideration received from LIFULL; and
- the market value of the New LIFULL Shares issued to the Scheme Shareholder.

(4) **Cost base and reduced cost base**

The cost base (or reduced cost base) of each Scheme Share held by a Scheme Shareholder will broadly be:

- the amount of money paid, or the value of property given, in order to acquire the Scheme Share; plus
- any 'incidental costs' as defined in the CGT rules; plus
- any non-capital costs not claimed as an income tax deduction; less
- any previous capital returns made by Mitula.

(5) **CGT discount**

To the extent that CGT roll-over relief is not available (or not chosen by a Scheme Shareholder), the CGT discount should be available to those Scheme Shareholders who are individuals, trusts or complying superannuation funds and who have held their Scheme Shares for at least 12 months before the Implementation Date.

Broadly, the CGT discount rules enable Scheme Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts and approximately 33.33% for complying superannuation funds. The CGT discount is not available to Scheme Shareholders that are companies or non-residents.

(6) **Capital losses**

A capital loss on the disposal of Scheme Shares may be used to offset any other capital gains derived by a Scheme Shareholder for the relevant year of income (including any capital gain derived by a Scheme Shareholder on other Scheme Shares) or may be carried forward to offset capital gains in future income years.

Specific capital loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. Scheme Shareholders should obtain their own tax advice in relation to the operation of these rules.

(7) **CGT roll-over relief**

Scheme Shareholders who are residents of Australia for income tax purposes and would make a capital gain on the disposal of their Scheme Shares for New LIFULL Shares should determine whether they are eligible to choose to apply CGT roll-over relief to this gain. There is no roll-over relief if the Scheme Consideration is entirely a cash amount.

Where a resident Scheme Shareholder determines it is eligible and then also chooses CGT roll-over relief, and the resident Scheme Shareholder only receives Scrip Consideration as consideration for transferring their Scheme Shares, then:

- the entire capital gain that they would otherwise make on the disposal of their Scheme Shares should be disregarded; and
- the cost base of the New LIFULL Shares received should be the cost base of the Scheme Shares exchanged for those New LIFULL Shares.

Where a resident Scheme Shareholder determines it is eligible and then also chooses CGT roll-over relief and receives a mixture of Cash Consideration and Scrip Consideration as consideration for transferring their Scheme Shares (i.e. the Standard Consideration), then:

- only a portion of the capital gain that the Scheme Shareholder would otherwise make on the disposal of their Scheme Shares will be disregarded. CGT roll-over will not be available on the portion related to the Cash Consideration (i.e. ineligible proceeds); and
- the cost base of the New LIFULL Shares received should reflect only a portion of the cost base of their Scheme Shares.

To the extent a resident Scheme Shareholder determines it is eligible and chooses CGT roll-over relief, it may calculate the extent of roll-over relief in this situation by applying the proportion produced by the following formula against the total capital gain that would otherwise arise. This formula can also be used to determine the cost base of the New LIFULL Shares by applying the proportion produced by the following formula against the total cost base of Scheme Shares transferred to LIFULL:

$$\frac{\text{Market value of LIFULL Shares}}{\text{Market value of LIFULL Shares} + \text{Cash Consideration received}}$$

The following simplified example illustrates the principles described above.

Assume a Scheme Shareholder who acquired 1,000 Mitula Shares at \$2 per share receives under the Scheme 500 New LIFULL Shares and Cash Consideration of \$1,000 for disposing of their Mitula Shares to LIFULL. Assume further that the market value of the New LIFULL Shares is \$4 per share.

Their capital gain on disposal of each Mitula Share will be \$1, being a total of \$1,000 across all their Mitula Shares.

The formula above will determine the portion of the gain subject to roll-over relief and the portion of the cost base of the Mitula Shares that becomes the cost base of the New LIFULL Shares, as follows:

$$\frac{\$2,000}{\$2,000 + \$1,000} = 66.67\%$$

Capital gain before roll-over relief =	\$1,000
Less portion subject to roll-over relief (66.67% x \$1,000) =	(\$666.70)
Capital gain included in assessable income =	<u>\$333.30</u>
Cost base of LIFULL Shares (66.67% x \$2,000) =	\$1,333.40

If eligible under the rules, a resident Scheme Shareholder must still make a choice to apply CGT roll-over relief before lodging an income tax return for the income year in which the Implementation Date occurs. A resident Scheme Shareholder evidences the choice by excluding the disregarded capital gain (or relevant part thereof) from assessable income in their income tax return. There is no need to lodge a separate notice with the Australian Taxation Office.

Where a resident Scheme Shareholder chooses CGT roll-over relief, the resident Scheme Shareholder will be taken to have acquired the New LIFULL Shares acquired under the Scheme:

- for general CGT purposes, on the Implementation Date; and
- for the purposes of the applying the CGT discount to any future dealings in the New LIFULL Shares, on the date they acquired the relevant Scheme Shares.

(8) If CGT roll-over relief is not available and/or is not chosen

If a resident Scheme Shareholder does not choose or cannot choose CGT roll-over relief in respect of Scheme Shares exchanged for New LIFULL Shares (e.g. the Scheme Shareholder would make a capital loss on the disposal of their Scheme Shares), the resident Scheme Shareholder will make a capital gain or loss as discussed above. The cost base of the New LIFULL Shares received under the Scheme will be the market value of the Scheme Shares exchanged on the Implementation Date.

Where CGT roll-over relief is not available, the date of acquisition of the New LIFULL Shares for CGT purposes will be the Implementation Date.

This date will be relevant for the purpose of qualifying for the CGT discount with respect to future CGT events happening to the New LIFULL Shares.

(d) Certain tax implications from holding and dealing in New LIFULL Shares

The following comments only apply to holders of New LIFULL Shares who are residents of Australia for Australian income tax purposes and hold their New LIFULL Shares on capital account for Australian income tax purposes. The following comments only consider the Australian income tax treatment for these shareholders in relation to:

- dividends paid in respect of the New LIFULL Shares; and
- future disposal of New LIFULL Shares.

We strongly encourage holders of New LIFULL Shares to seek their own independent tax advice in relation to the foreign taxation implications of holding New LIFULL Shares reflecting their own circumstances.

(1) Dividends received by holder of New LIFULL Shares

Where LIFULL pays a dividend in respect of New LIFULL Shares, a holder of New LIFULL Shares who is a resident of Australia for income tax purposes should be assessable on the amount of the dividend received.

Holders of New LIFULL Shares who receive a dividend may be eligible for a Foreign Income Tax Offset (**FITO**) in the calculation of their Australian income tax liability, for Japanese dividend withholding tax and surtaxes paid. A FITO will reduce the holder's Australian tax payable on income after available tax deductions. If the FITO exceeds the amount of tax payable, the excess cannot be carried forward to future income tax years.

For personal use only

(2) Future disposal of New LIFULL Shares

Where a resident holder of New LIFULL Shares sells, transfers or otherwise disposes of their New LIFULL Shares to a third party, this should give rise to a CGT event for the holder of the shares.

The holder should realise a capital gain to the extent that the capital proceeds in respect of the CGT event exceed their cost base in the New LIFULL Shares. The holder should realise a capital loss to the extent that their reduced cost base in the New LIFULL Shares exceeds the capital proceeds in respect of the CGT event.

Where a capital gain arises, individuals, trustees and complying superannuation funds may be entitled to reduce the capital gain under the CGT discount rules subject to:

- the gain first being reduced by any available current year or carry forward capital losses; and
- the shares being held for at least 12 months before the CGT event.

Where CGT roll-over relief applied to the exchange of the Scheme Shares for New LIFULL Shares, the New LIFULL Shares will be treated for CGT discount purposes as having been acquired on the same date as the original Scheme Shares.

The CGT discount is 50% for individuals and trustees and approximately 33.33% for complying superannuation funds. The CGT discount does not apply to companies or non-residents.

Where a capital loss arises on disposal of New LIFULL Shares, that loss cannot be offset against ordinary income and must be offset against other capital gains arising in the same income year or future income years.

To the extent that the holder of the New LIFULL Shares claimed CGT roll-over relief on the original exchange of the Scheme Shares for New LIFULL Shares, the cost base and reduced cost base for those New LIFULL Shares should reflect the appropriate portion of the cost base and reduced cost base of the Scheme Shares.

Holders who dispose of their New LIFULL shares may be eligible for a FITO in the calculation of their Australian income tax liability, for Japanese tax arising on the disposal. A FITO will reduce the holder's Australian tax payable on income after available tax deductions. If the FITO exceeds the amount of tax payable, the excess cannot be carried forward to future income tax years. We strongly encourage holders of New LIFULL Shares to seek their own independent tax advice in relation to the Japanese taxation implications arising upon the disposal of New LIFULL Shares.

10.3 Japan

(a) Introduction

The following is a general summary of the Japanese tax implications under Japanese law for Non-Japan Holders who will hold New LIFULL Shares. LIFULL has been solely responsible for preparing this section.

The following description has been prepared on the basis of Japanese taxation laws in force as of the last practicable date before the date of this Scheme Booklet.

In this summary, references to **Non-Japan Holders** are to Scheme Shareholders who are not **Japan Holders** (which is a person who is a domestic corporation or an individual who is a resident taxpayer of Japan for Japanese taxation purposes). A **domestic corporation** is a company that is incorporated under the laws of Japan. The nationality of its shareholders or the place of where its central management is located is not relevant. A **resident taxpayer** is an individual taxpayer: (i) who has a 'jusho' (i.e. a residence) in Japan; or (ii) who has maintained a 'kyosho' (i.e. a temporary place of abode) in Japan for a period of one year or more. If a partnership holds the Mitula Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership.

This summary assumes that there are no Japan Holders.

(b) **Withholding tax on dividends in respect of New LIFULL Shares**

Under Japanese tax law, dividends on Japanese shares paid to a Non-Japan Holder are generally subject to withholding tax at the rate of 20.42%. However, for dividends on listed shares, the withholding tax rate paid to a Non-Japan Holder is reduced to 15.315%. This rate comprises the national withholding tax rate of 15% to which a further tax of 2.1% is applicable until 31 December 2037 (representing the special income tax for reconstruction imposed under the Act on Special Measures Concerning Securing Financial Resources Necessary for Implementing Measures for Reconstruction in Response to the Great East Japan Earthquake (Act No. 117, 2011)).

The domestic withholding tax rate may be exempted or reduced under the terms of a tax treaty concluded between the country in which the Non-Japan Holder is resident and Japan, subject to qualifying conditions and satisfaction of treaty claim documentation procedures. For application of any treaty reduction or exemption from Japanese withholding tax, appropriate treaty forms (and where required, certificates of residence) must be filed before the payment date of the dividends.

Under the tax treaty between Japan and Australia, the source country exempts intercorporate dividends where the recipient directly holds 80% or more of the voting power of the company paying the dividend and certain limitation of benefit thresholds are met. A 5% rate limit applies on all other inter-corporate dividends where the recipient directly holds 10% or more of the voting power of the company paying the dividend. A rate limit of 10% otherwise applies for dividends. In order to benefit from reduced rates or a treaty exemption from the withholding tax under the tax treaty between Japan and Australia, a Non-Japan Holder must submit an "Application Form for Income Tax Convention" to the tax office through LIFULL, before the payments are made.

(c) **Capital gains taxation in respect of New LIFULL Shares**

Under Japanese tax laws, a Non-Japan Holder without a permanent establishment in Japan is generally not subject to corporation tax or individual income tax on capital gains arising from the disposal of shares in a domestic corporation unless:

- the Non-Japan Holder sells 5% or more of the shares in a domestic corporation in any fiscal year and that Non-Japan Holder owns or has owned 25% or more of the shares of the domestic corporation at any time during the fiscal year of sale and the prior two years (**25/5 Rule**);
- the domestic corporation is a Japanese real estate holding company and the Non-Japan Holder owned more than 2% (5% if listed) of the shares of the real estate holding company as at the end of the fiscal year immediately prior to the year of sale (**Real Estate Holding Company Rule**); or
- the Non-Japan Holder sells (or transfers due to capital reduction or other transactions which are treated as a sale for Japanese tax purposes) shares in a domestic corporation which the Non-Japan Holder has acquired for purposes of manipulating the market price of the equities.

For purposes of the Real Estate Holding Company Rules, a "real estate holding company" is broadly defined as a domestic corporation or a foreign corporation, where 50% or more of the corporation's total assets determined on a fair market value basis comprises real estate or interests in real estate in Japan (including shares in other real estate holding companies). As the last practicable date before the date of this Scheme Booklet, LIFULL is not a "real estate holding company".

After the fiscal years of the taxpayer (i.e. the selling shareholder) beginning on or after 1 April 2018, the date for determining whether a company constitutes a real estate holding company for capital gains tax purposes when its shares are sold by a Non-Japan Holder has been amended to any time within 365 days prior to the sale of shares by the Non-Japan Holder.

The 25/5 Rule is not applicable to the indirect sale of shares in a domestic corporation. However, as the definition of "real estate holding company" includes a foreign corporation, the Real Estate Holding Company Rule should be applicable to the sale of shares in a foreign corporation which meets the definition of a "real estate holding

company" as defined above. This is subject to the application of a relevant tax treaty concluded between the country in which the selling shareholder is resident and Japan.

Falling within the above rules will give rise to a filing obligation for the Non-Japan Holder in Japan and reporting of any capital gain at the national and local corporate tax rate of approximately 24% or at the individual income tax rate of 15.315% unless protected under an applicable tax treaty.

11 Comparison of relevant Australian and Japanese laws

11.1 Introduction

Mitula is a public company limited by shares and registered in Victoria under Australian law. Mitula Shares are quoted on the ASX.

LIFULL is incorporated in Tokyo, Japan, under the laws of Japan. LIFULL Shares are listed on the Tokyo Stock Exchange.

If the Scheme is implemented, the rights of Mitula Shareholders in respect of LIFULL Shares will be primarily governed by the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, the Tokyo Stock Exchange rules and LIFULL's articles of incorporation.

A comparison of some of the material provisions of Australian law and Japanese law as they relate to Mitula and LIFULL is set out below, along with a description of certain securities laws and stock exchange rules where applicable.

References to **Australian law** where they appear in this section 11 are references to the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and Australian common law, as applicable. References to **Japanese law** where they appear in this section 11 are references to the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan.

Since the terms of LIFULL's articles of incorporation and Japanese law are more detailed than the general information provided below, you should rely on the actual provisions of those documents. If you would like to read LIFULL's articles of incorporation, these documents are available for inspection at LIFULL's principal executive office and are filed with the Tokyo Stock Exchange. Since LIFULL follows the Unit Share System under LIFULL's articles of incorporation, LIFULL shareholders have one vote for each unit of shares which comprises 100 LIFULL Shares.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. You should seek your own independent professional legal advice if you require further information.

Mitula has been solely responsible for preparing all of the information relating to Australian law in this section. LIFULL has been solely responsible for preparing all of the information relating to Japanese law in this section.

11.2 Shareholders meetings

(a) Requirement for annual meetings; ability to call special meetings

Mitula

Under Australian law, the annual general meeting of Mitula is required to be held at least once in each calendar year, and within five months after the end of its fiscal year.

A general meeting of Mitula Shareholders may be called in the circumstances set out below:

- by the Mitula Board or individual directors from time to time;
- when requested to do so by Mitula Shareholders holding at least 5% of the votes that may be cast at the meeting, Mitula Directors must call a general meeting within 21 days after the request is given to Mitula, and the meeting must be held not later than two months after the request is given; or
- alternatively, Mitula Shareholders holding at least 5% of the votes that may be cast at the meeting may themselves call, and arrange to hold, a general meeting of Mitula.

LIFULL

Under the Companies Act of Japan, an ordinary general meeting of shareholders is required to be held at least once in each fiscal year. LIFULL's ordinary general meeting of

shareholders is usually held every December in Tokyo, Japan. The record date for an ordinary general meeting of shareholders is September 30 of each year. In addition, the board of directors may hold an extraordinary general meeting of shareholders whenever necessary by giving at least two weeks' advance notice to shareholders.

Any shareholder or group of shareholders holding at least 3% of the total number of votes for a period of six months or more may require the convocation of a general meeting of shareholders for a particular purpose. Unless such general meeting of shareholders is convened without delay or a convocation notice of a meeting which is to be held not later than eight weeks from the day such demand is dispatched, the requiring shareholder may, upon obtaining a court approval, convene such general meeting of shareholders.

(b) Notice of meeting

Mitula

As Mitula is listed on ASX, notice of a general meeting of Mitula must be given at least 28 days before the date of the meeting. Mitula is required to give notice only to Mitula Shareholders entitled to vote at the meeting, as well as Mitula Directors and Mitula's auditor(s).

LIFULL

Under the Companies Act of Japan, the notice of convocation of a general meeting of shareholders setting out the time, place, purpose and certain other matters relating to the meeting must be mailed to each shareholder that has voting rights (or, in the case of a non-resident shareholder, to his or her standing proxy or mailing address in Japan) at least two weeks prior to the date set for such meeting. Such notice may be given to shareholders by electronic means, subject to the consent of the relevant shareholders.

(c) Quorum requirements

Mitula

The quorum for a meeting under the Mitula constitution is five or more Mitula Shareholders. If within 30 minutes after the time appointed for a meeting, a quorum is not present, the meeting:

- if convened at the request of Mitula Shareholders, is dissolved; and
- in any other case, stands adjourned to the day, time and place the directors present decide or, if they do not make a decision, to the same day in the next week at the same time and at the same place.

At any adjourned meeting, five or more shareholders are a quorum. If no quorum is present at any adjourned meeting within 30 minutes after the time for the meeting, the meeting is dissolved.

LIFULL

Except as otherwise provided by law or by LIFULL's articles of incorporation (including election of directors and corporate auditors), under LIFULL's articles of incorporation, a quorum is not required for resolution of resolutions of the general meeting of shareholders.

LIFULL's articles of incorporation provide that the quorum required for the election of directors and corporate auditors is one-third of the total number of votes.

Except as otherwise provided by law, the quorum required for matters that are the subject of special resolutions of the general meeting of shareholders (which can include certain significant corporate transactions) is at least one third of the total number of votes are present or represented in accordance with the LIFULL's articles of incorporation.

(d) Voting requirements

Mitula

Unless the Corporations Act or a company's constitution requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by Mitula Shareholders if not less than 28 days' notice of a general meeting is given, specifying the intention to propose the

special resolution and stating the resolution. In order to pass, a special resolution requires approval of at least 75% of the votes cast by shareholders entitled to vote. The Corporations Act requires certain matters to be resolved by special resolution, including:

- the change of name of the company;
- a selective reduction of capital or selective share buy-back;
- the conversion of ordinary shares into preference shares; and
- a decision to wind up the company voluntarily.

Under the Corporations Act, a special resolution is also required to modify or repeal the Mitula constitution. The Mitula constitution stipulates the following matters be resolved by special resolution:

- matters relating to the winding-up of Mitula, including distribution of assets and power of the liquidator to vest property; and
- variation or cancellation of rights attaching to any class of shares on issue.

Each Mitula Share confers a right to vote at all general meetings. On a show of hands, each Mitula Shareholder present in person, or by proxy, attorney or body corporate representative, has one vote. If a poll is held, Mitula Shareholders present in person or by their proxy, attorney or body corporate representative will have one vote for every Mitula Share held at 7.00pm on the voting record date.

LIFULL

Except as otherwise provided by law, a majority of the votes held by the shareholders present or represented at a general meeting of shareholders is necessary to adopt a resolution at that meeting.

Except as otherwise provided by law, the approval of shareholders holding at least two-thirds of the votes of all shareholders present or represented at a meeting is required to adopt a special resolution at a general meeting of shareholders including:

- any amendment to LIFULL's articles of incorporation (except for amendments that may be authorised solely by the board of directors under the Companies Act of Japan);
- a reduction of share capital, subject to certain exceptions under which a shareholders' resolution is not required such as a reduction of share capital for the purpose of replenishing capital deficiencies;
- a dissolution, merger or conversion, subject to certain exceptions under which a shareholders' resolution is not required;
- transfer of the whole or a part of LIFULL's equity interests in any of LIFULL's subsidiaries, subject to certain exceptions under which a shareholders' resolution is not required;
- the transfer of the whole or a substantial part of LIFULL's business, subject to certain exceptions under which a shareholders' resolution is not required;
- the taking over of the whole of the business of any other corporation, subject to certain exceptions under which a shareholders' resolution is not required;
- a corporate split, subject to certain exceptions under which a shareholders' resolution is not required;
- share exchange (kabushiki kokan) or share transfer (kabushiki iten) for the purpose of establishing 100% parent-subsiary relationships, subject to certain exceptions under which a shareholders resolution is not required;
- any issuance of new shares or transfer of existing shares held by LIFULL as treasury stock at a "specially favourable" price and any issuance of stock acquisition rights or bonds with stock acquisition rights at a " specially favourable" price or in a "specially favourable" condition to any persons other than shareholders;

- any acquisition by LIFULL of its own shares from specific persons other than its subsidiaries (if any);
- distribution of surplus in kind (except when shareholders are granted the right to require that such distribution be made in cash instead of in kind);
- reverse stock split; and
- the removal of a corporate auditor.

Since LIFULL follows the Unit Share System under LIFULL's articles of incorporation, LIFULL shareholders have one vote for each unit of shares which comprises 100 LIFULL Shares.

(e) **Shareholders' rights to bring a resolution before a meeting**

Mitula

Under the Corporations Act, Mitula Shareholders holding at least 5% of the votes that may be cast at a general meeting, may by written notice to Mitula propose a resolution for consideration at the next general meeting occurring more than two months after the date of the notice.

LIFULL

Any shareholder or group of shareholders holding at least 300 votes or 1% of the total number of votes for a period of six months or more may demand directors (i) present proposals submitted by the shareholder as part of the agenda at a general meeting of shareholders and (ii) summarise the proposals in convocation notices for a general meeting of shareholders. This can be done by submitting such a request to a director at least eight weeks prior to the date set for such meeting.

11.3 Directors

(a) **Directors' management of the business of the company**

Mitula

Under the Mitula constitution, the business of Mitula is to be managed by or under the direction of the Mitula Board. The Mitula Directors may exercise all the powers of the company except any powers that the Corporations Act or the Mitula constitution requires the company to exercise in a general meeting.

LIFULL

Under the Companies Act of Japan and the LIFULL's articles of incorporation, LIFULL's business and affairs are to be managed by or under the direction of the board of directors of LIFULL. The directors of LIFULL execute LIFULL's business and affairs in accordance with resolutions of LIFULL's board of directors.

(b) **Number and election of directors**

Mitula

Under the Mitula constitution, Mitula must have no less than three and no more than nine directors, unless the company resolves otherwise at a general meeting.

The Mitula Directors may, at any time, appoint any person as a Mitula Director, either to fill a casual vacancy or as an addition to the existing Mitula Directors (provided the total number of Mitula Directors does not at any time exceed the maximum number of directors described above).

A Mitula Director may not hold office without re-election beyond the third annual general meeting following the meeting at which the director was last elected or re-elected.

Mitula's Chief Executive Officer is exempt from the retirement and election by rotation procedures under the Mitula constitution.

LIFULL

Under the Companies Act of Japan and the LIFULL's articles of incorporation, LIFULL must have no less than three but no more than seven directors.

The Companies Act of Japan provides that the quorum for the election of directors is one-third of the total number of votes. Election of directors is approved by a majority of the votes held by the shareholders present at a general meeting of shareholders. LIFULL's articles of incorporation provide that the shares may not be voted cumulatively for the election of directors.

(c) **Removal of directors**

Mitula

The Mitula Shareholders may (without cause) remove a Mitula Director before their period of office ends by passing a resolution to do so at a general meeting. The resolution must be passed by a majority of the votes cast by Mitula Shareholders present and voting. Under the Corporations Act, Mitula Directors cannot themselves remove a Mitula Director from their office or require a Mitula Director to vacate their office.

LIFULL

LIFULL shareholders may (without cause) remove a LIFULL director before their period of office ends by passing a resolution to do so at a general meeting of shareholders. The resolution must be passed by a majority of the votes of all shareholders present or represented at a meeting.

11.4 Amendments to constituent documents

Mitula

Any amendment to the Mitula constitution must be approved by a special resolution passed by Mitula Shareholders present and voting on the resolution. As set out in section 11.2(d), a special resolution requires approval of at least 75% of the votes cast by Mitula Shareholders entitled to vote.

LIFULL

Except as otherwise provided by law, any amendment to LIFULL's articles of incorporation must be adopted by a special resolution of the general meeting of shareholders, which requires the approval of the shareholders of at least two-thirds of the votes of all shareholders present or represented at a meeting.

11.5 Issue of new shares

Mitula

Subject to specified exceptions (e.g. for pro-rata issues), the ASX Listing Rules apply to restrict Mitula from issuing, or agreeing to issue, more equity securities (including shares and options), than the number calculated as follows in any 12 month period without the approval of Mitula Shareholders:

15% of the total of:

- the number of Mitula Shares on issue 12 months before the date of the issue or agreement or issue; plus
- the number of Mitula Shares issued in the 12 months under a specified exception; plus
- the number of partly paid ordinary shares that became fully paid in the 12 months; plus
- the number of Mitula Shares issued in the 12 months with shareholder approval; less
- the number of Mitula Shares cancelled in the 12 months,

less the number of equity securities issued or agreed to be issued in the 12 months before the date of issue or agreement to issue but not under a specified exception or with Mitula Shareholder approval.

Subject to certain exceptions, the ASX Listing Rules require the approval of Mitula Shareholders by ordinary resolution in order for Mitula to issue shares or options to Mitula Directors. Under the Mitula constitution, the Mitula Directors may issue shares, subject to the Corporations Act, the ASX Listing Rules, and any special rights conferred on the holders of any shares or class of shares.

LIFULL

According to LIFULL's articles of incorporation, LIFULL is currently authorised to issue 350,452,800 LIFULL Shares.

Holders of LIFULL Shares have no pre-emptive rights. Authorised but unissued shares may be issued at the time and on the terms as the board of directors determines subject to the limitations as to the issuance of new shares at a "specially favourable" price, for which a special resolution of a general meeting of shareholders is required.

There is no clear criteria for judgment of "specially favourable" price, but in practice it takes into consideration of market price of shares in case of listed companies. However, LIFULL's board of directors may determine that shareholders of LIFULL are to be given subscription rights regarding a particular issue of new shares, in which case such rights must be given on uniform terms to all holders of LIFULL Shares as of a record date (not less than two weeks' prior public notice of such rights must be given). Each LIFULL shareholder to whom such rights are given must also be given notice of the expiration date of those rights at least two weeks prior to the date on which such rights expire.

11.6 Variation of class rights

Mitula

Under the Mitula constitution, rights attaching to any class of share in Mitula may only be varied:

- by a special resolution passed at a meeting of the shareholders entitled to vote and holding shares in that class; or
- with the written consent of Mitula shareholders with at least 75% of the votes in the class.

LIFULL

LIFULL has only issued one class of shares. However, LIFULL may amend its articles of incorporation to issue different classes of shares by passing a special resolution at a general meeting of shareholders, requiring the approval of the shareholders of at least two-thirds of the votes of all shareholders present or represented at a meeting.

11.7 Protection of minority shareholders and the oppression remedy

Mitula

Under the Corporations Act, any Mitula Shareholder can bring an action in cases of conduct which is contrary to the interests of Mitula Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Mitula Shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former Mitula Shareholders can also bring an action if it relates to the circumstances in which they ceased to be a Mitula Shareholder.

A statutory derivative action may also be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder, of Mitula. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that:

- it is probable that Mitula will not itself bring the proceedings or properly take responsibility for them or for the steps in them;
- the applicant is acting in good faith;
- it is in the best interests of Mitula that the applicant be granted leave;

- if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and
- either, at least 14 days before making the application, the applicant gave written notice to Mitula of the intention to apply for leave or the reasons for applying, or it is otherwise appropriate to grant leave.

LIFULL

Under the Companies Act of Japan and LIFULL's articles of incorporation, a shareholder holding voting rights for a period of six months or more can sue a director who is liable for any loss or damage caused to the company as a result of their failure to properly discharge their duties.

However, a shareholder must first ask the company to take legal action against the director for such failure. If the company does not commence legal proceedings to pursue liability within 60 days after the date of the shareholder's demand, the shareholder can individually take action to pursue the director.

11.8 Source and payment of dividends

Mitula

Under the Corporations Act, Mitula must not pay a dividend unless:

- Mitula's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to Mitula Shareholders as a whole; and
- the payment of the dividend does not materially prejudice Mitula's ability to pay creditors.

Subject to the Corporations Act, the Mitula constitution and the terms of issue or rights of any shares with special rights to dividends, the Mitula Directors may declare or determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by Mitula to, or at the direction of, each Mitula Shareholder entitled to that dividend.

LIFULL

Under the Companies Act of Japan, a distribution of cash or other assets by a company to its shareholders, including dividends, takes the form of a distribution of surplus.

In order to be permitted to make a distribution of surplus, a company must set aside in its additional paid-up capital and/or legal reserve an amount equal to one-tenth of the amount of surplus proposed to be distributed until the sum of such additional paid-up capital and legal reserve reaches one-quarter of its stated capital. At the last practicable date before the date of this Scheme Booklet, the sum of paid-up capital and legal reserve of LIFULL was 25% of its stated capital.

11.9 Remuneration of directors and officers

Mitula

Under the ASX Listing Rules, the maximum amount to be paid to Mitula Directors for their services as Mitula Directors (other than the salary of an executive director) is not to exceed the amount approved by Mitula Shareholders. As at the last practicable date before the date of this Scheme Booklet, Mitula Shareholders had approved aggregate remuneration for all non-executive directors of \$400,000 per annum.

Mitula's annual report includes a remuneration report within the directors' report. This remuneration report is required to include a discussion of the Mitula Board's policy in relation to remuneration of key management personnel of Mitula.

Under the Corporations Act, a listed company (such as Mitula) must put its remuneration report to a shareholder vote at its annual general meeting. If in two consecutive annual

general meetings, 25% or more of the votes cast on the resolution vote against adopting the remuneration report, a 'spill resolution' must then be put to shareholders. A spill resolution is a resolution that a spill meeting be held and all directors (other than a managing director who is exempt from the retirement by rotation requirements) cease to hold office immediately before the end of the spill meeting. If the spill resolution is approved by the majority of votes cast on the resolution, a spill meeting will be held within 90 days at which directors wishing to remain directors must stand for re-election.

LIFULL

Remuneration of directors must be approved by a majority of the votes held by the shareholders present or represented at a general meeting of shareholders. It is common to approve an annual maximum amount of remuneration to be paid to all directors at a general meeting of shareholders and to authorise the board of directors to decide individual amounts to be paid to each director. This approved annual maximum amount continues unless otherwise approved by a general meeting of shareholders.

LIFULL's annual securities report includes the information on total amounts of annual remuneration of LIFULL's directors and LIFULL's policy in relation to remuneration of LIFULL's directors.

11.10 Retirement benefits

Mitula

Under the Mitula constitution, subject to the ASX Listing Rules and Corporations Act, Mitula may pay a former Mitula Director, or the personal representative of a Mitula Director who dies in office, a retirement benefit in recognition of past services of an amount determined by the Mitula Directors.

The Corporations Act provides that, in respect of termination benefits payable to a company director, senior executive or key management personnel under employment contracts entered into, renewed or varied on or after 24 November 2009, shareholder approval is required if the total value of the benefits exceed one year of that person's base salary.

LIFULL

Retirement benefits are considered to be part of the remuneration of a director. Consequently such benefits must be approved by a majority of the votes held by the shareholders present or represented at a general meeting of shareholders.

11.11 Fiduciary duties of directors and officers

Mitula

Under Australian law, the directors and officers of Mitula are subject to a range of duties including duties to:

- act in good faith in the best interests of the company;
- act for a proper purpose;
- not fetter their discretion (in the case of directors only);
- exercise care and diligence in the performance of their duties;
- avoid conflicts of interest;
- not use their position to gain advantage for themselves or someone else, or to cause detriment to the company;
- not misuse information which they have gained through their position to gain advantage for themselves or someone else, or to cause detriment to the company; and
- otherwise act in accordance with the Corporations Act and, subject to the provisions of the Corporations Act, Mitula's constitution.

LIFULL

The provisions of the Civil Code of Japan governing trustees also apply to company directors. Under these provisions, directors have a duty to exercise due care and diligence in the discharge of their responsibilities to the company.

The Companies Act of Japan additionally provides that directors are required to comply with all laws and regulations, the articles of incorporation, and resolutions adopted at general meetings of shareholders, and to perform their duties faithfully on behalf of the company.

11.12 Release from liability and indemnification of directors and officers

Mitula

Under Australian law, Mitula cannot:

- exempt an officer or auditor from liability to Mitula incurred in their capacity as an officer or auditor;
- indemnify an officer or auditor against a liability owed to Mitula or a Related Body Corporate; or
- indemnify an officer or auditor against the legal costs incurred in defending certain legal proceedings, including proceedings in which the person is found liable to Mitula or a Related Body Corporate.

The Mitula constitution contains a provision permitting Mitula (to the maximum extent permitted by law) to indemnify any current or former Mitula Director or secretary, or officer of Mitula or a related body corporate of Mitula out of the property of Mitula, against, among other things, any liability incurred by that person in their capacity as Mitula Director, secretary or officer (as applicable).

LIFULL

As a general rule, it is not possible under Japanese law for directors to receive a blanket exemption with respect to potential liability for circumstances that have not yet arisen or occurred. However, if the director is not an executive director, she/he can enter into an agreement with the company to be released from certain liabilities.

It is otherwise only possible for directors to receive either partial or full exemption of liability after specific circumstances have arisen in respect of which a director would be liable to the company.

Unanimous shareholder consent is required in order for a company to fully exempt a director from liability, whether due to gross negligence or otherwise. A shareholder meeting is not necessary for this purpose; the shareholders can simply sign a written form consenting to the exemption.

A company can partially exempt a director from liability to the company if the company's shareholders pass a special resolution approving the exemption and if the director has performed his or her duties in good faith and without gross negligence.

Under the Companies Act of Japan and LIFULL's articles of incorporation, if the company's directors pass a board resolution approving the exemption the board may partially exempt a director from liability to the company only if: (i) the director concerned has performed their duties in good faith and has not been grossly negligent; and (ii) the board finds it necessary to exempt the director from liability after a thorough review of the circumstances.

11.13 Transactions involving directors, officers or other related parties

Mitula

The Corporations Act prohibits a public company such as Mitula from giving a related party a financial benefit unless it:

- obtains the approval of shareholders and gives the benefit within 15 months after receipt of such approval; or
- the financial benefit is exempt.

A related party is defined by the Corporations Act to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms.

The ASX Listing Rules prohibit a listed entity such as Mitula from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the entity, unless it obtains the approval of shareholders. The related parties include directors, persons who have or have had (in aggregate with any of their associates) in the prior six month period an interest in 10% or more of the shares in the company and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's length terms.

The ASX Listing Rules also prohibit a listed entity such as Mitula from issuing or agreeing to issue shares to a director unless it obtains the approval of shareholders or the share issue is exempt. Exempt share issues include issues made pro-rata to all shareholders, under an underwriting agreement in relation to a pro-rata issue, under certain dividend or distribution plans or under an approved employee incentive plan.

The Corporations Act generally requires a Mitula Director who has a material personal interest in a matter that relates to the affairs of Mitula to give the other Mitula Directors notice of that interest. That Mitula Director must not be present at a meeting where the matter is being considered or vote on the matter unless the other Mitula Directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of a Mitula Director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of a contract in which the Mitula Director has an interest. Mitula Directors, when entering into transactions with Mitula, are subject to the common law and statutory duties to avoid conflicts of interest.

LIFULL

The Companies Act of Japan imposes restrictions on directors if they are involved in, either on their own behalf or on behalf of a third party, a business that might otherwise give rise to a conflict of interest with the director.

If a director intends to carry on a transaction with the company itself (for example, by obtaining a personal loan from the company) or to cause the company to enter into a transaction with a third person which may create a conflict of interest between the company and that director (for example a company guarantee in respect of the director's personal loan), such director must disclose certain important information in respect of that transaction and obtain the approval of the company's board of directors. Immediately after that transaction is conducted, the director must report it to the board of directors.

The Tokyo Stock Exchange rules require listed companies to publicly disclose information, on transactions with controlling shareholders or shareholders in respect of which the listed company is affiliated, concerning potential conflicts with such shareholders. LIFULL publicly discloses such information in respect of its transaction with Rakuten, Inc. in accordance with such Tokyo Stock Exchange rules.

11.14 Disclosure of substantial shareholdings

Mitula

A person who obtains voting power in 5% or more of an ASX listed company is required to publicly disclose that fact within two business days via the filing of a substantial holding notice. A person's voting power consists of their own 'relevant interest' in shares plus the relevant interests of their associates. A further notice needs to be filed within two

business days after each subsequent voting power change of 1% or more, and after the person ceases to have voting power of 5% or more. The notice must attach all documents which contributed to the voting power the person obtained, or provide a written description of arrangements which are not in writing.

LIFULL

The Financial Instruments and Exchange Act of Japan and its related regulations require any person who has become beneficially, solely or jointly, a holder of more than 5% of total issued shares of the common stock of a company, to file with the director of a relevant local finance bureau of the Ministry of Finance within five business days a report concerning such shareholdings. With certain exceptions, a similar report must also be filed in respect of any subsequent change of 1% or more in any such holdings or any change in material matters set out in reports previously filed. For this purpose, shares of the common stock of the company issuable to such a person upon exchange of exchangeable securities, conversion of convertible securities or exercise of warrants or stock acquisition rights (including those incorporated in bonds with stock acquisition rights) are taken into account in determining both the number of the shares held by the holder and its total issued share capital.

11.15 Takeovers

(a) Takeover requirements

Mitula

Australian law places restrictions on a person acquiring interests in the voting shares of Mitula where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Exceptions to this restriction include an acquisition of no more than 3% of the voting shares in the company within a six month period, an acquisition made with shareholder approval, an acquisition made under a takeover bid conducted in accordance with Australian law or an acquisition that results from a Court-approved compromise or arrangement (such as the Scheme). Takeover bids must treat all shareholders alike and must not involve any collateral benefits. Various restrictions about conditional offers exist and there are also restrictions concerning the withdrawal and suspension of offers.

LIFULL

Under the Financial Instruments and Exchange Act of Japan, any person, regardless of residence, who acquires a substantial number of publicly traded shares outside the established securities market will be subject to tender offer regulations if that person becomes, beneficially and solely or jointly, a holder of:

- more than 5% of the total votes of a company as a result of acquisitions from more than 10 different persons during 60-day period; or
- more than one-third of the total votes of a company as a result of acquisition from not more than 10 different persons during 60-day period.

A holder of more than one-third of the total votes of a company as a result of acquisition through off-floor trading will also be subject to tender offer regulations.

In addition, any person who acquires a substantial number of publicly traded shares and becomes a holder of more than one-third of the total votes of a company will be subject to tender offer regulations if such person has acquired:

- more than 10% of the total votes of a company in and/or outside the established securities market and/or through new share issuance during a 3-month period; and
- as part of the 10% share acquisitions, more than 5% of the share acquisitions was made outside the established securities market or through off-floor trading.

If a substantial share acquisition falls into any of the above mentioned categories, such share acquisition will be subject to the tender offer regulations, which include a

registration of a tender offer registration statement and other requirements under the Financial Instruments and Exchange Act of Japan.

(b) **Takeover defence mechanisms**

Mitula

Under Australian takeovers legislation and policy, boards of target companies are limited in the defensive mechanisms that they can put in place to discourage or defeat a takeover bid. For example, it is likely that the adoption of a shareholders' rights plan (or so-called 'poison pill') would give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel if it had that effect.

LIFULL

Some Japanese listed companies have introduced anti-takeover measures to deal with unsolicited offers. Listed companies are required to disclose anti-takeover measures. The common approach regarding anti-takeover measures in Japan is to request the bidder to provide sufficient information so that the board of directors or the shareholders may properly evaluate the contemplated offer before the company carries out anti-takeover measures that would dilute the bidder's shareholding or otherwise frustrate bidder's offer.

LIFULL does not currently adopt any anti-takeover measures.

11.16 Right to inspect corporate books and records

Mitula

Under the Corporations Act, a shareholder must obtain a court order to obtain access to the corporate books. The applicant must be acting in good faith and be making the inspection for a proper purpose.

LIFULL

Under the Companies Act of Japan, a shareholder which holds at least 3% of total number of votes or total issued shares has the right to demand to inspect the books, records and relevant documents of the company.

11.17 Right to inspect register of shareholders

Mitula

Under Australian law, the register of shareholders of a company is usually kept at the registered office or principal place of business in Australia and must be available for inspection to shareholders free of charge at all times when the registered office is open to the public. If a person asks Mitula for a copy of the Mitula Register (or any part of the Mitula Share Register) and pays the requested fee (up to a prescribed amount), Mitula must give that person the copy within seven days of the date on which Mitula receives such payment.

LIFULL

Under the Companies Act of Japan, any shareholder has the right to demand to inspect a copy of the shareholder register.

11.18 Winding up

Mitula

Under Australian law, an insolvent company may be wound up by a liquidator appointed either by creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors as a dividend. The shareholders rank behind the creditors and are, therefore, unlikely to receive any dividend in an insolvent liquidation.

Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its

debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.

The Mitula constitution provides that on winding-up, the liquidator may, with the sanction of a special resolution of Mitula Shareholders, divide among Mitula Shareholders in kind the whole or any part of Mitula's property and may determine how the division is to be carried out as between the Mitula Shareholders or different classes of Mitula Shareholders.

LIFULL

Under the Companies Act of Japan, a company may be dissolved by a special resolution of the general meeting of shareholders.

Once a company is dissolved, it will then proceed to liquidate itself. Liquidation is a procedure for a company to wind up its affairs and eventually cease to be a corporate entity. During this process, liquidators will act as representatives of a company, replacing such representatives who were the company's directors before the dissolution. Upon the completion of liquidation proceedings, the company loses its corporate status.

12 Additional information

12.1 Interests of Mitula Directors in Mitula

As at 23 October, when this section of the Scheme Booklet was prepared, the number of Mitula Shares held by or on behalf of the Mitula Directors is as follows:

Director	Number of Mitula Shares
Simon Baker	10,651,012
Gonzalo del Pozo	27,729,164
Gonzalo Ortiz	24,682,500
Joe Hanna	9,114,770
Sol Wise	320,000
Georg Chmiel	65,000
TOTAL	72,562,446

Each of the Mitula Directors presently intends to vote all of the Mitula Shares held or controlled by them in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Mitula Shareholders.

12.2 Interests of Mitula Directors in LIFULL

No director of Mitula has a Relevant Interest in any shares in LIFULL.

No director of Mitula acquired or disposed of a Relevant Interest in any shares in LIFULL in the four months period ending on the date immediately before the last practicable date before the date of this Scheme Booklet.

12.3 Summary of Scheme Implementation Deed

On 9 May 2018, Mitula and LIFULL entered into a Scheme Implementation Deed under which Mitula agreed to propose the Scheme. The Scheme Implementation Deed contains terms and conditions that are standard for these types of agreements, including in relation to the parties' obligations to implement the Scheme and Mitula's obligation to conduct its business in a certain way during the Scheme process.

A summary of the key elements of the Scheme Implementation Deed is set out below. A full copy of the Scheme Implementation Deed was lodged with ASX on 9 May 2018 and can be obtained from <http://www.asx.com.au> or from <https://www.mitulagroup.com/investors>.

On 22 October 2018, Mitula and LIFULL entered into an amending deed to amend the Scheme Implementation Deed (**Amending Deed**). The Amending Deed changed the Scheme of Arrangement such that Scheme Shareholders would only be entitled to receive Cash Consideration under the Scheme of Arrangement for the Scheme Shares for which they were the beneficial or registered holder as at 7.00pm on 24 October 2018, up to a maximum of 20,000 Scheme Shares. The Amending Deed also extended the End Date from 30 November 2018 to 14 December 2018. A full copy of the Amending Deed was lodged with ASX on 22 October 2018 and can be obtained from <http://www.asx.com.au> or from <https://www.mitulagroup.com/investors>.

(a) Conditions

Implementation of the Scheme is subject to the following conditions which must be satisfied or waived (where capable of waiver) before the Scheme can be implemented:

- **Restraints:** there are no legal restraints or impediments to the Scheme, including the commencement of proceedings by a Governmental Agency in

Japan, Australia or Spain in respect of the Scheme preventing or materially restricting the Scheme or Transaction in effect at 8:00am on the Second Court Date;

- **Orders convening Scheme Meeting:** the Court orders the convening of the Scheme Meeting;
- **Mitula Shareholder approval:** Mitula Shareholders approve the Scheme;
- **Court approval:** the Court approves the Scheme;
- **No Material Adverse Change:** no LIFULL Material Adverse Change or Mitula Material Adverse Change occurs before 8:00am on the Second Court Date;
- **No Prescribed Occurrences:** no LIFULL Prescribed Occurrence or Mitula Prescribed Occurrence occurs before 8:00am on the Second Court Date;
- **Representations and warranties:** the representations and warranties given by Mitula and LIFULL to each other are true and correct in all material respects as at the date of the Scheme Implementation Deed and as at 8:00am on the Second Court Date;
- **Independent Expert Report:** Independent Expert states that the Scheme is in the best interests of Mitula Shareholders and does not publicly change or withdraw this conclusion before 8:00am on the Second Court Date; and
- **Deferred Shares:** arrangements have been put in so that all Deferred Shares have been issued as Mitula Shares by 8:00am on the Second Court Date.

Full details of the conditions and the ability of Mitula and LIFULL to rely on the various conditions and the provisions relating to satisfaction or waiver of these conditions are set out in clause three of the Scheme Implementation Deed. As at the last practicable date before the date of this Scheme Booklet, Mitula is not aware of any reason why the conditions will not be satisfied.

(b) **Business restrictions**

The Scheme Implementation Deed requires that Mitula carry on its business in the ordinary and usual course. In addition, subject to some exceptions, Mitula must not undertake or agree to undertake certain activities without LIFULL's consent. This includes:

- declaring, paying or distributing any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise;
- acquiring or disposing of any interest in a business, real property, entity or undertaking;
- paying any adviser any fee, cost or other form of compensation or remuneration which is directly or indirectly related in any way to the Scheme which would exceed, in aggregate, the amount Fairly Disclosed to LIFULL;
- making any material change to the terms of employment of any director, officer, executive or senior manager of Mitula (including increasing the remuneration or compensation of or accelerating the rights to benefits of any kind);
- granting or paying any bonus, incentive, retention, severance or termination payment to any director, officer, executive or senior manager of Mitula or its Subsidiaries;
- entering into a new employment contract with a potential employee of Mitula or its Subsidiaries under which the total remuneration payable would exceed \$250,000 in any 12 month period;
- entering into any enterprise bargaining agreement or any other form of collective agreement concerning the terms of employment for employees of Mitula or its Subsidiaries;
- incurring any additional financial indebtedness or guarantee or indemnifying anyone other than a Subsidiary of Mitula;

- entering into any new financing arrangement, providing financial accommodation, or amending the terms of any financing arrangement, agreement or instrument;
- giving or agreeing to give any financial benefit to a related party of Mitula;
- entering into a contract which is material to the conduct of Mitula or its Subsidiaries' business that:
 - involves aggregate expenditure greater than \$3 million;
 - involves annual revenue of greater than \$3 million (any contracts worth less than this will need to have a similar profit margin to previous contracts of a similar nature);
 - has a committed term which is greater than five years; or
 - amends or terminates a contract with any of the characteristics described above;
- implementing any share-based incentive plan or scheme (including issuing shares under an employee share plan);
- amending the constitution of Mitula or any of its Subsidiaries; and
- altering in any material respect any accounting policy.

(c) **Exclusivity**

The Scheme Implementation Deed contains certain exclusivity arrangements in favour of LIFULL, which are in line with market practice. Those arrangements include:

- **No talk:** Mitula must not participate in any negotiations or discussions with any person in relation to, or that may lead to, a Competing Proposal;
- **No shop:** Mitula must not solicit or encourage any Competing Proposal or any enquiries, proposals, discussions or negotiations in relation to, or that may lead to, a Competing Proposal;
- **No due diligence:** Mitula must not facilitate or permit any person (other than LIFULL) to undertake due diligence investigations in respect of Mitula in connection with such person formulating, developing or finalising a Competing Proposal;
- **Notification:** If Mitula is approached in relation to a Competing Proposal, or a proposed or potential Competing Proposal, Mitula must notify LIFULL within two Business Days. The notice must provide details of the identity of the relevant person making or proposing the Competing Proposal and the material terms of any such Competing Proposal (including price, conditions precedent, timetable and break fee (if any) of any Competing Proposal or proposed Competing Proposal to the extent known), and Mitula must keep LIFULL updated in relation to any material developments; and
- **Matching right:** Mitula is prohibited from entering into an agreement to undertake a Competing Proposal unless Mitula has given LIFULL at least three Business Days following receipt of notification of a Competing Proposal to provide a matching or superior proposal to the terms of the Competing Proposal.

Mitula is not required to comply with the no talk and no due diligence provisions in the Scheme Implementation Deed if the Mitula Board determines that complying with those provisions would be likely to constitute a breach of the fiduciary or statutory duties owed by the Mitula Directors.

These exclusivity arrangements are set out in full in clause 10 of the Scheme Implementation Deed.

(d) **Mitula Break Fee**

In accordance with Australian market practice, Mitula has agreed to pay LIFULL a cash reimbursement fee of \$1,800,000 (**Mitula Break Fee**) in certain circumstances. Those circumstances are:

- **Change of recommendation or recommendation of Competing Proposal:** any member of the Mitula Board fails to recommend or changes, withdraws or adversely modifies his recommendation of the Scheme or makes any public statement, or takes any other action that is inconsistent with his recommendation of the Scheme (including where a Competing Proposal is announced and is recommended by any Mitula Director), other than:
 - as a result of the Independent Expert opining that the Scheme is not in the best interests of Scheme Shareholders (other than where the reason for that opinion is a Competing Proposal); or
 - due to the failure of certain of the conditions given for the benefit of Mitula set out in 12.3(a) above.
- **Change of control of Mitula:** a Competing Proposal is announced, and within six months of the date of such announcement the Competing Proposal results in a person other than LIFULL or a member of the LIFULL Group obtains Control of Mitula, voting power in more than 50% of the Mitula Shares, merging or amalgamating with Mitula or acquiring (directly or indirectly) an interest in all or a substantial part of the business or assets of the Mitula Group, provided that this does not apply if:
 - the Scheme is not approved by Mitula Shareholders at the Scheme Meeting; and
 - the Competing Proposal was not announced or known to the Mitula Board before the date of the Scheme Meeting.
- **Failure of certain conditions:** certain conditions given for the benefit of LIFULL are not satisfied (or to the extent permitted waived) by the Second Court Date.
- **Termination of the Scheme Implementation Deed:** LIFULL validly terminates the Scheme Implementation Deed due a material breach by Mitula of its obligations under that deed, or a breach of a representation or warranty given by Mitula, each of which Mitula fails to remedy, and in the case of a breach of a representation or warranty, could reasonably be expected to amount to a Mitula Material Adverse Change.

The Mitula Directors consider the Mitula Break Fee is reasonable and appropriate in amount, structure and effect. The fee is not payable if the Scheme does not proceed merely because Mitula Shareholders do not vote in favour of the Scheme in sufficient numbers to satisfy the legal requirements.

For full details of the Mitula Break Fee, see clause 11 of the Scheme Implementation Deed.

(e) **LIFULL Break Fee**

LIFULL has agreed to pay Mitula a cash reimbursement fee of \$1,800,000 (**LIFULL Break Fee**) in certain circumstances. Those circumstances are:

- **Failure of certain conditions:** certain conditions given for the benefit of Mitula are not satisfied (or to the extent permitted waived) by the Second Court Date.
- **Termination of the Scheme Implementation Deed:** Mitula validly terminates the Scheme Implementation Deed due to a material breach by LIFULL of its obligations under that deed, which LIFULL fails to remedy.

LIFULL has agreed to pay Mitula a cash reimbursement fee of \$2,700,000 if Mitula validly terminates the Scheme Implementation Deed due to a deliberate and material breach by LIFULL of its obligations under that deed, which LIFULL fails to remedy.

For full details of the LIFULL Break Fee, and the circumstances in which LIFULL will need to pay the cash reimbursement fee of \$2,700,000, see clause 11 of the Scheme Implementation Deed.

(f) **Termination**

Either party may terminate the Scheme Implementation Deed:

- in certain circumstances where an event occurs which would, or does, prevent certain condition precedents being satisfied;
- in certain circumstances where either party has breached a representation or warranty and that breach amounts to a LIFULL Material Adverse Change or a Mitula Material Adverse Change (as applicable); or
- where the other party is in material breach of that deed (other than a material breach of a representation or warranty) and that breach is not remedied to the reasonable satisfaction of the non-breaching party within five Business Days' notice.

Mitula may also terminate the Scheme Implementation Deed where a majority of the Mitula Board recommend a Superior Proposal.

LIFULL may also terminate the Scheme Implementation Deed if any Mitula Director fails to recommend the Scheme, or changes, withdraws or adversely modifies his recommendation of the Scheme or makes any public statement, or takes any other action that is inconsistent with their recommendation of the Scheme (including where a Competing Proposal is recommended or supported by any Mitula Director).

12.4 Mitula employee incentive arrangements

(a) **Overview of arrangements**

As detailed in Mitula's annual report for the year ended 31 December 2017, Mitula operates a short term incentive plan and a long term incentive plan under which rights are offered to directors and employees as an incentive and reward.

Mitula also operates an employee share purchase plan under which employees can acquire Mitula Shares by sacrificing up to 2.5% of their gross annual fixed salary, with participating employees receiving an equivalent number of Mitula Shares for free.

(b) **Implications of the Scheme for participants in the incentive arrangements**

A key element of LIFULL's proposed acquisition of Mitula was the retention and incentivisation of Mitula employees.

Discussions regarding the treatment of participants in the incentive arrangements occurred after negotiations concluded about the price at which LIFULL would acquire Mitula. In other words, the outcome for participants in the incentive arrangements has not impacted on the outcome for Mitula Shareholders.

(1) **Short and long-term incentive plans**

Subject to implementation of the Scheme and satisfaction of applicable performance conditions, Mitula will pay a cash incentive to participants in the short-term incentive plan and the long-term incentive plan. Each participant's rights to this incentive will be calculated by reference to the rights that they would have otherwise had under the plans, if the Scheme did not proceed and following testing of the applicable performance conditions, for the performance periods prior to the Implementation Date (with part periods calculated on a pro-rata basis). Each cash incentive right will entitle the holder to receive a cash amount of \$0.85 (reflecting the implied value of the Scrip Consideration on the date the Transaction was announced) on the Implementation Date.

The final number of cash incentive rights will depend on when the Scheme is implemented. If the Implementation Date is 31 December 2018 (i.e. the last day of the current performance period) and the applicable performance conditions are fully satisfied, then there will be approximately 2 million cash incentive rights (with an aggregate value of approximately \$1.7 million) under the short and long-term incentive plans. If the

Scheme is implemented before this date and/or if the applicable performance conditions are not fully satisfied, then there will be fewer cash incentive rights.

As at 23 October 2018, the date this section of the Scheme Booklet was prepared, Gonzalo del Pozo was eligible to receive up to 544,921 cash incentive rights, which had a value of \$332,401.81.

(2) **Employee share purchase plan**

Mitula suspended the employee share purchase plan from 1 July 2018. Mitula will terminate the employee share purchase plan, and LIFULL will put in place (with effect on and from the Implementation Date) a cash incentive plan and/or employee share plan on terms no less favourable to the relevant Mitula employees than the terms of the existing plan.

12.5 Benefits and agreements

(a) **Benefits in connection with retirement from office**

There is no payment or other benefit that is proposed to be made or given to any director, secretary or executive officer of Mitula (or any of its Related Bodies Corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Mitula (or any of its Related Bodies Corporate) in connection with the Scheme.

(b) **Agreements connected with or conditional on the Scheme**

There are no agreements or arrangements made between any Mitula Director and any other person in connection with, or conditional on, the outcome of the Scheme.

(c) **Interests of Mitula Directors in contracts with LIFULL**

None of the Mitula Directors has any interest in any contract entered into with LIFULL.

(d) **Benefits under the Scheme or from LIFULL**

None of the Mitula Directors has agreed to receive, or is entitled to receive, any benefit from LIFULL which is conditional on, or is related to, the Scheme.

12.6 Foreign selling restrictions

(a) **Overview**

This Scheme Booklet and the Scheme does not constitute an offer of New LIFULL Shares in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the New LIFULL Shares may not be offered or sold, in any country outside Australia except to the extent provided below. No action has been taken to register or qualify the New LIFULL Shares or otherwise permit a public offering of such securities in any jurisdiction outside Australia.

Based on the information available as at the date of this Scheme Booklet, Mitula Shareholders whose addresses are shown in the Mitula Register on the Scheme Record Date as being in one of the following jurisdictions will be entitled to have New LIFULL Shares issued to them pursuant to the Scheme subject to the qualifications, if any, set out below in respect of that jurisdiction:

- Australia and its external territories;
- Hong Kong, where: (i) the Mitula Shareholder is a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong); and (ii) the number of non-professional investors does not exceed 50;
- Malaysia;
- Monaco;
- Netherlands, where (i) the Mitula Shareholder is a "qualified investor" (within the meaning of the Prospectus Directive (Directive 2003/71/EC), as amended and implemented in the Netherlands) and (ii) the number of non-qualified investors is less than 150;

- New Zealand, where (i) the Mitula Shareholder is a "wholesale investor" (as such term is defined in the Financial Markets Conduct Act 2013) and (ii) the number of non-wholesale investors is less than 20 and the value of the New LIFULL Shares issued to them does not exceed NZ\$2 million;
- Singapore;
- Spain, where: (i) the Mitula Shareholder is a "qualified investor" (within the meaning of the Prospectus Directive (Directive 2003/71/EC), as amended and implemented in Spain); and (ii) the number of non-qualified investors is less than 150;
- Thailand, where the number of Mitula Shareholders is less than 50;
- United Arab Emirates;
- United Kingdom;
- United States; and
- any other person or jurisdiction in respect of which Mitula reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Scheme and to issue New LIFULL Shares to a Mitula Shareholder with a registered address in such jurisdiction.

Nominees, custodians and other Mitula Shareholders who hold Mitula Shares on behalf of a beneficial owner resident outside Australia, Monaco, Singapore, the United Arab Emirates, the United Kingdom, Malaysia and the United States may not forward this Scheme Booklet (or accompanying documents) to anyone in these countries without the consent of Mitula.

(b) Hong Kong

WARNING - The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Scheme. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Scheme Booklet may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Mitula Shareholders in connection

with the Scheme, and no steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Scheme by the person to whom this Scheme Booklet is addressed.

(c) **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of the New LIFULL Shares. The New LIFULL Shares may not be issued in Malaysia except to persons who are shareholders of Mitula in compliance with the Scheme.

(d) **Monaco**

The New LIFULL Shares may not be issued, directly or indirectly, to the public in Monaco other than to existing Mitula Shareholders.

(e) **Netherlands**

The information in this Scheme Booklet has been prepared on the basis that all offers of New LIFULL Shares will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in the Netherlands, from the requirement to produce a prospectus for offers of securities.

An offer to the public of shares has not been made, and may not be made, in the Netherlands except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Netherlands:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II");
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

The Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, the "AFM") has not reviewed nor approved Scheme Booklet.



(f) **New Zealand**

(1) **Small Offers Exclusion**

Warning

You are being offered shares in LIFULL.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an investment decision.

The usual rules do not apply to this offer because it is a small offer. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

(2) **Wholesale Investor Exclusion**

This document and information contained in or accompanying this document:

- are not, and are under no circumstances to be construed as, an offer of financial products for sale requiring disclosure to an investor under Part 3 of the Financial Markets Conduct Act 2013 (New Zealand) (NZ FMC Act);
- are not a disclosure document for the purposes of the NZ FMC Act (as that term is defined in the NZ FMC Act); and
- do not contain all the information that a disclosure document is required to contain under New Zealand law.

Mitula does not intend that the New LIFULL Shares be offered for sale in New Zealand in terms of the NZ FMC Act. Accordingly:

- this document and information contained in or accompanying this document have not been registered, filed with or reviewed or approved by any New Zealand regulatory authority under or in accordance with the NZ FMC Act; and
- the New LIFULL Shares have not been and may not be offered or sold to any person in New Zealand other than:
 - to persons who are "wholesale investors" as defined in clause 3(2) of Schedule 1 to the NZ FMC Act; and
 - in other circumstances where there is no contravention of the NZ FMC Act.

References to the NZ FMC Act include any statutory modification or re-enactment of, or statutory substitution for, the NZ FMC Act.

(g) **Singapore**

This Scheme Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of New LIFULL Shares have not been and will not be registered as a prospectus with the Monetary Authority of Singapore and this offering is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act, Cap. 289 (SFA) will not apply.

This Scheme Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of New LIFULL Shares may not be offered, sold or distributed, or be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to New LIFULL Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

Neither this document nor any copy of it may be taken or transmitted into any country where the distribution or dissemination is prohibited. This document is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person.

The investments contained or referred to in this document may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this Scheme Booklet constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Neither Mitula nor LIFULL is in the business of dealing in securities or hold itself out or purport to hold itself out to be doing so. As such, Mitula and LIFULL are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

(h) **Spain**

The information in this document has been prepared on the basis that all offers of New LIFULL Shares will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus Directive**), as amended and implemented in Spain, from the requirement to publish a prospectus for offers of securities.

An offer to the public of New LIFULL Shares has not been made, and may not be made, in Spain except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Spain:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II");
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive), subject to the prior consent of LIFULL; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New LIFULL Shares shall result in a requirement for the publication by either of LIFULL or Mitula of a prospectus pursuant to Article 3 of the Prospectus Directive.

(i) **Thailand**

This Scheme Booklet is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This Scheme Booklet has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Scheme Booklet and any other document relating to the Scheme may not be circulated or distributed, nor may the New LIFULL Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public in Thailand.

(j) **United Arab Emirates**

This Scheme Booklet has not been approved, disapproved or passed on in any way by the Emirates Securities and Commodities Authority (**ESCA**) or any other governmental

authority in the United Arab Emirates. Mitula and LIFULL have not received authorisation or licensing from the ESCA or any other governmental authority in the United Arab Emirates to market or sell the New LIFULL Shares within the United Arab Emirates. This Scheme Booklet does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates (excluding the Dubai International Financial Centre). No services relating to the New LIFULL Shares, including the receipt of applications, may be rendered within the United Arab Emirates (excluding the Dubai International Financial Centre).

In the Dubai International Financial Centre, the New LIFULL Shares may be offered, and this Scheme Booklet may be distributed, only as an "Exempt Offer", as defined and in compliance with the Markets Rules issued by the Dubai Financial Services Authority (**DFSA**). The DFSA has not approved this Scheme Booklet nor taken steps to verify the information set out in it, and has no responsibility for it.

(k) **United Kingdom**

Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New LIFULL Shares.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue of the New LIFULL Shares has only been communicated, and will only be communicated, in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to Mitula. In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons to whom it may lawfully be distributed or directed within the circumstances described in Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and/or any other persons to whom it may lawfully be communicated (all such persons being referred to as **Relevant Persons**).

The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Scheme Booklet or any of its contents.

(l) **United States**

LIFULL and Mitula intend to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by Section 3(a)(10) thereof in connection with the consummation of the Scheme and the issuance of New LIFULL Shares. Approval of the Scheme by an Australian court will be relied upon by LIFULL and Mitula for purposes of qualifying for the Section 3(a)(10) exemption.

US shareholders of Mitula should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of ASX. The Scheme is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws since LIFULL is located in Japan and most of its officers and directors are residents of Japan. You may not be able to sue LIFULL or its officers or directors in Japan for violations of the US securities laws. It may be difficult to compel LIFULL and its affiliates to subject themselves to a US court's judgment.

You should be aware that LIFULL may purchase securities otherwise than under the Scheme, such as in open market or privately negotiated purchases.

The Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of the Scheme Booklet. Any representation to the contrary is a criminal offence.

The New LIFULL Shares to be issued pursuant to the Scheme have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state

or other jurisdiction. The Scheme is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

12.7 ASIC

(a) Relief granted to Mitula

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires an explanatory statement to set out whether, within the knowledge of the Mitula Directors, the financial position of Mitula has materially changed since the date of the last balance sheet laid before Mitula Shareholders in accordance with sections 314 or 317 of the Corporations Act, being 31 December 2017. ASIC has granted Mitula relief from this requirement so that this Scheme Booklet only need set out whether, within the knowledge of the Mitula Directors, the financial position of Mitula has materially changed since 30 June 2018 (being the last date of the period to which the financial statements for the half-year ended 30 June 2018 relate).

(b) Relief applied for by LIFULL

LIFULL has been granted in principle relief by ASIC from the following provisions of the Corporations Act in relation to the sale facilities described in section 5.6 and section 5.7 (**Sale Facilities**):

- section 601ED(5) in relation to the Sale Facilities;
- subsection 911A(1) for the provision of the following financial services:
 - dealing in an interest in the Sale Facilities; and
 - the provision of general advice in relation to an interest in the Sale Facilities;
- Divisions 2 to 5 of Part 7.9 in relation to an interest in the Sale Facilities; and
- Division 5A of Part 7.9 in relation to an invitation to participate in the Sale Facilities.

(c) Voting report

ASIC has advised that it is reserving its position regarding whether any votes cast by Mitula Shareholders should be discounted or disregarded by the Court at the second court hearing on the basis of fairness. ASIC has also advised it will closely look at the effect the differing consideration offered under the Scheme will have on the outcome of the voting due to different groups of Mitula Shareholders being entitled to different consideration.

Mitula has agreed to provide ASIC and the Court with a voting report detailing the outcome of the voting for each Mitula Shareholder at the Scheme Meeting. This will assist ASIC (and the Court) to assess fairness of the Scheme by observing how different Mitula Shareholders who held less than 20,000 Mitula Shares and who held more than 20,000 Mitula Shares voted, and whether there is any divergence in the voting pattern between different Mitula Shareholders.

12.8 Consents, disclosures and fees

(a) Consents

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- LIFULL in respect of the LIFULL Information only;
- BDO as the Independent Expert; and
- PricewaterhouseCoopers Securities Ltd as the Investigating Accountant.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

The following parties have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Stratford Advisory as financial adviser to Mitula;
- Herbert Smith Freehills as Australian legal adviser to Mitula;
- Anderson Mori & Tomotsune as Japanese legal adviser to Mitula; and
- Boardroom Pty Limited as the Mitula Registry.

(b) **Disclosures and responsibility**

Further, each person named in section 12.8(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
 - LIFULL in respect of the LIFULL Information only; and
 - BDO, in relation to its Independent Expert's Report;
 - PricewaterhouseCoopers Securities Ltd in relation to its Investigating Accountant's Report, and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this section 12.8(b).

For the avoidance of doubt, no LIFULL Information, including the summaries of Japanese law set out in sections 5, 10 and 11, has been prepared by Anderson Mori & Tomotsune.

(c) **Fees**

The persons named in this Scheme Booklet as performing a function in a professional or advisory capacity in connection with the Scheme and the preparation of the Scheme Booklet on behalf of Mitula are Stratford Advisory as financial adviser, Herbert Smith Freehills as Australian legal adviser, Anderson Mori & Tomotsune as Japanese legal adviser, BDO as the Independent Expert and Boardroom Pty Limited as the Mitula Registry.

The fees set out in this section only relate to fees payable by Mitula in connection with the Scheme. Such fees include payments to:

- Stratford Advisory for acting as financial adviser to Mitula of up to approximately \$850,000;
- Herbert Smith Freehills for acting as Australian legal adviser to Mitula of up to approximately \$1.36 million;
- Anderson Mori & Tomotsune as Japanese legal adviser to Mitula of approximately JPY 4 million; and
- Boardroom Pty Limited for acting as the Mitula Registry and providing various other services to Mitula (excluding printing and mailing of the Scheme Booklet) of approximately \$45,000.

In aggregate, if the Scheme is implemented Mitula expects to pay approximately \$2.5 million (excluding GST) in transaction costs. In aggregate, if the Scheme is not implemented, Mitula expects to pay approximately \$1.6 million (excluding GST) in transaction costs.

12.9 No unacceptable circumstances

The Mitula Directors believe that the Scheme does not involve any circumstances in relation to the affairs of Mitula that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

12.10 Other information material to the making of a decision in relation to the Scheme

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Mitula Director, at the time of lodging this Scheme Booklet with ASIC for registration, which has not previously been disclosed to Mitula Shareholders.

12.11 Supplementary information

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, Mitula becomes aware that:

- a material statement in this Scheme Booklet is false or misleading;
- there is a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet has occurred; or
- a significant new matter has arisen which would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

Mitula will prepare a supplementary document to this Scheme Booklet.

The form which the supplementary document may take, and whether a copy will be sent to each Mitula Shareholder, will depend on the nature and timing of the new or changed circumstances.

In all cases, the supplementary document will be available from Mitula's website at <https://www.mitulagroup.com/investors> and from the ASX website at www.asx.com.au.

13 Glossary and interpretation

13.1 Glossary

The meanings of the terms used in this Scheme Booklet are set out below:

Term	Meaning
All Scrip Election	an election under clause 5.7 of the Scheme, and as described in section 5.3.
Amending Deed	has the meaning given in section 12.3.
ASIC	Australian Securities and Investments Commission.
Associate	has the same meaning as in section 12 of the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates.
ASX Listing Rules	the official listing rules of the ASX.
BDO	BDO Corporate Finance (East Coast) Pty Ltd (ACN 050 038 170).
Business Day	a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne, Victoria, Luxembourg or Tokyo, Japan and, in relation to the operation of the Sales Request Policy or the Termination Sales Policy, also includes a day that is not a public holiday or bank holiday in Sydney, New South Wales.
Cash Consideration	\$0.80 per Scheme Share. For further information, see section 5.2(a).
Combined Group	LIFULL and the entities owned and/or controlled by LIFULL following implementation of the Scheme (which will include Mitula and Trovit).
Companies Act of Japan	the Companies Act (Act No. 86 of 2005 as amended) of Japan.
Competing Proposal	any proposal, offer or transaction by a third party (other than LIFULL or its Related Bodies Corporate) that, if completed, would mean: <ol style="list-style-type: none">1 a person would acquire a Relevant Interest or voting power in 15% or more of the Mitula Shares;2 a person would enter into, buy, dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 15% or more of the Mitula Shares;3 person would directly or indirectly acquire or obtain an interest (including

Term	Meaning
	<p>an economic interest) in all or a substantial part or material part of the business conducted by, or assets or property of, Mitula;</p> <p>4 a person would acquire Control of Mitula;</p> <p>5 a person may otherwise acquire, or merge with, Mitula (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership); or</p> <p>6 Mitula will issue, on a fully diluted basis, 15% or more of its capital as consideration for the assets or share capital or another person.</p>
Comprehensive Account A	a JASDEC Account to be held by the Settlement Agent on behalf of the relevant Scheme Shareholders.
Comprehensive Account B	a JASDEC Account to be held by the Settlement Agent on behalf of the relevant Scheme Shareholders.
Condition Precedent	a condition precedent contained in clause 3.1 of the Scheme Implementation Deed.
Control	has the meaning given under section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth).
Court	the Supreme Court of Victoria or any other court of competent jurisdiction under the Corporations Act as Mitula and LIFULL may agree in writing.
Deed Poll	the deed poll to be executed by LIFULL prior to the First Court Date, in the form set out in Annexure D or such other form agreed by the parties acting in good faith.
Deferred Shares	the proposed shares in the capital of Mitula which Mitula agreed to issue by no later than October 2018 with respect to the acquisition by Mitula of Dot Property Pte Ltd, being the final tranche of deferred payment due to the vendors of that entity from Mitula.
Designated Securities Account	an account with JASDEC in which the New LIFULL Shares may be held by a Scheme Shareholder either directly or on a Scheme Shareholder's behalf through a stockbroker or global custodian.
Downside Price Protection Mechanism	the downside price protection mechanism set out in clauses 5.2 to 5.4 (inclusive) of the Scheme and described in section 5.2(b)(1).

Term	Meaning
Effective	when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.
Effective Date	with respect to the Scheme, the date on which the Scheme becomes Effective.
Election Date	the last date and time for receipt of an Election Form in order to make an All Scrip Election in accordance with the terms of the Scheme, being 7.00pm on the Second Court Date or such other date as Mitula and LIFULL agree in writing.
Election Form	the election form accompanying this Scheme Booklet under which each Scheme Shareholder (other than an Excluded Shareholder) may elect to receive the Scrip Consideration (instead of the Standard Consideration) in respect of all of their Scheme Shares.
End Date	14 December 2018, unless extended in accordance with the Scheme Implementation Deed.
Excluded Shareholder	any Mitula Shareholder who is LIFULL or a wholly owned subsidiary of LIFULL.
Fairly Disclosed	disclosed before 9.00pm (Tokyo time) on 7 May 2018: <ol style="list-style-type: none"> 1 in relation to Mitula, in sufficient detail by Mitula in writing in English (including Fairly Disclosed in filings of Mitula with the ASX) so as to enable a reasonable and sophisticated buyer experienced in transactions similar to the Scheme and experienced in a business similar to the business conducted by the Mitula Group, to identify the nature and scope, budgeted cost (if any) and the intended timing (where applicable) for implementation of the relevant matter, event or circumstance; and 2 in relation to LIFULL, in sufficient detail by LIFULL in writing in English (including Fairly Disclosed in filings of LIFULL with the Tokyo Stock Exchange, the English translation of which is available on LIFULL's website) so as to enable a reasonable and sophisticated investor experienced in investing in listed entities and experienced in a business similar to the business conducted by the LIFULL Group, to identify the nature and scope, budgeted cost (if any) and the intended timing (where applicable) for implementation of the relevant matter, event or circumstance.
Final LIFULL Share Price	the average of the VWAP of LIFULL Shares on the Tokyo Stock Exchange (in Australian dollars) for the 10 trading days up to and including the Scheme Record Date.
Final Share Exchange Ratio	the Initial Share Exchange Ratio, adjusted as required in accordance with the application of the Downside Price Protection Mechanism or the Upside Participation Cap. The Final Share Exchange Ratio will be used to calculate the Scrip Consideration received by Mitula Shareholders.

Term	Meaning
Financial Instruments and Exchange Act of Japan	the Financial Instruments and Exchange Act (Act No. 25 of 1948 as amended) of Japan.
First Court Date	the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.
First SRP Sale	has the meaning given in section 5.6(c).
Form A	the form accompanying this Scheme Booklet entitled 'Form A' which enables a Scheme Shareholder receiving Scrip Consideration to require their New LIFULL Shares to be held in a Designated Securities Account.
Form A-2	the form which may be obtained from the Settlement Agent and pursuant to which a Scheme Shareholder may request that their New LIFULL Shares be transferred to a Designated Securities Account.
Form B	the form accompanying this Scheme Booklet entitled 'Form B' which enables a Scheme Shareholder receiving Scrip Consideration to require their New LIFULL Shares to be held in Comprehensive Account A.
Form B-2	the form which may be obtained from the Settlement Agent and pursuant to which a Scheme Shareholder may request that their New LIFULL Shares be transferred from Comprehensive Account B to Comprehensive Account A.
Governmental Agency	means, whether domestic or foreign, any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX, Tokyo Stock Exchange and any regulatory organisation established under statute or any stock exchange.
Implementation Date	with respect to the Scheme, the eighth Business Day, or such other Business Day as LIFULL and Mitula agree, following the Scheme Record Date for the Scheme.
Independent Expert	BDO.
Independent Expert's Report	the report prepared by the Independent Expert dated 29 August 2018 set out in Annexure A.
Ineligible Foreign Shareholder	a Scheme Shareholder whose address as shown in the Mitula Register (as at the Scheme Record Date) is in a place which is unlawful or unduly onerous to issue that Scheme Shareholder with New LIFULL Shares when the Scheme becomes Effective (provided that a Scheme Shareholder whose address shown in the Mitula Register is within Australia and its external territories, New Zealand, Spain, Hong Kong, the United Arab Emirates, the United

Term	Meaning
	Kingdom, Monaco, the Netherlands, Singapore, Thailand, Malaysia and United States and any other jurisdictions determined by Mitula in consultation with LIFULL will not be an Ineligible Foreign Shareholder).
Initial Exchange Rate	81.90 JPY per 1 AUD.
Initial LIFULL Share Price	\$11.29.
Initial Share Exchange Ratio	0.0753 New LIFULL Shares per Scheme Share.
Investigating Accountant's Report	the investigating accountant's report set out in Annexure B.
IFRS	International Financial Reporting Standards.
JASDEC	Japan Securities Depository Center, Inc.
JASDEC Account	a securities account with an account management institution in Japan that has been admitted by the JASDEC.
LIFULL	LIFULL Co., Ltd and, unless the context otherwise requires, includes the entities owned and/or controlled by LIFULL as at the date of this Scheme Booklet.
LIFULL Buy-Back Procedure	has the meaning given in section 5.6(a).
LIFULL Group	LIFULL and its Subsidiaries.
LIFULL Information	any information contained in: <ol style="list-style-type: none"> 1 Letter from President and CEO of LIFULL; 2 the two paragraphs under the heading 'The Scheme will create a significant global player in online classifieds' in section 1.2; 3 section 5 (Scheme Consideration), other than sections 5.8 and 5.9; 4 section 7 (Information about LIFULL); 5 section 8 (Information about the Combined Group); 6 section 9 (Risks), other than section 9.1; 7 section 10.3 (Japanese tax implications); 8 section 11 (Comparison of relevant Australian and Japanese laws), to the extent it relates to the laws of Japan;

Term	Meaning
	<p>9 section 12.6 (Foreign selling restrictions);</p> <p>10 Annexure F; and</p> <p>11 section 2 (Frequently asked questions), to the extent that the question expressly cross-refers to any of the sections in items 1 – 10 above.</p>
LIFULL Material Adverse Change	<p>an event, occurrence or matter that occurs, is announced, is disclosed or otherwise becomes known to Mitula (whether it becomes public or not) after the date of the Scheme Implementation Deed, and which (individually or when aggregated with other events, occurrences or matters) has or could reasonably be expected to have the result that the business of LIFULL is unable to be carried on substantially in the way it is carried on as at the date of the Scheme Implementation Deed other than events, occurrences or matters:</p> <ol style="list-style-type: none"> 1 required to be done or procured by LIFULL pursuant to the Scheme Implementation Deed or the Scheme; 2 resulting directly from changes in general economic and political conditions; 3 to the extent that it was Fairly Disclosed by LIFULL; or 4 which Mitula has approved in writing.
LIFULL Prescribed Occurrence	<p>the occurrence of any of the following on or after the date of the Scheme Implementation Deed and before 8.00am on the Second Court Date:</p> <ol style="list-style-type: none"> 1 LIFULL converts all or any of its shares into a larger or smaller number of shares; 2 LIFULL resolves to reduce its share capital in any way; 3 except where required by law, LIFULL: <ul style="list-style-type: none"> – buys-back any of its share capital; – enters into a buy-back agreement; or – resolves to approve the terms of a buy-back agreement; 4 LIFULL declares, pays or distributes any dividend or other share of its profits or assets or returning or agreeing to return any capital other than where LIFULL declares, pays or distributes a dividend at no more than the rate that it declared, paid or distributed for the year ended 31 March 2017; 5 LIFULL issues shares, or grants a performance right, a phantom performance right, or an option over its shares, or agrees to make such an issue or grant such a performance right, phantom performance right or an option; 6 LIFULL issues, or agrees to issue, convertible notes; 7 any member of the LIFULL Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property in excess of JPY300 million other than in respect of the business conducted by LIFULL Remodel Co., Ltd. or LIFULL FinTech Co., Ltd.; 8 any member of the LIFULL Group creates or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property in excess of JPY300 million, other than in the usual and ordinary course of business consistent with past practice; or 9 LIFULL becomes Insolvent (as defined in the Scheme Implementation Deed),

Term	Meaning
	<p>provided that a LIFULL Prescribed Occurrence will not include any matter:</p> <p>10 required to be done or procured by LIFULL pursuant to the Scheme Implementation Deed or the Scheme;</p> <p>11 to the extent it is Fairly Disclosed by LIFULL;</p> <p>12 required by law or by an order of a court or Governmental Agency;</p> <p>13 expressly permitted pursuant to the Scheme Implementation Deed; or</p> <p>14 the undertaking of which Mitula has approved in writing (which approval must not be unreasonably withheld or delayed).</p>
LIFULL Share	a fully paid ordinary share in the capital of LIFULL quoted Tokyo Stock Exchange.
Mitula	Mitula Group Limited (ACN 604 677 796).
Mitula Board	the board of directors of Mitula.
Mitula Break Fee	has the meaning given in section 12.3(d).
Mitula Director or Your Director	a member of the Mitula Board.
Mitula Due Diligence Materials	means the information, documents and responses disclosed or made available to LIFULL or its authorised persons by Mitula or its authorised persons in the virtual data room (the index of which has been initialled by or on behalf of the parties for the purposes of identification).
Mitula Group	Mitula and its Subsidiaries.
Mitula Financial Information	has the meaning given in section 6.6.
Mitula Information	the information contained in this Scheme Booklet, other than the LIFULL Information and the information contained in Annexure A and Annexure B.
Mitula Material Adverse Change	<p>an event, occurrence or matter that occurs, is announced, is disclosed or otherwise becomes known to LIFULL (whether it becomes public or not) after the date of the Scheme Implementation Deed, and which (individually or when aggregated with other events, occurrences or matters) has or could reasonably be expected to have:</p> <p>1 the result that the business of Mitula is unable to be carried on substantially in the way it is carried on as at the date of the Scheme Implementation Deed; or</p> <p>2 one or more of the following effects (in each case determined in</p>

Term	Meaning
	<p>accordance with accounting standards):</p> <ul style="list-style-type: none"> – diminishing the net assets of the Mitula Group by \$5 million or more as compared to the net assets shown in Mitula's financial statements as at 31 December 2017; – which has an annual impact of diminishing the revenue of Mitula Group by \$6 million or more; – which has an annual impact of diminishing the earnings before interest, tax, depreciation and amortisation (EBITDA) of the Mitula Group by \$1.5 million or more; or – causing the net cash as at the Second Court Date to be less than \$13 million, <p>determined after taking into account any matters which offset the impact of the event, occurrence or matter giving rise to the adverse effect and in each case other than events, occurrences or matters;</p> <p>3 required to be done or procured by Mitula pursuant to the Scheme Implementation Deed or the Scheme (including any costs paid or incurred under or in connection with the Scheme);</p> <p>4 resulting directly from changes in general economic and political conditions or foreign exchange fluctuations;</p> <p>5 resulting from the announcement or pendency of the Transaction (including any loss of or adverse change in the relationship of any member of the Mitula Group with its respective employees, customers, partners or suppliers related to the announcement or pendency of the Transaction);</p> <p>6 to the extent that it was Fairly Disclosed in the Mitula Due Diligence Materials;</p> <p>7 to the extent it was Fairly Disclosed to the ASX or which may arise from an event, occurrence or matter which was so disclosed; or</p> <p>8 which LIFULL has approved in writing.</p>
Mitula Option	an option over a Mitula Share.
Mitula Prescribed Occurrence	<p>the occurrence of any of the following on or after the date of the Scheme Implementation Deed and before 8.00am on the Second Court Date:</p> <ol style="list-style-type: none"> 1 Mitula converts all or any of its shares into a larger or smaller number of shares; 2 any member of the Mitula Group resolves to reduce its share capital in any way; 3 any member of the Mitula Group: <ul style="list-style-type: none"> – buys-back any of its share capital; – enters into a buy-back agreement; or – resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act; 4 Mitula declares, pays or distributes any dividend or other share of its profits or assets or returning or agreeing to return any capital; 5 any member of the Mitula Group issues shares, or grants a performance right, a phantom performance right, or an option over its shares, or agrees to make such an issue or grant such a performance right, phantom performance right or an option, (including issuing any shares under the Mitula's group employee share plan) other than:

Term	Meaning
	<ul style="list-style-type: none"> - any Mitula Shares issued with respect to the Mitula Options; - 1,173,741 Deferred Shares; and - 150,000 Mitula Shares to members of the Mitula Board as contemplated by the notice of annual general meeting dated 20 April 2018; <p>6 any member of the Mitula Group issues, or agrees to issue, convertible notes;</p> <p>7 any member of the Mitula Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;</p> <p>8 any member of the Mitula Group creates or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or property, other than in the usual and ordinary course of business consistent with past practice; or</p> <p>9 Mitula or Mitula Classified S.L. becomes insolvent,</p> <p>provided that a Mitula Prescribed Occurrence will not include any matter:</p> <p>10 required to be done or procured by Mitula pursuant to the Scheme Implementation Deed or the Scheme;</p> <p>11 to the extent it is Fairly Disclosed in filings of Mitula with the ASX prior to the date of the Scheme Implementation Deed, other than buying back any of its share capital;</p> <p>12 to the extent it is Fairly Disclosed in the Mitula Due Diligence Materials;</p> <p>13 required by law or by an order of a court or Governmental Agency;</p> <p>14 expressly permitted pursuant to the Scheme Implementation Deed; or</p> <p>15 the undertaking of which LIFULL has approved in writing (which approval must not be unreasonably withheld or delayed).</p>
Mitula Register	the register of members of Mitula maintained by or on behalf of Mitula in accordance with section 168(1) of the Corporations Act.
Mitula Registry	Boardroom Pty Limited (ACN 003 209 836).
Mitula Share	a fully paid ordinary share in the capital of Mitula.
Mitula Shareholder	each person who is registered in the Mitula Register as a holder of Mitula Shares.
Mitula Shareholder Information Line	1300 046 608 from within Australia and +61 2 9290 9662 from outside Australia between 8.15am and 5.30pm, Monday to Friday.
New LIFULL Share	a fully paid ordinary share in the capital of LIFULL to be issued under the Scheme and to be quoted on Tokyo Stock Exchange.
Nominee Shareholder	a Scheme Shareholder who can demonstrate to the satisfaction of both Mitula and LIFULL (each acting reasonably) that it holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of,

Term	Meaning
	another person.
Notice of Meeting	the notice of meeting relating to the Scheme Meeting which is contained in Annexure E.
Proxy Form	the proxy form which accompanies this Scheme Booklet.
Related Body Corporate	has the same meaning given to it in the Corporations Act.
Relevant Interest	has the meaning given to that term in the Corporations Act.
Sale Batch	has the meaning given in section 5.6(b).
Sales Agent	Crestone Wealth Management Limited (ACN 005 311 937).
Sales Request Form	the form which may be obtained from the Settlement Agent and pursuant to which a Scheme Shareholder who holds New LIFULL Shares in Comprehensive Account A may request that those New LIFULL Shares be sold in accordance with the Sales Policy.
Sales Request Policy	the sales policy that applies in connection with the sale of New LIFULL Shares held in Comprehensive Account A following receipt of a validly completed Sales Request Form from a Scheme Shareholder during the three months after the Settlement Completion Date, as described in section 5.6 and the Sales Request Form.
Scheme or Scheme of Arrangement	means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Mitula and Scheme Shareholders in respect of all Scheme Shares, substantially in the form set out in Annexure C, or in such other form as the parties agree in writing acting in good faith, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by each party.
Scheme Booklet	this scheme booklet, including any annexures.
Scheme Consideration	the consideration payable to Scheme Shareholders under the Scheme, being comprised of the Scrip Consideration and the Cash Consideration.
Scheme Implementation Deed	the scheme implementation deed between LIFULL and Mitula dated 9 May 2018, as amended by the Amending Deed. A summary is set out in section 12.3 and a full copy can be obtained from the Mitula investor website at https://www.mitulagroup.com/investors .

Term	Meaning
Scheme Meeting	the meeting of Mitula Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	in respect of the Scheme, 7.00pm on the third Business Day (or such other Business Day as the parties to the Scheme Implementation Deed agree in writing) following the Effective Date.
Scheme Resolution	the resolution to agree to the terms of the Scheme.
Scheme Share	a Mitula Share on issue as at the Scheme Record Date other than any Mitula Share then held by an Excluded Shareholder (but including any such Mitula Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).
Scheme Shareholder	a person who holds one or more Scheme Shares registered in the Mitula Register as at the Scheme Record Date.
Scrip Consideration	0.0753 New LIFULL Shares for each Scheme Share to which the Cash Consideration does not apply, subject to the application of the Downside Price Protection Mechanism or the Upside Participation Cap.
Second Court Date	the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard, or if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
Securities Listing Regulations	the listing rules of the Tokyo Stock Exchange.
Settlement Agent	Pacific Custodians Pty Limited (ACN 009 682 866), a wholly owned subsidiary of Link Market Services Limited (ACN 083 214 537).
Settlement Completion Date	the date which is seven Business Days after the Implementation Date.
Share Splitting	the splitting by a holder of Mitula Shares into two or more parcels of Mitula Shares whether or not it results in any change in beneficial ownership of the Mitula Shares.

Term	Meaning
SRP Sales Commencement Date	has the meaning given in section 5.6(a).
Standard Consideration	Scheme Consideration comprising: <ol style="list-style-type: none"> 1 \$0.80 cash for each of the first 20,000 Scheme Shares a Scheme Shareholder held as at 7.00pm on 24 October 2018 and continues to hold on the Scheme Record Date; and 2 0.0753 New LIFULL Shares for each of any remaining Scheme Shares a Scheme Shareholder holds on the Scheme Record Date, subject to the application of the Downside Price Protection Mechanism or the Upside Participation Cap.
Subsidiary	has the same meaning as given in section 46 of the Corporations Act.
Superior Proposal	a bona fide Competing Proposal which the Mitula Board determines, acting in good faith and in order to satisfy what the Mitula Board reasonably considers to be its fiduciary or statutory duties, would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Mitula Shareholders than the Transaction having regard to matters including consideration, conditionality, funding, certainty and timing.
Termination Sale Shares	has the meaning given in section 5.7.
Termination Sales Policy	the sales policy that applies in connection with the sale of New LIFULL Shares held in Comprehensive Account A or Comprehensive Account B after the end of the three month period commencing on the Settlement Completion Date, as described in section 5.7.
Transaction	the proposed acquisition by LIFULL, in accordance with the terms and conditions of the Scheme, of all of the Mitula Shares (other than Mitula Shares held by an Excluded Shareholder) through the implementation of the Scheme.
Trovit	Trovit Search, S.L., a wholly owned subsidiary of LIFULL.
Unit Share System	has the meaning given in section 5.5(a).
Upside Participation Cap	the upside participation cap set out in clauses 5.5 to 5.6 (inclusive) of the Scheme and described in section 5.2(b)(2).
Voting Record Date	7.00pm, Sunday 9 December 2018.
VWAP	volume weighted average price.

13.2 Interpretation

In this Scheme Booklet:

- (a) words of any gender include all genders;
- (b) words importing the singular include the plural and vice versa;
- (c) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (d) a reference to a section or annexure, is a reference to a section of or annexure of, to this Scheme Booklet as relevant;
- (e) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (f) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- (g) a reference to time is a reference to Melbourne, Victoria time;
- (h) a reference to dollars, \$, A\$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia;
- (i) a reference to yen, JPY and ¥ is a reference to the lawful currency of Japan;
- (j) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia; and
- (k) the words "include", "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

Independent Expert's Report

For personal use only

For personal use only

INDEPENDENT EXPERT'S REPORT
Mitula Group Limited

In relation to the proposed Scheme of
Arrangement with LIFULL Co. Limited

25 October 2018



FINANCIAL SERVICES GUIDE

This Financial Services Guide (“FSG”) helps you decide whether to use any of the financial services offered by BDO Corporate Finance (East Coast) Pty Ltd (“BDOCF, we, us, our”).

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us [\$80,000] for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance, Level 11, 1 Margaret St, Sydney NSW 2001 or by telephone or email, using the contact details at the top of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint relating to general advice to a retail client is not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited (“FOS”). FOS is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of FOS (Member Number 11843).

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 639

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au.

For personal use only

The Directors
Mitula Group Limited
Suite 810, Level 8
2 Queen Street
Melbourne, VIC 3000
Australia

25 October 2018

Dear Directors

PROPOSED SCHEME OF ARRANGEMENT WITH LIFULL CO. LIMITED

INTRODUCTION

BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170) (“**BDOCF**”, “**we**”, “**us**” or “**our**”) has been engaged by the Directors (“**Directors**”) of Mitula Group Limited (“**Mitula**” or “**the Company**”) to prepare an independent expert’s report (“**Report**” or “**IER**”), setting out our opinion as to whether the proposed scheme of arrangement, pursuant to which LIFULL Co.Ltd (“**LIFULL**”) will acquire all of the shares in Mitula (“**Proposed Scheme**”), is fair and reasonable and as a result in the best interests of shareholders of Mitula (“**Mitula Shareholders**”), in the absence of a superior offer.

Mitula is listed on the Australian Securities Exchange (“**ASX**”) and is a vertical search engine, or aggregator, that allows consumers to search for real estate, automotive, employment and fashion classifieds.

On 9 May 2018 (after close of ASX trading), Mitula signed a binding scheme implementation deed (“**Deed**”) with LIFULL and announced its intention to undertake the Proposed Scheme. The terms of the Deed were subsequently updated on 22 October 2018. Under the Deed, Mitula Shareholders will receive either cash consideration of \$0.80 per Mitula share (“**Cash Consideration**”), scrip consideration of 0.0753 shares in LIFULL for each Mitula share held (“**Scrip Consideration**”), or a combination thereof as follows:

- For Mitula Shareholders who do not make an election:
 - The Cash Consideration for their first 20,000 Mitula shares that are held as at 7:00pm on 24 October 2018; and
 - The Scrip Consideration for each remaining Mitula share held, including any Mitula shares for which they became the beneficial or registered holder after 7:00pm on 24 October 2018.
- For Mitula Shareholders who do make an election:
 - The Scrip Consideration for all of the Mitula shares held.

The Scrip Consideration is subject to the application of the Downside Price Protection Mechanism and the Upside Participation Cap. In that regard, relative to the Australian dollar equivalent price of \$11.29 per LIFULL share as at 8 May 2018:

- the Downside Price Protection Mechanism was intended to protect Mitula Shareholders from a decrease of up to 10.7% in the Australian dollar equivalent price of LIFULL shares prior to implementation of the Proposed Scheme.
- the Upside Participation Cap allows Mitula Shareholders to retain up to 8.0% of any increase in the Australian dollar equivalent price of LIFULL shares prior to implementation of the Proposed Scheme.

At the time of writing this IER, the Scrip Consideration share exchange ratio had reached the Downside Price Protection Mechanism cap of 0.084336 due to a decline in LIFULL’s share price after the announcement of the Proposed Scheme.

Further details of the Proposed Scheme are provided in the scheme booklet that has been prepared for Mitula Shareholders by the Directors (“Scheme Booklet”).

PURPOSE OF REPORT

The Directors have engaged us to prepare a Report in relation to the Proposed Scheme to satisfy the requirements of:

- Section 411 of the Corporations Act.
- ASIC Regulatory Guide 60 ‘Schemes of Arrangement’ (“RG 60”).

The regulatory requirements relevant to this IER are summarised below.

Section 411 of the Corporations Act and RG 60

The Proposed Transaction is to be implemented pursuant to Section 411 of the Corporations Act.

In this case there is no obligation to commission a report prepared by an independent expert, however it is common for a target to voluntarily commission an IER for inclusion in a scheme booklet or for the scheme booklet to be accompanied by an IER which states whether, in the expert’s opinion, the proposed scheme is fair and reasonable and in the best interests of target shareholders.

Accordingly, the Directors have requested that BDOCF prepare this IER to accompany the Scheme Booklet required to be provided to the Mitula Shareholders to enable them to assess the merits of the Proposed Scheme and to decide whether to approve the Proposed Scheme.

APPROACH

In preparing our IER, we have considered the requirements of:

- ASIC Regulatory Guide 111 Content of expert reports (“RG 111”); and
- ASIC Regulatory Guide 112 Independence of experts (“RG 112”).

RG 111 establishes guidelines in respect of independent expert reports under the Corporations Act. This regulatory guide provides guidance as to what matters an independent expert should consider to assist shareholders to make informed decisions about transactions.

RG 111 states that there should be a separate assessment of fairness and reasonableness. RG 111 indicates that an independent expert would be able to conclude that the scheme of arrangement was in the best interests of the shareholders if they consider a proposal is “fair and reasonable.”

Fairness

RG 111.11 indicates that an offer is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. The comparison must be made assuming:

- A knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length; and
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.

Based on our interpretation of RG111.11, we have compared:

- The fair market value (“FMV”) of a Mitula share pre-transaction on a control basis (being the value of the securities the subject of the offer, per RG 111.11); and
- The FMV of the Cash Consideration and the Scrip Consideration (with each being assessed individually).

Reasonableness

In accordance with paragraph 60 of RG 111, an offer is ‘reasonable’ if it is ‘fair’. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes there are sufficient reasons to accept the offer.

When deciding whether an offer is ‘reasonable’, factors an expert might consider include:

- the financial situation and solvency of the entity;
- the alternative options available to the entity;
- the entity’s bargaining position;
- whether there is selective treatment of any shareholder; and
- any special value of the transaction to the purchaser.

SUMMARY OF OPINION

We have concluded that the Proposed Scheme is fair and reasonable and as a result in the best interest of the Mitula Shareholders at the time of writing this report.

A summary of our analysis in forming the above opinion is provided below.

Fairness conclusion

We have formed our opinion in relation to fairness by comparing our estimate of the FMV of an issued share in Mitula on a controlling interest basis to:

- The Cash Consideration being offered to Mitula Shareholders; and
- Our estimate of the FMV of the Scrip Consideration being offered to Mitula Shareholders.

The Proposed Scheme will be fair if the Cash Consideration and the Scrip Consideration are both greater than or equal to the FMV of a Mitula share before the Proposed Scheme, on a controlling interest basis.

The Scheme will also be fair if the Cash Consideration is not fair, but the Scrip Consideration is fair as Mitula Shareholders have the right to elect to receive Scrip Consideration for all of their Mitula Shares.

The result of our fairness analysis is summarised below.

Table 1: Fairness assessment

Per Share	Ref	Low	High
FMV of a share in Mitula prior to the Proposed Scheme (control basis)	Section 9.1	\$0.585	\$0.65
Cash Consideration	Section 1.2	\$0.80	\$0.80
Scrip Consideration	Section 10.3	\$0.65	\$0.75

The Cash Consideration is fair, and represents an implied premium of approximately 30% to our valuation of a share in Mitula (at the midpoint, on a controlling basis).

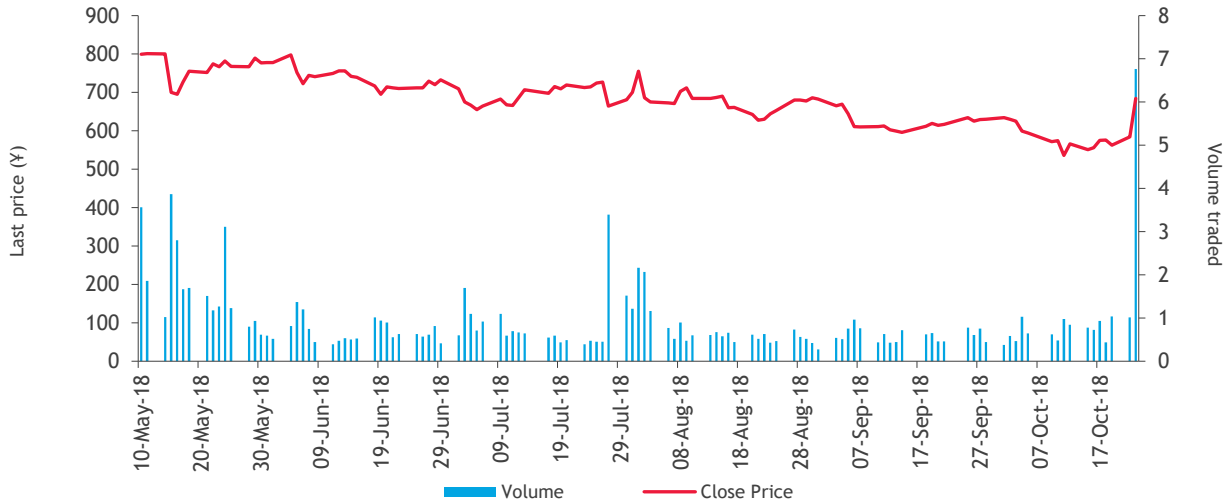
The Scrip Consideration is also fair, but provides a lower premium.

As at 9 May 2018 (the date of announcing the Proposed Scheme), the value of the Scrip Consideration was \$0.85 (based on LIFULL’s share price and the prevailing AUD:JPY exchange rate). Further, shareholders were protected from a decrease of up to 10.7% due to the Downside Price Protection Mechanism and could retain an increase of up to 8.0% due to the Upside Participation Cap. The implied premium of the Scrip Consideration at the time the Proposed Scheme was announced was approximately 38%.

For personal use only

However, as shown below, LIFULL's share price declined by as much as 33% since the Proposed Scheme was announced, before increasing significantly on 23 October 2018 following the announcement of LIFULL's FY18 annual results, an increase to the company's dividend policy and the amendments to the updates to the Proposed Scheme.

Figure 1: LIFULL daily closing share price and trading volume (10 May 2018 to 23 October 2018)



Source: Capital IQ

Based on LIFULL's share price and the AUD:JPY exchange rate as at 23 October 2018, the value of the Scrip Consideration was \$0.70. However, the value of the Scrip Consideration is exposed to further changes to LIFULL's share price or the AUD:JPY exchange rate between the date of this Report and the Scheme Implementation Date, and LIFULL's recent trading has exhibited significant volatility.

Overall, the premium received by individual shareholders will depend on the number of shares held and whether the shareholder receives the Cash Consideration. Based on the current values, the implied premium will be increasingly diluted for shareholdings greater than 20,000 shares.

Reasonableness conclusion

In accordance with RG 111, an offer is reasonable if it is fair. On this basis, the Proposed Scheme is reasonable to Mitula Shareholders.

However, as noted above, the fairness of the Scrip Consideration is subject to further changes in either LIFULL's trading prices or the AUD:JPY exchange rate. To the extent the Scrip Consideration became not fair (due to a further decline in LIFULL's share price or an adverse exchange rate movement), in our opinion, the Scrip Consideration offer would not be reasonable, and therefore not be in the best interests of Mitula shareholders, as the advantages of the Proposed Scheme (excluding the premium and the certainly associated with the Cash Consideration) are outweighed by its disadvantages.

We have set out below a summary of reasonableness factors we consider relevant in assisting the Mitula Shareholders in deciding whether or not to vote in favour of the Proposed Scheme.

For personal use only

Table 2: Summary of factors considered in the reasonableness assessment

Advantages	
Certainty of Cash Consideration	The Proposed Scheme allows Mitula Shareholders to realise up to 20,000 shares of their investment with the certainty of the Cash Consideration offered under the Proposed Scheme. The timing and value certainty of cash removes either all or a portion of Mitula Shareholders' exposure to inherent risks and uncertainties of holdings shares in LIFULL.
Implied premium	<p>The Cash Consideration represents a premium of approximately 30% to our assessment of the FMV of Mitula (midpoint, on a controlling interest basis).</p> <p>However, the FMV of the Scrip Consideration is only slightly higher than our valuation of Mitula (on a control basis).</p> <p>The premium received by individual shareholders will depend on the number of shares held and whether the shareholder receives the Cash Consideration. The implied premium will be increasingly diluted for shareholdings greater than 20,000 shares.</p>
No transaction costs	Mitula Shareholders participating in the Proposed Scheme will be able to exchange their Mitula shares for the Cash Consideration or Scrip Consideration without incurring any brokerage fees. However, Mitula Shareholders who receive Scrip Consideration may be required to establish a Japanese securities account (which would incur establishment fees) and the sale of LIFULL shares at a later date would also attract typical brokerage fees.
No alternative proposals	The Directors have advised that there are currently no alternative offers for Mitula. In our view, it is highly unlikely any alternative offer would be superior to the current Proposed Scheme.
Potential synergies	<p>If the Proposed Scheme is implemented, LIFULL intends to merge the operations of Mitula and Trovit, which the Directors believe will generate a number of synergistic benefits, including:</p> <ul style="list-style-type: none"> • Utilisation of Trovit's back office functions; • Increased audience for both Mitula and LIFULL's products, reducing the need to acquire traffic; • Duplicated employment positions could be removed; and • Reduced listing expenses as Mitula is intended to be removed from the ASX. <p>The proposed synergies may allow Mitula to expand and accelerate the growth in its current operations.</p>
Disadvantages	
Dilution of control	Mitula Shareholders will have their combined interest of 100% in Mitula diluted to a minimum of 11.0% and a maximum of 13.5% in the Combined Group after the Proposed Scheme (based on the share exchange ratio at the date of writing this IER). Further, none of the directors of Mitula will become directors of LIFULL. Consequently, their ability to influence the strategic direction of LIFULL will be significantly diminished.
Added complexity in holding LIFULL shares	If the Proposed Scheme is implemented and a Mitula Shareholder receives the Scrip Consideration, the rights of that Mitula Shareholder will no longer be governed by the laws of Australia, the ASX listing rules and the constitution of Mitula. Instead, those rights will be governed by the laws of Japan, the Tokyo Stock Exchange and the constitution of LIFULL.
Exposure to exchange rate fluctuations and country specific risks	Mitula Shareholders that are based in Australia will be exposed to fluctuations in the AUD:JPY exchange rate, as well as the country specific risks associated with the Japanese economy. The sensitivity of our fairness assessment to changes in the AUD:JPY exchange rate is discussed in section 12.3.1.

For personal use only

Table 3: Other considerations

Other Considerations	
Sensitivity of Fairness Assessment	<p>The Australian dollar value of the Scrip Consideration is not certain and may fluctuate between the date of this report and the Proposed Scheme implementation date, and beyond. Subject to the application of the Downside Price Protection Mechanism and the Upside Participation Cap, the value of the Scrip Consideration will change due to changes in the LIFULL's share price, a change in the AUD:JPY exchange rate, or a combination thereof.</p> <p>Based on LIFULL's share price and the AUD:JPY exchange rate as at 23 October 2018, the Scrip Consideration share exchange ratio had reached the Downside Price Protection Mechanism cap of 0.084336 due to a decline in LIFULL's share price after the announcement of the Proposed Scheme. As such, Mitula Shareholders are not protected from any further decline in LIFULL's share price or a deterioration of the Australian dollar against the Japanese Yen.</p> <p>We note that the FMV of the Scrip Consideration has recently fluctuated significantly. Adverse movements in either LIFULL's share price or the AUD:JPY exchange rate could result in the Scrip Consideration being deemed not fair. Accordingly, shareholders should consider the impact of fluctuations in LIFULL's share price and the AUD:JPY exchange rate at the time of voting for the Proposed Scheme.</p> <p>Further detail of the sensitivity analysis is contained in section 12.3.1 of this IER.</p>
Differences between Mitula and LIFULL	<p>Following the implementation of the Proposed Scheme, Mitula Shareholders who receive Scrip Consideration will hold an interest in the Combined Group. There are a number of differences between the businesses of Mitula and LIFULL (and therefore the Combined Group), including:</p> <ul style="list-style-type: none"> • Mitula is listed on the ASX and trades in Australian dollars, while LIFULL is listed on the Tokyo Stock Exchange ("TSE") and trades in Japanese Yen; • Both entities have a reasonable level of liquidity, with LIFULL's liquidity being slightly better; • LIFULL's search aggregation business (Trovit) is directly comparable to Mitula's core business, but Trovit only accounted for 11% of LIFULL's revenue (as at September 2017) while LIFULL's core business (LIFULL HOME'S) focuses on providing real estate-related information services and other general lifecycle-related information services. As a result, the businesses have different revenue models and cost structures, and both operate in different competitive landscapes; and • LIFULL is significantly larger than Mitula, while Mitula's has higher EBITDA margins. <p>Mitula Shareholders may wish to maintain their current investment profile based on the risks specific to Mitula. Mitula Shareholders may find it difficult to find another company with a directly comparable profile to Mitula and may incur transaction costs in undertaking a new investment in an alternate company.</p>
Potential taxation consequences	<p>The taxation consequences for Shareholders will differ depending on their individual circumstances. Australian resident shareholders may be liable to pay capital gains tax on the disposal of their Mitula shares under the Proposed Scheme. Accordingly, Mitula Shareholders may need to seek independent tax advice regarding the tax consequences applicable to their own circumstances.</p>
Directors' recommendation	<p>The Directors have recommended that Mitula Shareholders vote in favour of the Proposed Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Scheme is in the best interests of the Mitula Shareholders. Further, the Directors that hold shares in Mitula have stated they intend to accept the Proposed Scheme.</p>

For personal use only

OTHER MATTERS

Shareholders' individual circumstances

Our analysis has been undertaken, and our conclusions are expressed at an aggregate level. Accordingly, BDOCF has not considered the effect of the Proposed Scheme on the particular circumstances of individual Mitula Shareholders. Some individual Mitula Shareholders may place a different emphasis on various aspects of the Proposed Scheme from that adopted in this IER, e.g. the value of the Scrip Consideration may not be relevant to Mitula Shareholders who hold 20,000 shares or less. Accordingly, individual Mitula Shareholders may reach different conclusions as to whether or not the Proposed Scheme is fair and reasonable and in the best interests in their individual circumstances.

The decision of an individual Mitula Shareholder in relation to the Proposed Scheme may be influenced by their particular circumstances and accordingly Mitula Shareholders are advised to seek their own independent advice.

Approval or rejection of the Proposed Scheme is a matter for individual Mitula Shareholders based on their expectations as to the expected value and future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. Mitula Shareholders should carefully consider the Scheme Booklet. Mitula Shareholders who are in doubt as to the action they should take in relation to the Proposed Scheme should consult their professional adviser. Capitalised terms used in this Report have the meanings set out in the glossary.

General requirements in relation to the IER

In preparing the IER, ASIC requires the independent expert when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated by those persons affected by the Proposed Scheme. In preparing the IER we considered ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- Particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the past, between BDO East Coast Partnership or BDOCF and any of the parties to the Proposed Scheme;
- The nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER;
- We have been appointed as independent expert for the purposes of providing an IER in relation to the Proposed Scheme for the Directors;
- That we have relied on information provided by the Directors and Management of Mitula and that we have not carried out any form of audit or independent verification of the information; and
- That we have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this IER. Such conditions can change significantly over relatively short periods of time.

Changes in those conditions may result in any valuation or other opinion becoming quickly outdated and in need of revision. We reserve the right to revise any valuation or other opinion, in light of material information existing at the valuation date that subsequently becomes known to us.

Glossary

Capitalised terms used in this IER have the meanings set out in the glossary. A glossary of terms used throughout this IER is set out in Appendix 8.

Sources of information

Appendix 1 to the IER sets out details of information referred to and relied upon by us during the course of preparing this IER and forming our opinion.

The statements and opinions contained in this IER are given in good faith and are based upon our consideration and assessment of information provided by Mitula.

Under the terms of our engagement, Mitula agreed to indemnify the partners, directors and staff (as appropriate) of BDO East Coast Partnership and BDOCF and their associated entities, against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided by Mitula which is false or misleading or omits any material particulars, or arising from failure to supply relevant information.

Limitations

This IER has been prepared at the request of the Directors for the sole benefit of the Directors and Mitula Shareholders to assist them in their decision to approve or reject the Proposed Scheme. This IER is to accompany the Scheme Booklet to be sent to Mitula Shareholders to consider the Proposed Scheme and was not prepared for any other purpose.

Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and Mitula Shareholders without our written consent. We accept no responsibility to any person other than the Directors and Mitula Shareholders in relation to this IER.

This IER should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our IER, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of the IER with the Scheme Booklet. Apart from this IER, we are not responsible for the contents of the Scheme Booklet or any other document associated with the Proposed Scheme. We acknowledge that this IER may be lodged with regulatory authorities, including ASIC.

Summary

This summary should be read in conjunction with the attached IER that sets out in full, the purpose, scope, basis of evaluation, limitations, information relied upon, analysis and our findings.

Financial Service Guide

BDOCF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues. A financial services guide is attached to this IER.

Yours faithfully

BDO CORPORATE FINANCE (EAST COAST) PTY LTD



Stephen Seear
Director



Daniel Coote
Director

For personal use only

TABLE OF CONTENTS

1.	PURPOSE AND BACKGROUND	1
1.1.	Purpose	1
1.2.	Proposed Scheme.....	1
1.3.	LIFULL’s Intentions.....	2
1.4.	Conditions Precedent.....	2
2.	SCOPE AND LIMITATIONS	3
2.1.	Scope.....	3
2.2.	Summary of Regulatory Requirements	3
2.3.	Basis of Assessment	3
2.4.	Special Value.....	5
2.5.	Reliance on Information.....	5
2.6.	Limitations	5
2.7.	Assumptions	6
3.	PROFILE OF MITULA	7
3.1.	Overview	7
3.2.	Business Operations.....	8
3.3.	Revenue Analysis	11
3.4.	Financial Performance.....	12
3.5.	Financial Position	13
3.6.	Capital structure	14
3.7.	Ownership	15
3.8.	Historical share trading analysis	15
4.	PROFILE OF LIFULL	18
4.1.	Overview	18
4.2.	Business Operations.....	19
4.3.	Revenue Analysis	22
4.4.	Financial Performance.....	23
4.5.	Financial Position	24
4.6.	Capital structure	25
4.7.	Ownership	25
4.8.	Historical share trading analysis	26
5.	PROFILE OF COMBINED GROUP	29
5.1.	Overview	29
5.2.	LIFULL’s intentions.....	29
5.3.	Potential synergies.....	29

For personal use only

5.4.	Proposed Combined Group structure	29
5.5.	Directors and key management	29
5.6.	Shareholdings of the Combined Group	30
5.7.	Combined Group pro-forma financial performance	31
5.8.	Combined Group pro-forma financial position	32
6.	INDUSTRY OVERVIEW	33
6.1.	Industry drivers	33
6.2.	Industry performance and outlook	33
7.	EXCHANGE RATES	36
7.1.	Historical AUD:JPY exchange rate	36
7.2.	Forecast AUD:JPY exchange rate	36
8.	FAIRNESS ASSESSMENT AND VALUATION METHODOLOGY	37
8.1.	Fairness assessment overview	37
8.2.	Valuation methods	37
8.3.	Selected valuation method for Mitula	37
8.4.	Selected valuation method for the Combined Group	38
8.5.	Other valuation considerations	38
9.	VALUATION OF MITULA	41
9.1.	FMV of Mitula using the QMP method	41
9.2.	FMV of Mitula - implied multiples cross-check	42
10.	VALUATION OF THE SCRIP CONSIDERATION	46
10.1.	FMV of Combined Group - QMP Pre-Announcement Approach	46
10.2.	FMV of Combined Group - QMP Post-Announcement Approach	48
10.3.	FMV of Scrip Consideration	48
10.4.	FMV of Scrip Consideration - implied multiples cross-check	49
11.	ASSESSMENT OF FAIRNESS	51
11.1.	Fairness Assessment	51
12.	ASSESSMENT OF REASONABLENESS	53
12.1.	Advantages	53
12.2.	Disadvantages	54
12.3.	Other Considerations	54
13.	QUALIFICATIONS, DECLARATIONS AND CONSENTS	57
13.1.	Qualifications	57
13.2.	Independence	57
13.3.	Disclaimer	57
14.	APPENDICES	58

For personal use only

1. PURPOSE AND BACKGROUND

1.1. Purpose

We have been appointed by the Directors to prepare an IER setting out our opinion as to whether the Proposed Scheme is fair and reasonable and therefore in the best interests of the Mitula Shareholders, in the absence of a superior proposal.

This IER is to accompany the Scheme Booklet to be provided to Mitula Shareholders. It has been prepared to assist and enable Mitula Shareholders to assess the merits of the Proposed Scheme and to decide whether to approve the Proposed Scheme.

A summary of the background to the terms of the Proposed Scheme is set out below.

1.2. Proposed Scheme

On 9 May 2018 (after the close of trading on ASX), Mitula signed the Deed with LIFULL and announced its intention to undertake the Proposed Scheme. The terms of the Deed were subsequently updated on 22 October 2018. Details of the Proposed Scheme are provided in the Scheme Booklet that has been prepared for Mitula Shareholders by the Directors.

Under the terms of the Proposed Scheme:

- Mitula Shareholders will receive either the Cash Consideration of \$0.80 per Mitula share, the Scrip Consideration of 0.0753 shares in LIFULL for each Mitula share held, or a combination thereof as follows:
 - For Mitula Shareholders who do not make an election:
 - The Cash Consideration for their first 20,000 Mitula shares that are held as at 7:00pm on 24 October 2018; and
 - The Scrip Consideration for each remaining Mitula share held, including any Mitula shares for which they became the beneficial or registered shareholder after 7:00pm on 24 October 2018.
 - For Mitula Shareholders who do make an election:
 - The Scrip Consideration for all of the Mitula shares held.
- The Scrip Consideration is subject to the application of the Downside Price Protection Mechanism and the Upside Participation Cap. In that regard, relative to the Australian dollar equivalent price of \$11.29 per LIFULL share as at 8 May 2017:
 - the Downside Price Protection Mechanism protects Mitula Shareholders from a decrease of up to 10.7% in the Australian dollar equivalent price of LIFULL shares prior to implementation of the Proposed Scheme.
 - the Upside Participation Cap allows Mitula Shareholders to retain up to 8.0% of any increase in the Australian dollar equivalent price of LIFULL shares prior to implementation of the Proposed Scheme.
- Implementation of the Proposed Scheme is expected to be in October 2018.
- If the Scheme is implemented, Mitula will be delisted from the ASX.

The Directors' rationale in pursuing the Proposed Scheme was based on the following factors:

- The consideration represents a significant premium to recent historical Mitula share trading prices and an attractive multiple of earnings.
- Opportunity for Mitula to become a significant global player in the online classifieds and market places industry.
- The Proposed Scheme represents an opportunity for Mitula Shareholders to realise certain cash value for their first 20,000 shares and the opportunity to participate in the future growth of LIFULL (for those Mitula Shareholders that receive Scrip Consideration).
- The proposed combination of Mitula and Trovit (LIFULL's online classifieds subsidiary) will enhance the prospects of the Mitula business and is superior to other strategic options currently available to Mitula.

1.3. LIFULL's Intentions

In 2017, LIFULL changed its name to LIFULL Co., Ltd based on its desire “to provide services that enable everyone to live a fulfilling life” with its view towards global expansion and becoming the world’s premier life database and solutions company.

Following implementation of the Proposed Scheme, Mitula will be a wholly owned subsidiary of LIFULL. This will mean that LIFULL owns Mitula’s product and service offerings comprising real estate, job listing, used car and fashion data.

The combined Mitula and Trovit businesses will have a broader geographical footprint than either of the current businesses have independently; and management plans to leverage each business’ core strengths to pursue a growth strategy.

Further details on the intentions of LIFULL are set out in LIFULL’s announcement of the Proposed Scheme dated 9 May 2018 and Section 8.3 of the Scheme Booklet.

1.4. Conditions Precedent

The Proposed Scheme is subject to a number of conditions precedents including:

- Mitula Shareholders approving the Proposed Scheme.
- The Court approving the Proposed Scheme.
- No ‘Prescribed Occurrences’ in relation to Mitula or LIFULL as defined in Clause 1.1 of the Deed.
- No ‘Material Adverse Change’ in relation to Mitula or LIFULL as defined in Clause 1.1 of the Deed.
- ‘Target Deferred Shares’ as defined in Clause 1.1 of the Scheme Booklet are issued.

Further details of the conditions precedent are disclosed in Section 12.3 of the Scheme Booklet.

2. SCOPE AND LIMITATIONS

2.1. Scope

The scope of the procedures we undertook in forming our opinion on whether the Proposed Scheme is fair and reasonable and in the best interest of Mitula Shareholders has been limited to those procedures we believe are required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards.

Our assessment involved determining the “FMV” of various securities, assets and liabilities. For the purposes of our opinion, the term “FMV” is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser and a knowledgeable, willing, but not anxious vendor, acting at arm’s length.

2.2. Summary of Regulatory Requirements

The Directors have engaged us to prepare an IER in relation to the Proposed Scheme to satisfy the requirements of:

- Section 411 of the Corporations Act.
- RG 60 ‘Schemes of Arrangement’.

The regulatory requirements relevant to this IER are summarised below.

2.2.1. Section 411 of the Corporations Act and RG 60

The Proposed Transaction is to be implemented pursuant to Section 411 of the Corporations Act.

In this case there is no statutory requirement for the Directors to commission an IER in relation to the Proposed Scheme. However, the Directors have requested that BDOCF prepare an IER stating whether, in BDOCF’s opinion, the Proposed Scheme is fair and reasonable and in the best interest of the Mitula Shareholders, and the reasons for that opinion.

2.3. Basis of Assessment

In determining whether the Proposed Scheme is fair and reasonable and in the best interest to Mitula Shareholders we have had regard to:

- RG 111 ‘Content of expert reports’
- RG 112 ‘Independence of experts’

RG 111 establishes two distinct criteria for an expert analysing a control transaction. The tests are:

- Is the offer ‘fair’?
- Is it ‘reasonable’?

RG 111 indicates that an independent expert would be able to conclude that the scheme of arrangement was in the best interests of the shareholders if they consider a proposal is “fair and reasonable.”

The terms fair and reasonable are regarded as separate elements and are not regarded as a compound phrase.

2.3.1. Fair

RG 111.11 indicates that an offer is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer.

The value of the securities the subject of the offer is determined assuming:

- A knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.
- 100% ownership of the target company, irrespective of the percentage holding of the bidder or its associates in the target company.

The Proposed Scheme will be fair if the Cash Consideration and the Scrip Consideration is equal to or greater than the value of the securities the subject of the Proposed Scheme (i.e. the FMV of a Mitula share pre-transaction on a control basis). The Proposed Scheme will also be fair if only the Scrip Consideration is fair, as Mitula Shareholders can elect to receive Scrip Consideration for all of their Mitula shares.

2.3.2. Reasonable

In accordance with paragraph 12 of RG 111, an offer is 'reasonable' if it is 'fair'. An offer could be considered 'reasonable' if there are valid reasons to approve it (in the absence of any higher bid before the close of the offer), notwithstanding that it may not be regarded as 'fair'.

RG 111.13 sets out some of the factors that an expert might consider in assessing the reasonableness of an offer, including:

- The bidder's pre-existing voting power in securities in the target.
- Other significant security holding blocks in the target.
- The liquidity of the market in the target's securities.
- Taxation losses, cash flow or other benefits through achieving 100% ownership of the target.
- Any special value of the target to the bidder, such as particular technology, the potential to write off outstanding loans from the target, etc.
- The likely market price if the offer is unsuccessful.
- The value to an alternative bidder and likelihood of an alternative offer being made.

2.3.3. General requirements in relation to the IER

In preparing the IER, ASIC requires the independent expert when deciding on the form of analysis for a report, to bear in mind that the main purpose of the report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the Proposed Scheme. In preparing the IER we considered the necessary legal requirements and guidance of the Corporations Act, ASIC regulatory guides and commercial practice.

The IER also includes the following information and disclosures:

- Particulars of any relationship, pecuniary or otherwise, whether existing presently or at any time within the last two years, between BDO East Coast Partnership or BDOCF and any of the parties to the Proposed Scheme.
- The nature of any fee or pecuniary interest or benefit, whether direct or indirect, that we have received or will or may receive for or in connection with the preparation of the IER.
- We have been appointed as independent expert for the purposes of providing an IER for the Target Statement.
- That we have relied on information provided by the Directors and management of Mitula and that we have not carried out any form of audit or independent verification of the information provided.
- That we have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of our IER.

2.4. Special Value

We have not considered special value in forming our opinion. Special value is the amount that a potential acquirer may be prepared to pay for a business in excess of the FMV. This premium represents the value to the particular potential acquirer of potential economies of scale, reduction in competition, other synergies and cost savings arising from the acquisition under consideration not available to likely purchasers generally. Special value is not normally considered in the assessment of FMV as it relates to the individual circumstances of special purchasers.

2.5. Reliance on Information

This IER is based upon financial and other information provided by the Directors, management and other representatives of Mitula. We have also been provided with information directly by representatives of LIFULL. We have considered and relied upon this information. Unless there are indications to the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Proposed Scheme is fair and reasonable and in the best interest of Mitula Shareholders in the absence of a superior proposal.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management the information was evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of direct external verification or validation.

Under the terms of our engagement, Mitula has agreed to indemnify BDOCF and BDO East Coast Partnership, and their partners, directors, employees, officers and agents (as applicable) against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

2.6. Limitations

We acknowledge that this IER may be lodged by the Directors with regulatory and statutory bodies and will be included in the Scheme Booklet to be sent to the Mitula Shareholders. The Directors acknowledges that our IER has been prepared solely for the purposes noted in the Scheme Booklet and accordingly we disclaim any responsibility from reliance on the IER in regard to its use for any other purpose. Except in accordance with the stated purposes, no extract, quote or copy of the IER, in whole or in part, should be reproduced without our prior written consent, as to the form and context in which it may appear.

It was not our role to undertake, and we have not undertaken any commercial, technical, financial, legal, taxation or other due diligence, other similar investigative activities in respect of Mitula. We understand that the Directors have been advised by legal, accounting, tax and other appropriate advisors in relation to such matters as necessary. We provide no warranty or guarantee as to the existence, extent, adequacy, effectiveness and/or completeness of any due diligence or other similar investigative activities by the Directors or their advisors.

We note that the IER does not deal with the individual investment circumstances of Mitula Shareholders and no opinion has been provided in relation to same. Some individual Mitula Shareholders may place a different emphasis on various aspects of the Proposed Scheme from that adopted in our IER. Accordingly, individuals may reach different conclusions on whether or not the Proposed Scheme is fair and reasonable and in their best interests. An individual Mitula Shareholder's decision in relation to the Proposed Scheme may be influenced by their particular circumstances and, therefore, Mitula Shareholders are advised to seek their own independent advice.

Apart from the IER, we are not responsible for the contents of the Scheme Booklet or any other document. We have provided consent for inclusion of the IER in the Scheme Booklet. Our consent and the Scheme Booklet acknowledge that we have not been involved with the issue of the Scheme Booklet and that we accept no responsibility for the Scheme Booklet apart from the IER.

2.7. Assumptions

In forming our opinion, we have made certain assumptions and outline these in our IER including:

- Assumptions outlined in the valuation sections.
- That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed.
- Information sent out in relation to the Proposed Scheme to Mitula Shareholders or any regulatory or statutory body is complete, accurate and fairly presented in all material respects.
- Publicly available information relied on by us is accurate, complete and not misleading.
- If the Proposed Scheme is implemented, that it will be implemented in accordance with the stated terms.
- The legal mechanisms to implement the Proposed Scheme are correct and effective.
- There are no undue changes to the terms and conditions of the Proposed Scheme or material issues unknown to us.

3. PROFILE OF MITULA

3.1. Overview

Mitula is an operator of vertical search engine websites that allow consumers to search for real estate, automotive, employment and fashion classifieds. A vertical search engine is distinct from a general web search engine in that it focuses on a specific segment of online content.

Mitula was founded in 2009 by the current Directors Gonzalo del Pozo and Gonzalo Ortiz and Chief Operations Officer, Marcelo Badimón. Prior to establishing Mitula, Gonzalo del Pozo and Gonzalo Ortiz co-founded Globaliza, one of the first Spanish-based real estate classifieds websites. In 2009, Globaliza was partially sold to Unidad Editorial, a large Spanish media group. Mitula listed on the ASX in July 2015.

The history of Mitula is summarised in Table 4 below.

Table 4: Company Timeline

Date	Milestone
2009	Mitula was established.
May 2015	Group acquired UK-based Lokku, an operator of real estate vertical search websites.
April 2015	100% of share capital of Mitula Classified, S.L. was transferred to a NewCo created in Australia and owned by the same shareholders named Vertical Search Co.Ltd. The name was subsequently changed to Mitula Group Limited.
July 2015	Mitula was listed on the ASX.
February 2016	The Group acquired Nuroa Internet S.L., a Barcelona-based company that owned and operated 17 real estate vertical search websites.
Mid 2016	Change in Mitula's growth strategy from vertical business focused on generation and sale of clicks to its advertising partners to more lucrative advertising and transaction parts of the value chain in selected markets and segments.
September 2016	Mitula Fashion launched in Spain allowing growth into fashion vertical
September 2016	The Group acquired DotProperty, a Thailand-based operator of 10 property portals across 9 countries in SE Asia
March 2017	The Group acquired a Dutch-based company, Kleding BV which managed 16 fashion vertical sites across 15 countries
January 2018	The launch of the Mitula Group Investment Fund to invest in innovative businesses aligned with the changed business strategy.

Source: Management, Mitula company website

A summary of Mitula's historical acquisitions and their operations is provided in Table 5 below.

Table 5: Mitula acquisitions

Date	Target Name	Consideration	Target Description
2-Mar-17	Kleding BV	\$14.1m cash 1.0m Mitula shares	Kleding BV owns and operates fashion vertical search sites under the Kleding.nl and Fashiola brands. The company is based in Amsterdam, Netherlands.
2-Sep-16	Dot Property Pte. Ltd.	\$4.96m cash 6.7m Mitula shares	Dot Property Pte. Ltd. owns and operates property portal websites and offline media in South East Asia. The company was incorporated in 2014 and is based in Singapore.
28-Feb-16	Nuroa Internet S.L.	\$2.75m cash 82k Mitula shares \$0.4m in other shares ¹	Nuroa Internet S.L. was merged into Mitula Classified in 2016. It operates a real estate search tool, which gathers various real estate listings for sale and rent. It also supports real estate or classified advertisement websites. The company was founded in 2006 and is based in Barcelona, Spain.
20-May-15	Lokku Limited	\$8.57m cash 4.57m Mitula shares	Lokku Limited develops and builds consumer websites, specialising in vertical search engines. It develops and offers Nestoria, a property search engine service. Lokku Limited was founded in 2006 and is based in London, United Kingdom.

Source: Capital IQ

Notes:

1. Consideration for Nuroa included shares in Only Apartments, a Spanish listed entity, to the value of AUD \$0.4m.

The prices paid by Mitula for these acquisitions were as follows:

- Kleding BV - 26.6x (low margin, high growth business at the time of acquisition)
- Dot Property - n/a (loss making but high growth business at the time of acquisition and an opportunity for Mitula to add a new vertical to the business)
- Nuroa - 9.2x (based forecast EBITDA for the year ended 31 December 2016, as per the transaction details in Mitula's market announcement as at 3 March 2016)
- Lokku - not disclosed (information is not publicly available).

Management has advised that all transactions were negotiated outcomes reflecting the upside potential to Mitula (including synergies), and the range of multiples reflects the varying circumstances of each transaction.

3.2. Business Operations

3.2.1. Overview of Operations

Mitula has over 110 vertical search sites across property, employment, motoring and fashion across 54 countries and in 19 different languages. It also operates 10 property portals in 9 South East Asian countries.

Mitula's type of website provides consumers with a single destination to search and obtain results of listings sourced from multiple separate websites, generally online classified websites, many of which are not affiliated with Mitula. Consumers then click on a search result to obtain more details of the listing on the website where it is hosted. Advertisers provide a feed of all their listings to Mitula and cannot list directly on Mitula's website.

Mitula operates a "freemium" model whereby the advertisers are able to include their listings at no charge and in return receive a minimal number of clicks in return. If the advertiser would like to receive more clicks from their listings, they are able to pay, on a per click basis, to receive additional clicks. Mitula receives payments from some of the advertisers for click-outs generated from its websites and is therefore defined as a paid search provider. Mitula also generates revenues from advertisements hosted on its website through the Google AdSense network.

Mitula monetises visits to its sites through a range of products and services including:

- Clicks based revenue - Google AdSense, cost-per-click out sales.
- Advertising based revenue - display advertising, native advertising and other advertising products.
- Transaction based revenue - cost-per-acquisition, cost per lead and commission sharing.

3.2.2. Business Lines

Mitula's business lines include the following:

- Property, Cars & Jobs Vertical Search: 93 vertical search sites across property, employment and motoring in 48 different countries and in 15 languages. These sites operate under the Mitula, Nestoria and Nuroa brands.
- Fashion Vertical Search: Operates under the Kleding.nl brand in the Netherlands and under the Fashiola brand in Europe and America with 22 search sites.
- Property Portals: Includes DotProperty, formed by 10 property portals in 9 South East Asian countries under the DotProperty and Thailand-property brands.

For personal use only

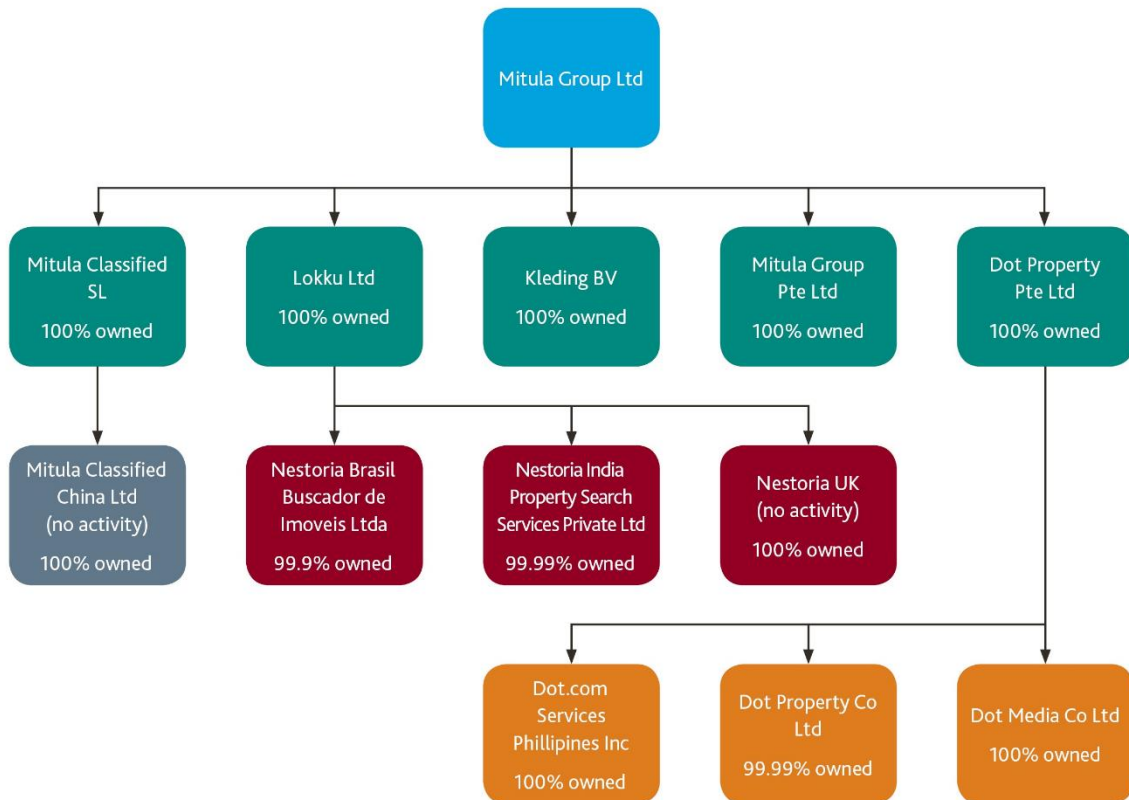
3.2.3. Group Structure

Mitula comprises the following wholly owned subsidiaries:

- Mitula Classified, S.L. - owns and operates the ‘Mitula’ branded vertical search websites
- Lokku Limited - owns and operates the ‘Nestoria’ branded real estate vertical search websites
- Kleding BV (Fashiola) - manages 16 fashion vertical search websites across 15 countries
- DotProperty - Thailand-based operator of property portals in South East Asia

Mitula’s group structure is summarised in Figure 2 below.

Figure 2: Mitula Group Structure



Source: Mitula management

Note: Not all Mitula group entities are shown.

For personal use only

3.2.4. Directors and Management

The Directors and key management personnel are listed below.

Table 6: Directors and Key Management

Name	Position	Brief resume
Simon Baker	Non-Executive Chairman	Appointed on Mitula's formation in March 2015. Previously, Simon was a member of the Mitula Classified Advisory Board since late 2010. Simon was former CEO and Managing Director of the ASX listed REA Group from 2001 to 2008. During his tenure at REA Group, revenue increased from \$3.8 million in FY 2001 to \$155.6 million in FY 2008.
Gonzalo Del Pozo	CEO and Managing Director	Appointed CEO of Mitula in April 2015. Prior to this, Gonzalo was the co-founder and CEO of Mitula Classified and also a member of its Advisory Board. Gonzalo is the co-founder and former CEO of Ediciones Globaliza S.L., a leading property portal operating in Spain established in 1998.
Ricardo Gomez de Olea	CFO	Appointed CFO of Mitula in April 2015 after serving as the CFO of Mitula Classified since September 2009. He is responsible for overseeing the financial activities of Mitula, including financial planning and cash flow. Prior to joining Mitula Classified, Ricardo spent 9 years as CFO at Globaliza.com, a property portal operating in Spain.
Marcelo Badimón	COO	Co-founder of Mitula Classifieds and appointed COO in April 2015, responsible for managing the company's day-to-day operations and product and technology across the group. Prior to joining Mitula, Marcelo spent 9 years at Spain's first online real estate portal Globaliza.com and has experience as Technical Director at both Inception Capital Investment Fund and Onza Venture Capital Fund.
Gonzalo Ortiz	Non-Executive Director	Appointed to the Board of Mitula in April 2015. Prior to this, Gonzalo was the co-founder and Chairman of Mitula Classified and also a member of its Advisory Board. Gonzalo is the co-founder and Chairman of Ediciones Globaliza, S.L., a property portal operating in Spain established in 1998. He is also Chairman and Managing Director of Inception Capital, S.L., an investment fund with over 10 investments in internet companies.
Joe Hanna	Non-Executive Director	Appointed as a Non-Executive Director in March 2015 and serves as Chairman of the Remuneration and Nomination Committee. Joe became an investor in Mitula Classified in 2010. Between November 2010 to October 2012, Joe consulted to the Mitula Classified management team to assist in establishing a presence in key South East Asian markets and in developing product and technology strategy
Sol Wise	Non-Executive Director	Appointed as a Non-Executive Director of Mitula in March 2015 and serves as Chairman of the Audit and Risk Committee. Sol was the group financial controller of REA Group from 2004 to 2010. Sol is currently the CFO of STB Holdings Pty Ltd, the advisor to CAV Investment Holdings, an investment group associated with Simon Baker specialising in investment in online classifieds businesses around the world.
Georg Chmiel	Non-Executive Director	Appointed in January 2017. Georg has over 20 years' experience in high growth digital classified, media and real estate companies. Until September 2016, Georg was the managing director and CEO of iProperty Group and prior to this managing director of LJ Hooker Group.

Source: Mitula company website

3.3. Revenue Analysis

3.3.1. Overview

Mitula generates its revenue through four different avenues; Cost-per-click sales (“CPC”), Google AdSense (“AdSense”), advertising and transactions.

Cost-per-click sales

Mitula displays advertisers’ listings on its websites initially free of charge. These listings only receive a limited number of free “click-outs”, being when a user clicks on a listing and is redirected to another website. Mitula generates revenue through advertisers purchasing further “click-outs”, which are charged on a cost-per-click basis. The amount paid per click varies between website and country.

Google AdSense advertisements

Mitula displays Google AdSense advertisements on its websites, which are advertisements administered and maintained by Google targeted to the website’s content and audience. Mitula and Google share in the revenue generated by users of the website clicking on these advertisements.

Advertising

Mitula also includes other advertising products on its websites, including paid native ads, which match the visual design and content of the website. Other products include banner advertisements, text links and email advertising.

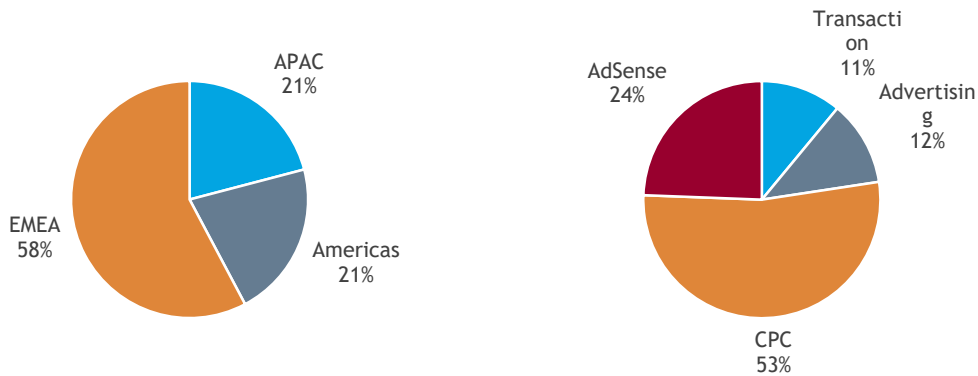
Transactions

For the DotProperty and Fashiola businesses, Mitula earns some of their revenue from the completion of a transaction. One of DotProperty’s revenue streams is to earn a commission on the sale/rental of a property, while the majority of Fashiola’s revenue is received through a share of revenue per transaction.

3.3.2. Revenue mix

Mitula’s revenue mix by region and by product (as at 31 December 2017) is shown below.

Figure 3: Mitula’s revenue mix



Source: Brief Overview of Mitula Group Limited

We note the following regarding Mitula’s revenue mix:

- Mitula generated 58% of its revenue through the Europe, Middle East and Africa (“EMEA”) region. Asia Pacific (“APAC”) and the Americas contribute an even share of the remaining 42% of revenue.
- The CPC revenue stream contributed over half of total revenue (53%), while AdSense contributed approximately a quarter of total revenue (24%).
- Management’s ‘Closer to the Transaction’ strategy has involved shifting the company’s focus from sale of clicks to the more lucrative advertising and transaction based revenue streams.

For personal use only

3.4. Financial Performance

The audited consolidated income statements for the financial years ended 31 December 2016 (“FY16”) and 31 December 2017 (“FY17”), as well as the reviewed half year results to 30 June 2018 (“1HY18”) are set out in the table below. Mitula is audited by PricewaterhouseCoopers.

Table 7: Summary of financial performance

\$'000	Audited FY16	Audited FY17	Reviewed 1HY18
Revenue	28,023.0	33,595.1	21,296.2
Cost of sales	(3,515.3)	(7,738.6)	(7,507.6)
Gross profit	24,507.7	25,856.5	13,788.6
Expenses			
Employee benefit expenses	(8,139.1)	(8,612.3)	(6,177.5)
Operational expenses	(1,513.1)	(2,106.3)	(1,279.8)
Technology expenses	(1,004.3)	(1,357.5)	(632.4)
Office expenses	(841.8)	(1,123.0)	(577.8)
Corporate expenses	(1,078.0)	(1,010.5)	(757.3)
Total expenses	(12,576.3)	(14,209.5)	(9,424.7)
EBITDA	11,931.4	11,647.0	4,363.9
Depreciation and amortisation	(1,974.3)	(3,658.3)	(2,051.3)
Net finance income / (expense)	316.7	35.9	22.8
Net foreign exchange gains / (losses)	208.5	(1,110.2)	(203.1)
Profit before tax	10,482.2	6,914.4	2,132.3
Income tax	(2,308.5)	(1,636.7)	(780.5)
Profit after tax	8,173.7	5,277.7	1,351.8
<i>Revenue growth</i>	36.2%	19.9%	35.5%
<i>Gross profit margin</i>	87.5%	77.0%	64.7%
<i>EBITDA margin</i>	42.6%	34.7%	20.5%
<i>EBITDA increase / (decrease)</i>	58.1%	-2.4%	8.2%
<i>EBIT margin</i>	37.4%	20.6%	9.9%

Source: Mitula 2017 annual report, Mitula 2018 half year report and company announcements

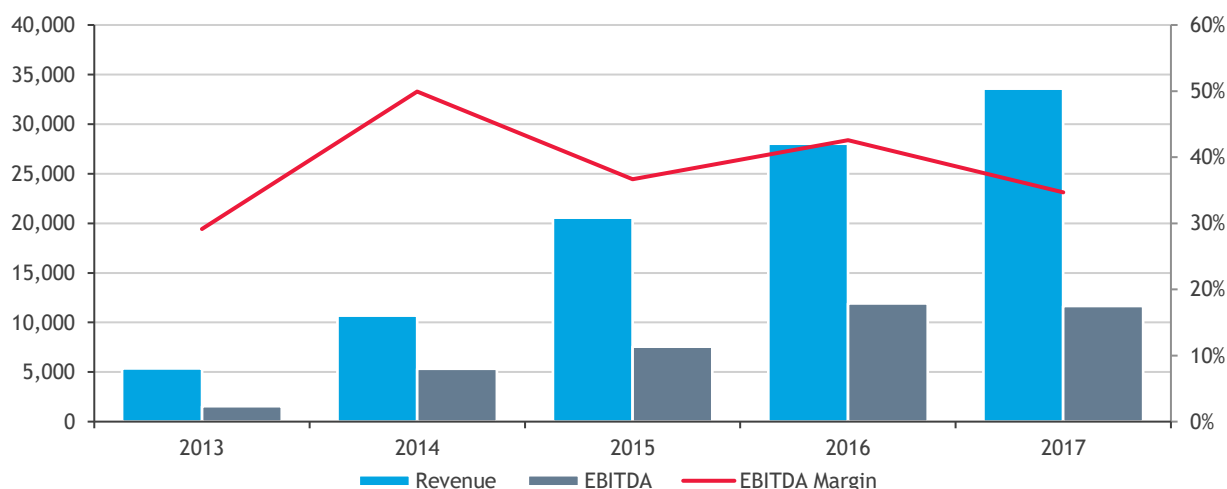
We note the following regarding Mitula’s historical financial performance:

- Revenue increased in FY17 as a result of strong performance in the Europe, Middle East and Africa (“EMEA”) region. Revenue for 1HY18 has also increased relative to the prior corresponding period predominately through the continued strong performance of EMEA.
- Between FY16 and 1HY18, the gross profit, EBITDA and EBIT margins have all decreased. This was primarily driven by an increase in cost of sales over the period.
- Cost of sales increased in FY17, both in absolute terms and relative to revenue as reflected by the declining gross profit margin, as a result of increased traffic acquisition costs required to offset a decline in organic traffic growth caused by a configuration error with Mitula’s IT provider (a bandwidth upgrade request that was not processed by Mitula’s data centre provider). Additional traffic was purchased as Mitula is required to maintain a level of traffic in accordance with its agreements with existing customers. The increase in cost of sales also reflects the acquisition of Fashiola in March 2017, which historically has a higher proportion of acquired traffic than the other Mitula platforms.
- Net foreign exchange gains/(losses) occur as a result of Mitula’s global operations.

For personal use only

- On 2 March 2017, Mitula acquired 100% of the issued shares in the vertical search operator Kleding BV, which operates under the Fashiola and Kleding.nl.
- From FY13 to FY17, revenue and EBITDA have grown from \$5.3m to \$33.6m and \$1.6m to \$11.6m, respectively. However, revenue and EBITDA growth have slowed in recent periods and the EBITDA margin has fallen from 50% in FY14 to 35% in FY17. The historical movements in revenue and EBITDA are shown in the below chart.
- For 1HY18, Mitula's revenue has increased by 35.5% year-on-year to \$21.3m, while adjusted EBITDA was \$5.6m, which was an increase of 8.2% to the prior corresponding 6-month period. This was driven by a 21% increase in visitation to Mitula's sites, including record traffic in March, April and May. Yield per visit also increased by 12.5% to 4.5 cents.

Figure 4: Mitula historical revenue and EBITDA movements



Source: Management, BDOCF analysis

3.5. Financial Position

The audited consolidated statements of financial position of Mitula as at 31 December 2016 and 31 December 2017, as well as the reviewed statement of financial position as at 30 June 2018 are set out below.

Table 8: Statement of financial position

\$'000	Audited 31-Dec-16	Audited 31-Dec-17	Reviewed 30-Jun-18
Cash and cash equivalents	20,462.2	13,140.8	20,756.7
Trade and other receivables	5,468.2	7,711.4	9,123.7
Current tax assets	210.4	212.8	0.0
Other current assets	15.7	15.2	3.7
Total current assets	26,156.4	21,080.2	29,884.1
Property, plant and equipment	899.6	922.8	849.2
Goodwill	18,952.7	27,882.5	27,938.9
Other intangible assets	6,261.2	11,420.6	10,119.3
Other non-current financial assets	548.0	521.4	518.2
Deferred tax asset	201.8	180.7	134.6
Total non-current assets	26,863.2	40,927.9	39,560.1
Total assets	53,019.6	62,008.1	69,444.3

For personal use only

\$'000	Audited	Audited	Reviewed
	31-Dec-16	31-Dec-17	30-Jun-18
Trade and other payables	1,478.8	2,329.3	5,504.0
Current tax liabilities	500.5	799.1	1,598.8
Total current liabilities	1,979.3	3,128.4	7,102.9
Other liabilities	351.7	294.1	280.2
Deferred tax liability	1,795.4	2,900.8	2,511.5
Total non-current liabilities	2,147.1	3,194.8	2,791.7
Total liabilities	4,126.4	6,323.2	9,894.6
Net assets	48,893.2	55,684.9	59,549.7

Source: Mitula 2017 annual report, Mitula 2018 half year report

We note the following regarding Mitula's balance sheet information:

- The decrease in cash and cash equivalents in FY17 primarily relates to the acquisition of Kleding BV. The increase in cash and cash equivalents in FY18 is due to the proceeds from options being exercised and cash flow from operations.
- Mitula holds \$27.9 million of goodwill (40% of total assets) as at 30 June 2018, arising from various business acquisitions. The carrying value of the goodwill from these acquisitions is as follows:
 - Lokku - \$5.1 million
 - Nuroa - \$2.0 million
 - DotProperty - \$10.9 million
 - Kleding BV - \$9.9 million
- The \$5.2 million increase in intangible assets from FY16 to FY17 was primarily driven by acquired customer relationships and software, as well as capitalised software development costs.
- Mitula had no interest bearing debt as at the Valuation Date.
- On 26 February 2018, Mitula announced that it would buy-back up to 10% of the Company's issued equity over the next 12 months. Mitula has not bought back any Mitula Shares under the program, and does not intend to do so prior to the Scheme Implementation Date.

3.6. Capital structure

A summary of Mitula's ordinary shares and options on issue as at 23 October 2018 is shown below.

Table 9: Mitula's ordinary shares on issue

Security	Number of securities
Fully paid ordinary shares	219,530,625
Total securities	219,530,625

Source: Mitula share register, Capital IQ, BDOCF analysis

Note: 2.8 million options for ordinary shares were outstanding as at the announcement of the Proposed Scheme. These options have since been exercised on 29 June 2018.

3.7. Ownership

As of 23 October 2018, Mitula had 219,530,625 fully paid ordinary shares on issue, with 3,062 unique shareholders. The top 10 shareholders collectively own approximately 65.48% of the equity interest in Mitula. The largest shareholder, Gonzalo del Pozo (CEO), owns approximately 12.7%.

The top 10 Mitula Shareholders as at 23 October 2018 are shown below.

Table 10: Ownership

Rank	Shareholder	Securities Outstanding	% Ownership
1	del Pozo, Gonzalo	27,729,164	12.63%
2	Badimón, Marcelo	26,986,353	12.29%
3	Ortiz, Gonzalo	24,682,500	11.24%
4	HSBC Custody Nominees	23,586,104	10.74%
5	Baker, Simon	10,651,012	4.85%
6	Hanna, Joseph	9,114,770	4.15%
7	Cs Fourth Nominees Pty Limited	6,345,185	2.89%
8	BNP Paribas Nominees Pty Ltd	6,148,253	2.80%
9	Citicorp Nominees Pty Limited	4,234,808	1.93%
10	Neve, Benjamin	3,642,666	1.66%
Sub-total		143,120,815	65.19%
Remaining shareholders		76,409,810	34.81
Total		219,530,625	100.00%
Free Float		104,282,052	47.97%

Source: Management, Capital IQ, ASX announcements

Notes:

1. Includes any shares held by trustees under employee share option plan.
2. Directors and management personnel are highlighted in grey.
3. Management has advised that approximately 52% of the issued shares are held by the Directors and management personnel, either directly or indirectly through investment vehicles, as at 23 October 2018.
4. The free float percentage is calculated by Capital IQ.

3.8. Historical share trading analysis

Since listing on 1 July 2015, Mitula's share price has traded between \$0.38 and \$1.20 per share. Mitula's share price movements from 1 January 2017 are shown below.

Figure 5: Daily closing share price and trading volume (1 January 2017 to 23 October 2018)



Source: Capital IQ

We note the following key movements from the chart above:

1. On 25 July 2017, the share price decreased from \$1.00 to \$0.55 (closing price) following a revision to its full year revenue and adjustment EBITDA forecast for FY17 in connection with the configuration error with Mitula's IT provider.
2. On 12 February 2018, Mitula released a trading update, where revenue and EBITDA were trailing the guidance provided in 2017.
3. On 10 April 2018, Mitula announced record revenue and visits for the first quarter of 2018.
4. On 10 May 2018, the share price increased from \$0.45 to \$0.74 (closing price) following the announcement of the Proposed Scheme.
5. On 22 August 2018, Mitula announced its 1HY18 results. However, the share price remained largely unchanged, despite record revenue and an increase in EBITDA being announced, suggesting that the share price continues to primarily reflect the terms of the Proposed Scheme.

3.8.1. Price Sensitive Announcements

Since listing on the ASX in July 2015, the company has made several price-sensitive announcements. The announcements with a corresponding movement in share price over the past 18 months are shown below.

Table 11: Price sensitive announcements

Date	Announcement	Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$ (movement)		\$ (movement)	
22/10/2018	Scheme update	0.570	▼ 5.0%	n/a	
15/10/2018	MUA third quarter update	0.600	▲ 0.8%	0.610	▲ 1.7%
20/09/2018	MUA delivers record start to second half 2018	0.635	▶ 0.0%	0.640	▲ 0.8%
22/08/2018	Mitula announces 1HY18 results	0.630	▼ 1.6%	0.650	▲ 3.2%
2/07/2018	LIFULL shareholder approval - scheme of arrangement	0.735	▲ 2.8%	0.720	▼ 2.0%
12/06/2018	MUA delivers another record month for revenue and visits	0.705	▲ 0.7%	0.710	▲ 0.7%
9/05/2018	MUA signs Scheme Implementation Deed with LIFULL	0.450	▶ 0.0%	0.720	▲ 60.0%
4/05/2018	Strong 2018 growth with record revenue and visits in April	0.460	▲ 9.5%	0.450	▼ 2.2%
10/04/2018	MUA delivers record revenues and visits in Q1 2018	0.430	▲ 8.9%	0.490	▲ 14.0%
9/03/2018	S&P DJ indices announces March quarterly rebalance	0.430	▲ 3.6%	0.410	▼ 4.7%
26/02/2018	MUA announces record revenue and share buy-back program, preliminary final report	0.440	▲ 12.8%	0.455	▲ 3.4%
12/02/2018	Mitula Group trading update	0.480	▼ 12.7%	0.440	▼ 8.3%
6/12/2017	Mitula Group reaffirms earnings guidance	0.540	▲ 2.9%	0.540	▶ 0.0%
23/10/2017	Quarterly update	0.585	▲ 3.5%	0.570	▼ 2.6%
14/09/2017	Traffic returns / reaffirms full year guidance	0.610	▲ 6.1%	0.620	▲ 1.6%
10/08/2017	MUA delivers record half yearly revenue, Appendix 4D / Interim Financial Report HY17	0.540	▼ 6.9%	0.610	▲ 13.0%
31/07/2017	Response to ASX Aware Letter	0.640	▼ 3.0%	0.560	▼ 12.5%
26/07/2017	MUA Board reconfirms confidence in the business	0.625	▲ 13.6%	0.640	▲ 2.4%
25/07/2017	Mitula Group revises full year guidance	0.550	▼ 45.0%	0.660	▲ 20.0%
22/05/2017	Market update	0.895	▲ 5.9%	0.925	▲ 3.4%
3/03/2017	Mitula Group expands fashion vertical / acquires Kleding BV	0.890	▼ 1.1%	0.910	▲ 2.2%
27/02/2017	Preliminary final report	0.890	▼ 3.3%	0.900	▲ 1.1%
20/02/2017	Record visits and record click outs delivered in January	0.860	▲ 2.4%	0.870	▲ 1.2%
13/02/2017	MUA Uses Big Data to Launch Housing Price Trends Report	0.830	▲ 0.6%	0.840	▲ 1.2%

Source: Capital IQ, Mitula ASX announcements

Note: Announcements following the announcement of the Proposed Scheme are highlighted.

For personal use only

3.8.2. Volume Weighted Average Price

Mitula's volume weighted average price ("VWAP") over the 12-month period preceding the announcement of the Proposed Scheme (announced after the close of trading on the 9 May 2018) is set out in the table below.

Table 12: Mitula VWAP analysis (to 9 May 2018)

Period	Price (Low)	Price (High)	Price VWAP	Cumulative value	Cumulative volume	% of issued capital	Volume of shares traded as a % of free float
	\$	\$	\$	\$m	m		
1 day	0.45	0.47	0.46	0.168	0.364	0.2%	0.4%
1 week	0.40	0.48	0.46	1.123	2.456	1.1%	2.4%
1 month	0.40	0.51	0.47	4.476	9.479	4.4%	9.2%
3 months	0.37	0.53	0.45	11.522	25.766	12.0%	24.8%
6 months	0.37	0.63	0.49	19.914	40.500	18.8%	39.0%
12 months	0.37	1.08	0.59	63.427	107.479	50.1%	103.6%

Source: Capital IQ, BDOCF analysis

We note the following with respect to the VWAP analysis displayed above:

- The VWAP of Mitula has declined over the preceding 12 months to the announcement of the Proposed Scheme.
- Over the 3-month period immediately preceding the Proposed Scheme, 24.8% of the free float shares in Mitula were traded.
- Over the 12-month period immediately preceding the Proposed Scheme, 103.6% of the free float shares in Mitula were traded.

Mitula's VWAP from the period 10 May 2018 to 23 October 2018 is set out in the table below.

Table 13: Mitula VWAP analysis (10 May 2018 to 23 October 2018)

Period	Price (Low)	Price (High)	Price VWAP	Cumulative value	Cumulative volume	% of issued capital	Volume of shares traded as a % of free float
	\$	\$	\$	\$m	m		
1 day	0.54	0.63	0.59	0.230	0.389	0.2%	0.4%
1 week	0.54	0.63	0.60	0.557	0.928	0.4%	0.9%
1 month	0.54	0.66	0.62	1.865	3.010	1.4%	2.9%
3 months	0.54	0.74	0.67	13.177	19.627	9.0%	18.9%
From 10 May	0.54	0.78	0.70	48.419	68.862	31.8%	66.4%

Source: Capital IQ, BDOCF analysis

We note the following with respect to the VWAP analysis displayed above:

- The short term VWAPs of Mitula have increased following the announcement of the Proposed Scheme, but have not reached the Cash Consideration price of \$0.80.
- The volume of shares traded has also increased, with 66.4% of free float shares traded from 10 May 2018 to 23 October 2018.

For personal use only

4. PROFILE OF LIFULL

4.1. Overview

LIFULL, through its main business segment LIFULL HOME'S, engages in the provision of real estate-related information services, as well as developing a host of general lifecycle-related information services. LIFULL also operates Trovit, an aggregation website for real estate, cars and job listings, following its acquisition in November 2014.

LIFULL was founded by Takashi Inoue in 1997 and is headquartered in Tokyo, Japan. It listed on the TSE in October 2006. Trovit was founded in late 2006 by Iñaki Ecenarro, Raúl Puente, Daniel Giménez and Enrique Domínguez. It launched in Spain and the UK in March 2007.

The history of LIFULL is summarised in Table 14 below.

Table 14: Company Timeline

Date	Milestone
April 2017	Changed name to LIFULL Co., Ltd. from NEXT Co., Ltd.
July 2015	Established nursing care portal, moving portal, insurance portal, trunk room portal.
November 2014	Acquired Trovit for JPY11 billion.
April 2014	Established mail order site for furniture, interior and miscellaneous goods.
February 2011	Launched MONEYMO, a search and booking engine for insurance agents.
March 2010	Listed on Tokyo Stock Exchange First Section.
October 2006	Listed on Tokyo Stock Exchange Mothers Section.
January 2002	Formed a capital alliance with Rakuten, Inc (TSE:4755)
March 1997	Established NEXT Co offering the free view of real estate information.

Source: LIFULL 2017 annual report

A summary of LIFULL's historical acquisitions and their operations is provided in Table 15 below.

Table 15: LIFULL acquisitions

Date	Target Name	Transaction Value (AUD)(m)	Target Description
29-Mar-18	BitOfProperty Pte. Ltd.	Undisclosed	BitOfProperty Pte Ltd operates a platform that allows investors to purchase small transactions, BITS, of established properties and new developments. The company was founded in 2017 and is based in Singapore.
21-Nov-17	Kamarq Holdings Pte. Ltd.	-4.7 ¹	KAMARQ HOLDINGS PTE.LTD. manufactures furniture products. The company was incorporated in 2014 and is based in Singapore.
21-Sep-16	MARIMO Co. Ltd. ²	Undisclosed	MARIMO Co. Ltd.'s International Real Estate Investment Business division is an inbound real estate investment business.
17-Mar-16	Zumper, Inc.	Undisclosed	Zumper, Inc. provides an online marketplace that enables renters to find houses, condominiums, and apartments for rent in the United States. The company was incorporated in 2011 and is based in San Francisco, California.
29-May-15	Axelion, Inc.	5.1	Axelion, Inc. offers internet marketing services for real estate operators. The company is based in Tokyo, Japan.
28-Nov-14	Trovit Search S.L.	116.7 (13.6x EBITDA)	Trovit Search S.L. operates a search engine for classified advertisements of real estate, jobs, cars, and vacation rentals for users worldwide through the Trovit platform. The company was founded in 2006 and is based in Barcelona, Spain.

Source: Capital IQ, LIFULL announcements

Notes:

1. Value based on an exchange rate of 84.85 JPY/AUD at 21 November 2017 and a transaction value of ~¥400m.
2. LIFULL purchased the International Real Estate Investment Business of MARIMO Co. Ltd.

4.2. Business Operations

4.2.1. Overview of Operations

LIFULL operates through three main segments; LIFULL HOME'S and Related Business, Overseas Business and Other Business.

LIFULL HOME'S and Related Business

The LIFULL HOME'S segment is the group's core business contributing approximately 83% of the LIFULL group's total revenue. The segment is centred around its domestic real estate and residential web service, where it provides renting, buying, building and real estate investment information. LIFULL HOME'S is one of the largest real estate and housing websites in Japan, with the highest number of overall listings in 2017.

LIFULL HOME'S major clients include real estate agents, property management companies and property developers, who look to list various real estate and construction information and advertisements on the LIFULL HOME'S website. Internet users are then able to view the information and submit enquiries or request for further information.

Overseas Business

The Overseas Business segment comprises real estate and housing information-related businesses outside of Japan. This includes Trovit, which is a vertical search engine for classifieds (real estate, jobs, cars and products). Trovit currently operates in 57 countries, with more than 90 million visitors per month. Overall, the segment contributes 11% of the total revenue of the LIFULL group.

Trovit aggregates postings in a particular category from multiple third-party portals. The user is able to search and browse through the pooled information and be redirected to the third-party's website. In comparison to online portals such as LIFULL HOME'S, search aggregation sites add an additional step in connecting the buyer and seller.

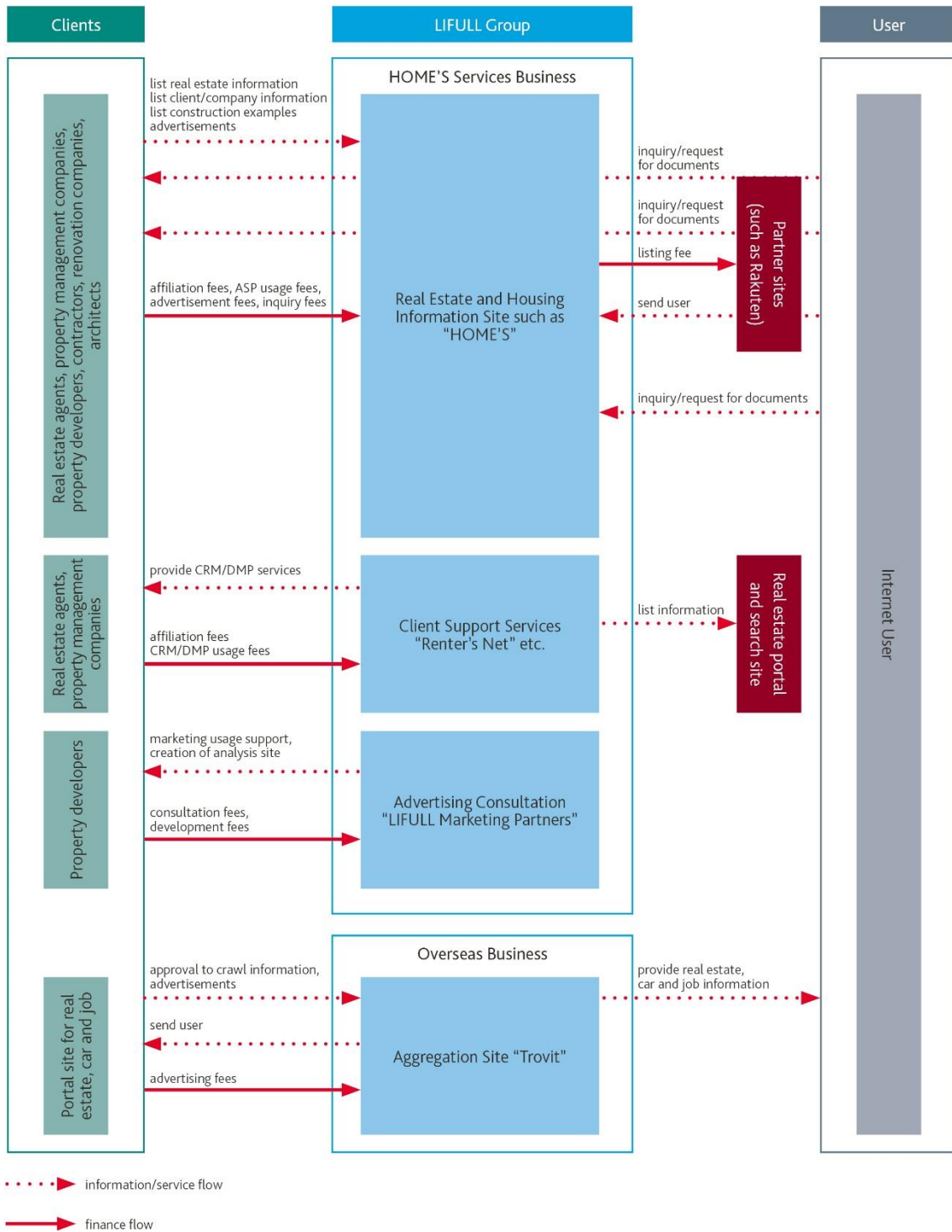
Other Business

The Other Business segment manages search websites for nursing homes, insurance advice, residential relocation, storage space and home interior goods. It also handles other new entry businesses.

A summary of the operations of LIFULL is provided in the chart below.

For personal use only

Figure 6: LIFULL operations overview

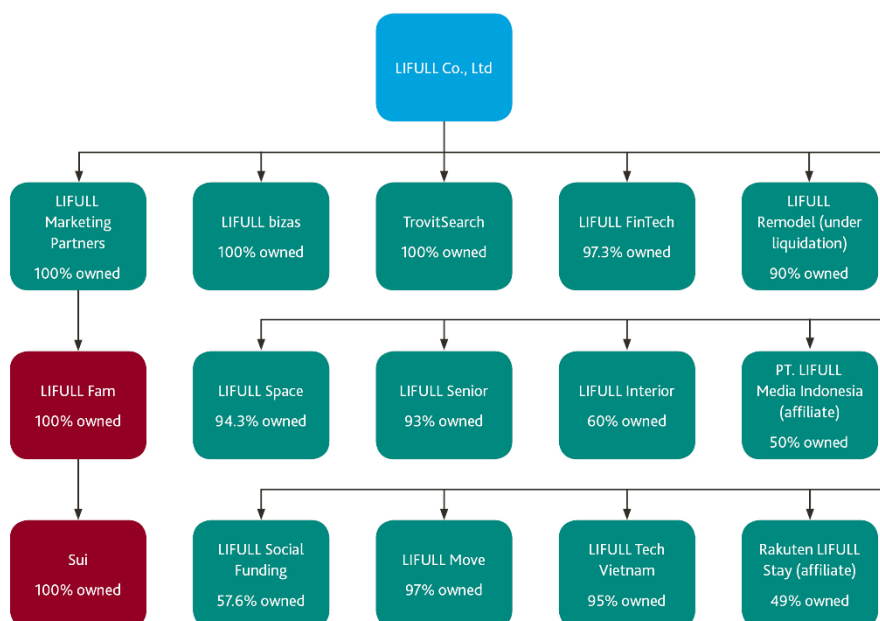


For personal use only

4.2.2. Group Structure

LIFULL's group structure is summarised in Figure 7 below.

Figure 7: LIFULL Group Structure



Source: LIFULL management

4.2.3. Directors and Management

The current directors and key management personnel are listed below.

Table 16: LIFULL Directors and Key Management

Name	Position	Brief resume
Takashi Inoue	President, CEO and Representative Director	Takashi Inoue is chairperson at Trovit Search SL and a President & Representative Director at Lifull Co., Ltd. He currently serves as Representative Director of Next Wisdom Foundation and as director of Japan Association of New Economy.
Takashi Yamada	Director, Managing Corporate Officer and GM - LIFULL HOME'S	Takashi Yamada currently serves as General Manager of LIFULL HOME'S Business Department and the Technology Platform Department of LIFULL. He is a Representative Director of LIFULL Marketing Partners Co., Ltd., and Mandatory Representative of Vietnam Creative Consulting Co., Ltd.
Yosuke Hisamatsu	Director, Managing Officer and Contents Strategy Division Manager	Yosuke Hisamatsu currently serves as Contents Strategy Division Manager of LIFULL HOME'S Business Department, director of LIFULL Marketing Partners Co., Ltd., director of LIFULL Interior Co., Ltd., and director of SUI Products Co., Ltd.
Masato Takahashi	Outside Director	Masato Takahashi was previously employed as a President & Representative Director by Rakuten Auction, Inc., a President & Representative Director by Fine Trading Co., Ltd., a President & Representative Director by Rakuten Shigoto Shoukai, Inc., and a Managing Executive Officer by Rakuten, Inc.
Akira Morikawa	Outside Director	Akira Morikawa has been an Outside Director of LIFULL since June 2015. After working for Nippon Television Network Corporation and Sony Corporation, Mr Morikawa joined Hangame Japan Corporation (currently LINE Corporation) in 2003 and served as representative director and president of that company. Mr Morikawa currently serves as representative director and president of C Channel Co., Ltd.
Yoshihisa Yamada	Outside Director	Yoshihisa Yamada has been an Outside Director of LIFULL since June 2017. After working for the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) and Goldman Sachs Japan Co., Ltd., Mr Yamada served as managing director of Rakuten, Inc., representative director and president of Rakuten Travel Inc., managing corporate officer of Rakuten, Inc., and representative director and president of bitWallet Inc. (currently Rakuten Edy Inc.). Mr Yamada currently serves as chief financial officer and executive vice president of Rakuten, Inc..

Source: LIFULL 2017 annual report, Capital IQ

For personal use only

4.3. Revenue Analysis

4.3.1. Overview

LIFULL has varying revenue streams depending on its business segment.

LIFULL HOME'S

LIFULL HOME'S generates revenue through various fees it charges to its real estate and property clients, including affiliation fees, customer relationship management fees, consultation fees and software platform usage fees.

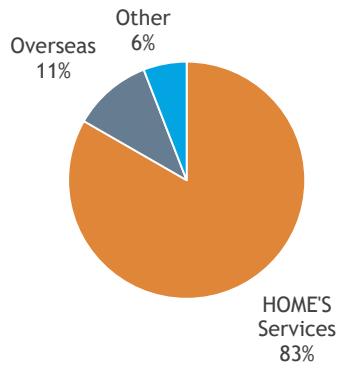
Trovit (aggregation websites)

This segment generates revenue through payments from classified websites and portals, who pay for their classifieds and advertisements to be searchable on the Trovit platform.

4.3.2. Revenue mix

LIFULL's revenue mix by segment (as at September 2017) is shown below.

Figure 8: LIFULL's revenue mix



Source: LIFULL website

We note the following regarding LIFULL's revenue mix:

- LIFULL generated the majority of its revenue (83%) through the HOME'S segment, while the Overseas (Trovit) and Other segments contributed 11% and 6%, respectively.

For personal use only

4.4. Financial Performance

LIFULL changed its financial year end from 31 March to 30 September, as of 30 September 2017. The income statement ending 30 September 2017 was a 6-month period.

The consolidated income statements for the financial years ended 31 March 2016 and 31 March 2017, the consolidated income statements for the 6-month periods ended 30 September 2017 and 31 March 2018 and the consolidated income statement for the 9-month period ended 30 June 2018 are set out in the table below. LIFULL is audited by PwC from the financial year ended 30 September 2018 (previous years were audited by Deloitte).

Table 17: Summary of financial performance

	Audited 12 months 31-Mar-16	Audited 12 months 31-Mar-17	Audited 6 months 30-Sep-17	Reviewed 6 months 31-Mar-18	Reviewed 9 months 30-Jun-18
JPY million					
Revenue	25,707.6	29,920.3	15,948.7	17,669.8	26,015.3
Cost of sales	(2,127.5)	(3,080.6)	(1,862.5)	(1,875.8)	(2,872.5)
Gross profit	23,580.1	26,839.7	14,086.2	15,793.9	23,142.8
SG&A	(19,489.8)	(22,654.9)	(12,966.8)	(13,390.9)	(19,602.9)
Other income / (expenses)	(95.7)	(118.6)	(102.8)	89.7	95.9
Operating income	3,994.6	4,066.2	1,016.6	2,492.8	3,635.7
Financial revenue	29.5	53.1	0.1	0.1	33.8
Financial expenses	(10.7)	(34.8)	(20.2)	(10.6)	(15.0)
Investments accounted for using equity method	4.8	2.7	(39.2)	(56.2)	(101.9)
Profit before tax	4,018.2	4,087.2	957.2	2,426.1	3,552.6
Income tax expense	(1,307.0)	(1,275.2)	(473.7)	(884.8)	(1,319.4)
Profit after tax	2,711.2	2,812.0	483.5	1,541.2	2,233.2
EBITDA	4,859.0	5,312.0	1,536.5	3,033.4	4,439.0
<i>Revenue growth</i>	43.4%	16.4%	n/a	10.8%	n/a
<i>Gross profit margin</i>	91.7%	89.7%	88.3%	89.4%	89.0%
<i>EBITDA margin</i>	18.9%	17.8%	9.6%	17.2%	17.1%
<i>EBITDA growth</i>	47.9%	9.3%	n/a	97.4%	n/a

Source: LIFULL 2017 annual report, LIFULL consolidated financial reports for 31 March 2018 and 30 June 2018

We note the following regarding LIFULL's historical financial performance:

- Revenue is generated by each of LIFULL's business segments, with the increase in revenue is primarily by a growing number of clients within the LIFULL HOME'S Service Business.
- Underlying expenses have increased as a result of additional advertising cost through enhanced search engine optimisation and alliances.
- The gross profit margin has been relatively stable from the 12 months ended 31 March 2016 to the 9 months ended 30 June 2018. However, over the same period the EBITDA margin has been more volatile and has decreased on average, predominantly due to an increase in selling, general and administrative expenses ("SG&A").

4.5. Financial Position

The consolidated statements of financial position for the financial years ended 31 March 2016 and 31 March 2017, the six months ended 30 September 2017 and 31 March 2018, and the nine months ended 30 June 2018 are set out in the table below.

Table 18: Statement of financial position

JPY million	Audited 31-Mar-16	Audited 31-Mar-17	Audited 30-Sep-17	Reviewed 31-Mar-18	Reviewed 30-Jun-18
Cash and equivalents	6,625.0	6,046.0	5,509.6	5,446.5	7,136.2
Trade receivables and other				5,132.0	4,282.3
Other current financial assets				32.7	150.0
Other current assets	4,345.0	6,013.0	4,683.9	542.3	534.3
Total current assets	10,970.0	12,059.0	10,193.5	11,153.4	12,102.8
PP&E				1,867.2	1,869.6
Goodwill				9,690.9	9,514.4
Intangible assets				2,206.4	2,132.0
Investments accounted for using the equity method				489.2	438.3
Other long-term financial assets				1,606.5	1,625.0
Deferred tax assets				435.1	561.0
Other non-current assets				8.7	4.6
Total non-current assets	14,295.0	15,051.0	16,170.0	16,304.0	16,144.8
Total assets	25,265.0	27,110.0	26,363.5	27,457.4	28,247.7
Trade payables and other				(2,983.6)	(2,449.1)
Short-term loans				(476.7)	(482.5)
Lease obligations				(3.8)	(4.0)
Accrued corporate income tax				(783.3)	(1,171.4)
Other short-term financial liabilities				(22.8)	(16.2)
Other current liabilities				(1,708.0)	(2,161.4)
Total current liabilities	(5,991.0)	(7,088.0)	(6,115.5)	(5,978.3)	(6,284.6)
Lease obligations				(82.8)	(81.7)
Provisions				(518.9)	(533.6)
Deferred tax liabilities				(313.0)	(314.8)
Other non-current liabilities				(31.7)	(32.9)
Total non-current liabilities	(2,133.0)	(1,207.0)	(954.4)	(946.4)	(963.0)
Total liabilities	(8,124.0)	(8,295.0)	(7,069.9)	(6,924.7)	(7,247.6)
Net Assets	17,141.0	18,815.0	19,293.7	20,532.6	21,000.0

Source: LIFULL 2017 annual report, LIFULL 31 March 2018 consolidated financial reports, LIFULL 30 June 2018 consolidated financial reports

Note: Grey shading in the table above indicates that more detailed financial information was not available.

We note the following regarding LIFULL's balance sheet information:

- Total net assets have increased over the three years ended 30 June 2018 from JPY 17,141.0 million to JPY 21,000.0 million.
- As at 30 June 2018, the largest asset was goodwill of JPY 9,514.4 million originating from LIFULL's past acquisitions.

4.6. Capital structure

A summary of LIFULL's ordinary shares and options on issue as at 31 March 2018 is shown below.

Table 19: LIFULL's ordinary shares and options on issue

Security	Number of securities
Fully paid ordinary shares (excluding treasury shares)	118,715,364
Treasury shares	73,736
Total securities	118,789,100

Source: LIFULL company website

4.7. Ownership

As of 30 June 2018, LIFULL had 118,715,364 fully paid ordinary shares on issue. The top three shareholders collectively own approximately 56.1% of the equity interest in LIFULL. The largest shareholder, Takashi Inoue (CEO), owns approximately 27.7%.

The top three Shareholders as at 31 March 2018 are shown below.

Table 20: Ownership

Rank	Shareholder	Securities Outstanding	% Ownership
1	Takashi Inoue	32,941,000	27.73%
2	Rakuten, Inc.	23,797,100	20.03%
3	Japan Trustee Services Bank, Ltd. (Trust Account)	9,804,700	8.25%
Sub-total		66,542,800	56.05%
	Remaining shareholders	52,172,560	43.95%
Total		118,715,364	100.00%
	Free Float	58,678,759	49.43%

Source: Scheme Booklet Section 7.15, LIFULL company website, Capital IQ

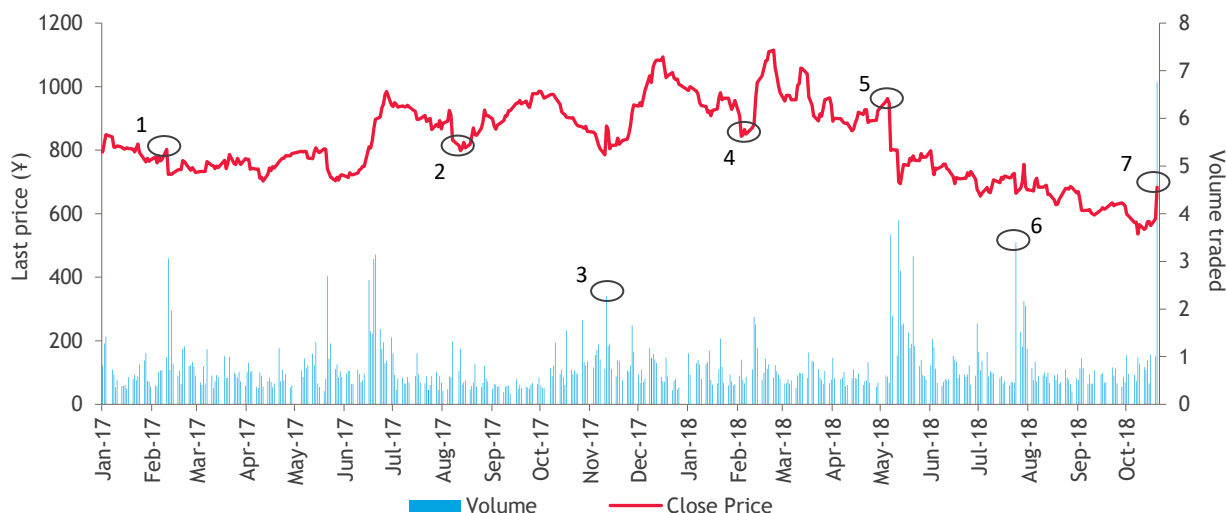
Notes:

1. LIFULL directors and management personnel are highlighted in grey.
2. Approximately 28% of the issued shares are held by the directors and management personnel.
3. The free float percentage is calculated by Capital IQ.

4.8. Historical share trading analysis

Since 1 January 2017, LIFULL's share price has traded between ¥531 and ¥1,135 per share. LIFULL's share price movements over this period are shown below.

Figure 9: Daily closing share price and trading volume (1 January 2017 to 23 October 2018)



Source: Capital IQ

We note the following key movements from the chart above:

1. On 13 February 2017, LIFULL announced its third quarter results for the financial year ending 31 March 2017, with revenue and EBITDA up year-on-year by 14.8% and 6.3%, respectively.
2. On 9 August 2017, LIFULL announced its quarterly results for the period ending 30 June 2017, announcing that EBITDA and net profit both fell as a result of increased advertising and tax expenses.
3. On 13 November 2017, LIFULL released its annual report for the year ended 30 September 2017.
4. On 13 February 2018, LIFULL announced its first quarter results for the financial year ending 30 September 2018.
5. On 10 May 2018, the share price decreased from ¥948 to ¥799 (closing price) following the announcement of the Proposed Scheme.
6. On 27 July 2018, the share price decreased from ¥727 to ¥664 (closing price) as LIFULL revised its forecasts downwards for the current year.
7. On 23 October 2018, the share price increased from ¥584 to ¥684 (closing price) following the announcement of amendments to the Deed, an increase to the dividend policy and the annual results for the financial year ending 30 September 2018.

4.8.1. Price Sensitive Announcements

Since listing on the TSE in November 2006, the company has made several price-sensitive announcements. The announcements with a corresponding movement in share price over the past 18 months are shown below.

Table 21: Price sensitive announcements

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		¥	Change	%	¥	Change	%
22/10/2018	Amendments to Deed, increase to dividend policy and release of FY2018 annual results	584	▲	3.7%	N/A		
16/10/2018	Announcement concerning schedule of procedure for friendly acquisition of 100% ownership of Mitula	556	▲	0.9%	563	▲	1.3%

For personal use only

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$ (movement)			\$ (movement)		
26/07/2018	FY2018/09 third quarter results and updated forecasts	727	▲	0.4%	700	▼	3.7%
14/05/2018	FY2018/09 second quarter results	800	▼	0.1%	727	▼	9.1%
9/05/2018	Mitula Group Limited acquisition announcement	948	▼	1.6%	800	▼	15.6%
29/03/2018	Investment in BitofProperty, an operator of real estate investment platform utilizing blockchain technology	931	▲	2.6%	945	▲	1.5%
13/02/2018	FY2018/09 first quarter results	871	▲	2.4%	1013	▲	16.3%
21/11/2017	Investment in an IoT furniture brand KAMARQ	838	▲	2.7%	835	▼	0.4%
13/11/2017	FY2017/09 second quarter results and annual report	785	▼	2.4%	804	▲	2.4%
20/10/2017	Revision of financial results forecasts for the fiscal year ending September 30, 2017	903	▼	1.0%	892	▼	1.2%
9/08/2017	FY2017/09 first quarter results	911	▼	1.5%	798	▼	12.4%
20/06/2017	Notice of absorption-type merger (short-form merger) of a consolidated subsidiary	807	▼	0.5%	897	▲	11.2%
23/05/2017	Matters concerning controlling shareholder, distribution of dividend, change of accounting period and change of trade name, among others	802	▼	0.2%	716	▼	10.7%
12/05/2017	Mid-term business plan, FY2016 fourth quarter results and annual report	775	▼	2.5%	808	▲	4.3%
20/02/2017	NEXT will make Vietnam Creative Consulting a subsidiary	738	▲	1.4%	767	▲	3.9%
13/02/2017	FY16 third quarter results	802	▲	4.2%	724	▼	9.7%
23/01/2017	NEXT make JG MARKETING a subsidiary	803	▼	0.2%	820	▲	2.1%

Source: Capital IQ, LIFULL TSE announcements

Note: Announcements following the announcement of the Proposed Scheme are highlighted.

4.8.2. Volume Weighted Average Price

LIFULL's VWAP over the 12-month period preceding the announcement of the Proposed Scheme (announced after the close of trading on the 9 May 2018) is set out in the table below.

Table 22: LIFULL VWAP analysis - pre-announcement (to 9 May 2018)

Period	Price (Low)	Price (High)	Price VWAP	Cumulative value	Cumulative volume	% of issued capital	Volume of shares traded as a % of free float
	¥	¥	¥	¥m	m		
1 day	944	967	954	437.2	0.5	0.4%	0.8%
1 week	932	976	955	1,573.4	1.6	1.4%	2.8%
1 month	837	976	904	9,254.0	10.2	8.6%	17.4%
3 months	805	1135	955	36,340.0	38.1	32.1%	64.9%
6 months	784	1135	944	79,210.2	83.9	70.7%	142.9%
12 months	701	1135	901	158,836.7	176.3	106.3%	300.3%

Source: Capital IQ, BDOCF analysis

We note the following with respect to the VWAP of trades in LIFULL's shares prior to the announcement of the Scheme:

- 64.9% of the free float shares in LIFULL were traded in the preceding 3-month period.
- 300.3% of the free float shares in LIFULL were traded in the preceding 12-month period.
- The VWAP of LIFULL has fluctuated over the preceding 12 months.

LIFULL's VWAP from the period 10 May 2018 to 23 October 2018 is set out in the table below.

Table 23: LIFULL VWAP analysis - post-announcement (10 May 2018 to 23 October 2018)

Period	Price (Low)	Price (High)	Price VWAP	Cumulative value	Cumulative volume	% of issued capital	Volume of shares traded as a % of free float
	¥	¥	¥	¥m	m		
1 day	632	684	670	4,534.6	6.8	5.7%	11.5%
1 week	547	684	637	6,484.2	10.2	8.6%	17.4%
1 month	531	684	615	12,483.4	20.3	17.1%	34.6%
3 months	531	758	647	34,223.3	52.9	44.6%	90.2%
From 10 May	531	897	693	73,788.3	106.4	89.7%	181.4%

Source: Capital IQ, BDOCF analysis

We note the following with respect to the VWAP analysis displayed above:

- The short term VWAPs of LIFULL have decreased following the announcement of the Scheme.
- The volume of shares traded has increased, with 181.4% of free float shares traded from 10 May 2018 to 23 October 2018.
- The period shown above captures the announcement of the Proposed Scheme, as well as LIFULL's announcement of its second quarter and third quarter results.

LIFULL's VWAP over the 12-month period to 23 October 2018 is set out in the table below.

Table 24: LIFULL VWAP analysis (24 October 2017 to 23 October 2018)

Period	Price (Low)	Price (High)	Price VWAP	Cumulative value	Cumulative volume	% of issued capital	Volume of shares traded as a % of free float
	¥	¥	¥	¥m	m		
1 day	632	684	670	4,534.6	6.8	5.7%	11.5%
1 week	547	684	637	6,484.2	10.2	8.6%	17.4%
1 month	531	684	615	12,483.4	20.3	17.1%	34.6%
3 months	531	758	647	34,223.3	52.9	44.6%	90.2%
6 months	531	976	703	78,220.8	111.2	93.7%	189.6%
12 months	531	1135	807	162,639.9	201.5	169.7%	343.4%

Source: Capital IQ, BDOCF analysis

We note the following with respect to the VWAP analysis displayed above:

- The high price and VWAP of LIFULL's shares have fallen considerably following the announcement of the Proposed Scheme.

5. PROFILE OF COMBINED GROUP

5.1. Overview

After completion of the Proposed Scheme, Mitula will merge with Trovit, LIFULL's subsidiary, to create a larger-scale global player in the online classifieds industry. The combined aggregation businesses will operate in 63 countries with an estimated 170 million website visits per month, providing customers a greater amount of traffic, enhanced technology and access to a larger range of advertising products and services.

The combined businesses of Mitula, Trovit and LIFULL's other businesses ("Combined Group") is expected to offer a similar service to what is currently provided by LIFULL and Mitula individually. If the Proposed Scheme is implemented, Mitula is expected to contribute approximately 8% of the Combined Group's revenue and 18% of the Combined Group's EBITDA.

5.2. LIFULL's intentions

A summary of LIFULL's current intentions in regards to certain aspects of the Combined Group include:

- review the operating structure of Mitula and Trovit following implementation of the Proposed Scheme to achieve the most suitable operating structure for the Combined Group;
- merge the Mitula operations with its existing Trovit business to create a significant global player in the online classifieds industry;
- maintain its current dividend policy; and
- keep the principal operational centre of Mitula in Spain. Mitula will apply to the ASX to be removed from the ASX's official list.

5.3. Potential synergies

The Directors believe that the combination of the Mitula and Trovit businesses will generate a number of synergistic benefits, including the following:

- B2B back office: Mitula would be able to leverage Trovit's significant investment in its back office functions, which would allow Mitula to improve its CPC and yield per click out sold.
- New products/business: Trovit would benefit from Mitula's expertise in identifying new revenue streams.
- Combined audience: The size of the combined audience would allow LIFULL to build a customised solution for advertisers and reduce the need for Mitula to acquire traffic.
- Listing expenses: As Mitula is intended to be removed from the ASX, the associated listing costs would be removed.

5.4. Proposed Combined Group structure

Following the implementation of the Proposed Scheme, LIFULL will be the parent company of the Combined Group, with Mitula a wholly-owned subsidiary.

5.5. Directors and key management

Each of the existing six LIFULL directors will continue as directors following the implementation of the Proposed Scheme (which means they will be directors of the Combined Group).

Each of the existing six Mitula Directors will resign as Directors of Mitula upon implementation of the Proposed Scheme. None of the Mitula Directors will be appointed as directors of LIFULL.

Takashi Inoue will remain the President and Chief Executive Officer of LIFULL after the implementation of the Proposed Scheme. There are no expected changes to the existing LIFULL senior management team.

Gonzalo del Pozo will be appointed Chief Executive Officer of the combined Mitula and Trovit business. He will be supported by Mauricio Silber, the existing Chief Executive Officer of Trovit, who will be appointed as Chief Operating Officer of the combined Mitula and Trovit business.

5.6. Shareholdings of the Combined Group

The capital structure of the Combined Group will depend on the number of Mitula Shareholders that receive the Scrip Consideration compared to the Cash Consideration and the effective share exchange ratio at the implementation date. Therefore, the final number of LIFULL shares to be issued under the Proposed Scheme is currently unknown.

An estimate of the shareholdings in the Combined Group, before and after the Proposed Scheme is summarised in Table 25 below. We note the table outlines the capital structure under two scenarios:

- Maximum Scrip Consideration - where all Mitula Shareholders elect to receive Scrip Consideration for all of their Mitula Shares; and
- Minimum Scrip Consideration - where no Mitula Shareholders make an election to receive Scrip Consideration and therefore all Mitula Shareholders receive the Cash Consideration for their first 20,000 Mitula Shares held.

Table 25: Estimated Combined Group shareholdings and Cash Consideration (as at 23 October 2018)

	Maximum Scrip Consideration	Minimum Scrip Consideration
Mitula shares outstanding as at 17 October 2018	219,530,625	219,530,625
Mitula shares eligible for Cash Consideration ¹	45,224,246	45,224,246
Total Cash Consideration in AUD at \$0.8000 per share	-	36,179,397
Mitula shares remaining after Cash Consideration	219,530,625	174,306,379
Share exchange ratio ²	0.08437	0.08437
LIFULL shares to be issued as Scrip Consideration	18,520,921	14,705,532
LIFULL shares outstanding as at Valuation Date	118,715,360	118,715,360
Total LIFULL shares	137,236,281	133,420,892
Mitula Shareholder ownership of the Combined Group	13.5%	11.0%

Source: BDOCF analysis

Notes:

1. Eligible shares have been calculated in accordance with the share registry as at 23 October 2018. We have assumed each investor listed under a unique "Investor ID" is eligible to receive Cash Consideration up to their first 20,000 shares. We note however, that there are instances where the same investor (by name) is listed under multiple Investor IDs.
2. Share exchange ratio based on VWAP and JPY:AUD exchange rate information as at 23 October 2018.

We note the following in respect of Combined Group shareholdings table above:

- Based on our analysis, between 14,705,532 and 18,520,921 LIFULL shares will be issued to the Mitula Shareholders. Consequently, the Mitula Shareholders will hold between 11.0% and 13.5% of the Combined Group.

5.7. Combined Group pro-forma financial performance

The pro-forma financial performance of the Combined Group for the financial year ended 31 March 2018 is summarised in Table 26.

Table 26: Summary Combined Group financial performance

JPY million	LIFULL 12 months 31-Mar-18	Mitula 12 months 30-Jun-18	Adjustments	Combined Proforma 12 months 31-Mar-18
Revenue	33,618	3,360	-	36,979
Cost of sales	(3,738)	(1,018)	-	(4,757)
Gross profit	29,880	2,342	0	32,222
SG&A	(26,358)	(1,827)	(141)	(28,325)
Other income / (expenses)	(13)	-	0	(13)
Operating income	3,509	515	(141)	3,884
Financial revenue	-	3	-	3
Financial expenses	(31)	-	-	(31)
Investments accounted for using equity method	(95)	-	-	(95)
Net foreign exchange gains/(losses)	-	(51)	-	(51)
Profit before tax	3,383	467	(141)	3,710
Income tax expense	(1,359)	(118)	43	(1,433)
Profit after tax	2,024	349	(97)	2,277
EBITDA	4,570	910	-	5,480
<i>Gross profit margin</i>	<i>88.9%</i>	<i>69.7%</i>	<i>n/a</i>	<i>87.1%</i>
<i>Operating income margin</i>	<i>10.4%</i>	<i>15.3%</i>	<i>n/a</i>	<i>10.5%</i>
<i>Profit before tax margin</i>	<i>10.1%</i>	<i>13.9%</i>	<i>n/a</i>	<i>10.0%</i>
<i>Profit after tax margin</i>	<i>6.0%</i>	<i>10.4%</i>	<i>n/a</i>	<i>6.2%</i>
<i>EBITDA margin</i>	<i>13.6%</i>	<i>27.1%</i>	<i>n/a</i>	<i>14.8%</i>

Source: Scheme Booklet Section 8.7

We note the following in relation to the above table:

- Revenue for Mitula was JPY 3.4 billion (AUD 39.2 million) compared to JPY 33.6 billion (AUD 392.0 million) for LIFULL (i.e. Mitula's revenue was 9.1% of the Combined Group's revenue).
- Gross profit for Mitula was JPY 2.3 billion (AUD 27.3 million) compared to JPY 29.9 billion (AUD 348.4 million) for LIFULL (i.e. Mitula's gross profit was 7.3% of the Combined Group's gross profit).
- EBITDA for Mitula was JPY 0.9 billion (AUD 10.6 million) compared to JPY 4.6 billion (AUD 53.3 million) for LIFULL (i.e. Mitula's EBITDA was 16.6% of the Combined Group's EBITDA).
- Net profit before tax for Mitula was JPY 0.5 billion (AUD 5.4 million) compared to JPY 3.4 billion (AUD 39.4 million) for LIFULL (i.e. Mitula's net profit before tax was 12.6% of the Combined Group's net profit before tax).
- Net profit after tax for Mitula was JPY 0.3 billion (AUD 4.1 million) compared to JPY 2.0 billion (AUD 23.6 million) for LIFULL (i.e. Mitula's net profit after tax was 15.3% of the Combined Group's net profit after tax).

As at 31 March 2018, we also note that Mitula had a higher operating income margin, profit before tax margin and profit after tax margin compared to LIFULL, although LIFULL had a higher gross profit margin compared to Mitula.

For further commentary on the adjustments to prepare the pro-forma Combined Group financial performance, refer to the Investigating Accountant's Report at Appendix B of Scheme Booklet.

5.8. Combined Group pro-forma financial position

The pro-forma financial position of the Combined Group as at 31 March 2018 is summarised below.

Table 27: Summary Combined Group financial position

JPY million	LIFULL Reviewed 31-Mar-18	Mitula Audited 30-Jun-18	Adjustments	Combined Proforma 31-Mar-18
Cash and equivalents	5,447	1,694	(2,687)	4,454
Trade receivables and other	5,132	745	-	5,877
Other current financial assets	33	-	-	33
Other current assets	542	0	-	543
Total current assets	11,154	2,439	(2,687)	10,906
Property, plant & equipment	1,867	69	-	1,937
Goodwill	9,691	2,280	6,912	18,883
Intangible assets	2,206	826	844	3,876
Investments accounted for using the equity method	489	-	-	489
Other long-term financial assets	1,606	-	-	1,607
Deferred tax assets	435	11	-	446
Other non-current assets	9	42	-	51
Total non-current assets	16,304	3,229	7,755	27,288
Trade payables and other	(2,984)	(449)	-	(3,433)
Short-term loans	(477)	-	-	(477)
Lease obligations	(4)	-	-	(4)
Accrued corporate income tax	(783)	-	-	(783)
Other short-term financial liabilities	(23)	-	-	(23)
Other current liabilities	(1,708)	(131)	-	(1,839)
Total current liabilities	(5,978)	(580)	0	(6,558)
Lease obligations	(83)	-	-	(83)
Provisions	(519)	-	-	(519)
Deferred tax liabilities	(313)	(205)	(261)	(779)
Other non-current liabilities	(32)	(23)	-	(55)
Total non-current liabilities	(946)	(228)	(261)	(1,435)
Net Assets	20,533	4,860	4,808	30,201

Source: Investigating Accountant's Report at Appendix B of Scheme Booklet, Table 10 and Table 19

We note the following in relation to the above table:

- Cash and equivalents for Mitula were JPY 1.7 billion (AUD 19.8 million) compared to JPY 5.4 billion for LIFULL (AUD 63.5 million) (i.e. Mitula's cash and equivalents were 31.1% of LIFULL's cash and equivalents).
- Net assets for Mitula were JPY 4.9 billion (AUD 56.7 million) compared to JPY 20.5 billion (AUD 239.4 million) for LIFULL (i.e. Mitula's net assets were 23.7% of LIFULL's net assets).
- Total assets for Mitula were JPY 5.7 billion (AUD 66.1 million) compared to JPY 27.5 billion (AUD 320.1 million) for LIFULL (i.e. Mitula's total assets were 20.6% of LIFULL's total assets).
- Total liabilities for Mitula were JPY 0.8 billion (AUD 9.4 million) compared to JPY 6.9 billion (AUD 80.7 million) for LIFULL (i.e. Mitula's total liabilities were 11.7% of LIFULL's total liabilities).

For further commentary on the adjustments to prepare the pro-forma Combined Group financial position refer to Investigating Accountant's Report at Appendix B of Scheme Booklet.

For personal use only

6. INDUSTRY OVERVIEW

In the professional information site industry, businesses offer customers an online medium to search and browse for information in a particular category, such as real estate, employment and motor vehicles.

LIFULL's core business, LIFULL HOME'S, provides an online information portal for real estate and housing listings, for uses such as renting, buying, building, renovating and investing. Online information portals aim to connect a buyer and seller through a single website. Participants in this industry generally specialise in specific sectors and in particular countries.

The core business of Mitula and Trovit is search aggregation sites, which aggregate postings in a particular category from multiple third-party portals. The user is able to search and browse through the pooled information and be redirected to the third-party's website. In comparison to online portals such as LIFULL, search aggregation sites add an additional step in connecting the buyer and seller. Online portals can gain additional traffic through advertising on search aggregation websites.

6.1. Industry drivers

The key source of revenue for online information portals are classified advertisements, where an agent pays a fee to list on the portal to gain exposure to end users. Additional sources of revenue can come from paid advertisements.

The key source of revenue for search aggregation sites (such as Mitula and Trovit) are from:

- Performance based advertising including cost per click (CPC), cost per lead (CPL); and
- Non-performance based advertising including cost per thousand (CPM).

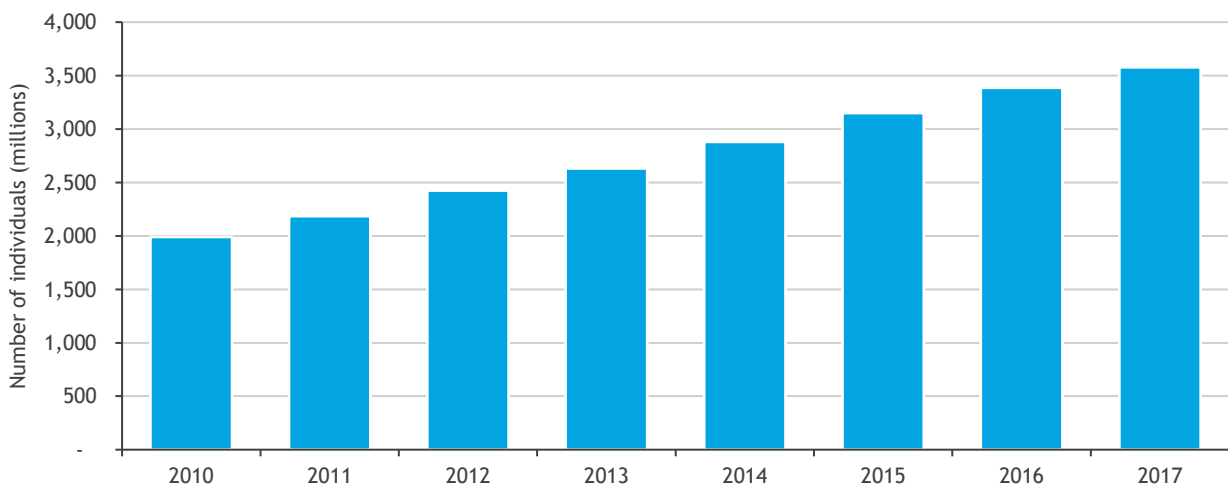
The key industry drivers for search aggregators and online information portals overlap. These include the level of online usage, online advertising expenditure and paid search advertising expenditure. However, the performance and outlook for online portals is also driven by classified advertisement activity.

6.2. Industry performance and outlook

6.2.1. Online usage

Revenue is mainly driven by the level of volume of traffic to a website. More internet use results in increased exposure to paid advertisements and classified advertisements. Online usage is summarised in **Figure 10** below, which shows the number of individuals accessing the internet has grown at a CAGR of 8.7% globally since 2010. A dramatic rise in internet usage is expected, with over half the world's population to be online by 2020¹.

Figure 10: Individuals Accessing the Internet (Global), 2010 to 2017



Source: Frost & Sullivan

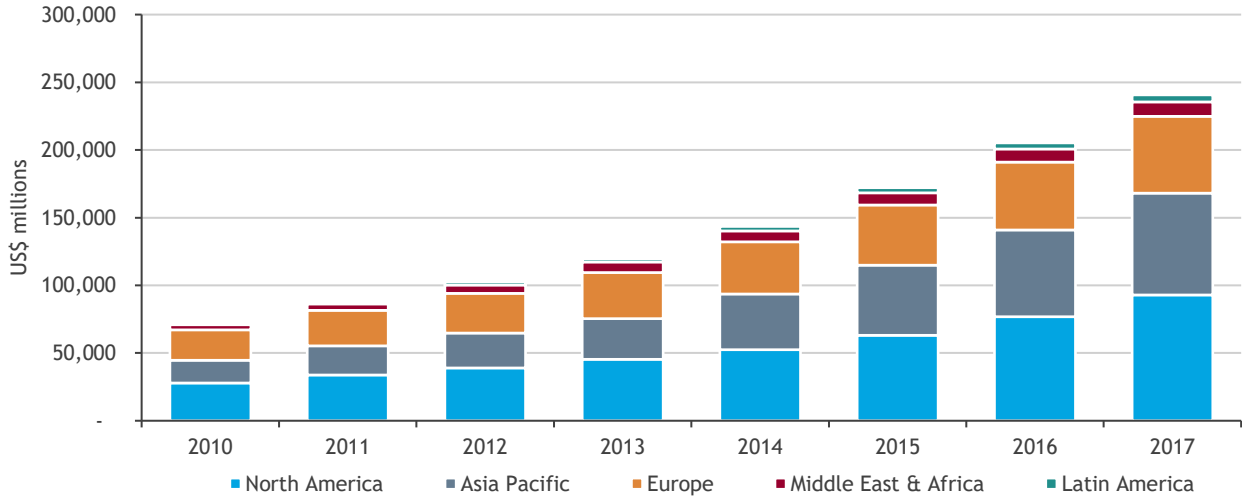
¹ Cisco Visual Networking Index Global IP Traffic Forecast (2015-2020)

For personal use only

6.2.2. Online advertising expenditure

The increase in potential consumer exposure has driven a greater proportion of online advertising expenditure as shown in Figure 11. Continued growth represents a strong driver for industry participants, with internet advertisement spend forecasted to grow at an average of 10% a year between 2017 and 2020².

Figure 11: Online Advertising Expenditure, 2010 to 2017

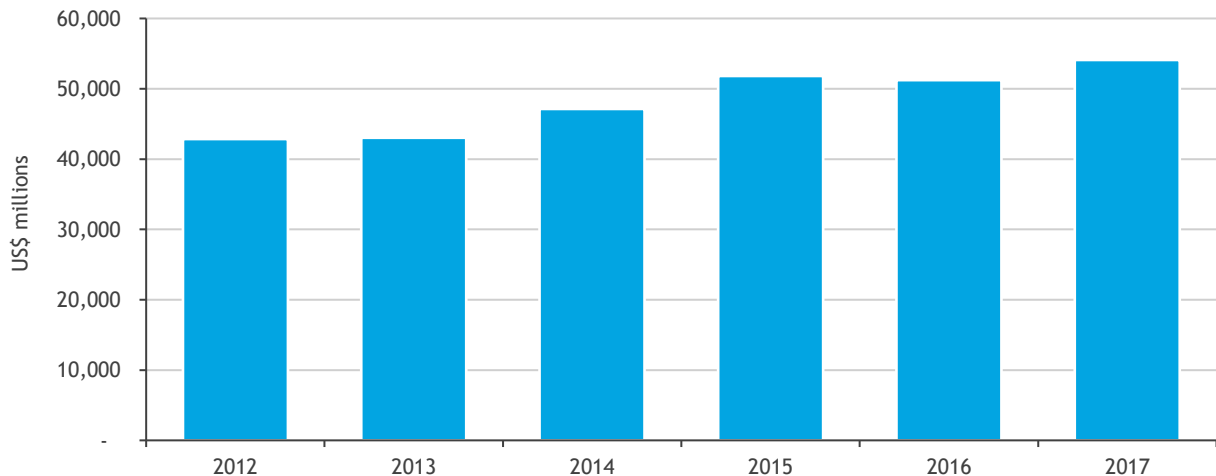


Source: Frost & Sullivan

6.2.3. Paid search advertising

Paid search advertising expenditure has emerged as the fastest growing advertising format in recent years, accounting for approximately 40% of total online advertising expenditure globally. Frost & Sullivan estimates expenditure is likely to grow particularly strong in emerging markets due to increasing internet usage in these regions. Figure 12 shows the increase in global paid search advertising expenditure over time.

Figure 12: Global Paid Search Advertising Expenditure, 2012 to 2017



Source: Frost & Sullivan

Growth drivers for paid search advertising include the general trend towards performance-based advertising payment models, the growing use of mobile devices and the trend for users to undertake searches through mobile devices. Websites are experiencing an increase in traffic routed to them through search engines and aggregators, which is fuelling demand for paid search, particularly from websites with lower traffic volumes which need to generate greater amounts of website traffic compared to more dominant competitors.

² Zenith Advertising Expenditure Forecasts March 2018

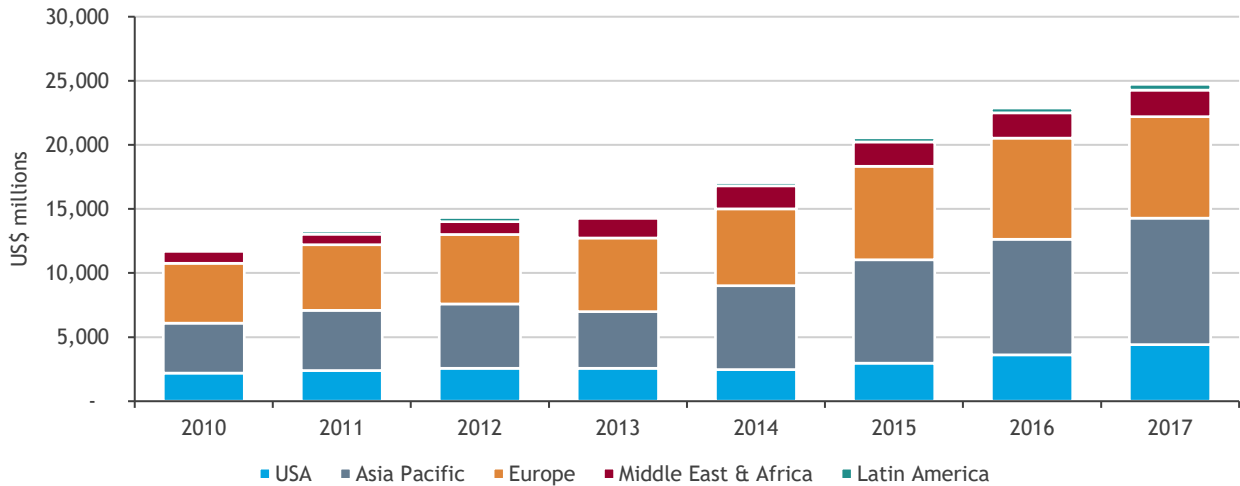
For personal use only

Zenith’s Advertising Expenditure Forecasts for September 2017 showed growth for paid search advertisements is lagging substantially in comparison to display advertisements (which include traditional displays such as banners, online video and social media). However, the lag in paid search is expected to be alleviated by the rise of voice-activated devices such as Siri and Google Home. Growth is forecasted at 10% annual growth to 2019.

6.2.4. Online classified advertising

Driven by the shift away from traditional forms (such as newspapers), there has been significant growth in online classified advertising expenditure as per Figure 13.

Figure 13: Global Online Classified Advertising Expenditure, 2010 to 2017



Source: Frost & Sullivan

The online classified advertising industry is highly fragmented as a result of low barriers to entry and limited opportunities to achieve economies of scale. Online classified publishers tend to focus on specific verticals and geographic locations, allowing publishers with a single focus to be viable.

The strongest growth is occurring in developing markets, where rapid increases in Internet access are occurring and where print to online migration is less advanced.

As noted above, growth for online classified advertisements is lagging substantially in comparison to display advertisements. Online classifieds are expected to rise by 7% annually in 2019.

For personal use only

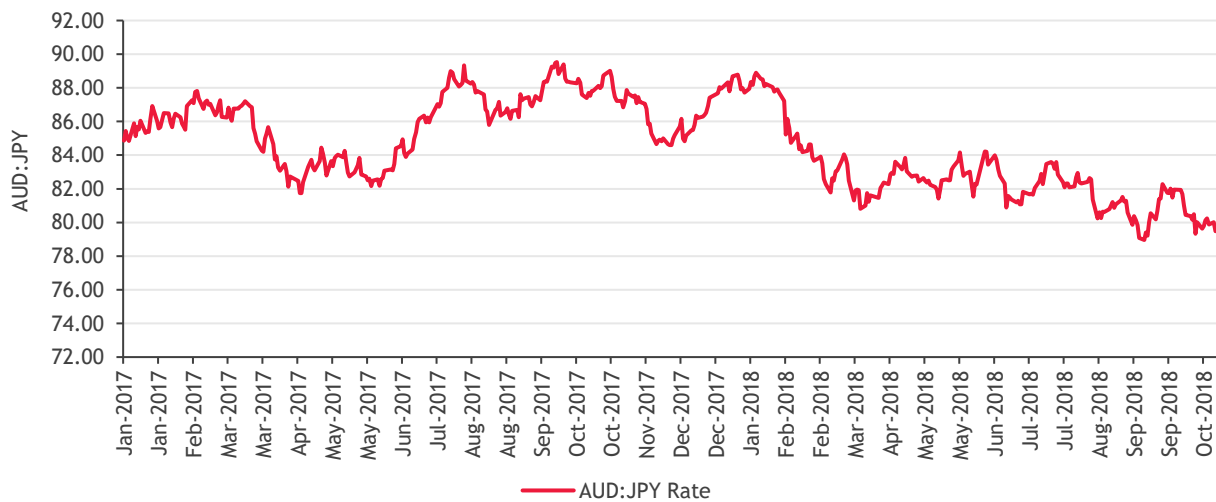
7. EXCHANGE RATES

Mitula is listed on the Australian Stock Exchange and LIFULL is listed on the Tokyo Stock Exchange (“TSE”). As such, the Australian dollar equivalent price of LIFULL shares (i.e. the Scrip Consideration) is sensitive to exchange rate fluctuations between the Australian dollar and the Japanese Yen (“AUD:JPY”). Accordingly, we set out below an overview of the historical and forecast AUD:JPY exchange rates.

7.1. Historical AUD:JPY exchange rate

Presented below is the historical daily AUD:JPY exchange rate movements from 1 January 2017. Over this period, the exchange rate has fluctuated between approximately ¥79.0 and ¥89.5, with the rate at ¥79.5 as at 23 October 2018.

Figure 14: Historical AUD:JPY exchange rate movements



Source: Reserve Bank of Australia

7.2. Forecast AUD:JPY exchange rate

Presented below is a summary of the consensus forecasts for AUD:JPY exchange rates as sourced from Bloomberg.

Table 28: Forecast AUD:JPY exchange rate movements

	Q4 18	Q1 19	Q2 19	Q3 19	2019	2020	2021	2022
Low	72.4	71.8	71.0	69.4	67.9	66.5	72.0	70.6
High	90.9	94.8	93.6	95.1	94.6	91.3	94.9	90.0
Mean	80.2	80.1	80.8	81.0	81.7	80.8	83.0	78.9
Median	80.6	80.0	81.0	81.4	82.2	83.0	81.9	76.0

Source: Bloomberg

Note: The consensus forecasts reflect the separate forecasts of 48 different financial institutions

In regards to the above table, we note the following:

- Of the forecasts provided by 48 individual financial institutions, the AUD:JPY exchange rate is forecast to be as low as ¥67 and as high as ¥95 up to 2022.
- The average of the consensus forecasts suggests the rate will remain relatively stable between ¥80 and ¥83.

For personal use only

8. FAIRNESS ASSESSMENT AND VALUATION METHODOLOGY

8.1. Fairness assessment overview

The Proposed Scheme is fair if the FMV of the consideration offered by LIFULL per Mitula share is equal to or greater than the FMV of a Mitula share before the Proposed Scheme (on a controlling interest basis).

Accordingly, we have undertaken an assessment of the value of a Mitula share before the Proposed Scheme on a control basis, and an assessment of a LIFULL share after the Proposed Scheme on a minority basis.

The valuation methods commonly used for the above analyses are considered below.

8.2. Valuation methods

Details of common methodologies for valuing businesses and assets are included at Appendix 2. The principal methodologies which can be used are as follows:

- Discount cash flow (“DCF”)
- Capitalisation of future maintainable earnings (“COE”)
- Net asset value (“NAV”)
- Quoted market price basis (“QMP”).

Set out below is a discussion of the valuation methods we consider appropriate for the purposes of undertaking our fairness assessment.

8.3. Selected valuation method for Mitula

In accordance with RG 111.15, we have considered the FMV of Mitula on the basis of “a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the bid”. This approach does not take into account the particular circumstances of any specific transaction, and therefore we have not considered whether there is any premium in value attached to the strategic benefits or gains from synergies that may be inherent in an acquisition by a specific party, e.g. an industry competitor or supplier.

We have assessed the equity value of Mitula using the QMP method as our primary approach based on information up to 9 May 2018.

We have applied the COE method as a cross check. Specifically, we have reviewed the reasonableness of the trading prices by comparing the trading multiples of Mitula to a set of broadly comparable listed peers and other transactions involving similar companies.

We have chosen these methodologies for the following reasons:

- The QMP approach is a relevant methodology to consider as Mitula’s shares are traded on the ASX, which is a regulated and observable market. In assessing Mitula’ share price performance, we have had particular regard to the following:
 - The level of trading activity of Mitula securities, specifically:
 - Daily price activity
 - Daily volume
 - Value of securities traded
 - VWAP.
 - Recent key developments, market announcements, and the timing and level of dissemination of information to the market.
- In our opinion, the COE method is less reliable (and therefore less appropriate) than the QMP approach in this instance, and has therefore been selected as a cross-check. We have undertaken a search for listed companies and transactions involving companies that are comparable to Mitula. However, the comparable companies we have identified, whilst broadly comparable, are all different to Mitula in terms of their business models and operations. Additionally, the multiples of the comparable companies and transactions vary widely and the transactions do not exhibit any discernible trends in relation to size, profit margins or timing (as would normally be expected), rendering our ability to make adjustments for such differences impractical. Accordingly, we do not consider the comparable companies to be sufficiently comparable to

Mitula in order to utilise the COE method as the primary valuation approach. However, we consider COE sufficient as a cross-check.

- We have not applied the DCF method to value Mitula due to the lack of suitably reliable long term forecasts.
- We do not consider NAV approaches to be relevant as this approach is typically used where the subject company is loss making, not a going concern, a holding company or it holds significant assets such that it is considered 'asset rich'.

8.4. Selected valuation method for the Combined Group

Having regard to the level of trading activity in LIFULL's shares (on the TSE), recent activity and market announcements, we have also adopted the QMP method to value the Combined Group.

We have applied the QMP method in two ways to assess the value of the Combined Group:

- **QMP Pre Announcement** - we have assessed the standalone equity values of Mitula and LIFULL using the QMP methods as at 9 May 2018, made adjustments for the Consideration payable under the Proposed Scheme and then valued the Combined Group on a sum of the parts basis. We note that the trading prices up to 9 May 2018 do not capture market movements and the market sensitive announcements made by Mitula and LIFULL between 9 May 2018 and the date of this report.
- **QMP Post-Announcement** - we have also assessed the value of the Combined Group by reference to the post-announcement trading of LIFULL. The post-announcement trading in LIFULL's shares implicitly captures the perceived value of Mitula and the terms of the Proposed Scheme (including any consequential dilution). However, we also note that the trading prices may assume there is a possibility the Proposed Scheme will not be implemented (as indicated by the post-announcement trading prices for Mitula being below the Cash Consideration of \$0.80 per share).

Noting that both approaches above are subject to certain limitations, we have considered both approaches in forming our overall conclusion.

Consistent with our standalone valuation of Mitula, we have also applied the COE method as a cross-check due to the limited comparability of the companies and transactions we were able to identify, which are not sufficiently comparable to Mitula and LIFULL to warrant the use of COE as the primary method. The multiples of the comparable companies also do not exhibit any discernible trends in relation to size, profit margins and timing, rendering our ability to make adjustments for such differences impractical.

As part of the cross-check, we have reviewed the reasonableness of the trading prices (pre and post announcement) by comparing the trading multiples of LIFULL to a set of broadly comparable listed peers and other transactions involving similar companies.

8.5. Other valuation considerations

8.5.1. Future events

The businesses of Mitula and LIFULL that we have considered is that which existed as at the date the Proposed Scheme was announced. Growth potential, which may result from new activities, business initiatives, acquisitions and the like (which are not capable of estimation), is not within the scope of our assessment.

8.5.2. Synergies

The level of synergies that can be derived from a takeover or merger is dependent on the nature of the respective businesses and their geographical and operational overlap.

In relation to the Proposed Scheme, potential synergies may be available across a range of areas, including:

- eliminating Mitula's ASX listing costs (estimated by management to be approximately \$1.0 million per year);
- back office functions and other overheads;
- technological synergies; and
- new products and businesses.

We have not considered special value in forming our opinion. Accordingly, we have not attributed any value to the potential synergies listed above when determining the future maintainable earnings of the business.

8.5.3. Premium for control

Investment fundamentals dictate that the value of 100% of an entity is normally greater than the sum of values attributable to the individual shares of that company based on transactions in minority share holdings.

The difference between the value of 100% of a company and the total value of minority share holdings is referred to as a “premium for control” taking into account control and synergistic benefits for the acquirer.

Control of a company by a shareholder gives that shareholder rights to which minority shareholders are not entitled, including control of the company’s policies and strategies, and use of cash flows of the company.

A premium for control is applicable when an acquisition would give rise to benefits such as:

- the ability to realise synergistic benefits;
- access to cash flows;
- access to tax benefits; and
- control of the board of directors of the company.

Therefore, a transaction premium would typically include a premium for control as well as potential buyer specific synergies.

The level of premium for control paid in a takeover bid will vary across industries and is dependent upon the specifics of the company being acquired. In arriving at an appropriate premium for control to apply, we note that buyers would generally assess the following considerations:

- Level of liquidity in the trade of the target’s securities;
- Synergistic value;
- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited; and
- Ability to integrate the target into the acquirer’s business.

An acquirer of the Company could potentially reduce corporate overheads and realise synergies through the integration into their business while, at the same time incurring one-off integration expenses.

In our assessment of an appropriate control premium for Mitula, we have reviewed Australian public company acquisitions over the period 2012 to 2018. In particular, we have reviewed the average offer premium to the share price both one day before, and one month before the offer announcements. Displayed in the tables below are the average control premiums categorized by transaction size.

Table 29: Average Australian public company control premiums (transaction size less than \$100 million)

Year	Number of Transactions	Average Deal Value (AUD\$m)	Average control premium 1-Day before (%)	Average control premium 1-Month before (%)
2018	4	37	27%	34%
2017	4	78	15%	19%
2016	11	39	35%	48%
2015	11	49	52%	57%
2014	12	55	18%	32%
2013	18	29	39%	43%
2012	18	55	38%	37%
Mean		49	32%	38%
Median		49	35%	37%

Source: Mergermarket and BDOCF analysis

For personal use only

Table 30: Average Australian public company control premiums (all transaction sizes)

Year	Number of Transactions	Average Deal Value (AUD \$m)	Average control premium 1-Day before (%)	Average control premium 1-Month before (%)
2018	14	1808	25%	30%
2017	14	1383	19%	19%
2016	35	740	28%	33%
2015	37	762	36%	38%
2014	35	673	22%	29%
2013	38	687	26%	32%
2012	43	302	30%	34%
Mean		908	27%	31%
Median		740	26%	32%

Source: Mergermarket and BDOCF analysis

Having considered the market evidence of transaction premiums, we note the following:

- 1-day prior average control premiums are generally in the range of 20% to 35%
- 1-month prior average control premiums vary more widely, generally falling between 20% to 60%
- Smaller transactions generally exhibit higher control premiums (transactions of deal value less than \$100 million exhibited higher control premiums than transactions of all sizes, albeit based on fewer transactions).
- Fewer transactions have occurred in 2017 and 2018 compared to prior years, which increases the susceptibility to bias by outliers. Therefore, the median values across a wider range of years is considered more meaningful.

Based on the above, and having regard to Mitula' listing costs relative to its size and earnings, we consider a control premium of 30% to be appropriate for Mitula.

8.5.4. Surplus assets and liabilities

Companies may hold surplus assets or have surplus liabilities which are not part of the normal operating activities, and are not otherwise captured in the application of the selected valuation methodologies.

In that regard, we note that both Mitula and LIFULL hold significant cash balances. Cash has been excluded from the calculation of Mitula's and LIFULL's trading multiples (consistent with the approach for peer companies).

However, the trading prices of Mitula and LIFULL implicitly capture the value of any surplus assets. As such, no adjustment is required to the QMP analysis.

8.5.5. Valuation in accordance with APES 255

This engagement has been conducted in accordance with professional standard APES 225 Valuation Services, as issued by the Australian Professional and Ethical Standards Board.

9. VALUATION OF MITULA

9.1. FMV of Mitula using the QMP method

For the quoted market price methodology to be reliable there needs to be a ‘deep’ market in the shares. RG 111.69 indicates that a ‘deep’ market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company’s securities;
- Approximately 1% of a company’s securities are traded on a weekly basis;
- There are no significant and unexplained movements in share price.

A company’s shares should meet all of the above criteria to be considered deep. However, failure of a company’s securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

Approximately 52% of Mitula shares are held by strategic investors, we have therefore undertaken our liquidity analysis with reference to the remaining 48% of the share held on free float.

We consider there to be a sufficiently deep market for Mitula’s shares based on the following:

- There is regular trading of its shares;
- 2.4%, 39.0% and 103.6% of free-float shares were traded in the week, 6-months and 12-months prior to the announcement, respectively;
- The VWAP has remained relatively stable over various periods prior to the announcement; and
- There are no significant unexplained price movements in the share price.

Our analysis of the quoted market price of a Mitula share is trading up to 9 May 2018, being the date of the announcement of the Proposed Scheme. Our QMP analysis does not reflect any information about Mitula beyond this date, including the release of Mitula’s half year accounts on 22 August 2018, as trades made after this date still appear to primarily reflect the terms of the Proposed Scheme, and are therefore not representative of the FMV of Mitula. However, we have considered Mitula’s post-announcement trading in our reasonableness assessment in Section 12 and we have also reviewed the trading multiples of the set of broadly comparable listed companies before and after the announcement to evaluate the potential impact of general market movements.

We have calculated Mitula’ VWAP over various periods preceding the Proposed Scheme date, and included a control premium of 30%.

Table 31: QMP approach

Period	Price VWAP \$	Plus 30% Control Premium \$
1 day	0.46	0.60
1 week	0.46	0.60
1 month	0.47	0.61
3 months	0.45	0.59

Source: BDOCF analysis

In relation to the above we note the following:

- The 1-day share price ranged between \$0.45 to \$0.47 with a VWAP of \$0.46;
- In the month preceding the transaction Mitula announced record revenues and visits for the first quarter 2018, however this did not translate into higher earnings and Mitula’s half year results were only announced to the market on 22 August 2018;
- On 12 February 2018, Mitula released a trading update, where revenue and EBITDA were trailing the guidance provided in 2017;
- The 3-month VWAP broadly aligns with the period from Mitula’s February earnings update to the announcement of the Proposed Scheme, and prices varied between \$0.37 and \$0.53 with a VWAP of \$0.45 over this period.

For personal use only

We consider the 3-month VWAP to be the most appropriate, but note that Mitula's VWAP remained relatively consistent over the preceding 12-month period.

Overall, we consider a value of \$0.45 to \$0.50 on a minority basis, and **\$0.585** and **\$0.65** on a control basis to be an appropriate value for Mitula. In our view, this range captures Mitula's VWAP over the relevant periods, and is also considered reasonable in light of Mitula's half year results to 30 June 2018, which were only announced on 22 August 2018 and included record revenue and visitation, and improved EBITDA. We also consider the valuation range of approximately 10% to be appropriate given the relatively consistent trading in Mitula in the trailing three-month period.

9.2. FMV of Mitula - implied multiples cross-check

As a cross-check to our valuation of Mitula, we have reviewed the reasonableness of Mitula's trading multiples to a range of broadly comparable companies.

Table 32: Mitula Valuation Cross-Check - Implied Multiples Summary

('000s)		Low	High
Outstanding shares		218,356,884	218,356,884
FMV per Share (QMP) (Control Basis)		0.585	0.65
Equity Value (Control Basis)		127,739	141,932
Net Debt ¹		-	-
Surplus Assets ²		(20,757)	(20,757)
Enterprise Value (control Basis)		106,982	121,175
<u>Implied Multiples:</u>			
EBITDA (2017)	11,647.0	9.2x	10.4x
EBIT (2017)	7,988.7	13.4x	15.2x

Source: BDOCF analysis

Notes:

- Mitula had no interest bearing debt as at 30 June 2018 (the latest available financials).
- Mitula had \$20.8 million in cash and cash equivalents as at 30 June 2018. Cash has been excluded from Mitula's enterprise value when calculating the above multiples.

We have assessed the reasonableness of the above implied multiples with reference to the trading and transaction multiples of broadly comparable companies.

9.2.1. Comparable company and transaction multiples

We have attempted to identify two sets of listed companies and transactions, being those who operate in the search aggregation sector (similar to the predominant activities of Mitula and Trovit) and those who operate online information portals (similar to the predominant activities of LIFULL). However, we were not able to identify any 'pure-play' listed search aggregation companies, with many of the selected companies also providing services other than search aggregation, such as owning and operating information portals (similar to the DotProperty sites operated by Mitula or the various sites operated by LIFULL's HOME'S business). As a result, we have considered both sets of listed companies and transactions in our cross-checks for both Mitula and the Combined Group.

The list of comparable companies and their trading multiples, growth rates, margins and business descriptions are set out in Appendices 3, 4, 5, 6 and 7. The observations were taken as at 9 May 2018, being the date of announcement of the Proposed Scheme, as well as at 23 August 2018, being the last practicable date of preparing this report.

Overall, we consider the level of comparability of all of the comparable companies and transactions to be low. We also note that the observed multiples vary widely, and there is no discernible trend according to size, profit margins, growth or the timing of each transaction (as would normally be expected). Accordingly, making adjustments or allowances for any of these differences is not practical.

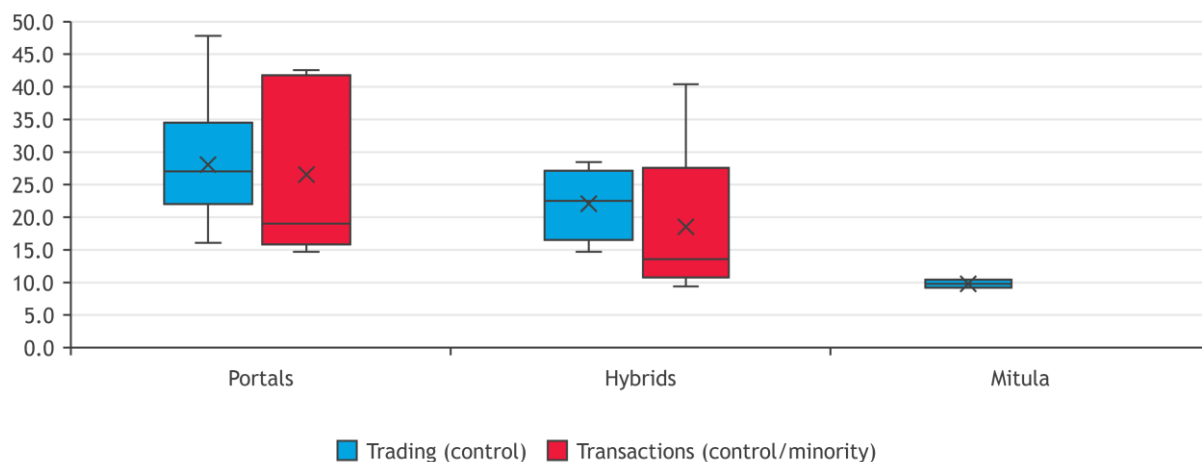
Of the transactions identified, Mitula's acquisition of Kleding (26.6x EBITDA) and LIFULL's acquisition of Trovit (13.6x EBITDA) are the most comparable in terms of business operations (being pure-play search aggregators). However, in our view, the relevance of these transactions is also limited. In particular, the Kleding transaction

represented an opportunity for Mitula to enter a new vertical and therefore likely captures the opportunity for growth and potential synergies, while the Trovit transaction occurred almost three years ago, in November 2014.

Nevertheless, we consider the comparison of multiples to be a reasonable cross check.

The chart below shows the range of EBITDA multiples observed for the comparable listed companies and transactions as at 9 May 2018, compared to the high and low EBITDA multiples implied by our analysis.

Table 33: Comparable Company Trading and Transaction EBITDA Multiples as at 9 May 2018 (control basis)



Source: Capital IQ, BDOCF analysis

Notes:

1. Comparable company trading EBITDA multiples have been calculated using a control premium of 30%.
2. One portal and three hybrid transactions were for minority stake interests. The remaining transactions were completed on a controlling basis, and as such the observed EBITDA multiples will include a premium for control. All transactions may also include a portion of 'special value' from synergies.
3. The mean and median of each data set are marked by the "X" and horizontal line, respectively.

In relation to the observed EBITDA multiples, we note the following:

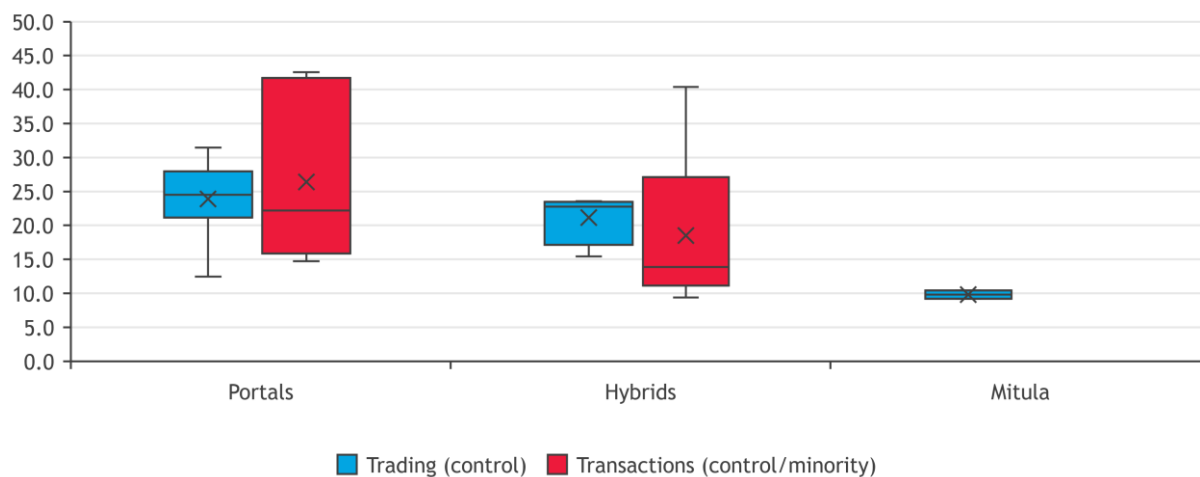
- As Mitula operates predominately as an aggregator, we consider it to be more comparable to the 'hybrid' set of companies and transactions, rather than the 'portal' set.
- At a FMV of \$114 million to \$142 million, Mitula is the smallest company of both sets of comparable companies, for which the average market capitalisation was \$17.4 billion as at 9 May 2018. We note that larger companies tend to be valued at higher earnings multiples compared to smaller companies, which reflects the benefits of size in matters such as market power, control over price and costs, depth of management and general operational and financial robustness. However, there is no discernible trend in the observed multiples relative to the size of the selected companies and transactions.
- Mitula has profit margins that are towards the higher end of the range of the comparable companies, as outlined in Appendix 4. Companies with higher profit margins typically trade at higher multiples. However, there is no discernible trend in the observed multiples relative to the profit margins of the selected companies and transactions.
- Companies with greater growth prospects will typically trade at higher multiples. The average revenue growth (4-year CAGR) for the comparable companies is 16.6%, as outlined Appendix 4. Mitula's revenue increased by 19.9% for the 12 months ended 31 March 2018 and 36.2% for the 12 months ended 31 March 2017. However, Mitula's revenue growth did not translate into earnings growth with EBITDA down 2.4% in FY17, while the average EBITDA growth (4-year CAGR) for the comparable companies is 14.5%.
- We were only able to identify one relevant transaction within 12 months of announcing the Proposed Scheme, while the other transactions identified date back as far as 2009. The transactions also vary significantly in size. There is no discernible trend in the transaction multiples according to timing or size (as would normally be expected).

For personal use only

- While the observed transactions involve targets that operate in the search aggregation sector, none of the companies are directly comparable to Mitula, with the exception of Mitula’s previous acquisitions and LIFULL’s acquisition of Trovit. In that regard, we note that:
 - The implied EBITDA multiples on Mitula’s previous transactions were as follows:
 - Kleding BV - 26.6x (low margin, high growth business at the time of acquisition)
 - Dot Property - n/a (loss making but high growth business at the time of acquisition, as per Mitula’s market announcement as at 5 September 2016)
 - Nuroa - 9.2x (based forecast EBITDA for the year ended 31 December 2016, as per the transaction details in Mitula’s market announcement as at 3 March 2016)
 - Lokku - not disclosed (information is not publicly available).
 - Management has advised that that all transactions undertaken by Mitula were negotiated outcomes reflecting the upside potential to Mitula, and the range of multiples reflects the different circumstances of each transaction.
 - LIFULL’s acquisition of Trovit is the most comparable to Mitula in terms of both size and operations. As Trovit was a private company prior to its acquisition, limited financial information is available on its financial performance and financial position. However, we understand Trovit was acquired at an implied EBITDA multiple of 13.6x (which is broadly in line with Mitula’s current trading multiple, post-announcement).
 - We note that the wide range of the implied multiples and the varying circumstances of each transaction reinforces the inherent difficulty in applying the COE approach. However, in our view, the implied multiples of our primary valuation approach do not appear unreasonable compared to these transactions.

The chart below shows the range of EBITDA multiples observed for the comparable listed companies and transactions as at 23 October 2018, compared to the high and low EBITDA multiples implied by our analysis.

Table 34: Comparable Company Trading and Transaction EBITDA Multiples as at 23 October 2018 (control basis)



Source: Capital IQ, BDOCF analysis

Notes:

1. Comparable company trading EBITDA multiples have been calculated using a control premium of 30%.
2. One portal and three hybrid transactions were for minority stake interests. The remaining transactions were completed on a controlling basis, and as such the observed EBITDA multiples will include a premium for control. All transactions may also include a portion of ‘special value’ from synergies.
3. The mean and median of each data set are marked by the “X” and horizontal line, respectively.

For personal use only

Overall, the range of multiples remained wide and did not change significantly between 9 May 2018 and 23 October 2018. Specifically, in relation to the observed EBITDA multiples, we note the following:

- The range of observed multiples for the 'portal' set has decreased from 16.1x - 47.8x as at 9 May 2018 to 12.5x - 31.5x as at 23 October 2018, reflecting a general decrease to the enterprise values and increase to the trailing 12-month EBITDAs of a number of the comparable companies.
- The range of observed multiples for the 'hybrids' set has condensed with the high dropping from 28.5x to 23.6x and the low increasing from 14.7x to 15.4x.

The implied multiples for Mitula based on our FMV range fall at the bottom end of the range of multiples for the broadly comparable companies and transactions. Overall, this appears attributable primarily to the significant difference in size between Mitula and the comparable companies and transactions observed. We do not consider the implied multiples for Mitula to be unreasonable having regard to, in particular, the multiples paid by Mitula in prior transactions, the implied multiple on LIFULL's acquisition of Trovit and the various differences between Mitula and the broadly comparable companies and transactions in terms of size, profitability and growth.

9.2.2. FMV of Mitula's share conclusion

Based on the above we do not consider the FMV in the range of **\$0.585** to **\$0.65** determined using our primary methodology to be unreasonable.

10. VALUATION OF THE SCRIP CONSIDERATION

We have assessed the FMV of the Combined Group (i.e. LIFULL post completion of the Proposed Scheme) using a combination of QMP approaches:

- QMP Pre-Announcement - a sum of the parts QMP valuation of Mitula and LIFULL as at 9 May 2018, including adjustments to take into account the Consideration under the Proposed Scheme (and therefore the potential dilution from the Proposed Scheme); and
- QMP Post-Announcement - a QMP valuation of LIFULL based on LIFULL's post-announcement trading, which implicitly incorporates the perceived value of Mitula, the terms of the Proposed Scheme and post-announcement market updates.

The FMV of the Scrip Consideration then takes into account the relevant share exchange ratio at the low and high ends of our valuation range for the Combined Group.

10.1. FMV of Combined Group - QMP Pre-Announcement Approach

10.1.1. QMP Valuation of Mitula, Pre-Announcement

As noted in Section 9 of this Report, we consider a value of \$0.45 to \$0.50 on a minority basis, and \$0.585 and \$0.65 on a control basis to be an appropriate value for Mitula.

The fairness assessment requires an estimate of value for the Combined Group on a minority basis. Accordingly, we have adopted the value range of \$0.45 to \$0.50 for Mitula for purposes of valuing the Combined Group.

It could also be argued that the value of Mitula to LIFULL is its controlling value. However, we note that the outcome of the QMP Pre-Announcement approach remains unchanged even if the controlling value of Mitula is adopted rather than the minority value.

Our assessed value of Mitula's equity, on a minority basis, is therefore as follows:

Table 35: Value of Mitula's Equity (minority basis)

	Low	High
Outstanding Shares	219,530,625	219,530,625
FMV per share	0.45	0.50
100% Equity Value of Mitula (minority basis) (000's)	98,788,781	109,765,313

Source: BDOCF analysis

10.1.2. QMP Valuation of LIFULL, Pre-Announcement

As mentioned in Section 9 of this Report, for the QMP methodology to be reliable there needs to be a 'deep' market in the shares.

We consider there to be a sufficiently deep market for LIFULL's shares based on the following:

- there is regular trading of its shares;
- 2.8%, 64.9% and 300.3% of free-float shares were traded in the week, 6-months and 12-months prior to the announcement, respectively;
- The VWAP remained relatively stable over various periods prior to the announcement; and
- There are no significant unexplained price movements in the share price.

We have calculated LIFULL's VWAP over various periods preceding the Proposed Scheme announcement date.

Table 36: LIFULL's VWAPs pre-announcement

	Price (VWAP) ¥	Price (VWAP) \$
1 day	954	11.72
1 week	955	11.73
1 month	904	11.10
3 months	955	11.73

Source: BDOCF analysis

In relation to the above we note the following:

- We have converted the VWAP to AUD using the spot FX rate as at 9 May 2018;
- The 1-day share price ranged between \$11.59 to \$11.88 with a VWAP of \$11.72;
- On 13 February 2018, LIFULL announced its first quarter results for the financial year ending 30 September 2018.
- There was no price sensitive announcement made between the first quarter results announcement on 13 February 2018 and the announcement of the Proposed Scheme on 9 May 2018
- The 3-month VWAP broadly aligns with the period from LIFULL's announcement of first quarter results to the announcement of the Proposed Scheme, and prices varied between \$9.89 and \$13.94 with a VWAP of \$11.73 during this period.

We consider the 3-month VWAP to be the most appropriate, but also note that LIFULL's VWAP remained relatively consistent over the 12-month period before the announcement of the Proposed Scheme.

Overall, we consider a value of \$11.25 and \$11.75 to be appropriate for LIFULL, on a standalone minority basis.

Therefore, the FMV of 100% of the issued shares in LIFULL pre-announcement of the Proposed Scheme is as follows:

Table 37: Value of LIFULL's Equity (minority basis)

	Low	High
Outstanding shares	118,715,360	118,715,360
FMV per Share (minority basis) (\$)	11.25	11.75
100% Equity Value of LIFULL (minority basis) (000's)	1,335,548	1,394,905

Source: BDOCF analysis

10.1.3. Adjustments for Proposed Scheme Consideration

The table below sets out the adjustments we have made to include the Consideration payable by LIFULL under the Proposed Scheme.

Table 38: Adjustments for Proposed Scheme Consideration

	Low	High
100% Equity Value of Mitula (minority basis) (000's)	98,789	109,765
100% Equity Value of LIFULL (minority basis) (000's)	1,335,548	1,394,905
100% Equity Value of Combined Group (minority basis) (000's)	1,434,337	1,504,671
Cash Payment to Mitula Shareholders (000's)	-	(36,179)
100% Equity Value of Combined Group (minority basis) (000's)	1,434,337	1,468,491
Post-Transaction shares in Combined Group ¹	136,472,739	132,039,346
FMV per Combined Group Share (\$)	10.51	11.12
Share Exchange Ratio ²	0.080888	0.076440
FMV of Scrip Consideration³ (\$) using sum of the parts QMP approach	0.85	0.85

Source: BDOCF analysis

Notes:

1. The number of post-transaction shares takes into account LIFULL's existing issued shares and the shares that would be issued as Scrip Consideration, at the relevant share exchange ratio for the low and high ends of our valuation range. Further, the number of shares adopted for the low value in the above table has been based on the assumption that all Mitula Shareholders elect to receive Scrip Consideration for all of their shares. The number of shares adopted for the high value in the above table assumes the maximum Cash Consideration payable will be paid.
2. The Share Exchange Ratio is adjusted based on the FMV of a share in the Combined Group (relative to the baseline value of \$11.29 per the terms of the Proposed Scheme), and subject to the Downside Price Protection Mechanism and the Upside Participation Cap.

- Given the low and high values in our assessment both fall within the Downside Price Protection Mechanism and the Upside Participation Cap limits, the FMV of the Scrip Consideration remains unchanged at \$0.85. That is, a decrease in the value of a share in the Combined Group is equally offset by an increase in the share exchange ratio (and vice versa).

10.2. FMV of Combined Group - QMP Post-Announcement Approach

Since 10 May 2018, 165.6% of LIFULL's free float shares have been traded with 7.3% traded in the week ending 17 October 2018, suggesting there is a sufficiently deep market for LIFULL's shares to reflect a liquid and active market. The VWAP for LIFULL over various period post-announcement are shown below.

Table 39: LIFULL's VWAPs post-announcement

Period	Price (Low) ¥	Price (High) ¥	Price VWAP ¥	Price VWAP \$
1 day	632	684	670	8.43
1 week	547	684	637	8.01
1 month	531	684	615	7.74
3 months	531	758	647	8.13
From 10 May	531	897	693	8.72

Source: Capital IQ, BDOCF analysis

In relation to the above we note the following:

- The VWAP analysis has been converted to AUD using the spot FX rate as at 23 October 2018 being 79.49.
- The period shown above captures the announcement of the Proposed Scheme, as well as LIFULL's announcement of its second quarter and third quarter results. We note that LIFULL's share price declined subsequent to all of these announcements.

LIFULL's post announcement trading indicates the FMV of a share in the Combined Group falls between \$7.50 and \$8.50. The FMV of the Scrip Consideration would therefore be as follows:

Table 40: Value of LIFULL's Equity (minority basis) (post-announcement)

	Low	High
FMV per Combined Group Share	7.50	8.50
Share Exchange Ratio ¹	0.084366	0.084366
FMV of Scrip Consideration² (\$) using LIFULL post-announcement QMP approach	0.63	0.72

Source: BDOCF analysis

Notes:

- The FMV of a share in the Combined Group under this approach falls below the Downside Protection Mechanism Cap of \$10.08, meaning the share exchange ratio would be capped at 0.084366.
- The Australian dollar value of the Scrip Consideration under this approach therefore ranges between \$0.63 and \$0.72.

10.3. FMV of Scrip Consideration

The results of our QMP valuation analysis for the Combined Group and the FMV of the Scrip Consideration is shown below:

Table 41: FMV of Scrip Considerations - QMP Approach

	Low	High
FMV of Scrip Consideration - QMP Pre-Announcement Approach	0.85	0.85
FMV of Scrip Consideration - QMP Post-Announcement Approach	0.63	0.72

Source: BDOCF analysis

We note that there are inherent limitations of applying the QMP approach to the Combined Group by reference to either pre-announcement or post-announcement trading of Mitula and LIFULL. In particular:

- the pre-announcement trading does not take into account any announcements or market movements since the Proposed Scheme was announced (which is now more than five months ago); and
- the post-announcement trading of LIFULL is more current, but it is only a proxy for the perceived value of the Combined Group assuming the market has taken the Proposed Scheme fully into account.

On balance, whilst we consider both approaches to have merit, we consider the post-announcement trading to be a more reliable method to assess the FMV of the Scrip Consideration given it takes into account recent market sensitive updates provided by LIFULL. Accordingly, we have assessed the value of the Scrip Consideration to fall between **\$0.65** and **\$0.75**.

10.4. FMV of Scrip Consideration - implied multiples cross-check

We have assessed the fair market value of a Combined Group share to be in the range of \$0.65 to \$0.75 per share on a minority basis. As a cross-check, we have considered the implied multiples of this valuation range.

Our assessment of the FMV of the Combined Group, post the Proposed Scheme, is set out below:

Table 42: Implied multiples for FMV of Combined Group

	Low	High	
FMV per Share (QMP) (minority basis) (\$)	0.65	0.75	
Scrip exchange Ratio	0.084336	0.084336	
AUD:JPY Exchange Rate	80.12	80.12	
Implied FMV per Share (JPY)	617.5	712.5	
Outstanding Shares	118,715,360	118,715,360	
Implied Equity Value (JPY) (mil)	73,307	84,586	
Surplus Assets	(7,136)	(4,238)	
Enterprise Value (JPY) (mil)	66,171	80,348	
<u>Implied Multiples:</u>			
EBITDA	5,479.7	12.1x	14.7x
EBIT	3,889.4	17.0x	20.7x

Source: BDOCF analysis

Notes:

1. The enterprise is derived from our Australian dollar FMV of the Scrip Consideration, adjusted for the relevant scrip exchange ratio at the low and high end of our FMV range (being the Downside Protection Mechanism Cap of 0.084336), the AUD:JPY exchange rate as at 23 October 2018, and adjusted for the net debt/(cash) of the Combined Group. The low enterprise value assumes the Scrip Consideration is paid fully in shares, while the high enterprise value assumes the maximum Cash Consideration is paid.
2. The EBITDA and EBIT of the Combined Group is based on the pro-forma financials in the Scheme Booklet, as summarised in section 5.7.

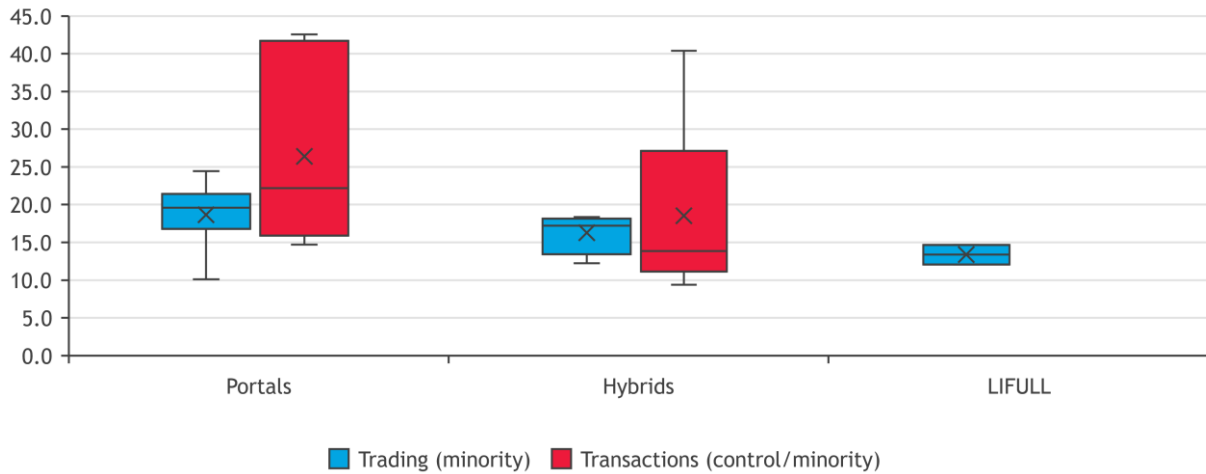
We have assessed the reasonableness of the above implied multiples with reference to the trading and transaction multiples of broadly comparable companies.

10.4.1. Comparable company and transaction multiples

As discussed in section 9.2.1 above, we have attempted to identify two sets of listed companies and transactions, being those who operate in the search aggregation sector (similar to the predominant activities of Mitula and Trovit) and those who operate online information portals (similar to the predominant activities of LIFULL). Further analysis is detailed in Appendices 3, 4, 5, 6 and 7.

The chart below shows the range of EBITDA multiples observed for the comparable listed companies and transactions at 23 October 2018, compared to the high and low EBITDA multiples implied by our analysis.

Table 43: Comparable Company Trading and Transaction EBITDA Multiples (minority basis)



Source: Capital IQ, BDOCF analysis

Notes:

1. One portal and three hybrid transactions were for minority stake interests. The remaining transactions were completed on a controlling basis, and as such the observed EBITDA multiples will include a premium for control. All transactions may also include a portion of 'special value' from synergies.
2. The mean and median of each data set are marked by the "X" and horizontal line, respectively.

In relation to the observed EBITDA multiples, we note the following:

- We consider both the 'portal' set and the 'hybrid' set to be relevant to our cross of the FMV of the Combined Group, but note that the core operations of the Combined Group (being LIFULL's HOME'S business) is more comparable to the 'portals' set.
- Our implied EBITDA multiple range of 12.1x to 14.7x falls within the range observed for the portals (trading) set and the hybrid (transaction) set. The high end of our multiples range also falls within the range of the portals (transaction) set and hybrid (trading) set.

Based on the above, we do not consider the implied multiples of 12.1x to 14.7x for our FMV of the Combined Group to be unreasonable.

For personal use only

11. ASSESSMENT OF FAIRNESS

11.1. Fairness Assessment

The result of our fairness analysis under the guidance provided by ASIC is summarised below.

Table 44: Fairness assessment

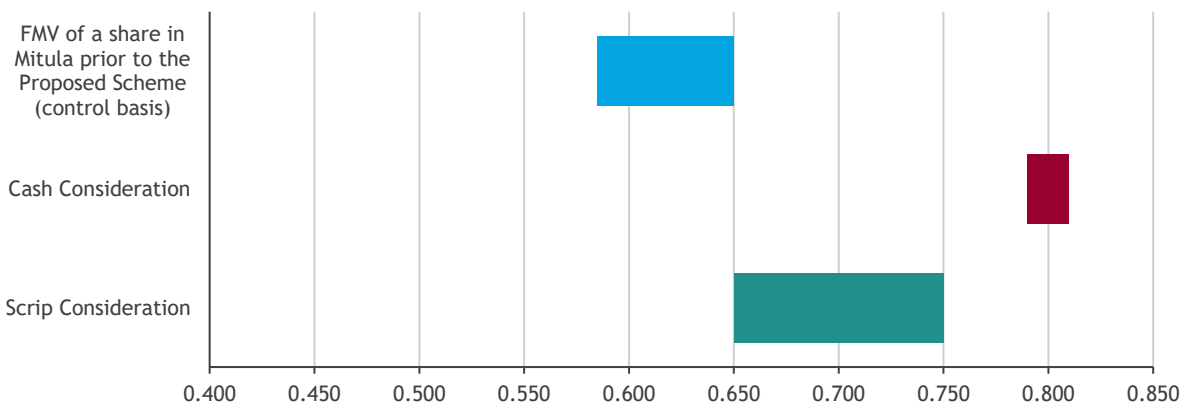
Per Share	Ref	Low	High
FMV of a share in Mitula prior to the Proposed Scheme (control basis)	Section 9.1	\$0.585	\$0.65
Cash Consideration	Section 1.2	\$0.80	\$0.80
Scrip Consideration	Section 10.3	\$0.65	\$0.75

Source: BDOCF analysis

The Cash Consideration is fair, and represents an implied premium of approximately 30% to our valuation of a share in Mitula (at the midpoint, on a controlling basis).

The Scrip Consideration is also fair, but provides a lower premium.

Figure 15: Summary of fairness assessment



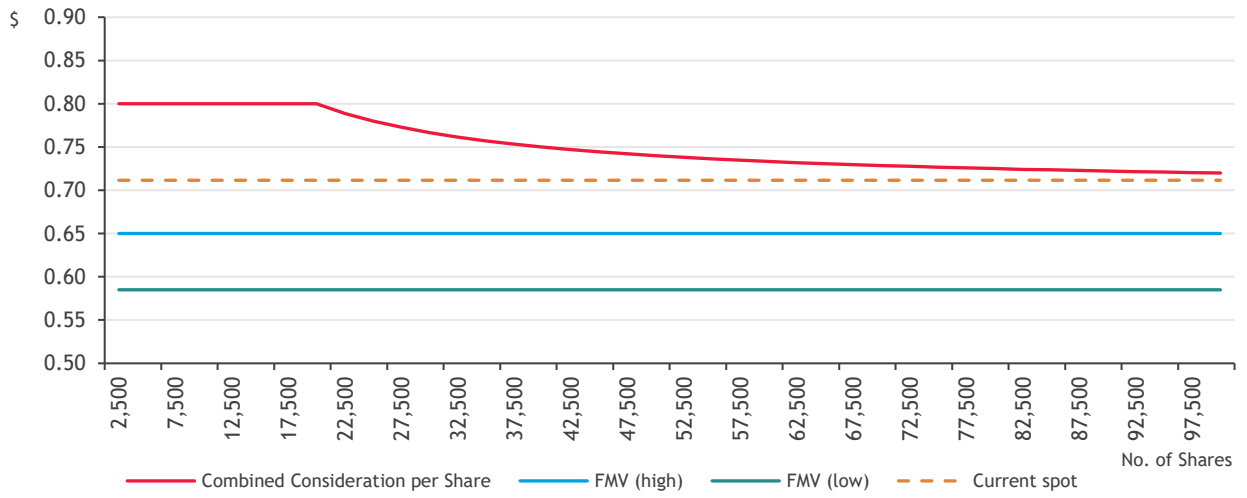
Source: BDOCF analysis

Overall, the premium received by individual shareholders will depend on the number of shares held and whether the shareholder receives the Cash Consideration.

The chart below illustrates the combined consideration per share to each Mitula Shareholder for an increasing number of shares held. As the FMV of the Scrip Consideration is lower than the Cash Consideration, the implied premium is increasingly diluted for shareholdings greater than 20,000 shares.

For personal use only

Figure 16: Summary of combined consideration per share



Source: BDOCF analysis

For personal use only

12. ASSESSMENT OF REASONABLENESS

In accordance with RG 111, an offer is reasonable if it is fair. On this basis, the Proposed Scheme is reasonable to Mitula Shareholders.

Nevertheless, we have set out below a summary of other factors we consider relevant in assisting the Mitula Shareholders in deciding whether or not to vote in favour of the Proposed Scheme.

12.1. Advantages

12.1.1. Certainty of Cash Consideration

The Proposed Scheme allows Mitula Shareholders to realise up to 20,000 shares of their investment with the certainty of the Cash Consideration offered under the Proposed Scheme. The timing and value certainty of cash removes Mitula Shareholders' exposure to inherent risks and uncertainties of holdings shares in LIFULL.

12.1.2. Implied premium

The Cash Consideration represents a premium of approximately 30% to our assessment of the FMV of Mitula (midpoint, on a controlling interest basis). The Scrip Consideration provides a lower premium.

The premium received by individual shareholders will depend on the number of shares held and whether the shareholder receives the Cash Consideration. The implied premium will be increasingly diluted for shareholdings greater than 20,000 shares.

Table 45: Implied premiums

Implied premium compared to:	Cash Consideration		Scrip Consideration	
	Low	High	Low	High
FMV of Mitula share Pre Transaction (Control Basis) ¹	23%	37%	0%	28%
1-day VWAP to 9 May 2018	74%	74%	41%	63%
3-month VWAP to 9 May 2018	78%	78%	44%	67%

Source: BDOCF analysis

Notes:

1. The low premium of the Scrip Consideration is calculated by reference to the high end of our FMV range for Mitula and the low end of our FMV of the Scrip Consideration. Similarly, the high premium of the Scrip Consideration is calculated by reference to the low end of our FMV range for Mitula and the high end of our FMV of the Scrip Consideration.

In the absence of an alternative offer and considering the increase of approximately 64% to Mitula's share price on the day following the announcement of the Proposed Scheme, Mitula's share price is likely to decline if the Proposed Scheme does not proceed.

12.1.3. No transaction costs

Mitula Shareholders participating in the Proposed Scheme will be able to exchange their Mitula shares for the Cash Consideration or Scrip Consideration without incurring any upfront brokerage fees.

However, as LIFULL is listed on the TSE, Mitula Shareholders who receive Scrip Consideration (i.e. New LIFULL Shares, as defined in the Scheme Booklet) will be required to establish a securities account or use an existing securities account with the Japan Securities Depository Center, Inc. ("JASDEC") within three months of the Settlement Completion Date. Establishing such an account can be undertaken via various stockbrokers in Australia, but will attract a fee. Selling the New LIFULL Shares at a later date will also attract typical brokerage fees.

As an alternative to establishing a JASDEC securities account, Mitula Shareholders can also elect for their New LIFULL Shares to be held by the Settlement Agent (being Pacific Custodians Pty Limited, a wholly owned subsidiary of Link Market Services Limited). The Settlement Agent will hold the New LIFULL Shares for three months after the Settlement Completion Date, and will then sell the New LIFULL Shares on behalf of the Mitula Shareholders. Mitula Shareholders will receive the net proceeds from the sale, after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges.

12.1.4. No alternative proposals

The Directors have advised that there are currently no alternative offers for Mitula. In our view, it is highly unlikely any alternative offer would be superior to the current Proposed Scheme.

12.1.5. Potential synergies

If the Proposed Scheme is implemented, LIFULL intends to merge the operations of Mitula and Trovit, which the Directors believe will generate a number of synergistic benefits, including:

- Utilisation of Trovit's back office functions;
- Increased audience to both Mitula and LIFULL's products, reducing the need to acquire traffic;
- Duplicated employment positions could be removed; and
- Reduced listing expenses as Mitula is intended to be removed from the ASX.

The proposed synergies will allow Mitula to expand and accelerate the growth in its current operations.

12.2. Disadvantages

12.2.1. Dilution of control

Mitula Shareholders will have their combined interest of 100% in Mitula diluted to a minimum of 11.0% and a maximum of 13.5% in the Combined Group after the Proposed Scheme (based on the share exchange ratio at the date of writing this IER). Further, none of the directors of Mitula will become directors of LIFULL. Consequently, their ability to influence the strategic direction of LIFULL will be significantly diminished.

12.2.2. Added complexity in holding LIFULL shares

If the Proposed Scheme is implemented and a Mitula Shareholder receives the Scrip Consideration, the rights of that Mitula Shareholder will no longer be governed by the laws of Australia, the ASX listing rules and the constitution of Mitula. Instead, those rights will be governed by the laws of Japan, the Tokyo Stock Exchange and the constitution of LIFULL.

Mitula Shareholders may view these differences as either advantageous or disadvantageous, depending on their individual circumstances. Nevertheless, Mitula Shareholders are exposed to the added complexity of understanding the applicable company, listing and other laws and regulations.

12.2.3. Exposure to exchange rate fluctuations and country specific risks

Mitula Shareholders that are based in Australia will be exposed to fluctuations in the JPY to AUD exchange rate, as well as the country specific risks associated with the Japanese economy. The sensitivity of our fairness assessment to changes in the AUD:JPY exchange rate is discussed in section 12.3.1.

12.3. Other Considerations

12.3.1. Sensitivity of Fairness Assessment

The Australian dollar value of the Scrip Consideration is not certain and may fluctuate between the date of this report and the Proposed Scheme implementation date, and beyond. The FMV of the Scrip Consideration could change as a result of a decrease in LIFULL's share price, a deterioration of the Australian dollar against the Japanese Yen, or a combination thereof.

The impact is subject to the Downside Price Protection Mechanism and the Upside Participation Cap. However, at the time of writing this report, the Scrip Consideration share exchange ratio had reached the Downside Price Protection Mechanism cap of 0.084336 due to a decline in LIFULL's share price after the announcement of the Proposed Scheme. As such, Mitula Shareholders are not protected from any further decline in LIFULL's share price or a deterioration of the Australian dollar against the Japanese Yen.

We have provided sensitivity analysis for changes in these key variables below. LIFULL's share price is shown in Japanese Yen, so that the combined impact of a change in LIFULL's share price and the AUD:JPY exchange rate can be shown together.

Table 46: Share exchange ratio sensitivity analysis

		LIFULL Share Price (JPY)						
		650	700	750	800	850	900	950
Movement in FX rate	65.00	0.084366	0.078941	0.075300	0.069074	0.065010	0.061399	0.058167
	70.00	0.084366	0.084366	0.079346	0.075300	0.075300	0.066122	0.062642
	75.00	0.084366	0.084366	0.084366	0.079700	0.075300	0.075300	0.067116
	79.49	0.084366	0.084366	0.084366	0.079700	0.075300	0.075300	0.067116
	85.00	0.084366	0.084366	0.084366	0.084366	0.084366	0.080291	0.076065
	90.00	0.084366	0.084366	0.084366	0.084366	0.084366	0.084366	0.080539
	110.00	0.084366	0.084366	0.084366	0.084366	0.084366	0.084366	0.084366

Source: BDOCF analysis

Note: The share exchange ratio takes into account the Downside Protection Mechanism and the Upside Participation Cap. Red shaded cells indicate where the Downside Protection Mechanism Cap is reached, Green shaded cells indicate where the Share exchange ratio is within the Downside Protection Mechanism and Upside Participation Cap, and the blue shaded cells indicate where the Upside Participation Cap has been exceeded.

Table 47: FMV of Scrip Consideration sensitivity analysis

		LIFULL Share Price (JPY)						
		450	500	550	600	650	700	750
Movement in FX rate	65.00	0.58	0.65	0.71	0.78	0.84	0.85	0.87
	70.00	0.54	0.60	0.66	0.72	0.78	0.84	0.85
	75.00	0.51	0.56	0.62	0.67	0.73	0.79	0.84
	79.49	0.51	0.56	0.62	0.67	0.73	0.79	0.84
	85.00	0.45	0.50	0.55	0.60	0.65	0.69	0.74
	90.00	0.42	0.47	0.52	0.56	0.61	0.66	0.70
	105.00	0.36	0.40	0.44	0.48	0.52	0.56	0.60

Source: BDOCF analysis

Note: Highlights indicate the point at which the Scrip Consideration is either 'fair' or 'not fair', relative to the low end of our assessed FMV of Mitula (on a control basis).

In regards the sensitivity tables above, we note the following:

- The FMV of the Scrip Consideration would need to decline by approximately 17.8% before the Scrip Consideration would be deemed 'not fair'.
- Keeping the exchange rate constant and based on LIFULL's closing share price as at 23 October 2018, LIFULL's share price would need to decline to ¥551 for the Scrip Consideration to be deemed 'not fair'. LIFULL had traded above this price from March 2015 until recently, falling below this price on 11 October 2018. The share price has since increased to ¥684 as at 23 October 2018.
- Similarly, the AUD:JPY would need to increase to 96.7 before the Scrip Consideration would be deemed 'not fair'. The Australian dollar has traded below this level over the past 3 years and at an average of 86 over the trailing 10-year period. The average of the forecasts provided by the 48 financial institutions remains below 82 until 2021.

Adverse movements in either LIFULL's share price or the AUD:JPY exchange rate, could result in the Scrip Consideration becoming not fair. Accordingly, shareholders should consider the impact of fluctuations in LIFULL's share price and the AUD:JPY exchange rate at the time of voting for the Proposed Scheme.

12.3.2. Differences between Mitula and LIFULL

Following the implementation of the Proposed Scheme, Mitula Shareholders who receive Scrip Consideration will hold an interest in the Combined Group. There are a number of differences between the businesses of Mitula and LIFULL (and therefore the Combined Group), as summarised below:

Table 48: Mitula and LIFULL comparison

Characteristic	Mitula	LIFULL
Operations	Mitula's main business operation is website aggregation, which provides a single destination to search and obtain results from multiple websites. It generates the majority of its revenue through CPC, Google AdSense and other advertising products.	LIFULL's HOME's segment is the group's core business, contributing over 83% of revenue. LIFULL HOME'S is an online information portal centred around domestic real estate. Its aggregation segment, through Trovit, is a much smaller at 11%.
Size	Mitula's market capitalisation and enterprise values as at 31 July 2018 are \$156.1m and \$143.0m, respectively.	LIFULL is a much larger company than Mitula, despite being predominately focused in Japan, with market capitalisation and enterprise values of \$998.9m and \$949.2m, respectively.
Growth and margins	Mitula's gross profit margin for 1HY18 is approximately 65%, while its EBITDA margin is 20%. Both margins have declined over the last two years as cost of sales has increased. Revenue growth also decreased in FY17, from 36.2% to 19.9%.	LIFULL's gross profit margin has remained steady at approximately 89% over the last three years, while EBITDA margin has declined slightly from 18.9% to 13.6%. Revenue growth has also slowed in the last financial year.
Currency	Mitula maintains primary cash balances in Euro, GBP and AUD, and presents its financial statements in AUD.	LIFULL predominately transacts in Japanese Yen and also presents its financial statements in Yen.
Stock exchange	Mitula is listed on the ASX with its share price denominated in AUD.	LIFULL is listed on the TSE with its share price denominated in JPY.
Share trading liquidity	103.6% of Mitula's free float shares were traded in the 12-months before the announcement of the Proposed Scheme.	300.3% of Mitula's free float shares were traded in the 12-months before the announcement of the Proposed Scheme.

Mitula Shareholders may wish to maintain their current investment profile based on the risks specific to Mitula. Mitula Shareholders may find it difficult to find another company with a directly comparable profile to Mitula and may incur transaction costs in undertaking a new investment in an alternate company.

12.3.3. Potential taxation consequences

The taxation consequences for Shareholders will differ depending on their individual circumstances. Australian resident shareholders may be liable to pay capital gains tax on the disposal of their Mitula shares under the Proposed Scheme. Accordingly, Mitula Shareholders may need to seek independent tax advice regarding the tax consequences applicable to their own circumstances.

12.3.4. Directors' recommendation

The Directors have recommended that Mitula Shareholders vote in favour of the Proposed Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Proposed Scheme is in the best interests of the Mitula Shareholders. Further, the Directors that hold shares in Mitula have stated they intend to accept the Proposed Scheme.

For personal use only

13. QUALIFICATIONS, DECLARATIONS AND CONSENTS

13.1. Qualifications

BDOCF is the licensed corporate finance arm of BDO East Coast Partnership, Chartered Accountants and Business Advisers. BDOCF provides advice in relation to all aspects of valuations and has extensive experience in the valuation of corporate entities and provision of expert's reports.

Mr Stephen Seear, B.Com and CA, is a director of BDOCF. Mr Seear is also a partner of BDO East Coast Partnership. Mr Seear has been responsible for the preparation of this IER.

Mr Seear has over 16 years' experience in Corporate Finance. He has undertaken numerous corporate finance assignments involving valuations, acquisitions, divestments, financial due diligence, capital raisings and financial modelling. Accordingly, Mr Seear is considered to have the appropriate experience and professional qualifications to provide the advice offered.

Mr Daniel Coote was responsible for the review of this IER. Mr Coote has over 10 years of experience in a number of specialist corporate advisory activities including company valuations advising on independent expert reports, due diligence investigations, preparation and review of business feasibility studies, public company floats, advising on mergers and acquisitions, preparation of information memoranda and other corporate investigations. Accordingly, Mr Coote is considered to have the appropriate experience and professional qualifications to undertake the review.

13.2. Independence

We are not aware of any matter or circumstance that would preclude us from preparing this IER on the grounds of independence either under regulatory or professional requirements. In particular, we have had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC.

We consider ourselves to be independent in terms of RG 112 Independence of experts, issued by ASIC.

BDOCF was not involved in advising on, negotiating, setting, or otherwise acting in any capacity for Mitula in relation to the Proposed Scheme. Further, BDOCF has not held and, at the date of this IER, does not hold any shareholding in, or other relationship with Mitula or LIFULL that could be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Scheme.

13.3. Disclaimer

This IER has been prepared at the request of the Directors and was not prepared for any purpose other than that stated in this IER. This IER has been prepared for the sole benefit of the Directors and Shareholders. Accordingly, this IER and the information contained herein may not be relied upon by anyone other than the Directors and Shareholders without our written consent. We accept no responsibility to any person other than the Directors and Shareholders in relation to this IER.

The statements and opinions contained in this IER are given in good faith and are based upon our consideration and assessment of information provided by the Directors, executives and management of all the entities.

14. APPENDICES

APPENDIX 1: SOURCES OF INFORMATION

In preparing this IER, we had access to and relied upon the following principal sources of information:

- Mitula Scheme Booklet
- Mitula Shareholdings report as at 17 October 2018
- Mitula Annual Reports for 2016 and 2017
- Mitula Interim Financial Report for the half year ended 30 June 2018
- Mitula Prospectus dated 12 June 2015
- Brief Overview of Mitula Group Limited prepared by Water Green Finance Consulting
- Scheme Implementation Deed between Mitula and LIFULL dated 9 May 2017
- LIFULL Annual Reports for years ended 31 March 2016 and 31 March 2017
- LIFULL Consolidated Financial Reports for FY16, FY17 and the nine months ending June 2018
- Industry research provided by Frost & Sullivan
- Various ASX announcements
- Various TSE announcements
- Various discussions with the directors and management of Mitula
- Information sourced from Capital IQ and MergerMarket
- ASIC guidance notes and regulatory guides as applicable
- Other generally available public information

For personal use only

APPENDIX 2: VALUATION METHODS - BUSINESSES AND ASSETS

In conducting our assessment of the FMV of Mitula Shares and LIFULL Shares, the following commonly used business valuation methods have been considered:

Discounted Cash Flow Method

The discounted cash flow (“DCF”) method is based on the premise that the value of a business or any asset is represented by the present value of its future cash flows. It requires two essential elements:

- the forecast of future cash flows of the business asset for a number of years (usually five to 10 years); and
- the discount rate that reflects the riskiness of those cash flows used to discount the forecast cash flows back to net present value (“NPV”).

DCF is appropriate where:

- the businesses’ earnings are capable of being forecast for a reasonable period (preferably 5 to 10 years) with reasonable accuracy;
- earnings or cash flows are expected to fluctuate significantly from year to year;
- the business or asset has a finite life;
- the business is in a ‘start up’ or in early stages of development;
- the business has irregular capital expenditure requirements;
- the business involves infrastructure projects with major capital expenditure requirements; or
- the business is currently making losses but is expected to recover.

Capitalisation of Earnings Method

This method involves the capitalisation of normalised earnings by an appropriate multiple. Normalised earnings are the assessed sustainable profits that can be derived by the vendor’s business and excludes any one off profits or losses. An appropriate earnings multiple is assessed by reference to market evidence as to the earnings multiples of comparable companies.

This method is suitable for the valuation of businesses with indefinite trading lives and where earnings are relatively stable or a reliable trend in earnings is evident.

Net Asset Value

Asset based valuations involve the determination of the FMV of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

- separating the business or entity into components which can be readily sold, such as individual business Shares or collection of individual items of plant and equipment and other net assets; and
- ascribing a value to each based on the net amount that could be obtained for this asset if sold.

The net realisable value of the assets can be determined on the basis of:

- **Orderly realisation:** this method estimates FMV by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their FMV;
- **Liquidation:** this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their FMV; or
- **Going concern:** the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding company. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

For personal use only

The net realisable value of a trading company's assets will generally provide the lowest possible value for the business. The difference between the value of the company's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The net realisable value of assets is relevant where a company is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding company, or where all its assets are liquid. It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

These approaches ignore the possibility that the company's value could exceed the realisable value of its assets.

Quoted Market Prices

The application of the price that a company's shares trade on the ASX is an appropriate basis for valuation where:

- the shares trade in an efficient market place where 'willing' buyers and sellers readily trade the company's shares; and
- the market for the company's shares is active and liquid.

For personal use only

APPENDIX 3: COMPARABLE COMPANY MULTIPLES

Hybrid Aggregators and Online Information Portals - Control Basis (9 May 2018)

Company Name	Country	Regions of operation	Latest Financial Year End	Market Cap as at 9/05/18 AUDm	Enterprise Value as at 9/05/18 AUDm	EBITDA Multiple	EBITDA Multiple	EBIT Multiple	EBIT Multiple
						LTM	NTM	LTM	NTM
						Actual	Forecast	Actual	Forecast
Expedia Group, Inc.	United States	Worldwide	31/12/2017	22,592	25,821	14.7	12.9	34.5	34.0
Booking Holdings Inc.	United States	Worldwide	31/12/2017	141,124	149,399	28.5	25.2	28.6	27.1
TripAdvisor, Inc.	United States	Worldwide	31/12/2017	8,773	7,956	23.2	23.0	34.9	59.0
lastminute.com N.V.	Netherlands	Worldwide	31/12/2017	279	217	nmf	8.5	nmf	20.7
Kakaku.com, Inc.	Japan	Japan	31/03/2018	5,203	4,955	21.8	n/a	23.4	n/a
Average						22.1	17.4	30.3	35.2
Median						22.5	17.9	31.5	30.6
Adjusted Average (at 80% confidence level)						24.5	17.4	30.3	27.3
Adjusted Median (at 80% confidence level)						23.2	17.9	31.5	27.1

Source: Capital IQ and BDOCF analysis

Notes:

1. Enterprise value represents the sum of market capitalisation, preferred equity, minority interest and debt, less cash.
2. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.
3. Control premium of 30% has been applied to market capitalisation to calculate the multiples above.

APPENDIX 3: COMPARABLE COMPANY MULTIPLES [cont'd]

Hybrid Aggregators and Online Information Portals - Control Basis (23 October 2018)

Company Name	Country	Regions of operation	Latest Financial Year End	Market Cap as at 23/10/18 AUDm	Enterprise Value as at 23/10/18 AUDm	EBITDA Multiple	EBITDA Multiple	EBIT Multiple	EBIT Multiple
						LTM	NTM	LTM	NTM
						Actual	Forecast	Actual	Forecast
Expedia Group, Inc.	United States	Worldwide	31/12/2017	24,771	28,508	15.4	12.9	33.4	31.6
Booking Holdings Inc.	United States	Worldwide	31/12/2017	122,848	130,387	23.6	20.0	22.2	21.7
TripAdvisor, Inc.	United States	Worldwide	31/12/2017	9,272	8,372	23.2	20.3	33.9	51.8
lastminute.com N.V.	Netherlands	Worldwide	31/12/2017	269	190	nmf	n/a	nmf	n/a
Kakaku.com, Inc.	Japan	Japan	31/03/2018	5,600	5,360	22.4	20.7	24.0	21.7
Average						21.1	18.5	28.4	31.7
Median						22.8	20.1	28.7	26.7
Adjusted Average (at 80% confidence level)						23.0	20.3	28.4	25.0
Adjusted Median (at 80% confidence level)						23.2	20.3	28.7	21.7

Source: Capital IQ and BDOCF analysis

Notes:

1. Enterprise value represents the sum of market capitalisation, preferred equity, minority interest and debt, less cash.
2. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.
3. Control premium of 0% has been applied to market capitalisation to calculate the multiples above.

APPENDIX 3: COMPARABLE COMPANY MULTIPLES [cont'd]

Hybrid Aggregators and Online Information Portals - Minority Basis (23 October 2018)

Company Name	Country	Regions of operation	Latest Financial Year End	Market Cap as at 23/10/18 AUDm	Enterprise Value as at 23/10/18 AUDm	EBITDA Multiple	EBITDA Multiple	EBIT Multiple	EBIT Multiple
						LTM	NTM	LTM	NTM
						Actual	Forecast	Actual	Forecast
Expedia Group, Inc.	United States	Worldwide	31/12/2017	24,771	28,508	12.2	10.2	26.5	25.1
Booking Holdings Inc.	United States	Worldwide	31/12/2017	122,848	130,387	18.4	15.6	17.3	16.9
TripAdvisor, Inc.	United States	Worldwide	31/12/2017	9,272	8,372	17.4	15.2	25.4	38.9
lastminute.com N.V.	Netherlands	Worldwide	31/12/2017	269	190	nmf	n/a	nmf	n/a
Kakaku.com, Inc.	Japan	Japan	31/03/2018	5,600	5,360	17.0	15.7	18.3	16.5
Average						16.3	14.2	21.9	24.4
Median						17.2	15.4	21.8	21.0
Adjusted Average (at 80% confidence level)						17.6	15.5	21.9	19.5
Adjusted Median (at 80% confidence level)						17.4	15.6	21.8	16.9

Source: Capital IQ and BDOCF analysis

Notes:

1. Enterprise value represents the sum of market capitalisation, preferred equity, minority interest and debt, less cash.
2. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.
3. Control premium of 0% has been applied to market capitalisation to calculate the multiples above.

APPENDIX 3: COMPARABLE COMPANY MULTIPLES [cont'd]

Online Information Portals - Control Basis (9 May 2018)

Company Name	Country	Regions of operation	Latest Financial Year End	Market Cap as at 9/05/18 AUDm	Enterprise Value as at 9/05/18 AUDm	EBITDA Multiple	EBITDA Multiple	EBIT Multiple	EBIT Multiple
						LTM Actual	NTM Forecast	LTM Actual	NTM Forecast
REA Group Limited	Australia	Australia, Asia	30/06/2017	11,014	11,176	38.2	n/a	39.6	n/a
Rightmove plc	United Kingdom	United Kingdom	31/12/2017	7,573	7,554	28.3	26.2	28.5	26.5
ZPG Plc	United Kingdom	United Kingdom	30/09/2017	2,955	3,533	22.7	n/a	26.6	n/a
Auto Trader Group plc	United Kingdom	United Kingdom, Ireland	31/03/2018	6,379	6,993	21.8	20.2	22.2	20.9
carsales.com Ltd	Australia	Australia, Asia	30/06/2017	3,465	3,645	25.3	20.9	26.0	22.3
Scout24 AG	Germany	Germany, Europe	31/12/2017	7,308	8,213	26.9	22.4	33.4	25.9
51job, Inc.	China	China	31/12/2017	8,501	8,618	47.8	37.4	50.8	41.5
SEEK Limited	Australia	Australia, Worldwide	30/06/2017	7,226	8,359	27.2	23.0	28.5	28.3
ZIGExN Co., Ltd.	Japan	Japan	31/03/2018	1,269	1,223	36.6	n/a	39.5	n/a
eBay Inc.	United States	Worldwide	31/12/2017	50,950	59,701	16.1	15.0	20.1	18.2
Schibsted ASA	Norway	Worldwide	31/12/2017	8,685	9,134	28.1	20.4	32.1	25.2
Trade Me Group Limited	New Zealand	New Zealand	30/06/2017	1,780	1,855	18.1	15.6	18.9	18.5
Average						28.1	22.3	30.5	25.2
Median						27.0	20.9	28.5	25.2
Adjusted Average (at 80% confidence level)						27.3	20.4	28.7	23.2
Adjusted Median (at 80% confidence level)						27.0	20.6	28.5	23.7

Source: Capital IQ and BDOCF analysis

Notes:

1. Enterprise value represents the sum of market capitalisation, preferred equity, minority interest and debt, less cash.
2. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.
3. Control premium of 30% has been applied to market capitalisation to calculate the multiples above.

APPENDIX 3: COMPARABLE COMPANY MULTIPLES [cont'd]

Online Information Portals - Control Basis (23 October 2018)

Company Name	Country	Regions of operation	Latest Financial Year End	Market Cap as at 23/10/18 AUDm	Enterprise Value as at 23/10/18 AUDm	EBITDA Multiple	EBITDA Multiple	EBIT Multiple	EBIT Multiple
						LTM Actual	NTM Forecast	LTM Actual	NTM Forecast
REA Group Limited	Australia	Australia, Asia	30/06/2017	9,470	9,787	30.2	23.5	31.0	26.4
Rightmove plc	United Kingdom	United Kingdom	31/12/2017	7,078	7,060	25.5	23.8	25.7	24.2
Auto Trader Group plc	United Kingdom	United Kingdom, Ireland	31/03/2018	6,693	7,307	22.2	n/a	22.6	n/a
carsales.com Ltd	Australia	Australia, Asia	30/06/2017	3,154	3,550	22.1	18.8	23.1	20.1
Scout24 AG	Germany	Germany, Europe	31/12/2017	5,961	6,879	21.1	17.5	25.8	21.3
51job, Inc.	China	China	31/12/2017	4,951	5,151	27.6	22.2	29.2	24.4
SEEK Limited	Australia	Australia, Worldwide	30/06/2017	6,537	7,775	24.5	21.3	26.0	27.0
ZIGExN Co., Ltd.	Japan	Japan	31/03/2018	1,054	1,005	28.0	22.8	30.4	23.9
eBay Inc.	United States	Worldwide	31/12/2017	39,447	49,752	12.5	11.9	15.5	14.6
Schibsted ASA	Norway	Worldwide	31/12/2017	11,067	11,532	31.5	25.0	35.8	30.5
Trade Me Group Limited	New Zealand	New Zealand	30/06/2017	1,726	1,784	17.5	14.1	17.9	16.8
Average						23.9	20.1	25.7	22.9
Median						24.5	21.7	25.8	24.0
Adjusted Average (at 80% confidence level)						24.3	21.9	26.7	23.0
Adjusted Median (at 80% confidence level)						24.5	22.5	25.9	24.0

Source: Capital IQ and BDOCF analysis

Notes:

1. Enterprise value represents the sum of market capitalisation, preferred equity, minority interest and debt, less cash.
2. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.
3. Control premium of 0% has been applied to market capitalisation to calculate the multiples above.
4. ZPG Plc has been not been included in this data set as it was delisted from the London Stock Exchange on 11 July 2018

APPENDIX 3: COMPARABLE COMPANY MULTIPLES [cont'd]

Online Information Portals - Minority Basis (23 October 2018)

Company Name	Country	Regions of operation	Latest Financial Year End	Market Cap as at 23/10/18 AUDm	Enterprise Value as at 23/10/18 AUDm	EBITDA Multiple	EBITDA Multiple	EBIT Multiple	EBIT Multiple
						LTM Actual	NTM Forecast	LTM Actual	NTM Forecast
REA Group Limited	Australia	Australia, Asia	30/06/2017	9,470	9,787	23.4	18.2	24.0	20.4
Rightmove plc	United Kingdom	United Kingdom	31/12/2017	7,078	7,060	19.6	18.3	19.8	18.6
Auto Trader Group plc	United Kingdom	United Kingdom, Ireland	31/03/2018	6,693	7,307	17.4	n/a	17.8	n/a
carsales.com Ltd	Australia	Australia, Asia	30/06/2017	3,154	3,550	17.5	14.8	18.2	15.9
Scout24 AG	Germany	Germany, Europe	31/12/2017	5,961	6,879	16.8	13.9	20.5	16.9
51job, Inc.	China	China	31/12/2017	4,951	5,151	21.4	17.3	22.7	19.0
SEEK Limited	Australia	Australia, Worldwide	30/06/2017	6,537	7,775	19.6	17.0	20.7	21.6
ZIGExN Co., Ltd.	Japan	Japan	31/03/2018	1,054	1,005	21.3	17.3	23.1	18.2
eBay Inc.	United States	Worldwide	31/12/2017	39,447	49,752	10.1	9.6	12.6	11.8
Schibsted ASA	Norway	Worldwide	31/12/2017	11,067	11,532	24.4	19.4	27.8	23.7
Trade Me Group Limited	New Zealand	New Zealand	30/06/2017	1,726	1,784	13.5	10.9	13.9	13.0
Average						18.6	15.7	20.1	17.9
Median						19.6	17.1	20.5	18.4
Adjusted Average (at 80% confidence level)						19.0	17.0	20.9	18.6
Adjusted Median (at 80% confidence level)						19.6	17.3	20.6	18.6

Source: Capital IQ and BDOCF analysis

Notes:

1. Enterprise value represents the sum of market capitalisation, preferred equity, minority interest and debt, less cash.
2. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.
3. Control premium of 0% has been applied to market capitalisation to calculate the multiples above.
4. ZPG Plc has been not been included in this data set as it was delisted from the London Stock Exchange on 11 July 2018



APPENDIX 4: COMPARABLE COMPANY GROWTH AND MARGINS

Hybrid Aggregators and Online Information Portals - EBITDA Margins

Company Name	EBITDA Margin AVG -5Y	EBITDA Margin FY-3	EBITDA Margin FY-2	EBITDA Margin FY-1	EBITDA Margin FY	EBITDA Margin LTM
Mitula Group Limited	38.4%	50.7%	39.3%	45.5%	31.6%	31.6%
Expedia Group, Inc.	14.5%	14.6%	13.6%	15.0%	13.0%	11.9%
Booking Holdings Inc.	40.7%	41.2%	40.7%	41.0%	40.9%	40.8%
TripAdvisor, Inc.	26.9%	35.2%	23.6%	20.3%	17.3%	17.5%
lastminute.com N.V.	4.0%	7.8%	-7.2%	5.5%	-0.6%	-0.6%
Kakaku.com, Inc.	50.5%	49.3%	49.8%	49.9%	52.1%	51.6%
Average	27.3%	29.6%	24.1%	26.3%	24.5%	24.2%
Median	26.9%	35.2%	23.6%	20.3%	17.3%	17.5%
Adjusted Average (at 80% confidence level)	27.3%	29.6%	31.9%	26.3%	17.6%	24.2%
Adjusted Median (at 80% confidence level)	26.9%	35.2%	32.2%	20.3%	15.1%	17.5%

Source: Capital IQ and BDOCF analysis

Notes:

1. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.

For personal use only



APPENDIX 4: COMPARABLE COMPANY GROWTH AND MARGINS [cont'd]

Hybrid Aggregators and Online Information Portals - EBIT Margins

Company Name	EBIT Margin AVG -5Y	EBIT Margin FY-3	EBIT Margin FY-2	EBIT Margin FY-1	EBIT Margin FY	EBIT Margin LTM
Mitula Group Limited	33.9%	49.3%	34.1%	39.2%	23.3%	23.3%
Expedia Group, Inc.	10.5%	11.8%	9.7%	9.3%	8.1%	6.8%
Booking Holdings Inc.	38.1%	38.7%	37.8%	38.1%	38.0%	38.0%
TripAdvisor, Inc.	24.2%	32.7%	20.4%	17.0%	14.1%	14.5%
lastminute.com N.V.	3.3%	7.2%	-7.9%	4.9%	-1.2%	-1.2%
Kakaku.com, Inc.	47.8%	47.0%	47.3%	46.9%	48.8%	48.3%
Average	24.8%	27.5%	21.5%	23.3%	21.6%	21.3%
Median	24.2%	32.7%	20.4%	17.0%	14.1%	14.5%
Adjusted Average (at 80% confidence level)	24.8%	27.5%	28.8%	17.3%	14.8%	14.5%
Adjusted Median (at 80% confidence level)	24.2%	32.7%	29.1%	13.2%	11.1%	10.6%

Source: Capital IQ and BDOCF analysis

Notes:

1. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.



APPENDIX 4: COMPARABLE COMPANY GROWTH AND MARGINS [cont'd]

Hybrid Aggregators and Online Information Portals - Reported ROS

Company Name	Reported ROS AVG -5Y	Reported ROS FY-3	Reported ROS FY-2	Reported ROS FY-1	Reported ROS FY	Reported ROS LTM
Mitula Group Limited	22.0%	35.5%	12.6%	29.2%	15.7%	15.7%
Expedia Group, Inc.	6.0%	6.9%	11.5%	3.2%	3.8%	3.2%
Booking Holdings Inc.	24.5%	28.7%	27.7%	19.9%	18.5%	18.9%
TripAdvisor, Inc.	12.0%	18.1%	13.3%	8.1%	-1.2%	-1.7%
lastminute.com N.V.	1.6%	5.0%	-7.2%	2.6%	-2.5%	-2.5%
Kakaku.com, Inc.	31.8%	30.4%	31.7%	32.9%	33.6%	33.4%
Average	15.2%	17.8%	15.4%	13.3%	10.4%	10.2%
Median	12.0%	18.1%	13.3%	8.1%	3.8%	3.2%
Adjusted Average (at 80% confidence level)	11.0%	17.8%	21.0%	8.4%	4.6%	4.5%
Adjusted Median (at 80% confidence level)	9.0%	18.1%	20.5%	5.7%	1.3%	0.7%

Source: Capital IQ and BDOCF analysis

Notes:

1. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.

For personal use only



APPENDIX 4: COMPARABLE COMPANY GROWTH AND MARGINS [cont'd]

Hybrid Aggregators and Online Information Portals - Revenue Growth

Company Name	Revenue LTM AUDm	Revenue Growth CAGR -4Y	Revenue Growth FY-3	Revenue Growth FY-2	Revenue Growth FY-1	Revenue Growth FY
Mitula Group Limited	33.6	33.5%	1.2%	92.2%	36.2%	19.9%
Expedia Group, Inc.	13,497.7	20.5%	20.8%	15.8%	31.5%	14.7%
Booking Holdings Inc.	17,153.4	16.9%	24.3%	9.3%	16.5%	18.0%
TripAdvisor, Inc.	2,031.4	13.3%	31.9%	19.7%	-0.8%	5.1%
lastminute.com N.V.	397.9	20.4%	19.3%	69.9%	4.7%	-1.0%
Kakaku.com, Inc.	572.9	11.9%	20.0%	15.3%	9.2%	3.8%
Average		16.6%	23.3%	26.0%	12.2%	8.1%
Median		16.9%	20.8%	15.8%	9.2%	5.1%
Adjusted Average (at 80% confidence level)		16.6%	21.1%	15.0%	7.4%	8.1%
Adjusted Median (at 80% confidence level)		16.9%	20.4%	15.6%	7.0%	5.1%

Source: Capital IQ and BDOCF analysis

Notes:

1. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.



APPENDIX 4: COMPARABLE COMPANY GROWTH AND MARGINS [cont'd]

Hybrid Aggregators and Online Information Portals - EBITDA Growth

Company Name	EBITDA LTM AUDm	EBITDA Growth CAGR -4Y	EBITDA Growth FY-3	EBITDA Growth FY-2	EBITDA Growth FY-1	EBITDA Growth FY
Mitula Group Limited	10.8	41.5%	104.9%	49.1%	57.6%	-16.7%
Expedia Group, Inc.	1,656.0	13.5%	6.6%	8.2%	44.5%	-0.4%
Booking Holdings Inc.	5,031.0	17.6%	28.4%	8.1%	17.1%	17.8%
TripAdvisor, Inc.	339.0	-7.0%	21.7%	-19.6%	-14.8%	-10.3%
lastminute.com N.V.	-2.8	n/a	-36.1%	-257.2%	-180.4%	-110.1%
Kakaku.com, Inc.	299.5	12.4%	15.4%	16.5%	9.3%	8.5%
Average		9.1%	7.2%	-48.8%	-24.8%	-18.9%
Median		12.9%	15.4%	8.1%	9.3%	-0.4%
Adjusted Average (at 80% confidence level)		14.5%	18.0%	3.3%	14.0%	3.9%
Adjusted Median (at 80% confidence level)		13.5%	18.5%	8.2%	13.2%	4.0%

Source: Capital IQ and BDOCF analysis

Notes:

1. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.

APPENDIX 4: COMPARABLE COMPANY GROWTH AND MARGINS [cont'd]

Online Information Portals - EBITDA Margins

Company Name	EBITDA Margin AVG -5Y	EBITDA Margin FY-3	EBITDA Margin FY-2	EBITDA Margin FY-1	EBITDA Margin FY	EBITDA Margin LTM
Lifull Co., Ltd.	13.0%	18.9%	18.1%	9.8%	n/a	9.8%
REA Group Limited	50.6%	50.0%	55.2%	51.8%	48.2%	48.2%
Rightmove plc	75.6%	75.1%	75.6%	76.2%	76.4%	76.9%
Auto Trader Group plc	62.2%	55.7%	62.0%	67.9%	69.2%	69.2%
carsales.com Ltd	51.1%	50.8%	50.5%	47.8%	45.7%	45.7%
Scout24 AG	36.4%	21.7%	41.8%	45.0%	47.5%	48.6%
51job, Inc.	35.0%	35.6%	34.5%	32.5%	35.8%	34.5%
SEEK Limited	38.0%	42.7%	39.1%	33.2%	30.3%	30.3%
ZIGExN Co., Ltd.	39.8%	43.2%	36.7%	35.6%	35.0%	34.8%
eBay Inc.	38.6%	39.8%	38.0%	38.1%	35.8%	34.9%
Schibsted ASA	11.5%	8.3%	13.9%	11.3%	13.5%	15.8%
Trade Me Group Limited	60.2%	61.5%	57.6%	58.3%	56.8%	56.8%
Average	45.4%	44.0%	45.9%	45.2%	44.9%	45.1%
Median	39.8%	43.2%	41.8%	45.0%	45.7%	45.7%
Adjusted Average (at 80% confidence level)	45.8%	44.6%	46.2%	45.6%	41.9%	41.7%
Adjusted Median (at 80% confidence level)	39.8%	43.2%	41.8%	45.0%	40.8%	40.3%

Source: Capital IQ and BDOCF analysis

Notes:

1. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.

APPENDIX 4: COMPARABLE COMPANY GROWTH AND MARGINS [cont'd]

Online Information Portals - EBIT Margins

Company Name	EBIT Margin AVG -5Y	EBIT Margin FY-3	EBIT Margin FY-2	EBIT Margin FY-1	EBIT Margin FY	EBIT Margin LTM
Lifull Co., Ltd.	9.8%	15.6%	13.9%	6.5%	n/a	6.5%
REA Group Limited	49.4%	48.7%	54.1%	50.6%	46.9%	46.9%
Rightmove plc	75.1%	74.6%	75.1%	75.6%	75.8%	76.3%
Auto Trader Group plc	60.0%	54.5%	60.8%	66.5%	67.9%	67.9%
carsales.com Ltd	50.0%	50.2%	49.5%	46.8%	43.9%	43.9%
Scout24 AG	21.8%	4.2%	26.0%	32.1%	38.3%	39.8%
51job, Inc.	32.5%	33.0%	31.8%	29.8%	33.6%	32.5%
SEEK Limited	35.6%	39.8%	36.5%	31.4%	28.6%	28.6%
ZIGExN Co., Ltd.	36.8%	38.9%	32.0%	33.0%	32.3%	32.0%
eBay Inc.	30.9%	32.1%	30.0%	30.5%	28.7%	28.0%
Schibsted ASA	8.9%	5.2%	10.6%	9.7%	11.8%	13.9%
Trade Me Group Limited	58.5%	59.8%	55.9%	56.7%	55.3%	55.3%
Average	41.8%	40.1%	42.0%	42.1%	42.1%	42.3%
Median	36.8%	39.8%	36.5%	33.0%	38.3%	39.8%
Adjusted Average (at 80% confidence level)	41.7%	44.6%	41.9%	41.9%	38.5%	38.4%
Adjusted Median (at 80% confidence level)	36.8%	44.2%	36.5%	33.0%	35.9%	36.2%

Source: Capital IQ and BDOCF analysis

Notes:

1. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.

APPENDIX 4: COMPARABLE COMPANY GROWTH AND MARGINS [cont'd]

Online Information Portals - Reported ROS

Company Name	Reported ROS AVG -5Y	Reported ROS FY-3	Reported ROS FY-2	Reported ROS FY-1	Reported ROS FY	Reported ROS LTM
Lifull Co., Ltd.	6.1%	10.4%	9.2%	3.1%	n/a	3.1%
REA Group Limited	35.6%	40.2%	43.7%	30.7%	29.1%	29.1%
Rightmove plc	57.2%	57.6%	57.0%	58.9%	59.2%	59.9%
Auto Trader Group plc	31.0%	4.1%	45.0%	49.7%	51.9%	51.9%
carsales.com Ltd	35.3%	33.1%	31.8%	29.4%	41.6%	41.6%
Scout24 AG	-15.9%	-45.5%	14.2%	14.8%	22.4%	23.5%
51job, Inc.	24.5%	24.0%	30.1%	24.2%	13.1%	-7.7%
SEEK Limited	26.5%	32.2%	37.0%	32.3%	4.1%	4.1%
ZIGExN Co., Ltd.	21.7%	22.0%	17.9%	19.6%	21.1%	21.8%
eBay Inc.	25.1%	0.5%	20.1%	80.9%	-10.6%	-10.2%
Schibsted ASA	5.9%	-1.2%	8.4%	2.9%	12.6%	6.7%
Trade Me Group Limited	39.5%	40.1%	34.4%	40.2%	38.6%	38.6%
Average	26.0%	18.8%	30.9%	34.9%	25.7%	23.6%
Median	26.5%	24.0%	31.8%	30.7%	22.4%	23.5%
Adjusted Average (at 80% confidence level)	27.2%	21.7%	30.4%	33.3%	26.1%	27.2%
Adjusted Median (at 80% confidence level)	26.5%	24.0%	31.8%	30.7%	22.4%	26.3%

Source: Capital IQ and BDOCF analysis

Notes:

1. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.

APPENDIX 4: COMPARABLE COMPANY GROWTH AND MARGINS [cont'd]

Online Information Portals - Revenue Growth

Company Name	Revenue LTM AUDm	Revenue Growth CAGR -4Y	Revenue Growth FY-3	Revenue Growth FY-2	Revenue Growth FY-1	Revenue Growth FY
Lifull Co., Ltd.	361.1	n/a	43.4%	16.4%	6.6%	n/a
REA Group Limited	765.9	18.7%	19.5%	10.7%	15.9%	29.2%
Rightmove plc	454.6	14.8%	19.3%	15.0%	14.5%	10.6%
Auto Trader Group plc	602.6	8.6%	7.7%	10.0%	10.6%	6.0%
carsales.com Ltd	393.7	17.2%	32.3%	10.3%	8.2%	19.3%
Scout24 AG	814.7	46.2%	223.4%	15.3%	12.3%	9.1%
51job, Inc.	632.3	15.4%	13.9%	12.2%	13.8%	21.8%
SEEK Limited	1,185.6	16.0%	20.5%	10.6%	9.0%	24.5%
ZIGExN Co., Ltd.	125.7	51.9%	61.7%	61.5%	49.8%	36.3%
eBay Inc.	12,802.1	3.8%	6.5%	-2.3%	4.5%	6.5%
Schibsted ASA	2,868.9	3.3%	0.7%	0.9%	4.9%	6.9%
Trade Me Group Limited	185.7	8.6%	10.9%	9.2%	7.7%	6.6%
Average		18.6%	37.9%	14.0%	13.7%	16.1%
Median		15.4%	19.3%	10.6%	10.6%	10.6%
Adjusted Average (at 80% confidence level)		11.8%	19.3%	9.2%	10.1%	14.1%
Adjusted Median (at 80% confidence level)		14.8%	16.6%	10.5%	9.8%	9.8%

Source: Capital IQ and BDOCF analysis

Notes:

1. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.

APPENDIX 4: COMPARABLE COMPANY GROWTH AND MARGINS [cont'd]

Online Information Portals - EBITDA Growth

Company Name	EBITDA LTM AUDm	EBITDA Growth CAGR -4Y	EBITDA Growth FY-3	EBITDA Growth FY-2	EBITDA Growth FY-1	EBITDA Growth FY
Lifull Co., Ltd.	36.3	n/a	48.4%	11.1%	-42.2%	n/a
REA Group Limited	393.3	23.4%	39.9%	24.7%	22.3%	8.6%
Rightmove plc	337.9	15.4%	19.8%	15.8%	15.4%	10.9%
Auto Trader Group plc	410.2	14.3%	6.5%	22.6%	21.0%	8.0%
carsales.com Ltd	177.8	9.9%	16.7%	11.1%	9.7%	2.5%
Scout24 AG	381.5	70.3%	171.5%	122.4%	20.8%	15.2%
51job, Inc.	208.6	14.8%	11.2%	8.6%	7.2%	34.1%
SEEK Limited	369.4	7.7%	24.8%	15.4%	1.2%	-7.5%
ZIGExN Co., Ltd.	43.9	39.8%	43.6%	37.0%	45.1%	33.9%
eBay Inc.	3,887.2	0.1%	2.6%	-6.8%	4.9%	0.0%
Schibsted ASA	417.7	10.0%	-20.6%	69.1%	-14.4%	27.6%
Trade Me Group Limited	128.5	3.7%	1.5%	2.2%	2.3%	9.0%
Average		18.4%	26.2%	27.6%	10.3%	16.5%
Median		14.3%	11.2%	15.8%	8.6%	14.0%
Adjusted Average (at 80% confidence level)		13.2%	11.6%	18.2%	9.1%	14.2%
Adjusted Median (at 80% confidence level)		12.2%	11.2%	12.8%	8.6%	14.0%

Source: Capital IQ and BDOCF analysis

Notes:

1. Adjusted average and median are calculated excluding the data highlighted in grey, as they are outside the 80% confidence interval.

APPENDIX 5: COMPARABLE COMPANY DESCRIPTIONS

Hybrid Aggregators and Online Information Portals

Company Name	Business Description
Expedia Group, Inc.	Expedia Group, Inc., together with its subsidiaries, operates as an online travel company in the United States and internationally. It operates through Core OTA, Trivago, HomeAway, and Egencia segments. The company facilitates the booking of hotel rooms, airline seats, car rentals, and destination services from its travel suppliers; and acts as an agent in the transactions. It serves leisure and corporate travelers, including travel agencies, tour operators, travel supplier direct websites and their call centers; consolidators and wholesalers of travel products and services; online portals and search websites; and travel metasearch websites, mobile travel applications, social media websites, as well as traditional consumer e-commerce and group buying websites. The company also engages in advertising and media business. The company was formerly known as Expedia, Inc. and changed its name to Expedia Group, Inc. in March 2018. Expedia Group, Inc. was founded in 1996 and is headquartered in Bellevue, Washington.
Booking Holdings Inc.	Booking Holdings Inc. provides online travel and related services in the United States, the Netherlands, and internationally. It operates Booking.com, which provides online accommodation reservation services; offers hotel, rental car, and airline ticket reservation services, as well as vacation packages and cruises under the priceline.com brand through its Name Your Own Price and Express Deals travel services; and operates KAYAK, a meta-search service allowing consumers to easily search and compare travel itineraries and prices, including airline ticket, accommodation, and rental car reservation information. The company also operates agoda.com, which provides online accommodation reservation services; Rentalcars.com that offers rental car reservation services; and OpenTable that offers restaurant reservation and information services to consumers and restaurant reservation management, as well as customer acquisition services to restaurants. As of December 31, 2017, it operated in approximately 220 countries and territories. The company was formerly known as The Priceline Group Inc. and changed its name to Booking Holdings Inc. in February 2018. Booking Holdings Inc. was founded in 1997 and is headquartered in Norwalk, Connecticut.
TripAdvisor, Inc.	TripAdvisor, Inc. operates as an online travel company. The company operates in two segments, Hotel and Non-Hotel. Its travel platform aggregates reviews and opinions of members about destinations, accommodations, activities and attractions, and restaurants, which enables users to research and plan their travel experiences, as well as book hotels, flights, cruises, vacation rentals, tours, activities and attractions, and restaurant reservations on its site or mobile app, or on the site or app of travel partner sites. The company operates TripAdvisor-branded Websites, including tripadvisor.com in the United States; and localized versions of the Website in 48 markets and 28 languages. It also manages and operates 20 other media brands that provide users the comprehensive travel-planning and trip-taking resources in the travel industry, such as airfarewatchdog.com, bookingbuddy.com, citymaps.com, cruisecritic.com, familyvacationcritic.com, flipkey.com, thefork.com, gateguru.com, holidaylettings.co.uk, holidaywatchdog.com, housetrip.com, jetsetter.com, niumba.com, onetime.com, oyster.com, seatguru.com, smartertravel.com, tingo.com, vacationhomerentals.com, and viator.com. The company's Websites feature 600 million reviews and opinions on 7.5 million places comprising 1.2 million hotels, inns, B&Bs, and specialty lodging; 750,000 vacation rentals; 4.6 million restaurants; and 915,000 activities and attractions worldwide. TripAdvisor, Inc. was founded in 2000 and is headquartered in Needham, Massachusetts.

APPENDIX 5: COMPARABLE COMPANY DESCRIPTIONS [cont'd]

Hybrid Aggregators and Online Information Portals

Company Name	Business Description
lastminute.com N.V.	lastminute.com N.V. operates in the online travel industry. The company operates through Online Travel Agency (OTA), Metasearch, and Other segments. It provides mobile apps and Websites in approximately 17 languages, which enable travelers to search, compare, and book flights, vacation packages and cruises, hotel accommodations, car rentals, and other travel products and services. The company also offers ancillary travel-related services, such as insurance policies, prearranged airport parking, transfers, and online check-in services, as well as distinctive proprietary products comprising Full Flex, an assistance package that facilitates customers to purchase flight tickets. In addition, it directs traffic from its Websites to the sites of the OTAs, airlines, and other direct providers. The company operates its sites under the lastminute.com, Bravofly, Rumbo, Volagratis, and Jetcost brands. lastminute.com N.V. offers its products and services in approximately 40 countries. The company was formerly known as Bravofly Rumbo Group N.V. and changed its name to lastminute.com N.V. in May 2015. lastminute.com N.V. was founded in 2004 and is based in Amsterdam, the Netherlands.
Kakaku.com, Inc.	Kakaku.com, Inc. provides purchase support, restaurant review, and other services in Japan. The company operates kakaku.com, which provides a range of information on prices and specifications, as well as word-of-mouth reviews of various products and services, such as computers, home appliances, Internet service providers, insurance, food/beverages, and cosmetics. It also operates tabelog.com, a restaurant discovery and reservation site. In addition, the company offers services and apps for hotel deals and last minute discounts; lifestyle media; information, commentary, and forecast on foreign exchange market; and job classifieds. Further, it provides travel review and comparison site; online residential real estate portal; movie discovery platform; photo sharing community platform; online media for car lovers and men's fashion; online travel information media; style information and community site; highway and overnight bus price comparison site; comparison site for the cheapest bus, airline, and bullet train tickets; and online media for bus trips, travel, and sightseeing. Kakaku.com, Inc. was founded in 1997 and is headquartered in Tokyo, Japan.

Source: Capital IQ and BDOCF analysis

For personal use only

APPENDIX 5: COMPARABLE COMPANY DESCRIPTIONS [cont'd]

Online Information Portals

Company Name	Business Description
REA Group Limited	REA Group Limited provides advertising services to the real estate industry in Australia and Asia. It advertises property and property-related services on Websites and mobile apps. The company operates Australian residential, commercial, and share property sites, such as realestate.com.au, realcommercial.com.au, and Flatmates.com.au; Chinese property site myfun.com; and various property portals in Asia. It also provides advertising services to the real estate industry. The company was formerly known as realestate.com.au Ltd. and changed its name to REA Group Limited in December 2008. REA Group Limited was founded in 1995 and is headquartered in Richmond, Australia. REA Group Limited is a subsidiary of News Limited.
Rightmove plc	Rightmove plc operates property portal in the United Kingdom. The company operates through Agency, New Homes, and Other segments. The Agency segment offers resale and lettings property advertising services on its platforms. The New Homes segment provides property advertising services to new home developers and housing associations on its platforms. The Other segment offers overseas and commercial property advertising services; and non-property advertising services, which include third party and consumer services, as well as data services. The company serves estate agents, lettings agents, and new homes developers. Rightmove plc was founded in 2000 and is headquartered in Milton Keynes, the United Kingdom.
ZPG Plc	ZPG Plc owns and operates home-related digital platforms in the United Kingdom. It operates through Property and Comparison segments. The company operates platforms under the Zoopla, uSwitch, PrimeLocation, money.co.uk, hometrack, and The Property Software Group brands, which helps consumers to research the market. It also offers property advertising, display advertising, and data services to estate agents, lettings agents, and new homes developers; and switching services. The company was formerly known as Zoopla Property Group Plc and changed its name to ZPG Plc in February 2017. ZPG Plc was founded in 2007 and is headquartered in London, the United Kingdom. As of July 11, 2018, ZPG Plc was taken private.
Auto Trader Group plc	Auto Trader Group plc operates in the digital automotive marketplace in the United Kingdom and Ireland. It offers its products to retailers and home traders, and logistics firms; vehicle advertisement on its Websites for private sellers, as well as insurance and loan financing products to consumers; and display advertising on its Websites for manufacturers and their advertising agencies. The company was founded in 1977 and is headquartered in Manchester, the United Kingdom.
carsales.com Ltd	carsales.com Ltd engages in online automotive, motorcycle, and marine classifieds business primarily in Australia. The company operates in four segments: Online Advertising Services, Data, Research and Services, International, and Finance and Related Services. The Online Advertising Services segment provides classified advertising that allows dealers and consumers to advertise automotive and nonautomotive goods and services for sale across the carsales network; and includes services, such as subscriptions, lead, and priority placement services across automotive and non-automotive Websites. It also offers display advertising services, including placing advertisements on carsales network Websites for corporate customers, such as automotive manufacturers/importers, finance and insurance companies, etc. In addition, this segment holds investments in tyresales.com.au, an online tyre retailer that allows consumers to transact and purchase tyres; and RedBook Inspect, which provides inspection services published online as part of classified advertisements. The Data, Research and Services segment offers software, analysis, research and reporting, valuation services, and Website development and hosting, as well as photography services to manufacturers/importers, dealers, industry bodies, and finance and insurance companies. The International segment engages in the online automotive classifieds and automotive data services businesses internationally. The Finance and Related Services segment provides finance arrangements for vehicles, boats, and other leisure items; vehicle procurement; and other related services to customers. The company was founded in 1997 and is headquartered in Richmond, Australia.

APPENDIX 5: COMPARABLE COMPANY DESCRIPTIONS [cont'd]

Online Information Portals

Company Name	Business Description
Scout24 AG	Scout24 AG operates digital marketplaces specializing in the real estate and automotive sectors in Germany and other European countries. The company operates through ImmobilienScout24 and AutoScout24 segments. The ImmobilienScout24 segment operates real estate classifieds portal for commercial and private customers for the sale and rental of real estate, as well as offers advertising services to third-party suppliers, such as insurance and financial service providers, utilities, or removal companies. The AutoScout24 segment operates classifieds portal for commercial and private customers for the sale of new and second-hand cars, as well as offers advertising services to third-party suppliers. Scout24 AG was founded in 1998 and is based in Munich, Germany.
51job, Inc.	51job, Inc., through its subsidiaries, provides integrated human resource services in the People's Republic of China. The company offers recruitment advertising services, including online recruitment services through its Websites comprising 51job.com, yingjiesheng.com, 51jingying.com, and lagou.com; and mobile applications that enable job seekers to access their accounts through mobile devices and utilize functions available on their Websites. It also provides other human resource related services, such as business process outsourcing that consist of social insurance and benefits processing, regulatory compliance with local governmental employment regulations, and payroll processing; and conducts training seminars in the business management, leadership, sales and marketing, human resource, negotiation skills, financial planning and analysis, public administration, manufacturing, secretarial, and other skills. In addition, the company offers campus recruitment services to corporations that seek to recruit college and university students; and placement and executive search services to employers seeking to attract talent and fill job vacancies. Further, it provides professional and scientific assessment tools that assist human resource departments in evaluating capabilities and dispositions of job candidates and existing employees, as well as offers talent assessment services; conducts general and customized surveys on salary, employee retention, and other human resource related topics; organizes and hosts annual human resource conferences and events; and provides support and administrative services to employers on select recruitment projects. The company serves multinational corporations, large national Chinese corporations, and the local Chinese enterprises. It offers its services through sales offices, and a national sales and customer service call center in Wuhan. 51job, Inc. was founded in 1998 and is based in Shanghai, the People's Republic of China.
SEEK Limited	SEEK Limited, together with its subsidiaries, provides online employment marketplace services in Australia and internationally. It operates through SEEK Asia Pacific & Americas and SEEK Investments segments. The company matches hirers and candidates with career opportunities and related services online; sources and places candidates into roles on the Internet; and distributes and provides higher education courses. It also provides advice in relation to career related education. The company was founded in 1997 and is headquartered in Melbourne, Australia.
ZIGExN Co., Ltd.	ZIGExN Co., Ltd. operates life media platform business in Japan. It operates Job change EX, a job change and job information site; Dispatch EX, a Website covering job information and agency information of staffing agencies and temporary staffing companies; Temporary EX, a temporary staffing information Website; Part-timer EX, a part time job search service site; Nurse recruitment EX, a nurse recruitment/job change site; and Pharmacist recruitment EX, a pharmacist recruitment information search site. The company also offers Renting Smocker, a search site for the real estate rental housing; Premium Smocker-ex, a search site for high-end rental condominiums; Mysumi EX, a site specialized in real estate sale, land use, and leasing management activities; Home purchase EX, a Website that provides information about new and used apartment houses/detached houses; and Moving quotation EX, a site that offers moving estimate of companies. In addition, it provides SmaRE, a marketing support tool, including a Website design specializing in the purchase and sale of real estate properties; Minorino, a used apartment trading portal specialized in renovating properties; and Provider EX, a comparison site that helps in choosing high-speed mobile communication. Further, the company offers Secondhand car EX, an used car information site; Car purchase EX, a comparison site for car purchase; Car-Tana, an used car export portal site; Marriage EX, a marital information portal; Travel EX, a domestic travel information site; Apple world, a portal for handling hotels; Hotelista, a hotel reservation Website; and SHOP ZIGExN, a new shopping site that allows customers to purchase overseas fashion items. ZIGExN Co., Ltd. was founded in 2006 and is headquartered in Tokyo, Japan.

APPENDIX 5: COMPARABLE COMPANY DESCRIPTIONS [cont'd]

Online Information Portals

Company Name	Business Description
eBay Inc.	eBay Inc. operates commerce platforms that connect various buyers and sellers worldwide. Its platforms enable sellers to organize and offer their inventory for sale; and buyers to find and purchase it virtually. The company's Marketplace platforms include its online marketplace at ebay.com and the eBay mobile apps; and StubHub platforms comprise its online ticket platform at stubhub.com, and the StubHub mobile apps and online ticket platform that connect fans with their favorite sporting events, shows, and artists, as well as enables them to buy and sell tickets. Its Classifieds platforms include a collection of brands, such as mobile.de, Kijiji, Gumtree, Marktplaats, eBay Kleinanzeigen, and others, which offer online classifieds to enable people find whatever they are looking for in their local communities. The company's platforms enable users to find, buy, sell, and pay for items through various online, mobile, and offline channels that include retailers, distributors, liquidators, import and export companies, auctioneers, catalog and mail-order companies, classifieds, directories, search engines, commerce participants, shopping channels, and networks. eBay Inc. was founded in 1995 and is headquartered in San Jose, California.
Schibsted ASA	Schibsted ASA, together with its subsidiaries, operates as a media company. It operates through Marketplaces, Publishing, and Growth segments. The company offers online classifieds services; and publishes single-copy print and online newspapers, and subscription-based newspapers. It is also involved in printing and distribution, as well as online personal finance, price comparison, online coupon, and online directory activities. In addition, the company operates Habitaclia.com, a real estate portal. It operates in Norway, Sweden, France, Spain, Latin America, Asia, Africa, other European countries, and internationally. The company was founded in 1839 and is headquartered in Oslo, Norway.
Trade Me Group Limited	Trade Me Group Limited, together with its subsidiaries, operates and manages an online marketplace and classified advertising platform in New Zealand. It operates through General Items, Classifieds, and Other segments. The General Items segment engages in an online marketplace business. The Classifieds segment operates classified advertising sites for motors, property, and jobs. The Other segment engages in the online advertising, travel, dating, payments gateway, life and health insurance comparison, and general insurance businesses. The company also provides online vehicle data services; real estate and employment services; and other ancillary services. Trade Me Group Limited was founded in 1999 and is headquartered in Wellington, New Zealand.

Source: Capital IQ and BDOCF analysis

APPENDIX 6: TRANSACTION MULTIPLES

Hybrid Aggregators and Online Information Portals

Acquirer	Target	Target Country	Date Announced	Date Closed	% Sought	Transaction Value (m)	Implied Enterprise Value (m)	Implied Equity Value (m)	Revenue Multiple	EBITDA Multiple	EBIT Multiple	EBITDA Margin	EBIT Margin	NPAT Margin
KDDI Corporation	Kakaku.com, Inc.	Japan	02-Aug-18	Pending	17%	975.9	5,561.9	5,801.2	9.4	18.3	19.7	51.3%	47.8%	32.4%
Red Ventures Holdco, LP	Baton Holding, LLC	United States	03-Jul-17	08-Nov-17	100%	2,115.9	1,875.4	1,733.7	3.0	14.2	24.5	21.2%	12.3%	NA
Mitula Group Limited	Kleding BV	Netherlands	03-Mar-17	02-Mar-17	100%	14.8	14.8	14.8	3.6	26.6	NA	13.3%	NA	NA
EASYVOYAGE SAS	TOOCAMP, SARL	France	13-Jan-16	18-Dec-15	57%	3.0	5.4	5.4	NA	NA	NA	NA	NA	NA
NEXT Co., Ltd. (nka:Lifull Co., Ltd.)	Trovit Search S.L.	Spain	07-Oct-14	28-Nov-14	100%	116.7	114.6	114.6	4.6	13.6	13.6	33.6%	33.4%	24.0%
Liberty USA Holdings, LLC	TripAdvisor, Inc.	United States	11-Dec-12	11-Dec-12	3%	285.2	8,348.3	8,461.6	12.0	28.5	29.8	42.1%	40.3%	25.0%
priceline.com Incorporated (nka:Booking Holdings Inc.)	Kayak Software Corporation	United States	08-Nov-12	21-May-13	100%	2,212.8	1,582.1	1,479.6	6.6	40.4	46.8	16.3%	14.0%	3.3%
Lagardère Active SAS	LeGuide.com S.A.	France	20-Aug-12	19-Sep-12	39%	48.3	93.7	117.0	2.3	10.1	9.4	23.1%	24.7%	NA
Dentsu Inc.	Kakaku.com, Inc.	Japan	23-May-12	31-May-12	15%	260.8	1,419.3	1,705.7	5.4	11.5	12.1	47.5%	44.9%	26.2%
Lagardère Active SAS	LeGuide.com S.A.	France	07-May-12	18-Jun-12	59%	77.7	102.2	126.7	2.6	9.4	9.2	28.0%	28.7%	NA
Apax Partners LLP; Apax USVII LP; Apax Europe VII	Baton Holding, LLC	United States	22-Jul-09	24-Aug-09	100%	680.5	633.4	669.2	3.4	12.7	17.6	26.5%	19.1%	10.0%
Average									5.3	18.5	20.3	30.3%	29.5%	20.1%
Median									4.1	13.9	17.6	27.3%	28.7%	24.5%
Average Excl. Outliers									5.1	18.2	19.3	29.9%	31.2%	28.2%
Median Excl. Outliers									4.1	16.3	19.7	27.4%	33.4%	28.2%

Source: Capital IQ and BDOCF analysis, nka - 'now known as'

Note: As the transaction involving Kakaku.com occurred after 9 May 2018, it has only been included in our implied multiples cross-check for the FMV of the Scrip Consideration in section 10.4.

APPENDIX 6: TRANSACTION MULTIPLES [cont'd]

Online Information Portals

Acquirer	Target	Target Country	Date Announced	Date Closed	% Sought	Transaction Value (m)	Implied Enterprise Value (m)	Implied Equity Value (m)	Revenue Multiple	EBITDA Multiple	EBIT Multiple	EBITDA Margin	EBIT Margin	NPAT Margin
Silver Lake	ZPG Plc	United Kingdom	11-May-18	11-Jul-18	100%	4,497.2	4,481.2	3,859.6	8.8	25.3	30.0	34.7%	29.3%	15.1%
SEEK Limited	SEEKAsia Limited	Cayman Islands	04-Mar-18	Pending	14%	156.6	1,215.9	1,138.9	NA	16.0	NA	NA	NA	NA
Zoopla Property Group Plc (nka:ZPG Plc)	The Property Software Group	United Kingdom	19-Apr-16	29-Apr-16	100%	144.2	138.3	86.7	4.7	14.7	NA	32.1%	NA	NA
Burda Digital GmbH	jameda GmbH	Germany	06-Nov-15	31-Dec-15	100%	69.8	71.5	31.8	11.4	42.6	NA	26.8%	NA	NA
The Priceline Group Inc. (nka:Booking Holdings Inc.)	OpenTable, Inc.	United States	13-Jun-14	24-Jul-14	100%	2,782.4	2,665.0	2,650.7	12.6	41.6	53.8	30.4%	23.5%	11.4%
carsales.com Ltd	SK ENCARSales.COM Ltd.	South Korea	06-Mar-14	15-Apr-14	50%	124.2	251.5	251.5	13.6	NA	24.8	NA	54.7%	NA
CoStar Group, Inc.	Apartments, LLC	United States	03-Mar-14	01-Apr-14	100%	632.3	655.1	NA	6.6	31.1	32.1	21.3%	20.7%	NA
Apax Partners LLP	Auto Trader Group plc	United Kingdom	21-Jan-14	04-Mar-14	50%	3,713.1	4,673.5	2,311.0	11.4	19.0	21.5	60.0%	53.0%	6.2%
HomeAway Pty. Ltd.	Stayz Pty Limited	Australia	04-Dec-13	05-Dec-13	100%	216.0	202.6	216.0	7.2	15.9	18.1	45.3%	39.8%	28.7%
Zillow, Inc. (nka:Zillow Group, Inc.)	StreetEasy, Inc.	United States	19-Aug-13	26-Aug-13	100%	55.3	54.7	NA	7.9	42.0	56.9	18.8%	13.9%	NA
The Kantar Group Limited	Press Index	France	04-Jul-12	13-Jul-12	88%	12.3	10.6	13.7	0.5	15.7	NM	3.1%	NA	NA
Average									8.5	26.3	33.4	30.7%	33.0%	15.3%
Median									8.8	25.3	30.0	31.2%	29.3%	15.1%
Average Excl. Outliers									8.5	26.3	33.4	30.7%	33.0%	15.3%
Median Excl. Outliers									8.8	25.3	30.0	31.2%	29.3%	15.1%

Source: Capital IQ and BDOCF analysis

Note: As the transaction involving ZPG Plc occurred after 9 May 2018, it has only been included in our implied multiples cross-check for the FMV of the Scrip Consideration in section 10.4.

APPENDIX 7: TRANSACTION TARGET COMPANY DESCRIPTIONS

Hybrid Aggregators and Online Information Portals

Buying Company	Target Company	Target description
KDDI Corporation	Kakaku.com, Inc.	Kakaku.com, Inc. provides purchase support, restaurant review, and other services in Japan. The company operates kakaku.com, which provides a range of information on prices and specifications, as well as word-of-mouth reviews of various products and services, such as computers, home appliances, Internet service providers, insurance, food/beverages, and cosmetics. It also operates tabelog.com, a restaurant discovery and reservation site. In addition, the company offers services and apps for hotel deals and last minute discounts; lifestyle media; information, commentary, and forecast on foreign exchange market; and job classifieds. Further, it provides travel review and comparison site; online residential real estate portal; movie discovery platform; photo sharing community platform; online media for car lovers and men's fashion; online travel information media; style information and community site; highway and overnight bus price comparison site; comparison site for the cheapest bus, airline, and bullet train tickets; and online media for bus trips, travel, and sightseeing. Kakaku.com, Inc. was founded in 1997 and is headquartered in Tokyo, Japan.
Red Ventures Holdco, LP	Baton Holding, LLC	Baton Holding, LLC publishes, aggregates, and distributes personal finance content on the Internet. It provides personal finance editorial content across credit cards, mortgages, deposits, senior care, and other categories. The company's flagship Websites CreditCards.com, Bankrate.com, and Caring.com are content destinations and connect its audience with financial service and senior care providers, and contextually relevant advertisers. Its Credit Cards segment offers information and comparison capabilities of consumer and business credit and prepaid cards; and hosts news and advice on personal finance, credit card, and bank policies, as well as tools and calculators to estimate credit scores and card benefits. The company's Banking segment offers information on rates for mortgages, home lending, and refinancing; and rate information and original editorial content on various deposit products, such as money markets, savings, and certificates of deposit, as well as retirement, taxes, and debt management. This segment also provides original articles on topics related to the housing market and loan refinancing; online analytic tools to calculate investment values; and content on topics, such as retirement 401(k) accounts, social security, tax deductions and exemptions, auto loans, debt consolidation, and credit risk. Its Senior Care segment provides visitors with information on senior care services and support; and articles, helpful tools, and an online senior living community directory, as well as offers a local directory covering other senior caregiving services. Baton Holding, LLC also develops and provides content, tools, Web services, and co-branded Websites to approximately 100 online partners, including personal finance sites. The company was formerly known as iBankrate, Inc. The company was founded in 1976 and is headquartered in New York, New York. Baton Holding, LLC operates as a subsidiary of Red Ventures Holdco, LP.
Mitula Group Limited	Kleding BV	Kleding BV owns and operates fashion vertical search sites under the Kleding.nl and Fashiola brands. The company is based in Nijverdal, the Netherlands. As of March 2, 2017, Kleding BV operates as a subsidiary of Mitula Group Limited.
EASYVOYAGE SAS	TOOCAMP, SARL	TOOCAMP, SARL operates a camping comparison site. The company was incorporated in 2008 and is based in Le Tholonet, France. As of December 18, 2015, TOOCAMP, SARL operates as a subsidiary of EASYVOYAGE SAS.

APPENDIX 7: TRANSACTION TARGET COMPANY DESCRIPTIONS [cont'd]

Hybrid Aggregators and Online Information Portals

Buying Company	Target Company	Target description
NEXT Co., Ltd. (nka:Lifull Co., Ltd.)	Trovit Search S.L.	Trovit Search S.L. operates a search engine for classified advertisements of real estate, jobs, cars, and vacation rentals for users worldwide. It offers Trovit, a search platform that brings classified advertisements from across the Web. The company was founded in 2006 and is based in Barcelona, Spain. As of November 28, 2014, Trovit Search S.L. operates as a subsidiary of NEXT Co., Ltd.
Liberty USA Holdings, LLC	TripAdvisor, Inc.	TripAdvisor, Inc. operates as an online travel company. The company operates in two segments, Hotel and Non-Hotel. Its travel platform aggregates reviews and opinions of members about destinations, accommodations, activities and attractions, and restaurants, which enables users to research and plan their travel experiences, as well as book hotels, flights, cruises, vacation rentals, tours, activities and attractions, and restaurant reservations on its site or mobile app, or on the site or app of travel partner sites. The company operates TripAdvisor-branded Websites, including tripadvisor.com in the United States; and localized versions of the Website in 48 markets and 28 languages. It also manages and operates 20 other media brands that provide users the comprehensive travel-planning and trip-taking resources in the travel industry, such as airfarewatchdog.com, bookingbuddy.com, citymaps.com, cruisecritic.com, familyvacationcritic.com, flipkey.com, thefork.com, gateguru.com, holidaylettings.co.uk, holidaywatchdog.com, housetrip.com, jetsetter.com, niumba.com, onetime.com, oyster.com, seatguru.com, smartertravel.com, tingo.com, vacationhomerentals.com, and viator.com. The company's Websites feature 600 million reviews and opinions on 7.5 million places comprising 1.2 million hotels, inns, B&Bs, and specialty lodging; 750,000 vacation rentals; 4.6 million restaurants; and 915,000 activities and attractions worldwide. TripAdvisor, Inc. was founded in 2000 and is headquartered in Needham, Massachusetts.
priceline.com Incorporated (nka:Booking Holdings Inc.)	Kayak Software Corporation	Kayak Software Corporation provides online travel search services in the United States and internationally. It enables users to find flights, hotels, rental cars, and vacation packages. The company also offers Mobile Travel App that enables users to search various travel sites on their tablets or smartphones. Kayak Software Corporation was founded in 2004 and is headquartered in Norwalk, Connecticut with a business office in London, United Kingdom. It has technology centers in Cambridge and Concord, Massachusetts; Berlin, Germany; Zurich, Switzerland; and Kaunas, Lithuania. As of May 21, 2013 Kayak Software Corporation operates as a subsidiary of The Priceline Group Inc.
Lagardère Active SAS	LeGuide.com S.A.	LeGuide.com S.A. provides shopping comparison sites for e-consumers in France, Germany, the United Kingdom, Italy, and Spain. The company creates shopping search engines, price comparison sites, shopping guides, and directories. It operates LeGuide.com, Ciao, Choozen, Webmarchand, and dooyoo sites. The company also offers merchant solutions that help generate high response and conversion rates through targeted e-commerce integration services; and advertising solutions, which provide advertising placements and targeted sales approaches across a brand portfolio of brands. LeGuide.com S.A. was founded in 1998 and is headquartered in Paris, France. As of September 30, 2016, LeGuide.com S.A. operates as a subsidiary of Kelkoo S.A.S.

APPENDIX 7: TRANSACTION TARGET COMPANY DESCRIPTIONS [cont'd]

Hybrid Aggregators and Online Information Portals

Buying Company	Target Company	Target description
Dentsu Inc.	Kakaku.com, Inc.	Kakaku.com, Inc. provides purchase support, restaurant review, and other services in Japan. The company operates kakaku.com, which provides a range of information on prices and specifications, as well as word-of-mouth reviews of various products and services, such as computers, home appliances, Internet service providers, insurance, food/beverages, and cosmetics. It also operates tabelog.com, a restaurant discovery and reservation site. In addition, the company offers services and apps for hotel deals and last minute discounts; lifestyle media; information, commentary, and forecast on foreign exchange market; and job classifieds. Further, it provides travel review and comparison site; online residential real estate portal; movie discovery platform; photo sharing community platform; online media for car lovers and men’s fashion; online travel information media; style information and community site; highway and overnight bus price comparison site; comparison site for the cheapest bus, airline, and bullet train tickets; and online media for bus trips, travel, and sightseeing. Kakaku.com, Inc. was founded in 1997 and is headquartered in Tokyo, Japan.
Lagardère Active SAS	LeGuide.com S.A.	LeGuide.com S.A. provides shopping comparison sites for e-consumers in France, Germany, the United Kingdom, Italy, and Spain. The company creates shopping search engines, price comparison sites, shopping guides, and directories. It operates LeGuide.com, Ciao, Choozen, Webmarchand, and dooyoo sites. The company also offers merchant solutions that help generate high response and conversion rates through targeted e-commerce integration services; and advertising solutions, which provide advertising placements and targeted sales approaches across a brand portfolio of brands. LeGuide.com S.A. was founded in 1998 and is headquartered in Paris, France. As of September 30, 2016, LeGuide.com S.A. operates as a subsidiary of Kelkoo S.A.S.
Apax Partners LLP; Apax USVII LP; Apax Europe VII	Baton Holding, LLC	Baton Holding, LLC publishes, aggregates, and distributes personal finance content on the Internet. It provides personal finance editorial content across credit cards, mortgages, deposits, senior care, and other categories. The company’s flagship Websites CreditCards.com, Bankrate.com, and Caring.com are content destinations and connect its audience with financial service and senior care providers, and contextually relevant advertisers. Its Credit Cards segment offers information and comparison capabilities of consumer and business credit and prepaid cards; and hosts news and advice on personal finance, credit card, and bank policies, as well as tools and calculators to estimate credit scores and card benefits. The company’s Banking segment offers information on rates for mortgages, home lending, and refinancing; and rate information and original editorial content on various deposit products, such as money markets, savings, and certificates of deposit, as well as retirement, taxes, and debt management. This segment also provides original articles on topics related to the housing market and loan refinancing; online analytic tools to calculate investment values; and content on topics, such as retirement 401(k) accounts, social security, tax deductions and exemptions, auto loans, debt consolidation, and credit risk. Its Senior Care segment provides visitors with information on senior care services and support; and articles, helpful tools, and an online senior living community directory, as well as offers a local directory covering other senior caregiving services. Baton Holding, LLC also develops and provides content, tools, Web services, and co-branded Websites to approximately 100 online partners, including personal finance sites. The company was formerly known as iBankrate, Inc. The company was founded in 1976 and is headquartered in New York, New York. Baton Holding, LLC operates as a subsidiary of Red Ventures Holdco, LP.

Source: Capital IQ and BDOCF analysis

APPENDIX 7: TRANSACTION TARGET COMPANY DESCRIPTIONS [cont'd]

Online Information Portals

Buying Company	Target Company	Target description
Silver Lake	ZPG Plc	ZPG Plc owns and operates home-related digital platforms in the United Kingdom. It operates through Property and Comparison segments. The company operates platforms under the Zoopla, uSwitch, PrimeLocation, money.co.uk, hometrack, and The Property Software Group brands, which helps consumers to research the market. It also offers property advertising, display advertising, and data services to estate agents, lettings agents, and new homes developers; and switching services. The company was formerly known as Zoopla Property Group Plc and changed its name to ZPG Plc in February 2017. ZPG Plc was founded in 2007 and is headquartered in London, the United Kingdom. As of July 11, 2018, ZPG Plc was taken private.
SEEK Limited	SEEKAsia Limited	SEEKAsia Limited owns and operates online job recruitment portals. The company was founded in 2010 and is based in Cayman Islands. SEEKAsia Limited operates as a subsidiary of SEEK Limited.
Zoopla Property Group Plc (nka:ZPG Plc)	The Property Software Group	The Property Software Group develops and supplies software and media solutions to the property industry. It offers lettings, property management, accounting, and estate agency software for property managers, letting agents, and estate agents in the United Kingdom; EncoreLive, a system for residential estate agents; websites for single-office agencies and multi-office networks in residential sales, lettings, and commercial environments; web design services; and a consumer facing property portal. The Property Software Group was formerly known as GMG Property Services Group and changed its name to The Property Software Group in December 2013. The company was founded in 2007 and is based in Luton, United Kingdom. As of April 29, 2016, The Property Software Group operates as a subsidiary of Zoopla Property Group Plc.
Burda Digital GmbH	jameda GmbH	jameda GmbH operates a physician rating and search platform in Germany for patients. It helps allows patients to make their appointments online. The company was founded in 2007 and is based in Munich, Germany. As of December 2015, jameda GmbH operates as a subsidiary of Burda Digital GmbH.
The Priceline Group Inc. (nka:Booking Holdings Inc.)	OpenTable, Inc.	OpenTable, Inc. provides online restaurant reservation solutions for customers in the United States, Canada, Germany, Japan, Mexico, and the United Kingdom. Its network connects restaurants and diners by helping diners to discover and book the perfect table, and restaurants to deliver personalized hospitality to keep guests coming back. The company offers a website and mobile applications that enable diners to see which restaurants have available tables; select a restaurant based on verified diner reviews, menus, and other helpful information; and book a reservation. It also allows restaurants to manage their reservation book, streamline their operations, and enhance their service levels. In addition, the company powers online reservations for various partners, including Internet's popular global and local brands. OpenTable, Inc. was founded in 1998 and is headquartered in San Francisco, California with locations in London, United Kingdom; Tokyo, Japan; Mexico City, Mexico; Barcelona, Spain; Frankfurt, Germany. As of July 24, 2014, OpenTable, Inc. operates as a subsidiary of The Priceline Group Inc.
carsales.com Ltd	SK ENCARSALES.COM Ltd.	SK ENCARSALES.COM Ltd. offers on-line used car advertising; vehicle history and pricing information services; dealer support solution services; including sales and stock management; and auto trade consulting services. The company was founded in 2014 and is based in South Korea. As of January 19, 2018, SK ENCARSALES.COM Ltd. operates as a subsidiary of carsales.com Ltd.

Source: Capital IQ and BDOCF analysis

APPENDIX 7: TRANSACTION TARGET COMPANY DESCRIPTIONS [cont'd]

Online Information Portals

Buying Company	Target Company	Target description
CoStar Group, Inc.	Apartments, LLC	Apartments, LLC operates an online resource for individuals looking for an apartment for rent. Its Website integrates directly with property management companies' inventory systems to ensure renters are presented with the up-to-date pricing and availabilities; and operates as an advertising destination for professional property owners and management companies, private landlords, and classified listings. The company was founded in 1992 and is headquartered in Chicago, Illinois. As of April 1, 2014, Apartments, LLC operates as a subsidiary of CoStar Group Inc.
Apax Partners LLP	Auto Trader Group plc	Auto Trader Group plc operates in the digital automotive marketplace in the United Kingdom and Ireland. It offers its products to retailers and home traders, and logistics firms; vehicle advertisement on its Websites for private sellers, as well as insurance and loan financing products to consumers; and display advertising on its Websites for manufacturers and their advertising agencies. The company was founded in 1977 and is headquartered in Manchester, the United Kingdom.
HomeAway Pty. Ltd.	Stayz Pty Limited	Stayz Pty Limited operates a holiday rental Website that connects homeowners and property managers with travelers who seek the space, value, and facilities of holiday rentals instead of hotels. Its Website allows property owners to list and promote holiday accommodation, and receive and manage enquiries in relation to their property; and guests to search and compare various holiday rentals across Australia. The company's Website enables is audiences, including owners and property managers, and holiday rental bookers to list and search various property types, including apartments, backpackers, bed and breakfast facilities, caravans, cottages/lodges/villas, farm stays, hotels, houses, resorts, and serviced apartments for various themes, such as cheap, executive, family holiday, large groups, pet friendly, romantic/honeymoon, short term rentals, wedding venues, weekend getaway, and wheelchair access. Stayz Pty Limited was formerly known as Web Options Pty Limited and changed its name to Stayz Pty Limited in April 2006. The company was founded in 2001 and is based in Sydney, Australia. Stayz Pty Limited operates as a subsidiary of HomeAway Pty. Ltd.
Zillow, Inc. (nka:Zillow Group, Inc.)	StreetEasy, Inc.	StreetEasy, Inc. provides for-sale and for-rent listings and information of real estate properties in New York. It offers information primarily about condos, co-ops, new developments, and luxury real estate through its Website and mobile application. The company was formerly known as NMD Interactive, Inc. and changed its name to StreetEasy, Inc. in August 2013. The company was incorporated in 2005 and is headquartered in New York, New York. StreetEasy, Inc. operates as a subsidiary of Zillow Group, Inc.
The Kantar Group Limited	Press Index	Press Index operates as a media monitoring agency worldwide. It operates Pickanews, a search engine that allows users to search information by keyword, type of publication, or subject. The company offers multi-channel media monitoring service, which include online, print, and social media coverage, as well as broadcast clips in selected markets primarily for PR agencies and communications professionals. Its media monitoring service also allows to research media coverage, new trends or topics, monitor competitors, or specific industry sectors. In addition, the company provides press reviews, crisis and control monitoring, social media monitoring, and media analysis services. It serves various industries, such as consumer, healthcare, entertainment, beauty, financial, non-profit, and technology industries. The company is based in Boulogne, France. As of July 13, 2012, Press Index operates as a subsidiary of The Kantar Group Limited.

Source: Capital IQ and BDOCF analysis

APPENDIX 8: GLOSSARY

Term	Definition
<i>1Hxx</i>	First half of financial year 20xx
<i>Act</i>	Corporations Act 2001 (Cth)
<i>AdSense</i>	Google AdSense
<i>APAC</i>	Asia Pacific and the Americas
<i>APES 225</i>	Accounting Professional & Ethical Standards Board Limited issued professional standard APES 225 on valuation services
<i>ASIC</i>	Australian Securities and Investments Commission
<i>ASX</i>	Australian Securities Exchange
<i>AUASB</i>	Australian Auditing And Assurance Standards Board
<i>AUD</i>	Australian Dollar
<i>BDOCF, we or us</i>	BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170)
<i>CAGR</i>	Compounded annual growth rate
<i>Cash Consideration</i>	Cash consideration payable by LIFULL of \$0.80 per Mitula share
<i>COE</i>	Capitalisation of earnings
<i>Combined Group</i>	The combined businesses of Mitula, Trovit and LIFULL's other businesses
<i>CPC</i>	Cost-per-click sales
<i>CPL</i>	Cost-per-lead
<i>DCF</i>	Discounted cash flow method
<i>Deed</i>	Scheme implementation deed dated 9 May 2018
<i>Directors</i>	Directors of Mitula
<i>Downside Price Protection Mechanism</i>	Protects Mitula Shareholders from a decrease of up to 10.7% in the AUD equivalent price of LIFULL shares prior to implementation of the Proposed Scheme
<i>EBIT</i>	Earnings before interest and taxation
<i>EBITDA</i>	Earnings before interest, taxation, depreciation and amortisation
<i>EMEA</i>	Europe, Middle East and Africa
<i>EV</i>	Enterprise value
<i>FMV</i>	Fair market value
<i>FX</i>	Foreign exchange
<i>FYxx</i>	Financial year ended/ing 31 December 20xx
<i>JPY</i>	Japanese Yen
<i>LIFULL</i>	LIFULL Co., Ltd
<i>Management</i>	Management of Mitula
<i>Mitula or the Company</i>	Mitula Group Limited
<i>Mitula Shareholders</i>	Existing shareholders of Mitula
<i>NAV</i>	Net asset value
<i>NPAT</i>	Net profit after tax
<i>NPV</i>	Net present value
<i>Proposed Scheme</i>	Proposed scheme of arrangement to which LIFULL will acquire all of the shares in Mitula
<i>QMP</i>	Quoted market price
<i>Report or IER</i>	Independent expert's report
<i>RG 60</i>	ASIC Regulatory Guide 60: Schemes of arrangement
<i>RG 111</i>	ASIC Regulatory Guide 111: Content of expert reports
<i>RG 112</i>	ASIC Regulatory Guide 112: Independence of experts
<i>Scheme Booklet</i>	Mitula's scheme booklet in relation to the Proposed Scheme, dated 15 October 2018
<i>Scrip Consideration</i>	Scrip consideration of 0.0753 LIFULL shares for each Mitula share held to which the Cash Consideration does not apply, subject to the application of the Downside Price Protection Mechanism or the Upside Participation Cap.
<i>Share Exchange Ratio</i>	The ratio of new LIFULL shares to be received for each Mitula share held

For personal use only

Term	Definition
<i>Shareholders</i>	An individual who owns an interest in Mitula
<i>Trovit</i>	Trovit Search SL
<i>TSE</i>	Tokyo Stock Exchange
<i>Upside Participation Cap</i>	Allows Mitula Shareholders to retain up to 8.0% of any increase in the AUD equivalent price of LIFULL shares prior to implementation of the Proposed Scheme
<i>Valuation Date</i>	23 October 2018
<i>VWAP</i>	Volume weighted average Price

For personal use only

Investigating Accountant's Report

For personal use only



The Directors
Mitula Group Ltd
Suite 810, Level 8, 2 Queen Street
Melbourne, Victoria, Australia, 3000

The Directors
LIFULL Co., Ltd.
1-4-4 Kojimachi
Chiyoda-ku, Tokyo 102-0083, Japan

25 October 2018

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on the Combined Group's Pro Forma Historical Financial Information and Financial Services Guide

We have been engaged by Mitula Group Ltd (**Mitula**) and LIFULL Co., Ltd. (**LIFULL**) to report on the pro forma historical financial information of the new consolidated group formed by the merger of LIFULL and Mitula (the **Combined Group**) for the year ended 31 March 2018, for inclusion in the Scheme Booklet to be issued by Mitula dated on or about 25 October 2018 and relating to the proposed transaction under which the shares of Mitula will be acquired by LIFULL by way of a scheme of arrangement (the **Merger**).

Expressions and terms defined in the Scheme Booklet have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

Pro Forma historical financial information

You have requested PricewaterhouseCoopers Securities Ltd to review the following pro forma historical financial information of the Combined Group included in the Scheme Booklet:

- the pro forma Statement of Financial Performance for the Combined Group for the year ended 31 March 2018;
- the pro forma Statement of Financial Position for the Combined Group as at 31 March 2018; and

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572

*Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au*

For personal use only



- the pro forma Statement of Cash Flows for the Combined Group for the year ended 31 March 2018.

The financial information for the Combined Group that is disclosed in the Scheme Booklet is collectively referred to as the **Pro Forma Historical Financial Information**. It includes the pro forma historical information as if Mitula was owned by LIFULL from 1 April 2017 in the case of Statements of Financial Performance and Statement of Cash flows, and 31 March 2018 in the case of Statement of Financial Position.

The Pro Forma Historical Financial Information has been derived from the aggregated historical financial information of Mitula and LIFULL, after adjusting for the effects of pro forma adjustments described in section 8.7 of the Scheme Booklet. The historical financial information of LIFULL has been extracted from the interim financial reports for the six months ended 30 September 2017 and 31 March 2018 which have been audited and reviewed respectively by PricewaterhouseCoopers Aarata LLC in accordance with auditing standards generally accepted in Japan (Japanese GAAS). PricewaterhouseCoopers Aarata LLC issued an unmodified opinion on the financial report for each period. The historical financial information of Mitula has been derived from Mitula's financial statements for the year ended 31 December 2017, and financial statements for the six months ended 30 June 2017 and 30 June 2018 which have been audited and reviewed respectively by PricewaterhouseCoopers in accordance with Australian auditing standards. PricewaterhouseCoopers issued an unmodified opinion on the financial report in each period.

The stated basis of preparation is the recognition and measurement principles contained International Financial Reporting Standards (**IFRS**) and LIFULL's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 8.7 of the Scheme Booklet, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Combined Group's actual or prospective financial position, financial performance, and cash flows.

Directors' responsibility

The directors of the LIFULL are responsible for the preparation of the pro forma historical financial information, including its basis of preparation and the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and Pro Forma Historical Financial Information that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.



A review 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 reasonable 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.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of the Combined Group as described in section 8.7 of the Scheme Booklet, and comprising:

- the pro forma Statement of Financial Performance for the Combined Group for the year ended 31 March 2018;
- the pro forma Statement of Financial Position for the Combined Group as at 31 March 2018;
- the pro forma Statement of Cash Flows for the Combined Group for the year ended 31 March 2018;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 8.7 of the Scheme Booklet being the recognition and measurement principles contained in IFRS and the LIFULL's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 8.7 of the Scheme Booklet, as if those events or transactions had occurred as at the date of the historical financial information.

Emphasis of Matter

We draw attention to section 8.7(c) of the Scheme Booklet which sets out that in preparing the Financial Information provisional amounts have been recognised for the fair values of acquired assets and liabilities in accordance with AASB3 Business Combinations.

Accordingly, the Financial Information does not necessarily contain all of the adjustments to the reported amounts of assets and liabilities that will be required to reflect their final fair values and in particular does not necessarily recognise the final fair value of identifiable intangible assets separately to goodwill. Consequently, the pro forma historic income statements of the Combined Group include estimated depreciation and amortisation amounts based on the provisional amounts, and do not necessarily reflect the depreciation and amortisation charges that would be required had final fair value amounts been recognised.

Our opinion is not modified in respect of this matter.



Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with Australian Auditing Standards applicable to review engagements.

This report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. We do not hold any financial services licence or other licence outside Australia. We are not recommending or making any representation as to suitability of any investment to any person.

Restriction on Use

Without modifying our conclusions, we draw attention to section 8.7 of the Scheme Booklet which describes the purpose of the financial information, being for inclusion in the Scheme Booklet. As a result, the financial information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Scheme Booklet. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Scheme Booklet.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A Welsh', is written over a light blue horizontal line.

Andy Welsh
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

For personal use only



Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 25 October 2018

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572 (**PwCS**)) has been engaged by Mitula Group Ltd and LIFULL Co., Ltd. to provide a report in the form of an Independent Limited Assurance Report (the **Report**) in relation to the proposed transaction under which the shares of Mitula will be acquired by LIFULL by way of a scheme of arrangement (the **Merger**) for inclusion in the Scheme Booklet dated 25 October 2018.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide (**FSG**) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on a fixed basis and are \$ 200,000.



Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service (**FOS**), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.

8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Andy Welsh
PwC 2 Riverside Quay, Southbank VIC 3006

For personal use only

Scheme

For personal use only

Scheme of Arrangement

Baker & McKenzie
ABN 32 266 778 912
Level 19
181 William Street
Melbourne VIC 3000
Australia
www.bakermckenzie.com
Richard Lustig/Robert Gough

Scheme of Arrangement

Parties

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth) between:

- (a) **Mitula Group Limited** (ABN 82 604 677 796) of Suite 810, Level 8, 2 Queen Street, Melbourne, Victoria, 3000 Australia (**Target**)
- (b) Each person who holds one or more Scheme Shares (**Scheme Shareholders**).

Background

- A Target is a company limited by shares and is admitted to the official list of ASX.
- B LIFULL Co., Ltd. (**Bidder**) is a public company limited by shares and its common shares are listed on the first section of TSE.
- C On 9 May 2018, Bidder and Target entered into the Implementation Deed pursuant to which, amongst other things, Target has agreed to propose this Scheme to the Scheme Shareholders, and each of Target and Bidder have agreed to take certain steps to give effect to this Scheme.
- D If this Scheme becomes Effective, then all the Scheme Shares will be transferred to Bidder and the Scheme Consideration will be provided to or on behalf of the Scheme Shareholders in accordance with the provisions of this Scheme.
- E Bidder has entered into the Deed Poll for the purposes of covenanting in favour of Scheme Shareholders to perform all actions attributed to it under this Scheme.

The parties agree:

1. Defined terms and interpretation

Definitions in the Dictionary

- 1.1 A term or expression starting with a capital letter:
 - (a) which is defined in the Dictionary in the Schedule (**Dictionary**), has the meaning given to it in the Dictionary; and
 - (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act.

Interpretation

- 1.2 The interpretation clause in the Schedule sets out rules of interpretation for this document.

2. Conditions

Conditions to the Scheme

- 2.1 The Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following:
 - (a) as at 8.00am on the Second Court Date, each of the conditions set out in clause 3.1 of the Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(d) of the Implementation Deed) have been satisfied or waived in accordance with the terms of the Implementation Deed;

- (b) as at 8.00am on the Second Court Date, neither the Implementation Deed nor the Deed Poll have been terminated in accordance with their terms;
- (c) the Court approves this Scheme under section 411(4)(b) of the Corporations Act;
- (d) subject to clause 8.14, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme have been satisfied or waived; and
- (e) the coming into effect of the Scheme Order, on or before the End Date.

Certificate

- 2.2 Target will provide to the Court on the Second Court Date a certificate signed by Bidder and Target (or such other evidence as the Court requests) stating whether or not the conditions referred to in clause 3.1 of the Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(d) of the Implementation Deed) have been satisfied or waived in accordance with the terms of the Implementation Deed as at 8.00am on the Second Court Date.
- 2.3 The certificate referred to in clause 2.2 constitutes conclusive evidence that the conditions referred to in clause 3.1 of the Implementation Deed (other than the condition relating to the approval of the Court set out in clause 3.1(d) of the Implementation Deed) were satisfied or waived in accordance with the terms of the Implementation Deed on or before 8.00am on the Second Court Date.

Termination

- 2.4 Without limiting any rights under the Implementation Deed, if the Implementation Deed is terminated in accordance with its terms before the Scheme becomes Effective, Target is released from any further obligation to take steps to implement the Scheme and any liability with respect to the Scheme (other than in respect of any Break Fee that may be payable by Target under terms of the Implementation Date).

3. The Scheme

- 3.1 Subject to clause 2.1, this Scheme takes effect for all purposes on the Effective Date.
- 3.2 This Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

4. Implementation of the Scheme

Lodgement of Scheme Order with ASIC

- 4.1 If the conditions in clauses 2.1(a) to 2.1(d) are satisfied, Target must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Order approving this Scheme as soon as possible after, and in any event by 7.00pm on the first Business Day after, the day on which the Court approves this Scheme.

Transfer of Scheme Shares

- 4.2 Subject to this Scheme becoming Effective, the following actions will occur (in the order set out below):
- (a) Bidder will provide the Scheme Consideration in the manner contemplated by clause 5; and

- (b) on the Implementation Date:
- (i) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by Target as attorney and agent for Scheme Shareholders under clause 8.1), by Target effecting a valid transfer or transfers of the Scheme Shares to Bidder under section 1074D of the Corporations Act or, if that procedure is not available for any reason, by:
 - (A) Target delivering to Bidder a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Target; and
 - (B) Bidder duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Target for registration; and
 - (ii) immediately following receipt of the Scheme Transfer in accordance with clause 4.2(b)(i)(B) or the transfer being effected under section 1074D of the Corporations Act (as the case may be), Target must enter, or procure the entry of, the name of Bidder in the Target Register in respect of all the Scheme Shares transferred to Bidder in accordance with this Scheme.

5. Scheme Consideration

Scheme Consideration

- 5.1 Subject to the terms of the Implementation Deed and this Scheme, the Scheme Consideration to be provided to each Scheme Shareholder will be as follows:
- (a) where that Scheme Shareholder has not made an Election, and is a Cut Off Date Shareholder:
 - (i) the Cash Consideration for each Cash Consideration Entitlement Share held by that Scheme Shareholder as at the Scheme Record Date; and
 - (ii) the Scrip Consideration for each other Scheme Share held by that Scheme Shareholder;
 - (b) where that Scheme Shareholder has not made an Election and is not a Cut Off Date Shareholder, the Scrip Consideration for all Scheme Shares held by that Scheme Shareholder; or
 - (c) where that Scheme Shareholder has made an Election, the Scrip Consideration for each Scheme Share held by that Scheme Shareholder.

Downside Price Protection Mechanism

- 5.2 The Downside Price Protection Mechanism applies if the Final Bidder Share Price is less than the Initial Bidder Share Price.
- 5.3 Subject to clause 5.4, if the Downside Price Protection Mechanism applies, the Scrip Consideration for each Scheme Share will be increased to equal:
- (a) 0.0753, being the ratio set out in the definition of Scrip Consideration;
 - (b) multiplied by the Initial Bidder Share Price; and

(c) divided by the Final Bidder Share Price,
rounded to 6 decimal places.

5.4 The maximum number of New Bidder Shares that a Scheme Shareholder will be entitled to receive under clause 5.3 for each Scheme Share will be capped at 0.084336, being the Scrip Consideration ratio multiplied by 112%.

Upside Participation Cap

5.5 The Upside Participation Cap applies if the Final Bidder Share Price is more than 8% higher than the Initial Bidder Share Price. To avoid any doubt, the Upside Participation Cap does not apply if the Final Bidder Share Price is equal to or less than 8% higher than the Initial Bidder Share Price.

5.6 If the Upside Participation Cap applies, then the Scrip Consideration for each Scheme Share will be reduced to equal:

- (a) 0.0753, being the ratio set out in the definition of Scrip Consideration;
- (b) multiplied by the Initial Bidder Share Price;
- (c) divided by the Final Bidder Share Price; and
- (d) multiplied by 108%,

rounded to 6 decimal places.

Election Mechanism

5.7 A Scheme Shareholder may make a valid election (such election being subject to the terms of the Implementation Deed and this Scheme) for the purposes of clause 5.1(c) (**Election**).

5.8 The Election Form must be in a form agreed between Target and Bidder and shall provide that (subject to clause 5.9):

- (a) a Scheme Shareholder may make only one Election in relation to a particular holding;
- (b) any Election by a Scheme Shareholder will apply to all of the Scheme Shares held by that Scheme Shareholder;
- (c) an Election may be made by a Scheme Shareholder by:
 - (i) completing the Election Form in accordance with the instructions specified on the form or set out in the Scheme Booklet; and
 - (ii) returning the completed Election Form in accordance with the instructions on it so that it is received by no later than the Election Date,

or by taking equivalent actions in electronic form if permitted by the Court at the first Court hearing by no later than the Election Date;

- (d) once made, an Election by a Scheme Shareholder may be varied at any time on or before the Election Date; and
- (e) if an Election is not made by a Scheme Shareholder on or prior to the Election Date, then that Scheme Shareholder will receive the Scheme Consideration in respect of their Scheme Shares in accordance with clause 5.1.

- 5.9 Notwithstanding any other provision of this Scheme, a Scheme Shareholder who:
- (a) can demonstrate to the satisfaction of both Target and Bidder (each acting reasonably) that it holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person; and
 - (b) provides a written notification to that effect to Target, in a form acceptable to Target (acting reasonably),

is entitled to the Scheme Consideration as if each parcel of Scheme Shares was held by a separate Scheme Shareholder, may make separate Elections in relation to each of those parcels, and an Election made in respect of one such parcel will not be taken to extend to the other parcels. To avoid any doubt, where a Scheme Shareholder holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person and makes separate Elections, Bidder will only be required to recognise the Scheme Shareholder as the party entitled to receive any Scheme Consideration.

- 5.10 Target must ensure that, to the extent reasonably practicable, Scheme Shareholders who have acquired Scheme Shares after the date of the dispatch of the Scheme Booklet can receive an Election Form on request to Target.

- 5.11 In order to facilitate the provision of the Scheme Consideration, Target must provide Bidder with:

- (a) a weekly update of the Elections that have been received;
- (b) details of the Final Elections made by each Scheme Shareholder, as soon as reasonably practicable after each of the Election Date and the Record Date (and must use best endeavours to ensure that the information is provided within one Business Day of the relevant date); and
- (c) a complete copy of the Target Register (which must include the name, registered address and registered holding of each Scheme Shareholder) as at each of the Cut Off Date, the date of the Scheme Booklet, the date of the Scheme Meeting and the Record Date:
 - (i) in respect of each of the Cut Off Date, the date of the Scheme Booklet and the date of the Scheme Meeting, as soon as reasonably practicable after the relevant date (and must use best endeavours to ensure that the information is provided within one Business Day after the relevant date); and
 - (ii) in respect of the Record Date, as soon as reasonably practicable on or after the Record Date (and must use best endeavours to ensure that the information is provided on the Record Date),

and such other information as Bidder may reasonably require to provide the Scheme Consideration in accordance with the Implementation Deed and the terms of this Scheme. Target acknowledges that a delay in providing Bidder with such information on or after the Election Date and the Record Date is likely to result in a delay in either or both of the Implementation Date and the Settlement Completion Date.

Election to receive Scrip Consideration

- 5.12 If a Scheme Shareholder has made an Election, the Scheme Shareholder will be entitled to receive the Scrip Consideration for each Scheme Share held by that Scheme Shareholder at the Record Date that is the subject of the Election.

Provision of Scheme Consideration – Cash Consideration

- 5.13 Bidder must, by no later than three Business Days before the Implementation Date, deposit in cleared funds an amount equal to the Aggregate Cash Consideration in an Australian dollar denominated trust account nominated by Target to Bidder in writing and operated by or on behalf of Target as trustee of the Scheme Shareholders who are entitled to receive the Cash Consideration, provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Bidder's account.
- 5.14 Subject to Bidder having complied with clause 5.13, Target must, on the Implementation Date and from the trust account referred to in clause 5.13, pay or procure the payment to each Scheme Shareholder who is entitled to receive the Cash Consideration, that part of the Aggregate Cash Consideration attributable to that Scheme Shareholder, based on the number of Scheme Shares held by that Scheme Shareholder as at the Record Date.
- 5.15 Target's obligation under clause 5.14 will be satisfied by Target:
- (a) where a Scheme Shareholder has, before the Record Date, made an election in accordance with the requirements of either the Scheme Booklet or otherwise the Target Share Registry to receive dividend payments from Target or the Cash Consideration, by electronic funds transfer to a bank account nominated by the Scheme Shareholder (**Registered Account**), paying, or procuring the payment of, the relevant amount of Australian currency by electronic means in accordance with that Election into the Registered Account; or
 - (b) if the Scheme Shareholder has not made an election for the purposes of clause 5.15(a), dispatching, or procuring the dispatch of, a cheque in Australian currency to the Scheme Shareholder by prepaid post (or, if the Registered Address of the Scheme Shareholder is outside Australia, by prepaid airmail post) to the Registered Address as at the Record Date, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.26), for the relevant amount.

Provision of Scheme Consideration – Allotment and issue of New Bidder Shares

- 5.16 Subject to clauses 5.17 to 5.25 and to the Scheme becoming Effective, Bidder must allot and issue to or on behalf of the Scheme Shareholders the New Bidder Shares that comprise the Scheme Consideration in accordance with the Scheme and Final Elections.

Settlement

- 5.17 On the Implementation Date, Bidder will issue the New Bidder Shares and will ensure that the New Bidder Shares are recorded in a securities account with an account management institution in Japan that has been admitted by the Japan Securities Depository Center Inc. (**JASDEC Account**) to be held by a custodian on behalf of the relevant Scheme Shareholders (**Account B**) on the basis that Bidder procures that the custodian satisfies all of its obligations with respect thereto, on the basis that in relation to:
- (a) negotiating and finalising the terms on which the Custodian is so engaged; and
 - (b) any other documentation in relation to the settlement process in clauses 5.17 to 5.21 (including the sales policy),

Bidder will consult with Target in relation to the terms of those documents, and consider in good faith, for the purpose of amending those documents, comments from Target.

- 5.18 If a Scheme Shareholder returns a validly completed "designated securities account form" as contemplated by the Scheme Booklet (**Form A**) by the Election Date, on the date which is 7 Business Days after the Implementation Date (**Settlement Completion Date**), Bidder will ensure that the New Bidder Shares to which the Scheme Shareholder is entitled are transferred from Account B into the name of the Scheme Shareholder in accordance with the Form A.
- 5.19 If a Scheme Shareholder returns a validly completed "comprehensive account A form" as contemplated by the Scheme Booklet (**Form B**) by the Election Date, on the Settlement Completion Date, Bidder will ensure that the New Bidder Shares to which the Scheme Shareholder is entitled are transferred from Account B into the comprehensive account A nominated by the Scheme Shareholder in accordance with the Form B, and Bidder will ensure that each relevant Scheme Shareholder is entitled to the voting rights and the right to receive dividends as a holder of the New Bidder Shares transferred into the comprehensive account A.
- 5.20 If a Scheme Shareholder does not return either Form A or a Form B by the Election Date (**No Action Scheme Shareholder**), the New Bidder Shares to which the No Action Scheme Shareholder is entitled will remain in Account B until the earlier of:
- (a) the No Action Scheme Shareholder has advised Bidder in the manner described in the Scheme Booklet; or
 - (b) such New Bidder Shares are sold or otherwise dealt with on behalf of the No Action Scheme Shareholder subject to and in accordance with the sales policy described in the Scheme Booklet and all the proceeds of sale are remitted to the No Action Scheme Shareholder (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).
- 5.21 Target must procure that:
- (a) a complete copy of each Form A and Form B received by or on behalf of Target is provided to Bidder or its nominee by no later than 3 Business Days after each such form is received by or on behalf of Target; and
 - (b) a summary of all such Forms A and Forms B received is provided to Bidder or its nominee no later than one Business Day after the Record Date, including:
 - (i) the number of New Bidder Shares to be issued in aggregate and on an individual basis for each Scheme Shareholder; and
 - (ii) the quantity of Cash Consideration to be paid by Bidder in aggregate and on an individual basis for each Scheme Shareholder.

Ineligible Foreign Shareholders

- 5.22 Bidder will be under no obligation under the Scheme to issue, and will not issue, any New Bidder Shares to any Ineligible Foreign Shareholder, and instead, unless Bidder and Target otherwise agree, Bidder will issue into Account B on the Implementation Date the New Bidder Shares to which that Ineligible Foreign Shareholder would otherwise have been entitled (if they were a Scheme Shareholder who was not an Ineligible Foreign Shareholder).
- 5.23 Where New Bidder Shares are issued pursuant to clause 5.22, Bidder will procure that, on the Settlement Completion Date, the New Bidder Shares will be transferred to a JASDEC Account held by one or more custodians on behalf of Scheme Shareholders and such custodians thereafter:
- (a) sells on TSE the New Bidder Shares subject to and in accordance with the sales policy described in the Scheme Booklet; and

- (b) all the proceeds of sale are remitted to the Ineligible Foreign Shareholder (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges).

Fractional entitlements

- 5.24 Any fractional entitlement of a Scheme Shareholder to a part of a New Bidder Share will be rounded down to the nearest whole number of New Bidder Shares.

Share splitting

- 5.25 If Bidder or Target are of the opinion that a Scheme Shareholder has been a party to Share Splitting or division in an attempt to obtain an unfair advantage in relation to accessing the Cash Consideration, then Bidder and Target must consult in good faith to determine whether such matters have arisen and if agreement is reached between Bidder and Target following such consultation, Target must give notice to those Scheme Shareholders:

- (a) setting out their names and registered addresses as shown in the Target Register;
- (b) stating that opinion; and
- (c) attributing the Scheme Shares held by all of them to one of them as specifically identified in the notice,

and, after such notice has been given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares. Bidder, in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

Joint holders

- 5.26 In the case of Scheme Shares held in joint names:
- (a) any cheque required to be paid to Scheme Shareholders will be payable to the joint holders and will be forwarded to the holder whose name appears first in the Target Register on the Record Date; and
 - (b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Target Register as at the Record Date.

Surplus funds

- 5.27 Subject to clause 5.28, to the extent that, following satisfaction of Target's obligations under clauses 5.14 and 5.15, there is a surplus in the amount held by Target as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus must be paid by Target to Bidder.

Unclaimed Cash Consideration

- 5.28 If:
- (a) in the case of a deposit under clause 5.15(a), the deposit is rejected or refunded or a Registered Account which has previously been notified is no longer valid; or

- (b) in the case of a dispatch of a cheque under clause 5.15(b), a cheque properly despatched by or on behalf of Target is:
- (i) returned to Target (or its agents) as undelivered;
 - (ii) not presented by a Scheme Shareholder within six months after the Implementation Date; or
 - (iii) Target reasonably believes that a Scheme Shareholder is not known at a Scheme Shareholder's Registered Address,

then Target may cancel the relevant cheque and credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Target to be held until the Scheme Shareholder claims the amount, or the amount is dealt with in accordance with any applicable unclaimed moneys legislation. An amount credited to the account is to be treated as having been paid to the Scheme Shareholder when credited to the account. Target must maintain records (for the minimum period required by applicable law) of the amounts paid, the people who are entitled to the amounts, and any transfers of the amounts.

6. Dealings in Target Shares

Determination of Scheme Shareholders

- 6.1 To establish the identity of the Scheme Shareholders, dealings in Target Shares or other alterations to the Target Register will only be recognised if:
- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Target Register as the holder of the relevant Target Shares on or before the Record Date; and
 - (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Record Date at the place where the Target Register is kept,

and Target must not accept for registration, nor recognise for any purpose (except a transfer to Bidder pursuant to this Scheme and any subsequent transfer by Bidder or its successors in title), any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

Register

- 6.2 Target must register all registrable transmission applications or transfers of the Scheme Shares in accordance with clause 6.1(b) on or before the Record Date, provided that, for the avoidance of doubt, nothing in this clause 6.2 requires Target to register a transfer that would result in a Target Shareholder holding a parcel of Target Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2 'marketable parcel' has the meaning given in the official operating rules of ASX).
- 6.3 If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that Scheme Shareholder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Target shall be entitled to disregard any such disposal.

6.4 For the purpose of determining entitlements to the Scheme Consideration, Target must maintain the Target Register in accordance with the provisions of this clause 6 until the Scheme Consideration has been paid to the Scheme Shareholders. The Target Register in this form will solely determine entitlements to the Scheme Consideration.

6.5 All statements of holding for Target Shares (other than statements of holding in favour of Bidder) will cease to have effect after the Record Date as documents of title in respect of those shares and, as from the Record Date, each entry on the Target Register (other than entries on the Target Register in respect of Bidder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.

6.6 As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, Target will ensure that details of the names, registered addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Target Register as at the Record Date are available to Bidder in the form Bidder reasonably requires.

7. Quotation of Target Shares

7.1 Target will apply to ASX to suspend trading of Target Shares on the ASX with effect from the close of trading on the Effective Date.

7.2 On a date after the Implementation Date to be determined by Bidder, Target will apply:

- (a) for termination of the official quotation of Target Shares on the ASX; and
- (b) to have itself removed from the official list of the ASX.

8. General Scheme provisions

Appointment of agent and attorney

8.1 On this Scheme becoming Effective, each Scheme Shareholder, without the need for any further act, irrevocably appoints Target as its agent and attorney for the purposes of:

- (a) in the case of Scheme Shares in a CHESS holding:
 - (i) causing a message to be transmitted to ASPL in accordance with the ASX Settlement Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS subregister of Target to the issuer sponsored subregister operated by Target or the Target Share Registry at any time after Bidder has paid or procured the payment of the Scheme Consideration which is due under this Scheme to Scheme Shareholders; and
 - (ii) completing and signing on behalf of Scheme Shareholders any required form of transfer of Scheme Shares;
- (b) in the case of Scheme Shares registered in the issuer sponsored subregister operated by Target or the Target Share Registry, completing and signing on behalf of Scheme Shareholders any required form of transfer;
- (c) in all cases, executing any document or form or doing any other act necessary to give effect to the terms of this Scheme including, without limitation, the execution of the Scheme Transfer and the giving of the Scheme Shareholder's consent under clause 8.4; and

(d) enforcing the Deed Poll against Bidder,
and Target accepts such appointment.

8.2 Target, as agent and attorney of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under clause 8.1 to all or any of its directors and officers (jointly, severally, or jointly and severally).

Enforcement of Deed Poll

8.3 Target undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Bidder (as applicable on behalf of and as agent and attorney for the Scheme Shareholders).

Scheme Shareholders' consent

8.4 Each Scheme Shareholder irrevocably consents to Target and Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme.

Scheme Shareholders' agreements

8.5 Under this Scheme:

- (a) each Scheme Shareholder agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Bidder in accordance with the terms of this Scheme;
- (b) each Scheme Shareholder agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) each Scheme Shareholder acknowledges that this Scheme binds Target and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target; and
- (d) each Scheme Shareholder in respect of which clause **Error! Reference source not found.** or **Error! Reference source not found.** is applicable accepts the New Bidder Shares issued to or on behalf of the Scheme Shareholder under the Scheme on the terms and conditions of the Bidder constitution.

Warranty by Scheme Shareholders

8.6 Each Scheme Shareholder is deemed to have warranted to Bidder that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the date of the transfer of them to Bidder, be fully paid and free from all mortgages, charges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares, and all rights and entitlements attaching to those Scheme Shares, to Bidder.

Title to Scheme Shares

- 8.7 Immediately upon provision of the Scheme Consideration in accordance with clauses 5.14 and 5.16, Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Target of Bidder in the Target Register as the holder of the Scheme Shares.
- 8.8 To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Bidder will, at the time of transfer of them to Bidder, vest in Bidder free from all mortgages, charges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)), liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

Appointment of sole proxy

- 8.9 Immediately upon provision of the Scheme Consideration in accordance with clauses 5.14 and 5.16, and until Target registers Bidder as the holder of all Scheme Shares in the Target Register, each Scheme Shareholder:
- (a) is deemed to have appointed Bidder as attorney and agent (and directed Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution;
 - (b) acknowledges that no Scheme Shareholder may itself attend or vote at any of those meeting or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.9(a));
 - (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and
 - (d) acknowledges and agrees that in exercising the powers conferred in clause 8.9(a), Bidder and any director, officer, secretary or agent nominated by Bidder under that clause may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

Notices

- 8.10 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Target's registered office or at the Target Share Registry as the case may be.

Inconsistencies

- 8.11 This Scheme binds Target and all Target Shareholders, and to the extent of any inconsistency, overrides the Target constitution.

No liability when acting in good faith

- 8.12 None of Bidder, Target nor any director, officer, secretary or employee of either Bidder or Target will be liable for anything done or omitted to be done in good faith in the performance of this Scheme or the Deed Poll.

Further assurance

- 8.13 Target will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Scheme.

Alterations and conditions

- 8.14 If the Court proposes to approve this Scheme subject to any conditions or alterations under section 411(6) of the Corporations Act, Target may, by its counsel on behalf of all persons concerned, consent to only such of those conditions or alterations to this Scheme to which Bidder has consented, such consent not to be unreasonably withheld or delayed.

Stamp Duty

- 8.15 Bidder will pay any stamp duty payable on the transfer by Scheme Shareholders of the Scheme Shares to Bidder.

Governing Law

- 8.16 This Scheme is governed by and will be construed according to the laws of Victoria.

For personal use only

Schedule

Dictionary

1. Defined terms

1.1 In this Scheme, except where the context otherwise requires:

Aggregate Cash Consideration means the aggregate amount of the Cash Consideration payable to Scheme Shareholders.

ASIC means the Australian Securities and Investments Commission.

ASPL means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX means ASX Limited (ABN 98 008 624 691) or, if the context requires, the financial market operated by it.

ASX Settlement Rules means the ASX Settlement Operating Rules.

Australian Dollar Equivalent means the amount in Australian dollars based on the Japan/Australia exchange price specified by the Reserve Bank of Australia (online at <https://www.rba.gov.au/statistics/frequency/exchange-rates.html>) at 4.15pm on the relevant day (and if there is no such price specified on that day, then the price specified on the most recent day specified before then).

Bidder means LIFULL Co., Ltd of 1-4-4, Kojimachi, Chiyoda-ku, Tokyo, 102-0083, Japan.

Bidder VWAP means:

- (a) subject to paragraph (b) below, the volume weighted average price of Bidder Shares traded on TSE that is calculated and displayed by the TSE as the daily volume weighted average price of Bidder Shares on each of the Trading Days comprising the Bidder VWAP Period, provided that, the basis for the volume weighted average price of Bidder Shares excludes any trades made outside the TSE's auction market (including but not limited to (i) single-issue transactions, (ii) basket transactions, (iii) closing price transactions, (iv) off-auction own shares repurchase transactions (each as defined in the Special Regulations of Business Regulations and Brokerage Agreement Standards Concerning ToSTNeT Market of TSE), (v) any overseas trades or (vi) trades pursuant to the exercise of options over Bidder Shares) and such other trades that Bidder and Target reasonably agree to exclude on the basis that they are not representative of the general price at which Bidder Shares are trading on TSE in the context of trading in Bidder Shares on any of the Trading Days in the Bidder VWAP Period; and
- (b) where:
 - (i) on some or all of the Trading Days in the Bidder VWAP Period, Bidder Shares have been quoted on TSE as *cum* dividend or *cum* any other distribution or entitlement and the New Bidder Shares will not carry the entitlement on the Implementation Date (**Ex Date**), then the volume weighted average price on the Trading Days on which those shares have been quoted *cum* dividend or *cum* entitlement shall be reduced by an amount (**Cum Value**) equal to:
 - (A) (in the case of a dividend), the amount of the Expected Dividend;

- (B) (in the case of an entitlement which is traded on TSE on any of those Trading Days), the volume weighted average price of all such entitlements sold on TSE during the Bidder VWAP Period on Trading Days on which those entitlements were traded; or
- (C) (in the case of an entitlement which is not traded on TSE on any of those Trading Days), the value of the entitlement determined by the directors of Bidder in good faith after consultation with Target; and
- (ii) on some or all of the Trading Days in the Bidder VWAP Period, Bidder Shares have been quoted on TSE as ex dividend, ex distribution or ex entitlement, and the New Bidder Shares will be entitled to receive the relevant dividend, distribution or entitlement, then the volume weighted average price on the Trading Days on which the New Bidder Shares have been quoted ex dividend, ex distribution or ex entitlement shall be increased by the Cum Value.

Bidder VWAP Period means the 10 Trading Days up to and including the Record Date.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne, Victoria, Luxembourg or Tokyo, Japan.

Cash Consideration means A\$0.80 per Scheme Share.

Cash Consideration Entitlement Share means for each Cut Off Date Shareholder:

- (a) if the Cut Off Date Shareholder held 20,000 or less Target Shares as at the Cut Off Date, all of the Target Shares held by the Cut Off Date Shareholder as at the Cut Off Date; or
- (b) if the Cut Off Date Shareholder held more than 20,000 Target Shares as at the Cut Off Date, 20,000 Target Shares.

CHESS means the Clearing House Electronic Subregister System operated by ASPL and ASX Clear Pty Limited.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Victoria or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Cut Off Date means 7.00 pm on 24 October 2018.

Cut Off Date Shareholder means each Scheme Shareholder who was also a Target Shareholder on the Cut Off Date.

Deed Poll means the deed poll executed by Bidder under which Bidder covenants in favour of the Scheme Shareholders to perform all actions attributed to it under this Scheme.

Downside Price Protection Mechanism means the downside price protection mechanism set out in clauses 5.2 to 5.4 (inclusive).

Effective means, when used in relation to the Scheme, the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date, with respect to the Scheme, means the date on which the Scheme becomes Effective.

Election is defined in clause 5.7 and **Elect** has a corresponding meaning.

Election Date means the last date and time for receipt of an Election Form in order to make an Election in accordance with the terms of the Scheme, being 7.00pm on the Second Court Date or such other date as Target and Bidder agree in writing.

Election Form means the election form provided with the Scheme Booklet under which each Scheme Shareholder (other than an Excluded Shareholder) may Elect to receive the Scrip Consideration (instead of the Cash Consideration) in respect of all of their Scheme Shares.

End Date means the later of:

- (a) 14 December 2018; and
- (b) such other date and time agreed in writing between Bidder and Target.

Excluded Shareholder means any Target Shareholder who is Bidder or a wholly-owned subsidiary of Bidder.

Expected Dividend means Bidder's expected dividend amount obtained by multiplying (i) the amount of Bidder's then current forecast on the basic earnings per share disclosed in filings with the TSE by (ii) Bidder's then current payout ratio disclosed in filings with the TSE, each in respect of the relevant period.

Final Bidder Share Price means the Bidder VWAP for the Bidder VWAP Period using the Australian Dollar Equivalent on each Trading Day.

Final Election means, in respect of each Scheme Shareholder that returned an Election in accordance with the instructions on the Election Form, the last Election received by Target as at the Election Date.

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act.

Governmental Agency means, whether domestic or foreign, any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX, TSE and any regulatory organisation established under statute or any stock exchange.

Implementation Date means, with respect to the Scheme, the eighth Business Day, or such other Business Day as the parties agree, following the Record Date for the Scheme.

Implementation Deed means the scheme implementation deed dated 9 May 2018 between Bidder and Target, as amended or varied from time to time.

Ineligible Foreign Shareholder means a Scheme Shareholder whose address as shown in the Target Register (as at the Record Date) is in a place which is unlawful or unduly onerous to issue that Scheme Shareholder with New Bidder Shares when the Scheme becomes Effective (provided that a Scheme Shareholder whose address shown in the Target Register is within Australia and its external territories, New Zealand, Spain, Hong Kong and any other jurisdictions determined by Target in consultation with Bidder will not be an Ineligible Foreign Shareholder).

Initial Bidder Share Price means A\$11.29.

Listing Rules means the official listing rules of ASX as amended from time to time.

New Bidder Share means a fully paid ordinary share in the capital of Bidder to be issued under the Scheme and to be listed on TSE.

Record Date means, in respect of the Scheme, 7.00pm on the third Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

Registered Account has the meaning given in clause 5.15(a).

Registered Address means the address of each Scheme Shareholder as recorded in the Target Register as at the Record Date.

Scheme means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Target and the Scheme Shareholders as set out in this Scheme together with, subject to clause 8.14, any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

Scheme Booklet means the explanatory booklet which accompanies and includes the notice of Scheme Meeting.

Scheme Consideration means the consideration payable to Scheme Shareholders under the Scheme, being comprised of the Scrip Consideration and the Cash Consideration.

Scheme Meeting means the meeting of Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Order means the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable and subject to clause 8.14, section 411(6) of the Corporations Act) in relation to this Scheme.

Scheme Share means a Target Share on issue as at the Record Date other than any Target Share then held by an Excluded Shareholder (but including any such Target Share held on behalf of one or more third parties or otherwise in a fiduciary capacity).

Scheme Shareholder means a person who holds one or more Scheme Shares registered in the Target Register.

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Scrip Consideration means 0.0753 New Bidder Shares for each Scheme Share to which the Cash Consideration does not apply, subject to the application of the Downside Price Protection Mechanism or the Upside Participation Cap.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard or scheduled to be heard.

Share Splitting means the splitting by a holder of Target Shares into two or more parcels of Target Shares whether or not it results in any change in beneficial ownership of the Target Shares.

Target Register means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the Corporations Act.

Target Share means a fully paid ordinary share in the capital of Target.

Target Shareholder means each person who is registered in the Target Register as a holder of Target Shares.

Target Share Registry means Boardroom Pty Limited.

Trading Day means a day determined by TSE to be a trading day.

Transaction means the proposed acquisition by Bidder, in accordance with the terms and conditions of this Scheme, of all of the Target Shares (other than the Target Shares held by an Excluded Shareholder) through the implementation of the Scheme.

TSE means the Tokyo Stock Exchange.

Upside Participation Cap means the upside participation cap set out in clauses 5.5 and 5.6.

Interpretation

1.2 In this Scheme the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this Scheme;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, Governmental Agency, association, corporation, trust or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its agents, successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this Scheme;
 - (vi) this Scheme includes all schedules and attachments to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (viii) a statute includes any regulation, ordinance, by-law or other subordinate legislation made under it;
 - (ix) an agreement other than this Scheme includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and

- (x) a monetary amount is in Australian dollars, unless otherwise specified;
- (g) unless otherwise defined in this Scheme, a term defined in or for the purposes of the Corporations Act has the same meaning when used in this Scheme;
- (h) an agreement on the part of two or more persons binds them jointly and each of them severally;
- (i) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (j) a reference to time is to Melbourne, Australia time; and
- (k) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Scheme or any part of it.

For personal use only

For personal use only

Annexure D

Deed Poll

Deed Poll

For personal use only

Deed Poll

Parties

This deed poll is made the 27th of July 2018 by:

Name LIFULL Co., Ltd
Short name Bidder
Address 1-4-4, Kojimachi, Chiyoda-ku, Tokyo, 102-0083, Japan

in favour of:

Each Scheme Shareholder.

Background

- A On 9 May 2018, Bidder and Mitula Group Limited (ABN 82 604 677 796) (**Target**) entered into a scheme implementation deed with respect to the Scheme and associated matters (**Implementation Deed**).
- B The effect of the Scheme will be to transfer all Scheme Shares to Bidder in exchange for the Scheme Consideration.
- C Bidder is entering into this deed poll to covenant in favour of the Scheme Shareholders that it will perform all actions attributed to it under the Scheme.

The parties agree

1. Defined terms and interpretation

Defined terms

- 1.1 In this deed poll, unless otherwise defined, capitalised words and phrases have the same meaning as given to them in the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Target and Scheme Shareholders in respect of all Scheme Shares (**Scheme**).

Interpretation

- 1.2 In this deed poll, headings are for convenience only and do not affect its interpretation and, unless the context requires otherwise:
 - (a) words importing the singular include the plural and vice versa;
 - (b) a reference to any document (including the Scheme) is to that document as varied, novated, ratified or replaced; and
 - (c) a reference to a clause, party, annexure or schedule is a reference to a clause of, and a party, annexure and schedule to, this deed poll and a reference to this deed poll includes any annexure and schedule.

Nature of deed poll

- 1.3 Bidder acknowledges that:
 - (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholder is not party to it; and

- (b) each Scheme Shareholder irrevocably appoints Target and each of its directors and officers (jointly and severally) as its agent and attorney to enforce this deed poll against Bidder on behalf of that Scheme Shareholder.

2. Condition precedent and termination

Condition precedent to obligations of the Scheme

- 2.1 The obligations of Bidder under this deed poll are subject to the Scheme becoming Effective.

Termination

- 2.2 The obligations of Bidder under this deed poll will automatically terminate, and the terms of this deed poll will be of no force or effect, if:

- (a) the Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme is not Effective by the End Date.

Consequences of termination

- 2.3 If this deed poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Bidder is released from its obligations to further perform this deed poll, except those obligations under clause 5.1 and 6.8; and
- (b) each Scheme Shareholder retains the rights it has against Bidder in respect of any breach of this deed poll which occurs before it is terminated.

3. Scheme obligations

- 3.1 Subject to clause 2, Bidder covenants in favour of each Scheme Shareholder to:

- (a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (b) perform all actions attributed to it under, and otherwise comply with, the Scheme as if it were a party to the Scheme.

- 3.2 Bidder covenants in favour of each Scheme Shareholder that:

- (a) the New Bidder Shares to be issued under the Scheme will rank equally in all respects with all existing Bidder Shares;
- (b) none of the New Bidder Shares will be treasury shares of the Bidder; and
- (c) on issue, each such New Bidder Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

4. Warranties

- 4.1 Bidder represents and warrants in favour of each Scheme Shareholder that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;

- For personal use only
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
 - (d) this deed poll is valid and binding on it and enforceable against it in accordance with its terms; and
 - (e) this deed poll does not conflict with, or result in the breach of or default under, any provision of the constitution of Bidder or any material term or provision of any agreement, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or by which it is bound.

5. Continuing obligations

5.1 This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.

6. General

Notices

6.1 Any notice or other communication to Bidder in respect of this deed poll (**Notice**):

- (a) is only effective if:
 - (i) it is in writing and in English, signed by or on behalf of the party giving it;
 - (ii) it is directed to Bidder's address for notices as follows:

Address: 1-4-4, Kojimachi, Chiyoda-ku, Tokyo, 102-0083, Japan
Facsimile: +81 3 6774 1737
E-mail: keiki-in@lifull.com
Attn: Hidekazu Fukuzawa

with a copy to Baker McKenzie:

Address: Level 19, 181 William Street, Melbourne VIC 3000
Facsimile: +61 3 9614 2103
E-mail: Richard.lustig@bakermckenzie.com and
Robert.gough@bakermckenzie.com
Attn: Richard Lustig and Robert Gough

Address: Ark Hills Sengokuyama Mori Tower, 28th Floor, 1-9-10
Roppongi, Minato-ku, Tokyo 106-0032, Japan
Facsimile: + 81 3 5549 7738
E-mail: tetsuo.tsujimoto@bakermckenzie.com
Attn: Tetsuo Tsujimoto

- (b) must be signed by the person making the communication or by a person duly authorised by that person;
- (c) takes effect when received (or at a later time specified in it), and is taken to be received:

- (i) if hand delivered, on delivery;
- (ii) if sent by prepaid post, the fifth Business Day after the date of posting (or the 10th Business Day after the date of posting if posted to or from outside Australia);
- (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight hours after the transmission, the recipient informs the sender that it has not received the entire Notice; or
- (iv) if sent by email:
- (A) when the sender receives an automated message confirming delivery; or
- (B) 2 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first,

but if the delivery or transmission under clause 6.1(c)(i) or 6.1(c)(ii) is not on a Business Day or after 7.00pm on a Business Day, the Notice is taken to be received at 9.00am on the Business Day after that delivery, receipt or transmission.

Governing law

6.2 This deed poll is governed by and will be construed according to the laws of Victoria.

6.3 Bidder irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria and of the courts competent to determine appeals from those courts.

Variation

6.4 This deed poll may not be varied unless:

- (a) if before the First Court Date, the variation is agreed to by Target; or
- (b) if on or after the First Court Date, the variation is agreed to by Target and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Bidder will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

Cumulative rights

6.5 The rights, powers and remedies of Bidder and the Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

Assignment

6.6 The rights created by this deed poll are personal to Bidder and each Scheme Shareholder and may only be assigned with the prior written consent of Bidder.

Stamp duty

- 6.7 Bidder must pay any stamp duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under or pursuant to this deed poll.

Further assurances

- 6.8 Bidder must promptly do all things necessary or expedient to be done by it in connection with the matters referred to in this deed poll and to implement the Scheme.

For personal use only

Execution of deed poll

Executed as a deed poll.

Signed sealed and delivered
by **LIFULL Co., Ltd**



Signature of representative director

TAKASHI INOUE

Name of representative director (print)

For personal use only

Notice of Meeting

Mitula Group Limited ACN 604 677 796

Notice of meeting

Notice is given that by an order of the Supreme Court of Victoria pursuant to section 411(1) of the *Corporations Act 2001* (Cth), a meeting of shareholders of Mitula Group Limited (**Mitula**) will be held at the time and location, and to conduct the business specified below (**Scheme Meeting**):

Date: 11 December 2018

Time: 2.00pm (Melbourne time)

Location: the offices of Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne, Victoria 3000

This is an important document and requires your immediate attention. You should read this document (including the Explanatory Statement, which forms part of the Notice of Meeting) in its entirety prior to deciding whether or not to vote in favour of the resolution to be considered at the Scheme Meeting. If you are in any doubt as to how to deal with this document, please consult your financial, legal, taxation or other professional adviser immediately.

Items of Business

The purpose of the Scheme Meeting is to consider and, if thought fit, to pass the following resolution (**Scheme Resolution**):

"That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modification as approved by the Supreme Court of Victoria)."

By order of the board of Mitula Group Limited.

[insert electronic signature]

Lee Mitchell

Company Secretary

Dated 26 October 2018

Notes regarding proxies and voting

How to vote

If you are a Mitula Shareholder entitled to attend and vote at the Scheme Meeting, you may vote by:

- attending the Scheme Meeting in person;
- appointing a proxy to attend on your behalf;
- appointing an attorney to vote on your behalf; or
- in the case of a corporation which is a Mitula Shareholder, by appointing an authorised corporate representative to attend on its behalf.

Voting entitlement

Only Mitula Shareholders, other than a Mitula Shareholder which is an entity within the LIFULL Group, registered at 7.00pm (Melbourne time) on the Voting Record Date, being Sunday 9 December 2018, are entitled to attend and vote at the Scheme Meeting.

Mitula is not aware of any entity or any associate of any entity within the LIFULL Group holding Mitula Shares. If such an entity does hold Mitula Shares, they would not be entitled to vote (and any votes cast would be disregarded) at the Scheme Meeting.

Voting in person

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting to be held at the offices of Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne, Victoria 3000 on Tuesday 11 December 2018. The meeting will commence at 2.00pm.

A Mitula Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card on disclosure at the point of entry to the Scheme Meeting of their name and address.

Voting by attorney

A Mitula Shareholder entitled to attend and vote at the Scheme Meeting may appoint an attorney to vote at the Scheme Meeting. An original or certified copy of the power of attorney must be received at any of the addresses, or via facsimile, as set out below at least 48 hours before the commencement of the Scheme Meeting.

By facsimile: +61 2 9290 9655

By mail: Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001

By delivery: Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000

Voting by corporate representative

To vote at the Scheme Meeting (other than by proxy or by attorney), a corporation that is a Mitula Shareholder, or has been appointed as a proxy by a Mitula Shareholder, must appoint a person (either by name or position and whether a Mitula Shareholder or not) to act as its representative. The appointment must comply with section 250D of the Corporations Act. Evidence of the appointment must be brought to the Scheme Meeting together with any authority under which it is signed. A pro-forma 'Certificate of Appointment of Corporate Representative' may be obtained from the Mitula Registry by calling the Mitula Shareholder Information Line on 1300 046 608 (within Australia) or + 61 2 9290 9662 (outside Australia) between 8.15am and 5.30pm (Melbourne time), Monday to Friday.

Proxies

A Mitula Shareholder entitled to attend and vote at the Scheme Meeting is entitled to appoint not more than two proxies, who need not be Mitula Shareholders.

Each proxy should be appointed to represent a specified percentage or specified number of the Mitula Shareholder's voting rights. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half the votes. Fractions of votes will be disregarded.

If you sign and return a Proxy Form and do not nominate a person to act as your proxy, the Chair will be appointed as your proxy by default.

How the Chair will vote undirected proxies

The Chair intends to vote any available undirected proxy in favour of the Scheme Resolution.

You should note that if you appoint the Chair as your proxy, or the Chair is appointed as your proxy by default, and the Proxy Form does not specify whether to vote 'For', 'Against' or 'Abstain', this will be taken as a direction to the Chair to vote in accordance with his stated voting intention, which is to vote in favour of the Scheme Resolution. Mitula Shareholders always have the ability to appoint the Chair as their proxy and direct him to cast the votes contrary to the Chair's stated voting intention or to abstain from voting on a resolution.

If you appoint the Chair as your proxy but do not wish him to vote in favour of the Scheme Resolution, it is important for you to complete the voting directions in respect of the Scheme Resolution on the Proxy Form.

A Proxy Form is enclosed with this Notice of Meeting

For the appointment of a proxy to be valid, the following documents must be received at least 48 hours prior to the Scheme Meeting or any adjournment of the Scheme Meeting:

- the Proxy Form; and
- if the Proxy Form is signed by the appointor's attorney, the authority under which the Proxy Form was signed or a certified copy of the authority.

The documents must be received by Mitula at any of the addresses, or via facsimile, as specified below by no later than 2.00pm (Melbourne time) on Sunday 9 December 2018. Proxy Forms received after that time will not be valid for the scheduled Meeting.

Further directions for the proper completion of a Proxy Form are printed on the Proxy Form.

Online: <https://www.votingonline.com.au/mitulascm2018>

By facsimile: +61 2 9290 9655

By mail: Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001

By delivery: Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, Sydney NSW 2000

For personal use only

Voting procedure

In general, each Mitula Shareholder present in person or by proxy, attorney or corporate representative has one vote on a show of hands and one vote for each Scheme Share held on a poll (subject to any voting exclusion referred to earlier).

Voting at the Scheme Meeting will occur by poll.

All persons attending the Scheme Meeting are asked to arrive at least 30 minutes prior to the time the Scheme Meeting is to commence, so that either their shareholding may be checked against the Register, their power of attorney or appointment as corporate representative can be verified (as the case may be), and their attendance noted.

Jointly held shares

If the Scheme Shares are jointly held, only one of the Mitula Shareholders can vote. If more than one joint Mitula Shareholder votes, only the vote of the Mitula Shareholder whose name appears first on the Register will be counted.

Explanatory Statement

Material accompanying this notice

This notice of meeting and the Scheme Resolution should be read in conjunction with the booklet of which this notice forms part (**Scheme Booklet**). Terms used in this notice, unless otherwise defined, have the same meaning as set out in the Glossary in section 13 of the Scheme Booklet.

A Proxy Form also accompanies this notice.

Voting

The Mitula Directors recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Mitula Shareholders.

Subject to those same qualifications, each of Your Directors presently intends to vote all of the Mitula Shares held or controlled by them in favour of the Scheme.

Quorum

A quorum for a meeting of Mitula Shareholders is five or more members present at the meeting and entitled to vote on a resolution at the meeting.

Majorities required

In accordance with section 411(4)(a) of the Corporations Act, for the Scheme of Arrangement to be approved by Mitula Shareholders, the Scheme Resolution must be passed by:

- unless the court orders otherwise, a majority in number of holders of ordinary shares present and voting (either in person or by proxy); and
- at least 75% of the votes cast on the Scheme Resolution.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, to become effective, the Scheme of Arrangement must be approved by the order of the Court. If the Scheme Resolution set out in this notice is agreed to by the required majorities set out above and the conditions set out in the Scheme of Arrangement are satisfied or waived (where capable of waiver), Mitula will apply to the Court for the necessary orders to give effect to the Scheme of Arrangement.

LIFULL significant accounting policies

1 Basis of consolidation

The consolidated financial statements under review include the non-consolidated financial statements of LIFULL and its subsidiaries and the amount equivalent to the equity interest of affiliated companies and jointly controlled entities.

2 Subsidiaries

A subsidiary is an entity controlled by the LIFULL Group. If the LIFULL Group has exposure or the right to variable returns arising from involvement in the investee and has the ability to influence the relevant return with its power over the investee, it is judged that the entity is controlled. The acquisition date of a subsidiary is the date when the LIFULL Group acquired the control, and the LIFULL Group consolidates the subsidiary from the acquisition date to the date when the LIFULL Group loses control of it.

If the accounting policies that a subsidiary has applied are different from those applied by the Group, the financial statements of the subsidiary are adjusted as necessary.

Balances of receivables and payables and transactions within the LIFULL Group and unrealised gains and losses arising from transactions within the LIFULL Group were eliminated when preparing the consolidated financial statements.

The comprehensive income of a subsidiary is attributed to the parent company's owners and non-controlling interest, even if the balance of the non-controlling interest resulted in a negative balance.

3 Affiliated companies and jointly controlled entities

An affiliated company is an entity not controlled by the LIFULL Group but significantly influenced by the LIFULL Group's financial and business policies. It is processed with the equity method from the date when the LIFULL Group acquired the significant influence on it to the date when the LIFULL Group loses the significant influence on it.

A jointly controlled entity is an entity to which more than one party has rights on its net assets through joint control, and it is processed with the equity method from the date when the LIFULL Group acquired the joint control to the date when the LIFULL Group loses the joint control. If the accounting policies that an affiliated company or a jointly controlled entity has applied differ from those applied by the Group, the financial statements of the affiliated company or the jointly controlled entity are adjusted.

Under the equity method, the investment amount is initially measured with cost, and thereafter the investment amount fluctuates in accordance with the fluctuation of the LIFULL Group's equity interest to the net assets of an affiliated company or a jointly controlled entity. At this time, among the net income or loss of the affiliated company or the jointly controlled entity, the amount equivalent to the LIFULL Group's equity interest is posted as net income or loss of the LIFULL Group. In addition, among other

comprehensive income of an affiliated company or a jointly controlled entity, the amount equivalent to the LIFULL Group's equity interest is posted as other comprehensive income of the LIFULL Group. Unrealised gains and losses generated from transactions with an affiliated company or a jointly controlled entity are added to or subtracted from the investment amount.

The amount by which the acquisition cost exceeded the equity interest of the net fair value of assets, liabilities and contingent liabilities of affiliated companies and jointly controlled entities recognised on the acquisition date was posted as the amount equivalent to goodwill, and the amount was included in the book value of the investment and was not amortised. Goodwill that constitutes part of the book value of the investment in affiliated companies accounted for by the equity method was not distinguished from the other part, and the investment in affiliated companies accounted for by the equity method was deemed as one asset subject to the impairment test.

If the LIFULL Group lost the significant influence on or joint control of the investment to an affiliated company or a jointly controlled entity, the income or loss was recognised as net income or loss. If the LIFULL Group still has the equity interest of the relevant former affiliated company or jointly controlled entity even after losing the significant influence or joint control, the equity interest was measured at the fair value on the date when the equity method was discontinued.

4 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 business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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 acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

5 Foreign currencies

5.1 Foreign currency transactions

Foreign currency transactions are translated into the functional currency by applying the spot exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies on the date at the end of the term are translated into the functional currency using the exchange rates on the date. Non-monetary assets and liabilities denominated in foreign currencies measured at fair values are translated into functional currency using the exchange rate on the date of the translation of the said fair values.

Foreign exchange differences arising from the settlement of these translations and exchange differences arising from the translation of monetary assets and liabilities dominated in foreign currencies at the exchange rate on the date at the end of the term are recognised as net income or loss. However, if the income or loss relating to non-monetary items is posted as other comprehensive income, exchange differences are also recognised as other comprehensive income.

5.2 Foreign operations

Assets and liabilities of foreign operations (including adjustments of goodwill and fair value arising from the acquisition) are translated into Japanese yen by using the exchange rate on the date at the end of the term, and profit and expenses are translated by using the average exchange rate during the term as long as there was no significant fluctuation in the exchange rate during the term. The differences in currency translation arising from the translation of financial statements of foreign operations are recognised as other comprehensive income.

The differences are included in other components of equity as translation gains and losses. If disposing of the entire equity interest in a foreign operation or if disposing of part of the equity interest that results in a loss of control, significant influence or joint control, the translation gains and losses are changed to net income or loss as a part of the disposal income or loss.

6 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, deposits held on call with banks, and other short-term highly liquid investments with a maturity of three months or less from the acquisition date with an insignificant risk of changes in value.

7 Financial instruments

7.1 Non-derivative financial assets

(a) Initial recognition and measurement

Financial assets are initially recognised at the time when LIFULL becomes a party to a contract, and are classified as follows at the time of the initial recognition.

- (1) Financial assets measured at fair values through net income or loss

Financial assets held for sale or financial assets specified to be measured at fair values through net income or loss.

- (2) Held-to-maturity investments

Financial assets with fixed or determinable payment amounts and fixed maturity dates that the LIFULL Group has the clear intention and ability to hold until maturity.

- (3) Loans and receivables

Among financial assets whose payment amount is fixed or determinable, those without transactions in active markets.

- (4) Available-for-sale financial assets

Among financial assets, those specified as financial assets that can be sold or those that are not classified into (1), (2) or (3) in the above.

Financial assets are measured at fair value at the time of initial recognition and are calculated by adding the transaction cost directly attributable to the acquisition, except financial assets measured at fair value through net income or loss.

(b) Subsequent measurement

- (1) Financial assets measured at fair value through net income or loss

Financial assets measured at fair value through net income or loss are measured at fair value, and profit or loss arising from remeasurement is recognised as net income or loss.

- (2) Held-to-maturity investments

Held-to-maturity investments are measured with the amount calculated by deducting impairment loss from amortised cost calculated by the effective interest rate method.

The effective interest rate method is a method of allocating interest income or expenses throughout the related period by calculating the amortised cost of financial assets or financial liabilities. The effective interest rate is a rate for accurately discounting the amount of estimated cash received or paid in the future to the net book value initially recognised through the estimated remaining period (or shorter period in some cases) of the relevant financial instrument.

(3) Loans and receivables

Loans and receivables are measured with the amount calculated by deducting the impairment loss from the amortised cost calculated by the effective interest rate method.

Interest revenue is recognised by applying the effective interest rate, except short-term receivables for which the recognition of interest is not important.

(4) Available-for-sale financial assets

Available-for-sale financial assets are measured at fair value as of the closing date, and the changes in fair value are recognised as other comprehensive income. The foreign currency translation differences relating to monetary assets are recognised as net income or loss.

Dividends relating to available-for-sale financial instruments are recognised as net income or loss in the term when the right of the LIFULL Group to receive the payment is determined.

(c) **Impairment**

Financial assets other than the financial assets measured at fair value through net income or loss were examined as to whether or not there is any objective evidence to show that the impairment was made by the closing date. With regard to the relevant financial assets, the judgement was made that the objective evidence showed that the loss event occurred after the initial recognition, and impairment was made in the cases where it was reasonably forecast that the loss event would have a negative impact on the estimated future cash flow of the relevant financial assets.

For available-for-sale financial assets, the fact that the fair value is declining significantly or that the fair value has been lower than the acquisition cost for a long time can also be objective evidence for impairment.

Financial assets classified into a certain category such as trade receivables are assessed for impairment in the unit of the group, even if no objective evidence exists for individual impairment.

The amount of impairment loss recognised for financial assets measured at amortised cost is the difference between the book value of the relevant assets and the current value of the financial assets calculated by discounting the estimated future cash flow with the initial effective interest rate of the financial assets. In the subsequent period, if any objective event that shows a decrease in the amount of impairment loss occurs, the impairment loss is reversed and recognised as net income or loss.

If available-for-sale financial assets were impaired, the accumulated profits or losses recognised as other comprehensive income are transferred to net income or loss in the term. With regard to available-for-sale financial instruments, the reversal of the impairment loss will not be recognised in the subsequent periods. On the other hand, for available-for-sale liability financial instruments, if any objective fact that shows an increase in fair value occurs in the subsequent periods, the relevant impairment loss is reversed and recognised as net income or loss.

(d) **Derecognition**

The financial assets are derecognised only when the contractual rights for the cash flow generated from the financial assets have expired or when the financial assets are transferred and almost all risks and economic values are transferred to another entity.

With regard to the derecognition of financial assets, the difference between the book value of the assets and the consideration received or receivable and the accumulated profits or loss recognised as other comprehensive income are recognised as net income or loss.

7.2 Non-derivative financial liabilities

(a) Initial recognition and measurement

Financial liabilities are initially recognised when LIFULL becomes a party to a contract and are classified as follows at the time of the initial recognition.

- (1) Financial liabilities measured at fair value through net income or loss

Financial liabilities specified to be measured at fair value through net income or loss.

- (2) Other financial liabilities (including loans payable)

Those other than financial liabilities measured at fair value through net income or loss.

Financial liabilities are measured at fair value at the time of initial recognition and are calculated by subtracting the transaction expenses directly attributable to the issuance, except financial liabilities measured at fair value through net income or loss.

(b) Subsequent measurement

- (1) Financial liabilities measured at fair value through net income or loss

Financial liabilities measured at fair value through net income or loss are measured at fair value, and the profit or loss arising from remeasurement is recognised as net income or loss.

- (2) Other financial liabilities

Other financial liabilities are measured with amortised cost, mainly by using the effective interest rate method.

(c) Derecognition

The financial liabilities are derecognised only when the financial liabilities have expired; that is, when the liabilities identified in a contract have been exempted or cancelled or have become invalid. With regard to the derecognition of financial liabilities, the difference between the book value of the financial liabilities and the consideration paid or to be paid is recognised as net income or loss.

7.3 Offsetting of financial assets and financial liabilities

The financial assets and financial liabilities are offset on the consolidated statement of financial position and indicated at net amounts only when the LIFULL Group currently has a legally enforceable right to offset the balance and has the intention to settle them at the net amount or simultaneously implement the realisation of assets and the settlement of liabilities.

7.4 Derivatives and hedge accounting

(a) Derivatives

The LIFULL Group uses derivative transactions such as interest-rate swaps in order to hedge risks due to fluctuations in exchange rates and interest rates.

A derivative is initially recognised at the fair value on the date when the derivative transaction contract is concluded. After the initial recognition, the derivative is measured at the fair value on the date at the end of the term. The amount of fluctuation of the fair value of the derivative is, if it is not specified as a hedging instrument or if it is not effective as hedging, immediately recognised as net income or loss. The derivative financial assets are classified into other financial assets, and the derivative financial liabilities are classified into other financial liabilities.

(b) Hedge accounting

The LIFULL Group designates derivative transactions that meet the requirements for hedge accounting as hedging instruments and implements account processing as a cash flow hedge.

The LIFULL Group has formally designated and documented the hedging instruments, the relationship between the hedging instruments and the hedged items to which hedge accounting is to be applied, and the risk management objectives and strategies for implementing the hedging. In addition, an assessment is made at the beginning of the hedging and on a continuing basis thereafter as to whether the hedging instruments are expected to have high offsetting effects on the fair values of the hedged items and the fluctuation of cash flow during the hedged period.

The effective portion of the fluctuation of the fair value of a derivative that was designated as a cash flow hedge and met the requirements is recognised as other comprehensive income and is accumulated in the accumulated amount of other comprehensive income as another component of capital. The accumulated amount of other comprehensive income is transferred to net income or loss under the item of the consolidated profit and loss statement relating to the hedged item in the period when the hedged cash flow has an impact on profits and losses. The non-effective part of the fluctuation of the fair value of the derivatives is immediately recognised as net income or loss.

If a scheduled transaction that is hedged generates the recognition of non-financial assets or non-financial liabilities, the accumulated amount of other comprehensive income that was previously recognised as other comprehensive income is transferred and included in the measurement of the acquisition cost at the time when the non-financial assets or non-financial liabilities are initially recognised.

If LIFULL has cancelled the designation of a hedge, or if a hedging instrument has become invalid or is sold, terminated or executed, and if a hedge no longer meets the requirements for effective hedging, the hedge accounting is discontinued.

If the hedge accounting is discontinued, the accumulated amount of other comprehensive income is continuously posted as capital and recognised as net income or loss at the time when the scheduled transaction is finally recognised as net income or loss. If the scheduled transaction is not expected to be made any more, the accumulated amount of other comprehensive income is immediately recognised as net income or loss.

8 Property, plant and equipment

For property, plant and equipment, the cost model is adopted and the items are posted at the amount less any accumulated depreciation and accumulated impairment losses.

Expenses directly related to the acquisition of the assets and expenses for demolition, removal and restoration are included in the acquisition cost.

Each asset is depreciated using the straight-line method for its estimated useful life, except assets such as land that are not subject to depreciation. The estimated useful life for each main asset item is as follows:

- Buildings: 8 to 10 years
- Tools, furniture and fixtures: 4 to 15 years

The estimated useful lives, depreciation methods, etc. are reviewed at the end of each fiscal year and, if any change is made, the change is to be applied thereafter for the accounting estimates.

The recognition of property, plant and equipment is to be discontinued at the time of disposal or when an economic benefit is no longer expected from continued use or disposal in the future.

Goodwill is indicated at the price obtained by subtracting the accumulated amount of impairment loss from the acquisition cost.

Goodwill is not amortised but is allocated to related each unit that generates funds, and an impairment test is implemented every year or whenever any sign of impairment is found. The impairment loss of goodwill is recognised in the consolidated profit and loss statement, and no subsequent reversal is implemented.

Intangible assets

Intangible assets acquired individually for which useful lives can be determined adopt the cost method and are posted at the amount of the acquisition cost less accumulated amortisation and impairment losses. Intangible assets acquired individually for which useful lives cannot be determined are posted at the amount of the acquisition cost less accumulated impairment losses.

Intangible assets acquired by business combination and recognised as distinguished from goodwill are initially recognised by acquisition date fair values. After the initial recognition, the intangible assets acquired by business combination are posted at the amount of the acquisition cost less accumulated amortisation and impairment losses, just like intangible assets acquired individually.

Expenditure incurred in the research phase is posted as expenses in the period in which it occurred. The internally generated intangible assets generated in the development phase are recognised by the total amount of expenditures during the period from the date when all the requirements for posting the assets were met until the completion of the development. After the initial recognition, the internally generated intangible assets are posted at the amount of the acquisition cost less accumulated amortisation and impairment losses, just like intangible assets acquired individually.

Amortisation expenses are posted using the straight-line method for their estimated useful lives.

The estimated useful lives of the main intangible assets are as follows:

- Software: 5 years
- Trademark rights: 5 years
- Customer-related assets: 6 years to 11 years

The estimated useful lives and amortisation methods are reviewed at the end of each fiscal year and, if any change is made, the change is to be applied thereafter for the accounting estimates.

10 Impairment of non-financial assets

The LIFULL Group undertakes an assessment at the end of each reporting period as to whether there is any indication that each asset may be impaired. If there is any indication or an annual impairment test is required, the recoverable amount of the asset is estimated. If the recoverable amount of each asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. The recoverable amount is the higher of the fair value less the disposal cost of an asset or cash-generating unit and its value in use. If the carrying amount of the asset or cash-generating unit exceeds the recoverable amount, the impairment of the asset is recognised and written down to the recoverable amount. In addition, the estimated future cash flow in evaluating the value in use is discounted to the present value using the pre-tax discount rate, reflecting the market valuation of the current monetary time value and the risks specific to the asset. The fair value less the disposal cost is calculated based on the appropriate valuation model backed by the fair value indicators available.

Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination. If there is any indication that the cash-generating unit may be impaired, and at certain times of each fiscal year regardless of whether there is an indication of impairment, an impairment test is performed.

As for assets other than goodwill, if any change is made to the assumptions used for the calculation of the recoverable amount of the impairment loss recognised in the past fiscal year, the LIFULL Group undertakes an assessment at the end of each reporting period as to whether there is any indication that the loss may be decreased or extinguished. If there is such an indication, the recoverable amount of the asset or cash-generating unit is estimated. If the recoverable amount exceeds the carrying amount of the asset or cash-generating unit, the impairment loss is reversed up to the lower of the recoverable amount and the carrying amount less depreciation when an impairment loss was not recognised in the past fiscal year.

11 Short-term employee benefits

Short-term employee benefits are recorded as expenses when related services are provided, without discount. Regarding bonuses, however, if the LIFULL Group has a present constructive obligation to pay them and can make a reliable estimate of the amount, the estimated payment under such system is recognised as a liability.

12 Stock-based compensation

The LIFULL Group adopts stock options as a compensation system based on equity-settled stocks. Stock options are estimated at the grant-date fair value, and are recognised as expenses in the Consolidated Statements of Profit or Loss over the vesting period based on the estimated number of stock options that eventually become exercisable. The same amount is recognised as an increase in equity in the Consolidated Statements of Financial Position.

13 Provisions

Provisions are recognised if the LIFULL Group has a current obligation (legal or constructive) as a result of a past event and is likely to require an outflow of resources

embodying economic benefits to settle the obligation, as well as if it can make a reliable estimate of the amount of the obligation.

Provisions are measured as the present value of the estimated expenditure required for settling the obligation, using the pre-tax discount rate reflecting the market valuation of the current monetary time value and the risks specific to the obligation. Increases in provisions over time are recognised as financial expenses.

The LIFULL Group recognises asset retirement obligations as provisions. The asset retirement obligations are estimated, recognised and measured for dilapidation obligations for leased offices and buildings, with due consideration of the individual property status, based on past restoration records and the expected period of use determined in light of useful life for inside work in offices.

14 Equity

14.1 Common stock

The issue prices of the common shares held by LIFULL are recorded in capital stock and capital surplus, and direct issue costs (after tax effect considerations) are deducted from capital surplus.

14.2 Treasury shares

If treasury shares are acquired, the consideration paid after tax effect considerations, including direct transaction costs, is recognised as a deduction from capital stock. If treasury shares are on the market, the difference between the carrying amount and the consideration given is recognised in capital surplus.

15 Revenue

The LIFULL Group provides an information service through its real estate and housing information website and others. The LIFULL Group's revenue is measured at the fair value of the consideration for the service provided in ordinary transactions. The revenue from the provision of the service is recognised based on the progress of the transaction at the end of the period if the result of the service can be estimated reliably. If all the following conditions are met, the results of the transaction are considered to be able to be estimated reliably.

- The amount of revenue can be measured reliably.
- Economic benefits related to the transactions are likely to flow into the LIFULL Group.
- The progress of transactions at the end of the period can be measured reliably.
- The expenses incurred for the transaction and those needed for completing the transaction can be measured reliably.

The standards for revenue recognition for major revenue categories are as follows.

15.1 Revenue from inquiries and requests for information materials

This is the revenue from the real estate and housing information website "LIFULL HOME'S" operated by LIFULL. In this service, the client posts property information or places an advertisement, and the user reads the information. Revenue is recognised

when the user makes an inquiry or a request for information materials, either by phone or email. Meanwhile, the aggregation site operated by Trovit is a service where the client posts information on properties, used cars and jobs, and the user reads the information. Revenue is received from the service when the user clicks on the information and is guided to the client's information site. The revenue is recognised when the posted information is clicked.

15.2 Revenue from cost to post information

This is the revenue from the service LIFULL offers to its clients by posting their property information on its real estate and housing information website. The revenue is recognised based on the number of properties posted when the month of posting the property information arrives.

15.3 Revenue from consulting

This is the revenue from advertisement consulting, a service that LIFULL offers to its clients, by providing operational support and analysis of marketing and website creation. The revenue is recognised when the operation of listing advertisements or the optimisation of its website search engine is completed or when the content to be posted on its website is delivered.

16 Leases

Leases are categorised as financial leases if all risks of ownership and economic value are, in essence, transferred to the Group, and as operating leases in other cases.

A lease asset in a financial lease is recognised initially based on the fair value of the lease property calculated on the day when the lease starts or the present value of the total amount of minimum lease payments, whichever is lower. After the initial recognition, the asset is depreciated with the straight-line method over the lease term or economic life, whichever is shorter, except when it is reasonably certain that the LIFULL Group will acquire the ownership before the expiration of the lease contract.

In an operating lease transaction, lease payments are recognised as expenses in the consolidated statements of profit or loss based on the straight-line method over the lease term. In addition, variable lease payments are recognised as expenses for the period in which they are paid.

Whether a contract is a lease or whether it includes a lease is determined based on the substance of the contract pursuant to IFRIC 4 Determining Whether an Arrangement Contains a Lease, even if it is not legally in the form of a lease.

17 Income taxes

The amount of income tax expenses in the consolidated statements of profit or loss is presented as the total of income taxes for the fiscal year under review and deferred income taxes.

Income taxes for the fiscal year under review are measured as the amount expected to be paid to or refunded by the tax authorities. The tax rate and tax law used in the calculation of a tax amount are those that have been established or essentially established before the closing date. Income taxes for the fiscal year under review are recognised as profit or loss, except for taxes on items directly recognised as other comprehensive income or capital.

Deferred income taxes are calculated based on the temporary differences between the tax bases of assets and liabilities on the closing date and their accounting book values. Deferred tax assets are recognised in the range where taxable income on deductible temporary differences, unused tax credits, and unused tax losses that can be collected are expected to arise. Deferred tax liabilities are, as a general rule, recognised for taxable temporary differences.

Deferred tax assets or liabilities are not recorded for the following temporary differences:

- Those arising from the initial recognition of goodwill.
- Those arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and does not affect accounting profit and taxable profit (tax loss).
- For deductible temporary differences related to equity in the arrangements of investments in and shared control of subsidiaries and affiliates, when the temporary differences are not likely to be reversed in the foreseeable future or there is not a high possibility that taxable profit, for which the temporary differences concerned are used, will be earned.
- For taxable temporary differences related to equity in the arrangements of investments in and shared control of subsidiaries and affiliates, when the timing of the reversal of temporary differences can be controlled and the temporary differences are not likely to be reversed in the foreseeable future.

Deferred tax assets and liabilities are determined by estimating the tax rate for the fiscal year in which the assets are realised or liabilities are settled based on the tax rate that has been established or essentially established before the closing date.

Deferred tax assets and liabilities are offset when the LIFULL Group has a legally enforceable right to offset the tax assets and liabilities for the fiscal year under review and income taxes are imposed on the same taxable entity by the same tax authorities, or income taxes are imposed on different taxable entities but such taxable entities intend to settle the tax assets and liabilities for the fiscal year under review based on their net amounts, or these tax assets and liabilities are planned to be realised simultaneously.

18 Earnings per share

Net income per share, basic is calculated by dividing profit attributable to owners of the parent by the weighted average number of common shares outstanding after adjusting treasury stock for the period. Net income per share, diluted is the same amount as net income per share, basic due to the absence of dilutive shares.

Corporate Directory

Mitula Group Limited

Global head office

Enrique Granados, 6 Edificio B - 2º planta
28224 Pozuelo de Alarcón, Madrid
Spain

Registered office in Australia

Suite 810, Level 8
2 Queen Street
Melbourne, Victoria 3000
Australia

Financial Adviser to Mitula

Stratford Advisory Group
Level 3, 139 Collins Street
Melbourne, Victoria 3000
Australia

Australian Legal Adviser to Mitula

Herbert Smith Freehills
Level 42, 101 Collins Street
Melbourne, Victoria 3000
Australia

Japanese Legal Adviser to Mitula

Anderson Mori & Tomotsune
1-1-1 Otemachi, Chiyoda-ku
Tokyo 100-8136
Japan

Mitula Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney, New South Wales 2000
Australia

Mitula Shareholder Information Line

1300 046 608 (within Australia)
+61 2 9290 9662 (outside Australia)
between 8.15am and 5.30pm, Monday to Friday

FORM A

Name of Mitula Shareholder

SRN / HIN

Current holding of Mitula Shares

* Please use this Form A if you wish to receive your Scrip Consideration in a Designated Securities Account (regardless of whether or not you complete an Election Form). If you receive Scrip Consideration and this Form A is not adequately completed, your Scrip Consideration will be held in Comprehensive Account B. Please refer to the Scheme Booklet for details of the differences between a Designated Securities Account and Comprehensive Account B.

Section 1. Contact Details

Name

E-mail

Telephone

Address

Section 2. Settlement Information

Please fill out the below information for Settlement *1

Stockbroker or Global Custodian

Company's Name

Contact Person

Telephone

E-mail

SWIFT BIC CODE

ID/Account No.

Stockbroker's agent or Sub/Local custodian in Japan

Company's Name

Contact Person

Telephone

E-mail

SWIFT BIC CODE

ID/Account No.

*1 You can elect only one account to receive New LIFULL Shares. Electing multiple accounts is prohibited.

* You and your stockbroker will be notified of further settlement information (Custodian's account information) as required.

* Number of New LIFULL Shares to be received is based on the calculation mechanism set out below.

Calculation for Scrip Consideration

(1) Mitula Shareholders who make an All Scrip Election

$$\boxed{\text{Scheme Shares}} \times \boxed{\text{Final SCR}}$$

(2) Mitula Shareholders who do not make an All Scrip Election and hold more than 20,000 Mitula Shares

$$(\boxed{\text{Scheme Shares}} - \boxed{20,000}) \times \boxed{\text{Final SCR}}$$

* SCR : Scrip Consideration Ratio, being 0.0753, subject to the application of the Downside Price Protection Mechanism or the Upside Participation Cap

* Any fractional entitlement to a part of a New LIFULL Share will be rounded down to the nearest whole number of New LIFULL Shares.

* This calculation may vary if you became the registered holder of any of your Scheme Shares after 7.00pm on 24 October 2018. For further details, refer to the Scheme Booklet.

Section 3. Sign this Form A

This section must be signed in accordance with the instructions overleaf to enable your direction to be implemented.

I/We authorise Mitula or its agent to process this Form A on my/our behalf in accordance with the instructions set out above. If my/our Form A is not in accordance with the terms of the Scheme Booklet and the instructions on the back of this Form A, I/we authorise Mitula to process my/our instruction as deemed necessary. If the necessary information for settlement is not provided, I/we agree to receive New LIFULL Shares in Comprehensive Account B, regardless if this Form A has been submitted. If this Form A is signed under a power of attorney, the attorney declares that they have no notice of revocation of that power.

Securityholder 1

Individual/sole director and sole company secretary

Securityholder 2 (if applicable)

Director

Securityholder 3 (if applicable)

Director/company secretary

Date / / 2018

TO BE A VALID INSTRUCTION, THIS FORM A MUST BE RECEIVED AT ONE OF THE ADDRESSES LISTED OVERLEAF BY NOT LATER THAN 7.00pm ON THE ELECTION DATE, CURRENTLY SCHEDULED FOR 13 DECEMBER 2018

HOW TO COMPLETE THIS FORM

STEP 1 - Insert your contact details

If you wish to receive your Scrip Consideration in a Designated Securities Account regardless of whether or not you complete an Election Form, please fill your name, SRN/HIN, current holding of Mitula shares, name, e-mail, telephone number and address then return this Form A. Ineligible Foreign Shareholders cannot submit this Form A.

STEP 2 - Fill out the necessary information for the settlement of share issuance

Why is this settlement information needed? The Japanese share settlement system requires both the issuer of the shares (being LIFULL Co., Ltd) and the recipient of the shares (you) to issue matching instructions to the Japan Securities Depository Center, Incorporated (JASDEC). If you wish to receive your New LIFULL Shares in a Designated Securities Account, each of your stockbroker and LIFULL must issue matching instructions to JASDEC. You need to provide LIFULL with the information required in Section 2 so that LIFULL can issue its matching instruction to JASDEC.

Whose information needed?

To enable LIFULL to issue its matching instruction, the information LIFULL needs depends on how you will hold your New LIFULL Shares:

- (A) if you are going to hold New LIFULL Shares via your stockbroker, please complete this Form A with information about i) your stockbroker and ii) your stockbroker's agent in Japan; or
- (B) if you are going to hold New LIFULL Shares via a Global Custodian, please complete this Form A with information about i) your Global Custodian and ii) your Global Custodian's Sub/Local Custodian in Japan.

STEP 3 - Sign this Form A

You must sign this Form A as follows in the spaces provided:

Individual

Where the holding is in one name, the holder must sign.

Joint holding

Where the holding is in more than one name, all of the holders must sign.

Power of attorney

To sign under power of attorney, you must have either already lodged a certified copy of your power of attorney with Boardroom Pty Limited (see the contact details overleaf), or you must attach a certified photocopy of your power of attorney to this Form A when you return it.

Companies

Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can sign alone. Otherwise this Form A must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

STEP 4 - Lodgment of Form A

This Form A must be lodged in person, by mail or by fax by 7.00pm on the Election Date, currently scheduled for 13 December 2018. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for Mitula Shareholders in Australia. Mitula Shareholders outside Australia will need to affix the appropriate postage. If the Form A has been signed under a power of attorney, it may only be lodged in person or by mail and, unless you have already lodged a copy of your power of attorney with Boardroom Pty Limited, must be accompanied by a certified copy of that power of attorney.

Addresses for lodgment

Postal Address

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

Hand Delivery

Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000
Australia

Facsimile

+61 2 9290 9655

If you have any enquiries in relation to this Form A, please contact the Mitula Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia), between 8.30am and 7.30pm Monday to Friday, excluding public holidays.

Privacy Clause

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).

FORM B

Name of Mitula Shareholder

SRN / HIN

Current holding of Mitula Shares

* Please use this Form B if you wish to receive your Scrip Consideration in Comprehensive Account A (regardless of whether or not you complete an Election Form). If you receive Scrip Consideration and this Form B is not adequately completed, your Scrip Consideration will be held in Comprehensive Account B. Please refer to the Scheme Booklet for details of the differences between the Comprehensive Accounts.

Number of New LIFULL Shares to be received will be calculated based on the following formula

Calculation for Scrip Consideration

(1) Mitula Shareholders who make an All Scrip Election

$$\text{Scheme Shares} \times \text{Final SCR}$$

(2) Mitula Shareholders who do not make an All Scrip Election and hold more than 20,000 Mitula Shares

$$(\text{Scheme Shares} - 20,000) \times \text{Final SCR}$$

* SCR : Scrip Consideration Ratio, being 0.0753, subject to the application of the Downside Price Protection Mechanism or the Upside Participation Cap

* Any fractional entitlement to a part of a New LIFULL Share will be rounded down to the nearest whole number of New LIFULL Shares.

* This calculation may vary if you became the registered holder of any of your Scheme Shares after 7.00pm 24 October 2018. For further details, refer to the Scheme Booklet.

Section 1. Shareholder Information - Please complete in full

Name

E-mail

Telephone

Address

Date of birth (if shareholder is an individual), (DD:MM:YY)

Jurisdiction of tax residency

Section 2. Bank Mandate Form

To have future LIFULL dividends and other distributions paid directly into your bank account, please complete this section 2 of Form B.

Company Name

LIFULL CO. Ltd

BSB

Account Number

Bank Name

Section 3. Sign this Form B

This section must be signed in accordance with the instructions overleaf to enable your direction to be implemented.

I/We authorise Mitula or its agent to process this Form B on my/our behalf in accordance with the instructions set out above. If my/our Form B is not in accordance with the terms of the Scheme Booklet and the instructions on the back of this Form B, I/we authorise Mitula to process my/our instruction as deemed necessary. If the necessary information for settlement is not provided, I/we agree to receive New LIFULL Shares in Comprehensive Account B, regardless if this Form B has been submitted. If this Form B is signed under a power of attorney, the attorney declares that they have no notice of revocation of that power.

Securityholder 1

Individual/sole director and sole company secretary

Securityholder 2 (if applicable)

Director

Securityholder 3 (if applicable)

Director/company secretary

Date / / 2018

TO BE A VALID INSTRUCTION, THIS FORM B MUST BE RECEIVED AT ONE OF THE ADDRESSES LISTED OVERLEAF BY NOT LATER THAN 7.00pm ON THE ELECTION DATE, CURRENTLY SCHEDULED FOR 13 DECEMBER 2018

HOW TO COMPLETE THIS FORM

STEP 1 - Insert your contact details

If you wish to receive your Scrip Consideration in Comprehensive Account A regardless of whether or not you complete an Election Form, please fill your name, SRN/HIN, current holding of Mitula shares, name, e-mail, telephone number, address, date of birth and jurisdiction of tax registry then return this Form B. Ineligible Foreign Shareholders cannot submit this Form B.

STEP 2 - Fill out the necessary information for the settlement of share issuance

Please complete Section 2 (Bank Mandate Form). Please also complete the AML/CTF Investor Identification Information Form attached to this Form B that applies to your circumstances.

STEP 3 - Sign this Form B

You must sign this Form B as follows in the spaces provided:

Individual

Where the holding is in one name, the holder must sign.

Joint holding

Where the holding is in more than one name, all of the holders must sign.

Power of attorney

To sign under power of attorney, you must have either already lodged a certified copy of your power of attorney with Boardroom Pty Limited (see the contact details overleaf), or you must attach a certified photocopy of your power of attorney to this Form B when you return it.

Companies

Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can sign alone. Otherwise this Form B must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

STEP 4 - Lodgment of Form B

This Form B and the completed AML/CTF Investor Identification Information Form must be lodged in person, by mail or by fax by 7.00pm on the Election Date, currently scheduled for 13 December 2018. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for Mitula Shareholders in Australia. Mitula Shareholders outside Australia will need to affix the appropriate postage. If the Form B has been signed under a power of attorney, it may only be lodged in person or by mail and, unless you have already lodged a copy of your power of attorney with Boardroom Pty Limited, must be accompanied by a certified copy of that power of attorney.

Addresses for lodgment

Postal Address

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

Hand Delivery

Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000
Australia

Facsimile

+61 2 9290 9655

If you have any enquiries in relation to this Form B, please contact the Mitula Information Line on 1300 046 608 (within Australia) or +61 2 9290 9662 (outside Australia), between 8.15am and 5.30pm Monday to Friday, excluding public holidays.

Privacy Clause

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 046 608
(outside Australia) +61 2 9290 9662

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2.00pm on 9 December 2018.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/mitulascm2018
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 — APPOINTMENT OF PROXY

Indicate who you want to appoint as your proxy. If you wish to appoint the Chair of the Scheme Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Scheme Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the Scheme Meeting, the Chair of the Scheme Meeting will be your proxy. A proxy need not be a Mitula Shareholder. Do not write Mitula Group Limited or your name in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the Scheme Meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting Boardroom Pty Limited or you may copy this Proxy Form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of Mitula Shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both Proxy Forms together in the same envelope.

STEP 2 — VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your Mitula Shares will be voted in accordance with such a direction unless you indicate only a portion of Mitula Shares are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your Mitula Shares your vote on that item will be invalid.

Proxy which is a body corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the Boardroom Pty Limited.

STEP 3 — SIGN THE PROXY FORM

The Proxy Form **must** be signed as follows:

Individual: Where the holding is in one name, the holder must sign.

Joint holding: Where the holding is in more than one name, all the holders must sign. **Power of attorney:** To sign under a power of attorney, you must have already lodged it with Boardroom Pty Limited. Alternatively, attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

Companies: This form must be signed by a director jointly with either another director or a company secretary. Where the company has a sole director who is also the sole company secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 — LODGEMENT

Proxy Forms (and any power of attorney under which it is signed) must be received no later than 48 hours before the commencement of the Scheme Meeting, therefore by **2.00pm on 9 December 2018.** Any Proxy Form received after that time will not be valid for the Scheme Meeting.

Proxy forms may be lodged using the enclosed reply paid envelope or:

- 💻 **Online** www.votingonline.com.au/mitulascm2018
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Scheme Meeting

If you wish to attend the Scheme Meeting, please bring this Proxy Form with you to assist registration.

Mitula Group Limited

ACN 604 677 796

Your address

This is your address as it appears on Mitula's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Mitula Shareholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your Mitula Shares using this form.

PROXY FORM

STEP 1 APPOINTMENT OF PROXY

I/We being a member/s of **Mitula Group Limited** and entitled to attend and vote hereby appoint:

the **Chair of the Scheme Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Scheme Meeting as your proxy, please write the name of the person or body corporate (do not write your name or Mitula Group Limited) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Scheme Meeting as my/our proxy at the Scheme Meeting to be held at the offices of **Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne, VIC 3000 on 11 December 2018 at 2.00pm** and at any adjournment of that Scheme Meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Scheme Meeting will vote all undirected proxies in favour of all items of business. If you wish to appoint the Chair of the Scheme Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

* If you mark the 'Abstain' box for a particular item, you are directing your proxy not to vote on your behalf and your vote will not be counted in calculating the required majority.

Resolution 1

"That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modification as approved by the Supreme Court of Victoria)."

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGN THE PROXY FORM

This form must be signed to enable your directions to be implemented.

Individual or shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018

FOR ALL ENQUIRIES CALL THE MITULA INFORMATION LINE:

(w ithin Australia) 1300 046 608
(outside Australia) +61 2 9290 9662

FACSIMILE
+61 2 9290 9655

ALL CORRESPONDENCE TO:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

IMPORTANT NOTE: This document is only for use by those Mitula Shareholders who wish to make an All Scrip Election to receive the Scrip Consideration for ALL of their Mitula Shares. If you would like to receive the Cash Consideration for your first 20,000 Mitula Shares and the Scrip Consideration for each remaining Mitula Share, DO NOT complete or return this Election Form. You should however complete and return either the enclosed Form A or Form B if you hold more than 20,000 Mitula Shares. Refer to section [5] of the Scheme Booklet for further details.

«NameAddress2»
«NameAddress3»
«NameAddress4»
«NameAddress5»
«NameAddress6»

Holding of Mitula Shares
as at 13 December 2018

Barcode SRN/HIN

ALL SCRIP ELECTION — ELECTION FORM

This Election Form is important. This Election Form is for use by Mitula Shareholders who wish to make an All Scrip Election to receive the Scrip Consideration for all their Mitula Shares. If you are in doubt as to how to deal with it, please consult your legal, financial, stockbroking or other professional advisor immediately. You should read the Scheme Booklet (which accompanies this Election Form) in its entirety and the instructions overleaf carefully before completing this Election Form. Your Election Form and any power of attorney under which it is signed must be received no later than 7.00pm on the Election Date, currently scheduled for 13 December 2018. Defined terms used in this Election Form have the meaning given to them in the Scheme Booklet unless otherwise indicated. Note that if you are an Ineligible Foreign Shareholder, you may not make an All Scrip Election, and you should not submit this Election Form. See overleaf for instructions on how to complete this Election Form.

STEP 1 — If you wish to make an All Scrip Election tick the box below.

I/We elect to receive the Scrip Consideration for ALL my/our Mitula Shares.

IMPORTANT:

If you select this option you should also submit either the enclosed Form A (to receive your New LIFULL Shares in a Designated Securities Account) or Form B (to receive your New LIFULL Shares in Comprehensive Account A). If you do not submit either a Form A or Form B, your New LIFULL Shares will be held in Comprehensive Account B on your behalf. Please refer to section 5 of the Scheme Booklet for details of the differences between a Designated Securities Account and the Comprehensive Accounts.

STEP 2 — Insert contact details

Please provide a daytime telephone number where we can contact you if we have any questions about this Election Form.

Daytime telephone number

Contact name

STEP 3 — Sign this Election Form

This section must be signed in accordance with the instructions overleaf to enable your direction to be implemented.

I/We authorise Mitula or its agent to process this Election Form on my/our behalf in accordance with the instructions set out above. If my/our All Scrip Election is not in accordance with the terms of the Scheme Booklet and the instructions on the back of this Election Form, I/we authorise Mitula to process my/our Election as deemed necessary. If this form is signed under a power of attorney, the attorney declares that they have no notice of revocation of that power.

Securityholder 1

Securityholder 2 (if applicable)

Securityholder 3 (if applicable)

Individual/sole director and sole company secretary

Director

Director/company secretary

Date ____ / ____ / 2018

TO BE A VALID INSTRUCTION, THIS ELECTION FORM MUST BE RECEIVED AT ONE OF THE ADDRESSES LISTED OVERLEAF BY NOT LATER THAN 7.00pm ON THE ELECTION DATE, CURRENTLY SCHEDULED FOR 13 DECEMBER 2018

HOW TO COMPLETE THIS FORM

STEP 1 — If you wish to make an All Scrip Election

If you wish to make an All Scrip Election, please indicate this by marking the election box. **Ineligible Foreign Shareholders** cannot make an All Scrip Election so should not submit an Election Form.

Your valid All Scrip Election will apply to all Mitula Shares held by you at 7.00pm on the Record Date.

IMPORTANT: If you make an All Scrip Election you should complete and return either a Form A (to receive your New LIFULL Shares in a Designated Securities Account) or a Form B (to receive your New LIFULL Shares in a Comprehensive Account A). If you do not submit either a Form A or Form B, your New LIFULL Shares will be held in Comprehensive Account B on your behalf. Please refer to section 5 of the Scheme Booklet for details of the differences between a Designated Securities Account and the Comprehensive Accounts.

If you would like to receive the Cash Consideration for your first 20,000 Mitula Shares and the Scrip Consideration for each remaining Mitula Share, DO NOT complete or return this Election Form. You should however complete and return either the enclosed Form A or Form B if you hold more than 20,000 Mitula Shares. Refer to section 5 of the Scheme Booklet for further details.

Your valid All Scrip Election may be withdrawn before 7.00pm on the Election Date, currently scheduled for 13 December 2018, by signed written notice to Boardroom Pty Limited (see details below) setting out your name, address and Holder Identification Number (HIN) or Securityholder Reference Number (SRN) and your intention to withdraw your Election Form.

The Election Form must be received by Boardroom Pty Limited at the address shown below no later than 7.00pm on the Election Date, currently scheduled for 13 December 2018. You should allow sufficient time for this to occur. You may wish to consult your legal, financial or other professional advisor about the best decision for you having regard to your own particular circumstances.

This Election Form only applies to the Mitula Shareholder identified by the SRN/HIN and the name appearing on the front of this form.

STEP 2 — Insert contact details

Please enter your contact telephone number to enable us to contact you if we have any questions about your application.

STEP 3 — Sign this Election Form

You must sign this Election Form as follows in the spaces provided:

Individual

Where the holding is in one name, the holder must sign.

Joint holding

Where the holding is in more than one name, all of the holders must sign.

Power of attorney

To sign under power of attorney, you must have either already lodged a certified copy of your power of attorney with Boardroom Pty Limited (see the contact details overleaf), or you must attach a certified photocopy of your power of attorney to this Election Form when you return it.

Companies

Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can sign alone. Otherwise this Election Form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

STEP 4 — Lodgement of Election Form

This Election Form must be lodged in person, by mail or by fax by 7.00pm on the Election Date, currently scheduled for 13 December 2018. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for Mitula Shareholders in Australia. Mitula Shareholders outside Australia will need to affix the appropriate postage. If the Election Form has been signed under a power of attorney, it may only be lodged in person or by mail and, unless you have already lodged a copy of your power of attorney with Boardroom Pty Limited, must be accompanied by a certified copy of that power of attorney.

Addresses for lodgement

Postal Address

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

Hand Delivery

Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000
Australia

Facsimile

+61 2 9290 9655

If you have any enquiries in relation to this Election Form, please contact the Mitula Information Line on 1300 046 608 (within Australia) or +61 2 9290 9662 (outside Australia), between 8.15am and 5.30pm Monday to Friday, excluding public holidays.

Privacy Clause

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).

For personal use only