

Love Group Global Ltd (ASX:LVE)

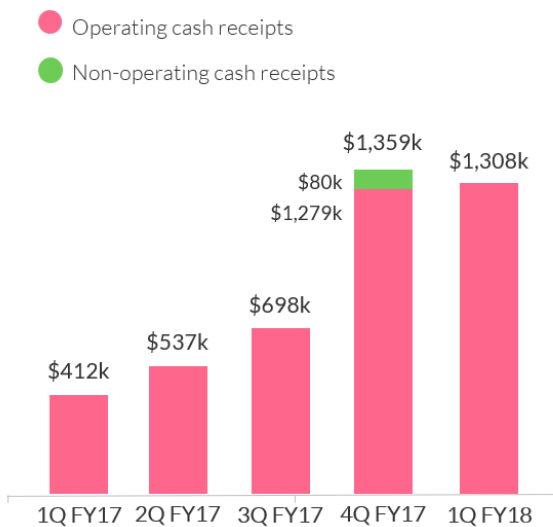
27 October 2017

Love Group reports record quarterly operating cash receipts

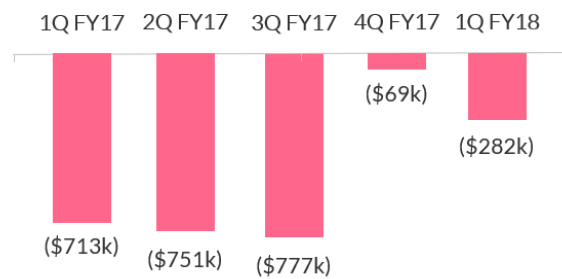
- **Record quarterly operating cash receipts of \$1,308k¹, up 2% quarter-on-quarter**
 - Premium matchmaking business continues to see strong growth and represented 81% of total customer cash receipts in 1Q FY18
 - New quarterly records in matchmaking customer cash receipts and number of matchmaking orders
- **Higher marketing expenses to build future customer pipeline**
 - Increased marketing expenses, in particular in Hong Kong and Singapore, to strengthen inventory of leads and customers for upcoming quarters
 - Approximately 55% of total marketing spend allocated towards Hong Kong, the company's most profitable market
- **Signed first franchise agreement with Gorgeous Networks to franchise London matchmaking business**
 - London matchmaking business now operating under franchise business model, with Love Group receiving 15 to 20% revenue share in exchange for licensing online dating technology and marketing platform to Gorgeous Networks
 - Love Group will continue to fully own and operate London online dating business, while franchise partner is responsible for operating offline matchmaking business and paying local rent and staff costs
 - Plans to seek more franchise partners in other markets around the world to quickly scale online plus offline business model with minimal capex
- **Bangkok premium matchmaking store fully operational and seeing strong growth**
 - Thailand customer receipts of A\$33k in September, +285% month-on-month
 - Already reached cash flow profitability in second month of operations

¹ 4Q FY17 cash receipts of \$1,359k included \$80K of non-operating cash receipts from earn-out payment received for sale of services business

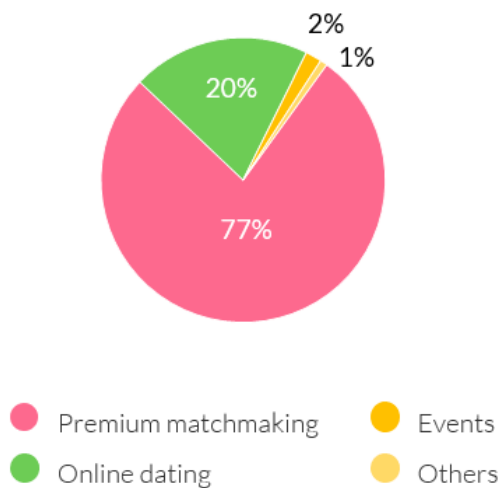
Quarterly receipts from customers



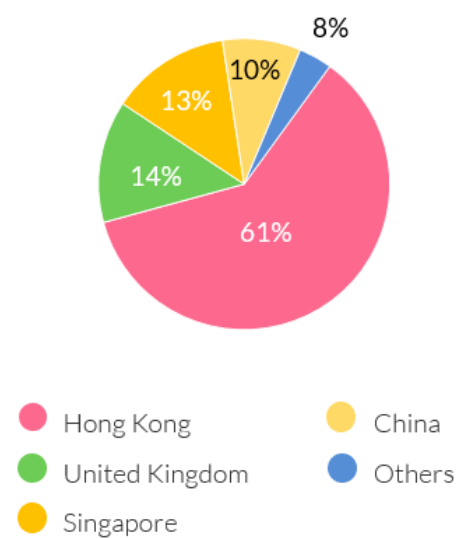
Net cash used in operating activities



1Q FY18 revenue by product



1Q FY18 revenue by geography



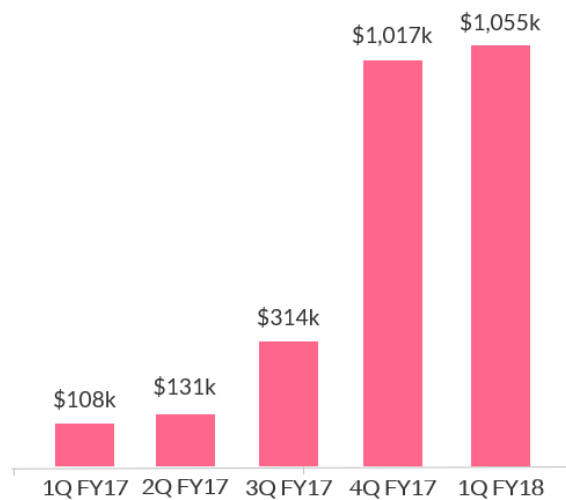
Love Group Ltd (ASX:LVE) is pleased to present its quarterly cash flow report and operational update for the quarter ending September 2017.

Love Group Founder and CEO, Michael Ye: *“Love Group had another record quarter in the first quarter of fiscal year 2018, with our Hong Kong business continuing to deliver cash flow profits as a result of its robust premium matchmaking business.*

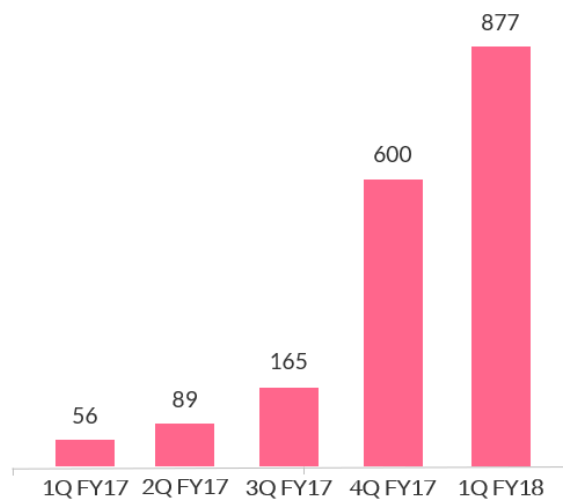
We signed our first franchise partner to transition our London business to operate under a franchise model, which allows us to focus on continuing to grow our online user base to provide leads and customers to our franchise partner. We are also pleased with the continued growth of our Singapore and Bangkok businesses, both of which are now operating near or at cash flow profitability.

For the upcoming quarter, we plan to continue to increase the scale of our business, in particular in Hong Kong, to further drive margin expansion as a result of increasing pricing power, economies of scale and operating leverage as our market share in each city increases.”

Matchmaking customer cash receipts



Number of matchmaking orders



Growth Outlook

Looking ahead, Love Group will continue to execute on its strategic priority of growing penetration and market share in its core markets of Hong Kong, Singapore and Bangkok. At the same time, the company will seek additional franchise partners to rapidly expand into new markets with minimal capex. The focus will continue to be on Asian markets with large populations of singles that have strong demand for both online dating and premium matchmaking services.

Another growth driver for the company will be in further monetizing its large and growing existing client base through sale of membership renewals and complementary products and services such as image consulting, date coaching and relationship coaching.

Cash at bank

Love Group had a cash position of over \$1.3 million as at 30 September 2017. The company is well funded to execute its strategic growth plans through cash flow from operations, with the goal of achieving cash flow profitability during the upcoming second quarter of fiscal year 2018.

For further information, please contact:

Michael Ye
Founder and CEO
M: +852 6684 2770
E: michael@lovegroup.co

Wendy Hui
CFO
M: +852 9406 1165
E: wendy@lovegroup.co

About Love Group

Love Group is a leading provider of dating services, including online dating, premium matchmaking and social events. The company is a publicly listed company on the Australian Securities Exchange under the ticker LVE.

The company's online dating platforms currently include the Lovestruck platform, the DateTix app and the Noonswoon app. These platforms target singles across multiple segments, ranging from those seeking casual dating to those looking for long-term, committed relationships.

The company's premium matchmaking services provide clients with one-on-one tailor-made matches recommended by the company's team of professional matchmakers. The company currently has matchmaking offices in Hong Kong, London, Singapore, Shenzhen, Bangkok and Delhi.

The company's social events are held regularly in select cities around the world, and offer singles a great way to quickly meet lots of potential matches in a relaxed and social environment.

For more information, please visit <http://www.lovegroup.co>

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

LOVE GROUP GLOBAL LTD (ASX - LVE)

ABN

82 009 027 178

Quarter ended ("current quarter")

30 SEPTEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,308	1,308
1.2 Payments for		
(a) research and development	(62)	(62)
(b) product manufacturing and operating costs	(227)	(227)
(c) advertising and marketing	(498)	(498)
(d) leased assets	-	-
(e) staff costs	(618)	(618)
(f) administration and corporate costs	(192)	(192)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (New Offices Set Up - Rental & Misc. Deposit)	-	-
1.9 Net cash from / (used in) operating activities	(282)	(282)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(60)	(60)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	(60)	(60)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other - Cost for issues of shares	-	-
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,723	1,723
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(282)	(282)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(60)	(60)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	(15)	(15)
4.6 Cash and cash equivalents at end of quarter	1,366	1,366

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	866	866
5.2 Call deposits	500	500
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,366	1,366

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	100
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors fees and superannuation

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	60
9.2 Product manufacturing and operating costs	330
9.3 Advertising and marketing	300
9.4 Leased assets	-
9.5 Staff costs	530
9.6 Administration and corporate costs	180
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,400

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	NIL	NIL
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



27 October 2017

Sign here:
(Director/~~Company secretary~~)

Date:

Michael Ye

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.