

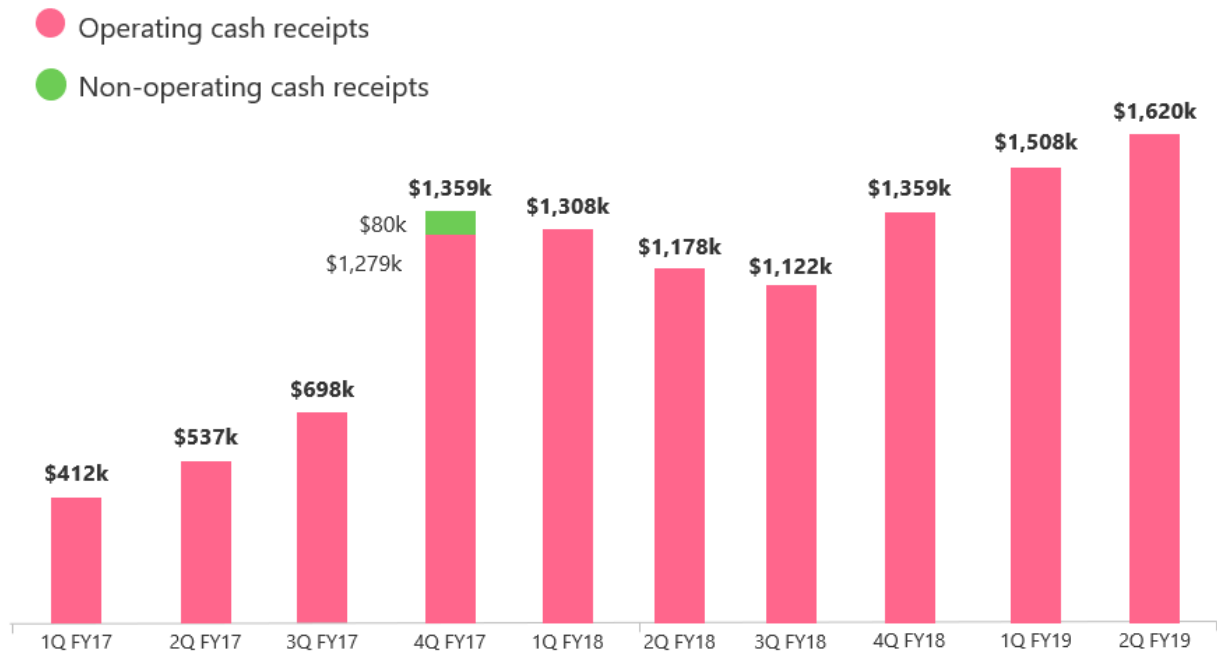
Love Group Global Ltd (ASX:LVE)

24 January 2019

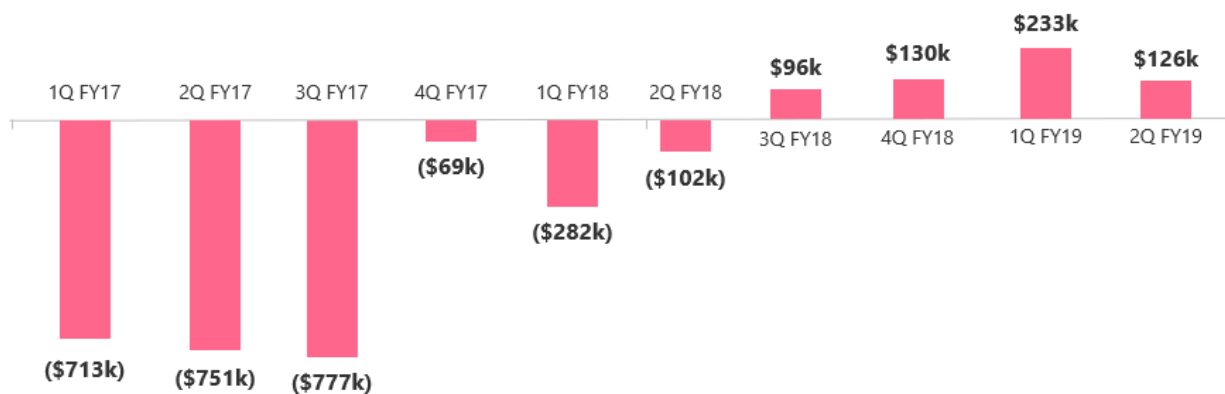
Love Group reports record quarterly customer cash receipts

- **Record quarterly customer cash receipts of \$1,620k and net operating cash flow of \$126k**
 - Quarterly customer cash receipts of \$1,620k, up 7% quarter-on-quarter
 - Quarterly net operating cash flow of \$126k, down 46% quarter-on-quarter
 - Net operating cash flow margin decreased to 7.8% from 15.5% in the previous quarter, partly as a result of higher staff costs, and administration and corporate costs
- **Strong quarterly growth driven by Singapore market**
 - **Hong Kong:** \$1,092k customer cash receipts for the quarter, versus \$1,077k in the previous quarter, up 1% quarter-on-quarter
 - **Singapore:** \$309k customer cash receipts for the quarter, versus \$204k in the previous quarter, up 51% quarter-on-quarter
 - **Bangkok:** \$162k customer cash receipts for the quarter, versus \$155k in the previous quarter, up 5% quarter-on-quarter
 - **London:** \$53k customer cash receipts for the quarter, versus \$68k in the previous quarter, down 22% quarter-on-quarter
- **New sales channels and product portfolio to accelerate long-term growth**
 - Exploring new remote-based sales channels including telephone and online chat to drive sales beyond in person sales at matchmaking stores
 - Remote-based sales channels significantly increases global scalability by eliminating need to setup office and hire local staff in every city that Love Group operates in
 - Potential new target cities include Taipei, Shanghai, Kuala Lumpur, Melbourne, Sydney, New York, Toronto
 - Product development initiatives underway to better target and service core matchmaking client base, and to potentially launch new brands targeting niche client demographics that will broaden company's total reach across entire singles audience

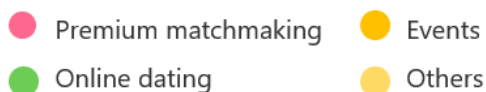
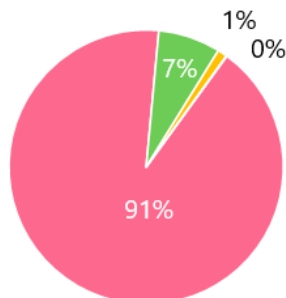
Customer cash receipts



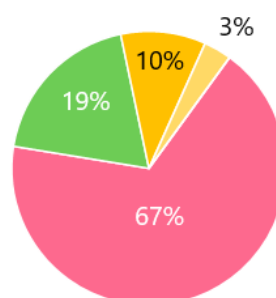
Net cash from operating activities



2Q FY19 cash receipts by product



2Q 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 December 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.*

Our total customer cash receipts increased by 7% quarter-on-quarter, led by a 51% quarter-on-quarter increase in Singapore, as a result of an increased number of consultations conducted and higher average order value. We continue to see room for further growth in Singapore and expect it to remain our second largest market for the rest of fiscal year 2019.

We saw continued strong revenue contribution from our growing active client base via the sale of membership renewals, professional photoshooting services, image consulting and date coaching packages, and VIP membership upgrades. We expect revenue from existing clients to continue to grow as we continue to focus on growing the size of our active client base across all our cities.”

Growth Outlook

Looking ahead to the rest of fiscal year 2019, Love Group sees significant opportunities for growth in both existing and new markets. In addition to the current in person sales model that takes place at one of the company’s matchmaking stores, Love Group is also exploring ways to increase the scalability of its sales model by conducting more personal matchmaking consultations through telephone and online chat channels. These remote-based sales channels will allow the company to expand its operations

globally at a much faster pace by eliminating the need to setup an office or hire local staff in every city that it operates.

Love Group also has product development initiatives underway that will allow the company to better target and service its core matchmaking clients that are seeking serious relationships or marriage, as well as expand its reach and brand portfolio into new and niche client demographics.

Love Group aims to become the dominant market leader in the dating services industry in every local market that it operates, in terms of both revenues and size of active singles client base. Having the largest active singles client base will allow the company to provide superior matchmaking services to its clients, and provide the company with sustainable competitive advantages through local network effects and economies of scale that should lead to superior operating margins and free cash flows.

Cash position

Love Group had a cash position of over \$1.5 million as at 31 December 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")

31 DECEMBER 2018

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 1,620 | 3,128 |
| 1.2 Payments for | | |
| (a) research and development | (83) | (169) |
| (b) product manufacturing and operating costs | (202) | (373) |
| (c) advertising and marketing | (489) | (960) |
| (d) leased assets | - | - |
| (e) staff costs | (511) | (932) |
| (f) administration and corporate costs | (212) | (341) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 3 | 6 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other | - | - |
| 1.9 Net cash from / (used in) operating activities | 126 | 359 |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|--|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (12) | (135) |
| (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 | (12) | (135) |

| | | |
|---|----------|----------|
| 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 (6 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 | 1,413 | 1,309 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | 126 | 233 |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (12) | (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 | 55 | (6) |
| 4.6 Cash and cash equivalents at end of quarter | 1,582 | 1,413 |

| 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 | 675 | 503 |
| 5.2 Call deposits | 509 | 512 |
| 5.3 Bank overdrafts | - | - |
| 5.4 Restricted cash | 398 | 398 |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,582 | 1,413 |

| 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 | 90 |
| 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 | 90 |
| 9.2 Product manufacturing and operating costs | 200 |
| 9.3 Advertising and marketing | 530 |
| 9.4 Leased assets | - |
| 9.5 Staff costs | 520 |
| 9.6 Administration and corporate costs | 150 |
| 9.7 Other (provide details if material) | - |
| 9.8 Total estimated cash outflows | 1,490 |

| 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.



Sign here:

.....
(Director/~~Company secretary~~)

Date: January 24, 2019

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.