

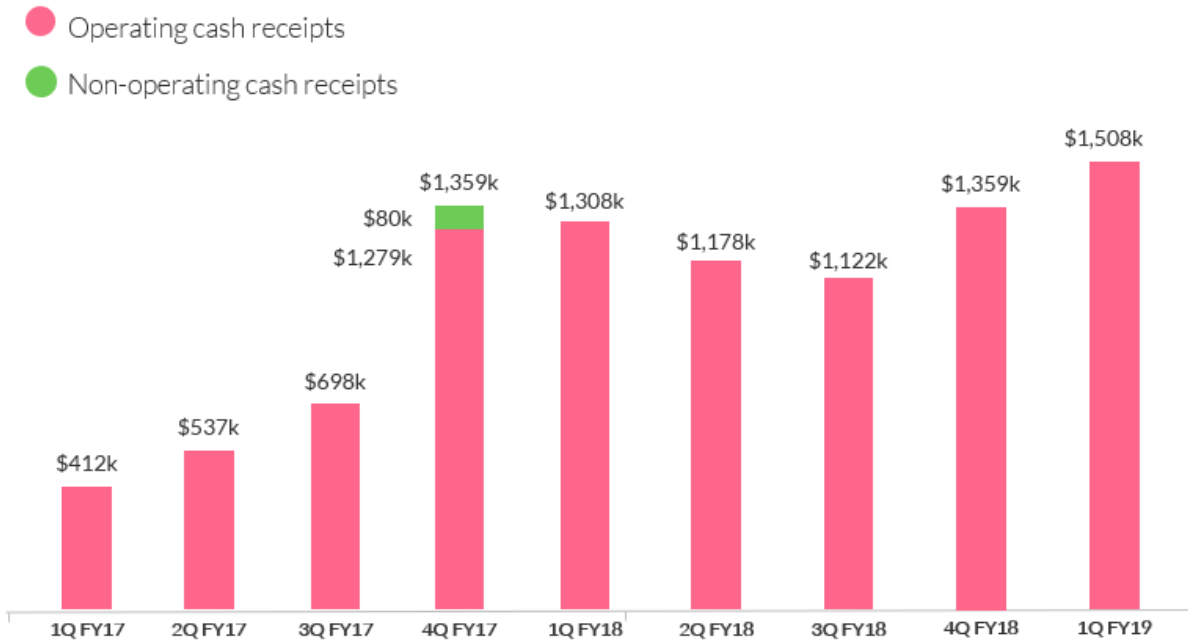
Love Group Global Ltd (ASX:LVE)

19 October 2018

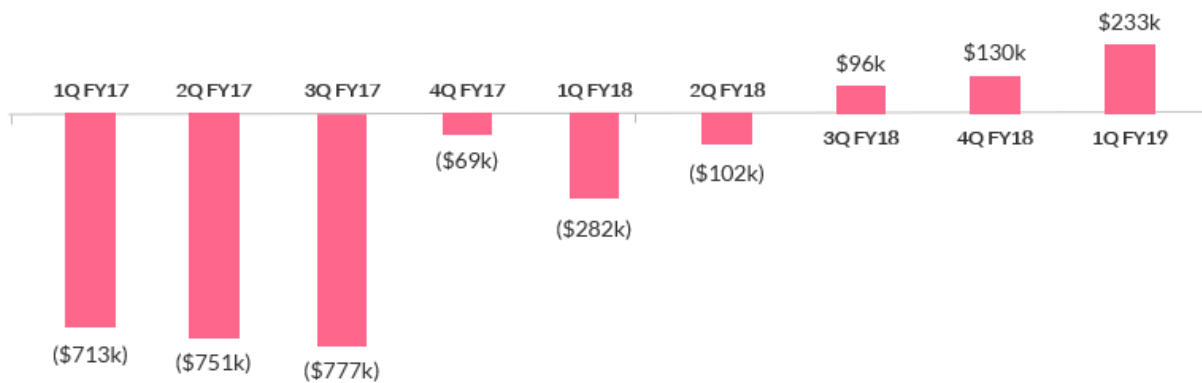
## Love Group reports record quarterly customer cash receipts

- **Record quarterly customer cash receipts of \$1,508k and net operating cash flow of \$233k**
  - Quarterly customer cash receipts of \$1,508k, up 11% quarter-on-quarter
  - Quarterly net operating cash flow of \$233k, up 79% quarter-on-quarter
  - Net operating cash flow margin expanded to 15.5% from 9.6% in the previous quarter
- **Strong quarterly growth driven by Hong Kong and Singapore markets**
  - **Hong Kong:** \$1,077k customer cash receipts for the quarter, versus \$1,009k in the previous quarter, up 7% quarter-on-quarter
  - **Singapore:** \$204k customer cash receipts for the quarter, versus \$85k in the previous quarter, up 140% quarter-on-quarter
  - **Bangkok:** \$155k customer cash receipts for the quarter, versus \$147k in the previous quarter, up 5% quarter-on-quarter
  - **London:** \$68k customer cash receipts for the quarter, versus \$117k in the previous quarter, down 41% quarter-on-quarter
- **Multiple drivers of long-term growth**
  - New Hong Kong matchmaking store opened in July 2018 with 8 consultation rooms and dedicated area for events and professional photoshooting
  - New Singapore matchmaking store opened in September 2018 with 7 consultation rooms
  - Bangkok headcount expected to increase significantly in FY19 to drive growth in number of consultations, orders and revenues
  - Customer success team formed to focus on revenue expansion from large and growing existing active client base across all cities
  - Currently exploring partnership or asset-light organic expansion opportunities in New York, Toronto, Melbourne, Sydney, Kuala Lumpur, Taipei
  - New product development initiatives underway to enhance business model scalability and improve customer acquisition and retention

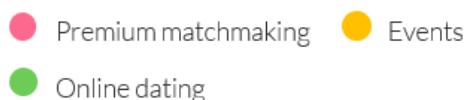
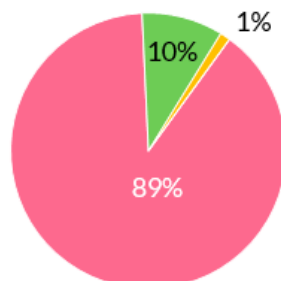
## Customer cash receipts



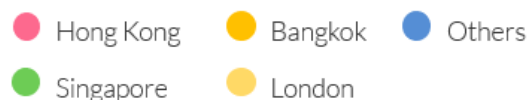
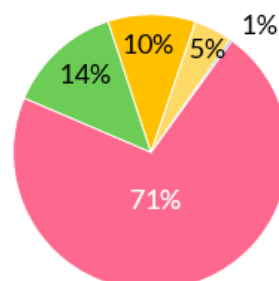
## Net cash from operating activities



## 1Q FY19 cash receipts by product



## 1Q FY19 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 September 2018.

**Love Group Founder and CEO, Michael Ye:** *“We are pleased to deliver another record quarter in customer cash receipts and net cash flow generated from operations.*

*We saw continued growth in our core markets of Hong Kong, Singapore and Bangkok. In particular, Singapore revenues more than doubled quarter-on-quarter as a result of our move to a much larger office space with seven consultation rooms. We see substantial room for further growth in Singapore given the size of the singles population and their relatively high average income levels.*

*During the past quarter, we also saw notable revenue growth from our large and growing existing active client base through the sale of membership renewals, professional photoshooting services, image consulting packages and date coaching packages. We expect revenue from existing clients to continue to grow as the size of our active client base increases.*

*Looking ahead to the rest of fiscal year 2019, we see exciting growth opportunities in both our core and new markets. We are exploring new marketing channels to increase our volume of new leads in our target markets in a cost-effective manner. We will continue to adopt a cash flow centric strategy for our expansion plans by prioritizing long-term free cash flow maximization above all else.”*

## Growth Outlook

Looking ahead, Love Group expects growth to come from both existing and new markets. The company’s current core markets are Hong Kong, Singapore and Bangkok, with a combined total of 23

consultation rooms across 3 matchmaking stores, providing the necessary capacity to support continued growth in consultation volume.

To further increase average revenue per client, the company has formed a customer success team that focuses on introducing and selling ancillary services to clients to help make them more successful in their dating life and their search for their significant other half. These services include professional photoshooting, image consulting, and date coaching, and are delivered primarily by in-house staff.

Love Group's long-term strategic goal is to become the dominant market leader in every local market that it operates by building sustainable competitive advantages through local network effects and economies of scale, which will result in superior operating margins and substantial shareholder value creation.

## Cash position

Love Group had a cash position of over \$1.4 million as at 30 September 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 Noonswoon app and the DateTix 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 and Bangkok.

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 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,508	1,508
1.2 Payments for		
(a) research and development	(86)	(86)
(b) product manufacturing and operating costs	(171)	(171)
(c) advertising and marketing	(471)	(471)
(d) leased assets	-	-
(e) staff costs	(421)	(421)
(f) administration and corporate costs	(129)	(129)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>233</b>	<b>233</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date ( 3 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(123)	(123)
(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	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(123)</b>	<b>(123)</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 ( 3 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	1,309	1,309
4.2 Net cash from / (used in) operating activities (item 1.9 above)	233	233
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(123)	(123)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	(6)	(6)
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>1,413</b>	<b>1,413</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	503	503
5.2 Call deposits	512	512
5.3 Bank overdrafts	-	-
5.4 Restricted cash	398	398
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,413</b>	<b>1,413</b>

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

6.1 Aggregate amount of payments to these parties included in item 1.2

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

**Current quarter  
\$A'000**

90

-

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	90
9.2 Product manufacturing and operating costs	180
9.3 Advertising and marketing	530
9.4 Leased assets	-
9.5 Staff costs	480
9.6 Administration and corporate costs	120
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,400</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.



October 19, 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.