

Love Group Global Ltd (ASX:LVE)

30 October 2019

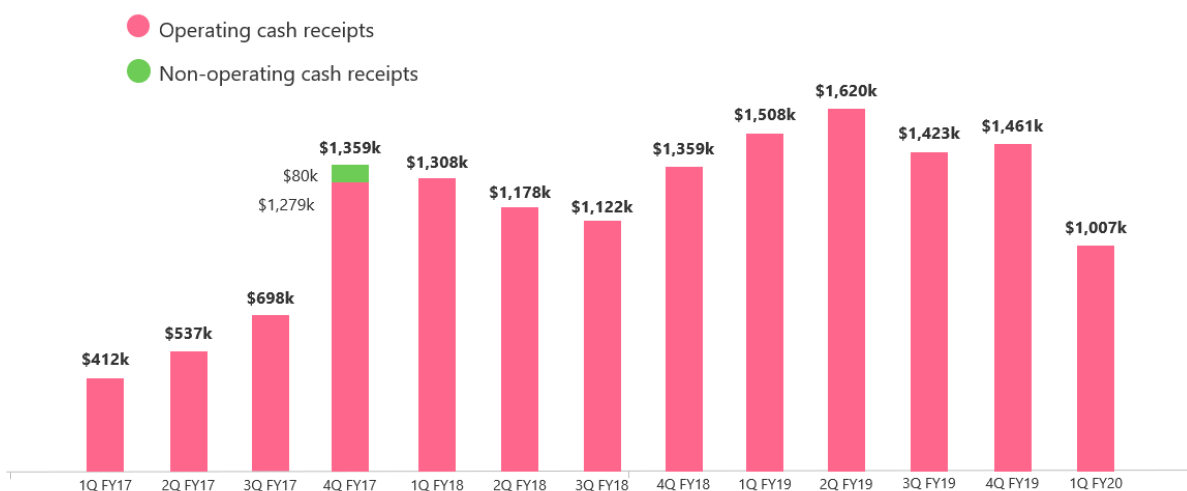
Love Group reports first quarter FY20 results

- **Quarterly customer cash receipts of \$1,007k and net operating cash flow of (\$157k)**
 - Quarterly customer cash receipts of \$1,007k, down 31% quarter-on-quarter and down 33% year-on-year
 - Quarterly net operating cash flow of (\$157k)
- **Significant drop in cash receipts primarily due to Hong Kong**
 - **Hong Kong:** \$712k customer cash receipts for the quarter, versus \$1,066k in the previous quarter, down 33% quarter-on-quarter, due to lower number of consultations and reduced marketing spend and headcount as a result of the recent and ongoing demonstration and protests in Hong Kong. Additionally, the company has discovered instances of potential data theft by a previous staff who have since departed the company. The company has since implemented multiple measures to enhance the security and data protection of its client data to help manage the risk of data theft
 - **Singapore:** \$255k customer cash receipts for the quarter, versus \$297k in the previous quarter, down 14% quarter-on-quarter, primarily due to lower number of consultations
 - **Bangkok:** \$7k customer cash receipts for the quarter, versus \$58k in the previous quarter, down 89% quarter-on-quarter, due to suspension of operations and cessation of new marketing spend
 - **London:** \$21k customer cash receipts for the quarter, versus \$28k in the previous quarter, down 23% quarter-on-quarter, primarily due to decrease in online matchmaking revenues
 - **Taipei:** \$8k customer cash receipts by the quarter, versus \$3k in the previous quarter, up 208% quarter-on-quarter
- **Near-term focus will be on stabilizing Hong Kong and Singapore businesses to grow active members and market share**
 - Top near-term priority is to stabilize and grow Hong Kong and Singapore businesses by increasing number of active users and market share
 - Opening of second Hong Kong store in Kowloon district put on hold given the ongoing Hong Kong demonstrations
 - Taipei operations has been suspended to allow management to further focus on Hong Kong and Singapore
 - Long-term goal remains to become the dominant market leader in the dating services industry in each of the company's target cities by maximizing the number of active

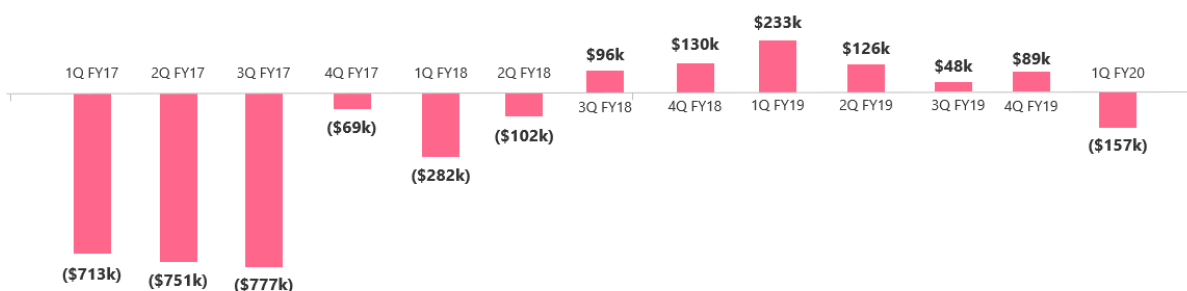
members and total revenues in each city. Strong local network effects of the dating industry mean that having the largest active member base will result in superior service delivery by offering its members more matches and dates, which will in turn drive superior operating margins and free cash flows in each city

- Lovestruck 2.0 matchmaking app has been launched, with new releases planned in upcoming months. The matchmaking app contains engaging features such as live online chat with assistants and real-time notifications of date invites and reminders that should lead to strong member engagement and increase the average number of dates arranged per member

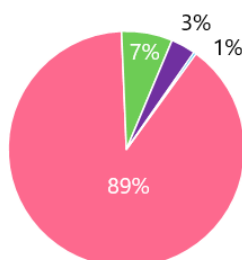
Customer cash receipts



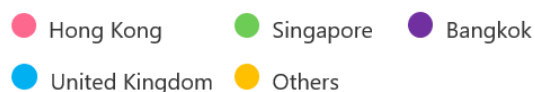
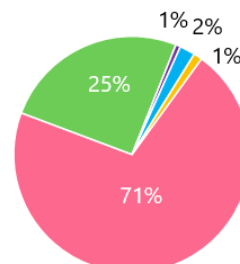
Net cash from operating activities



1Q FY20 cash receipts by product



1Q FY20 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 2019.

Love Group Founder and CEO, Michael Ye: *“We had a challenging first quarter to start fiscal year 2020.*

Total customer cash receipts decreased 31% quarter-on-quarter, driven by a significant reduction in the number of consultations versus the previous quarter, in particular in Hong Kong, where we reduced marketing spend and headcount substantially in light of the ongoing Hong Kong demonstration and protest situation. We are hopeful that the situation will improve in due course, at which time we will be able to scale up our Hong Kong operations again in a relatively short time period.

We remain confident on the size and potential of the dating services markets in Hong Kong and Singapore, and are excited about the potential for our new Lovestruck matchmaking app to significantly grow our active member base and market share in each of our target cities through higher user engagement and number of dates arranged.”

Cash position

Love Group had a cash position of over \$1.4 million as at 30 September 2019.

LOVE GROUP

Stock code: LVE

For further information, please contact:

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About Love Group

Love Group is a leading provider of dating services, including personal matchmaking, online matchmaking and singles 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 app & website, 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 personal matchmaking services provide clients with custom matches recommended by the company's team of consultants and matching algorithms. The company currently has matchmaking offices in Hong Kong, Singapore and Bangkok.

The company's social events are held 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 2019

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	1,007	1,007
1.2 Payments for		
(a) research and development	(100)	(100)
(b) product manufacturing and operating costs	(100)	(100)
(c) advertising and marketing	(345)	(345)
(d) leased assets	-	-
(e) staff costs	(423)	(423)
(f) administration and corporate costs	(197)	(197)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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	(157)	(157)

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	(2)	(2)
(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	(2)	(2)

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 - Share Buyback	-	-
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	1,658	1,658
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(157)	(157)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	(13)	(13)
4.6 Cash and cash equivalents at end of quarter	1,486	1,486

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	456	536
5.2 Call deposits	390	462
5.3 Bank overdrafts	-	-
5.4 Restricted cash	640	660
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,486	1,658

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	133
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	100
9.2 Product manufacturing and operating costs	100
9.3 Advertising and marketing	300
9.4 Leased assets	-
9.5 Staff costs	320
9.6 Administration and corporate costs	100
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	920

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.



October 30, 2019

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.