

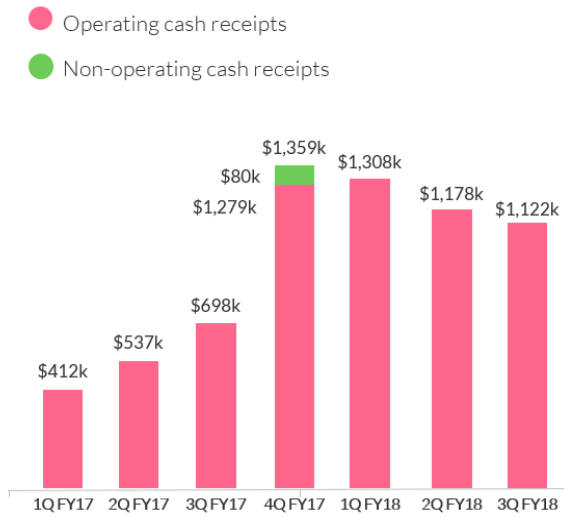
Love Group Global Ltd (ASX:LVE)

24 April 2018

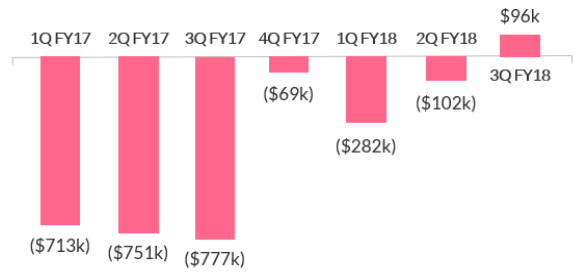
## Love Group achieves first ever cash flow profitable quarter

- **First ever profitable quarter in company history on an operating cash flow basis, generating \$96k in operating cash flow on customer cash receipts of \$1,122k**
  - Customer cash receipts of \$1,122k, down 5% quarter-on-quarter and up 61% versus same quarter last year
  - 5% quarter-on-quarter decrease in cash receipts primarily due to 20% quarter-on-quarter reduction in marketing expenses to \$215k, versus \$268k in previous quarter
  - Continue to focus bulk of marketing spend on the company's highest ROI market Hong Kong, which accounted for approximately 76% of total marketing spend for the quarter
  - Rented service office for Singapore business with plans to move to leased office in July
  - Completed closure of loss making Shenzhen business
- **Strong operating cash flow growth in Hong Kong main driver of profitable quarter**
  - **Hong Kong:** \$812k customer cash receipts for the quarter, versus \$718k in the previous quarter, up 13% quarter-on-quarter
  - **London:** \$169k customer cash receipts for the quarter, versus \$192k in the previous quarter, down 12% quarter-on-quarter
  - **Bangkok:** \$77k customer cash receipts for the quarter, versus \$117k in the previous quarter, down 34% quarter-on-quarter
  - **Singapore:** \$63k customer cash receipts for the quarter, versus \$128k in the previous quarter, down 51% quarter-on-quarter
- **New Hong Kong matchmaking store scheduled to open in June 2018**
  - Signed lease to move into new matchmaking store located in Central Hong Kong with 10 consultation rooms, a significant increase from 4 consultations rooms in current store
  - New store will include an event area to host singles events, which should increase revenue from events business and promote cross-selling opportunities for matchmaking
- **Evaluating asset-light franchising expansion model for new markets**
  - In discussions with potential partners to license Love Group's dating brands and CRM software operate local office and sales teams, while Lovestruck provide
  - **Provided by Love Group:** marketing budget, remote telemarketing team, remote customer service team, online dating platform, CRM software, brand
  - **Provided by partners:** matchmaking store, local sales team
  - Target world's largest matchmaking markets including New York, Los Angeles, Tokyo

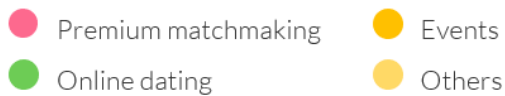
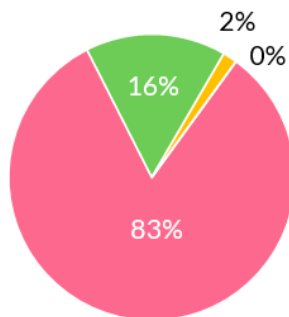
## Quarterly receipts from customers



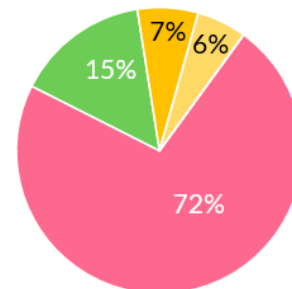
## Net cash from operating activities



## 3Q FY18 cash receipts by product



## 3Q FY18 cash receipts by geography



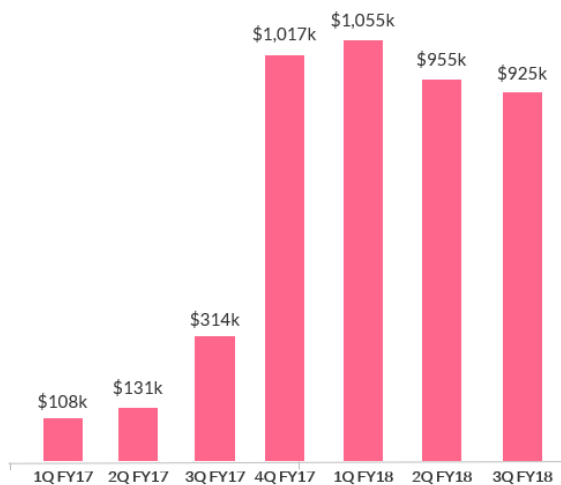
Love Group Ltd (ASX:LVE) is pleased to present its quarterly cash flow report and operational update for the quarter ending March 2018.

**Love Group Founder and CEO, Michael Ye:** *“We are pleased to deliver the first ever cash flow profitable quarter in Love Group history during the third quarter for fiscal year 2018.*

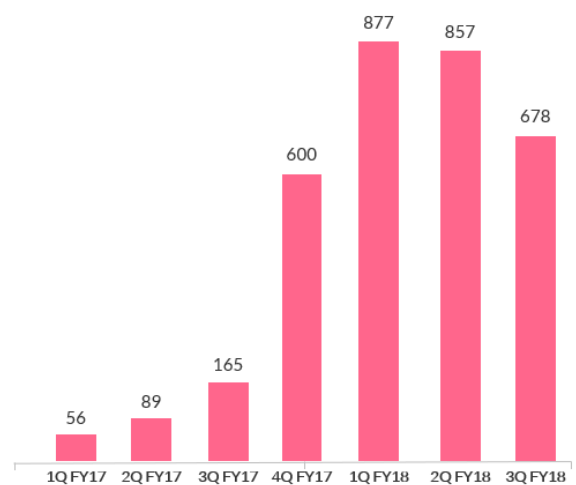
*Our profitable quarter has been driven by continued strong growth in Hong Kong matchmaking business, combined with prudent cost structure optimization across marketing and operations. With a growing active matchmaking client base, we have been able to increase our consultation-to-order conversion rates as well as average order value, and also increase revenues from existing clients through opportunistically seeking renewal, upselling and cross-selling business.*

*To fuel long-term growth, we continue to analyze and evaluate capital efficient and profitable ways to expand into major matchmaking markets around the world by finding strong local partners to work together to replicate our successful business model in Hong Kong.”*

Matchmaking customer cash receipts



Number of matchmaking orders



## Growth Outlook

The company achieved its previously stated goal of reaching cash flow profitability during calendar year 2018 and aims to build on that momentum by driving revenue growth in a profitable manner.

Over the next few quarters, Love Group will continue to focus on increasing market share and free cash flow margins in its existing four cities. The company has been making good progress in increasing revenues from its existing client base via membership renewals, upselling of higher priced matchmaking packages, cross-selling of image consulting and date coaching, and restaurant partnerships.

At the same time, Love Group will trial its new asset-light franchising model in selected target cities to accelerate global expansion in a capital efficient and cash flow profitable manner.

## Cash position

Love Group had a cash position of over \$1.3 million as at 31 March 2018. The company is well funded to execute its strategic growth plans through cash flow from operations.

### For further information, please contact:

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## 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")**

31 MARCH 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,122	3,608
1.2 Payments for		
(a) research and development	(89)	(210)
(b) product manufacturing and operating costs	(152)	(581)
(c) advertising and marketing	(215)	(981)
(d) leased assets	-	-
(e) staff costs	(346)	(1,509)
(f) administration and corporate costs	(227)	(628)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	13
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>96</b>	<b>(288)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date ( 9 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(69)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	(3)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	16
(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	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(5)</b>	<b>(56)</b>

<b>3. Cash flows from financing activities</b>		
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	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 9 months) \$A'000</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,258	1,723
4.2 Net cash from / (used in) operating activities (item 1.9 above)	96	(288)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(5)	(56)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	4	(26)
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>1,353</b>	<b>1,353</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	430	409
5.2 Call deposits	506	503
5.3 Bank overdrafts	-	-
5.4 Restricted cash	417	346
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,353</b>	<b>1,258</b>

**6. Payments to directors of the entity and their associates**

	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	88
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

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	80
9.2 Product manufacturing and operating costs	180
9.3 Advertising and marketing	260
9.4 Leased assets	-
9.5 Staff costs	360
9.6 Administration and corporate costs	250
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,130</b>



<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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.



24 April 2018

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.