

**Match.com International Limited**

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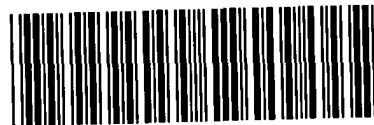
Registered No. 04791534

## **Match.com International Limited**

### **Strategic Report, Directors' Report and Financial Statements**

Year ended 31 December 2021

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## **Contents of the Financial Statements**

**for the year ended 31 December 2021**

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**Match.com International Limited**

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## **Company information**

### **Directors**

P Eigenmann  
J Sine  
R Shaffer

### **Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

### **Bankers**

JP Morgan  
25 Bank Street  
Canary Wharf  
E14 5JP

### **Registered Office**

C/O Skadden  
40 Bank Street  
Canary Wharf  
London E14 5DS

## Match.com International Limited

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### Strategic report

#### Principal activities

Match.com provides users with access to other users' personal profiles and also enables a user interested in meeting another user to send e-mail messages to that user through Match.com's double-blind anonymous e-mail system. E-mail recipients respond depending on their interest in the sender. It is free to post a profile on Match.com and to use any of the searching and matching tools available on the site. Match.com charges subscription fees to users who wish to initiate or respond to an e-mail from a Match.com member, starting with a single month term, with discounts for longer term subscription.

Match.com has entered into partnerships and strategic alliances with third parties in order to increase subscriptions in general, as well as to target particular segments of its potential subscriber base. Typically, these partners earn a commission on each customer subscription they sell into the Match.com service.

#### Review of business

The key financial and other performance indicators during the year were as follows:

	2021	2020	Change %
	<i>(in £000s)</i>		
Total Turnover	29,446	29,382	0 %
Operating (loss) before taxation	(39)	(3,858)	(99)%

Turnover has remained consistent from 2020 to 2021. The loss on ordinary activities, before taxation, decreased primarily due to expense incurred in 2020 related to the cancellation of the loan receivable due from Match.com Foreign Holdings Limited ("MFH") that is not recurring in 2021, partially offset by an increase in administrative expenses.

#### Principal risks and uncertainties

The Company is reliant upon its ability to attract users to its websites, encourage such users to register on its website and ultimately to convert these registered users to subscribing members. This is contingent on the effectiveness of on-line and off-line advertising, the quality of the company's websites and applications, and the Company's ability to maintain productive relationships with its affiliate networks. No assurances can be provided that the Company will continue to be able to effectively attract registered users to their websites and applications and convert such registered users to subscribing members. Failure to do so would adversely affect the Company's business, financial condition and results of operations. The subsidiaries manage this risk by monitoring site performance on an ongoing basis, providing a range of value added services to its subscribers and providing excellent customer service.

#### Financial Risk Management

The Company's activities expose it to liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors. The Company does not use derivative financial instruments for speculative purposes. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company obtain loans from the group undertakings. In addition, the Company aims to mitigate the risks associated with its liquidity by managing cash generation by its subsidiary operations and cash collection targets to ensure sufficient cash flows are available for repayment of liabilities when they become due.

Match.com International Limited

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## Strategic report (continued)

### Impacts of Brexit

The Company has considered any risks arising as a result of the UK's departure from the European Union ("EU"). The UK left the EU on 31 January 2020, signing the EU-UK Trade Co-operation Agreement on 30 December 2020. The free trade deal between the UK and the EU came into force on 1 January 2021. The Company has not seen any impacts nor does it expect any in the future regarding the UK's departure from the EU.

### Impacts of the Coronavirus

In January 2020, an outbreak of a new strain of Coronavirus, COVID-19, was identified. The virus spread globally and the World Health Organisation (WHO) declared COVID-19 a pandemic on 11 March 2020. Governments around the world, including the United Kingdom government, imposed restrictions during this time to reduce the risk of further spread of the disease including closing borders, ordering home quarantine, and cancelling public events. Some of these measures were relaxed in certain parts of the world throughout 2020 and even more so into 2021, and in 2022 the majority of the restrictions have been fully relaxed. However, if some of these measures were to be reinstituted in the event of repeat waves of the virus, these restrictions would likely have an adverse impact on global economic conditions and consumer confidence and spending and could affect the demands, or users ability to pay for our products and services. Management continue to monitor the impact of COVID-19 on the business. At Match Group, Inc., despite an initial reduction in users' engagement at the onset of the pandemic, as people became adjusted to the new social restrictions, user engagement increased as did the users' propensity to pay, resulting in continued revenue growth in the overall business.

The business was able to continue to operate despite office closures, with the employees working from home, with limited disruptions due to the utilization of technology platforms in place prior to the pandemic.

### Cyber risk

The Company is exposed to the risk of cyberattacks through its operations. The Company receives, processes, stores, and transmits a significant amount of personal user and other confidential or sensitive information, including credit card information and user-to-user communications, and enables their users to share their personal information with each other. In some cases, the Company engages third party service providers to store this information. The Company is regularly under attack by perpetrators of random or targeted malicious technology-related events, such as cyberattacks, computer viruses, worms, bot attacks or other destructive or disruptive software, distributed denial of service attacks and attempts to misappropriate customer information, including personal user data, credit card information and account login credentials. The Company and its parent company have invested (and continue to invest) in the protection of their systems and infrastructure, in related personnel and training and in employing a data minimization strategy, where appropriate, there can be no assurance that the Company's efforts will prevent significant breaches in the systems or other such events from occurring. The impact of cyber or similar attacks experienced by third parties who provide services to the Company or otherwise process data on our behalf could have a similar effect on us.

Match.com International Limited

## Strategic report (continued)

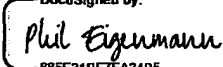
### Impacts of the ongoing Ukrainian-Russia conflict

In February 2022, Russia invaded Ukraine resulting in an armed conflict that continues today. The Company has not seen any impacts from the conflict on its operations and does not expect any future impacts due to this ongoing conflict. The Company will continue to monitor its operations for impacts arising from the Ukrainian-Russia conflict.

### Impacts of inflation from energy prices

As a result of the Ukrainian-Russia conflict, deliveries of natural gas to the United Kingdom and European Union have been reduced resulting in increasing energy prices across the region. These increases in energy costs have led to increased inflation for many goods and supplies. The impact on the Company has been generally limited to the resulting increase in cost for many items in 2022. The Company will continue to monitor the impacts from the increased prices.

### ON BEHALF OF THE BOARD:

DocuSigned by:  
  
885E31BF7FA34B5...  
P. Eigenmann  
Director

Date: 1 December 2022

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Match.com International Limited

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## Directors' report

The directors present their report with the audited financial statements for the year ended 31 December 2021.

### Results and dividends

The net loss for the year after taxation amounted to £39,000 (2020 - loss of £3,858,000). No dividends were distributed for the year ended 31 December 2021.

### Directors

The current directors are shown on page 1. A Willis resigned on 18 August 2022, and R Shaffer was appointed 18 August 2022.

### Going concern

The ultimate parent company, Match Group, Inc. has agreed to provide continued support to the Company for the foreseeable future to meet its obligations as and when they fall due, for a period of twelve months from the date of approval of the balance sheet, to the extent that the company is unable to meet its liabilities.

Match Group, Inc. released its Q3 2022 results on 1 November 2022, which included increases in revenue and adjusted operating income over the comparable prior year to date period and cash on hand of approximately \$391 million. Additionally, total revenue and adjusted operating income for 2022 were forecasted at more than \$3 billion and more than \$1 billion, respectively. Based on this information and on enquiries, the Directors believe that the Ultimate parent company, Match Group, Inc. has the ability to provide financial support to the Company for the foreseeable future.

### Future Developments

The Company will continue to strengthen the operational, technical, and marketing synergies between Match.Com (US) and Meetic S.A.S, its parent company as opportunities arise. Match.Com (US), Meetic S.A.S and Match.Com International Limited are positioned to capture growth opportunities and to continue to offer their customers the level of innovation and service that has made the reputation of those three companies.

### Financial Instruments

The Company finances its activities with trade receivables; cash is collected several times per month coming from a high number of individual clients. The Company has implemented a prudent financing strategy based, in particular, on investment of its excess cash in riskless financial investments. The Company's policy is to allocate its investments on monetary instruments with short maturity, usually for less than 1 month, respecting the rules of diversification and counterpart quality. The Company does not use derivatives.

### Research and Development

Research and development are handled at the Parent Company level Meetic S.A.S. Meetic S.A.S maintains a high level of technological innovation to continually adapt to the markets to which it is addressed with the development of many new applications and sites.

Match.com International Limited

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## Directors' report (continued)

### Political Donations and Expenditure


The company made no political or charitable donations during the year (2020: £nil).

### Auditors

In accordance with section 485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

### ON BEHALF OF THE BOARD:

DocuSigned by:

  
P85E31BE7EA34B5

P. Eigenmann

Director

Date: 1 December 2022

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Match.com International Limited

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## Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **Independent auditors' report**

**to the members of Match.com International Limited**

### **Opinion**

We have audited the financial statements of Match.com International Limited for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Comprehensive income/loss, the Balance Sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent auditors' report (continued)**

**to the members of Match.com International Limited**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are United Kingdom Accounting

## Independent auditors' report (continued)

to the members of Match.com International Limited

Standards, FRS 101 "Reduced Disclosure Framework", Companies Act 2006, Data Protection Act 1998, Proceeds of Crime Act 2002, Money Laundering Regulations 2003, UK Bribery Act, UK Tax Regulation and Health and safety regulations.

- We corroborated our enquiries through our review of board minutes, as well as consideration of the results of our audit procedures and noted that there was no contradictory evidence. We identified management's attitude and tone from the top to embed a culture of honesty and ethical values whereby a strong emphasis is placed on fraud prevention which may reduce opportunities for fraud to take place. We further understood the adoption of accounting standards and determined the compliance with the above laws with management.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding the business processes, obtaining and reading internal policies, holding enquiries of management as to any fraud risk framework within the entity.
- We reperformed journal entry postings between revenue, trade receivables and cash and investigated key items that fell outside of our expectations. To further supplement this procedure, we traced a sample of cash collections to supporting external billing reports and bank statements.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved
  - Enquiry of management as to any fraud risk framework within the entity.
  - Enquiry of management around actual and potential litigation and claims.
  - We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by considering the risk of management override and by assuming revenue to be a fraud risk. We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
  - Challenging judgements made by management. This included corroborating the inputs and considering contradicting evidence.
  - Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

Stuart Darrington (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 1 December 2022

## Match.com International Limited

**Income statement**

for the year ended 31 December 2021

	Notes	31 Dec 2021	31 Dec 2020
(in £000s)			
<b>Turnover</b>	3	29,446	29,382
Cost of sales		(1,515)	(1,278)
<b>Gross profit</b>		27,931	28,104
Administrative expenses		(26,459)	(26,405)
Other operating (expense)/income		(1,100)	1,503
<b>Operating profit</b>		372	3,202
Interest receivable and similar income	5	596	749
Interest payable and similar charges	6	(1,007)	(997)
Other expense	7	—	(6,803)
Finance costs	11	—	(9)
<b>Operating loss on ordinary activities before taxation</b>	8	(39)	(3,858)
Tax on loss on ordinary activities	9	—	—
<b>Loss for the financial year</b>		(39)	(3,858)

*All amounts relate to continuing operations.*

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Match.com International Limited

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**Other comprehensive loss**

for the year ended 31 December 2021

	Notes	31 Dec 2021	31 Dec 2020
		<i>(in £000s)</i>	
Loss for the financial year		(39)	(3,858)
Other comprehensive income		—	—
Total comprehensive loss for the year		(39)	(3,858)

## Match.com International Limited

Registered No. 04791534

**Balance sheet**

at 31 December 2021

	Notes	31 Dec 2021	31 Dec 2020
(in £000s)			
<b>Current Assets</b>			
Debtors	12	31,529	31,954
Cash at bank		17,989	19,671
		49,518	51,625
<b>Creditors</b>			
Amounts falling due within one year	13	41,543	25,292
<b>Net Current Assets</b>		<b>7,975</b>	<b>26,333</b>
<b>Total Assets Less Current Liabilities</b>		<b>7,975</b>	<b>26,333</b>
<b>Creditors</b>			
Amounts falling due after more than one year	14	—	16,701
<b>Net Assets</b>		<b>7,975</b>	<b>9,632</b>
<b>Capital and Reserves</b>			
Called up share capital	15	6,589	6,589
Share based payment reserve	19	—	1,042
Retained earnings	16	1,386	2,001
<b>Total Equity</b>		<b>7,975</b>	<b>9,632</b>

The financial statements were approved by the board of Directors on 1 December 2022 and were signed on its behalf by:

DocuSigned by:

Phil Eigenmann

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P. Eigenmann

Director

## Match.com International Limited

Registered No. 04791534

**Statement of changes in equity**

at 31 December 2021

	Called up share capital	Share based payment reserve	Retained earnings	Total equity
<i>(in £000s)</i>				
<b>Balance at 1 January 2020</b>	6,589	873	5,859	13,321
<b>Changes in equity</b>				
Share based payments	—	169	—	169
Total comprehensive loss	—	—	(3,858)	(3,858)
<b>Balance at 31 December 2020</b>	6,589	1,042	2,001	9,632
<b>Changes in equity</b>				
Share based payments	—	(1,042)	—	(1,042)
Charge from parent for equity-settled share-based payment	—	—	(576)	(576)
Total comprehensive loss	—	—	(39)	(39)
<b>Balance at 31 December 2021</b>	6,589	—	1,386	7,975



## Notes to the financial statements

for the year ended 31 December 2021

### 1. Authorisation of Financial Statements and Compliance

The financial statements of Match.com International Limited (the "Company") for the year ended 31 December 2021 were authorised for issue by the board of directors on 1 December 2022 and the balance sheet was signed on the board's behalf by P. Eigenmann. Match.com International Limited is incorporated and domiciled in England and Wales.

### 2. Accounting policies

#### Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 ("FRS 101") "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

The Company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare group accounts as the Company is included in the consolidated accounts of a larger group headed by Match Group, Inc., the parent undertaking established under the law of America. These financial statements present information about the Company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of Meetic S.A.S., the Company has taken advantage of the exemption contained in Financial Reporting Standards 101 and has therefore not disclosed transactions on balances which form part of the group (or investees of the group qualifying as related parties).

Match.com International Limited

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**Notes to the financial statements**

for the year ended 31 December 2021

**2. Accounting policies (continued)****Going concern**

The ultimate parent company, Match Group, Inc. has agreed to provide continued support to the Company for the foreseeable future to meet its obligations as and when they fall due, for a period of twelve months from the date of approval of the balance sheet, to the extent that the company is unable to meet its liabilities.

Match Group, Inc. released its Q3 2022 results on 1 November 2022, which included increases in revenue and adjusted operating income over the comparable prior year to date period and cash on hand of approximately \$391 million. Additionally, total revenue and adjusted operating income for 2022 were forecasted at more than \$3 billion and more than \$1 billion, respectively. Based on this information and on enquiries, the Directors believe that the Ultimate parent company, Match Group, Inc. has the ability to provide financial support to the Company for the foreseeable future..

**Turnover**

Subscription fee revenue is generated from customers who subscribe to online matchmaking services on Match.Com and related websites. Subscription fee revenue is recognised over the period the services are provided. Royalty revenue is generated from group companies, using the intangible assets owned by the company. Royalty is recognised over the period the intangible asset is used.

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*, which establishes the principles that an entity applies when reporting information about the nature, amount, timing, and uncertainty of revenue and cash flows from a contract with a customer. The Company has adopted IFRS 15 for the reporting period commencing 1 January 2018 using the modified retrospective approach. The Company's adoption did not have a material effect on its financial statements.

**Fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all property and equipment on a straight-line basis over its estimated useful life as follows:

Asset Category	Estimated Useful Lives
Computer equipment and capitalized software	2 to 3 years
Furniture and other equipment	5 years
Leasehold improvements	5 years

## Notes to the financial statements

for the year ended 31 December 2021

### 2. Accounting policies (continued)

#### Intangible assets

Intangible assets acquired as part of an acquisition of a business are capitalised separately from the goodwill if the fair value can be measured reliably on recognition, subject to the constraint that, unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase any negative goodwill arising from the acquisition. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profit and loss in the year in which it is incurred.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstance indicate that carrying value may not be recoverable. Domain names are not amortised as it is considered that their useful life is not limited. The carrying value are reviewed annually by the Directors to determine whether there has been any permanent impairment in value and any such reduction in their value is taken to the profit and loss accounts. Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

#### Leases

The Company leases office space used in connection with its operations under various operating leases. Right-of-use ("ROU") assets represent the Company's right to use the underlying assets for the lease term and lease liabilities represent the present value of the Company's obligation to make payments arising from leases. ROU assets and related lease liabilities are based on the present value of fixed lease payments over the lease term using the Company's respective incremental borrowing rates on the lease commencement date or 1 January 2019 for leases that commenced prior to that date. The Company combines the lease and non-lease components of lease payments in determining ROU assets and related lease liabilities. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the Company will exercise the option. Leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying consolidated balance sheet. Lease expense is recognized on a straight-line basis over the term of the lease.

Variable lease payments consist primarily of common area maintenance, utilities, and taxes, which are not included in the recognition of ROU assets and related lease liabilities. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

#### Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

#### Cash and liquid resources

Cash comprises cash in hand and deposits repayable on demand or of less than three months duration, less overdrafts repayable on demand.

#### Foreign currency transaction

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Match.com International Limited

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## Notes to the financial statements

for the year ended 31 December 2021

### 2. Accounting policies (continued)

#### Pensions

The company operates a defined contribution pension scheme. Contributions to the scheme are recognised in the profit and loss account in the period in which they are payable.

#### Investments

Fixed asset investments are stated at cost less provision for impairments in value. The carrying values of investments are reviewed for impairment when events indicate the carry value may not be recoverable.

#### Share based payments

The share option programme allows employees to acquire shares of the parent company, Match Group, Inc. (US). Beginning in 2021, the Company entered into a recharge agreement with Match Group, Inc. in which the Company is charged the fair market value of the shares provided to employees at the time shares are issued to the employee. At each reporting period, a liability representing the fair market value of the awards outstanding is marked-to-market with the gain or loss being recognized as an employee expense.

Prior to the recharge agreement being entered into, the grant date fair value of share-based payment awards granted was recognised as an employee expense with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted was measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense was adjusted to reflect the actual number of awards for which the related service non-market vesting conditions were expected to be met, such that the amount ultimately recognised as an expense was based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

#### Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules enacted or substantially enacted by the balance sheet date.

The charge for tax is based on the profit and loss for the year and takes into account taxation deferred because of timing differences between the treatment for reporting purposes and tax purposes.

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accountings purposes which have arisen but not reversed by the balance sheet date except as otherwise required by IAS 12.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### Management assumptions

In preparing the financial statements, there are no significant management assumptions above or beyond items previously disclosed above.

## Match.com International Limited

**Notes to the financial statements**

for the year ended 31 December 2021

**3. Turnover**

Turnover represents the net invoiced sales value arising from the provision of internet dating services, sales of internet advertising and royalty income, stated net of Value Added Tax.

Subscription fee revenue is generated from customers who subscribe to online matchmaking services on the Company's website. Subscribers pay in advance, primarily by credit card, and subject to certain conditions identified in the terms and conditions, generally all purchases are final and nonrefundable. Revenue is initially deferred and is recognised using the straight-line method over the term of the applicable subscription period.

	31 Dec 2021	31 Dec 2020
	(in £000s)	
Online sales	29,446	29,382
Total	29,446	29,382

Analysis of revenue by geography:

	31 Dec 2021	31 Dec 2020
	(in £000s)	
United Kingdom	27,403	27,788
Sweden	135	110
Other European countries	1,908	1,484
	29,446	29,382

Assets and liabilities related to contracts with customers are \$0.1 million and \$4.2 million, respectively, for the year ended 31 December 2021.

## Match.com International Limited

**Notes to the financial statements**

for the year ended 31 December 2021

**4. Employees and Directors**

	31 Dec 2021	31 Dec 2020
	(in £000s)	
Wages and salaries	223	268
Share based compensation	152	170
Pension cost	9	9
Social security cost	21	262
	405	709

The number of employees at year end was as follows:

	31 Dec 2021	31 Dec 2020
Administration	2	2
Operations	1	2
	3	4

The directors' remuneration for 2021 and 2020 was borne and paid for by a fellow group undertaking. It is impractical to determine the share of remuneration attributable to their services as a director of Match.com International Limited.

**5. Interest Receivable and Similar Income**

	31 Dec 2021	31 Dec 2020
	(in £000s)	
Interest	596	749

**6. Interest Payable and Similar Expenses**

	31 Dec 2021	31 Dec 2020
	(in £000s)	
Interest payable	1,007	997

**7. Other expense**

	31 Dec 2021	31 Dec 2020
	(in £000s)	
Expense from cancellation of intercompany loan receivable	—	6,803
	—	6,803

## Match.com International Limited

**Notes to the financial statements**

for the year ended 31 December 2021

**8. Loss before Taxation**

The loss before taxation is stated after charging/(crediting):

	31 Dec 2021	31 Dec 2020
	<i>(in £000s)</i>	
Depreciation of tangible fixed assets	—	92
Contributions to defined contribution pension scheme	9	9
Foreign exchange loss/(gain)	1,100	(1,503)
Auditors' remuneration - audit of these financial statements	84	40

**9. Taxation****Analysis of tax income**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2021 nor for the year ended 31 December 2020.

**Factors affecting the tax expense**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31 Dec 2021	31 Dec 2020
	<i>(in £000s)</i>	
Loss on ordinary activities before income tax	(39)	(3,858)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	(7)	(733)
Effects of:		
Effects of group relief	—	(358)
Non tax-deductible expenses	—	1,294
Amounts not recognised	(43)	152
Share options	50	(355)
Tax expense	—	—

## Match.com International Limited

**Notes to the financial statements**

for the year ended 31 December 2021

**9. Taxation (continued)****Deferred tax**

	31 Dec 2021	31 Dec 2020
	(in £000s)	
Deferred tax asset:		
Temporary differences trading	353	583
Losses	201	202
Fixed Assets	15	18
	569	803
Valuation allowance	(569)	(803)
Net deferred tax asset	—	—

The company has £569,000 (2020: £803,000) in relation to unrecognised deferred tax assets. The directors believe that the company will not be sufficiently profitable in the future to recognise these amounts, and as such, do not believe they meet the recognition criteria of an asset. The directors will continue to review the future profitability of the company and will recognise these assets if they believe the company can generate sufficient future profits in order to benefit from them.

**10. Leases**

The Company leased office space and equipment used in connection with its operations under various operating leases through 24 June 2020. The right-of-use assets and lease liabilities were nil in both 2021 and 2020. The amounts recognised in the financial statements in relation to the leases are as follows:

	31 Dec 2021	31 Dec 2020
	(in £000s)	
Depreciation charge of right-of-use assets	—	51
Interest expense	—	9
Expense relating to variable lease payments not included in lease liabilities	—	23
	—	23

**11. Investments**

All of the Company's investments have been impaired to nil as of 31 December 2021 and 31 December 2020. The share capital as at the Balance Sheet date of the companies where the investment balances are impaired to nil are as follows:

The Company's investments at the Balance Sheet date in the share capital of companies include the following:

Company	Country of Incorporation	Principal Activity	Share Capital	Interest
Match.com International II Limited	UK	Holding company	Ordinary shares	100% direct



## Match.com International Limited

**Notes to the financial statements**

for the year ended 31 December 2021

**12. Debtors**

	31 Dec 2021	31 Dec 2020
	<i>(in £000s)</i>	
Amounts falling due within one year:		
Trade debtors	1,031	878
Amounts owed by group undertakings	30,174	13,037
Prepayments and accrued income	211	243
Income tax receivable	113	113
	<u>31,529</u>	<u>14,271</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	—	17,683
	<u>—</u>	<u>17,683</u>
Total	<u>31,529</u>	<u>31,954</u>

Amounts owed by group undertakings will become due January 2022 and bear an interest rate of 3.50%.

**13. Creditors: Amounts Falling due with one Year**

	31 Dec 2021	31 Dec 2020
	<i>(in £000s)</i>	
Trade creditors	—	12
Amounts owed to group undertakings	35,438	18,683
Accrued expenses	5,139	5,494
VAT	966	1,103
	<u>41,543</u>	<u>25,292</u>

Loan advanced will become due in September 2022 and bears interest at 6.00%

**14. Creditors: Amounts Falling due after more than one year**

	31 Dec 2021	31 Dec 2020
	<i>(in £000s)</i>	
Amounts owed to group undertakings	—	16,701
	<u>—</u>	<u>16,701</u>

## Match.com International Limited

**Notes to the financial statements**

for the year ended 31 December 2021

**15. Called Up Share Capital**

			31 Dec 2021	31 Dec 2020
			(in £000s)	
Allotted, issued and fully paid:				
Number:	Class	Nominal value:		
6,589,001 (2020: 6,589,001)	Ordinary	£1	6,589	6,589

**16. Reserves**

	Retained earnings	Share based payment reserve	Total
	(in £000s)		
At 1 January 2021	2,001	1,042	3,043
Loss for the year	(39)	—	(39)
Share based payments	—	(1,042)	(1,042)
Charge from parent for equity-settled share-based payment	(576)	—	(576)
At 31 December 2021	1,386	—	1,386

**17. Related Party Disclosures**

As the Company is a wholly-owned subsidiary of Meetic S.A.S., which in turn, is a majority-owned subsidiary of Match Group Inc., the Company has taken advantage of the exemption contained in FRS 101 Related Parties Disclosures and has therefore not disclosed transactions or balances with entities which form part of the group.

**18. Ultimate Parent Company**

The Company is a wholly-owned subsidiary of Meetic S.A.S., a company which is incorporated in France, which in turn, is a majority-owned subsidiary of Match Group Inc., a company incorporated in the USA.

Match Group, Inc. heads the largest group of which Match.com International Limited is a member for which group accounts are prepared.

The group accounts for Match Group, Inc. are available at 8750 North Central Expressway, Dallas, TX 75231.

Match.com International Limited

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## Notes to the financial statements

for the year ended 31 December 2021

### 19. Share Based Payment Transactions

Share options in Group Companies are granted to senior executives.

In respect of older schemes established in respect of Match Group, Inc. (US) shares at 31 December 2021, the exercise price of the outstanding options is equal to £10,000 (the market price of the shares on the grant date). Options vest equally over four years while the employee remains in the group's employment. The contractual life of each option is 10 years. There are no cash alternatives.

The Company awarded share options to employees in Match Group Inc (US) shares in 2017 totaling £673,000. At 31 December 2021 and 31 December 2020, the exercise price of these outstanding options was £31,000 and £89,000, respectively. Options vest equally over four years while the employee remains in group's employment. The contractual life of each option is 10 years. There are no cash equivalents.

The Company awarded restricted share units ("RSU") to employees in Match Group Inc (US) shares in 2018 totaling £157,000. At 31 December 2021 and 31 December 2020, £51,000 and £99,000, respectively, of these awards remain outstanding. RSUs vest equally over four years while the employee remains in group's employment.

The Company awarded restricted share units ("RSU") to employees in Match Group Inc (US) shares in 2019 totaling £96,000. At both 31 December 2021 and 31 December 2020, £95,000 of these awards remain outstanding. RSUs vest equally over four years while the employee remains in group's employment.

The Company awarded restricted share units ("RSU") to employees in Match Group Inc (US) shares in 2020 totaling £209,000. At 31 December 2021 and 31 December 2020, £176,000 and £213,000 of these awards remain outstanding. RSUs vest equally over four years while the employee remains in group's employment.

The Company awarded restricted share units ("RSU") to employees in Match Group Inc (US) shares in 2021 totaling £108,000. At 31 December 2021, all £108,000 of these awards remain outstanding. RSUs vest equally over four years while the employee remains in group's employment.

### 20. Subsequent Events

In July 2022, the Company received USD €3,751,251 (GBP£3,148,608) from Meetic in exchange for 287,402 ordinary shares of £1 each in the capital of the Company with a share premium of GBP2,861,206. Additionally, the Company settled a loan with a member of the group for GBP£18,317,902.