

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Quarterly Period Ended June 30, 2021  
Or  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-34148



**Match Group, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**59-2712887**  
(I.R.S. Employer  
Identification No.)

**8750 North Central Expressway, Suite 1400, Dallas, Texas 75231**  
(Address of registrant's principal executive offices)

**(214) 576-9352**

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

**Title of each class**

**Trading Symbol**

**Name of exchange on which registered**

Common Stock, par value \$0.001

MTCH

The Nasdaq Stock Market LLC  
(Nasdaq Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of July 30, 2021, there were 276,810,727 shares of common stock outstanding.

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**PART I  
FINANCIAL INFORMATION**

**Item 1. Consolidated Financial Statements**

**MATCH GROUP, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET (Unaudited)**

	June 30, 2021	December 31, 2020
(In thousands, except share data)		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 236,460	\$ 739,164
Short-term investments	12,453	—
Accounts receivable, net of allowance of \$307 and \$286, respectively	259,325	137,023
Other current assets	126,238	144,025
Total current assets	634,476	1,020,212
Property and equipment, net of accumulated depreciation and amortization of \$182,592 and \$169,321, respectively	129,916	107,799
Goodwill	2,973,121	1,270,532
Intangible assets, net of accumulated amortization of \$15,795 and \$15,551, respectively	227,045	230,900
Deferred income taxes	314,029	293,487
Other non-current assets	155,346	123,524
<b>TOTAL ASSETS</b>	<b>\$ 4,433,933</b>	<b>\$ 3,046,454</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 57,937	\$ 29,200
Deferred revenue	262,968	239,088
Accrued expenses and other current liabilities	257,062	231,748
Total current liabilities	577,967	500,036
Long-term debt, net	3,845,555	3,840,930
Income taxes payable	13,061	14,582
Deferred income taxes	16,415	17,213
Other long-term liabilities	114,783	86,428
Redeemable noncontrolling interests	1,240	640
Commitments and contingencies		
<b>SHAREHOLDERS' EQUITY</b>		
Common stock; \$0.001 par value; authorized 1,600,000,000 shares; 276,652,519 and 267,329,284 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively	277	267
Additional paid-in capital	8,068,659	7,089,007
Retained deficit	(8,107,092)	(8,422,237)
Accumulated other comprehensive loss	(104,089)	(81,454)
Total Match Group, Inc. shareholders' equity	(142,245)	(1,414,417)
Noncontrolling interests	7,157	1,042
Total shareholders' equity	(135,088)	(1,413,375)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 4,433,933</b>	<b>\$ 3,046,454</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(In thousands, except per share data)			
Revenue	\$ 707,760	\$ 555,450	\$ 1,375,372	\$ 1,100,092
Operating costs and expenses:				
Cost of revenue (exclusive of depreciation shown separately below)	193,099	148,853	372,554	292,747
Selling and marketing expense	128,918	90,801	273,906	215,291
General and administrative expense	113,393	68,204	201,058	147,523
Product development expense	52,133	41,929	107,709	85,699
Depreciation	10,061	9,669	20,518	19,063
Amortization of intangibles	242	400	455	6,803
Total operating costs and expenses	497,846	359,856	976,200	767,126
Operating income	209,914	195,594	399,172	332,966
Interest expense	(32,219)	(34,751)	(64,057)	(66,645)
Other (expense) income, net	(355)	17,410	(1,674)	21,264
Earnings from continuing operations, before tax	177,340	178,253	333,441	287,585
Income tax (provision) benefit	(37,320)	(36,856)	(19,573)	11,346
<b>Net earnings from continuing operations</b>	<b>140,020</b>	<b>141,397</b>	<b>313,868</b>	<b>298,931</b>
Earnings (loss) from discontinued operations, net of tax	509	(34,611)	509	(366,578)
<b>Net earnings (loss)</b>	<b>140,529</b>	<b>106,786</b>	<b>314,377</b>	<b>(67,647)</b>
Net loss (earnings) attributable to noncontrolling interests	366	(31,869)	768	(60,266)
<b>Net earnings (loss) attributable to Match Group, Inc. shareholders</b>	<b>\$ 140,895</b>	<b>\$ 74,917</b>	<b>\$ 315,145</b>	<b>\$ (127,913)</b>
<b>Net earnings per share from continuing operations:</b>				
Basic	\$ 0.52	\$ 0.61	\$ 1.17	\$ 1.30
Diluted	\$ 0.46	\$ 0.54	\$ 1.04	\$ 1.15
<b>Net earnings (loss) per share attributable to Match Group, Inc. shareholders:</b>				
Basic	\$ 0.52	\$ 0.41	\$ 1.17	\$ (0.70)
Diluted	\$ 0.46	\$ 0.36	\$ 1.04	\$ (0.63)
<b>Stock-based compensation expense by function:</b>				
Cost of revenue	\$ 1,012	\$ 969	\$ 2,001	\$ 2,136
Selling and marketing expense	3,087	1,295	4,352	2,442
General and administrative expense	27,580	10,634	46,060	21,515
Product development expense	10,717	9,242	20,099	17,219
Total stock-based compensation expense	\$ 42,396	\$ 22,140	\$ 72,512	\$ 43,312

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE OPERATIONS (Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(In thousands)			
Net earnings (loss)	\$ 140,529	\$ 106,786	\$ 314,377	\$ (67,647)
Other comprehensive (loss) income, net of tax				
Change in foreign currency translation adjustment	(2,136)	22,633	(22,745)	(3,460)
Change in unrealized losses on available-for-sale securities	—	11	—	(1)
Total other comprehensive (loss) income	(2,136)	22,644	(22,745)	(3,461)
Comprehensive income (loss)	138,393	129,430	291,632	(71,108)
Components of comprehensive loss (income) attributable to noncontrolling interests:				
Net loss (earnings) attributable to noncontrolling interests	366	(31,869)	768	(60,266)
Change in foreign currency translation adjustment attributable to noncontrolling interests	77	(3,677)	110	1,089
Comprehensive loss (income) attributable to noncontrolling interests	443	(35,546)	878	(59,177)
Comprehensive income (loss) attributable to Match Group, Inc. shareholders	\$ 138,836	\$ 93,884	\$ 292,510	\$ (130,285)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited)**  
**Three Months Ended June 30, 2021**

	Redeemable Noncontrolling Interests	Match Group Shareholders' Equity							
		Common Stock \$0.001 Par Value		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Match Group Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		\$	Shares						
						(In thousands)			
<b>Balance as of March 31, 2021</b>	\$ 1,040	\$ 270	270,082	\$ 7,135,823	\$ (8,247,987)	\$ (102,030)	\$ (1,213,924)	\$ 1,017	\$ (1,212,907)
Net (loss) earnings for the three months ended June 30, 2021	(525)	—	—	—	140,895	—	140,895	159	141,054
Other comprehensive loss, net of tax	—	—	—	—	—	(2,059)	(2,059)	(77)	(2,136)
Stock-based compensation expense	—	—	—	44,656	—	—	44,656	—	44,656
Issuance of Match Group common stock pursuant to stock-based awards, net of withholding taxes	—	1	642	6,552	—	—	6,553	—	6,553
Issuance of common stock for the acquisition of Hyperconnect	—	6	5,929	890,845	—	—	890,851	—	890,851
Adjustment of redeemable noncontrolling interests to fair value	725	—	—	(725)	—	—	(725)	—	(725)
Purchase of noncontrolling interest	—	—	—	943	—	—	943	(2,571)	(1,628)
Adjustment of noncontrolling interests to fair value	—	—	—	(1,835)	—	—	(1,835)	1,835	—
Noncontrolling interest created by the exercise of subsidiary denominated equity awards	—	—	—	(7,102)	—	—	(7,102)	7,102	—
Other	—	—	—	(498)	—	—	(498)	(308)	(4,033)
<b>Balance as of June 30, 2021</b>	<u>\$ 1,240</u>	<u>\$ 277</u>	<u>276,653</u>	<u>\$ 8,068,659</u>	<u>\$ (8,107,092)</u>	<u>\$ (104,089)</u>	<u>\$ (142,245)</u>	<u>\$ 7,157</u>	<u>\$ (135,088)</u>

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited) (Continued)**  
**Three Months Ended June 30, 2020**

	Match Group Shareholders' Equity													
	Common Stock \$0.001 Par Value		Former IAC Common Stock \$0.001 Par Value		Former IAC Class B Convertible Common Stock \$0.001 Par Value		Additional Paid- in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Match Group Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity	
	\$	Shares	\$	Shares	\$	Shares								
	(In thousands)													
<b>Balance as of March 31, 2020</b>	\$ 42,431	\$ —	—	\$ 264	263,502	\$ 16	16,157	\$ 11,106,503	\$ 1,522,216	\$ (157,285)	\$ (10,309,612)	\$ 2,162,102	\$ 1,030,414	\$ 3,192,516
Net (loss) earnings for the three months ended June 30, 2020	(608)	—	—	—	—	—	—	—	74,917	—	—	74,917	32,477	107,394
Other comprehensive (loss) income, net of tax	(785)	—	—	—	—	—	—	—	—	18,967	—	18,967	4,462	23,429
Stock-based compensation expense	—	—	—	—	—	—	61,560	—	—	—	—	61,560	41,777	103,337
Issuance of Former IAC common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	181	—	—	(14,002)	—	—	—	—	(14,002)	—	(14,002)
Issuance of Former Match Group and ANGI Homeservices common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	—	—	—	(72,705)	—	225	—	—	(72,480)	(1,963)	(74,443)
Adjustment of redeemable noncontrolling interests to fair value	2,389	—	—	—	—	—	(2,389)	—	—	—	—	(2,389)	—	(2,389)
Purchase of Former Match Group and ANGI Homeservices treasury stock	—	—	—	—	—	—	(67,077)	—	—	—	—	(67,077)	—	(67,077)
Retirement of treasury stock	—	—	(184)	(184,340)	(10)	(10,368)	194	(10,309,612)	—	—	10,309,612	—	—	—
Exchange Former IAC common stock and Class B common stock for Match Group common stock and completion of the Separation	(43,583)	184	183,749	(80)	(79,343)	(6)	(5,789)	(4,745,520)	—	13,781	—	(4,731,641)	(498,792)	(5,230,433)
Acquire Former Match Group noncontrolling interest	—	58	57,868	—	—	—	608,110	—	—	—	—	608,168	(608,168)	—
Other	—	—	—	—	—	—	(132)	—	—	—	—	(132)	130	(2)
<b>Balance as of June 30, 2020</b>	<b>\$ (156)</b>	<b>\$ 242</b>	<b>241,617</b>	<b>\$ —</b>	<b>—</b>	<b>\$ —</b>	<b>—</b>	<b>\$ 6,874,542</b>	<b>\$ (8,712,479)</b>	<b>\$ (124,312)</b>	<b>\$ —</b>	<b>\$ (1,962,007)</b>	<b>\$ 337</b>	<b>\$ (1,961,670)</b>

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited) (Continued)**  
**Six Months Ended June 30, 2021**

	Redeemable Noncontrolling Interests	Match Group Shareholders' Equity							
		Common Stock \$0.001 Par Value		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive (Loss) Income	Total Match Group Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		\$	Shares						
		(In thousands)							
<b>Balance as of December 31, 2020</b>	\$ 640	\$ 267	267,329	\$ 7,089,007	\$ (8,422,237)	\$ (81,454)	\$ (1,414,417)	\$ 1,042	\$ (1,413,375)
Net (loss) earnings for the six months ended June 30, 2021	(935)	—	—	—	315,145	—	315,145	167	315,312
Other comprehensive loss, net of tax	—	—	—	—	—	(22,635)	(22,635)	(110)	(22,745)
Stock-based compensation expense	—	—	—	76,087	—	—	76,087	—	76,087
Issuance of Match Group common stock pursuant to stock-based awards, net of withholding taxes	—	4	3,395	25,974	—	—	25,978	—	25,978
Issuance of common stock for the acquisition of Hyperconnect	—	6	5,929	890,845	—	—	890,851	—	890,851
Adjustment of redeemable noncontrolling interests to fair value	1,535	—	—	(1,535)	—	—	(1,535)	—	(1,535)
Purchase of noncontrolling interest	—	—	—	943	—	—	943	(2,571)	(1,628)
Adjustment of noncontrolling interests to fair value	—	—	—	(1,835)	—	—	(1,835)	1,835	—
Noncontrolling interest created by the exercise of subsidiary denominated equity awards	—	—	—	(7,102)	—	—	(7,102)	7,102	—
Other	—	—	—	(3,725)	—	—	(3,725)	(308)	(4,033)
<b>Balance as of June 30, 2021</b>	<u>\$ 1,240</u>	<u>\$ 277</u>	<u>276,653</u>	<u>\$ 8,068,659</u>	<u>\$ (8,107,092)</u>	<u>\$ (104,089)</u>	<u>\$ (142,245)</u>	<u>\$ 7,157</u>	<u>\$ (135,088)</u>



**MATCH GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited) (Continued)**  
**Six Months Ended June 30, 2020**

	Redeemable Noncontrolling Interests	Match Group Shareholders' Equity												
		Common Stock \$0.001 Par Value		Former IAC Common Stock \$0.001 Par Value		Former IAC Class B Convertible Common Stock \$0.001 Par Value		Additional Paid- in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total Match Group Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		\$	Shares	\$	Shares	\$	Shares							
(In thousands)														
<b>Balance as of December 31, 2019</b>	\$ 44,527	\$ —	—	\$ 263	263,230	\$ 16	16,157	\$ 11,378,160	\$ 1,725,046	\$ (136,349)	\$ (10,309,612)	\$ 2,657,524	\$ 970,276	\$ 3,627,800
Net (loss) earnings for the six months ended June 30, 2020	(2,070)	—	—	—	—	—	—	—	(127,913)	—	—	(127,913)	62,336	(65,577)
Other comprehensive loss, net of tax	(686)	—	—	—	—	—	—	—	—	(2,372)	—	(2,372)	(403)	(2,775)
Stock-based compensation expense	15	—	—	—	—	—	73,059	—	—	—	—	73,059	86,363	159,422
Issuance of Former IAC common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	1	453	—	—	(34,518)	—	—	—	(34,517)	—	(34,517)
Issuance of Former Match Group and ANGI Homeservices common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	—	—	—	(212,270)	—	628	—	—	(211,642)	(11,405)	(223,047)
Purchase of redeemable noncontrolling interests	(3,165)	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjustment of redeemable noncontrolling interests to fair value	4,807	—	—	—	—	—	(4,807)	—	—	—	—	(4,807)	—	(4,807)
Purchase of Match Group and ANGI treasury stock	—	—	—	—	—	—	(187,735)	—	—	—	—	(187,735)	—	(187,735)
Retire treasury stock	—	—	—	(184)	(184,340)	(10)	(10,368)	194	(10,309,612)	—	10,309,612	—	—	—
Exchange Former IAC common stock and Class B common stock for Match Group common stock and completion of the Separation	(43,583)	184	183,749	(80)	(79,343)	(6)	(5,789)	(4,745,520)	—	13,781	—	(4,731,641)	(498,792)	(5,230,433)
Acquire Former Match Group noncontrolling interest	—	58	57,868	—	—	—	—	608,110	—	—	—	608,168	(608,168)	—
Other	(1)	—	—	—	—	—	—	(131)	—	—	—	(131)	130	(1)
<b>Balance as of June 30, 2020</b>	\$ (156)	\$ 242	241,617	\$ —	—	\$ —	—	\$ 6,874,542	\$ (8,712,479)	\$ (124,312)	\$ —	\$ (1,962,007)	\$ 337	\$ (1,961,670)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**

	Six Months Ended June 30,	
	2021	2020
	(In thousands)	
<b>Cash flows from operating activities attributable to continuing operations:</b>		
Net earnings (loss)	\$ 314,377	\$ (67,647)
Add back: (earnings) loss from discontinued operations, net of tax	(509)	366,578
<b>Net earnings from continuing operations</b>	<b>313,868</b>	<b>298,931</b>
Adjustments to reconcile net earnings from continuing operations to net cash provided by operating activities attributable to continuing operations:		
Stock-based compensation expense	72,512	43,312
Depreciation	20,518	19,063
Amortization of intangibles	455	6,803
Deferred income taxes	(20,731)	(16,060)
Other adjustments, net	7,407	19,667
Changes in assets and liabilities		
Accounts receivable	(103,127)	(69,228)
Other assets	32,622	(10,144)
Accounts payable and other liabilities	(17,320)	(13,349)
Income taxes payable and receivable	18,899	(16,241)
Deferred revenue	25,712	13,133
<b>Net cash provided by operating activities attributable to continuing operations</b>	<b>350,815</b>	<b>275,887</b>
<b>Cash flows from investing activities attributable to continuing operations:</b>		
Net cash (used) acquired in business combinations	(840,869)	—
Capital expenditures	(32,392)	(18,124)
Net cash distribution related to Separation of IAC	—	(2,448,749)
Other, net	(255)	(118)
<b>Net cash used in investing activities attributable to continuing operations</b>	<b>(873,516)</b>	<b>(2,466,991)</b>
<b>Cash flows from financing activities attributable to continuing operations:</b>		
Borrowings under the Credit Facility	—	20,000
Proceeds from Senior Notes offerings	—	1,000,000
Principal payments on Credit Facility	—	(400,000)
Debt issuance costs	(851)	(13,195)
Proceeds from issuance of common stock pursuant to stock-based awards	37,333	—
Withholding taxes paid on behalf of employees on net settled stock-based awards of Former Match Group and Match Group	(11,380)	(209,698)
Purchase of Former Match Group treasury stock	—	(132,868)
Purchase of noncontrolling interests	(1,473)	(15,827)
Other, net	—	(12,745)
<b>Net cash provided by financing activities attributable to continuing operations</b>	<b>23,629</b>	<b>235,667</b>
<b>Total cash used in continuing operations</b>	<b>(499,072)</b>	<b>(1,955,437)</b>
Net cash provided by operating activities attributable to discontinued operations	—	20,031
Net cash used in investing activities attributable to discontinued operations	—	(963,420)
Net cash used in financing activities attributable to discontinued operations	—	(110,959)
Total cash used in discontinued operations	—	(1,054,348)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(3,636)	(1,152)
<b>Net decrease in cash, cash equivalents, and restricted cash</b>	<b>(502,708)</b>	<b>(3,010,937)</b>
Cash, cash equivalents, and restricted cash at beginning of period	739,302	3,140,358
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 236,594</b>	<b>\$ 129,421</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

**NOTE 1—THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Match Group, Inc., through its portfolio companies, is a leading provider of digital technologies designed to help people make meaningful connections. Our global portfolio of brands includes Tinder®, Match®, Meetic®, OkCupid®, Hinge®, Pairs™, PlentyOfFish®, OurTime®, Azar®, Hakuna Live™, and more, each built to increase our users' likelihood of connecting with others. Through our trusted brands, we provide tailored services to meet the varying preferences of our users. Our services are available in over 40 languages to our users all over the world. Match Group has one operating segment, Connections, which is managed as a portfolio of brands.

As used herein, "Match Group," the "Company," "we," "our," "us," and similar terms refer to Match Group, Inc. and its subsidiaries, unless the context indicates otherwise.

**Basis of Presentation and Consolidation**

The Company prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). The consolidated financial statements include the accounts of the Company, all entities that are wholly-owned by the Company and all entities in which the Company has a controlling financial interest. Intercompany transactions and accounts have been eliminated.

In management's opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect, in management's opinion, all adjustments, consisting of normal and recurring adjustments, necessary for the fair presentation of our consolidated financial position, consolidated results of operations and consolidated cash flows for the periods presented. Interim results are not necessarily indicative of the results that may be expected for the full year. The accompanying unaudited consolidated financial statements should be read in conjunction with the consolidated statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 included in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 17, 2021.

**Accounting Estimates**

Management of the Company is required to make certain estimates, judgments, and assumptions during the preparation of its consolidated financial statements in accordance with GAAP. These estimates, judgments, and assumptions impact the reported amounts of assets, liabilities, revenue, and expenses and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

On an ongoing basis, the Company evaluates its estimates and judgments including those related to: the fair values of cash equivalents, the carrying value of accounts receivable, including the determination of the allowance for credit losses; the determination of revenue reserves; the carrying value of right-of-use assets; the useful lives and recoverability of definite-lived intangible assets and property and equipment; the recoverability of goodwill and indefinite-lived intangible assets; the fair value of equity securities without readily determinable fair values; contingencies; unrecognized tax benefits; the valuation allowance for deferred income tax assets; and the fair value of and forfeiture rates for stock-based awards, among others. The Company bases its estimates and judgments on historical experience, its forecasts and budgets, and other factors that the Company considers relevant.

**Accounting for Investments and Equity Securities**

Investments in equity securities, other than those of our consolidated subsidiaries, are accounted for at fair value or under the measurement alternative of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, with any changes to fair value recognized within other income (expense), net each reporting period. Under the measurement alternative, equity investments without readily determinable fair values are carried at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or a similar investment of the same issuer; value is generally determined based on a

## MATCH GROUP, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

market approach as of the transaction date. A security will be considered identical or similar if it has identical or similar rights to the equity securities held by the Company. The Company reviews its equity securities without readily determinable fair values for impairment each reporting period when there are qualitative factors or events that indicate possible impairment. Factors we consider in making this determination include negative change in industry and market conditions, financial performance, business prospects, and other relevant events and factors. When indicators of impairment exist, the Company prepares quantitative assessments of the fair value of our investments in equity securities, which require judgment and the use of estimates. When our assessment indicates that the fair value of the investment is below the carrying value, the Company writes down the security to its fair value and records the corresponding charge within other income (expense), net.

**Revenue Recognition**

Revenue is recognized when control of the promised services are transferred to our customers, and in the amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

*Deferred Revenue*

Deferred revenue consists of advance payments that are received or are contractually due in advance of the Company's performance. The Company's deferred revenue is reported on a contract by contract basis at the end of each reporting period. The Company classifies deferred revenue as current when the term of the applicable subscription period or expected completion of our performance obligation is one year or less. The current deferred revenue balance as of December 31, 2020 was \$239.1 million. During the six months ended June 30, 2021, the Company recognized \$234.9 million of revenue that was included in the deferred revenue balance as of December 31, 2020. The current deferred revenue balance at June 30, 2021 is \$263.0 million. At June 30, 2021 and December 31, 2020, there was no non-current portion of deferred revenue.

*Practical Expedients and Exemptions*

As permitted under the practical expedient available under ASU No. 2014-09, *Revenue from Contracts with Customers*, the Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts with variable consideration that is allocated entirely to unsatisfied performance obligations or to a wholly unsatisfied promise accounted for under the series guidance, and (iii) contracts for which the Company recognizes revenue at the amount which we have the right to invoice for services performed.

*Disaggregation of Revenue*

The following table presents disaggregated revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(In thousands)			
Direct Revenue:				
Americas	\$ 374,388	\$ 298,693	\$ 718,650	\$ 579,938
Europe	196,542	154,050	385,601	310,540
APAC and Other	123,392	93,998	245,252	191,087
Total Direct Revenue	694,322	546,741	1,349,503	1,081,565
Indirect Revenue (principally advertising revenue)	13,438	8,709	25,869	18,527
Total Revenue	\$ 707,760	\$ 555,450	\$ 1,375,372	\$ 1,100,092

**Recent Accounting Pronouncements***Accounting pronouncements adopted by the Company*

In August 2020, the FASB issued ASU No. 2020-06, which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from U.S. GAAP the liability and equity

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the discount resulting from the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, *Derivatives and Hedging*, or (2) a convertible debt instrument was issued at a substantial premium. ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share, which results in increased dilutive securities as the assumption of cash settlement of the notes is not available for the purpose of calculating earnings per share. The provisions of ASU 2020-06 are effective for reporting periods beginning after December 15, 2021, with early adoption permitted for reporting periods beginning after December 15, 2020, and can be adopted on either a fully retrospective or modified retrospective basis.

The Company early adopted ASU No. 2020-06 as of January 1, 2021 on a fully retrospective basis. The impact of adopting ASU No. 2020-06 is as follows:

	Three Months Ended June 30, 2020			Six Months Ended June 30, 2020		
	Prior to the adoption of ASU No. 2020-06	After adoption of ASU No. 2020-06	Effect of adoption of ASU No. 2020-06	Prior to the adoption of ASU No. 2020-06	After adoption of ASU No. 2020-06	Effect of adoption of ASU No. 2020-06
(In thousands, except per share data)						
<b>Statement of operations impacts</b>						
Interest expense	\$ 45,647	\$ 34,751	\$ (10,896)	\$ 88,296	\$ 66,645	\$ (21,651)
Income tax (provision) benefit	\$ (34,436)	\$ (36,856)	\$ (2,420)	\$ 16,311	\$ 11,346	\$ (4,965)
Net earnings from continuing operations	\$ 132,921	\$ 141,397	\$ 8,476	\$ 282,245	\$ 298,931	\$ 16,686
Net earnings per share from continuing operations:						
Basic	\$ 0.56	\$ 0.61	\$ 0.05	\$ 1.21	\$ 1.30	\$ 0.09
Diluted	\$ 0.51	\$ 0.54	\$ 0.03	\$ 1.10	\$ 1.15	\$ 0.05
Weighted average dilutive shares outstanding	194,988	207,840	12,852	193,032	206,142	13,110
				Prior to the adoption of ASU No. 2020-06	After adoption of ASU No. 2020-06	Effect of adoption of ASU No. 2020-06
(In thousands)						
<b>Balance sheet impacts at December 31, 2020:</b>						
Non-current deferred tax asset				\$ 224,013	\$ 293,487	\$ 69,474
Long-term debt, net				\$ 3,534,706	\$ 3,840,930	\$ 306,224
Additional paid-in capital				\$ 7,394,646	\$ 7,089,007	\$ (305,639)
Retained deficit				\$ (8,491,126)	\$ (8,422,237)	\$ 68,889

**MATCH GROUP, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

The impact of the adoption of ASU No. 2020-06 at December 31, 2019 resulted in an increase to retained earnings of \$35.1 million and a decrease in additional paid-in capital of \$305.6 million.

As the adoption of ASU No. 2020-06 did not impact cash, the operating cash flows from continuing operations were not impacted. Certain reconciliation line items to net earnings from continuing operations were adjusted to reflect the impact of the adoption of ASU No. 2020-06.

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**NOTE 2—INCOME TAXES**

At the end of each interim period, the Company estimates the annual effective income tax rate and applies that rate to its ordinary year-to-date earnings or loss. The income tax provision or benefit related to significant, unusual, or extraordinary items, if applicable, that will be separately reported or reported net of their related tax effects, are individually computed and recognized in the interim period in which they occur. In addition, the effect of changes in enacted tax laws or rates, tax status, judgment on the realizability of beginning-of-the-year deferred tax assets in future years or unrecognized tax benefits is recognized in the interim period in which the change occurs.

The computation of the estimated annual effective income tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected pre-tax income (or loss) for the year, projections of the proportion of income (and/or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences, and the likelihood of the realization of deferred tax assets generated in the current year. The accounting estimates used to compute the provision or benefit for income taxes may change as new events occur, more experience is acquired, additional information is obtained or our tax environment changes. To the extent that the estimated annual effective income tax rate changes during a quarter, the effect of the change on prior quarters is included in the income tax provision in the quarter in which the change occurs.

For the three months ended June 30, 2021 and 2020, the Company recorded an income tax provision of \$37.3 million and \$36.9 million, respectively. The effective tax rate in the three months ended June 30, 2020 benefited from excess tax benefits generated by the exercise or vesting of stock-based awards, partially offset by a non-recurring increase in the valuation allowance for foreign tax credits. For the six months ended June 30, 2021 and 2020, the Company recorded an income tax provision (benefit) of \$19.6 million and \$(11.3) million, respectively. The effective tax rates in both six-month periods benefited from excess tax benefits generated by the exercise and vesting of stock-based awards, partially offset in the 2020 period by a non-recurring increase in the valuation allowance for foreign tax credits.

Match Group is routinely under audit by federal, state, local and foreign authorities in the area of income tax. These audits include a review of the timing and amount of income and deductions, and the allocation of such income and deductions among various tax jurisdictions. The Internal Revenue Service has substantially completed its audit of the Company's federal income tax returns for the years ended December 31, 2013 through 2017, resulting in reductions to the manufacturing tax deduction and research credits claimed. The statute of limitations for the years 2013 to 2017 has been extended to June 30, 2022. We are no longer subject to U.S. federal income tax examinations for years prior to 2013. Returns filed in various other jurisdictions are open to examination for tax years beginning with 2009. Although we believe that we have adequately reserved for our uncertain tax positions, the final tax outcome of these matters may vary significantly from our estimates.

At both June 30, 2021 and December 31, 2020, unrecognized tax benefits, including interest and penalties, were \$46.0 million and \$46.7 million, respectively. If unrecognized tax benefits at June 30, 2021 are subsequently recognized, income tax expense would be reduced by \$40.4 million, net of related deferred tax assets and interest. The comparable amount as of December 31, 2020 was \$41.8 million. The Company believes that it is reasonably possible that its unrecognized tax benefits could decrease by \$1.8 million by June 30, 2022 due to settlements and expirations of statutes of limitations, all of which would reduce the income tax provision.

**MATCH GROUP, INC. AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. Accruals of interest and penalties for the three months ended June 30, 2021 and 2020 were not material. At June 30, 2021 and December 31, 2020, noncurrent income taxes payable includes accrued interest and penalties of \$1.4 million and \$1.9 million, respectively.

As a result of the Company's separation from IAC/InterActiveCorp ("IAC"), temporary differences and tax attributes from our federal and consolidated state income tax filings were allocated between the Company and IAC. The allocation attributable to IAC resulted in an increase to the Company's net deferred tax asset and additional paid-in capital. A preliminary allocation attributable to the Company was recorded in 2020. Any subsequent adjustment to allocated tax attributes will be recognized as an adjustment to deferred taxes and additional paid-in capital. See "Note 11—Related Party Transactions" for amounts outstanding under the tax matters agreement with IAC.

**NOTE 3—DISCONTINUED OPERATIONS**

Pursuant to the terms of the transaction agreement dated as of December 19, 2019 (as amended, the "Transaction Agreement"), on June 30, 2020, the companies formerly known as Match Group, Inc. (referred to as "Former Match Group") and IAC/InterActiveCorp (referred to as "Former IAC") completed the separation of the Company from IAC through a series of transactions that resulted in two, separate public companies—(1) Match Group, which consists of the businesses of Former Match Group and certain financing subsidiaries previously owned by Former IAC, and (2) IAC, formerly known as IAC Holdings, Inc., consisting of Former IAC's businesses other than Match Group (the "Separation"). Accordingly, the businesses of Former IAC other than Match Group are presented as discontinued operations.

The key components of loss from discontinued operations for the three and six months ended June 30, 2021 and 2020 consist of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(In thousands)			
Revenue	\$ —	\$ 726,361	\$ —	\$ 1,410,485
Operating costs and expenses	—	(840,902)	—	(1,840,178)
Operating loss	—	(114,541)	—	(429,693)
Interest expense	—	(1,555)	—	(3,772)
Other income (expense)	—	51,244	—	(2,503)
Income tax benefit	509	30,241	509	69,390
Earnings (loss) from discontinued operations	\$ 509	\$ (34,611)	\$ 509	\$ (366,578)

**NOTE 4—GOODWILL**

Goodwill is as follows:

	June 30, 2021	December 31, 2020
	(In thousands)	
Goodwill	\$ 2,973,121	\$ 1,270,532

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

The following table presents the balance of goodwill, including the changes in the carrying value of goodwill, for the six months ended June 30, 2021:

	(In thousands)
Balance at December 31, 2020	\$ 1,270,532
Additions	1,721,538
Foreign Exchange Translation	(18,949)
Balance at June 30, 2021	<u>\$ 2,973,121</u>

On June 17, 2021, Match Group completed the acquisition of all capital stock of Hyperconnect, Inc. (“Hyperconnect”), a leading social discovery and video technology company based in Seoul, South Korea. The acquisition increases our presence in Asian markets and enhances the real-time video capabilities of Match Group. The accounting purchase price was \$1.75 billion, net of cash acquired, which consists of \$840.9 million of cash, net of cash acquired; 5.9 million shares of Match Group common stock at a basis of the closing market price on the acquisition date; and \$22.6 million of withholding taxes payable in the third quarter of 2021 on behalf of certain sellers. The initial allocation of the accounting purchase price has been allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair value, with the remaining purchase price allocated to goodwill. The allocation of the accounting purchase price is preliminary and will be finalized within the allowable measurement period once independent valuations of the fair value of the assets acquired and liabilities assumed, including identified intangible assets and goodwill, are completed.

#### **NOTE 5—FINANCIAL INSTRUMENTS**

##### **Equity securities without readily determinable fair values**

At both June 30, 2021 and December 31, 2020, the carrying value of the Company’s investments in equity securities without readily determinable fair values totaled \$14.2 million, and is included in “Other non-current assets” in the accompanying consolidated balance sheet. The cumulative downward adjustments (including impairments) to the carrying value of equity securities without readily determinable fair values through June 30, 2021 were \$2.1 million. For both the six months ended June 30, 2021 and 2020, there were no adjustments to the carrying value of equity securities without readily determinable fair values.

For all equity securities without readily determinable fair values as of June 30, 2021 and December 31, 2020, the Company has elected the measurement alternative. For the three months ended June 30, 2021 and 2020, under the measurement alternative election, the Company did not identify any fair value adjustments using observable price changes in orderly transactions for an identical or similar investment of the same issuer.

##### **Fair Value Measurements**

The Company categorizes its financial instruments measured at fair value into a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability. The three levels of the fair value hierarchy are:

- Level 1: Observable inputs obtained from independent sources, such as quoted market prices for identical assets and liabilities in active markets.
- Level 2: Other inputs, which are observable directly or indirectly, such as quoted market prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active, and inputs that are derived principally from or corroborated by observable market data. The fair values of the Company’s Level 2 financial assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded. Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.
- Level 3: Unobservable inputs for which there is little or no market data and require the Company to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities.



**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

The following tables present the Company's financial instruments that are measured at fair value on a recurring basis:

	June 30, 2021		
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value Measurements
	(In thousands)		
<b>Assets:</b>			
Cash equivalents:			
Money market funds	\$ 2,053	\$ —	\$ 2,053
Short-term investments:			
Time deposits	—	12,453	12,453
<b>Total</b>	<b>\$ 2,053</b>	<b>\$ 12,453</b>	<b>\$ 14,506</b>

	December 31, 2020		
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value Measurements
	(In thousands)		
<b>Assets:</b>			
Cash equivalents:			
Money market funds	\$ 147,615	\$ —	\$ 147,615
Time deposits	—	50,000	50,000
<b>Total</b>	<b>\$ 147,615</b>	<b>\$ 50,000</b>	<b>\$ 197,615</b>

**Assets measured at fair value on a nonrecurring basis**

The Company's non-financial assets, such as goodwill, intangible assets, property and equipment, and right-of-use assets, are adjusted to fair value only when an impairment charge is recognized. The Company's financial assets, comprised of equity securities without readily determinable fair values, are adjusted to fair value when observable price changes are identified or an impairment charge is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

**Financial instruments measured at fair value only for disclosure purposes**

The following table presents the carrying value and the fair value of financial instruments measured at fair value only for disclosure purposes.

	June 30, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Long-term debt, net <sup>(a) (b)</sup>	\$ (3,845,555)	\$ (6,458,340)	\$ (3,840,930)	\$ (6,267,976)

(a) At June 30, 2021 and December 31, 2020, the carrying value of long-term debt, net includes unamortized original issue discount and debt issuance costs of \$46.9 million and \$51.6 million, respectively.

(b) At June 30, 2021, the fair value of the of the 2022 Exchangeable Notes, 2026 Exchangeable Notes, and 2030 Exchangeable Notes is \$1,898.1 million, \$1,096.2 million, and \$1,168.9 million, respectively. At

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

December 31, 2020, the fair value of the of the 2022 Exchangeable Notes, 2026 Exchangeable Notes, and 2030 Exchangeable Notes is \$1,780.3 million, \$1,052.1 million, and \$1,113.9 million, respectively.

At June 30, 2021 and December 31, 2020, the fair value of long-term debt, net, is estimated using observable market prices or indices for similar liabilities, which are Level 2 inputs.

**NOTE 6—LONG-TERM DEBT, NET**

Long-term debt consists of:

	June 30, 2021	December 31, 2020
	(In thousands)	
Revolving Credit Facility due February 13, 2025 (the "Credit Facility")	\$ —	\$ —
Term Loan due February 13, 2027 (the "Term Loan")	425,000	425,000
5.00% Senior Notes due December 15, 2027 (the "5.00% Senior Notes"); interest payable each June 15 and December 15	450,000	450,000
4.625% Senior Notes due June 1, 2028 (the "4.625% Senior Notes"); interest payable each June 1 and December 1	500,000	500,000
5.625% Senior Notes due February 15, 2029 (the "5.625% Senior Notes"); interest payable each February 15 and August 15	350,000	350,000
4.125% Senior Notes due August 1, 2030 (the "4.125% Senior Notes"); interest payable each February 1 and August 1	500,000	500,000
0.875% Exchangeable Senior Notes due October 1, 2022 (the "2022 Exchangeable Notes"); interest payable each April 1 and October 1	517,500	517,500
0.875% Exchangeable Senior Notes due June 15, 2026 (the "2026 Exchangeable Notes"); interest payable each June 15 and December 15	575,000	575,000
2.00% Exchangeable Senior Notes due January 15, 2030 (the "2030 Exchangeable Notes"); interest payable each January 15 and July 15	575,000	575,000
Total debt	3,892,500	3,892,500
Less: Unamortized original issue discount	5,628	6,029
Less: Unamortized debt issuance costs	41,317	45,541
Total long-term debt, net	\$ 3,845,555	\$ 3,840,930

**Credit Facility and Term Loan**

Our wholly-owned subsidiary, Match Group Holdings II, LLC ("MG Holdings II") is the borrower under a credit agreement (as amended, the "Credit Agreement") that provides for the Credit Facility and the Term Loan.

The Credit Facility has a borrowing capacity of \$750 million and matures on February 13, 2025. At both June 30, 2021 and December 31, 2020, there were no outstanding borrowings under the Credit Facility, \$0.2 million in outstanding letters of credit, and \$749.8 million of availability under the Credit Facility. The annual commitment fee on undrawn funds, which is based on MG Holdings II's consolidated net leverage ratio, was 25 basis points as of June 30, 2021. Borrowings under the Credit Facility bear interest, at MG Holdings II's option, at a base rate or LIBOR, in each case plus an applicable margin, based on MG Holdings II's consolidated net leverage ratio. If MG Holdings II borrows under the Credit Facility, it will be required to maintain a consolidated net leverage ratio of not more than 5.0 to 1.0.

At both June 30, 2021 and December 31, 2020, the outstanding balance on the Term Loan was \$425 million. The Term Loan bears interest at LIBOR plus 1.75%, which was 1.91% and 1.96% at June 30, 2021 and December 31, 2020, respectively. The Term Loan matures on February 13, 2027. Interest payments are due at least quarterly through the term of the loan. The Term Loan provides for annual principal payments as part of an excess cash flow sweep provision, the amount of which, if any, is governed by the secured net leverage ratio as set forth in the Credit Agreement.

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

On March 26, 2021, MG Holdings II amended the Credit Agreement to provide for a \$400 million Delayed Draw Term Loan, the proceeds of which could have been used only to finance a portion of the consideration for the acquisition of Hyperconnect, Inc. The Delayed Draw Term Loan was terminated effective June 18, 2021, in accordance with its terms.

The Credit Agreement includes covenants that would limit the ability of MG Holdings II to pay dividends, make distributions, or repurchase MG Holdings II's stock in the event MG Holdings II's secured net leverage ratio exceeds 2.0 to 1.0, while the Term Loan remains outstanding and, thereafter, if MG Holdings II's consolidated net leverage ratio exceeds 4.0 to 1.0, or if an event of default has occurred. The Credit Agreement includes additional covenants that limit the ability of MG Holdings II and its subsidiaries to, among other things, incur indebtedness, pay dividends or make distributions. Obligations under the Credit Facility and Term Loan are unconditionally guaranteed by certain MG Holdings II wholly-owned domestic subsidiaries and are also secured by the stock of certain MG Holdings II domestic and foreign subsidiaries. The Term Loan and outstanding borrowings, if any, under the Credit Facility, rank equally with each other, and have priority over the Senior Notes to the extent of the value of the assets securing the borrowings under the Credit Agreement.

**Senior Notes**

The 5.00% Senior Notes were issued on December 4, 2017. At any time prior to December 15, 2022, these notes may be redeemed at a redemption price equal to the sum of the principal amount, plus accrued and unpaid interest and a make-whole premium set forth in the indenture governing the notes. Thereafter, these notes may be redeemed at redemption prices set forth in the indenture governing the notes, together with accrued and unpaid interest to the applicable redemption date.

The 4.625% Senior Notes were issued on May 19, 2020. At any time prior to June 1, 2023, these notes may be redeemed at a redemption price equal to the sum of the principal amount, plus accrued and unpaid interest and a make-whole premium set forth in the indenture governing the notes. Thereafter, these notes may be redeemed at redemption prices set forth in the indenture governing the notes, together with accrued and unpaid interest to the applicable redemption date.

The 5.625% Senior Notes were issued on February 15, 2019. At any time prior to February 15, 2024, these notes may be redeemed at a redemption price equal to the sum of the principal amount, plus accrued and unpaid interest and a make-whole premium set forth in the indenture governing the notes. Thereafter, these notes may be redeemed at redemption prices set forth in the indenture governing the notes, together with accrued and unpaid interest to the applicable redemption date.

The 4.125% Senior Notes were issued on February 11, 2020. At any time prior to May 1, 2025, these notes may be redeemed at a redemption price equal to the sum of the principal amount, plus accrued and unpaid interest and a make-whole premium set forth in the indenture governing the notes. Thereafter, these notes may be redeemed at redemption prices set forth in the indenture governing the notes, together with accrued and unpaid interest to the applicable redemption date.

The indenture governing the 5.00% Senior Notes contains covenants that would limit MG Holdings II's ability to pay dividends or to make distributions and repurchase or redeem MG Holdings II's stock in the event a default has occurred or MG Holdings II's consolidated leverage ratio (as defined in the indenture) exceeds 5.0 to 1.0. No such limitations were in effect at June 30, 2021. There are additional covenants in the 5.00% Senior Notes indenture that limit the ability of MG Holdings II and its subsidiaries to, among other things, (i) incur indebtedness, make investments, or sell assets in the event MG Holdings II is not in compliance with specified financial ratios, and (ii) incur liens, enter into agreements restricting their ability to pay dividends, enter into transactions with affiliates, or consolidate, merge or sell substantially all of their assets. The indentures governing the 4.125%, 4.625%, and 5.625% Senior Notes are less restrictive than the indenture governing the 5.00% Senior Notes and generally only limit MG Holdings II's and its subsidiaries' ability to, among other things, create liens on assets, or consolidate, merge, sell or otherwise dispose of all or substantially all of their assets.

The Senior Notes all rank equally in right of payment.

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

**Exchangeable Notes**

During 2017, Match Group FinanceCo, Inc., a direct, wholly-owned subsidiary of the Company, issued \$517.5 million aggregate principal amount of its 2022 Exchangeable Notes. During 2019, Match Group FinanceCo 2, Inc. and Match Group FinanceCo 3, Inc., direct, wholly-owned subsidiaries of the Company, issued \$575.0 million aggregate principal amount of its 2026 Exchangeable Notes, and \$575.0 million aggregate principal amount of its 2030 Exchangeable Notes, respectively.

The 2022, 2026, and 2030 Exchangeable Notes (collectively the “Exchangeable Notes”) are guaranteed by the Company but are not guaranteed by MG Holdings II or any of its subsidiaries.

The following table presents details of the exchangeable features:

	Number of shares of the Company's Common Stock into which each \$1,000 of Principal of the Exchangeable Notes is Exchangeable <sup>(a)</sup>	Approximate Equivalent Exchange Price per Share <sup>(a)</sup>	Exchangeable Date
2022 Exchangeable Notes	22.7331	\$ 43.99	July 1, 2022
2026 Exchangeable Notes	11.4259	\$ 87.52	March 15, 2026
2030 Exchangeable Notes	11.8739	\$ 84.22	October 15, 2029

<sup>(a)</sup> Subject to adjustment upon the occurrence of specified events.

As more specifically set forth in the applicable indentures, the Exchangeable Notes are exchangeable under the following circumstances:

(1) during any calendar quarter (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the exchange price on each applicable trading day;

(2) during the five-business day period after any five-consecutive trading day period (the “measurement period”) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the exchange rate on each such trading day;

(3) if the issuer calls the notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or

(4) upon the occurrence of specified corporate events as further described in the indentures governing the respective Exchangeable Notes.

On or after the respective exchangeable dates noted in the table above, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may exchange all or any portion of their Exchangeable Notes regardless of the foregoing conditions. Upon exchange, the issuer, in its sole discretion, has the option to settle the Exchangeable Notes with cash, shares of the Company's common stock, or a combination of cash and shares of the Company's common stock. Any shares issued in further settlement of the notes would be offset by shares received upon exercise of the Exchangeable Note Hedges (described below).

The Company's 2022, 2026, and 2030 Exchangeable Notes were exchangeable as of June 30, 2021. One 2022 Exchangeable Note was exchanged during the three and six months ended June 30, 2021 and was settled in July 2021; no Exchangeable Notes were exchanged during the year ended December 31, 2020.

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

The following table presents the if-converted value that exceeded the principal of each note based on the Company's stock price on June 30, 2021 and December 31, 2020.

	June 30, 2021		December 31, 2020	
	(In millions)			
2022 Exchangeable Notes	\$	1,379.5	\$	1,261.2
2026 Exchangeable Notes	\$	484.4	\$	418.3
2030 Exchangeable Notes	\$	525.9	\$	457.2

Additionally, each of Match Group FinanceCo 2, Inc. and Match Group FinanceCo 3, Inc. may redeem for cash all or any portion of its applicable notes, at its option, on or after June 20, 2023 and July 20, 2026, respectively, if the last reported sale price of the Company's common stock has been at least 130% of the exchange price then in effect for at least 20 trading days (whether or not consecutive), including at least one of the five trading days immediately preceding the date on which the notice of redemption is provided, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the applicable issuer provides notice of redemption, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

The following table sets forth the components of the Exchangeable Senior Notes within long-term debt, net:

	June 30, 2021			December 31, 2020		
	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes
	(In thousands)					
Principal	\$ 517,500	\$ 575,000	\$ 575,000	\$ 517,500	\$ 575,000	\$ 575,000
Less: Unamortized debt issuance costs	4,684	7,912	9,127	6,511	8,700	9,627
Net carrying value included in long-term debt, net	<u>\$ 512,816</u>	<u>\$ 567,088</u>	<u>\$ 565,873</u>	<u>\$ 510,989</u>	<u>\$ 566,300</u>	<u>\$ 565,373</u>

The following table sets forth interest expense recognized related to the Exchangeable Senior Notes:

	Three Months Ended June 30, 2021			Three Months Ended June 30, 2020		
	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes
	(In thousands)					
Contractual interest expense	\$ 1,132	\$ 1,258	\$ 2,875	\$ 1,132	\$ 1,258	\$ 2,875
Amortization of debt issuance costs	920	387	243	905	380	237
Total interest expense recognized	<u>\$ 2,052</u>	<u>\$ 1,645</u>	<u>\$ 3,118</u>	<u>\$ 2,037</u>	<u>\$ 1,638</u>	<u>\$ 3,112</u>

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

	Six Months Ended June 30, 2021			Six Months Ended June 30, 2020		
	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes
	(In thousands)					
Contractual interest expense	\$ 2,264	\$ 2,516	\$ 5,750	\$ 2,264	\$ 2,516	\$ 5,750
Amortization of debt issuance costs	1,827	788	500	1,803	760	472
Total interest expense recognized	<u>\$ 4,091</u>	<u>\$ 3,304</u>	<u>\$ 6,250</u>	<u>\$ 4,067</u>	<u>\$ 3,276</u>	<u>\$ 6,222</u>

The effective interest rates for the 2022, 2026, and 2030 Exchangeable Notes are 1.6%, 1.2%, and 2.2%, respectively.

**Exchangeable Notes Hedges and Warrants**

In connection with the Exchangeable Notes offerings, the Company purchased call options allowing the Company to purchase initially (subject to adjustment upon the occurrence of specified events) the same number of shares that would be issuable upon the exchange of the applicable Exchangeable Notes at the prices per share set forth below (the "Exchangeable Notes Hedge"), and sold warrants allowing the counterparty to purchase (subject to adjustment upon the occurrence of specified events) shares at the per share prices set forth below (the "Exchangeable Notes Warrants").

The Exchangeable Notes Hedges are expected to reduce the potential dilutive effect on the Company's common stock upon any exchange of notes and/or offset any cash payment Match Group FinanceCo, Inc., Match Group FinanceCo 2, Inc. or Match Group FinanceCo 3, Inc. is required to make in excess of the principal amount of the exchanged notes. The Exchangeable Notes Warrants have a dilutive effect on the Company's common stock to the extent that the market price per share of the Company common stock exceeds their respective strike prices.

The following tables present details of the Exchangeable Notes Hedges and Warrants:

	Number of Shares <sup>(a)</sup>	Approximate Equivalent Exchange Price per Share <sup>(a)</sup>	
	(Shares in millions)	\$	
2022 Exchangeable Notes Hedge	11.8	\$	43.99
2026 Exchangeable Notes Hedge	6.6	\$	87.52
2030 Exchangeable Notes Hedge	6.8	\$	84.22
	Number of Shares <sup>(a)</sup>	Weighted Average Strike Price per Share <sup>(a)</sup>	
	(Shares in millions)	\$	
2022 Exchangeable Notes Warrants	11.8	\$	68.22
2026 Exchangeable Notes Warrants	6.6	\$	134.76
2030 Exchangeable Notes Warrants	6.8	\$	134.82

<sup>(a)</sup> Subject to adjustment upon the occurrence of specified events.

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

**NOTE 7—ACCUMULATED OTHER COMPREHENSIVE LOSS**

The following table presents the components of accumulated other comprehensive loss and items reclassified out of accumulated other comprehensive loss into earnings.

	Three Months Ended June 30, 2021	
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Loss
	(In thousands)	
Balance at April 1	\$ (102,030)	\$ (102,030)
Other comprehensive loss	(2,059)	(2,059)
Balance at June 30	<u>\$ (104,089)</u>	<u>\$ (104,089)</u>

	Three Months Ended June 30, 2020		
	Foreign Currency Translation Adjustment	Unrealized Loss on Available-For-Sale Security	Accumulated Other Comprehensive (Loss) Income
	(In thousands)		
Balance at April 1	\$ (157,273)	\$ (12)	\$ (157,285)
Other comprehensive income before reclassifications	19,100	11	19,111
Amounts reclassified into earnings	(144)	—	(144)
Net period other comprehensive income	18,956	11	18,967
Allocation of accumulated other comprehensive loss related to the noncontrolling interests	225	—	225
Separation of IAC	13,780	1	13,781
Balance at June 30	<u>\$ (124,312)</u>	<u>\$ —</u>	<u>\$ (124,312)</u>

	Six Months Ended June 30, 2021	
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Loss
	(In thousands)	
Balance at January 1	\$ (81,454)	\$ (81,454)
Other comprehensive loss	(22,635)	(22,635)
Balance at June 30	<u>\$ (104,089)</u>	<u>\$ (104,089)</u>

	Six Months Ended June 30, 2020		
	Foreign Currency Translation Adjustment	Unrealized Loss on Available-For-Sale Security	Accumulated Other Comprehensive Loss
	(In thousands)		
Balance at January 1	\$ (136,349)	\$ —	\$ (136,349)
Other comprehensive loss before reclassifications	(2,207)	(1)	(2,208)
Amounts reclassified into earnings	(164)	—	(164)
Net period other comprehensive loss	(2,371)	(1)	(2,372)
Allocation of accumulated other comprehensive loss related to the noncontrolling interests	628	—	628
Separation of IAC	13,780	1	13,781
Balance at June 30	<u>\$ (124,312)</u>	<u>\$ —</u>	<u>\$ (124,312)</u>

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

At both June 30, 2021 and 2020, there was no tax benefit or provision on the accumulated other comprehensive loss.

**NOTE 8—EARNINGS PER SHARE**

As a result of the Separation on June 30, 2020, weighted average basic and dilutive shares outstanding for all periods prior to the Separation reflect the share position of Former IAC multiplied by the Separation exchange ratio of 2.1584. The following table sets forth the computation of the basic and diluted earnings per share attributable to Match Group shareholders:

	Three Months Ended June 30,			
	2021		2020	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
<b>Numerator</b>				
Net earnings from continuing operations	\$ 140,020	\$ 140,020	\$ 141,397	\$ 141,397
Net loss (earnings) attributable to noncontrolling interests	366	366	(29,816)	(29,816)
Impact from subsidiaries' dilutive securities of continuing operations <sup>(a)</sup>	—	(388)	—	(3,947)
Interest on dilutive Exchangeable Notes, net of income tax <sup>(b)</sup>	—	4,075	—	4,070
Net earnings from continuing operations attributable to Match Group, Inc. shareholders	\$ 140,386	\$ 144,073	\$ 111,581	\$ 111,704
Earnings (loss) from discontinued operations, net of tax	\$ 509	\$ 509	\$ (34,611)	\$ (34,611)
Net earnings attributable to noncontrolling interests of discontinued operations	—	—	(2,053)	(2,053)
Impact from subsidiaries' dilutive securities of discontinued operations <sup>(a)</sup>	—	—	—	(356)
Net earnings (loss) from discontinued operations attributable to shareholders	509	509	(36,664)	(37,020)
Net earnings attributable to Match Group, Inc. shareholders	\$ 140,895	\$ 144,582	\$ 74,917	\$ 74,684
<b>Denominator</b>				
Weighted average basic shares outstanding	271,254	271,254	183,477	183,477
Dilutive securities <sup>(c)(d)</sup>	—	14,671	—	8,664
Dilutive shares from Exchangeable Notes, if-converted <sup>(b)</sup>	—	25,162	—	15,699
Denominator for earnings per share—weighted average shares <sup>(b)(c)(d)</sup>	271,254	311,087	183,477	207,840
<b>Earnings per share:</b>				
Earnings per share from continuing operations	\$ 0.52	\$ 0.46	\$ 0.61	\$ 0.54
Earnings (loss) per share from discontinued operations, net of tax	\$ 0.00	\$ 0.00	\$ (0.20)	\$ (0.18)
Earnings per share attributable to Match Group, Inc. shareholders	\$ 0.52	\$ 0.46	\$ 0.41	\$ 0.36
	Six Months Ended June 30,			
	2021		2020	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
<b>Numerator</b>				
Net earnings from continuing operations	\$ 313,868	\$ 313,868	\$ 298,931	\$ 298,931
Net loss (earnings) attributable to noncontrolling interests	768	768	(60,585)	(60,585)
Impact from subsidiaries' dilutive securities of continuing operations <sup>(a)</sup>	—	(428)	—	(9,427)
Interest on dilutive Exchangeable Notes, net of income tax <sup>(b)</sup>	—	8,150	—	8,139
Net earnings from continuing operations attributable to Match Group, Inc. shareholders	\$ 314,636	\$ 322,358	\$ 238,346	\$ 237,058
Earnings (loss) from discontinued operations, net of tax	\$ 509	\$ 509	\$ (366,578)	\$ (366,578)
Net loss attributable to noncontrolling interests of discontinued operations	—	—	319	319
Impact from subsidiaries' dilutive securities of discontinued operations <sup>(a)</sup>	—	—	—	(240)
Net earnings (loss) from discontinued operations attributable to shareholders	509	509	(366,259)	(366,499)
Net earnings (loss) attributable to Match Group, Inc. shareholders	\$ 315,145	\$ 322,867	\$ (127,913)	\$ (129,441)
<b>Denominator</b>				
Weighted average basic shares outstanding	269,959	269,959	183,297	183,297
Dilutive securities <sup>(c)(d)</sup>	—	15,735	—	7,146
Dilutive shares from Exchangeable Notes, if-converted <sup>(b)</sup>	—	25,162	—	15,699
Denominator for earnings per share—weighted average shares <sup>(b)(c)(d)</sup>	269,959	310,856	183,297	206,142
<b>Earnings per share:</b>				
Earnings per share from continuing operations	\$ 1.17	\$ 1.04	\$ 1.30	\$ 1.15
Earnings (loss) per share from discontinued operations, net of tax	\$ 0.00	\$ 0.00	\$ (2.00)	\$ (1.78)



Earnings (loss) per share attributable to Match Group, Inc. shareholders	\$	1.17	\$	1.04	\$	(0.70)	\$	(0.63)
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- (a) Former IAC had the option to settle certain Former Match Group and ANGI Homeservices (“ANGI”) stock-based awards with Former IAC shares. For the three and six months ended June 30, 2020, it was more dilutive for Former Match Group to settle certain Former Match Group equity awards and ANGI to settle certain ANGI equity awards.
- (b) The Company uses the if-converted method for calculating the dilutive impact of the outstanding Exchangeable Notes. For the three and six months ended June 30, 2021, the Company adjusted net earnings from continuing operations attributable to Match Group, Inc. shareholders for the cash interest expense, net of income taxes, incurred on the 2022, 2026, and 2030 Exchangeable Notes and dilutive shares were included for the same set of notes at the Match Group exchange rates. For the three and six months ended June 30, 2020, the Company adjusted net earnings from continuing

**MATCH GROUP, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

operations attributable to Match Group, Inc. shareholders for the cash interest expense, net of income taxes, incurred on the 2022, 2026, and 2030 Exchangeable Notes and dilutive shares were included for the same set of notes at the Former IAC exchange rates multiplied by the Separation exchange ratio.

- (c) If the effect is dilutive, weighted average common shares outstanding include the incremental shares that would be issued upon the assumed exercise of stock options, warrants, and subsidiary denominated equity and vesting of restricted stock units. For both the three and six months ended June 30, 2021, 0.7 million potentially dilutive securities, and for both the three and six months ended June 30, 2020, 8.4 million potentially dilutive securities, are excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.
- (d) Market-based awards and performance-based units (“PSUs”) are considered contingently issuable shares. Shares issuable upon exercise or vesting of market-based awards and PSUs are included in the denominator for earnings per share if (i) the applicable market or performance condition(s) has been met and (ii) the inclusion of the market-based awards and PSUs is dilutive for the respective reporting periods. For both the three and six months ended June 30, 2021, 1.0 million shares underlying market-based awards and PSUs, and for both the three and six months ended June 30, 2020, 0.2 million shares underlying market-based awards and PSUs, were excluded from the calculation of diluted earnings per share because the market or performance conditions had not been met.

**NOTE 9—CONSOLIDATED FINANCIAL STATEMENT DETAILS**

**Cash, Cash Equivalents, and Restricted Cash**

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheet to the total amounts shown in the consolidated statement of cash flows:

	June 30, 2021	December 31, 2020	June 30, 2020	December 31, 2019
	(In thousands)			
Cash and cash equivalents	\$ 236,460	\$ 739,164	\$ 129,294	\$ 465,676
Restricted cash included in other current assets	134	138	127	127
Cash, cash equivalents, and restricted cash included in current assets of discontinued operations	—	—	—	2,674,146
Restricted cash included in non-current assets of discontinued operations	—	—	—	409
<b>Total cash, cash equivalents, and restricted cash as shown on the consolidated statement of cash flows</b>	<b>\$ 236,594</b>	<b>\$ 739,302</b>	<b>\$ 129,421</b>	<b>\$ 3,140,358</b>

**NOTE 10—CONTINGENCIES**

In the ordinary course of business, the Company is a party to various lawsuits. The Company establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Management has also identified certain other legal matters where we believe an unfavorable outcome is not probable and, therefore, no reserve is established. Although management currently believes that resolving claims against us, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management’s view of these matters may change in the future. The Company also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a

**MATCH GROUP, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

material impact on the liquidity, results of operations, or financial condition of the Company. See “Note 2—Income Taxes” for additional information related to income tax contingencies.

Pursuant to the Transaction Agreement, we have agreed to indemnify IAC for matters relating to any business of Former Match Group, including indemnifying IAC for costs related to the matters described below.

The official names of legal proceedings in the descriptions below (shown in italics) reflect the original names of the parties when the proceedings were filed as opposed to the current names of the parties following the separation of Match Group and IAC.

*Tinder Optionholder Litigation Against Former Match Group and Match Group*

On August 14, 2018, ten then-current and former employees of Match Group, LLC or Tinder, Inc. (“Tinder”), a former subsidiary of Former Match Group, filed a lawsuit in New York state court against Former Match Group and Match Group. See *Sean Rad et al. v. IAC/InterActiveCorp and Match Group, Inc.*, No. 654038/2018 (Supreme Court, New York County). The complaint alleges that in 2017, the defendants: (i) wrongfully interfered with a contractually established process for the independent valuation of Tinder by certain investment banks, resulting in a substantial undervaluation of Tinder and a consequent underpayment to the plaintiffs upon exercise of their Tinder stock options, and (ii) then wrongfully merged Tinder into Former Match Group, thereby depriving certain of the plaintiffs of their contractual right to later valuations of Tinder on a stand-alone basis. The complaint asserts claims for breach of contract, breach of the implied covenant of good faith and fair dealing, unjust enrichment, interference with contractual relations (as against Former Match Group only), and interference with prospective economic advantage, and seeks compensatory damages in the amount of at least \$2 billion, as well as punitive damages. On August 31, 2018, four plaintiffs who were still employed by Former Match Group filed a notice of discontinuance of their claims without prejudice, leaving the six former employees as the remaining plaintiffs. On June 13, 2019, the court issued a decision and order granting defendants’ motion to dismiss the claims for breach of the implied covenant of good faith and fair dealing and for unjust enrichments, as well as the merger-related claim for breach of contract as to two of the remaining six plaintiffs, and otherwise denying defendants’ motion to dismiss. On July 13, 2020, the four former plaintiffs filed arbitration demands with the American Arbitration Association asserting the same valuation claims and on September 3, 2020, the four arbitrations were consolidated. The four former plaintiffs’ request to stay the arbitration was denied on January 28, 2021, and arbitration is scheduled to begin on February 7, 2022. On November 17, 2020, the defendants’ motion to stay the trial in Rad was denied. Trial has been scheduled for November 2021. On June 9, 2021, the plaintiffs filed a Note of Issue and Certificate of Readiness for Trial in which they amended the amount of damages they are now claiming to “[m]ore than \$5.6 billion”. We believe that the allegations against Former Match Group and Match Group in this lawsuit are without merit and will continue to defend vigorously against them.

*FTC Lawsuit Against Former Match Group*

On September 25, 2019, the United States Federal Trade Commission (the “FTC”) filed a lawsuit in federal district court in Texas against Former Match Group. See *FTC v. Match Group, Inc.*, No. 3:19-cv-02281-K (Northern District of Texas). The complaint alleges that, prior to mid-2018, for marketing purposes Match.com notified non-paying users that other users were attempting to communicate with them, even though Match.com had identified those subscriber accounts as potentially fraudulent, thereby inducing non-paying users to subscribe and exposing them to the risk of fraud should they subscribe. The complaint also challenges the adequacy of Match.com’s disclosure of the terms of its six-month guarantee, the efficacy of its cancellation process, and its handling of chargeback disputes. The complaint seeks among other things permanent injunctive relief, civil penalties, restitution, disgorgement, and costs of suit. On October 9, 2020, the court granted the Company’s motion to stay the case until the United States Supreme Court issues a decision in the consolidated appeal of *Federal Trade Commission v. Credit Bureau Center, LLC and AMG Capital Management, LLC v. FTC*. On April 22, 2021, the Supreme Court issued its decision, rejecting that the FTC has the ability to seek equitable monetary relief using Section 13(b) of the FTC Act. We believe that the FTC’s claims regarding Match.com’s practices, policies, and procedures are without merit and will defend vigorously against them.

**MATCH GROUP, INC. AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)****NOTE 11—RELATED PARTY TRANSACTIONS****Relationship with IAC following the Separation**

In connection with the Separation, the Company entered into certain agreements with IAC to govern the relationship between the Company and IAC following the Separation. These agreements, in certain cases, supersede the agreements entered into between Former Match Group and Former IAC in connection with Former Match Group's IPO in November 2015 (the "IPO Agreements") and include: a tax matters agreement; a transition services agreement; and an employee matters agreement. The IPO Agreements that were not superseded were terminated at closing of the Separation.

In addition to the agreements entered into at the time of the Separation, Match Group leases office space to IAC in a building owned by the Company in Los Angeles. Match Group also leased office space from IAC in New York City through June 2021. For the three and six months ended June 30, 2021, the Company received less than \$0.1 million from IAC pursuant to the Los Angeles lease. For the three and six months ended June 30, 2021, the Company paid less than \$0.1 million and \$0.3 million, respectively, to IAC pursuant to the New York City lease.

All such amounts were paid in full by the Company and IAC, and there is no receivable balance due to, or from, IAC at June 30, 2021.

***Tax Matters Agreement***

Pursuant to the tax matters agreement, each of Match Group and IAC is responsible for certain tax liabilities and obligations following the transfer by Former IAC (i) to Match Group of certain assets and liabilities of, or related to, the businesses of Former IAC (other than Former Match Group) and (ii) to holders of Former IAC common stock and Former IAC Class B common stock, as a result of the reclassification and mandatory exchange of certain series of Former IAC exchangeable preferred stock (collectively, the "IAC Distribution"). Under the tax matters agreement, IAC generally is responsible for, and has agreed to indemnify Match Group against, any liabilities incurred as a result of the failure of the IAC Distribution to qualify for the intended tax-free treatment unless, subject to certain exceptions, the failure to so qualify is attributable to Match Group's or Former Match Group's actions or failure to act, Match Group's or Former Match Group's breach of certain representations or covenants or certain acquisitions of equity securities of Match Group, in each case, described in the tax matters agreement (a "Match Group fault-based action"). If the failure to so qualify is attributable to a Match Group fault-based action, Match Group is responsible for liabilities incurred as a result of such failure and will indemnify IAC against such liabilities so incurred by IAC or its affiliates.

Under the tax matters agreement, as of June 30, 2021, Match Group is obligated to remit to IAC \$1.4 million of expected state tax refunds relating to tax years prior to the Separation. This obligation is included in "Accrued expenses and other current liabilities" in the accompanying consolidated balance sheet. Additionally, IAC is obligated to indemnify Match Group for IAC's share of tax liabilities related to various periods prior to the Separation. At June 30, 2021, a receivable of \$1.8 million is included in "Other current assets" in the accompanying consolidated balance sheet representing an estimate of the amount that Match Group expects to be indemnified for under this arrangement. At June 30, 2021, Match Group has an indemnification asset of \$0.6 million included in "Other non-current assets" in the accompanying consolidated balance sheet for uncertain tax positions that related to Former IAC prior to the Separation.

***Transition Services Agreement***

Pursuant to the transition services agreement, IAC can provide certain services to Match Group that Former IAC had historically provided to Former Match Group. Match Group can also provide certain services to IAC that Former Match Group previously provided to Former IAC. The transition services agreement also provides that Match Group and IAC will make efforts to replace, amend, or divide certain joint contracts with third-parties relating to services or products used by both Match Group and IAC. Match Group and IAC also agreed to continue sharing certain services provided pursuant to certain third-party vendor contracts that were not replaced, amended, or divided prior to closing of the Separation.

**MATCH GROUP, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

For the three and six months ended June 30, 2021, the Company paid IAC less than \$0.1 million related to services provided by IAC under the transitions services agreement. For the six months ended June 30, 2021, the Company received \$0.1 million from IAC for services provided under the transitions services agreement; no amounts were received for the three months ended June 30, 2021.

***Employee Matters Agreement***

Pursuant to the amended and restated employee matters agreement, Match Group will reimburse IAC for the cost of any IAC equity awards held by the Company's employees and former employees upon exercise or vesting. In addition, Match Group employees participated in IAC's U.S. health and welfare plans, 401(k) plan and flexible benefits plan through December 31, 2020, and Match Group reimbursed IAC for the costs of such participation pursuant to the amended and restated employee matters agreement. Match Group established its own employee benefit plans effective January 1, 2021.

For the six months ended June 30, 2021, the Company paid IAC \$0.1 million for the cost of IAC equity awards held by the Company's employees upon vesting; no amounts were paid for the three months ended June 30, 2021. At June 30, 2021, the Company has accrued \$1.9 million as the estimated cost due to IAC for IAC equity awards held by Match Group employees.

***Other Agreements***

The Transaction Agreement provides that each of Match Group and IAC has agreed to indemnify, defend and hold harmless the other party from and against any liabilities arising out of: (i) any asset or liability allocated to such party or the other members of such party's group under the Transaction Agreement or the businesses of such party's group after the closing of the Separation; (ii) any breach of, or failure to perform or comply with, any covenant, undertaking or obligation of a member of such party's group contained in the Transaction Agreement that survives the closing of the Separation or is contained in any ancillary agreement; and (iii) any untrue or misleading statement or alleged untrue or misleading statement of a material fact or omission, with respect to information contained in or incorporated into the Form S-4 Registration Statement (the "Form S-4") filed with the Securities and Exchange Commission (the "SEC") by IAC and Former IAC in connection with the Separation or the joint proxy statement/prospectus filed by Former IAC and Former Match Group with the SEC pursuant to the Form S-4.

**MATCH GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

**2021 Developments**

On March 26, 2021, Match Group Holdings II, LLC ("MG Holdings II"), amended its credit agreement to provide for a \$400 million incremental "delayed draw" term loan facility ("Delayed Draw Term Loan"), the proceeds of which could be used only to finance a portion of the consideration for the acquisition of Hyperconnect Inc. ("Hyperconnect"). The Delayed Draw Term Loan was terminated effective June 18, 2021 according to its terms.

On June 17, 2021, Match Group completed the acquisition of Hyperconnect. The purchase price was \$1.75 billion, net of cash acquired. The acquisition was funded with cash on hand and the issuance of 5.9 million shares of Match Group common stock.

**Updated Operating and Financial Metrics**

We have adjusted our key operating and financial data to provide better insight into the performance of our business. We are disclosing this data in three geographic areas—Americas, Europe, and APAC and Other.

Additionally, rather than presenting Average Subscribers and Average Revenue per Subscriber ("ARPU"), we will present Payers and Revenue per Payer ("RPP") (as defined below). Unlike Average Subscribers, which include only users who purchase a subscription, and are counted on a daily basis, Payers include all users from whom we earn revenue (including those who make only à la carte purchases) and are counted as unique users in a given month. Similarly, ARPU is a daily metric and includes Direct Revenue sourced from subscribers only, whereas RPP is a monthly metric and includes all Direct Revenue. We believe that Payers and RPP, which account for non-subscriber users and the associated revenue, will be more useful in evaluating the performance of our business.

We believe presenting Direct Revenue, Payers, and RPP in three geographic regions enables investors to better understand our operating performance and is appropriate given our expanding global footprint. The new metrics also better account for the increasing à la carte revenue as a percentage of total revenue that the company earns and enhance comparability with our peers.

**Key Terms:**

**Operating and financial metrics:**

- **Americas** includes North America, Central America, South America, and the Caribbean islands.
- **Europe** includes continental Europe, the British Isles, Iceland, Greenland, and Russia, but excludes Turkey (which is included in APAC and Other).
- **APAC and Other** includes Asia, Australia, the Pacific islands, the Middle East, and Africa.
- **Direct Revenue** is revenue that is received directly from end users of our services and includes both subscription and à la carte revenue.
- **Indirect Revenue** is revenue that is not received directly from an end user of our services, substantially all of which is advertising revenue.
- **Payers** are unique users at a brand level in a given month from whom we earned Direct Revenue. When presented as a quarter-to-date or year-to-date value, Payers represents the average of the monthly values for the respective period presented. At a consolidated level, duplicate Payers may exist when we earn revenue from the same individual at multiple brands in a given month, as we are unable to identify unique individuals across brands in the Match Group portfolio.
- **Revenue per Payer ("RPP")** is the average monthly revenue earned from a Payer and is Direct Revenue for a period divided by the Payers in the period, further divided by the number of months in the period.

**Operating costs and expenses:**

- **Cost of revenue** - consists primarily of the amortization of in-app purchase fees, compensation expense (including stock-based compensation expense) and other employee-related costs for

personnel engaged in data center and customer care functions, credit card processing fees, hosting fees, live video costs, and data center rent, energy and bandwidth costs. In-app purchase fees are fees paid to Apple and Google in connection with the processing of in-app purchases of subscriptions and service features through the in-app payment systems provided by Apple and Google.

- **Selling and marketing expense** - consists primarily of advertising expenditures and compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in selling and marketing, and sales support functions. Advertising expenditures include online marketing, including fees paid to search engines and social media sites, offline marketing (which is primarily television advertising), and payments to partners that direct traffic to our brands.
- **General and administrative expense** - consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in executive management, finance, legal, tax, and human resources, acquisition-related contingent consideration fair value adjustments (if any), fees for professional services (including transaction-related costs for acquisitions) and facilities costs.
- **Product development expense** - consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology.

**Long-term debt:**

- **Credit Facility** - The revolving credit facility under the credit agreement of MG Holdings II. As of both June 30, 2021 and December 31, 2020, the Company had letters of credit outstanding of \$0.2 million and \$749.8 million available under the Credit Facility.
- **Term Loan** - The term loan facility under the credit agreement of MG Holdings II. At December 31, 2020, the Term Loan bore interest at LIBOR plus 1.75% and the then applicable rate was 1.96%. As of June 30, 2021, the applicable rate was 1.91% and \$425 million was outstanding.
- **5.00% Senior Notes** - MG Holdings II's 5.00% Senior Notes due December 15, 2027, with interest payable each June 15 and December 15, which were issued on December 4, 2017. As of June 30, 2021, \$450 million aggregate principal amount was outstanding.
- **4.625% Senior Notes** - MG Holdings II's 4.625% Senior Notes due June 1, 2028, with interest payable each June 1 and December 1, which were issued on May 19, 2020. As of June 30, 2021, \$500 million aggregate principal amount was outstanding.
- **5.625% Senior Notes** - MG Holdings II's 5.625% Senior Notes due February 15, 2029, with interest payable each February 15 and August 15, which were issued on February 15, 2019. As of June 30, 2021, \$350 million aggregate principal amount was outstanding.
- **4.125% Senior Notes** - MG Holdings II's 4.125% Senior Notes due August 1, 2030, with interest payable each February 1 and August 1, which were issued on February 11, 2020. As of June 30, 2021, \$500 million aggregate principal amount was outstanding.
- **2022 Exchangeable Notes** - The 0.875% Exchangeable Senior Notes due October 1, 2022 issued by Match Group FinanceCo, Inc., a subsidiary of the Company, which are exchangeable into shares of the Company's common stock. Interest is payable each April 1 and October 1. As of June 30, 2021, \$517.5 million aggregate principal amount was outstanding.
- **2026 Exchangeable Notes** - The 0.875% Exchangeable Senior Notes due June 15, 2026 issued by Match Group FinanceCo 2, Inc., a subsidiary of the Company, which are exchangeable into shares of the Company's common stock. Interest is payable each June 15 and December 15. As of June 30, 2021, \$575 million aggregate principal amount was outstanding.
- **2030 Exchangeable Notes** - The 2.00% Exchangeable Senior Notes due January 15, 2030 issued by Match Group FinanceCo 3, Inc., a subsidiary of the Company, which are exchangeable into shares of

the Company's common stock. Interest is payable each January 15 and July 15. As of June 30, 2021, \$575 million aggregate principal amount was outstanding.

**Non-GAAP financial measure:**

- **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")** - See "Principles of Financial Reporting" for the definition of Adjusted EBITDA and a reconciliation of net earnings attributable to Match Group, Inc. shareholders to operating income and Adjusted EBITDA.

**Management Overview**

Match Group, Inc., through its portfolio companies, is a leading provider of digital technologies designed to help people make meaningful connections. Our global portfolio of brands includes Tinder®, Match®, Meetic®, OkCupid®, Hinge®, Pairs™, PlentyOfFish®, OurTime®, Azar®, Hakuna Live™, and more, each built to increase our users' likelihood of connecting with others. Through our trusted brands, we provide tailored services to meet the varying preferences of our users. Our services are available in over 40 languages to our users all over the world.

As used herein, "Match Group," the "Company," "we," "our," "us," and similar terms refer to Match Group, Inc. and its subsidiaries, unless the context indicates otherwise.

For a more detailed description of the Company's operating businesses, see "Item 1. Business" of the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

**Additional Information**

Investors and others should note that we announce material financial and operational information to our investors using our investor relations website at <https://ir.mtch.com>, our newsroom website at <https://newsroom.mtch.com>, Securities and Exchange Commission ("SEC") filings, press releases, and public conference calls. We use these channels as well as social media to communicate with our users and the public about our company, our services and other issues. It is possible that the information we post on social media could be deemed to be material information. Accordingly, investors, the media, and others interested in our company should monitor the social media channels listed on our investor relations website in addition to following our newsroom website, SEC filings, press releases and public conference calls. Neither the information on our websites, nor the information on the website of any Match Group business, is incorporated by reference into this report, or into any other filings with, or into any other information furnished or submitted to, the SEC.

**Second Quarter and Year-to-Date June 30, 2021 Consolidated Results**

For the three months ended June 30, 2021 compared to the three months ended June 30, 2020, revenue, operating income, and Adjusted EBITDA grew 27%, 7%, and 15%, respectively, primarily due to Payer growth at a number of brands. Operating expenses in the 2021 quarter were impacted as the global economy began to reopen following the lifting of COVID-19 pandemic restrictions, compared to the second quarter of 2020 when costs and expenses were reduced due to the start of the pandemic. Operating income and Adjusted EBITDA grew at lower rates primarily due to higher general and administrative expenses; higher selling and marketing expense as brands increased marketing activities as the global economy began to reopen following the lifting of COVID-19 pandemic restrictions; and higher cost of revenue primarily due to in-app purchase fees. Operating income was further impacted by higher stock-based compensation expense, primarily due to new grants made during the year and new grants associated with the Hyperconnect acquisition.

For the six months ended June 30, 2021 compared to the six months ended June 30, 2020, revenue, operating income, and Adjusted EBITDA grew 25%, 20%, and 23%, respectively, primarily due to Payer growth at a number of brands. Operating income and Adjusted EBITDA were impacted by higher in-app purchase fees and product development expenses. Operating income was further impacted by higher non-cash compensation, partially offset by lower amortization of intangibles.



**Results of Operations for the three and six months ended June 30, 2021 compared to the three and six months ended June 30, 2020**
**Revenue**

	Three Months Ended June 30,			Six Months Ended June 30,				
	2021	\$ Change	% Change	2020	2021	\$ Change	% Change	2020
(In thousands, except RPP)								
<b>Direct Revenue:</b>								
Americas	\$ 374,388	\$ 75,695	25%	\$ 298,693	\$ 718,650	\$ 138,712	24%	\$ 579,938
Europe	196,542	42,492	28%	154,050	385,601	75,061	24%	310,540
APAC and Other	123,392	29,394	31%	93,998	245,252	54,165	28%	191,087
Total Direct Revenue	694,322	147,581	27%	546,741	1,349,503	267,938	25%	1,081,565
Indirect Revenue	13,438	4,729	54%	8,709	25,869	7,342	40%	18,527
Total Revenue	\$ 707,760	\$ 152,310	27%	\$ 555,450	\$ 1,375,372	\$ 275,280	25%	\$ 1,100,092

**Percentage of Total Revenue:**

<b>Direct Revenue:</b>								
Americas	53%			54%	52%			53%
Europe	28%			28%	28%			28%
APAC and Other	17%			16%	18%			17%
Total Direct Revenue	98%			98%	98%			98%
Indirect Revenue	2%			2%	2%			2%
Total Revenue	100%			100%	100%			100%

**Payers:**

Americas	7,901	1,065	16%	6,836	7,748	984	15%	6,764
Europe	4,332	502	13%	3,830	4,294	430	11%	3,864
APAC and Other	2,736	397	17%	2,339	2,652	274	12%	2,378
Total	14,969	1,964	15%	13,005	14,694	1,688	13%	13,006

**RPP:**

Americas	\$ 15.79	\$ 1.23	8%	\$ 14.56	\$ 15.46	\$ 1.17	8%	\$ 14.29
Europe	\$ 15.12	\$ 1.71	13%	\$ 13.41	\$ 14.97	\$ 1.58	12%	\$ 13.39
APAC and Other	\$ 15.03	\$ 1.63	12%	\$ 13.40	\$ 15.42	\$ 2.03	15%	\$ 13.39
Total	\$ 15.46	\$ 1.45	10%	\$ 14.01	\$ 15.31	\$ 1.45	10%	\$ 13.86

**For the three months ended June 30, 2021 compared to the three months ended June 30, 2020**

Americas Direct Revenue grew \$75.7 million, or 25%, in 2021 versus 2020, driven by 16% growth in Payers and 8% growth in RPP. Growth in Payers was primarily driven by Tinder with contributions from Hinge and the Swipe Apps (BLK, Chispa, and Upward). RPP growth was driven by Hinge, from both subscriptions and à la carte, with Tinder and POF Live à la carte contributing as well.

Europe Direct Revenue grew \$42.5 million, or 28%, in 2021 versus 2020, driven by growth in Payers and RPP of 13% each. Growth in both Payers and RPP was primarily due to Tinder. The strength of the Euro compared to the U.S. dollar between the two periods also contributed.

Asia and Other Direct Revenue grew \$29.4 million, or 31%, in 2021 versus 2020, driven by 17% growth in Payers and 12% growth in RPP. Payer growth was primarily driven by Tinder, with contributions from Pairs and

the acquisition of Hyperconnect. RPP growth was primarily driven by Tinder, with contributions from the acquisition of Hyperconnect.

Indirect Revenue increased primarily due to our receiving a higher rate per impression.

*For the six months ended June 30, 2021 compared to the six months ended June 30, 2020*

All revenue categories increased primarily due to the factors described above in the three-month discussion.

**Cost of revenue (exclusive of depreciation)**

*For the three months ended June 30, 2021 compared to the three months ended June 30, 2020*

	Three Months Ended June 30,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Cost of revenue	\$ 193,099	\$ 44,246	30%	\$ 148,853
Percentage of revenue	27%			27%

Cost of revenue increased primarily due to an increase of in-app purchase fees paid to mobile app stores of \$33.3 million, increases in partner-related cost associated with live streaming, and increased hosting fees.

*For the six months ended June 30, 2021 compared to the six months ended June 30, 2020*

	Six Months Ended June 30,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Cost of revenue	\$ 372,554	\$ 79,807	27%	\$ 292,747
Percentage of revenue	27%			27%

Cost of revenue increased primarily due to an increase of in-app purchase fees paid to mobile app stores of \$56.6 million, increases in partner-related cost associated with live streaming, and increased hosting fees.

**Selling and marketing expense**

*For the three months ended June 30, 2021 compared to the three months ended June 30, 2020*

	Three Months Ended June 30,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Selling and marketing expense	\$ 128,918	\$ 38,117	42%	\$ 90,801
Percentage of revenue	18%			16%

Selling and marketing expense increased primarily due to higher marketing spend at multiple brands as the global economy began to reopen following the lifting of COVID-19 pandemic restrictions. In the second quarter of 2020, we reduced marketing spend due to the pandemic.

*For the six months ended June 30, 2021 compared to the six months ended June 30, 2020*

	Six Months Ended June 30,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Selling and marketing expense	\$ 273,906	\$ 58,615	27%	\$ 215,291
Percentage of revenue	20%			20%

Selling and marketing expense increased primarily due to the factors described above in the three-month discussion.

**General and administrative expense**

For the three months ended June 30, 2021 compared to the three months ended June 30, 2020

	Three Months Ended June 30,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
General and administrative expense	\$ 113,393	\$ 45,189	66%	\$ 68,204
Percentage of revenue	16%			12%

General and administrative expense increased primarily due to an increase in compensation expense of \$10.9 million primarily related to an increase in stock-based compensation expense related to new awards granted in the current year and \$8.7 million of stock-based compensation related to new grants associated with the Hyperconnect acquisition, an increase in legal fees and other professional fees, other miscellaneous costs, and \$3.5 million of professional fees associated with the acquisition of Hyperconnect.

For the six months ended June 30, 2021 compared to the six months ended June 30, 2020

	Six Months Ended June 30,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
General and administrative expense	\$ 201,058	\$ 53,535	36%	\$ 147,523
Percentage of revenue	15%			13%

General and administrative expense increased primarily due to an increase in compensation expense of \$21.0 million primarily related to an increase in stock-based compensation expense related to modifications of certain stock-based awards, new awards granted in the current year, and \$8.7 million of stock-based compensation related to new grants associated with the Hyperconnect acquisition, an increase in legal fees and other professional fees, \$7.5 million of professional fees associated with the acquisition of Hyperconnect, and other miscellaneous costs.

**Product development expense**

For the three months ended June 30, 2021 compared to the three months ended June 30, 2020

	Three Months Ended June 30,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Product development expense	\$ 52,133	\$ 10,204	24%	\$ 41,929
Percentage of revenue	7%			8%

Product development expense increased primarily due to an increase in compensation expense of \$9.7 million, primarily due to increases in headcount at both Hinge and Tinder.

For the six months ended June 30, 2021 compared to the six months ended June 30, 2020

	Six Months Ended June 30,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Product development expense	\$ 107,709	\$ 22,010	26%	\$ 85,699
Percentage of revenue	8%			8%

Product development expense increased primarily due to the factors described above in the three-month discussion.

## Depreciation

For the three months ended June 30, 2021 compared to the three months ended June 30, 2020

	Three Months Ended June 30,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Depreciation	\$ 10,061	\$ 392	4%	\$ 9,669
Percentage of revenue	1%			2%

Depreciation increased primarily due to an increase in internally developed software placed in service.

For the six months ended June 30, 2021 compared to the six months ended June 30, 2020

	Six Months Ended June 30,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Depreciation	\$ 20,518	\$ 1,455	8%	\$ 19,063
Percentage of revenue	1%			2%

Depreciation increased primarily due to the factors described above in the three-month discussion.

## Operating income and Adjusted EBITDA

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	\$ Change	% Change	2020	2021	\$ Change	% Change	2020
	(Dollars in thousands)							
Operating income	\$ 209,914	\$ 14,320	7%	\$ 195,594	\$ 399,172	\$ 66,206	20%	\$ 332,966
Percentage of revenue	30%			35%	29%			30%
Adjusted EBITDA	\$ 262,613	\$ 34,810	15%	\$ 227,803	\$ 492,657	\$ 90,513	23%	\$ 402,144
Percentage of revenue	37%			41%	36%			37%

For a reconciliation of net earnings attributable to Match Group, Inc. shareholders to Adjusted EBITDA, see "Principles of Financial Reporting."

For the three months ended June 30, 2021 compared to the three months ended June 30, 2020

Operating income and Adjusted EBITDA increased 7% and 15%, respectively, primarily driven by Payer and RPP growth at a number of brands. Operating income and Adjusted EBITDA were further impacted by higher general and administrative expenses, higher selling and marketing expense as brands increased marketing activity as the global economy began to reopen following the lifting of COVID-19 pandemic restrictions, and higher cost of revenue primarily due to in-app purchase fees and live streaming costs. Operating income was further impacted by higher stock-based compensation expense, primarily due to new grants made during the year and new grants associated with the Hyperconnect acquisition.

For the six months ended June 30, 2021 compared to the six months ended June 30, 2020

Operating income and Adjusted EBITDA increased 20% and 23%, respectively, primarily driven by the factors described above in the three-month discussion. Operating income was further impacted by higher non-cash compensation, partially offset by lower amortization of intangibles.

At June 30, 2021, there was \$286.6 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.7 years.

**Interest expense**

For the three months ended June 30, 2021 compared to the three months ended June 30, 2020

	Three Months Ended June 30,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Interest expense	\$ 32,219	\$ (2,532)	(7)%	\$ 34,751

Interest expense decreased primarily due to the lower interest rate on the 4.625% Senior Notes compared to the 6.375% Senior Notes, which were issued and redeemed, respectively, in the prior period, and a lower LIBOR rate on the Term Loan in the current period.

For the six months ended June 30, 2021 compared to the six months ended June 30, 2020

	Six Months Ended June 30,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Interest expense	\$ 64,057	\$ (2,588)	(4)%	\$ 66,645

Interest expense decreased primarily due to the factors described above in the three-month discussion.

**Other (expense) income, net**

For the three months ended June 30, 2021 compared to the three months ended June 30, 2020

	Three Months Ended June 30,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Other (expense) income, net	\$ (355)	\$ (17,765)	NM	\$ 17,410

Other income, net, in 2020 includes a favorable legal settlement of \$35.0 million, partially offset by a loss on redemption of bonds of \$15.7 million and expense of \$1.7 million related to a mark-to-market adjustment pertaining to a subsidiary denominated equity instrument.

For the six months ended June 30, 2021 compared to the six months ended June 30, 2020

	Six Months Ended June 30,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Other (expense) income, net	\$ (1,674)	\$ (22,938)	NM	\$ 21,264

NM = not meaningful

Other expense, net, in 2021 includes foreign currency losses of \$1.1 million.

Other income, net, in 2020 includes a favorable legal settlement of \$35.0 million, foreign currency gains of \$2.7 million, and interest income of \$2.4 million, partially offset by a loss on redemption of bonds of \$16.5 million and expense of \$1.0 million related to a mark-to-market adjustment pertaining to a subsidiary denominated equity instrument.

**Income tax provision (benefit)**

For the three months ended June 30, 2021 compared to the three months ended June 30, 2020

	Three Months Ended June 30,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Income tax provision	\$ 37,320	\$ 464	1%	\$ 36,856
Effective income tax rate	21%			21%

The income tax provision in 2021 and 2020 benefited from excess tax benefits generated by the exercise or vesting of stock-based awards. In 2020, this benefit was offset by a non-recurring increase in the valuation allowance for foreign tax credits.

For the six months ended June 30, 2021 compared to the six months ended June 30, 2020

	Six Months Ended June 30,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands)			
Income tax provision (benefit)	\$ 19,573	\$ 30,919	NM	\$ (11,346)
Effective income tax rate	6%			NM

The income tax provision in 2021 and the income tax benefit in 2020, despite pre-tax income, are impacted by excess tax benefits generated by the exercise and vesting of stock-based awards, partially offset in the 2020 period by a non-recurring increase in the valuation allowance of foreign tax credits.

For further details of income tax matters see “Note 2—Income Taxes” to the consolidated financial statements included in “Item 1—Consolidated Financial Statements.”

**Related party transactions**

For a discussion of related party transactions see “Note 11—Related Party Transactions” to the consolidated financial statements included in “Item 1—Consolidated Financial Statements.”

## PRINCIPLES OF FINANCIAL REPORTING

Match Group reports Adjusted EBITDA and Revenue excluding foreign exchange effects, both of which are supplemental measures to U.S. generally accepted accounting principles ("GAAP"). Adjusted EBITDA is among the primary metrics by which we evaluate the performance of our business, on which our internal budget is based and by which management is compensated. Revenue excluding foreign exchange effects provides a comparable framework for assessing the performance of our business without the effect of exchange rate differences when compared to prior periods. We believe that investors should have access to the same set of tools that we use in analyzing our results. These non-GAAP measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. Match Group endeavors to compensate for the limitations of the non-GAAP measures presented by providing the comparable GAAP measures with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measures. We encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measures, which we discuss below.

### Adjusted EBITDA

*Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")* is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of (i) amortization of intangible assets and impairments of goodwill and intangible assets, if applicable, and (ii) gains and losses recognized on changes in the fair value of contingent consideration arrangements, as applicable. We believe Adjusted EBITDA is useful to analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. The above items are excluded from our Adjusted EBITDA measure because they are non-cash in nature. Adjusted EBITDA has certain limitations because it excludes the impact of certain expenses.

### *Non-Cash Expenses That Are Excluded From Adjusted EBITDA*

*Stock-based compensation expense* consists principally of expense associated with the grants of stock options, restricted stock units ("RSUs"), performance-based RSUs and market-based awards. These expenses are not paid in cash, and we include the related shares in our fully diluted shares outstanding using the treasury stock method; however, performance-based RSUs and market-based awards are included only to the extent the applicable performance or market condition(s) have been met (assuming the end of the reporting period is the end of the contingency period). To the extent stock-based awards are settled on a net basis, the Company remits the required tax-withholding amounts from its current funds.

*Depreciation* is a non-cash expense relating to our property and equipment and is computed using the straight-line method to allocate the cost of depreciable assets to operations over their estimated useful lives or, in the case of leasehold improvements, the lease term, if shorter.

*Amortization of intangible assets and impairments of goodwill and intangible assets* are non-cash expenses related primarily to acquisitions. At the time of an acquisition, the identifiable definite-lived intangible assets of the acquired company, such as customer lists, trade names, and technology, are valued and amortized over their estimated lives. Value is also assigned to (i) acquired indefinite-lived intangible assets, which consist of trade names and trademarks, and (ii) goodwill, which are not subject to amortization. An impairment is recorded when the carrying value of an intangible asset or goodwill exceeds its fair value. We believe that intangible assets represent costs incurred by the acquired company to build value prior to acquisition and the related amortization and impairment charges of intangible assets or goodwill, if applicable, are not ongoing costs of doing business.

The following table reconciles net earnings attributable to Match Group, Inc. shareholders to Adjusted EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
	(In thousands)			
<b>Net earnings (loss) attributable to Match Group, Inc. shareholders</b>	\$ 140,895	\$ 74,917	\$ 315,145	\$ (127,913)
Add back:				
Net (loss) earnings attributable to noncontrolling interests	(366)	31,869	(768)	60,266
(Earnings) loss from discontinued operations, net of tax	(509)	34,611	(509)	366,578
Income tax provision (benefit)	37,320	36,856	19,573	(11,346)
Other expense (income), net	355	(17,410)	1,674	(21,264)
Interest expense	32,219	34,751	64,057	66,645
<b>Operating Income</b>	209,914	195,594	399,172	332,966
Stock-based compensation expense	42,396	22,140	72,512	43,312
Depreciation	10,061	9,669	20,518	19,063
Amortization of intangibles	242	400	455	6,803
<b>Adjusted EBITDA</b>	<u>\$ 262,613</u>	<u>\$ 227,803</u>	<u>\$ 492,657</u>	<u>\$ 402,144</u>

#### Effects of Changes in Foreign Exchange Rates on Revenue

The impact of foreign exchange rates on the Company, due to its global reach, may be an important factor in understanding period over period comparisons if movement in exchange rates is significant. Since our results are reported in U.S. dollars, international revenue is favorably impacted as the U.S. dollar weakens relative to other currencies, and unfavorably impacted as the U.S. dollar strengthens relative to other currencies. We believe the presentation of revenue excluding the effects from foreign exchange in addition to reported revenue helps improve investors' ability to understand the Company's performance because it excludes the impact of foreign currency volatility that is not indicative of Match Group's core operating results.

Revenue excluding foreign exchange effects compares results between periods as if exchange rates had remained constant period over period. Revenue excluding foreign exchange effects is calculated by translating current period revenue using prior period exchange rates. The percentage change in revenue excluding foreign exchange effects is calculated by determining the change in current period revenue over prior period revenue where current period revenue is translated using prior period exchange rates.



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The following tables present the impact of foreign exchange effects on total revenue and Direct Revenue by geographic region, and RPP on a total basis and by geographic region, for the three and six months ended June 30, 2021, compared to the three and six months ended June 30, 2020:

	Three Months Ended June 30,			Six Months Ended June 30,				
	2021	\$ Change	% Change	2020	2021	\$ Change	% Change	2020
(Dollars in thousands)								
Revenue, as reported	\$ 707,760	\$ 152,310	27%	\$ 555,450	\$ 1,375,372	\$ 275,280	25%	\$ 1,100,092
Foreign exchange effects	(24,216)				(42,454)			
Revenue excluding foreign exchange effects	\$ 683,544	\$ 128,094	23%	\$ 555,450	\$ 1,332,918	\$ 232,826	21%	\$ 1,100,092
Americas Direct Revenue, as reported	\$ 374,388	\$ 75,695	25%	\$ 298,693	\$ 718,650	\$ 138,712	24%	\$ 579,938
Foreign exchange effects	(2,480)				(647)			
Americas Direct Revenue, excluding foreign exchange effects	\$ 371,908	\$ 73,215	25%	\$ 298,693	\$ 718,003	\$ 138,065	24%	\$ 579,938
Europe Direct Revenue, as reported	\$ 196,542	\$ 42,492	28%	\$ 154,050	\$ 385,601	\$ 75,061	24%	\$ 310,540
Foreign exchange effects	(18,524)				(33,084)			
Europe Direct Revenue, excluding foreign exchange effects	\$ 178,018	\$ 23,968	16%	\$ 154,050	\$ 352,517	\$ 41,977	14%	\$ 310,540
APAC and Other Direct Revenue, as reported	\$ 123,392	\$ 29,394	31%	\$ 93,998	\$ 245,252	\$ 54,165	28%	\$ 191,087
Foreign exchange effects	(2,724)				(7,951)			
APAC and Other Direct Revenue, excluding foreign exchange effects	\$ 120,668	\$ 26,670	28%	\$ 93,998	\$ 237,301	\$ 46,214	24%	\$ 191,087
(Dollars in thousands)								
	Three Months Ended June 30,			Six Months Ended June 30,				
	2021	\$ Change	% Change	2020	2021	\$ Change	% Change	2020
RPP, as reported	\$ 15.46	\$ 1.45	10%	\$ 14.01	\$ 15.31	\$ 1.45	10%	\$ 13.86
Foreign exchange effects	(0.53)				(0.48)			
RPP, excluding foreign exchange effects	\$ 14.93	\$ 0.92	7%	\$ 14.01	\$ 14.83	\$ 0.97	7%	\$ 13.86
Americas RPP, as reported	\$ 15.79	\$ 1.23	8%	\$ 14.56	\$ 15.46	\$ 1.17	8%	\$ 14.29
Foreign exchange effects	(0.10)				(0.01)			
Americas RPP, excluding foreign exchange effects	\$ 15.69	\$ 1.13	8%	\$ 14.56	\$ 15.45	\$ 1.16	8%	\$ 14.29
Europe RPP, as reported	\$ 15.12	1.71	13%	\$ 13.41	\$ 14.97	1.58	12%	\$ 13.39
Foreign exchange effects	(1.43)				(0.71)			
Europe RPP, excluding foreign exchange effects	\$ 13.69	\$ 0.28	2%	\$ 13.41	\$ 14.26	\$ 0.87	6%	\$ 13.39
APAC and Other RPP, as reported	\$ 15.03	\$ 1.63	12%	\$ 13.40	\$ 15.42	\$ 2.03	15%	\$ 13.39
Foreign exchange effects	(0.34)				(0.52)			
APAC and Other RPP, excluding foreign exchange effects	\$ 14.69	\$ 1.29	10%	\$ 13.40	\$ 14.90	\$ 1.51	11%	\$ 13.39



**FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES**
**Financial Position**

	June 30, 2021	December 31, 2020
	(In thousands)	
<b>Cash and cash equivalents:</b>		
United States	\$ 44,825	\$ 581,038
All other countries	191,635	158,126
<b>Total cash and cash equivalents</b>	<b>\$ 236,460</b>	<b>\$ 739,164</b>
<b>Long-term debt:</b>		
Credit Facility due February 13, 2025	\$ —	\$ —
Term Loan due February 13, 2027	425,000	425,000
5.00% Senior Notes due December 15, 2027	450,000	450,000
4.625% Senior Notes due June 1, 2028	500,000	500,000
5.625% Senior Notes due February 15, 2029	350,000	350,000
4.125% Senior Notes due August 1, 2030	500,000	500,000
2022 Exchangeable Notes	517,500	517,500
2026 Exchangeable Notes	575,000	575,000
2030 Exchangeable Notes	575,000	575,000
<b>Total long-term debt</b>	<b>3,892,500</b>	<b>3,892,500</b>
Less: Unamortized original issue discount	5,628	6,029
Less: Unamortized debt issuance costs	41,317	45,541
<b>Total long-term debt, net</b>	<b>\$ 3,845,555</b>	<b>\$ 3,840,930</b>

**Long-term Debt**

For a detailed description of long-term debt, see “Note 6—Long-term Debt, net” to the consolidated financial statements included in “Item 1—Consolidated Financial Statements.”

**Cash Flow Information**

In summary, the Company’s cash flows are as follows:

	Six Months Ended June 30,	
	2021	2020
	(In thousands)	
Net cash provided by operating activities attributable to continuing operations	\$ 350,815	\$ 275,887
Net cash used in investing activities attributable to continuing operations	(873,516)	(2,466,991)
Net cash provided by financing activities attributable to continuing operations	23,629	235,667

**2021**

Net cash provided by operating activities attributable to continuing operations in 2021 includes adjustments to earnings of \$72.5 million of stock-based compensation expense, \$20.5 million of depreciation, and \$7.4 million of other adjustments; partially offset by deferred income taxes of \$20.7 million primarily related to the net operating loss created by settlement of stock-based awards. The decrease in cash from changes in working capital primarily consists of an increase in accounts receivable of \$103.1 million primarily related to the timing of cash receipts, including cash received in the fourth quarter of 2020 rather than in the first quarter of 2021, and an increase in revenue; and a decrease in accounts payable and other liabilities of \$17.3 million due mainly to the timing of payments, including interest payments. These changes were partially offset by an increase from other assets of \$32.6 million primarily due to the amortization of prepaid hosting services; an

increase from deferred revenue of \$25.7 million, due mainly to growth in subscription sales; and an increase in income taxes payable of \$18.9 million primarily related to the timing of payments related to international taxes.

Net cash used in investing activities attributable to continuing operations in 2021 consists primarily of cash used to acquire Hyperconnect, net of cash acquired of \$840.9 million, and capital expenditures of \$32.4 million that are primarily related to internal development of software and computer hardware to support our services.

Net cash provided by financing activities attributable to continuing operations in 2021 is primarily due to \$37.3 million of proceeds from the issuance of common stock pursuant to stock-based awards, partially offset by payments of \$11.4 million of withholding taxes paid on behalf of employees for net settled equity awards.

## **2020**

Net cash provided by operating activities attributable to continuing operations in 2020 includes adjustments to earnings of \$366.6 million of loss related to discontinued operations, \$43.3 million of stock-based compensation expense, \$19.1 million of depreciation and \$6.8 million for amortization of intangibles. Partially offsetting these adjustments was deferred income tax of \$16.1 million primarily related to the net operating loss created by settlement of stock-based awards. The decrease in cash from changes in working capital primarily consists of an increase in accounts receivable of \$69.2 million primarily related to the timing of cash receipts, including cash received in the fourth quarter of 2019 rather than in the first quarter of 2020, and an increase in revenue; a decrease from other assets of \$10.1 million; and a decrease in accounts payable and other liabilities of \$13.3 million, due mainly to the timing of payments, including interest payments. These changes were partially offset by an increase in deferred revenue of \$13.1 million, due mainly to growth in subscription sales.

Net cash used in investing activities attributable to continuing operations in 2020 consists primarily of the net cash distributed to IAC at the Separation of \$2.4 billion and capital expenditures of \$18.1 million that are primarily related to internal development of software and computer hardware to support our products and services.

Net cash provided by financing activities attributable to continuing operations in 2020 is primarily due to proceeds of \$1.0 billion from the issuance of the 4.125% and 4.625% Senior Notes and borrowings under the Credit Facility of \$20.0 million, partially offset by the redemption of \$400.0 million of the 6.375% Senior Notes, payments of \$209.7 million for withholding taxes paid on behalf of employees for net settled equity awards of Former Match Group, and purchases of treasury stock of Former Match Group of \$132.9 million.

## **Liquidity and Capital Resources**

The Company's principal sources of liquidity are its cash and cash equivalents as well as cash flows generated from operations. As of June 30, 2021, \$749.8 million was available under the Credit Facility that expires on February 13, 2025.

The Company anticipates that it will need to make capital and other expenditures in connection with the development and expansion of its operations. The Company expects that 2021 capital expenditures will be between approximately \$80 million and \$90 million, an increase from 2020 cash capital expenditures primarily due to leasehold improvements in our new leased New York office space, and building improvements at our company-owned buildings in Los Angeles.

As of June 30, 2021, all of the Company's international cash can be repatriated without significant tax consequences.

Our indebtedness could limit our ability to: (i) obtain additional financing to fund working capital needs, acquisitions, capital expenditures, debt service, or other requirements; and (ii) use operating cash flow to pursue acquisitions or invest in other areas, such as developing properties and exploiting business opportunities. The Company may need to raise additional capital through future debt or equity financing to make additional acquisitions and investments or to provide for greater financial flexibility. Additional financing may not be available on terms favorable to the Company or at all.

## CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

During the six months ended June 30, 2021, there were no material changes to the Company's contractual obligations since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2020.

### **Item 3. *Quantitative and Qualitative Disclosures about Market Risk***

During the six months ended June 30, 2021, there were no material changes to the Company's instruments or positions that are sensitive to market risk since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2020.

### **Item 4. *Controls and Procedures***

The Company monitors and evaluates on an ongoing basis its disclosure controls and procedures and internal control over financial reporting in order to improve their overall effectiveness. In the course of these evaluations, the Company modifies and refines its internal processes as conditions warrant.

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Match Group management, including our principal executive and principal financial officers, evaluated the effectiveness of the Company's disclosure controls and procedures, as defined by Rule 13a-15(e) under the Exchange Act. Based on this evaluation, management has concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that information we are required to disclose in our filings with the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and includes controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes to the Company's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II  
OTHER INFORMATION**

**Item 1. Legal Proceedings**

**Overview**

We are, and from time to time may become, involved in various legal proceedings arising in the normal course of our business activities, such as patent infringement claims, trademark oppositions, and consumer or advertising complaints, as well as stockholder derivative actions, class action lawsuits, and other matters. The amounts that may be recovered in such matters may be subject to insurance coverage. The litigation matters described below involve issues or claims that may be of particular interest to our stockholders, regardless of whether any of these matters may be material to our financial position or operations based upon the standard set forth in the SEC's rules.

Pursuant to the Transaction Agreement, we have agreed to indemnify IAC for matters relating to any business of Former Match Group, including indemnifying IAC for costs related to the matters described below other than the matter described under the heading "Newman Derivative and Stockholder Class Action Regarding Separation Transaction".

The official names of legal proceedings in the descriptions below (shown in italics) reflect the original names of the parties when the proceedings were filed as opposed to the current names of the parties following the separation of Match Group and IAC.

**Consumer Class Action Litigation Challenging Tinder's Age-Tiered Pricing**

On May 28, 2015, a putative state-wide class action was filed against Tinder in state court in California. See *Allan Candalore v. Tinder, Inc.*, No. BC583162 (Superior Court of California, County of Los Angeles). The complaint principally alleged that Tinder violated California's Unruh Civil Rights Act by offering and charging users age 30 and over a higher price than younger users for subscriptions to its premium Tinder Plus service. The complaint sought certification of a class of California Tinder Plus subscribers age 30 and over and damages in an unspecified amount. On December 29, 2015, in accordance with a prior ruling sustaining Tinder's demurrer, the court entered judgment dismissing the action. On January 29, 2018, the California Court of Appeal (Second Appellate District, Division Three) issued an opinion reversing the judgment of dismissal. On May 9, 2018, the California Supreme Court denied Tinder's petition seeking interlocutory review of the Court of Appeal's decision and the case was returned to the trial court for further proceedings.

In a related development, on June 21, 2019, in a substantially similar putative class action asserting the same substantive claims and pending in federal district court in California, the court entered judgment granting final approval of a class-wide settlement, the terms of which are not material to the Company. See *Lisa Kim v. Tinder, Inc.*, No. 18-cv-3093 (Central District of California). Because the approved settlement class in *Kim* subsumes the proposed settlement class in *Candalore*, the judgment in *Kim* would effectively render *Candalore* a single-plaintiff lawsuit. Accordingly, on July 11, 2019, two objectors to the *Kim* settlement, represented by the plaintiff's counsel in *Candalore*, filed a notice of appeal from the *Kim* judgment with the U.S. Court of Appeals for the Ninth Circuit. Oral argument on the appeal occurred on January 15, 2021.

On November 13, 2019, the trial court in *Candalore* issued an order staying the class claims in the case pending the Ninth Circuit's decision on the *Kim* appeal. We believe that the allegations in the *Candalore* lawsuit are without merit and will continue to defend vigorously against it.

**Tinder Optionholder Litigation Against Former Match Group and Match Group**

On August 14, 2018, ten then-current and former employees of Match Group, LLC or Tinder, Inc. ("Tinder"), a former subsidiary of Former Match Group, filed a lawsuit in New York state court against Former Match Group and Match Group. See *Sean Rad et al. v. IAC/InterActiveCorp and Match Group, Inc.*, No. 654038/2018 (Supreme Court, New York County). The complaint alleges that in 2017, the defendants: (i) wrongfully interfered with a contractually established process for the independent valuation of Tinder by certain investment banks, resulting in a substantial undervaluation of Tinder and a consequent underpayment to the plaintiffs upon exercise of their Tinder stock options, and (ii) then wrongfully merged Tinder into Former Match Group, thereby depriving certain of the plaintiffs of their contractual right to later valuations of Tinder on a stand-alone basis. The complaint

asserts claims for breach of contract, breach of the implied covenant of good faith and fair dealing, unjust enrichment, interference with contractual relations (as against Former Match Group only), and interference with prospective economic advantage, and seeks compensatory damages in the amount of at least \$2 billion, as well as punitive damages. On August 31, 2018, four plaintiffs who were still employed by Former Match Group filed a notice of discontinuance of their claims without prejudice, leaving the six former employees as the remaining plaintiffs. On June 13, 2019, the court issued a decision and order granting defendants' motion to dismiss the claims for breach of the implied covenant of good faith and fair dealing and for unjust enrichments, as well as the merger-related claim for breach of contract as to two of the remaining six plaintiffs, and otherwise denying defendants' motion to dismiss. On July 13, 2020, the four former plaintiffs filed arbitration demands with the American Arbitration Association asserting the same valuation claims and on September 3, 2020, the four arbitrations were consolidated. The four former plaintiffs' request to stay the arbitration was denied on January 28, 2021, and arbitration is scheduled to begin on February 7, 2022. On November 17, 2020, the defendants' motion to stay the trial in *Rad* was denied. Trial has been scheduled for November 2021. On June 9, 2021, the plaintiffs filed a Note of Issue and Certificate of Readiness for Trial in which they amended the amount of damages they are now claiming to "[m]ore than \$5.6 billion". We believe that the allegations against Former Match Group and Match Group in this lawsuit are without merit and will continue to defend vigorously against them.

#### **FTC Lawsuit Against Former Match Group**

On September 25, 2019, the United States Federal Trade Commission (the "FTC") filed a lawsuit in federal district court in Texas against Former Match Group. See *FTC v. Match Group, Inc.*, No. 3:19-cv-02281-K (Northern District of Texas). The complaint alleges that, prior to mid-2018, for marketing purposes Match.com notified non-paying users that other users were attempting to communicate with them, even though Match.com had identified those subscriber accounts as potentially fraudulent, thereby inducing non-paying users to subscribe and exposing them to the risk of fraud should they subscribe. The complaint also challenges the adequacy of Match.com's disclosure of the terms of its six-month guarantee, the efficacy of its cancellation process, and its handling of chargeback disputes. The complaint seeks among other things permanent injunctive relief, civil penalties, restitution, disgorgement, and costs of suit. On October 9, 2020, the court granted the Company's motion to stay the case until the United States Supreme Court issues a decision in the consolidated appeal of *Federal Trade Commission v. Credit Bureau Center, LLC* and *AMG Capital Management, LLC v. FTC*. On April 22, 2021, the Supreme Court issued its decision, rejecting that the FTC has the ability to seek equitable monetary relief using Section 13(b) of the FTC Act. We believe that the FTC's claims regarding Match.com's practices, policies, and procedures are without merit and will defend vigorously against them.

#### **Securities Class Action Lawsuit Against Former Match Group**

On October 3, 2019, a Former Match Group shareholder filed a securities class action lawsuit in federal district court in Texas against Former Match Group, its then Chief Executive Officer, and its Chief Financial Officer, on behalf of a class of acquirers of Former Match Group securities between August 6, 2019 and September 25, 2019. See *Phillip R. Crutchfield v. Match Group, Inc., Amanda W. Ginsberg, and Gary Swidler*, No. 3:19-cv-02356-C (Northern District of Texas). Invoking the allegations in the FTC lawsuit described above, the complaint alleges (i) that defendants failed to disclose to investors that Former Match Group induced customers to buy and upgrade subscriptions using misleading advertisements, that Former Match Group made it difficult for customers to cancel their subscriptions, and that, as a result, Former Match Group was likely to be subject to regulatory scrutiny; (ii) that Former Match Group lacked adequate disclosure controls and procedures; and (iii) that, as a result of the foregoing, defendants' positive statements about Former Match Group's business, operations, and prospects, were materially misleading and/or lacked a reasonable basis. On March 30, 2021, the court granted defendants' motion to dismiss with leave to amend. Plaintiff filed an amended complaint on April 23, 2021. We believe that the allegations in this lawsuit are without merit and will defend vigorously against them.

#### **Derivative Complaint against Former Match Group**

On February 28, 2020, a Former Match Group shareholder filed a shareholder derivative complaint in federal district court in Delaware against Former Match Group and its board of directors seeking to recover unspecified monetary damages on behalf of the Company and require the Company to implement and maintain unspecified internal controls and corporate governance practices and procedures. See *Michael Rubin et al. v.*

*Match Group, Inc. et al.*, Case No. 1:20-cv-00299 (District of Delaware). Invoking the allegations of the FTC lawsuit and *Crutchfield* securities class action lawsuit described above, the complaint alleges that the defendants caused or failed to prevent the alleged issues giving rise to the FTC complaint, received or approved compensation tied to the alleged wrongful conduct and sold Former Match Group stock with inside knowledge of the purported conduct. The parties filed a proposed stipulation and order staying the case until the motion to dismiss is decided in the *Crutchfield* litigation. The court granted the stay on April 9, 2020. On February 25, 2021, another Match Group shareholder filed a shareholder derivative complaint in the Delaware Court of Chancery on behalf of nominal defendant Match Group, Inc. against its board of directors seeking to recover unspecified monetary damages. See *Daniel Ochoa v. Match Group, Inc. et al.*, C.A. No. 2021-0158-MTZ (Delaware Court of Chancery). The complaint alleges federal securities laws violations and that Match Group’s directors breached their fiduciary duties by purportedly exercising inadequate oversight to prevent the alleged issues giving rise to the FTC complaint and by purportedly transacting in Match Group stock while possessing knowledge of these issues. We believe that the allegations in these lawsuits are without merit and will defend vigorously against them.

#### **House Oversight Committee Investigation of Online Dating**

On January 30, 2020, Former Match Group received a letter from the House of Representatives’ Subcommittee on Economic and Consumer Policy (the “Oversight Committee”) regarding its inquiry into underage use of online dating services and efforts by those services to remove registered sex offenders from their platforms. The Oversight Committee is also inquiring under what circumstances online dating services share or sell sensitive user information with third parties. The Company is cooperating with the investigation.

#### **Irish Data Protection Commission Inquiry Regarding Tinder’s Practices**

On February 3, 2020, we received a letter from the Irish Data Protection Commission (the “DPC”) notifying us that the DPC has commenced an inquiry examining Tinder’s compliance with the EU’s General Data Protection Regulation, focusing on Tinder’s processes for handling access and deletion requests and Tinder’s user data retention policies. We are fully cooperating with the DPC in connection with this inquiry.

#### **Newman Derivative and Stockholder Class Action Regarding Separation Transaction**

On June 24, 2020, a Former Match Group shareholder filed a complaint in the Delaware Court of Chancery against Former Match Group and its board of directors, as well as Match Group, IAC Holdings, Inc., and Barry Diller seeking to recover unspecified monetary damages on behalf of the Company and directly as a result of his ownership of Former Match Group stock in relation to the separation of Former Match Group from its former majority shareholder, Match Group. See *David Newman et al. v. IAC/Interactive Corp. et al.*, C.A. No. 2020-0505-MTZ (Delaware Court of Chancery). The complaint alleges that the special committee established by Former Match Group’s board of directors to negotiate with Match Group regarding the separation transaction was not sufficiently independent of control from Match Group and Mr. Diller and that Former Match Group board members failed to adequately protect Former Match Group’s interest in negotiating the separation transaction, which resulted in a transaction that was unfair to Former Match Group and its shareholders. On January 21, 2021, the case was consolidated with other shareholder actions, and an amended complaint was filed on April 14, 2021. See *In Re Match Group, Inc. Derivative Litigation*, Consolidated C.A. No. 2020-0505-MTZ (Delaware Court of Chancery). We believe that the allegations in this lawsuit are without merit and will defend vigorously against it.

#### **Item 1A. Risk Factors**

This quarterly report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements that are not historical facts are “forward-looking statements.” The use of words such as “anticipates,” “estimates,” “expects,” “plans,” and “believes,” among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: Match Group’s future financial performance, Match Group’s business prospects and strategy, anticipated trends, the effects of the separation of Match Group from IAC, and other similar matters. These forward-looking statements are based on Match Group management’s current expectations and assumptions about future events as of the date of this quarterly report, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.



Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others: competition, our ability to maintain user rates on our higher monetizing services, our ability to attract users to our services through cost-effective marketing and related efforts, foreign currency exchange rate fluctuations, our ability to distribute our services through third parties and offset related fees, the integrity and scalability of our systems and infrastructure (and those of third parties) and our ability to adapt ours to changes in a timely and cost-effective manner, our ability to protect our systems from cyberattacks and to protect personal and confidential user information, risks relating to certain of our international operations and acquisitions, certain risks relating to our relationship with IAC post-separation, the impact of the outbreak of COVID-19 coronavirus, the risks inherent in separating Match Group from IAC, including uncertainties related to, among other things, the expected benefits of the separation, any litigation arising out of or relating to the transaction, the tax treatment of the transaction, and the impact of the separation on the businesses of Match Group, and risks relating to the acquisition of Hyperconnect, including uncertainties related to, among other things, the costs and expected benefits of the transaction, any litigation arising out of or relating to the transaction, and the impact of the transaction on the business of Match Group.

Certain of these and other risks and uncertainties are discussed in Match Group's filings with the Securities and Exchange Commission, including in Part I "Item 1A. Risk Factors" of our annual report on Form 10-K for the fiscal year ended December 31, 2020. Other unknown or unpredictable factors that could also adversely affect Match Group's business, financial condition, and results of operations may arise from time to time. In light of these risks and uncertainties, these forward-looking statements discussed in this quarterly report may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of Match Group management as of the date of this quarterly report. Match Group does not undertake to update these forward-looking statements.

**Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds***

**Unregistered Sales of Equity Securities**

Other than as previously disclosed in connection with the Hyperconnect acquisition, the Company did not issue or sell any shares of its common stock or any other equity securities pursuant to unregistered transactions during the quarter ended June 30, 2021.

**Issuer Purchases of Equity Securities**

The Company did not purchase any shares of its common stock during the quarter ended June 30, 2021.

**Item 6. Exhibits**

The documents set forth below, numbered in accordance with Item 601 of Regulation S-K, are filed herewith, incorporated by reference herein by reference to the location indicated or furnished herewith.

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed (†) or Furnished (‡) Herewith (as indicated)
		Form	SEC File No.	Exhibit	Filing Date	
<a href="#">2.1</a>	<a href="#">Amendment and Supplement No. 1 to Share Purchase Agreement, dated as of June 17, 2021, by and among Sellers' Representatives, the Buyer and the Company</a>					†
<a href="#">3.1</a>	<a href="#">Third Amended and Restated By-Laws of Match Group, Inc.</a>	8-K	001-34148	3.2	4/30/2021	
<a href="#">10.1</a>	<a href="#">First Amendment to Transition Services Agreement, dated effective as of March 31, 2021, by and between Match Group, Inc. and IAC/InterActiveCorp</a>					†
<a href="#">10.2</a>	<a href="#">Match Group, Inc. 2021 Global Employee Stock Purchase Plan</a>					†
<a href="#">31.1</a>	<a href="#">Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>					†
<a href="#">31.2</a>	<a href="#">Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>					†
<a href="#">32.1</a>	<a href="#">Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					‡
<a href="#">32.2</a>	<a href="#">Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					‡
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document					†
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					†
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					†
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					†
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					†
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 5, 2021

**MATCH GROUP, INC.**

By:

\_\_\_\_\_  
/s/ GARY SWIDLER

Gary Swidler  
*Chief Operating Officer and  
Chief Financial Officer*

**Signature**

**Title**

**Date**

\_\_\_\_\_  
/s/ GARY SWIDLER

Gary Swidler

Chief Operating Officer and  
Chief Financial Officer

August 5, 2021

**Amendment and Supplement No. 1  
to Share Purchase Agreement**

Dated: June 17, 2021

Reference is made to that certain Share Purchase Agreement, dated as of February 10, 2021 (the “Purchase Agreement”), by and among Mr. Sangil Ahn (“Mr. Ahn”), Altos Korea Opportunity Fund, L.P. (“Altos Korea” and, together with Mr. Ahn, the “Sellers’ Representatives”), certain other selling shareholders of the Company (“Sellers”), Match Group, Inc., a corporation incorporated under the laws of the State of Delaware (“Match”), and a predecessor-in-interest to MG Korea Solutions, Co., Ltd., a joint stock company (*chusik-hoesa*) organized under the laws of the Republic of Korea and a subsidiary of Match (“Buyer” and, together with the Sellers’ Representatives, Sellers and Match, the “Parties”).

Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Purchase Agreement. Unless the context requires otherwise, all references to any Sections, Schedules and Annexes are to the respective Sections, Schedules and Annexes in the Purchase Agreement.

The purpose of this Amendment and Supplement No. 1 to the Share Purchase Agreement (this “Amendment”) is to set forth certain acknowledgements and agreements among the Parties relating to the Purchase Agreement.

Each of the Sellers’ Representative (acting for itself and on behalf of all Sellers), Match and Buyer hereby acknowledges and agrees as follows:

1. Acknowledgements. Each of the Parties acknowledges and agrees that:

- (a) subject to satisfaction of all Conditions to the Closing on such date, the closing of the sale and purchase of the Sale Shares under the Purchase Agreement shall occur on June 17, 2021, Seoul Time;
  - (b) (i) on or around April 23, 2021, the competition authority in Spain determined not to assert jurisdiction over the Transaction, and (ii) the Non-Korean Merger Control Approval in respect of Spain has been irrevocably granted as of such date;
  - (c) the provisions relating to withholding on the Closing Date and the post-closing true-up relating to the Capital Gains Tax as set forth in subsections (a) and (b) of Section 3 under Annex H-1 shall apply *mutatis mutandis* to Securities Transaction Tax; provided that (i) the notice of the Securities Transaction Tax to be withheld at Closing shall be delivered concurrently with the notice of the Capital Gains Tax to be withheld at Closing; (ii) the amount of the Securities Transaction Tax to be withheld at Closing shall be calculated based on the closing price of a Match common share on June 8, 2021, Eastern Time; and (iii) the true-up of the Securities Transaction Tax after the Closing shall be conducted concurrently with the true-up of the Capital Gains Tax after the Closing; and
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(d) each Seller that has not provided a valid and complete IRS Form W-9 or applicable IRS Form W-8 to Buyer as of the Closing (each, an “Applicable Seller”) shall provide such form to Buyer, no later than 30 days after the Closing Date, with respect to payments made to such Applicable Seller pursuant to the Purchase Agreement. The agreement of each Applicable Seller set forth in the immediately preceding sentence shall be several and not joint, and any breach of the immediately preceding sentence by any Applicable Seller shall not give rise to any liability of any other Seller hereunder or under the Purchase Agreement. Match will provide reasonable assistance to each Applicable Seller in complying with the requirements of the first sentence of this paragraph.

2. Continued Effect. The provisions of the Purchase Agreement shall, except as amended and supplemented by this Amendment, continue in full force and effect in accordance with their terms.

3. Miscellaneous.

(a) Article X of the Purchase Agreement shall apply to this Amendment *mutatis mutandis*.

(b) This Amendment and all disputes arising out of or in connection with this Amendment shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of New York in the United States of America, without giving effect to any choice or conflict of law provision, rule or principle that would result in the application of the Laws of any jurisdiction other than the State of New York.

(c) The term “this Agreement” and “the Agreement” and any reference to the Purchase Agreement contained in the Purchase Agreement mean and are a reference to the Purchase Agreement, as amended and supplemented by this Amendment.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have executed or caused this Amendment to be executed as of the date first written above.

SELLERS' REPRESENTATIVES

/s/ Sangil Ahn  
**Sangil Ahn**

*[Signature page to the Amendment and Supplement No. 1 to Share Purchase Agreement]*

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**ALTOS KOREA OPPORTUNITY FUND, L.P.**

By: Altos Korea Management Partners, LLC

Its: General Partner

By: /s/ Hodong Nam

Name: Hodong Nam

Title: Managing Member

*[Signature page to the Amendment and Supplement No. 1 to Share Purchase Agreement]*

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BUYER

**MG KOREA SOLUTIONS, CO., LTD.**

By: /s/ Jared Sine

Name: Jared Sine

Title: Representative Director

MATCH

**MATCH GROUP, INC.**

By: /s/ Jared Sine

Name: Jared Sine

Title: Chief Business Affairs and  
Legal Officer

*[Signature page to the Amendment and Supplement No. 1 to Share Purchase Agreement]*



## FIRST AMENDMENT TO TRANSITION SERVICES AGREEMENT

This FIRST AMENDMENT TO TRANSITION SERVICES AGREEMENT (“Amendment”) is made and entered into effective as of March 31, 2021 (the “Effective Date”), by and between Match Group, Inc., a Delaware corporation formerly known as IAC/InterActiveCorp (“New Match”), and IAC/InterActiveCorp, a Delaware corporation formerly known as IAC Holdings, Inc. (“New IAC”).

### RECITALS

WHEREAS, the Parties entered into a Transition Services Agreement dated as of June 30, 2020 (the “Original Agreement”); and

WHEREAS, the Parties desire to amend the Original Agreement effective as of the Effective Date on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and terms and conditions contained herein, the Parties hereby agree as follows:

1. Definitions. Capitalized terms used and not defined in this Amendment have the respective meanings assigned to them in the Original Agreement.
2. Amendments to the Original Agreement.
  - 2.1. Schedule A to the Original Agreement shall be amended as set forth on Appendix 1.
  - 2.2. Schedule B to the Original Agreement shall be replaced in its entirety with the Schedule B attached to this Amendment as Appendix 2.
  - 2.3. Schedule D to the Original Agreement shall be amended as set forth on Appendix 3.
3. Limited Effect. Except as expressly provided in this Amendment, all of the terms and provisions of the Original Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the Parties. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the Original Agreement or as a waiver of or consent to any further or future action on the part of any Party that would require the waiver or consent of the other Parties. On and after the Effective Date, each reference in the Original Agreement to “this Agreement,” “the Agreement,” “hereunder,” “hereof,” “herein,” or words of like import will mean and be a reference to the Original Agreement as amended by this Amendment.
4. Counterparts. This Amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
5. Entire Agreement. This Amendment constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements among the Parties, whether written or oral, relating to the same subject matter.
6. Governing Law. This Amendment will be governed by and construed in accordance with the internal laws of the State of Delaware, as applied to agreements entered into solely between residents of, and to be performed entirely in, such state, without reference to that body of law relating to conflicts of law or choice of law.

*[Signature pages follow.]*

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the date first above written.

MATCH GROUP, INC.

By: /s/ Jared Sine  
Jared Sine, Chief Business Affairs and Legal Officer

IAC/INTERACTIVECORP

By: /s/ Joanne Hawkins  
Joanne Hawkins, Senior Vice President and Deputy General Counsel

**Appendix 1**

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**Appendix 2**

**Schedule B**

**Match Services**

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### Appendix 3

**MATCH GROUP, INC.**  
**2021 GLOBAL EMPLOYEE STOCK PURCHASE PLAN**

(Adopted by the Board of Directors on April 27, 2021; Approved by Stockholders on June 15, 2021)

1. Purpose. The purpose of the Plan is to provide Eligible Employees of the Company and its Designated Companies with an opportunity to purchase shares of Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees under an Employee Stock Purchase Plan. In addition, the Plan permits the Company to grant a series of Purchase Rights to Eligible Employees that do not meet the requirements of an Employee Stock Purchase Plan. The Plan includes two components: a 423 Component and a Non-423 Component. The Company intends (but makes no undertaking or representation to maintain) the 423 Component to qualify as an Employee Stock Purchase Plan. The provisions of the 423 Component, accordingly, will be construed in a manner that is consistent with the requirements of Section 423 of the Code. Except as otherwise provided in the Plan or determined by the Administrator, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

2. Definitions.

(a) “423 Component” means the part of the Plan, which excludes the Non-423 Component, pursuant to which Purchase Rights that satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

(b) “Administrator” means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 13.

(c) “Affiliate” means any entity, other than a Subsidiary, whether now or subsequently established, controlled by, controlling or under common control with, the Company.

(d) “Applicable Exchange” means the NASDAQ or such other securities exchange as may at the applicable time be the principal market for the Common Stock.

(e) “Applicable Laws” means the Code and any applicable U.S. and non-U.S. securities, federal, state, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body.

(f) “Board” means the Board of Directors of the Company.

(g) “Capitalization Adjustment” means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Purchase Right after the date the Plan is adopted by the Board without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion or exchange of any convertible or exchangeable securities of the Company will not be treated as a Capitalization Adjustment.

(h) “Change in Control” means the occurrence of any of the following events:

(i) The acquisition by any individual entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of equity securities of the Company representing more than 50% of the voting power of the then outstanding equity securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); *provided, however*, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition by the Company, (B) any acquisition directly from the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii); or

(ii) Individuals who, as of the Effective Date, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual becoming a director subsequent to the Effective Date, whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board, shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the purchase of assets or stock of another entity (a “Business Combination”), in each case, unless immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination will beneficially own, directly or indirectly, more than 50% of the then outstanding combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, (B) no Person (excluding any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) will beneficially own, directly or indirectly, more than a majority of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership of the Company existed prior to the Business Combination and (C) at least a majority of the members of the board of directors (or equivalent governing body, if applicable) of the entity resulting from such Business Combination will have been members of the Incumbent Board at the time of the initial agreement, or action of the Board, providing for such Business Combination.

(i) “Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time, and any successor thereto, the U.S. Treasury Regulations thereunder and other relevant interpretive guidance issued by the U.S. Internal Revenue Service or the Treasury Department. Reference to any specific section of the Code shall be deemed to include such regulations and guidance, as well as any successor provision of the Code.

(j) “Committee” means a committee of the Board appointed in accordance with Section 13 hereof.

(k) “Common Stock” means common stock, par value \$0.001 per share, of the Company.

(l) “Company” means Match Group, Inc., a Delaware corporation, or any successor thereto.

(m) “Compensation” means an Eligible Employee’s regular cash compensation, consisting of base salary or base wage rate, including the value of amounts elected to be deferred by such Eligible Employee under any 401(k) plan or other deferred compensation program or arrangement established by the Company, a Subsidiary or an Affiliate, but excluding all of the following: bonuses, commissions, overtime pay, if applicable, and all other cash remuneration paid directly to the Eligible Employee, including, without limitation, profit sharing contributions, the cost of employee benefits paid for by the Company, a Subsidiary or an Affiliate, education or tuition reimbursements, imputed income (whether or not arising under any Company, Subsidiary or Affiliate group insurance or benefit program), traveling expenses, business expense reimbursements, moving expense reimbursements, housing, living, vacation and position allowances, income received, reported or otherwise recognized in connection with stock options and other equity awards, contributions made by the Company, a Subsidiary or an Affiliate under any employee benefit or pension plan and other similar items of compensation. In advance of any Offering, the Administrator, in its discretion, may establish a different definition of Compensation. Further, the Administrator shall have the discretion to determine the application of this definition to Participants outside the United States.

(n) “Contributions” means the payroll deductions, other contributions permitted by the Administrator and made by Participants in case payroll deductions are not permissible or are problematic under Applicable Laws, and other additional payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into their account if specifically provided for in the Offering, and then only if the Participant has not already had the maximum permitted amount withheld during the Offering through payroll deductions or other contributions.

(o) “Designated 423 Company” means any Subsidiary selected by the Administrator to participate in the 423 Component.

(p) “Designated Company” means any Designated Non-423 Company or Designated 423 Company; *provided, however*, that at any given time a Subsidiary participating in the 423 Component shall not be a Subsidiary participating in the Non-423 Component. Notwithstanding the foregoing, if any Affiliate or Subsidiary is disregarded for U.S. federal income tax purposes in respect of the Company or any Designated Company participating in the 423 Component, then such disregarded Affiliate or Subsidiary shall automatically be a Designated Company participating in the 423 Component. If any Affiliate or Subsidiary is disregarded for U.S. federal income tax purposes in respect of any Designated Company participating in the Non-423 Component, the Administrator may exclude such Affiliate or Subsidiary from participating in the Plan, notwithstanding that the Designated Company in respect of which such Affiliate or Subsidiary is disregarded may participate in the Plan.

(q) “Designated Non-423 Company” means any Subsidiary or Affiliate selected by the Administrator to participate in the Non-423 Component.

(r) “Director” means a member of the Board.

(s) “Effective Date” means the date the Plan is adopted by the Board, subject to approval of the Company’s stockholders.

(t) “Eligible Employee” means any individual who is a common law employee of the Company or a Designated Company; *provided, however*, that the Administrator retains the discretion to determine which Eligible Employees may participate in an Offering (for the 423 Component, pursuant to and consistent with U.S. Treasury Regulation Section 1.423-2(e) and (f)). For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Company or a Designated Company approves or is legally protected under Applicable Laws with respect to the Participant’s participation in the Plan. Where the period of leave exceeds three (3) months and the individual’s right to reemployment is not guaranteed either by contract or Applicable Laws, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. Without limiting the foregoing, the Administrator, in its discretion, from time to time may, in advance of an Offering, determine that the definition of Eligible Employee will not include an individual if he or she: (i) is not employed by the Company or a Designated Company on the first day of the month preceding the month during which the Offering Date occurs (or by such other date as may be determined by the Administrator in its discretion), (ii) customarily works twenty (20) hours or less per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works five (5) months or less per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), or (iv) is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act. Each exclusion will be applied with respect to an Offering under the 423 Component in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii) and Section 1.423-2(f). Such exclusions may be applied with respect to an Offering under the Non-423 Component if permitted under Applicable Laws and without regard to the limitations of U.S. Treasury Regulation Section 1.423-2. For purposes of clarity, the term “Eligible Employee” shall not include any individual performing services for the Company or a Designated Company under an independent contractor or consulting agreement, a purchase order, a supplier agreement, or any other agreement that the Company or a Designated Company entered into for services, regardless of any subsequent reclassification of that individual by any Governmental Body as an employee of the Company or a Designated Company.

(u) “Employee Stock Purchase Plan” means a plan that grants Purchase Rights intended to be options issued under an “employee stock purchase plan,” as that term is defined in Section 423(b) of the Code.

(v) “Enrollment Date” means the end of the applicable enrollment period, as determined by the Administrator in advance of any Offering Period.

(w) “Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(x) “Exercise Date” means the last Trading Day of the Purchase Period on which Purchase Rights will be exercised and on which purchases of shares of Common Stock will be carried out in accordance with an Offering. Notwithstanding the foregoing, in the event that an Offering Period is terminated prior to its expiration pursuant to Section 17 hereof, the Administrator, in its sole discretion, may determine that any Purchase Period also terminating under such Offering Period will terminate without Purchase Rights being exercised on the Exercise Date that otherwise would have occurred on the last Trading Day of such Purchase Period.



(y) “Fair Market Value” means, as of any date, the value of a share of Common Stock determined as follows:

(i) The Fair Market Value will be the closing sales price for Common Stock on the relevant date, as quoted on the Applicable Exchange on the date of determination (or the closing bid, if no sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable. If the relevant date occurs on a non-Trading Day (*i.e.*, a weekend or holiday), the Fair Market Value will be such price on the immediately preceding Trading Day, unless otherwise determined by the Administrator; or

(ii) In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator’s discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(z) “Governmental Body” means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) U.S. or non-U.S. federal, state, local, municipal or other government; (c) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or entity and any court or other tribunal, and for the avoidance of doubt, any tax authority) or other body exercising similar powers or authority; or (d) self-regulatory organization (including the NASDAQ Stock Market and the Financial Industry Regulatory Authority).

(aa) “New Exercise Date” means a new Exercise Date if the Administrator shortens any Offering Period then in progress.

(bb) “Non-423 Component” means the part of the Plan, which excludes the 423 Component, pursuant to which Purchase Rights that are not intended to satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

(cc) “Offering” means an offer under the Plan of Purchase Rights that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Designated Companies will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering.

(dd) “Offering Date” means the first day of an Offering Period on which Purchase Rights are granted to Participants.

(ee) “Offering Period” means one or more periods to be selected by the Administrator in its sole discretion with respect to which Purchase Rights shall be granted to Participants. The duration and timing of Offering Periods may be established or changed by the Administrator at any time, in its sole discretion and may consist of one or more Purchase Periods. Notwithstanding the foregoing, in no event may an Offering Period exceed 27 months.

(ff) “Parent” means a “parent corporation” of the Company, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(gg) “Participant” means an Eligible Employee who has elected to participate in the Plan and how holds an outstanding Purchase Right.

(hh) “Plan” means this Match Group, Inc. 2021 Global Employee Stock Purchase Plan, as amended from time to time, including both the 423 Component and the Non-423 Component.

(ii) “Purchase Period” means one or more periods within an Offering Period, as determined by the Administrator in its sole discretion. The duration and timing of Purchase Periods may be established or changed by the Administrator at any time, in its sole discretion. Notwithstanding the foregoing, in no event may a Purchase Period exceed the duration of the Offering Period under which it is established.

(jj) “Purchase Price” means the purchase price of a share of Common Stock hereunder as provided in Section 7(a) hereof.

(kk) "Purchase Right" means an option to purchase shares of Common Stock granted pursuant to the Plan.

(ll) "Section 409A" means Section 409A of the Code and the regulations and guidance thereunder, as may be amended or modified from time to time.

(mm) "Subsidiary" means a "subsidiary corporation" of the Company, whether now or hereafter existing, as defined in Section 424(f) of the Code.

(nn) "Tax-Related Items" means any U.S. and non-U.S. federal, provincial, state and/or local taxes (including, without limitation, income tax, social insurance contributions, fringe benefit tax, employment tax, stamp tax and any employer tax liability which has been transferred to a Participant) for which a Participant is liable in connection with their participation in the Plan.

(oo) "Trading Day" means a day that the Applicable Exchange is open for trading.

(pp) "U.S. Treasury Regulations" means the Treasury Regulations of the Code. Reference to a specific Treasury Regulation or Section of the Code shall include such Treasury Regulation or Section, any valid regulation promulgated under such Section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such Section or regulation.

### 3. Eligibility.

(a) Generally. Any Eligible Employee on a given Enrollment Date shall be eligible to participate in the Plan during such Offering Period, subject to the restrictions of Sections 3(b) and (c) hereof, and, for the 423 Component, the limitations imposed by Section 423(b) of the Code.

(b) Non-U.S. Employees. Eligible Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from participation in the Plan or an Offering if the participation of such Eligible Employees is prohibited under Applicable Laws or if complying with Applicable Laws would cause the Plan or an Offering to violate Section 423 of the Code. In the case of the Non-423 Component, Eligible Employees may be excluded from participation in the Plan or an Offering if the Administrator determines that participation of such Eligible Employees is not advisable or practicable.

(c) Limitations. Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee will be granted a Purchase Right under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary, or (ii) to the extent that their rights to purchase stock under all Employee Stock Purchase Plans of the Company or any Parent or Subsidiary accrues at a rate, which exceeds twenty-five thousand dollars (\$25,000) worth of stock (determined at the Fair Market Value of the stock at the time such Purchase Right is granted) for each calendar year in which such Purchase Right is outstanding at any time, as determined in accordance with Section 423 of the Code and the regulations thereunder.

### 4. Grant of Purchase Rights; Offering.

(a) The Administrator may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees under an Offering (consisting of one or more Purchase Periods) on an Offering Date or Offering Dates selected by the Administrator. Each Offering will be in such form and will contain such terms and conditions as the Administrator will deem appropriate, and, with respect to the 423 Component, will comply with the requirement of Section 423(b)(5) of the Code that all Eligible Employees granted Purchase Rights will have the same rights and privileges. The terms and conditions of an Offering shall be incorporated by reference into the Plan and treated as part of the Plan.

(b) If a Participant has more than one Purchase Right outstanding under the Plan, unless he or she otherwise indicates in forms delivered to the Company or a third party designated by the Company (each, a “Company Designee”): (i) each form will apply to all of their Purchase Rights under the Plan, and (ii) a Purchase Right with a lower Purchase Price (or an earlier-granted Purchase Right, if different Purchase Rights have identical Purchase Prices) will be exercised to the fullest possible extent before a Purchase Right with a higher Purchase Price (or a later-granted Purchase Right if different Purchase Rights have identical Purchase Prices) will be exercised.

(c) Unless otherwise determined by the Administrator in advance of an Offering, if the Fair Market Value of a share of Common Stock on the first Trading Day of a new Purchase Period within that Offering Period is less than or equal to the Fair Market Value of a share of Common Stock on the Offering Date for that Offering Period, then (i) that Offering Period will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering Period will be automatically enrolled in a new Offering Period beginning on that first Trading Day.

5. Participation. During such period determined by the Administrator prior to an applicable Enrollment Date, an Eligible Employee may elect to participate in the Plan by submitting to the Company or a Company Designee a properly completed subscription agreement or by following an electronic or other enrollment procedure determined by the Administrator, in each case authorizing payroll deductions as the means of making Contributions (the “Enrollment Election”). If payroll deductions are not permissible or problematic under Applicable Laws or if specifically provided in the Offering, in addition to or instead of making Contributions by payroll deductions, a Participant, if permitted by the Administrator and only on terms to be determined by the Administrator, may make Contributions through the payment by cash, check or wire transfer prior to an Exercise Date.

6. Contributions.

(a) At the time a Participant enrolls in the Plan pursuant to Section 5 hereof, he or she will elect to have Contributions made on each pay day during the Offering Period. The Enrollment Election will specify the amount of Contributions as a (whole) percentage of up to 20% of the Participant’s Compensation, or such other limit or amount determined by the Administrator in advance of an Offering. Each Participant’s Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where Applicable Laws require that Contributions be held separately or deposited with a third party. A Participant’s Enrollment Election will remain in effect for successive Offering Periods unless modified in accordance with this Section 6 or unless terminated as provided in Sections 9 or 10 hereof.

(b) Unless otherwise determined by the Administrator in advance of an Offering:

(i) During any Offering Period, a Participant may not increase the rate of their Contributions.

(ii) During any Offering Period, a Participant may decrease the rate of their Contributions to more than zero percent (0%) two (2) times. Additionally, during any Offering Period, a Participant may decrease the rate of their Contributions to zero percent (0%), even if the Participant has previously decreased the rate of their Contributions two (2) times during the same Offering Period. Any such decrease or suspension shall be effective with the first full payroll period following ten Trading Days after the Company’s receipt of the new Enrollment Election (or such shorter or longer period as may be specified by the Administrator for the applicable Offering). In the event a Participant suspends their Contributions, such Participant’s Contributions prior to the suspension shall remain in their account and shall be applied to the purchase of shares of Common Stock on the next occurring Exercise Date and shall not be paid to such Participant unless their participation in the Plan terminates pursuant to Sections 9 or 10 hereof.

(iii) During such period determined by the Administrator prior to an applicable Enrollment Date, a Participant may increase or decrease the rate of their Contributions to become effective as of the beginning of the respective Offering Period, subject to the limitations of the Plan and applicable Offering.

(iv) Any increase or decrease in a Participant’s rate of Contributions requires the Participant to submit a new Enrollment Election on or before a date determined by the Administrator. If a Participant has not followed the prescribed procedures to change the rate of Contributions, the rate of their Contributions will continue at the originally elected rate throughout the then current Offering Period and future Offering Periods (unless the Participant’s participation in the Plan is terminated as pursuant to Sections 9 or 10 hereof).

(c) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(c) hereof, a Participant’s Contributions may be decreased by the Administrator to zero percent (0%) at

any time during a Purchase Period. Subject to Section 423(b)(8) of the Code and Section 3(c) hereof, Contributions will recommence at the rate last elected by the Participant prior to such suspension effective as of the beginning of the first Purchase Period scheduled to end in the calendar year immediately following the calendar year in which such suspension occurred (unless the Participant's participation in the Plan is terminated pursuant to Sections 9 or 10 hereof).

7. Exercise of Purchase Right.

(a) The Purchase Price shall equal 85% of the lesser of the Fair Market Value of a share of Common Stock on (a) the applicable Offering Date and (b) the applicable Exercise Date, rounded up to the nearest cent, or such other price designated by the Administrator.

(b) Unless a Participant withdraws from the Plan as provided in Section 9 or the Participant's participation in the Plan terminates pursuant to Section 10, their Purchase Right for the purchase of shares of Common Stock will be exercised automatically on each Exercise Date, and the maximum number of full shares of Common Stock subject to the Purchase Right will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from their account; *provided, however*, that in no event shall a Participant be permitted to purchase on each Exercise Date more than 400 shares of Common Stock (subject to any adjustment pursuant to Section 16(a) hereof). The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of Shares that a Participant may purchase on any Exercise Date. Unless otherwise determined by the Administrator, no fractional shares of Common Stock will be purchased. Unless otherwise determined by the Administrator, any Contributions accumulated in a Participant's account which are not sufficient to purchase a whole share will be retained in the Participant's account for the succeeding Purchase Period. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant as soon as administratively practicable without interest (unless otherwise required by Applicable Laws). During a Participant's lifetime, a Participant's Purchase Right hereunder is exercisable only by them.

(c) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which Purchase Rights are to be exercised may exceed the number of shares of Common Stock that are available for sale under the Plan, the Administrator may in its sole discretion provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising Purchase Rights on such Exercise Date. The Company may make a pro rata allocation of the shares of Common Stock pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Exercise Date.

8. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares of Common Stock purchased upon exercise of their Purchase Right in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares of Common Stock be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying or other dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any Purchase Right granted under the Plan until such shares of Common Stock have been purchased and delivered to the Participant as provided in this Section 8.

9. Withdrawal.

(a) A Participant may elect to withdraw from participation in the Plan by submitting to the Company or a Company Designee a written or electronic notice of withdrawal in the form determined by the Administrator for such purpose (the "Withdrawal Notice"). The Withdrawal Notice may be submitted up to ten (10) calendar days prior to an Exercise Date to take effect for the respective Purchase Period, or by such date as may be determined by the Administrator in advance of an Offering. If the Participant has properly withdrawn from the Plan, all of the Participant's Contributions credited to their account will be paid to such Participant as soon as administratively practicable without interest (unless otherwise required by Applicable Laws) after receipt of the Withdrawal Notice and such Participant's Purchase Right for the respective Offering Period will be automatically terminated, and no further Contributions for the purchase of shares of Common Stock will be made for such Offering Period.

(b) A Participant's withdrawal from an Offering Period will not have any effect on their eligibility to participate in future Offering Periods, provided the Participant enrolls in the Plan in accordance with the provisions of Section 5 hereof.

10. Termination and Transfer of Employment. Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant as soon as administratively practicable without interest (unless otherwise required by Applicable Laws), and such Participant's Purchase Right will be automatically terminated. Unless otherwise determined by the Administrator in a manner that, with respect to an Offering under the 423 Component, is permitted by, and compliant with, Section 423 of the Code, a Participant whose employment transfers between the Company and a Designated Company or between Designated Companies through a termination with an immediate rehire (with no break in service) will not be treated as terminated under the Plan. If a Participant transfers employment from the Company or any Designated 423 Company to any Designated Non-423 Company, such transfer shall not be treated as a termination of employment, but the Participant shall immediately cease to participate in the 423 Component; however, any Contributions made for the Offering Period in which such transfer occurs shall be transferred to the Non-423 Component, and such Participant shall immediately join the then-current Offering under the Non-423 Component upon the same terms and conditions in effect for the Participant's participation in the 423 Component, except for such modifications otherwise applicable for Participants in the then-current Offering under the Non-423 Component. A Participant who transfers employment from any Designated Non-423 Company to the Company or any Designated 423 Company shall not be treated as terminating the Participant's employment and shall remain a Participant in the Non-423 Component until the earlier of (i) the end of the current Offering Period under the Non-423 Component, or (ii) the Offering Date of the first Offering Period in which the Participant is eligible to participate following such transfer. Notwithstanding the foregoing, the Administrator may establish different rules to govern transfers of employment between the Company, Designated 423 Companies and Designated Non-423 Companies, consistent with the applicable requirements of Section 423 of the Code.

11. Interest. No interest will accrue on the Contributions of a Participant in the Plan, except as may be required by Applicable Laws, as determined by the Company, and if so required by Applicable Laws, will apply to all Participants in the relevant Offering under the 423 Component, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

12. Stock.

(a) Subject to adjustment upon a Capitalization Adjustment as provided in Section 16(a) hereof, 3,000,000 shares of Common Stock may be sold pursuant to the Plan. Such shares of Common Stock may be authorized but unissued shares, treasury shares or shares purchased in the open market. For avoidance of doubt, up to the maximum number of shares reserved under this Section 12 may be used to satisfy purchases of shares of Common Stock under the 423 Component and any remaining portion of such maximum number of shares may be used to satisfy purchases of shares under the Non-423 Component.

(b) If any Purchase Right granted under the Plan shall for any reason terminate without having been exercised, the shares of Common Stock not purchased under such Purchase Right shall again become available for issuance under the Plan.

13. Administration. The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to delegate ministerial duties to any of the Company's employees, to designate separate Offerings under the Plan, to designate Subsidiaries and Affiliates as participating in the 423 Component or Non-423 Component, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary or advisable for the administration of the Plan (including, without limitation, to adopt such rules, procedures, sub-plans, and appendices to the subscription agreement as are necessary or appropriate to permit the participation in the Plan by Eligible Employees who are non-U.S. nationals or employed outside the U.S., the terms of which rules, procedures, sub-plans and appendices may take precedence over other provisions of this Plan, with the exception of Section 12(a) hereof, but unless otherwise superseded by the terms of such rules, procedures, sub-plan or appendix, the provisions of this Plan will govern the operation of such sub-plan or appendix). Unless otherwise determined by the Administrator, the Eligible Employees eligible to participate in each sub-plan will participate in a separate Offering under the 423 Component, or if the terms would not qualify under the 423 Component, in the Non-423 Component, in either case unless such designation would cause the 423 Component to violate the requirements of Section 423 of the Code. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions,

making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of a Purchase Right granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of Purchase Rights granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision, and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties.

14. Transferability. Neither Contributions credited to a Participant's account nor any Purchase Rights under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw from the Plan in accordance with Section 9 hereof.

15. Use of Funds. The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such Contributions except under Offerings or for Participants in the Non-423 Component for which Applicable Laws require that Contributions to the Plan by Participants be segregated from the Company's general corporate funds and/or deposited with an independent third party; *provided, however*, that, if such segregation or deposit with an independent third party is required by Applicable Laws, it will apply to all Participants in the relevant Offering under the 423 Component, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

16. Adjustments: Dissolution or Liquidation: Change in Control.

(a) Adjustments. In the event of a Capitalization Adjustment, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share, the class and the number of shares of Common Stock covered by each Purchase Right under the Plan that has not yet been exercised, and any limitations related to shares of Common Stock imposed under the Plan.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's Purchase Right has been changed to the New Exercise Date and that the Participant's Purchase Right will be exercised automatically on the New Exercise Date (unless the Participant's participation in the Plan is terminated as pursuant to Sections 9 or 10 hereof).

(c) Change in Control. In the event of a Change in Control, each outstanding Purchase Right will be assumed or an equivalent Purchase Right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the Change in Control does not include or result in a successor corporation or the successor corporation refuses to assume or substitute for any Purchase Right, the Offering Period with respect to which such Purchase Right relates will be shortened by setting a New Exercise Date on which such Offering Period will end, unless provided otherwise by the Administrator. The New Exercise Date will occur before the date of the Company's proposed Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's Purchase Right has been changed to the New Exercise Date and that the Participant's Purchase Right will be exercised automatically on the New Exercise Date (unless the Participant's participation in the Plan is terminated as pursuant to Sections 9 or 10 hereof).

17. Amendment or Termination. The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms. If the Offering Periods are terminated prior to expiration, all Contributions then credited to Participants' accounts that have not

been used to purchase shares of Common Stock will be returned to the Participants (without interest, except as otherwise required under Applicable Laws) as soon as administratively practicable.

18. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

19. Conditions Upon Issuance of Shares. Shares of Common Stock will not be issued with respect to any Purchase Right unless the exercise of such Purchase Right and the issuance and delivery of such shares of Common Stock pursuant thereto will comply with Applicable Laws, including, without limitation, the U.S. Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any Applicable Exchange, and will be further subject to the approval of counsel for the Company with respect to such compliance. As a condition to the exercise of a Purchase Right, the Company may require the Participant exercising such Purchase Right to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by Applicable Laws.

20. Section 409A. The 423 Component is intended to be exempt from the application of Section 409A, and, to the extent not exempt, is intended to comply with Section 409A and any ambiguities herein will be interpreted to so be exempt from, or comply with, Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding Purchase Right granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding Purchase Right or future Purchase Right that may be granted under the Plan from or to allow any such Purchase Rights to comply with Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Section 409A. Notwithstanding the foregoing, the Company and any of its Parent or Subsidiaries shall have no obligation to reimburse, indemnify, or hold harmless a Participant or any other party if the Purchase Right under the Plan that is intended to be exempt from or compliant with Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the Purchase Right under the Plan is compliant with Section 409A.

21. Tax Qualification; Tax Withholding.

(a) Although the Company may endeavor to (i) qualify a Purchase Right for special tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain special or to avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan. The Company will be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants.

(b) Each Participant will make arrangements, satisfactory to the Company and any applicable Subsidiary or Affiliate, to enable the Company, the Subsidiary or the Affiliate to fulfill any withholding obligation for Tax-Related Items. Without limitation to the foregoing, in the Company's sole discretion and subject to Applicable Laws, such withholding obligation may be satisfied in whole or in part by (i) withholding from the Participant's salary or any other cash payment due to the Participant from the Company, a Subsidiary or an Affiliate; (ii) withholding from the proceeds of the sale of shares of Common Stock acquired under the Plan, either through a voluntary sale or a mandatory sale arranged by the Company; or (iii) any other method deemed acceptable by the Administrator. The Company shall not be required to issue any shares of Common Stock under the Plan until such obligations are satisfied.

22. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the Effective Date. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

23. Governing Law. The Plan and all actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. The captions of this Plan are not part of the provisions hereof and shall have no force or effect.

24. No Right to Employment. Participation in the Plan by a Participant will not be construed as giving a Participant the right to be retained as an employee of the Company or any Subsidiary or Affiliate. Furthermore, the Company

or a Subsidiary or Affiliate, as applicable, may dismiss a Participant from employment at any time, free from any liability or any claim under the Plan.

25. Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

26. Compliance with Applicable Laws. The terms of this Plan are intended to comply with all Applicable Laws and will be construed accordingly.



**Certification**

I, Sharmistha Dubey, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2021 of Match Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 5, 2021

/s/ SHARMISTHA DUBEY

Sharmistha Dubey  
*Chief Executive Officer*

**Certification**

I, Gary Swidler, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2021 of Match Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 5, 2021

/s/ GARY SWIDLER

Gary Swidler

*Chief Operating Officer and*

*Chief Financial Officer*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sharmistha Dubey, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

- (1) the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2021 of Match Group, Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Match Group, Inc.

Dated: August 5, 2021

/s/ SHARMISTHA DUBEY

Sharmistha Dubey

*Chief Executive Officer*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gary Swidler, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

- (1) the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2021 of Match Group, Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Match Group, Inc.

Dated: August 5, 2021

/s/ GARY SWIDLER

Gary Swidler

*Chief Operating Officer and*

*Chief Financial Officer*