

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 March 31, 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 May 1, 2021, there were 270,274,610 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)

	March 31, 2021	December 31, 2020
	(In thousands, except share data)	
ASSETS		
Cash and cash equivalents	\$ 845,696	\$ 739,164
Accounts receivable, net of allowance of \$304 and \$286, respectively	210,679	137,023
Other current assets	147,863	144,025
Total current assets	1,204,238	1,020,212
Property and equipment, net of accumulated depreciation and amortization of \$175,459 and \$169,321, respectively	106,957	107,799
Goodwill	1,254,248	1,270,532
Intangible assets, net of accumulated amortization of \$15,495 and \$15,551, respectively	226,673	230,900
Deferred income taxes	302,688	292,820
Other non-current assets	119,864	123,524
TOTAL ASSETS	\$ 3,214,668	\$ 3,045,787
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Accounts payable	\$ 13,152	\$ 29,200
Deferred revenue	248,201	239,088
Accrued expenses and other current liabilities	208,571	231,748
Total current liabilities	469,924	500,036
Long-term debt, net	3,843,244	3,840,930
Income taxes payable	13,261	14,582
Deferred income taxes	16,401	17,213
Other long-term liabilities	84,372	86,428
Redeemable noncontrolling interests	1,040	640
Commitments and contingencies		
SHAREHOLDERS' EQUITY		
Common stock; \$0.001 par value; authorized 1,600,000,000 shares; 270,082,027 and 267,329,284 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively	270	267
Additional paid-in capital	7,135,823	7,089,007
Retained deficit	(8,248,654)	(8,422,904)
Accumulated other comprehensive loss	(102,030)	(81,454)
Total Match Group, Inc. shareholders' equity	(1,214,591)	(1,415,084)
Noncontrolling interests	1,017	1,042
Total shareholders' equity	(1,213,574)	(1,414,042)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 3,214,668	\$ 3,045,787

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 March 31,	
	2021	2020
	(In thousands, except per share data)	
Revenue	\$ 667,612	\$ 544,642
Operating costs and expenses:		
Cost of revenue (exclusive of depreciation shown separately below)	179,455	143,894
Selling and marketing expense	144,988	124,490
General and administrative expense	87,665	79,319
Product development expense	55,576	43,770
Depreciation	10,457	9,394
Amortization of intangibles	213	6,403
Total operating costs and expenses	478,354	407,270
Operating income	189,258	137,372
Interest expense	(31,838)	(31,894)
Other (expense) income, net	(1,319)	3,854
Earnings from continuing operations, before tax	156,101	109,332
Income tax benefit	17,747	48,202
Net earnings from continuing operations	173,848	157,534
Loss from discontinued operations, net of tax	—	(331,967)
Net earnings (loss)	173,848	(174,433)
Net loss (earnings) attributable to noncontrolling interests	402	(28,397)
Net earnings (loss) attributable to Match Group, Inc. shareholders	\$ 174,250	\$ (202,830)
Net earnings per share from continuing operations:		
Basic	\$ 0.65	\$ 0.69
Diluted	\$ 0.57	\$ 0.61
Net earnings (loss) per share attributable to Match Group, Inc. shareholders:		
Basic	\$ 0.65	\$ (1.11)
Diluted	\$ 0.57	\$ (1.00)
Stock-based compensation expense by function:		
Cost of revenue	\$ 989	\$ 1,167
Selling and marketing expense	1,265	1,147
General and administrative expense	18,480	10,881
Product development expense	9,382	7,977
Total stock-based compensation expense	\$ 30,116	\$ 21,172

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 March 31,	
	2021	2020
	(In thousands)	
Net earnings (loss)	\$ 173,848	\$ (174,433)
Other comprehensive loss, net of tax		
Change in foreign currency translation adjustment	(20,609)	(26,093)
Change in unrealized losses on available-for-sale securities	—	(12)
Total other comprehensive loss	(20,609)	(26,105)
Comprehensive income (loss)	153,239	(200,538)
Components of comprehensive loss (income) attributable to noncontrolling interests:		
Net loss (earnings) attributable to noncontrolling interests	402	(28,397)
Change in foreign currency translation adjustment attributable to noncontrolling interests	33	4,766
Comprehensive loss (income) attributable to noncontrolling interests	435	(23,631)
Comprehensive income (loss) attributable to Match Group, Inc. shareholders	\$ 153,674	\$ (224,169)

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 March 31, 2021

		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						
Redeemable Noncontrolling Interests									
		(In thousands)							
Balance as of December 31, 2020	\$ 640	\$ 267	267,329	\$ 7,089,007	\$ (8,422,904)	\$ (81,454)	\$ (1,415,084)	\$ 1,042	\$ (1,414,042)
Net (loss) earnings for the three months ended March 31, 2021	(410)	—	—	—	174,250	—	174,250	8	174,258
Other comprehensive (loss) income, net of tax	—	—	—	—	—	(20,576)	(20,576)	(33)	(20,609)
Stock-based compensation expense	—	—	—	31,431	—	—	31,431	—	31,431
Issuance of Match Group common stock pursuant to stock-based awards, net of withholding taxes	—	3	2,753	19,422	—	—	19,425	—	19,425
Adjustment of redeemable noncontrolling interests to fair value	810	—	—	(810)	—	—	(810)	—	(810)
Other	—	—	—	(3,227)	—	—	(3,227)	—	(3,227)
Balance as of March 31, 2021	\$ 1,040	\$ 270	270,082	\$ 7,135,823	\$ (8,248,654)	\$ (102,030)	\$ (1,214,591)	\$ 1,017	\$ (1,213,574)

MATCH GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited) (Continued)
Three Months Ended March 31, 2020

		Match Group Shareholders' Equity										
		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							
(In thousands)												
Balance as of December 31, 2019	\$ 44,527	\$ 263	263,230	\$ 16	16,157	\$ 11,378,160	\$ 1,724,640	\$ (136,349)	\$ (10,309,612)	\$ 2,657,118	\$ 970,276	\$ 3,627,394
Net (loss) earnings for the three months ended March 31, 2020	(1,462)	—	—	—	—	—	(202,830)	—	—	(202,830)	29,859	(172,971)
Other comprehensive income (loss), net of tax	99	—	—	—	—	—	—	(21,339)	—	(21,339)	(4,865)	(26,204)
Stock-based compensation expense	15	—	—	—	—	11,499	—	—	—	11,499	44,586	56,085
Issuance of Former IAC common stock pursuant to stock-based awards, net of withholding taxes	—	1	272	—	—	(20,516)	—	—	—	(20,515)	—	(20,515)
Issuance of Former Match Group and ANGI Homeservices common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	—	—	(139,565)	—	403	—	(139,162)	(9,442)	(148,604)
Purchase of redeemable noncontrolling interests	(3,165)	—	—	—	—	—	—	—	—	—	—	—
Adjustment of redeemable noncontrolling interests to fair value	2,418	—	—	—	—	(2,418)	—	—	—	(2,418)	—	(2,418)
Purchase of Match Group and ANGI treasury stock	—	—	—	—	—	(120,658)	—	—	—	(120,658)	—	(120,658)
Other	(1)	—	—	—	—	1	—	—	—	1	—	1
Balance as of March 31, 2020	\$ 42,431	\$ 264	263,502	\$ 16	16,157	\$ 11,106,503	\$ 1,521,810	\$ (157,285)	\$ (10,309,612)	\$ 2,161,696	\$ 1,030,414	\$ 3,192,110

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)

	Three Months Ended March 31,	
	2021	2020
	(In thousands)	
Cash flows from operating activities attributable to continuing operations:		
Net earnings (loss)	\$ 173,848	\$ (174,433)
Add back: loss from discontinued operations, net of tax	—	331,967
Net earnings from continuing operations	173,848	157,534
Adjustments to reconcile net earnings from continuing operations to net cash provided by operating activities attributable to continuing operations:		
Stock-based compensation expense	30,116	21,172
Depreciation	10,457	9,394
Amortization of intangibles	213	6,403
Deferred income taxes	(10,007)	(46,295)
Other adjustments, net	4,601	(294)
Changes in assets and liabilities		
Accounts receivable	(75,271)	(52,583)
Other assets	19,626	10,714
Accounts payable and other liabilities	(40,242)	(18,280)
Income taxes payable and receivable	(21,867)	(49,351)
Deferred revenue	10,834	834
Net cash provided by operating activities attributable to continuing operations	102,308	39,248
Cash flows from investing activities attributable to continuing operations:		
Capital expenditures	(10,290)	(9,781)
Other, net	(255)	(117)
Net cash used in investing activities attributable to continuing operations	(10,545)	(9,898)
Cash flows from financing activities attributable to continuing operations:		
Proceeds from Senior Notes offerings	—	500,000
Debt issuance costs	(730)	(8,977)
Proceeds from issuance of common stock pursuant to stock-based awards	29,973	—
Withholding taxes paid on behalf of employees on net settled stock-based awards of Former Match Group and Match Group	(10,548)	(145,357)
Purchase of Former Match Group treasury stock	—	(81,686)
Other, net	—	1
Net cash provided by financing activities attributable to continuing operations	18,695	263,981
Total cash provided by continuing operations	110,458	293,331
Net cash provided by operating activities attributable to discontinued operations	—	41,727
Net cash used in investing activities attributable to discontinued operations	—	(576,108)
Net cash used in financing activities attributable to discontinued operations	—	(69,318)
Total cash used in discontinued operations	—	(603,699)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(3,930)	(5,996)
Net increase (decrease) in cash, cash equivalents, and restricted cash	106,528	(316,364)
Cash, cash equivalents, and restricted cash at beginning of period	739,302	3,140,358
Cash, cash equivalents, and restricted cash at end of period	\$ 845,830	\$ 2,823,994

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 dating services available globally. Our portfolio of brands includes Tinder®, Match®, Meetic®, OkCupid®, Hinge®, Pairs™, PlentyOfFish®, and OurTime®, as well as a number of other brands, each designed to increase our users' likelihood of finding a meaningful connection. Through our portfolio companies and their 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, Dating, which is managed as a portfolio of dating 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, except for an update reflecting the new accounting standard related to convertible instruments, 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 and combined statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

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 three months ended March 31, 2021, the Company recognized \$172.5 million of revenue that was included in the deferred revenue balance as of December 31, 2020. The current deferred revenue balance at March 31, 2021 is \$248.2 million. At March 31, 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 March 31,	
	2021	2020
	(In thousands)	
Direct Revenue:		
North America	\$ 326,829	\$ 263,347
International	328,352	271,477
Total Direct Revenue	655,181	534,824
Indirect Revenue (principally advertising revenue)	12,431	9,818
Total Revenue	\$ 667,612	\$ 544,642

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 separation model for convertible instruments with a cash conversion feature, and as a result, after adoption,

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

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:

	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)		
Statement of operations impacts for the three months ended March 31, 2020			
Interest expense	\$ 42,649	\$ 31,894	\$ (10,755)
Income tax benefit	\$ 50,747	\$ 48,202	\$ (2,545)
Net earnings from continuing operations	\$ 149,324	\$ 157,534	\$ 8,210
Net earnings per share from continuing operations:			
Basic	\$ 0.65	\$ 0.69	\$ 0.04
Diluted	\$ 0.59	\$ 0.61	\$ 0.02
Weighted average dilutive shares outstanding	191,259	204,658	13,399
Balance sheet impacts at December 31, 2020:			
Non-current deferred tax asset	\$ 224,013	\$ 292,820	\$ 68,807
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)	\$ (8,422,904)	\$ 68,222

The impact of the adoption of ASU No. 2020-06 at December 31, 2019 resulted in an increase to retained earnings of \$34.7 million and a decrease in additional paid-in capital of \$305.6 million.

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.

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

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 March 31, 2021 and 2020, the Company recorded an income tax benefit of \$17.7 million and \$48.2 million, respectively. The effective tax rates in both three-month periods benefited from excess tax benefits generated by the exercise and vesting of stock-based awards.

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 ("IRS") has substantially completed its audit of the Company's federal income tax returns for the years ended December 31, 2010 through 2016, resulting in reductions to the manufacturing tax deduction and research credits claimed. The IRS began an audit of the year ended December 31, 2017 in the second quarter of 2020. The statute of limitations for the years 2010 through 2012 has been extended to May 31, 2021, and the statute of limitations for the years 2013 to 2017 has been extended to June 30, 2022. 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 March 31, 2021 and December 31, 2020, unrecognized tax benefits, including interest and penalties, were \$46.7 million. If unrecognized tax benefits at March 31, 2021 are subsequently recognized, income tax expense would be reduced by \$41.1 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 \$3.7 million by March 31, 2022 due to settlements and expirations of statutes of limitations, all of which would reduce the income tax provision.

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. Our income tax provision for the three months ended March 31, 2021 and 2020 includes a decrease of interest and penalties of \$0.4 million and \$1.8 million, respectively. At March 31, 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 10—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.

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

The key components of loss from discontinued operations for the three months ended March 31, 2020 consist of the following:

	Three Months Ended March 31, 2020
	(In thousands)
Revenue	\$ 684,124
Operating costs and expenses	(999,276)
Operating loss	(315,152)
Interest expense	(2,217)
Other expense	(53,747)
Income tax benefit	39,149
Loss from discontinued operations	\$ (331,967)

NOTE 4—FINANCIAL INSTRUMENTS

Equity securities without readily determinable fair values

At both March 31, 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 March 31, 2021 were \$2.1 million. For both the three months ended March 31, 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 March 31, 2021 and December 31, 2020, the Company has elected the measurement alternative. For the three months ended March 31, 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.

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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:

	March 31, 2021		
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value Measurements
	(In thousands)		
Assets:			
Cash equivalents:			
Money market funds	\$ 294,001	\$ —	\$ 294,001
Time deposits	—	50,000	50,000
Total	\$ 294,001	\$ 50,000	\$ 344,001

	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)		
Assets:			
Cash equivalents:			
Money market funds	\$ 147,615	\$ —	\$ 147,615
Time deposits	—	50,000	50,000
Total	\$ 147,615	\$ 50,000	\$ 197,615

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.

	March 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Long-term debt, net ^{(a) (b)}	\$ (3,843,244)	\$ (5,894,051)	\$ (3,840,930)	\$ (6,267,976)

(a) At March 31, 2021 and December 31, 2020, the carrying value of long-term debt, net includes unamortized original issue discount and debt issuance costs of \$49.3 million and \$51.6 million, respectively.

(b) At March 31, 2021, the fair value of the of the 2022 Exchangeable Notes, 2026 Exchangeable Notes, and 2030 Exchangeable Notes is \$1,617.8 million, \$970.6 million, and \$1,031.2 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 March 31, 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 5—LONG-TERM DEBT, NET

Long-term debt consists of:

	March 31, 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
Delayed Draw Term Loan due March 25, 2022 (the "Delayed Draw Term Loan")	—	—
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	5,830	6,029
Less: Unamortized debt issuance costs	43,426	45,541
Total long-term debt, net	\$ 3,843,244	\$ 3,840,930

Credit Facility, Term Loan, and Delayed Draw 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, the Term Loan, and, as of March 26, 2021, the Delayed Draw Term Loan.

The Credit Facility has a borrowing capacity of \$750 million and matures on February 13, 2025. At both March 31, 2021 and December 31, 2020, there were no outstanding borrowings under the Credit Facility, there were outstanding letters of credit of \$0.2 million, and we had \$749.8 million available 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 March 31, 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 or the Delayed Draw Term Loan, it will be required to maintain a consolidated net leverage ratio of not more than 5.0 to 1.0.

At both March 31, 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 1.95% and 1.96% at March 31, 2021 and December 31, 2020, respectively. The Term Loan matures on February 13, 2027. Interest payments are due at

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

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.

On March 26, 2021, MG Holdings II amended the Credit Agreement to provide for the \$400 million Delayed Draw Term Loan, the proceeds of which may be used only to finance a portion of the consideration for the acquisition of Hyperconnect, Inc. MG Holdings II will pay a ticking fee, starting May 11, 2021, on the Delayed Draw Term Loan until it is drawn, in an amount equal to the commitment fee for the Credit Facility. The Delayed Draw Term Loan bears interest in accordance with the consolidated net leverage ratio pricing grid applicable to borrowings under the Credit Facility and matures, whether or not drawn, on March 25, 2022. There were no outstanding borrowings under the Delayed Draw Term Loan at March 31, 2021.

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, Term Loan, and Delayed Draw 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, and Delayed Draw Term Loan 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 March 31, 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

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

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.

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 ^(a)	Approximate Equivalent Exchange Price per Share ^(a)	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

^(a) 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 March 31, 2021. No Exchangeable Notes were exchanged during the three months ended March 31, 2021 and for 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 March 31, 2021 and December 31, 2020.

	March 31, 2021	December 31, 2020
	(In millions)	
2022 Exchangeable Notes	\$ 1,098.7	\$ 1,261.2
2026 Exchangeable Notes	\$ 327.6	\$ 418.3
2030 Exchangeable Notes	\$ 363.0	\$ 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:

	March 31, 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	5,604	8,299	9,370	6,511	8,700	9,627
Net carrying value included in long-term debt, net	\$ 511,896	\$ 566,701	\$ 565,630	\$ 510,989	\$ 566,300	\$ 565,373

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

	Three Months Ended March 31, 2021			Three Months Ended March 31, 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	907	401	257	898	380	235
Total interest expense recognized	\$ 2,039	\$ 1,659	\$ 3,132	\$ 2,030	\$ 1,638	\$ 3,110

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

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

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 ^(a)	Approximate Equivalent Exchange Price per Share ^(a)
	(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 ^(a)	Weighted Average Strike Price per Share ^(a)
	(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

^(a) Subject to adjustment upon the occurrence of specified events.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

NOTE 6—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 March 31, 2021	
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Loss
	(In thousands)	
Balance at January 1	\$ (81,454)	\$ (81,454)
Other comprehensive loss	(20,576)	(20,576)
Balance at March 31	<u>\$ (102,030)</u>	<u>\$ (102,030)</u>

	Three Months Ended March 31, 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	(21,307)	(12)	(21,319)
Amounts reclassified into earnings	(20)	—	(20)
Net period other comprehensive loss	(21,327)	(12)	(21,339)
Allocation of accumulated other comprehensive loss related to the noncontrolling interests	403	—	403
Balance at March 31	<u>\$ (157,273)</u>	<u>\$ (12)</u>	<u>\$ (157,285)</u>

At both March 31, 2021 and 2020, there was no tax benefit or provision on the accumulated other comprehensive loss.

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

NOTE 7—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 March 31,			
	2021		2020	
	Basic	Diluted	Basic	Diluted
(In thousands, except per share data)				
Numerator				
Net earnings from continuing operations	\$ 173,848	\$ 173,848	\$ 157,534	\$ 157,534
Net loss (earnings) attributable to noncontrolling interests	402	402	(30,769)	(30,769)
Impact from subsidiaries' dilutive securities of continuing operations ^(a)	—	(467)	—	(5,480)
Interest on dilutive Exchangeable Senior Notes, net of income tax ^(b)	—	4,075	—	4,070
Net earnings from continuing operations attributable to Match Group, Inc. shareholders	\$ 174,250	\$ 177,858	\$ 126,765	\$ 125,355
Loss from discontinued operations, net of tax	\$ —	\$ —	\$ (331,967)	\$ (331,967)
Net loss attributable to noncontrolling interests of discontinued operations	—	—	2,372	2,372
Net loss from discontinued operations attributable to shareholders	—	—	(329,595)	(329,595)
Net earnings (loss) attributable to Match Group, Inc. shareholders	\$ 174,250	\$ 177,858	\$ (202,830)	\$ (204,240)
Denominator				
Weighted average basic shares outstanding	268,649	268,649	183,117	183,117
Dilutive securities ^{(a)(c)(d)}	—	16,774	—	5,842
Dilutive shares from Exchangeable Senior Notes, if-converted ^(b)	—	25,162	—	15,699
Denominator for earnings per share—weighted average shares ^{(a)(b)(c)(d)}	268,649	310,585	183,117	204,658
Earnings per share:				
Earnings per share from continuing operations	\$ 0.65	\$ 0.57	\$ 0.69	\$ 0.61
Loss per share from discontinued operations, net of tax	\$ —	\$ —	\$ (1.80)	\$ (1.61)
Earnings (loss) per share	\$ 0.65	\$ 0.57	\$ (1.11)	\$ (1.00)

(a) Former IAC had the option to settle certain Former Match Group stock-based awards with Former IAC shares. For the three months ended March 31, 2020, it was more dilutive for Former Match Group to settle certain Former Match Group equity awards.

(b) The Company uses the if-converted method for calculating the dilutive impact of the outstanding Exchangeable Senior Notes. For the three months ended March 31, 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 Senior Notes

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

and dilutive shares were included for the same set of notes at the Match Group exchange rates. For the three months ended March 31, 2020, 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 Senior 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 the three months ended March 31, 2021 and 2020, 0.7 million and 15.7 million potentially dilutive securities, respectively, 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 and 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 the three months ended March 31, 2021 and 2020, 0.5 million and 0.2 million shares, respectively, 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 8—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:

	March 31, 2021	December 31, 2020	March 31, 2020	December 31, 2019
	(In thousands)			
Cash and cash equivalents	\$ 845,696	\$ 739,164	\$ 791,321	\$ 465,676
Restricted cash included in other current assets	134	138	123	127
Cash, cash equivalents, and restricted cash included in current assets of discontinued operations	—	—	2,032,152	2,674,146
Restricted cash included in non-current assets of discontinued operations	—	—	398	409
Total cash, cash equivalents, and restricted cash as shown on the consolidated statement of cash flows	<u>\$ 845,830</u>	<u>\$ 739,302</u>	<u>\$ 2,823,994</u>	<u>\$ 3,140,358</u>

NOTE 9—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. 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 10—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 leases office space from IAC in New York City on a month-to-month basis, which the Company expects to terminate in the first half of 2021. For the three months ended March 31, 2021, the Company received less than \$0.1 million from IAC pursuant to the Los Angeles lease and the Company paid \$0.2 million to IAC pursuant to the New York City lease.

All such amounts were paid in full by the Company, and there is no receivable balance due from IAC at March 31, 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 March 31, 2021, Match Group is obligated to remit to IAC \$2.0 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 March 31, 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 March 31, 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 months ended March 31, 2021, the Company paid IAC less than \$0.1 million related to services provided by IAC under the transitions services agreement. Additionally, the Company received \$0.1 million from IAC for services provided under the transitions services agreement.

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 three months ended March 31, 2021, the Company paid IAC \$0.1 million for the cost of IAC equity awards held by the Company's employees upon vesting. At March 31, 2021, the Company has accrued \$1.8 million as the estimated cost due to IAC for IAC equity awards held by Match Group employees. Additionally, the Company paid IAC less than \$0.1 million for residual costs associated with the health and welfare plans and 401(k) plan, inclusive of employee contributions to both, related to the period prior to December 31, 2020.

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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**2021 Developments**

In February 2021, the Company entered into a definitive agreement to acquire Hyperconnect, Inc. ("Hyperconnect"), a leading social discovery and video technology company based in Seoul, South Korea. The acquisition is valued at approximately \$1.725 billion, subject to customary adjustments for cash, debt-like items, and net working capital at the closing of the acquisition. The Company has the option to pay up to 50% of the consideration in common stock of the Company, with the remaining balance of the consideration paid in cash. The Company expects to fund the cash portion of the consideration through a combination of cash on hand and draws on its existing Credit Facility and Delayed Draw Term Loan. The acquisition is anticipated to close in the second quarter of 2021, subject to customary closing conditions and receipt of certain regulatory approvals.

On March 26, 2021, Match Group Holdings II, LLC ("MG Holdings II"), amended its credit agreement to provide for the \$400 million incremental "delayed draw" term loan facility ("Delayed Draw Term Loan"), the proceeds of which may be used only to finance a portion of the consideration for the acquisition of Hyperconnect. The Delayed Draw Term Loan provides Match Group with an additional potential source of funding for the Hyperconnect acquisition, including in the event we determine to deliver cash in lieu of some or all of the consideration otherwise payable in shares of Match Group common stock.

Key Terms:**Operating metrics:**

- **North America** - consists of the financial results and metrics associated with users located in the United States and Canada.
- **International** - consists of the financial results and metrics associated with users located outside of the United States and Canada.
- **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.
- **Subscribers** - are users who purchase a subscription to one of our services. Users who purchase only à la carte features are not included in Subscribers.
- **Average Subscribers** - is the number of Subscribers at the end of each day in the relevant measurement period divided by the number of calendar days in that period.
- **Average Revenue per Subscriber ("ARPU")** - is Direct Revenue from Subscribers in the relevant measurement period (whether in the form of subscription or à la carte revenue) divided by the Average Subscribers in such period and further divided by the number of calendar days in such period. Direct Revenue from users who are not Subscribers and have purchased only à la carte features is not included in ARPU.

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 March 31, 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 March 31, 2021, the applicable rate was 1.95% and \$425 million was outstanding.
- **Delayed Draw Term Loan** - The delayed draw term loan facility established under the credit agreement of MG Holdings II on March 26, 2021 to allow for a \$400 million incremental delayed draw term loan, the proceeds of which may be used only to finance a portion of the consideration for the acquisition of Hyperconnect. The maturity of the Delayed Draw Term Loan, whether or not drawn, is March 25, 2022, and any outstanding balance would bear interest in accordance with the consolidated net leverage ratio pricing grid applicable to borrowings under the Credit Facility.
- **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 March 31, 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 March 31, 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 March 31, 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 March 31, 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 March 31, 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 March 31, 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 March 31, 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 dating services available globally. Our portfolio of brands includes Tinder®, Match®, Meetic®, OkCupid®, Hinge®, Pairs™, PlentyOfFish®, and OurTime®, as well as a number of other brands, each designed to increase our users’ likelihood of finding a meaningful connection. Through our portfolio companies and their 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.

Year-to-Date March 31, 2021 Consolidated Results

For the three months ended March 31, 2021 compared to the three months ended March 31, 2020, revenue, operating income and Adjusted EBITDA grew 23%, 38%, and 32%, respectively, primarily due to subscriber growth at a number of brands, as well as the growth of à la carte revenue primarily at Hinge and PlentyOfFish. Operating income and Adjusted EBITDA grew at higher rates primarily due to general and administrative expenses (excluding stock-based compensation) remaining relatively flat compared to the prior year quarter. Operating income was further favorably impacted by lower amortization of intangibles, partially offset by higher stock-based compensation expense.

Results of Operations for the three months ended March 31, 2021 compared to the three months ended March 31, 2020
Revenue

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(In thousands, except ARPU)			
Direct Revenue:				
North America	\$ 326,829	\$ 63,482	24%	\$ 263,347
International	328,352	56,875	21%	271,477
Total Direct Revenue	655,181	120,357	23%	534,824
Indirect Revenue	12,431	2,613	27%	9,818
Total Revenue	\$ 667,612	\$ 122,970	23%	\$ 544,642
Percentage of Total Revenue:				
Direct Revenue:				
North America	49%			48%
International	49%			50%
Total Direct Revenue	98%			98%
Indirect Revenue	2%			2%
Total Revenue	100%			100%
Average Subscribers:				
North America	4,987	417	9%	4,570
International	6,122	778	15%	5,344
Total	11,109	1,195	12%	9,914
(Change calculated using non-rounded numbers)				
ARPU:				
North America	\$ 0.70		13%	\$ 0.63
International	\$ 0.59		7%	\$ 0.55
Total	\$ 0.64	\$ 0.05	9%	\$ 0.59

North America Direct Revenue grew \$63.5 million, or 24%, in the first quarter of 2021 versus 2020, driven by 9% growth in Average Subscribers, 13% growth in ARPU, and growth in non-subscriber live streaming video revenue at PlentyOfFish. International Direct Revenue grew \$56.9 million, or 21%, in the first quarter of 2021 versus 2020, driven by 15% growth in Average Subscribers and 7% growth in ARPU.

Growth in North America Average Subscribers was primarily driven by Tinder, Hinge, BLK, PlentyOfFish, and Chispa. Growth in International Average Subscribers was primarily driven by Tinder, with several other brands also contributing, including Pairs, Meetic, and Hinge. North America ARPU increased primarily due to à la carte features and optimized pricing at Hinge, live streaming video at PlentyOfFish, an increase in premium subscription purchases at Tinder, and pricing optimization at OkCupid. International ARPU was favorably impacted by the strength of the Euro relative to the U.S. dollar.

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

Cost of revenue (exclusive of depreciation)

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Cost of revenue	\$ 179,455	\$ 35,561	25%	\$ 143,894
Percentage of revenue	27%			26%

Cost of revenue increased primarily due to an increase in in-app purchase fees paid to mobile app stores of \$23.3 million; an increase of \$8.5 million in partner related costs associated with live streaming video; and an increase in web operations of \$2.0 million, consisting primarily of hosting fees.

Selling and marketing expense

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Selling and marketing expense	\$ 144,988	\$ 20,498	16%	\$ 124,490
Percentage of revenue	22%			23%

Selling and marketing expense increased primarily due to higher marketing spend at multiple brands and an increase in compensation expense of \$2.5 million.

General and administrative expense

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
General and administrative expense	\$ 87,665	\$ 8,346	11%	\$ 79,319
Percentage of revenue	13%			15%

General and administrative expense increased primarily due to an increase in compensation of \$10.1 million primarily related to an increase in stock-based compensation expense related to modifications of certain stock-based awards and new awards granted in the current year, and other increases in compensation, excluding stock-based compensation expense, due to higher headcount, and legal and consulting costs of \$4.0 million associated with the acquisition of Hyperconnect. Partially offsetting these increases were decreases in other legal and professional expenses, and a reduction in travel expenses primarily due to the impacts of COVID.

Product development expense

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Product development expense	\$ 55,576	\$ 11,806	27%	\$ 43,770
Percentage of revenue	8%			8%

Product development expense increased primarily due to an increase in compensation expense of \$11.7 million, primarily due to an increase in headcount at Tinder and Hinge.

Depreciation

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Depreciation	\$ 10,457	\$ 1,063	11%	\$ 9,394
Percentage of revenue	2%			2%

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

Operating income and Adjusted EBITDA

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Operating income	\$ 189,258	\$ 51,886	38%	\$ 137,372
Percentage of revenue	28%			25%
Adjusted EBITDA	\$ 230,044	\$ 55,703	32%	\$ 174,341
Percentage of revenue	34%			32%

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 March 31, 2021 compared to the three months ended March 31, 2020

Operating income and Adjusted EBITDA increased 38% and 32%, respectively, primarily driven by revenue growth at multiple brands and general and administrative expenses (excluding stock-based compensation) remaining relatively flat compared to the prior year quarter. Operating income was further favorably impacted by lower amortization of intangibles, partially offset by higher stock-based compensation expense.

At March 31, 2021, there was \$293.2 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 2.9 years.

Interest expense

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Interest expense	\$ 31,838	\$ (56)	—%	\$ 31,894

Interest expense was flat compared to the prior period.

Other (expense) income, net

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Other (expense) income, net	\$ (1,319)	\$ (5,173)	NM	\$ 3,854

NM = not meaningful

Other expense, net, in 2021 includes foreign currency losses of \$1.6 million, partially offset by interest income of \$0.2 million.

Other income, net, in 2020 includes income of \$3.6 million in net foreign currency gains due primarily to the strengthening of the U.S. dollar and Euro relative to the British Pound ("GBP") and interest income of \$1.9 million.

Income tax benefit

	Three Months Ended March 31,			
	2021	\$ Change	% Change	2020
	(Dollars in thousands)			
Income tax benefit	\$ 17,747	\$ (30,455)	(63)%	\$ 48,202
Effective income tax rate	NM			NM

The income tax benefits in 2021 and 2020, despite pre-tax income, are due primarily to excess tax benefits generated by the exercise and vesting of stock-based awards.

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 10—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 March 31,	
	2021	2020
	(In thousands)	
Net earnings (loss) attributable to Match Group, Inc. shareholders	\$ 174,250	\$ (202,830)
Add back:		
Net (loss) earnings attributable to noncontrolling interests	(402)	28,397
Loss from discontinued operations, net of tax	—	331,967
Income tax benefit	(17,747)	(48,202)
Other expense (income), net	1,319	(3,854)
Interest expense	31,838	31,894
Operating Income	189,258	137,372
Stock-based compensation expense	30,116	21,172
Depreciation	10,457	9,394
Amortization of intangibles	213	6,403
Adjusted EBITDA	<u>\$ 230,044</u>	<u>\$ 174,341</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.

The following table presents the impact of foreign exchange on total revenue, ARPU, and International ARPU for the three months ended March 31, 2021 compared to the three months ended March 31, 2020:

	Three Months Ended March 31,			2020
	2021	\$ Change	% Change	
	(Dollars in thousands, except ARPU)			
Revenue, as reported	\$ 667,612	\$ 122,970	23%	\$ 544,642
Foreign exchange effects	(18,238)			
Revenue excluding foreign exchange effects	<u>\$ 649,374</u>	<u>\$ 104,732</u>	<u>19%</u>	<u>\$ 544,642</u>
<i>(Percentage change calculated using non-rounded numbers, rounding differences may occur)</i>				
ARPU, as reported	\$ 0.64		9%	\$ 0.59
Foreign exchange effects	(0.02)			
ARPU, excluding foreign exchange effects	<u>\$ 0.62</u>		<u>6%</u>	<u>\$ 0.59</u>
International ARPU, as reported	\$ 0.59		7%	\$ 0.55
Foreign exchange effects	(0.03)			
International ARPU, excluding foreign exchange effects	<u>\$ 0.56</u>		<u>1%</u>	<u>\$ 0.55</u>

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	March 31, 2021	December 31, 2020
	(In thousands)	
Cash and cash equivalents:		
United States	\$ 719,918	\$ 581,038
All other countries	125,778	158,126
Total cash and cash equivalents	<u>\$ 845,696</u>	<u>\$ 739,164</u>
Long-term debt:		
Credit Facility due February 13, 2025	\$ —	\$ —
Term Loan due February 13, 2027	425,000	425,000
Delayed Draw Term Loan due March 25, 2022	—	—
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
Total long-term debt	3,892,500	3,892,500
Less: Unamortized original issue discount	5,830	6,029
Less: Unamortized debt issuance costs	43,426	45,541
Total long-term debt, net	<u>\$ 3,843,244</u>	<u>\$ 3,840,930</u>

Long-term Debt

For a detailed description of long-term debt, see “Note 5—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:

	Three Months Ended March 31,	
	2021	2020
	(In thousands)	
Net cash provided by operating activities attributable to continuing operations	\$ 102,308	\$ 39,248
Net cash used in investing activities attributable to continuing operations	(10,545)	(9,898)
Net cash provided by financing activities attributable to continuing operations	18,695	263,981

2021

Net cash provided by operating activities attributable to continuing operations in 2021 includes adjustments to earnings of \$30.1 million of stock-based compensation expense, \$10.5 million of depreciation, and \$4.6 million of other adjustments; partially offset by deferred income taxes of \$10.0 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 \$75.3 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; a decrease in accounts payable and other liabilities of \$40.2 million due mainly

to the timing of payments, including interest payments; and a decrease from income taxes payable and receivable of \$21.9 million primarily related to payments of international taxes. These changes were partially offset by an increase from other assets of \$19.6 million primarily due to the amortization of prepaid hosting services and an increase from deferred revenue of \$10.8 million, due mainly to growth in subscription sales.

Net cash used in investing activities attributable to continuing operations in 2021 consists primarily of capital expenditures of \$10.3 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 \$30.0 million of proceeds from the issuance of common stock pursuant to stock-based awards, partially offset by payments of \$10.5 million for withholding taxes paid on behalf of employees for equity awards.

2020

Net cash provided by operating activities attributable to continuing operations in 2020 includes adjustments to earnings of \$332.0 million of loss related to discontinued operations, \$21.2 million of stock-based compensation expense, \$9.4 million of depreciation and \$6.4 million for amortization of intangibles. Partially offsetting these adjustments was deferred income tax of \$46.3 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 \$52.6 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; a decrease from income taxes payable and receivable of \$49.4 million due to a tax refund receivable, tax payments in excess of tax accruals in foreign jurisdictions, and the effect of audit settlements; and a decrease in accounts payable and other liabilities of \$18.3 million, due mainly to the timing of payments, including interest payments. These changes were partially offset by an increase from other assets of \$10.7 million primarily due to amortization of prepaid hosting services.

Net cash used in investing activities attributable to continuing operations in 2020 consists primarily of capital expenditures of \$9.8 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 2020 is primarily due to proceeds of \$500.0 million from the issuance of the 4.125% Senior Notes; partially offset by payments of \$145.4 million for withholding taxes paid on behalf of employees for net settled equity awards and purchases of treasury stock of Former Match Group of \$81.7 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 March 31, 2021, \$749.8 million was available under the Credit Facility that expires on February 13, 2025. Additionally, the Company also has access to the \$400 million Delayed Draw Term Loan, which is available only to fund a portion of the Hyperconnect acquisition.

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.

In connection with the anticipated Hyperconnect acquisition, the Company has the option to pay up to 50% of the consideration in common stock of the Company, with the remaining balance of the consideration payable in cash. The Company expects to fund the cash portion of the consideration with a combination of cash on hand and draws on its existing Credit Facility and Delayed Draw Term Loan. The acquisition is anticipated to close in the second quarter of 2021, subject to customary closing conditions and receipt of certain regulatory approvals.

As of March 31, 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 three months ended March 31, 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 three months ended March 31, 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 Candelore 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 *Candelore*, the judgment in *Kim* would effectively render *Candelore* a single-plaintiff lawsuit. Accordingly, on July 11, 2019, two objectors to the *Kim* settlement, represented by the plaintiff's counsel in *Candelore*, 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 *Candelore* 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 *Candelore* 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. 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 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 dating services, our ability to attract users to our dating services through cost-effective marketing and related efforts, foreign currency exchange rate fluctuations, our ability to distribute our dating 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, the expected timing of the transaction or whether it will be completed, whether the conditions to the transaction can be satisfied or any event, change or other circumstance occurs that could give rise to the termination of the transaction (including the failure to receive any required regulatory approvals), 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

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 March 31, 2021.

Issuer Purchases of Equity Securities

The Company did not purchase any shares of its common stock during the quarter ended March 31, 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	
2.1	Share Purchase Agreement, dated as of February 10, 2021, by and among the Company, the Buyer and the Sellers	8-K	001-34148	2.1	2/10/2021	
10.1	Amendment No. 7 dated as of March 26, 2021 to the Credit Agreement dated as of October 7, 2015, as amended and restated as of November 16, 2015, as further amended as of December 16, 2015, as further amended as of December 8, 2016, as further amended as of August 14, 2017, as further amended as of December 17, 2018 and as further amended as of February 13, 2020, among Match Group Holdings II, LLC, as borrower, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and the other parties thereto.	8-K	001-34148	10.1	3/31/2021	
10.2	Form of Terms and Conditions for Performance-based Restricted Stock Units granted under the Match Group, Inc. Amended and Restated 2017 Stock and Annual Incentive Plan.					†
31.1	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.					†
31.2	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.					†
32.1	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.					‡
32.2	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.					‡
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.

May 6, 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

May 6, 2021

**Notice of Performance-Based Restricted Stock Unit Award Granted Under the
Match Group, Inc. Amended and Restated 2017 Stock and Annual Incentive Plan**

Award Recipient	[_____]
Type of Award	[_____] performance-based restricted stock units ("PSUs") (the "Target PSUs") of Match Group, Inc. ("Match Group"), with the potential to earn up to a maximum of [_____] PSUs, that will vest based on the achieved results against the Performance Conditions as set forth on Attachment A. PSUs shall be settled in shares of Match Group common stock ("Shares"). Except as otherwise set forth herein, the PSUs will be subject to the terms and conditions of the Match Group, Inc. Amended and Restated 2017 Stock and Annual Incentive Plan, as amended (the "Plan"). Capitalized terms used (but not defined) in this Notice shall have the meanings set forth in the Plan.
Award Date	[_____]
Time- and Performance-Based Vesting Conditions	The PSUs shall vest as follows: [____]% of the Target PSUs shall vest on [_____] (the "First Vesting Date") and [____]% of the Target PSUs shall vest on [_____] (the "Second Vesting Date") (each such date, a "Vesting Date"). Notwithstanding the foregoing, the actual number of PSUs that will be earned and vest on each Vesting Date shall be determined based on performance relative to the Performance Conditions as set forth on Attachment A. In order for the PSUs to vest, the award recipient must be continuously employed as a service provider by Match Group or one of its subsidiaries through the applicable Vesting Date (the "Continuous Service Requirement"). Assuming the satisfaction of the Continuous Service Requirement, the number of PSUs that will be earned and vest on each Vesting Date shall be determined by application of the Performance Conditions to the Target PSUs as set forth on Attachment A, subject to the terms set forth in this Award Notice and the attached Terms and Conditions. The Committee shall retain the sole discretion to adjust any or all of the Performance Conditions to reflect any significant event that the Committee determines, in its good faith judgment, is likely to have a meaningful impact on the likelihood of the achievement of the Performance Conditions. Final determinations regarding the levels of Performance Conditions achieved (and corresponding number of PSUs earned) shall be made by the Committee in good faith, based on its beliefs regarding the spirit and intent of the Plan.
Impact of a Termination of Employment	Except as otherwise provided in the attached Terms and Conditions or the Plan, upon your Termination of Employment, any and all unvested PSUs will be forfeited and canceled in their entirety.
Terms and Conditions	Your PSUs are subject to the Terms and Conditions attached hereto and the Plan, which are incorporated herein by reference. Copies of these documents are available upon request from your People Department. Without a complete review of these documents, you will not have a full understanding of all the material terms of your PSUs.

ATTACHMENT A

A-1

**Terms and Conditions for Performance-Based Restricted Stock Units Granted Under the
Match Group, Inc. Amended and Restated 2017 Stock and Annual Incentive Plan**

Overview

These Terms and Conditions apply to your award of performance-based restricted stock units (the “Award”) granted pursuant to Section 7 of the Match Group, Inc. Amended and Restated 2017 Stock and Annual Incentive Plan, as amended (the “2017 Plan”). You were notified of your Award by way of an award notice (the “Award Notice”). All capitalized terms used herein, to the extent not defined, shall have the meanings set forth in the 2017 Plan.

Continuous Service

In order for your Award to vest, you must be continuously employed by Match Group, Inc. (“Match”) or any of its Subsidiaries during the Restriction Period (as defined below). Nothing in your Award Notice, these Terms and Conditions or the 2017 Plan shall confer upon you any right to continue in the employ or service of Match or any of its Subsidiaries or interfere in any way with their rights to terminate your employment or service at any time.

Vesting

Subject to these Terms and Conditions and the 2017 Plan, the performance-based restricted stock units (“PSUs”) in respect of your Award shall vest and no longer be subject to any restriction (such period during which such restriction applies is the “Restriction Period”) as specified in your Award Notice.

Termination of Employment

The treatment of the PSUs in respect of your Award upon the termination of your employment is set forth in these Terms and Conditions and the 2017 Plan. Except as set forth in your Award Notice, employment agreement (if applicable) or below, upon any termination of your employment with Match or any of its Subsidiaries during the Restriction Period for any reason (including, for the avoidance of doubt, due to your death or Disability) any unvested portion of your Award shall be forfeited and canceled in its entirety effective immediately upon such event.

If: (i) your employment is terminated for Cause or if you resign in anticipation of being terminated for Cause or (ii) following any termination of your employment for any reason, Match becomes aware that during the two (2) years prior to such termination of employment there was an event or circumstance that would have been grounds for termination for Cause that caused or is reasonably likely to cause meaningful damage (economic, reputational or otherwise) to Match and/or any of its Subsidiaries (the “Underlying Event”) (and which would not have been curable upon notice), then: (a) your Award (whether or not vested) shall be forfeited and canceled in its entirety and (b) if your Award vested after the Underlying Event, then Match shall be entitled to recover from you at any time within two (2) years after such vesting, and you shall pay over to Match, any amounts realized as a result of such vesting. This remedy shall be without prejudice to, or waiver of, any other remedies Match and/or its Subsidiaries may have in such event.

Settlement

Subject to your satisfaction of the tax obligations described immediately below under “Taxes and Withholding,” as soon as practicable after any PSUs in respect of your Award have vested and are no longer subject to the Restriction Period, such PSUs shall be settled. For each PSU settled, Match shall issue one share of Common Stock for each PSU vesting. Notwithstanding the foregoing, Match shall be entitled to hold the shares or cash issuable to you upon settlement of all PSUs that have vested until Match or the agent selected by Match to administer the 2017 Plan (the “Agent”) has received from you: (i) a duly executed Form W-9 or W-8, as applicable or (ii) payment for any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such PSUs.

Taxes and Withholding

No later than the date as of which an amount in respect of any PSUs first becomes includible in your gross income for federal, state, local or foreign income or employment or other tax purposes, Match or its Subsidiaries shall, unless prohibited by law, have the right to deduct any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount due to you, including deducting such amount from the delivery of shares or cash issued upon settlement of the PSUs that gives rise to the withholding requirement. In the event shares are deducted to cover tax withholdings, the number of shares withheld shall generally have a Fair Market Value equal to the aggregate amount of the related withholding obligation. If the event that any such deduction and/or withholding is prohibited by law, you shall, prior to or contemporaneously with the vesting of your PSUs, pay to Match, or make arrangements satisfactory to Match regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount.

Change in Control

Change in Control. “Change in Control” is defined as set forth in the Plan. The vesting of your Award will not be accelerated upon a Change in Control of Match. However, in the event that you cease to be employed within the two (2) year period following a Change in Control of Match as a result of: (i) a termination without Cause or (ii) your resignation for Good Reason, then 100% of your Award shall vest in one lump sum installment as of the date of such event. The Disaffiliation of the business or subsidiary of Match by which you are employed or for which you are performing services at the time of such sale or other disposition by Match shall be considered a Termination of Employment (*not* a Change in Control of Match) and shall be governed by the applicable provisions of the 2017 Plan and the provision set forth under the caption “Termination of Employment” above; *provided, however*, that the Committee may deem it appropriate to make an equitable adjustment to the number of PSUs and the number and kind of shares of Common Stock underlying the PSUs underlying your Award.

Non-Transferability of the PSUs

Until such time as your PSUs are ultimately settled, they shall not be transferable by you by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

No Rights as a Stockholder

Except as otherwise specifically provided in the 2017 Plan, unless and until your PSUs are settled, you shall not be entitled to any rights of a stockholder with respect to the PSUs (including the right to vote the shares underlying your PSUs and the right to receive dividends, among other rights).

Other Restrictions

The PSUs shall be subject to the requirement that, if at any time the Committee shall determine that: (i) the listing, registration or other qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval or permit of any government regulatory body, is necessary or desirable as a condition of (or in connection with) the delivery of shares, then in any such event, the award of PSUs shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

Conflicts and Interpretation

In the event of any conflict between these Terms and Conditions and the 2017 Plan, the 2017 Plan shall control; *provided*, that an action or provision that is permissive under the terms of the 2017 Plan, and required under these Terms and Conditions, shall not be deemed a conflict and these Terms and Conditions shall control. In the event of any ambiguity in these Terms and Conditions, or any matters as to which these Terms and Conditions are silent, the 2017 Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to: (i) interpret the 2017 Plan, (ii) prescribe, amend and rescind rules and regulations relating to the 2017 Plan and (iii) make all other determinations deemed necessary or advisable for the administration of the 2017 Plan. In the event of any conflict between your Award Notice (or any other information posted by Match or the Agent online or given to you directly or indirectly through the Agent) and Match’s books and records, or (ii) ambiguity in the Award Notice (or any other information posted by Match or the Agent online or given to you directly or indirectly through the Agent), Match’s books and records shall control.

Amendment

Match may modify, amend or waive the terms of your PSUs, prospectively or retroactively, but no such modification, amendment or waiver shall materially impair your rights without your consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules.

Data Protection

The acceptance of your PSUs constitutes your authorization of the release from time to time to Match or any of its Subsidiaries or Affiliates and to the Agent (together, the “Relevant Companies”) of any and all personal or professional data that is necessary or desirable for the administration of your PSUs and/or the 2017 Plan (the “Relevant Information”). Without limiting the above, this authorization permits your employing company to collect, process, register and transfer to the Relevant Companies all Relevant Information (including any professional and personal data that may be useful or necessary for the purposes of the

administration of your PSUs and/or the 2017 Plan and/or to implement or structure any further grants of equity awards (if any)). The acceptance of your PSUs also constitutes your authorization of the transfer of the Relevant Information to any jurisdiction in which Match, your employing company or the Agent considers appropriate. You shall have access to, and the right to change, the Relevant Information, which will only be used in accordance with applicable law.

Section 409A of the Code

Your Award is not intended to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the rules and regulations issued thereunder (“Section 409A”). However, if: (i) any amounts or benefits payable in respect of your Award are determined to be non-qualified deferred compensation within the meaning of Section 409A, (ii) such amounts become payable upon a termination of employment and (iii) you are a “Specified Employee” (as defined under Section 409A) as of the date of your termination of employment, then such amounts or benefits (if any) shall be paid or provided to you in a single lump sum on the earlier of (x) the first day of the seventh month following your termination of employment and (y) your death.

In no event shall Match be required to pay you any “gross-up” or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any amounts or benefits paid to you in respect of your Award.

Appendix

Notwithstanding any provision in these Terms and Conditions, if you reside outside of and/or are subject to the laws of a country outside the United States, the PSUs will be subject to any additional terms and conditions for your country set forth in the appendix to these Terms and Conditions (the “Appendix”). Further, if you transfer your residence and/or employment to a country included in the Appendix after the grant of the PSUs, the additional terms and conditions for such country will apply to you to the extent Match determines, in its sole discretion, that the application of such additional terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of these Terms and Conditions and any reference to the Terms and Conditions herein includes the Appendix.

Certification

I, Sharmistha Dubey, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 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: May 6, 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 March 31, 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: May 6, 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 March 31, 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: May 6, 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 March 31, 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: May 6, 2021

/s/ GARY SWIDLER

Gary Swidler

Chief Operating Officer and

Chief Financial Officer