

DateTix delivers record quarterly operating cash flows

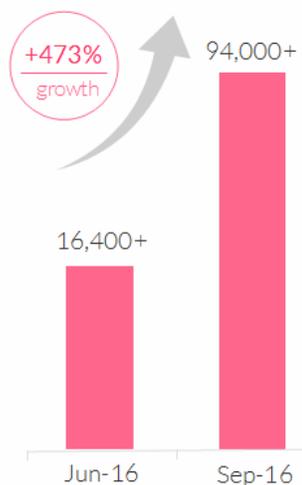
- **+358% quarterly growth in operating cash flows to approx. \$412,000 for the quarter¹**
- **+473% quarterly growth in monthly active users to over 94,000 in September 2016²**
- **Completed strategic acquisition of Lovestruck, a leading premium online dating platform well positioned for substantial revenue growth**
- **Established presence in core markets with scalable platform in place to underpin further growth and drive continued uplift in cash flows, revenue and active users**
- **Strong operating leverage expected to accelerate pathway to profitability**

DateTix Group Ltd (ASX: DTX) is pleased to present its quarterly cash flow report and operational update for the quarter ending September 2016.

Operating cash flows¹



Monthly active users



¹ Operating cash flows for 1Q FY17 includes cash flows from Lovestruck starting from August 1, 2016, and operating cash flows for 4Q FY16 excludes \$404,000 from the sale of legacy services business

² Monthly active users for DateTix Group is calculated based on total traffic to the DateTix and Lovestruck online platforms as provided by third-party data from Google Analytics and Fabric

For personal use only



DateTix Founder and CEO, Michael Ye: *"This past quarter has been marked by exceptional milestones for the DateTix Group, including achieving substantial growth in operating cash flows, revenues and monthly active users, completing the acquisition of Lovestruck, launching our new Lovestruck Infinity matchmaking brand, and making significant progress in executing our product roadmap and broadening our product pipeline. Looking ahead to upcoming quarters, our key focus continues to be on growing our key platform metrics – user engagement, retention and monetisation."*

Quarterly operational achievements

Continued strong user growth for the DateTix app

The DateTix app continued to achieve excellent user growth in the quarter, with the number of registered users increasing 79% quarter-on-quarter to over 77,400 at the end of September 2016, and the number of monthly active users increasing 97% quarter-on-quarter to over 32,300 in September 2016. The app has seen significant uptake from users in China post the launch of enhanced localization features, including one-click WeChat sign up and sign in.

With continued product enhancements and innovation, and increased local user density in each market, the company will explore additional opportunities to monetise its large and growing user base, including launching a new virtual gift shop, selling highly targeted and non-intrusive native advertising, and exploring local merchant partnerships.

Positioned as a causal dating and social networking app with a freemium business model, the DateTix app is planned for launch into new markets across Asia-Pacific in FY17, with user acquisition led by word-of-mouth and PR, and supported by paid marketing.

Completion of Lovestruck acquisition

In early August, DateTix Group completed the acquisition of Lovestruck, an award-winning premium online dating platform that currently operates in Hong Kong, Singapore and the United Kingdom. Lovestruck strategically complements DateTix in terms of user demographics and brand positioning, with its focus on serving older and more affluent urban single professionals who are seeking serious relationships and marriage.

This is a highly synergistic acquisition that is expected to deliver significant value for shareholders. Adding Lovestruck to the DateTix Group's brand portfolio significantly increases revenue scale and monetisation, allowing the company to better share marketing, research and development, and other fixed costs to enjoy benefits from operating leverage to drive margin expansion.

In FY17, the company plans to rollout Lovestruck into large new markets in China and Southeast Asia that have large populations of affluent single professionals working in urban city centers, where Lovestruck will be positioned as a premium, aspirational foreign brand from the United Kingdom.

Launch of Lovestruck Infinity matchmaking brand

DateTix Group launched the Lovestruck Infinity brand in September 2016 for its matchmaking business, with an average selling price of approximately A\$2,000 to 3,000 per year per client. Lovestruck Infinity is

a premium and bespoke matchmaking service targeting singles who are seeking serious relationships or marriage, and who value highly personalised service and privacy.

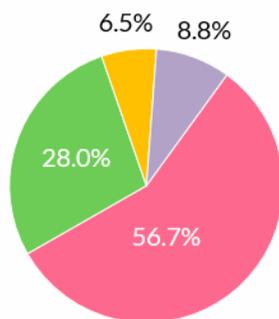
Matchmaking is a strategically complementary business to the DateTix and Lovestruck online platforms, whereby data mining algorithm and technology is applied to large user databases of the online platforms to identify potential customers who have a high likelihood of purchasing premium matchmaking services. This results in a high volume and recurring stream of highly-qualified sales leads for our team to contact and invite to our offices for personal consultations and upselling.

The size of the matchmaking market in Asia is substantial, worth approximately \$1.3 billion per year in China alone. DateTix Group is well positioned to capture share in this market with its established online platforms and large user databases. The company plans to expand Lovestruck Infinity to Singapore in November 2016, and to other markets in Asia in the upcoming quarters.

DateTix Group brand portfolio and revenue mix

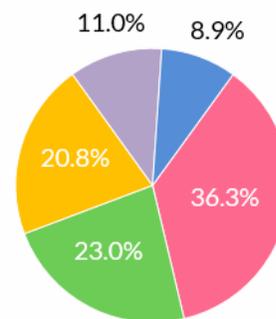
	Service	Target age group	Price points
DATE TIX	Mobile social platform for casual dating and social networking	18 to 35	Free – A\$32/month
LOVESTRUCK®	Premium online dating platform for serious relationships and marriage	25 to 45	A\$ 23 – 84/month
LOVESTRUCK Infinity®	Premium matchmaking services for serious relationships and marriage	30 to 50	A\$2,000 – A\$3,000/year

Q1 FY17 revenue by product



- Membership subscriptions
- Matchmaking
- Events
- Others

Q1 FY17 revenue by geography



- Hong Kong
- United Kingdom
- China
- Singapore
- Others



Cash at bank

DateTix had a strong cash position of \$1.9 million as at 30 September 2016, and with no debt. The company is well funded for further product development and marketing initiatives.

Growth Outlook

DateTix Group is well placed to maintain its strong growth trajectory in FY17, with a clearly defined strategy for delivering shareholder value. Growth is expected to be driven by both existing markets and new markets across Asia-Pacific.

The company plans to continue to grow its diverse set of high-margin revenue streams, including membership subscriptions, matchmaking and virtual items, across its brand portfolio:

- The DateTix app is expected to see continued rapid user growth in FY17, with expansion into new markets across Asia-Pacific. A number of exciting new features and revenue streams are planned, including location-based hotspot dating, real-time speed dating through one-on-one live streaming, enhanced virtual gift shop, and new monthly subscription packages offering attractive and unique benefits to paying users
- The Lovestruck platform is expected to deliver substantial revenue growth in the upcoming quarters, driven by a combination of growth in its existing markets as well as new markets. The key focus markets for expansion in FY17 are China and Southeast Asia, where there is a clear gap and large addressable market opportunity to target the upper-end of the market that is currently under-served by existing mass market online dating platforms
- Lovestruck Infinity, the company's newly-launched premium matchmaking service, is expected to see significant revenue growth in FY17 driven by China, Hong Kong and Singapore, as well as potential launches in new markets in Asia

Overall, the company expects to continue to rapidly grow its footprint, strengthen its brand portfolio, and move forward to capture profitable opportunities at a time when significant growth is occurring in the dating services market in Asia.

Commenting on the company's growth outlook, DateTix Founder and CEO, Michael Ye, said:

"We are excited about our long-term growth prospects against the backdrop of significant growth in the demand for dating services in the Asia market, which should underpin strong revenue and cash flow growth, and lead to profitability as our overall business continues to benefit from operating leverage as we rapidly expand in scale.

"We see many attractive and exciting growth opportunities across multiple areas of the dating services market, and plan to build a portfolio of brands to effectively address and capture these diverse market segments. We will continue to aggressively pursue product innovation across our brand portfolio to deliver an amazing user experience for our growing user base. We look forward to continuing to update our shareholders on our progress in the upcoming quarters."



For further information, please contact:

Michael Ye
Founder and CEO
M: +852 6684 2770
E: michael@datetix.com

Ben Jarvis
Director, Six Degrees Investor Relations
M: +61 (0) 413 150 448
E: ben.jarvis@sdir.com.au



Follow DateTix on Twitter: <https://twitter.com/DateTixIR>

About DateTix Group

DateTix Group is a leading provider of social and dating products and services, including the DateTix app, the Lovestruck online platform, and premium matchmaking services.

The DateTix app is a mobile and location-based platform that facilitates offline dates by connecting like-minded people who are nearby each other and free at the same times. With the tap of just a few buttons, DateTix members can quickly and effortlessly meet new people at nearby establishments for meals, drinks, live events, outdoor activities and more, for a wide range of intentions, including casual dating, serious relationship, friendship, business networking. With an initial focus on major Asian cities, DateTix plans to build, grow and cultivate leading local mobile marketplaces for dates in major markets around the world. For more information, please visit <http://www.datetix.com>

Lovestruck is a leading premium online dating platform currently operating in Hong Kong, Singapore and the United Kingdom. Founded in 2006 in London, the platform has since expanded to other markets, including Hong Kong and Singapore. Lovestruck has established itself as a readily identifiable brand position in a competitive yet burgeoning market. Genuinely regarded as a preeminent brand within the dating industry – and a founding member of the Online Dating Association, a new trade body created to set and uphold the highest standards in the industry – Lovestruck has won numerous awards, most notably 'Online Dating Brand of the Year' for the second year running at the UK Dating Awards in November 2015. For more information, please visit <http://www.lovestruck.com>

For personal use only

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

DATETIX GROUP LTD (ASX - DTX)

ABN

82 009 027 178

Quarter ended ("current quarter")

30 SEPTEMBER 2016

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	412	412
1.2 Payments for		
(a) research and development	(117)	(117)
(b) product manufacturing and operating costs	(142)	(142)
(c) advertising and marketing	(334)	(334)
(d) leased assets	-	-
(e) staff costs	(355)	(355)
(f) administration and corporate costs	(193)	(193)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(713)	(713)

For personal use only

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	(4)	(4)
(b) businesses (see item 10)	(215)	(215)
(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		
- Cash acquired in business combination	237	237
- Transaction Costs in business combination	(6)	(6)
2.6 Net cash from / (used in) investing activities	12	12

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	(2)	(2)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(2)	(2)

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	2,635	2,635
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(713)	(713)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	12	12
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(2)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,932	1,932

5. Reconciliation of cash and cash equivalents		Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	932	574
5.2	Call deposits	1,000	2,061
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)	1,932	2,635

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	124
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, annual leave compensation 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	16	16
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.		
Finance lease provided by Esanda for a motor vehicle.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	146
9.2 Product manufacturing and operating costs	159
9.3 Advertising and marketing	390
9.4 Leased assets	-
9.5 Staff costs	320
9.6 Administration and corporate costs	238
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,253

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Lovestruck Limited	N/A
10.2 Place of incorporation or registration	United Kingdom	N/A
10.3 Consideration for acquisition or disposal	Two million fully paid ordinary shares, cash consideration \$215,038, and a contingent earn-out consideration of up to \$270,000.	N/A
10.4 Total net assets	\$138,837 + Goodwill.	N/A
10.5 Nature of business	A leading premium online dating platform for serious long term relationship.	N/A

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 28, 2016

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.

For personal use only