

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, 2022

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 April 29, 2022, there were 285,592,764 shares of common stock outstanding.

TABLE OF CONTENTS

		Page Number
	<u>PART I</u>	
<u>Item 1.</u>	<u>Consolidated Financial Statements</u>	<u>3</u>
	<u>Consolidated Balance Sheet</u>	<u>3</u>
	<u>Consolidated Statement of Operations</u>	<u>4</u>
	<u>Consolidated Statement of Comprehensive Operations</u>	<u>5</u>
	<u>Consolidated Statement of Shareholders' Equity</u>	<u>6</u>
	<u>Consolidated Statement of Cash Flows</u>	<u>8</u>
	<u>Note 1—The Company and Summary of Significant Accounting Policies</u>	<u>9</u>
	<u>Note 2—Income Taxes</u>	<u>11</u>
	<u>Note 3—Financial Instruments</u>	<u>12</u>
	<u>Note 4—Long-term Debt, net</u>	<u>15</u>
	<u>Note 5—Accumulated Other Comprehensive Loss</u>	<u>20</u>
	<u>Note 6—Earnings per Share</u>	<u>20</u>
	<u>Note 7—Consolidated Financial Statement Details</u>	<u>21</u>
	<u>Note 8—Contingencies</u>	<u>21</u>
	<u>Note 9—Related Party Transactions</u>	<u>22</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>25</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>39</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>39</u>
	<u>PART II</u>	
<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>40</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>43</u>
<u>Item 2</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>43</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>44</u>
	<u>Signatures</u>	<u>45</u>

**PART I
FINANCIAL INFORMATION**

Item 1. Consolidated Financial Statements

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

	March 31, 2022	December 31, 2021
	(In thousands, except share data)	
ASSETS		
Cash and cash equivalents	\$ 912,434	\$ 815,384
Short-term investments	8,663	11,818
Accounts receivable, net of allowance of \$253 and \$281, respectively	180,577	188,482
Other current assets	132,136	202,568
Total current assets	1,233,810	1,218,252
Property and equipment, net of accumulated depreciation and amortization of \$184,723 and \$181,742, respectively	167,676	163,256
Goodwill	2,381,539	2,411,996
Intangible assets, net of accumulated amortization of \$47,729 and \$35,674, respectively	746,109	771,697
Deferred income taxes	345,593	334,937
Other non-current assets	168,666	163,150
TOTAL ASSETS	\$ 5,043,393	\$ 5,063,288
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current maturities of long-term debt, net	\$ 84,588	\$ 99,927
Accounts payable	22,022	37,871
Deferred revenue	262,668	262,131
Accrued expenses and other current liabilities	704,749	768,366
Total current liabilities	1,074,027	1,168,295
Long-term debt, net	3,830,965	3,829,421
Income taxes payable	12,754	13,842
Deferred income taxes	124,022	130,261
Other long-term liabilities	123,399	116,051
Redeemable noncontrolling interests	—	1,260
Commitments and contingencies		
SHAREHOLDERS' EQUITY		
Common stock; \$0.001 par value; authorized 1,600,000,000 shares; 285,505,836 and 283,470,334 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	286	283
Additional paid-in capital	8,110,463	8,164,216
Retained deficit	(7,963,981)	(8,144,514)
Accumulated other comprehensive loss	(269,217)	(223,754)
Total Match Group, Inc. shareholders' equity	(122,449)	(203,769)
Noncontrolling interests	675	7,927
Total shareholders' equity	(121,774)	(195,842)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 5,043,393	\$ 5,063,288

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,	
	2022	2021
	(In thousands, except per share data)	
Revenue	\$ 798,631	\$ 667,612
Operating costs and expenses:		
Cost of revenue (exclusive of depreciation shown separately below)	236,236	179,455
Selling and marketing expense	151,888	144,988
General and administrative expense	100,705	87,665
Product development expense	78,794	55,576
Depreciation	10,497	10,457
Amortization of intangibles	12,693	213
Total operating costs and expenses	590,813	478,354
Operating income	207,818	189,258
Interest expense	(34,896)	(31,838)
Other income (expense), net	818	(1,319)
Earnings before income taxes	173,740	156,101
Income tax benefit	6,867	17,747
Net earnings	180,607	173,848
Net (earnings) loss attributable to noncontrolling interests	(74)	402
Net earnings attributable to Match Group, Inc. shareholders	\$ 180,533	\$ 174,250
Net earnings per share attributable to Match Group, Inc. shareholders:		
Basic	\$ 0.63	\$ 0.65
Diluted	\$ 0.60	\$ 0.57
Stock-based compensation expense by function:		
Cost of revenue	\$ 1,549	\$ 989
Selling and marketing expense	1,653	1,265
General and administrative expense	23,899	18,480
Product development expense	15,194	9,382
Total stock-based compensation expense	\$ 42,295	\$ 30,116

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,	
	2022	2021
	(In thousands)	
Net earnings	\$ 180,607	\$ 173,848
Other comprehensive loss, net of tax		
Change in foreign currency translation adjustment	(45,848)	(20,609)
Total other comprehensive loss	(45,848)	(20,609)
Comprehensive income	134,759	153,239
Components of comprehensive loss (income) attributable to noncontrolling interests:		
Net (earnings) loss attributable to noncontrolling interests	(74)	402
Change in foreign currency translation adjustment attributable to noncontrolling interests	385	33
Comprehensive loss attributable to noncontrolling interests	311	435
Comprehensive income attributable to Match Group, Inc. shareholders	\$ 135,070	\$ 153,674

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, 2022

	Redeemable Noncontrolling Interests	Match Group Shareholders' Equity							
		Common Stock \$0.001 Par Value		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Total Match Group Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		\$	Shares						
		(In thousands)							
Balance as of December 31, 2021	\$ 1,260	\$ 283	283,470	\$ 8,164,216	\$ (8,144,514)	\$ (223,754)	\$ (203,769)	\$ 7,927	\$ (195,842)
Net (loss) earnings for the three months ended March 31, 2022	(442)	—	—	—	180,533	—	180,533	516	181,049
Other comprehensive loss, net of tax	—	—	—	—	—	(45,463)	(45,463)	(385)	(45,848)
Stock-based compensation expense	—	—	—	45,105	—	—	45,105	—	45,105
Issuance of Match Group common stock pursuant to stock-based awards, net of withholding taxes	—	3	2,036	(90,668)	—	—	(90,665)	—	(90,665)
Adjustment of redeemable noncontrolling interests to fair value	(818)	—	—	818	—	—	818	—	818
Purchase of noncontrolling interest	—	—	—	6,672	—	—	6,672	(23,468)	(16,796)
Adjustment of noncontrolling interests to fair value	—	—	—	(16,085)	—	—	(16,085)	16,085	—
Other	—	—	—	405	—	—	405	—	405
Balance as of March 31, 2022	\$ —	\$ 286	285,506	\$ 8,110,463	\$ (7,963,981)	\$ (269,217)	\$ (122,449)	\$ 675	\$ (121,774)

MATCH GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Unaudited) (Continued)
Three Months Ended March 31, 2021

	Redeemable Noncontrolling Interests	Match Group Shareholders' Equity							
		Common Stock \$0.001 Par Value		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Match Group Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		\$	Shares						
		(In thousands)							
Balance as of December 31, 2020	\$ 640	\$ 267	267,329	\$ 7,089,007	\$ (8,422,237)	\$ (81,454)	\$ (1,414,417)	\$ 1,042	\$ (1,413,375)
Net (loss) earnings for the three months ended March 31, 2021	(410)	—	—	—	174,250	—	174,250	8	174,258
Other comprehensive loss, 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	\$ (8,247,987)	\$ (102,030)	\$ (1,213,924)	\$ 1,017	\$ (1,212,907)

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,	
	2022	2021
	(In thousands)	
Net earnings	\$ 180,607	\$ 173,848
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Stock-based compensation expense	42,295	30,116
Depreciation	10,497	10,457
Amortization of intangibles	12,693	213
Deferred income taxes	(14,828)	(10,007)
Other adjustments, net	993	4,601
Changes in assets and liabilities		
Accounts receivable	6,144	(75,271)
Other assets	27,074	19,626
Accounts payable and other liabilities	(24,868)	(40,242)
Income taxes payable and receivable	(9,957)	(21,867)
Deferred revenue	1,867	10,834
Net cash provided by operating activities	232,517	102,308
Cash flows from investing activities:		
Capital expenditures	(17,657)	(10,290)
Other, net	2,997	(255)
Net cash used in investing activities	(14,660)	(10,545)
Cash flows from financing activities:		
Payments to settle exchangeable notes	(47,677)	—
Proceeds from the settlement of exchangeable note hedges	32,058	—
Proceeds from issuance of common stock pursuant to stock-based awards	6,304	29,973
Withholding taxes paid on behalf of employees on net settled stock-based awards	(96,969)	(10,548)
Purchase of noncontrolling interests	(10,329)	—
Other, net	—	(730)
Net cash (used in) provided by financing activities	(116,613)	18,695
Total cash provided	101,244	110,458
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(4,197)	(3,930)
Net increase in cash, cash equivalents, and restricted cash	97,047	106,528
Cash, cash equivalents, and restricted cash at beginning of period	815,512	739,302
Cash, cash equivalents, and restricted cash at end of period	\$ 912,559	\$ 845,830

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

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE 1—THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Presentation and Consolidation

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

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

Accounting Estimates

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

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

Accounting for Investments and Equity Securities

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

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

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 changes 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, 2021 was \$262.1 million. During the three months ended March 31, 2022, the Company recognized \$208.5 million of revenue that was included in the deferred revenue balance as of December 31, 2021. The current deferred revenue balance at March 31, 2022 is \$262.7 million. At March 31, 2022 and December 31, 2021, 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,	
	2022	2021
	(In thousands)	
Direct Revenue:		
Americas	\$ 399,978	\$ 344,262
Europe	215,328	189,059
APAC and Other	168,527	121,860
Total Direct Revenue	783,833	655,181
Indirect Revenue (principally advertising revenue)	14,798	12,431
Total Revenue	<u>\$ 798,631</u>	<u>\$ 667,612</u>

Recent Accounting Pronouncements*Accounting pronouncements not yet adopted by the Company*

In October 2021, the FASB issued ASU No. 2021-08, which requires entities to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*. The update will generally result in an

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

entity recognizing contract assets and contract liabilities as if the acquirer had originated the contracts, which, for the most part, results in no change to the value of deferred revenue when measured in purchase accounting. The new standard is effective on a prospective basis for fiscal years beginning after December 15, 2022, with early adoption permitted. The adoption of the new standard is not expected to have a material impact on our operating results, financial position, or cash flows.

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, is individually computed and recognized in the interim period in which it occurs. In addition, the effect of changes in enacted tax laws or rates, tax status, judgment on the realizability of beginning-of-the-year deferred tax assets in future years or unrecognized tax benefits is recognized in the interim period in which the change occurs.

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

For the three months ended March 31, 2022 and 2021, the Company recorded an income tax benefit of \$6.9 million and \$17.7 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. In addition, the 2022 period benefited from a lower tax rate on U.S. income derived from foreign sources.

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, 2013 through 2017 and has begun its audit of the years ended December 31, 2018 and 2019. The statute of limitations for the years 2013 to 2019 has been extended to December 31, 2023. We are no longer subject to U.S. federal income tax examinations for years prior to 2013. Returns filed in various other jurisdictions are open to examination for tax years beginning with 2014. 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, 2022 and December 31, 2021, unrecognized tax benefits, including interest and penalties, were \$51.7 million and \$51.8 million, respectively. If unrecognized tax benefits at March 31, 2022 are subsequently recognized, income tax expense would be reduced by \$45.8 million, net of related deferred tax assets and interest. The comparable amount as of December 31, 2021 was \$46.0 million. The Company believes that it is reasonably possible that its unrecognized tax benefits could decrease by \$1.2 million by March 31, 2023 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. Accruals of interest and penalties for the three months ended March 31, 2022 and 2021 were not material. At March 31, 2022 and December 31, 2021, noncurrent income taxes payable includes accrued interest and penalties of \$1.2 million and \$1.5 million, respectively.

MATCH GROUP, INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)****NOTE 3—FINANCIAL INSTRUMENTS****Equity securities without readily determinable fair values**

At both March 31, 2022 and December 31, 2021, 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, 2022 were \$2.1 million. For both the three months ended March 31, 2022 and 2021, 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, 2022 and December 31, 2021, the Company has elected the measurement alternative. For the three months ended March 31, 2022 and 2021, under the measurement alternative election, the Company did not identify any fair value adjustments using observable price changes in orderly transactions for an identical or similar investment of the same issuer.

Fair Value Measurements

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

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

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

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

		March 31, 2022		
		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	\$	308,628	\$ —	\$ 308,628
Time deposits		—	126,643	126,643
Short-term investments:				
Time deposits		—	8,663	8,663
Total	\$	<u>308,628</u>	<u>\$ 135,306</u>	<u>\$ 443,934</u>
		December 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	\$	260,582	\$ —	\$ 260,582
Time deposits		—	36,831	36,831
Short-term investments:				
Time Deposits		—	11,818	11,818
Total	\$	<u>260,582</u>	<u>\$ 48,649</u>	<u>\$ 309,231</u>

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.

MATCH GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
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, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Current maturities of long-term debt ^{(a) (b) (c)}	\$ (84,488)	\$ (209,505)	\$ (84,333)	\$ (254,472)
Long-term debt, net ^{(b) (c)}	\$ (3,830,965)	\$ (4,289,386)	\$ (3,829,421)	\$ (4,772,140)

(a) At March 31, 2022 and December 31, 2021, the carrying value excludes the \$0.1 million and \$15.6 million, respectively, aggregate principal amount of the exchanged 2022 Exchangeable Notes (described in “Note 4—Long-term Debt, net”) as that amount is carried at fair value as described below.

(b) At March 31, 2022 and December 31, 2021, the carrying value of current maturities of long-term debt, net includes unamortized debt issuance costs of \$0.3 million and \$0.6 million, respectively. At March 31, 2022 and December 31, 2021, the carrying value of long-term debt, net includes unamortized original issue discount and debt issuance costs of \$44.0 million and \$45.6 million, respectively.

(c) At March 31, 2022, the fair value of the 2022 Exchangeable Notes, 2026 Exchangeable Notes, and 2030 Exchangeable Notes (described in “Note 4—Long-term Debt, net”) is \$209.5 million, \$802.8 million, and \$867.6 million, respectively. At December 31, 2021, the fair value of the 2022 Exchangeable Notes, 2026 Exchangeable Notes, and 2030 Exchangeable Notes is \$302.2 million, \$932.6 million, and \$1,017.7 million, respectively.

At March 31, 2022 and December 31, 2021, the fair value of long-term debt, net, is estimated using observable market prices or indices for similar liabilities, which are Level 2 inputs.

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

NOTE 4—LONG-TERM DEBT, NET

Long-term debt consists of:

	March 31, 2022	December 31, 2021
	(In thousands)	
Credit Facility due February 13, 2025	\$ —	\$ —
Term Loan due February 13, 2027	425,000	425,000
5.00% Senior Notes due December 15, 2027 (the “5.00% Senior Notes”); interest payable each June 15 and December 15	450,000	450,000
4.625% Senior Notes due June 1, 2028 (the “4.625% Senior Notes”); interest payable each June 1 and December 1	500,000	500,000
5.625% Senior Notes due February 15, 2029 (the “5.625% Senior Notes”); interest payable each February 15 and August 15	350,000	350,000
4.125% Senior Notes due August 1, 2030 (the “4.125% Senior Notes”); interest payable each February 1 and August 1	500,000	500,000
3.625% Senior Notes due October 1, 2031 (the “3.625% Senior Notes”); interest payable each April 1 and October 1 commencing on April 1, 2022	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	84,906	100,500
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	3,959,906	3,975,500
Less: Current maturities of long-term debt	84,906	100,500
Less: Unamortized original issue discount	5,007	5,215
Less: Unamortized debt issuance costs	39,028	40,364
Total long-term debt, net	\$ 3,830,965	\$ 3,829,421

Credit Facility and Term Loan

Our wholly-owned subsidiary, Match Group Holdings II, LLC (“MG Holdings II”), is the borrower under a credit agreement (as amended, the “Credit Agreement”) that provides for the Credit Facility and the Term Loan. The Credit Agreement provides for a benchmark replacement should the LIBOR rate not be available in the future. The rate used would be agreed to between the administrative agent and the Company and may be based upon a secured overnight financing rate at the Federal Reserve Bank of New York. Additional information about the benchmark replacement can be found in Amendment No. 6 to the Credit Agreement.

The Credit Facility has a borrowing capacity of \$750 million and matures on February 13, 2025. At both March 31, 2022 and December 31, 2021, there were no outstanding borrowings, \$0.4 million in outstanding letters of credit, and \$749.6 million of availability under the Credit Facility. The annual commitment fee on undrawn funds, which is based on MG Holdings II’s consolidated net leverage ratio, was 25 basis points as of March 31, 2022. Borrowings under the Credit Facility bear interest, at MG Holdings II’s option, at a base rate or LIBOR, in each case plus an applicable margin, based on MG Holdings II’s consolidated net leverage ratio. If MG Holdings II borrows under the Credit Facility, it will be required to maintain a consolidated net leverage ratio of not more than 5.0 to 1.0.

At both March 31, 2022 and December 31, 2021, the outstanding balance on the Term Loan was \$425 million. The Term Loan bears interest at LIBOR plus 1.75%, which was 2.22% and 1.91% at March 31, 2022 and December 31, 2021, respectively. The Term Loan matures on February 13, 2027. Interest payments are due at least quarterly through the term of the loan. The Term Loan provides for annual principal payments as part of an

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

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.

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

Senior Notes

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

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

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

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

The 3.625% Senior Notes were issued on October 4, 2021. At any time prior to October 1, 2026, 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, 2022. There are additional covenants in the 5.00% Senior Notes indenture that limit the ability of MG Holdings II and its subsidiaries to, among other things, (i) incur indebtedness, make investments, or sell assets in the event MG Holdings II is not in compliance with specified financial ratios, and (ii) incur liens, enter into agreements restricting their ability to pay dividends, enter into transactions with affiliates, or consolidate, merge or sell substantially all of their assets. The indentures governing the 3.625%, 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.

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

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 Exchangeable Notes were exchangeable as of March 31, 2022. A total of \$0.1 million of the 2022 Exchangeable Notes were presented for exchange during the three months ended March 31, 2022 and were subsequently settled in April 2022. No other Exchangeable Notes were presented for exchange during the three months ended March 31, 2022. During the three months ended March 31, 2022, \$15.6 million aggregate principal amount of the 2022 Exchangeable Notes which were presented for exchange in 2021 were settled.

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 Exchangeable Note outstanding as of March 31, 2022 and December 31, 2021 based on the Company's stock price on March 31, 2022 and December 31, 2021, respectively.

	March 31, 2022		December 31, 2021	
	(In millions)			
2022 Exchangeable Notes	\$	124.8	\$	170.4
2026 Exchangeable Notes	\$	139.4	\$	293.9
2030 Exchangeable Notes	\$	167.4	\$	327.9

Additionally, all or any portion of the 2026 Exchangeable Notes and 2030 Exchangeable Notes may be redeemed for cash, at the respective issuer's 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 outstanding Exchangeable Notes as of March 31, 2022 and December 31, 2021:

	March 31, 2022			December 31, 2021		
	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes
	(In thousands)					
Principal	\$ 84,906	\$ 575,000	\$ 575,000	\$ 100,500	\$ 575,000	\$ 575,000
Less: Unamortized debt issuance costs	318	6,744	8,393	573	7,130	8,638
Net carrying value included in current maturities of long-term debt, net	\$ 84,588	\$ —	\$ —	\$ 99,927	\$ —	\$ —
Net carrying value included in long-term debt, net	\$ —	\$ 568,256	\$ 566,607	\$ —	\$ 567,870	\$ 566,362

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

	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes	2022 Exchangeable Notes	2026 Exchangeable Notes	2030 Exchangeable Notes
	(In thousands)					
Contractual interest expense	\$ 186	\$ 1,258	\$ 2,875	\$ 1,132	\$ 1,258	\$ 2,875
Amortization of debt issuance costs	150	386	245	907	401	257
Total interest expense recognized	\$ 336	\$ 1,644	\$ 3,120	\$ 2,039	\$ 1,659	\$ 3,132

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

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

Exchangeable Notes Hedges and Warrants

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

The Exchangeable Notes Hedges are expected to reduce the potential dilutive effect on the Company’s common stock upon any exchange of Exchangeable 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 outstanding at March 31, 2022:

	Number of Shares ^(a)	Approximate Equivalent Exchange Price per Share ^(a)
	(Shares in millions)	
2022 Exchangeable Notes Hedge	1.9	\$ 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	2.4	\$ 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.

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

NOTE 5—ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table presents the components of accumulated other comprehensive loss. For the three months ended March 31, 2022 and 2021, the Company's accumulated other comprehensive loss relates to foreign currency translation adjustments.

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
Balance at January 1	\$ (223,754)	\$ (81,454)
Other comprehensive loss	(45,463)	(20,576)
Balance at March 31	<u>\$ (269,217)</u>	<u>\$ (102,030)</u>

At both March 31, 2022 and 2021, there was no tax benefit or provision on the accumulated other comprehensive loss.

NOTE 6—EARNINGS PER SHARE

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,			
	2022		2021	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Numerator				
Net earnings	\$ 180,607	\$ 180,607	\$ 173,848	\$ 173,848
Net (earnings) loss attributable to noncontrolling interests	(74)	(74)	402	402
Impact from subsidiaries' dilutive securities	—	(98)	—	(467)
Interest on dilutive Exchangeable Notes, net of income tax ^(a)	—	3,339	—	4,075
Net earnings attributable to Match Group, Inc. shareholders	\$ 180,533	\$ 183,774	\$ 174,250	\$ 177,858
Denominator				
Weighted average basic shares outstanding	284,459	284,459	268,649	268,649
Dilutive securities ^{(b)(c)}	—	7,116	—	16,774
Dilutive shares from Exchangeable Notes, if-converted ^(a)	—	15,327	—	25,162
Denominator for earnings per share—weighted average shares ^{(b)(c)}	284,459	306,902	268,649	310,585
Earnings per share:				
Earnings per share attributable to Match Group, Inc. shareholders	\$ 0.63	\$ 0.60	\$ 0.65	\$ 0.57

(a) The Company uses the if-converted method for calculating the dilutive impact of the outstanding Exchangeable Notes. For the three months ended March 31, 2022 and 2021, the Company adjusted net earnings attributable to Match Group, Inc. shareholders for the cash interest expense, net of income taxes, incurred on the 2022, 2026, and 2030 Exchangeable Notes and dilutive shares were included for the same set of notes at the Match Group exchange rates.

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

- (b) 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, 2022 and 2021, 1.2 million and 0.7 million potentially dilutive securities, respectively, are excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.
- (c) Market-based awards and performance-based restricted stock 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, 2022 and 2021, 1.4 million and 0.5 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 7—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, 2022	December 31, 2021	March 31, 2021	December 31, 2020
	(In thousands)			
Cash and cash equivalents	\$ 912,434	\$ 815,384	\$ 845,696	\$ 739,164
Restricted cash included in other current assets	125	128	134	138
Total cash, cash equivalents, and restricted cash as shown on the consolidated statement of cash flows	<u>\$ 912,559</u>	<u>\$ 815,512</u>	<u>\$ 845,830</u>	<u>\$ 739,302</u>

NOTE 8—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 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

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

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 alleged 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 asserted 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 sought 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. Trial commenced on November 8, 2021. On December 1, 2021, the parties entered into a Binding Global Settlement Agreement Term Sheet, pursuant to which we will pay \$441 million in 2022 to settle all claims in trial and in arbitration.

FTC Lawsuit Against Former Match Group

On September 25, 2019, 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 issued 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, ruling that the FTC cannot seek equitable monetary relief under Section 13(b) of the FTC Act. On March 24, 2022, the court granted our motion to dismiss with prejudice on Claims I and II of the complaint relating to communication notifications and granted our motion to dismiss with respect to all requests for monetary damages on Claims III and IV relating to the guarantee offer and chargeback policy. The court otherwise denied our motion to dismiss. We believe that the FTC's claims regarding Match.com's practices, policies, and procedures are without merit and will defend vigorously against them.

NOTE 9—RELATED PARTY TRANSACTIONS**Relationship with IAC following the Separation**

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/InterActiveCorp, formerly known as IAC Holdings, Inc. ("IAC"), consisting of Former IAC's businesses other than Match Group (the "Separation"). The Separation was effected pursuant to the terms of the Transaction Agreement (the "Transaction Agreement") dated as of December 19, 2019 and amended as of April 28, 2020 and as further amended as of June 22, 2020.

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

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

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. For the three months ended March 31, 2022, the Company received less than \$0.1 million from IAC pursuant to the Los Angeles lease.

Match Group has a receivable balance of \$0.2 million due from IAC at March 31, 2022.

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, 2022, Match Group is obligated to remit to IAC \$1.3 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, 2022, 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, 2022, 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.

For the three months ended March 31, 2022, the Company received \$0.4 million from IAC for services provided to IAC under the transition 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.

For the three months ended March 31, 2022, the Company paid IAC less than \$0.1 million for the cost of IAC equity awards held by the Company's employees upon vesting. At March 31, 2022, the Company has accrued \$0.9 million as the estimated cost due to IAC for IAC equity awards held by Match Group employees.

MATCH GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

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

Key Terms:

Operating and financial metrics:

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

Operating costs and expenses:

- **Cost of revenue** - consists primarily of the amortization of in-app purchase fees, compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in data center and customer care functions, credit card processing fees, hosting fees, live video costs, and data center rent, energy and bandwidth costs. In-app purchase fees are monies 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, 2022 and December 31, 2021, there was \$0.4 million in outstanding letters of credit and \$749.6 million of availability under the Credit Facility.

- **Term Loan** - The term loan facility under the credit agreement of MG Holdings II. At December 31, 2021, the Term Loan bore interest at LIBOR plus 1.75% and the then applicable rate was 1.91%. As of March 31, 2022, the applicable rate was 2.22% and \$425 million was outstanding.
- **5.00% Senior Notes** - MG Holdings II's 5.00% Senior Notes due December 15, 2027, with interest payable each June 15 and December 15, which were issued on December 4, 2017. As of March 31, 2022, \$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, 2022, \$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, 2022, \$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, 2022, \$500 million aggregate principal amount was outstanding.
- **3.625% Senior Notes** - MG Holdings II's \$500 million aggregate principal amount of 3.625% Senior Notes due October 1, 2031, with interest payable each April 1 and October 1, commencing on April 1, 2022, which were issued on October 4, 2021. As of March 31, 2022, \$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, 2022, \$84.9 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, 2022, \$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, 2022, \$575 million aggregate principal amount was outstanding.

Non-GAAP financial measure:

- **Adjusted Operating Income** - is a Non-GAAP financial measure. See "Non-GAAP Financial Measures" below for the definition of Adjusted Operating Income and a reconciliation of net earnings attributable to Match Group, Inc. shareholders to operating income and Adjusted Operating Income.

Management Overview

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

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

For a more detailed description of the Company's operating businesses, see "Item 1. Business" of the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

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.

Results of Operations for the three months ended March 31, 2022 compared to the three months ended March 31, 2021
Revenue

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
	(In thousands, except RPP)			
Direct Revenue:				
Americas	\$ 399,978	\$ 55,716	16%	\$ 344,262
Europe	215,328	26,269	14%	189,059
APAC and Other	168,527	46,667	38%	121,860
Total Direct Revenue	783,833	128,652	20%	655,181
Indirect Revenue	14,798	2,367	19%	12,431
Total Revenue	\$ 798,631	\$ 131,019	20%	\$ 667,612
Percentage of Total Revenue:				
Direct Revenue:				
Americas	50%			52%
Europe	27%			28%
APAC and Other	21%			18%
Total Direct Revenue	98%			98%
Indirect Revenue	2%			2%
Total Revenue	100%			100%
Payers:				
Americas	8,159	564	7%	7,595
Europe	4,732	477	11%	4,255
APAC and Other	3,443	876	34%	2,567
Total	16,334	1,917	13%	14,417
RPP:				
Americas	\$ 16.34	\$ 1.23	8%	\$ 15.11
Europe	\$ 15.17	\$ 0.36	2%	\$ 14.81
APAC and Other	\$ 16.32	\$ 0.49	3%	\$ 15.83
Total	\$ 16.00	\$ 0.85	6%	\$ 15.15

Americas Direct Revenue grew \$55.7 million, or 16%, in 2022 versus 2021, driven by 8% growth in RPP and 7% growth in Payers. RPP growth was driven by both higher subscriptions and increased à la carte purchases at Tinder and Hinge. Growth in Payers was primarily driven by Tinder with contributions from Hinge and the Swipe Apps (BLK, Chispa, and Upward), partially offset by decreases at Match, Match Affinity, and PlentyOfFish.

Europe Direct Revenue grew \$26.3 million, or 14%, in 2022 versus 2021, driven by 11% growth in Payers and 2% growth in RPP. Growth in Payers was primarily due to Tinder and the acquisition of Hyperconnect in the second quarter of 2021. RPP growth was driven by Tinder and the acquisition of Hyperconnect, which has a higher RPP relative to our other brands, offset by unfavorable impacts from the strength of the U.S. dollar compared to the Euro between the two periods.

APAC and Other Direct Revenue grew \$46.7 million, or 38%, in 2022 versus 2021, driven by 34% growth in Payers and 3% growth in RPP. Payer growth was primarily driven by Tinder and the acquisition of Hyperconnect.

RPP growth was primarily due to the acquisition of Hyperconnect, but was partially offset by the strength of the U.S. dollar compared to the Japanese Yen and Turkish Lira.

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

Cost of revenue (exclusive of depreciation)

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
	(Dollars in thousands)			
Cost of revenue	\$ 236,236	\$ 56,781	32%	\$ 179,455
Percentage of revenue	30%			27%

Cost of revenue increased primarily due to the acquisition of Hyperconnect. Excluding the increase from the Hyperconnect acquisition, cost of revenue increased 17% primarily due to an increase in in-app purchase fees of \$19.6 million, as revenue continues to be increasingly sourced through mobile app stores; an increase in hosting fees of \$6.6 million; and an increase in compensation expense of \$4.8 million related to increased costs in customer care.

Selling and marketing expense

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
	(Dollars in thousands)			
Selling and marketing expense	\$ 151,888	\$ 6,900	5%	\$ 144,988
Percentage of revenue	19%			22%

Selling and marketing expense increased primarily due to the acquisition of Hyperconnect. Excluding Hyperconnect, selling and marketing expense decreased \$7.7 million due to lower marketing spend at multiple brands.

General and administrative expense

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
	(Dollars in thousands)			
General and administrative expense	\$ 100,705	\$ 13,040	15%	\$ 87,665
Percentage of revenue	13%			13%

Excluding Hyperconnect and related acquisition expenses incurred in 2021, general and administrative expense increased 13% primarily due to an increase in compensation expense of \$6.1 million primarily related to 1) an increase in stock-based compensation expense associated with new awards granted in the current year, partially offset by lower modification expense in 2022, and 2) an increase in headcount; an increase in software license fees of \$2.3 million; and an increase in travel and entertainment expenses of \$2.4 million as our return to office activities continue to progress.

Product development expense

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
	(Dollars in thousands)			
Product development expense	\$ 78,794	\$ 23,218	42%	\$ 55,576
Percentage of revenue	10%			8%

Product development expense increased in part due to the acquisition of Hyperconnect. Excluding Hyperconnect, product development expense increased 28% primarily due to an increase in compensation expense of \$11.4 million primarily related to increased headcount at Tinder and Hinge, and an increase in stock-based compensation associated with new awards granted in the current year.

Depreciation

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
	(Dollars in thousands)			
Depreciation	\$ 10,497	\$ 40	—%	\$ 10,457
Percentage of revenue	1%			2%

Depreciation was flat compared to the prior year period.

Amortization of intangibles

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
	(Dollars in thousands)			
Amortization of intangibles	\$ 12,693	\$ 12,480	NM	\$ 213
Percentage of revenue	2%			—%

NM = not meaningful

Amortization of intangibles increased primarily due to an increase in definite-lived intangibles related to the acquisition of Hyperconnect.

Operating income and Adjusted Operating Income

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
(Dollars in thousands)				
Operating income	\$ 207,818	\$ 18,560	10%	\$ 189,258
Percentage of revenue	26%			28%
Adjusted Operating Income	\$ 273,303	\$ 43,259	19%	\$ 230,044
Percentage of revenue	34%			34%

For a reconciliation of net earnings attributable to Match Group, Inc. shareholders to Adjusted Operating Income, see “Non-GAAP Financial Measures.”

Operating income and Adjusted Operating Income increased 10% or \$18.6 million and 19% or \$43.3 million, respectively, primarily driven by the increase in revenue of \$131.0 million which was driven by 1) growth at Tinder and Hinge, and 2) the acquisition of Hyperconnect; and lower selling marketing expense as a percentage of revenue; partially offset by an increase in cost of revenue due to higher in-app fees, as revenue continues to shift to mobile app stores, and an increase in product and development expense primarily due to increases in compensation expense. Operating income was further impacted by higher amortization of intangibles due to the acquisition of Hyperconnect.

At March 31, 2022, there was \$458.9 million of unrecognized compensation cost, net of estimated forfeitures, related to 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,			
	2022	\$ Change	% Change	2021
(Dollars in thousands)				
Interest expense	\$ 34,896	\$ 3,058	10%	\$ 31,838

Interest expense increased primarily due to the issuance of the 3.625% Senior Notes on October 4, 2021; partially offset by decreases due to the settlement of a portion of the 2022 Exchangeable Notes.

Other income (expense), net

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
(Dollars in thousands)				
Other income (expense), net	\$ 818	\$ 2,137	NM	\$ (1,319)

Other income, net in 2022 includes mark-to-market adjustments pertaining to a liability classified equity instrument.

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

Income tax provision

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
	(Dollars in thousands)			
Income tax benefit	\$ (6,867)	\$ 10,880	(61)%	\$ (17,747)
Effective income tax rate	NM			NM

The income tax provision in each of 2022 and 2021 benefited from excess tax benefits generated by the exercise or vesting of stock-based awards. In addition, the 2022 period benefited from a lower tax rate on U.S. income derived from foreign sources.

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 9—Related Party Transactions” to the consolidated financial statements included in “Item 1—Consolidated Financial Statements.”

NON-GAAP FINANCIAL MEASURES

Match Group reports Adjusted Operating Income and Revenue excluding foreign exchange effects, both of which are supplemental measures to U.S. generally accepted accounting principles (“GAAP”). Adjusted Operating Income 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 how our business performed 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 Operating Income

Adjusted Operating Income 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 this measure 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 Operating Income measure because they are non-cash in nature. Adjusted Operating Income has certain limitations because it excludes the impact of certain expenses.

Non-Cash Expenses That Are Excluded From Adjusted Operating Income

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, we remit the required tax-withholding amounts from 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 operating income and Adjusted Operating Income:

	Three Months Ended March 31,	
	2022	2021
	(In thousands)	
Net earnings attributable to Match Group, Inc. shareholders	\$ 180,533	\$ 174,250
Add back:		
Net earnings (loss) attributable to noncontrolling interests	74	(402)
Income tax benefit	(6,867)	(17,747)
Other (income) expense, net	(818)	1,319
Interest expense	34,896	31,838
Operating Income	207,818	189,258
Stock-based compensation expense	42,295	30,116
Depreciation	10,497	10,457
Amortization of intangibles	12,693	213
Adjusted Operating Income	\$ 273,303	\$ 230,044

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 tables present the impact of foreign exchange effects on total revenue and Direct Revenue by geographic region, and RPP on a total basis and by geographic region, for the three months ended March 31, 2022, compared to the three months ended March 31, 2021:

	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
	(Dollars in thousands)			
Revenue, as reported	\$ 798,631	\$ 131,019	20%	\$ 667,612
Foreign exchange effects	26,171			
Revenue excluding foreign exchange effects	<u>\$ 824,802</u>	<u>\$ 157,190</u>	<u>24%</u>	<u>\$ 667,612</u>
Americas Direct Revenue, as reported	\$ 399,978	\$ 55,716	16%	\$ 344,262
Foreign exchange effects	367			
Americas Direct Revenue, excluding foreign exchange effects	<u>\$ 400,345</u>	<u>\$ 56,083</u>	<u>16%</u>	<u>\$ 344,262</u>
Europe Direct Revenue, as reported	\$ 215,328	\$ 26,269	14%	\$ 189,059
Foreign exchange effects	13,800			
Europe Direct Revenue, excluding foreign exchange effects	<u>\$ 229,128</u>	<u>\$ 40,069</u>	<u>21%</u>	<u>\$ 189,059</u>
APAC and Other Direct Revenue, as reported	\$ 168,527	\$ 46,667	38%	\$ 121,860
Foreign exchange effects	11,753			
APAC and Other Direct Revenue, excluding foreign exchange effects	<u>\$ 180,280</u>	<u>\$ 58,420</u>	<u>48%</u>	<u>\$ 121,860</u>
	Three Months Ended March 31,			
	2022	\$ Change	% Change	2021
RPP, as reported	\$ 16.00	\$ 0.85	6%	\$ 15.15
Foreign exchange effects	0.52			
RPP, excluding foreign exchange effects	<u>\$ 16.52</u>	<u>\$ 1.37</u>	<u>9%</u>	<u>\$ 15.15</u>
Americas RPP, as reported	\$ 16.34	\$ 1.23	8%	\$ 15.11
Foreign exchange effects	0.02			
Americas RPP, excluding foreign exchange effects	<u>\$ 16.36</u>	<u>\$ 1.25</u>	<u>8%</u>	<u>\$ 15.11</u>
Europe RPP, as reported	\$ 15.17	0.36	2%	\$ 14.81
Foreign exchange effects	0.97			
Europe RPP, excluding foreign exchange effects	<u>\$ 16.14</u>	<u>\$ 1.33</u>	<u>9%</u>	<u>\$ 14.81</u>
APAC and Other RPP, as reported	\$ 16.32	\$ 0.49	3%	\$ 15.83
Foreign exchange effects	1.13			
APAC and Other RPP, excluding foreign exchange effects	<u>\$ 17.45</u>	<u>\$ 1.62</u>	<u>10%</u>	<u>\$ 15.83</u>

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	March 31, 2022	December 31, 2021
	(In thousands)	
Cash and cash equivalents:		
United States	\$ 771,991	\$ 642,686
All other countries	140,443	172,698
Total cash and cash equivalents	912,434	815,384
Short-term investments	8,663	11,818
Total cash and cash equivalents and short-term investments	\$ 921,097	\$ 827,202
Long-term debt:		
Credit Facility due February 13, 2025	\$ —	\$ —
Term Loan due February 13, 2027	425,000	425,000
5.00% Senior Notes due December 15, 2027	450,000	450,000
4.625% Senior Notes due June 1, 2028	500,000	500,000
5.625% Senior Notes due February 15, 2029	350,000	350,000
4.125% Senior Notes due August 1, 2030	500,000	500,000
3.625% Senior Notes due October 1, 2031	500,000	500,000
2022 Exchangeable Notes	84,906	100,500
2026 Exchangeable Notes	575,000	575,000
2030 Exchangeable Notes	575,000	575,000
Total long-term debt	3,959,906	3,975,500
Less: Current maturities of long-term debt	84,906	100,500
Less: Unamortized original issue discount	5,007	5,215
Less: Unamortized debt issuance costs	39,028	40,364
Total long-term debt, net	\$ 3,830,965	\$ 3,829,421

Long-term Debt

For a detailed description of long-term debt, see “Note 4—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,	
	2022	2021
	(In thousands)	
Net cash provided by operating activities	\$ 232,517	\$ 102,308
Net cash used in investing activities	(14,660)	(10,545)
Net cash (used in) provided by financing activities	(116,613)	18,695

2022

Net cash provided by operating activities in 2022 includes adjustments to earnings of \$42.3 million of stock-based compensation expense, \$12.7 million of amortization, and \$10.5 million of depreciation, partially offset by deferred income taxes of \$14.8 million primarily related to the net operating loss carryforward created by the settlement of stock-based awards and deferred tax assets created by the capitalization of research and

development costs. The increase in cash from changes in working capital primarily consists of an increase from other assets of \$27.1 million primarily due to the settlement of a derivative asset related to the 2022 Exchangeable Notes Hedges and the amortization of prepaid hosting services, and a decrease in accounts receivable of \$6.1 million. These changes were partially offset by a decrease in accounts payable and other liabilities of \$24.9 million due mainly to the payment of a liability related to the 2022 Exchangeable Notes presented for exchange and due to the timing of payments, including interest payments and a decrease in income taxes payable of \$10.0 million primarily related to the timing of payments related to international taxes.

Net cash used in investing activities in 2022 consists primarily of capital expenditures of \$17.7 million that are primarily related to internal development of software and purchases of computer hardware to support our services.

Net cash used in financing activities in 2022 is primarily due to payments of \$97.0 million of withholding taxes paid on behalf of employees for net settled equity awards, and payments of \$47.7 million to repurchase a portion of the outstanding 2022 Exchangeable Notes. These payments were partially offset by proceeds of \$32.1 million related to the settlement of certain outstanding note hedges associated with the settlement of a portion of the 2022 Exchangeable Notes, and \$6.3 million of proceeds from the issuance of common stock pursuant to stock-based awards.

2021

Net cash provided by operating activities 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 the 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 in 2021 consists primarily of capital expenditures of \$10.3 million that are primarily related to internal development of software and purchases of computer hardware to support our services.

Net cash provided by financing activities 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.

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, 2022, \$749.6 million was available under the Credit Facility that expires on February 13, 2025.

The Company has various obligations related to long-term debt instruments and operating leases. For additional information on long-term debt, including maturity dates and interest rates, see "Note 4—Long-term Debt, net" to the consolidated financial statements included in "Item 1—Consolidated Financial Statements." For additional information on the operating lease payments, including a schedule of obligations by year, see "Note 13—Leases" to the consolidated financial statements included in "Item 8—Consolidated Financial Statements and Supplementary Data" of the Company's Annual Report on Form 10-K for the year ended December 31, 2021. The Company believes it has sufficient cash flows from operations to satisfy these future obligations.

We expect to pay \$441 million from cash on hand in 2022 in connection with the settlement of *Rad, et al. v. IAC/InterActiveCorp, et al.* and related arbitrations.

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 2022 cash capital expenditures will be

between \$65 million and \$75 million, a decrease from 2021 cash capital expenditures as several leasehold and building improvements were completed in 2021.

We have entered into various purchase commitments, primarily consisting of web hosting services. Our obligations under these various purchase commitments are \$6.0 million for the remainder of 2022 and between \$7.0 million and \$12.5 million per year from 2023 through 2026.

The Company does not have any off-balance sheet arrangements, other than those described above, at March 31, 2022.

On May 2, 2022, our Board of Directors approved a new share repurchase program (the “Share Repurchase Program”) to repurchase up to 12.5 million shares of our common stock. Under the Share Repurchase Program, shares of our common stock may be purchased on a discretionary basis from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases, privately negotiated transactions or other means, including through Rule 10b5-1 trading plans. The Share Repurchase Program may be commenced, suspended or discontinued at any time.

As of March 31, 2022, 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.

CRITICAL ACCOUNTING POLICIES AND 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 U.S. GAAP. These estimates, judgments and assumptions impact the reported amount of assets, liabilities, revenue and expenses and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

During the three months ended March 31, 2022, there were no material changes to the Company’s critical accounting policies and estimates since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2021.

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

During the three months ended March 31, 2022, 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, 2021.

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 trademark and patent infringement claims, trademark oppositions, and consumer or advertising complaints, as well as stockholder derivative actions, class action lawsuits, mass arbitrations, and other matters. The amounts that may be recovered in such matters may be subject to insurance coverage. The litigation matters described below involve issues or claims that may be of particular interest to our stockholders, regardless of whether any of these matters may be material to our financial position or operations based upon the standard set forth in the SEC's rules.

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

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

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

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

In a related development, on June 21, 2019, in a substantially similar putative class action asserting the same substantive claims and pending in federal district court in California, the court entered judgment granting final approval of a class-wide settlement, the terms of which are not material to the Company. See *Lisa Kim v. Tinder, Inc.*, No. 18-cv-3093 (Central District of California). Because the approved settlement class in *Kim* subsumes the proposed settlement class in *Candalore*, the judgment in *Kim* would effectively render *Candalore* a single-plaintiff lawsuit. Accordingly, on July 11, 2019, two objectors to the *Kim* settlement, represented by the plaintiff's counsel in *Candalore*, filed a notice of appeal from the *Kim* judgment with the U.S. Court of Appeals for the Ninth Circuit. Oral argument on the appeal occurred on January 15, 2021. On August 17, 2021, the U.S. Court of Appeals for the Ninth Circuit reversed and remanded the district court's decision. On November 3, 2021, the trial court granted preliminary approval of the settlement. On December 13, 2021, plaintiff filed an amended motion for final approval of the proposed settlement agreement, the terms of which are not material to the Company. On March 4, 2022, the trial court granted final approval of the settlement agreement. On March 31, 2022, the same objectors as previously filed a notice of appeal from the *Kim* judgement with the U.S. Court of Appeals for the Ninth Circuit.

On November 13, 2019, the trial court in *Candalore* issued an order staying the class claims in the case pending the Ninth Circuit's decision on the *Kim* appeal. On October 5, 2021, the trial court lifted the stay. We believe that the allegations in the *Candalore* lawsuit are without merit and will continue to defend vigorously against it.

Tinder Optionholder Litigation Against Former Match Group and Match Group

On August 14, 2018, ten then-current and former employees of Match Group, LLC or Tinder, Inc. (“Tinder”), a former subsidiary of Former Match Group, filed a lawsuit in New York state court against Former Match Group and Match Group. See *Sean Rad et al. v. IAC/InterActiveCorp and Match Group, Inc.*, No. 654038/2018 (Supreme Court, New York County). The complaint alleged 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 asserted 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 sought 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. On August 24, 2021, the arbitrator granted our summary judgment with respect to the merger claims. On June 9, 2021, the plaintiffs in *Rad* filed a Note of Issue and Certificate of Readiness for Trial in which they amended the amount of damages they were claiming to “[m]ore than \$5.6 billion”. On October 1, 2021, the court granted defendants’ motion for summary judgment on plaintiffs’ tort claims and breach of contract claims regarding the merger. Trial commenced on November 8, 2021. On December 1, 2021, the parties entered into a Binding Global Settlement Agreement Term Sheet, pursuant to which we will pay \$441 million in 2022 to settle all claims in trial and in arbitration.

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 issued 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, ruling that the FTC cannot seek equitable monetary relief under Section 13(b) of the FTC Act. On March 24, 2022, the court granted our motion to dismiss with prejudice on Claims I and II of the complaint relating to communication notifications and granted our motion to dismiss with respect to all requests for monetary damages on Claims III and IV relating to the guarantee offer and chargeback policy. The court otherwise denied our motion to dismiss. 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. On November 19, 2021, the court denied defendants' motion to dismiss. On February 24, 2022, plaintiffs filed their motion for class certification. 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. In light of the *Crutchfield* decision, the stay was lifted, and plaintiff filed an amended complaint on March 16, 2022. 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. On January 10, 2022, Ochoa filed an amended complaint. On March 2, 2022, defendants filed a motion to dismiss. We believe that the allegations in these lawsuits are without merit and will defend vigorously against them.

Irish Data Protection Commission Inquiry Regarding Tinder's Practices

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

Newman Derivative and Stockholder Class Action Regarding Separation Transaction

On June 24, 2020, a Former Match Group shareholder filed a complaint in the Delaware Court of Chancery against Former Match Group and its board of directors, as well as Match Group, IAC Holdings, Inc., and Barry Diller seeking to recover unspecified monetary damages on behalf of the Company and directly as a result of his ownership of Former Match Group stock in relation to the separation of Former Match Group from its former majority shareholder, Match Group. See *David Newman et al. v. IAC/Interactive Corp. et al.*, C.A. No. 2020-0505-MTZ (Delaware Court of Chancery). The complaint alleges that the special committee established by Former Match Group's board of directors to negotiate with Match Group regarding the separation transaction was not sufficiently independent of control from Match Group and Mr. Diller and that Former Match Group board members failed to adequately protect Former Match Group's interest in negotiating the separation transaction, which resulted in a transaction that was unfair to Former Match Group and its shareholders. On January 21, 2021, the case was consolidated with other shareholder actions, and an amended complaint was filed on April 14, 2021. See *In Re Match Group, Inc. Derivative Litigation*, Consolidated C.A. No. 2020-0505-MTZ (Delaware Court of Chancery). Plaintiffs filed another amended complaint on November 2, 2021. Defendants filed a motion to dismiss on December 10, 2021. We believe that the allegations in this lawsuit are without merit and will defend vigorously against it.

FTC Investigation of Certain Subsidiary Data Privacy Representations

On March 19, 2020, the FTC issued an initial Civil Investigative Demand (“CID”) to the Company requiring us to produce certain documents and information regarding the allegedly wrongful conduct of OkCupid in 2014 and our public statements in 2019 regarding such conduct and whether such conduct and statements were unfair or deceptive under the FTC Act. We believe the FTC’s investigation is without merit, but have continued to cooperate with it, including by providing testimony pursuant to additional CIDs.

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 and prospects in the industries in which Match Group’s businesses operate, and other similar matters. These forward-looking statements are based on Match Group management’s current expectations and assumptions about future events as of the date of this quarterly report, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.

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

Certain of these and other risks and uncertainties are discussed in Match Group’s filings with the Securities and Exchange Commission, including in Part I “Item 1A. Risk Factors” of our annual report on Form 10-K for the fiscal year ended December 31, 2021. 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, 2022.

Issuer Purchases of Equity Securities

The Company did not purchase any shares of its common stock during the quarter ended March 31, 2022.

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	
10.1	2022 Form of Award Agreement for Performance-based Restricted Stock Units granted under the Match Group, Inc. Amended and Restated 2017 Stock and Annual Incentive Plan.					†
10.2	2022 Form of Award Agreement for 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, 2022

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, 2022

Match Group, Inc. Notice of Performance-Based Restricted Stock Unit Grant (“Award Notice”)

This Award Notice is to notify the Award Recipient set forth below that you have been granted an award (the “**Award**”) of performance-based restricted stock units (“**PSUs**”) (the “**Target PSUs**”) under the Match Group, Inc. Amended and Restated 2017 Stock and Annual Incentive Plan, as amended (the “**2017 Plan**”), 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 for Performance-Based Restricted Stock Units, including the additional terms and conditions for your country set forth in the appendix attached thereto (the “**Appendix**” and, together with the Terms and Conditions for Performance-Based Restricted Stock Units, the “**PSU T&C’s**”), and the 2017 Plan. Capitalized terms used (but not defined) in this Award Notice shall have the meanings set forth in the 2017 Plan.

Award Recipient:

Number of Shares Subject to Target PSUs _____ Shares

Award Date:

Performance-Based Vesting Conditions

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 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 the 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 PSU T&C’s.

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 PSU T&C’s or the 2017 Plan, upon your Termination of Employment, any and all unvested PSUs underlying your Award will be forfeited and canceled in their entirety.

Terms and Conditions:

Your PSUs are subject to the PSU T&C’s and to the 2017 Plan, which are incorporated herein by reference. A copy of the 2017 Plan is available upon request from Match Group’s People Department or by emailing EmployeeEquity@match.com.

Without a complete review of these documents, you will not have a full understanding of all the material terms of your PSUs.

You are required to accept this Award of PSUs by clicking “Accept” on the Morgan Stanley Shareworks award acceptance page or providing your consent by such procedures as may be prescribed by Match Group (including by other electronic acceptance procedures) *within 90 days after the “Award Date” contained in this Award Notice*. If you do not accept the Award of PSUs within 90 days of the Award Date, the PSUs will be cancelled and forfeited, and you will not be entitled to any of the PSUs, any of the Shares subject to the PSUs or any equivalent benefit.

By accepting the PSUs, you acknowledge receipt of a copy of the 2017 Plan and agree (i) that this Award of PSUs is granted under and governed by the 2017 Plan, the PSU T&C’s and this Award Notice, (ii) that you have reviewed the 2017 Plan, the PSU T&C’s and this Award Notice in their entirety, have had an opportunity to obtain the advice of counsel, and fully understand all provisions of the 2017 Plan, the PSU T&C’s and this Award Notice, and (iii) to accept as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions relating to the 2017 Plan, the PSU T&C’s and the Award Notice.

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 for Performance-Based Restricted Stock Units, including the additional terms and conditions for your country set forth in the appendix attached hereto (the “Appendix” and, together with these Terms and Conditions for Performance-Based Restricted Stock Units, the “PSU T&C’s”) 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”), and the Notice of Performance-Based Restricted Stock Unit Grant (the “Award Notice”) to which these PSU T&C’s are attached. 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 Group”) or one of its Subsidiaries during the Restriction Period (as defined below). Nothing in your Award Notice, these PSU T&C’s or the 2017 Plan shall confer upon you any right to continue in the employ or service of Match Group 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 PSU T&C’s 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 a Termination of Employment is set forth in these PSU T&C’s and the 2017 Plan. Except as set forth in your Award Notice, employment agreement (if applicable) or below, upon any Termination of Employment 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 Group 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 Group 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 Group shall be entitled to recover from you at any time within two (2) years after such vesting, and you shall pay over to Match Group, any amounts realized as a result of such vesting. This remedy shall be without prejudice to, or waiver of, any other remedies Match Group and/or its Subsidiaries may have in such event.

Settlement

Subject to your satisfaction of any withholding obligations for Tax-Related Items defined and described immediately below under “Responsibility for 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 Group shall issue one Share for each PSU vesting. Notwithstanding the foregoing, Match Group shall be entitled to hold the Shares or cash issuable to you upon settlement of all PSUs that have vested until Match Group or the agent selected by Match Group 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 Tax-Related Items of any kind required by law to be withheld with respect to such PSUs.

Responsibility for Taxes and Withholding

You acknowledge that, regardless of any action taken by Match Group or, if different, the Subsidiary or Affiliate for which you provide services (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the 2017 Plan and legally applicable or deemed applicable to you (“Tax-Related Items”) is and remains your responsibility and may exceed the amount, if any, actually withheld by Match Group or the Employer. You further acknowledge that Match Group and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs or the underlying shares, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Match Group and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

In connection with any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to Match Group and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize Match Group and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations or rights with regard to all Tax-Related Items by one or a combination of the following:

- i. requiring you to make a payment in a form acceptable to Match Group; or
- ii. withholding from your wages or other cash compensation payable to you, in accordance with applicable law; or
- iii. withholding from proceeds of the sale of Shares acquired upon settlement of the PSUs either through a voluntary sale or through a mandatory sale arranged by Match Group (on your behalf pursuant to this authorization without further consent); or
- iv. withholding in Shares to be issued upon settlement of the PSUs, provided, however, that if you are a Section 16 officer of Match Group under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding in advance of the taxable event; or
- v. any other method of withholding determined by Match Group and, to the extent required by and in accordance with applicable law or the 2017 Plan, approved by the Committee.

Match Group and/or the Employer may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum applicable rates in your jurisdiction(s). In the event of over-withholding, you may receive a refund of any over-withheld amount in cash through the Employer’s normal payroll processes (with no entitlement to the equivalent in Common Stock) or, if not refunded, you may seek a refund from the local tax authorities. In the event of under-withholding, you may be required to pay additional Tax-Related Items directly to the applicable tax authority or to Match Group and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding Shares, you are deemed to have been issued the full number of shares subject to the vested PSUs, notwithstanding that a number of Shares are withheld for the purpose of paying the Tax-Related Items.

You agree to pay to Match Group or the Employer any amount of Tax-Related Items that Match Group or the Employer may be required to withhold or account for as a result of your participation in the 2017 Plan that cannot be satisfied by the means previously described. Match Group may refuse to honor the vesting of the PSUs and/or refuse to issue or deliver the Shares to be issued upon settlement of the PSUs or the proceeds from the sale of the Shares to be acquired upon settlement of the PSUs if you fail to comply with your obligations in connection with the Tax-Related Items.

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 Group. However, in the event that you cease to be employed within the two (2) year period following a Change in Control of Match Group 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 Group by which you are employed or for which you are performing services at the time of such sale or other disposition by Match Group shall be considered a Termination of Employment (*not* a Change in Control of Match Group) 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 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 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 PSU T&C’s 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 PSU T&C’s, shall not be deemed a conflict and these PSU T&C’s shall control. In the event of any ambiguity in these PSU T&C’s, or any matters as to which these PSU T&C’s 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 Group or the Agent online or given to you directly or indirectly through the Agent) and Match Group’s books and records, or (ii) ambiguity in the Award Notice (or any other information posted by Match Group or the Agent online or given to you directly or indirectly through the Agent), Match Group’s books and records shall control.

Amendment

Match Group 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 Privacy

Data Processing. Match Group and your Employer collects, uses, discloses and otherwise processes certain information about you for purposes of implementing, administering and managing the 2017 Plan. You understand that this information may include, without limitation, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in Match Group or its Subsidiaries, details of all equity awards or any other entitlement to Shares or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in your favor (the “Personal Data”). The legal basis for the processing of your Personal Data, where required, is performance of this agreement or your consent, if such consent is required under applicable law.

Stock Plan Administration Service Providers. You understand that Match Group transfers your Personal Data, or parts thereof, to Morgan Stanley, an independent service provider based in the U.S., which assists Match Group with the implementation, administration and management of the 2017 Plan. In the future, Match Group may select different service providers and share your Personal Data with such different service providers that serve Match Group in a similar manner. Match Group’s service providers will open an account for you to receive and trade Shares acquired under the 2017 Plan and you may be asked to agree on separate terms and data processing practices with the service provider, which is a condition of any ability to participate in the 2017 Plan.

International Data Transfers. Match Group and, as of the date hereof, Morgan Stanley, are based in the U.S. If you are located outside the U.S., the legal basis, where required, for the transfer of Personal Data to the U.S. is performance of this agreement or your consent, if such consent is required under applicable law.

Data Retention. Match Group will process your Personal Data only as long as is necessary to implement, administer and manage your participation in the 2017 Plan, or to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws. In the latter case, you understand and acknowledge that Match Group’s legal basis, where required, for the processing of your Personal Data would be compliance with the relevant laws or regulations. When Match Group no longer needs Personal Data for any of the above purposes, you understand that Match Group will remove it from its systems.

Data Subject Rights. You understand that data subject rights regarding the processing of personal data vary depending on the applicable law. Additional location-based information on how Match Group and your Employer processes your Personal Data, including information regarding your rights under applicable data protection law are available at:

- California Employee Privacy Policy
- Canadian Employee Privacy Policy
- EU Employee Privacy Policy (FR)
- EU Employee Privacy Policy (ENG)
- APAC Employee Privacy Policy (KOR)
- APAC Employee Privacy Policy (ENG)
- APAC Employee Privacy Policy (JP)
- Egyptian Employee Privacy Policy
- Brazilian Employee Privacy Policy

You may also find a copy of these policies available on Workday.

Voluntariness and Consequences of Denial/Withdrawal of Consent. If you are located in a jurisdiction where your consent is required to process your Personal Data for the purposes of the 2017 Plan (e.g., South Korea), you understand that any participation in the 2017 Plan and your consent are purely voluntary. You may withdraw your consent at any time, with future effect and for any or no reason. If you withdraw your consent, Match Group cannot offer participation in the 2017 Plan or grant PSUs or other equity awards to

you or administer or maintain such awards, and you will not be eligible to participate in the 2017 Plan. You further understand that denial or withdrawal of your consent would not affect your relationship with Match Group and/or your Employer and that you would merely forfeit the opportunities associated with the 2017 Plan.

Data Privacy Consent. If you are located in a jurisdiction where your consent is required to process your Personal Data for the purposes of the 2017 Plan (e.g., South Korea), you acknowledge that you have consented to the collection, use, disclosure, and onward transfer of your Personal Data to Stock Plan Administration Service Providers as outlined in the Notice of Data Processing South Korea.

Nature of Grant

In accepting the PSUs, you acknowledge, understand and agree that:

- i. the 2017 Plan is established voluntarily by Match Group, it is discretionary in nature and it may be modified, amended, suspended or terminated by Match Group at any time, to the extent permitted by the 2017 Plan;
- ii. the Award of the PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs have been granted in the past;
- iii. all decisions with respect to future PSUs or other equity awards, if any, will be at the sole discretion of Match Group;
- iv. the Award of PSUs and your participation in the 2017 Plan shall not be interpreted as forming or amending an employment or service contract with Match Group or the Employer, and shall not interfere with the ability of Match Group, the Employer or any other Subsidiary or Affiliate, as applicable, to terminate your employment relationship (if any);
- v. you are voluntarily participating in the 2017 Plan;
- vi. the PSUs and the Shares subject to the PSUs, and the income from and value of the same, are not intended to replace any pension rights or compensation;
- vii. the PSUs and the Shares subject to the PSUs, and the income from and value of the same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;
- viii. the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty; and
- ix. no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from the termination of your employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any).

No Advice Regarding Grant

Match Group is not providing any tax, legal or financial advice, nor is Match Group making any recommendations regarding your participation in the 2017 Plan, or your acquisition or sale of the underlying Shares. You should consult with your own personal tax, legal and financial advisors regarding your participation in the 2017 Plan before taking any action related to the 2017 Plan.

Section 409A of the Code

Your Award is not intended to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the U.S. 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 Group 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.

Language

You acknowledge that you are proficient in the English language, or have consulted with an advisor who is proficient in the English language, so as to enable you to understand the provisions of these PSU T&C’s and the 2017 Plan. If you have received these PSU T&C’s or any other document related to the 2017 Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Appendix

Notwithstanding any provision in these Terms and Conditions for Performance-Based Restricted Stock Units, 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, and by the acceptance of your PSUs, you agree to such additional terms and conditions for your country. 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 Group 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 PSU T&C’s and any reference to the PSU T&C’s herein includes the Appendix.

Severability

The provisions of these PSU T&C’s are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Imposition of Other Requirements

Match Group reserves the right to impose other requirements on your participation in the 2017 Plan, on the PSUs and on any Shares acquired under the 2017 Plan, to the extent Match Group determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Compliance with Law

Notwithstanding any other provision of the 2017 Plan or these PSU T&C’s, unless there is an exemption from any registration, qualification or other legal requirement applicable to the Shares, Match Group shall not be required to deliver any shares issuable upon settlement of the PSUs prior to the completion of any registration or qualification of the shares under any U.S. or non-U.S. local, state or federal securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission (“SEC”) or of any other governmental

regulatory body, or prior to obtaining any approval or other clearance from any U.S. or non-U.S. local, state or federal governmental agency, which registration, qualification or approval Match Group shall, in its absolute discretion, deem necessary or advisable. You understand that Match Group is under no obligation to register or qualify the shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, you agree that Match Group shall have unilateral authority to amend these PSU T&C's without your consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

Exchange Control, Foreign Asset/Account and/or Tax Reporting

Depending upon the country to which laws you are subject, you may have certain foreign asset/account and/or tax reporting requirements that may affect your ability to acquire or hold Shares under the 2017 Plan or cash received from participating in the 2017 Plan (including from any dividends or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside your country of residence. Your country may require that you report such accounts, assets or transactions to the applicable authorities in your country. You also may be required to repatriate cash received from participating in the 2017 Plan to your country within a certain period of time after receipt. You are responsible for knowledge of and compliance with any such regulations and should speak with your personal tax, legal and financial advisors regarding same.

Waiver

You acknowledge that a waiver by Match Group of a breach of any provision of these PSU T&C's shall not operate or be construed as a waiver of any other provision of these PSU T&C's, or of any subsequent breach by you or any other Participant.

Governing Law

The Award of PSUs and these PSU T&C's are governed by, and subject to, the laws of the State of Delaware, without reference to principles of conflict of laws.

Match Group, Inc. Notice of Restricted Stock Unit Grant ("Award Notice")

This Award Notice is to notify the Award Recipient set forth below that you have been granted an award (the "**Award**") of restricted stock units ("**RSUs**") under the Match Group, Inc. Amended and Restated 2017 Stock and Annual Incentive Plan, as amended (the "**2017 Plan**"), subject to the attached Terms and Conditions for Restricted Stock Units, including the additional terms and conditions for your country set forth in the appendix attached thereto (the "**Appendix**" and, together with the Terms and Conditions for Restricted Stock Units, the "**RSU T&C's**"), and the 2017 Plan. Capitalized terms used (but not defined) in this Award Notice shall have the meanings set forth in the 2017 Plan.

Award Recipient:

Number of Shares Subject to RSUs

_____ Shares

Award Date:

Impact of a Termination of Employment

Except as otherwise provided in the attached RSU T&C's or the 2017 Plan, upon your Termination of Employment, any and all unvested RSUs underlying your Award will be forfeited and canceled in their entirety.

Terms and Conditions:

Your RSUs are subject to the RSU T&C's and to the 2017 Plan, which are incorporated herein by reference. A copy of the 2017 Plan is available upon request from Match Group's People Department or by emailing EmployeeEquity@match.com.

Without a complete review of these documents, you will not have a full understanding of all the material terms of your RSUs.

Vesting Schedule:

Subject to your continued employment with Match Group, Inc. ("**Match Group**") or one of its Subsidiaries, your RSUs shall vest according to the schedule below.

[INSERT VESTING SCHEDULE]

You are required to accept this Award of RSUs by clicking "Accept" on the Morgan Stanley Shareworks award acceptance page or providing your consent by such procedures as may be prescribed by Match Group (including by other electronic acceptance procedures) within 90 days after the "Award Date" contained in this Award Notice. If you do not accept the Award of RSUs within 90 days of the Award Date, the RSUs will be cancelled and forfeited, and you will not be entitled to any of the RSUs, any of the Shares subject to the RSUs or any equivalent benefit.

By accepting the RSUs, you acknowledge receipt of a copy of the 2017 Plan and agree (i) that this Award of RSUs is granted under and governed by the 2017 Plan, the RSU T&C's and this Award Notice, (ii) that you have reviewed the 2017 Plan, the RSU T&C's and this Award Notice in their entirety, have had an opportunity to obtain the advice of counsel, and fully understand all provisions of the 2017 Plan, the RSU T&C's and this Award Notice, and (iii) to accept as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions relating to the 2017 Plan, the RSU T&C's and the Award Notice.

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

Overview

These Terms and Conditions for Restricted Stock Units, including the additional terms and conditions for your country set forth in the appendix attached hereto (the "Appendix" and, together with these Terms and Conditions for Restricted Stock Units, the "RSU T&C's") apply to your award of 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"), and the Notice of Restricted Stock Unit Grant (the "Award Notice") to which these RSU T&C's are attached. 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 Group") or one of its Subsidiaries during the Restriction Period (as defined below). Nothing in your Award Notice, these RSU T&C's or the 2017 Plan shall confer upon you any right to continue in the employ or service of Match Group 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 RSU T&C's and the 2017 Plan, the restricted stock units ("RSUs") 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 RSUs in respect of your Award upon a Termination of Employment is set forth in these RSU T&C's and the 2017 Plan. Except as set forth in your Award Notice, employment agreement (if applicable) or below, upon any Termination of Employment 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 Group 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 Group 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 Group shall be entitled to recover from you at any time within two (2) years after such vesting, and you shall pay over to Match Group, any amounts realized as a result of such vesting. This remedy shall be without prejudice to, or waiver of, any other remedies Match Group and/or its Subsidiaries may have in such event.

Settlement

Subject to your satisfaction of any withholding obligations for Tax-Related Items defined and described immediately below under "Responsibility for Taxes and Withholding," as soon as practicable after any RSUs in respect of your Award have vested and are no longer subject to the Restriction Period, such RSUs shall be settled. For each RSU settled, Match Group shall issue one Share for each RSU vesting. Notwithstanding the foregoing, Match Group shall be entitled to hold the Shares or cash issuable to you upon settlement of all RSUs that have vested until Match Group or the agent selected by Match Group 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 Tax-Related Items of any kind required by law to be withheld with respect to such RSUs.

Responsibility for Taxes and Withholding

You acknowledge that, regardless of any action taken by Match Group or, if different, the Subsidiary or Affiliate for which you provide services (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the 2017 Plan and legally applicable or deemed applicable to you (“Tax-Related Items”) is and remains your responsibility and may exceed the amount, if any, actually withheld by Match Group or the Employer. You further acknowledge that Match Group and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs or the underlying shares, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that Match Group and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

In connection with any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to Match Group and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize Match Group and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations or rights with regard to all Tax-Related Items by one or a combination of the following:

- i. requiring you to make a payment in a form acceptable to Match Group; or
- ii. withholding from your wages or other cash compensation payable to you, in accordance with applicable law; or
- iii. withholding from proceeds of the sale of Shares acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by Match Group (on your behalf pursuant to this authorization without further consent); or
- iv. withholding in Shares to be issued upon settlement of the RSUs, provided, however, that if you are a Section 16 officer of Match Group under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding in advance of the taxable event; or
- v. any other method of withholding determined by Match Group and, to the extent required by and in accordance with applicable law or the 2017 Plan, approved by the Committee.

Match Group and/or the Employer may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum applicable rates in your jurisdiction(s). In the event of over-withholding, you may receive a refund of any over-withheld amount in cash through the Employer’s normal payroll processes (with no entitlement to the equivalent in Common Stock) or, if not refunded, you may seek a refund from the local tax authorities. In the event of under-withholding, you may be required to pay additional Tax-Related Items directly to the applicable tax authority or to Match Group and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding Shares, you are deemed to have been issued the full number of shares subject to the vested RSUs, notwithstanding that a number of Shares are withheld for the purpose of paying the Tax-Related Items.

You agree to pay to Match Group or the Employer any amount of Tax-Related Items that Match Group or the Employer may be required to withhold or account for as a result of your participation in the 2017 Plan that cannot be satisfied by the means previously described. Match Group may refuse to honor the vesting of the RSUs and/or refuse to issue or deliver the Shares to be issued upon settlement of the RSUs or the proceeds from the sale of

the Shares to be acquired upon settlement of the RSUs if you fail to comply with your obligations in connection with the Tax-Related Items.

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 Group. However, in the event that you cease to be employed within the two (2) year period following a Change in Control of Match Group 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 Group by which you are employed or for which you are performing services at the time of such sale or other disposition by Match Group shall be considered a Termination of Employment (*not* a Change in Control of Match Group) 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 RSUs and the number and kind of Shares underlying the RSUs underlying your Award.

Non-Transferability of the RSUs

Until such time as your RSUs 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 RSUs are settled, you shall not be entitled to any rights of a stockholder with respect to the RSUs (including the right to vote the shares underlying your RSUs and the right to receive dividends, among other rights).

Other Restrictions

The RSUs 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 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 RSUs 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 RSU T&C's 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 RSU T&C's, shall not be deemed a conflict and these RSU T&C's shall control. In the event of any ambiguity in these RSU T&C's, or any matters as to which these RSU T&C's 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 Group or the Agent online or given to you directly or indirectly through the Agent) and Match Group's books and records, or (ii) ambiguity in the Award Notice (or any other information posted by Match Group or the Agent online or given to you directly or indirectly through the Agent), Match Group's books and records shall control.

Amendment

Match Group may modify, amend or waive the terms of your RSUs, 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 Privacy

Data Processing. Match Group and your Employer collects, uses, discloses and otherwise processes certain information about you for purposes of implementing, administering and managing the 2017 Plan. You understand that this information may include, without limitation, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in Match Group or its Subsidiaries, details of all equity awards or any other entitlement to Shares or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in your favor (the “Personal Data”). The legal basis for the processing of your Personal Data, where required, is performance of this agreement or your consent, if such consent is required under applicable law.

Stock Plan Administration Service Providers. You understand that Match Group transfers your Personal Data, or parts thereof, to Morgan Stanley, an independent service provider based in the U.S., which assists Match Group with the implementation, administration and management of the 2017 Plan. In the future, Match Group may select different service providers and share your Personal Data with such different service providers that serve Match Group in a similar manner. Match Group’s service providers will open an account for you to receive and trade Shares acquired under the 2017 Plan and you may be asked to agree on separate terms and data processing practices with the service provider, which is a condition of any ability to participate in the 2017 Plan.

International Data Transfers. Match Group and, as of the date hereof, Morgan Stanley, are based in the U.S. If you are located outside the U.S., the legal basis, where required, for the transfer of Personal Data to the U.S. is performance of this agreement or your consent, if such consent is required under applicable law.

Data Retention. Match Group will process your Personal Data only as long as is necessary to implement, administer and manage your participation in the 2017 Plan, or to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws. In the latter case, you understand and acknowledge that Match Group’s legal basis, where required, for the processing of your Personal Data would be compliance with the relevant laws or regulations. When Match Group no longer needs Personal Data for any of the above purposes, you understand that Match Group will remove it from its systems.

Data Subject Rights. You understand that data subject rights regarding the processing of personal data vary depending on the applicable law. Additional location-based information on how Match Group and your Employer processes your Personal Data, including information regarding your rights under applicable data protection law are available at:

- California Employee Privacy Policy
- Canadian Employee Privacy Policy
- EU Employee Privacy Policy (FR)
- EU Employee Privacy Policy (ENG)
- EU Employee Privacy Policy (GER)
- APAC Employee Privacy Policy (ENG)
- APAC Employee Privacy Policy (JP)
- Egyptian Employee Privacy Policy
- Brazilian Employee Privacy Policy

You may also find a copy of these policies available on Workday.

Voluntariness and Consequences of Denial/Withdrawal of Consent. If you are located in a jurisdiction where your consent is required to process your Personal Data for the purposes of the 2017 Plan (e.g., South Korea), you understand that any participation in the 2017 Plan and your consent are purely voluntary. You may withdraw your consent at any time, with future effect and for any or no reason. If you withdraw your

consent, Match Group cannot offer participation in the 2017 Plan or grant RSUs or other equity awards to you or administer or maintain such awards, and you will not be eligible to participate in the 2017 Plan. You further understand that denial or withdrawal of your consent would not affect your relationship with Match Group and/or your Employer and that you would merely forfeit the opportunities associated with the 2017 Plan.

Data Privacy Consent. If you are located in a jurisdiction where your consent is required to process your Personal Data for the purposes of the 2017 Plan (e.g., South Korea), you acknowledge that you have consented to the collection, use, disclosure, and onward transfer of your Personal Data to Stock Plan Administration Service Providers as outlined in the Notice of Data Processing South Korea.

Nature of Grant

In accepting the RSUs, you acknowledge, understand and agree that:

- i. the 2017 Plan is established voluntarily by Match Group, it is discretionary in nature and it may be modified, amended, suspended or terminated by Match Group at any time, to the extent permitted by the 2017 Plan;
- ii. the Award of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- iii. all decisions with respect to future RSUs or other equity awards, if any, will be at the sole discretion of Match Group;
- iv. the Award of RSUs and your participation in the 2017 Plan shall not be interpreted as forming or amending an employment or service contract with Match Group or the Employer, and shall not interfere with the ability of Match Group, the Employer or any other Subsidiary or Affiliate, as applicable, to terminate your employment relationship (if any);
- v. you are voluntarily participating in the 2017 Plan;
- vi. the RSUs and the Shares subject to the RSUs, and the income from and value of the same, are not intended to replace any pension rights or compensation;
- vii. the RSUs and the Shares subject to the RSUs, and the income from and value of the same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;
- viii. the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty; and
- ix. no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the termination of your employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any).

No Advice Regarding Grant

Match Group is not providing any tax, legal or financial advice, nor is Match Group making any recommendations regarding your participation in the 2017 Plan, or your acquisition or sale of the underlying Shares. You should consult with your own personal tax, legal and financial advisors regarding your participation in the 2017 Plan before taking any action related to the 2017 Plan.

Section 409A of the Code

Your Award is not intended to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the U.S. 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 Group 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.

Language

You acknowledge that you are proficient in the English language, or have consulted with an advisor who is proficient in the English language, so as to enable you to understand the provisions of these RSU T&C's and the 2017 Plan. If you have received these RSU T&C's or any other document related to the 2017 Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

Appendix

Notwithstanding any provision in these Terms and Conditions for Restricted Stock Units, if you reside outside of and/or are subject to the laws of a country outside the United States, the RSUs will be subject to any additional terms and conditions for your country set forth in the Appendix, and by the acceptance of your RSUs, you agree to such additional terms and conditions for your country. Further, if you transfer your residence and/or employment to a country included in the Appendix after the grant of the RSUs, the additional terms and conditions for such country will apply to you to the extent Match Group 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 RSU T&C's and any reference to the RSU T&C's herein includes the Appendix.

Severability

The provisions of these RSU T&C's are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Imposition of Other Requirements

Match Group reserves the right to impose other requirements on your participation in the 2017 Plan, on the RSUs and on any Shares acquired under the 2017 Plan, to the extent Match Group determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Compliance with Law

Notwithstanding any other provision of the 2017 Plan or these RSU T&C's, unless there is an exemption from any registration, qualification or other legal requirement applicable to the Shares, Match Group shall not be required to deliver any shares issuable upon settlement of the RSUs prior to the completion of any registration or qualification of the shares under any U.S. or non-U.S. local, state or federal securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission (“SEC”) or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any U.S. or non-U.S. local, state or federal governmental agency, which registration, qualification or approval Match Group shall, in its absolute

discretion, deem necessary or advisable. You understand that Match Group is under no obligation to register or qualify the shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, you agree that Match Group shall have unilateral authority to amend these RSU T&C's without your consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

Exchange Control, Foreign Asset/Account and/or Tax Reporting

Depending upon the country to which laws you are subject, you may have certain foreign asset/account and/or tax reporting requirements that may affect your ability to acquire or hold Shares under the 2017 Plan or cash received from participating in the 2017 Plan (including from any dividends or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside your country of residence. Your country may require that you report such accounts, assets or transactions to the applicable authorities in your country. You also may be required to repatriate cash received from participating in the 2017 Plan to your country within a certain period of time after receipt. You are responsible for knowledge of and compliance with any such regulations and should speak with your personal tax, legal and financial advisors regarding same.

Waiver

You acknowledge that a waiver by Match Group of a breach of any provision of these RSU T&C's shall not operate or be construed as a waiver of any other provision of these RSU T&C's, or of any subsequent breach by you or any other Participant.

Governing Law

The Award of RSUs and these RSU T&C's are governed by, and subject to, the laws of the State of Delaware, without reference to principles of conflict of laws.

Certification

I, Sharmistha Dubey, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2022 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, 2022

/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, 2022 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, 2022

/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, 2022 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, 2022

/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, 2022 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, 2022

/s/ GARY SWIDLER

Gary Swidler

Chief Operating Officer and

Chief Financial Officer