

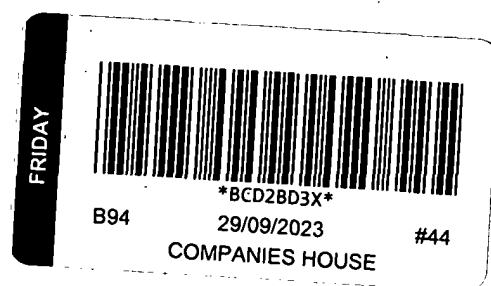
Match.com Foreign Holdings III Limited

Registered No. 09737863

Match.com Foreign Holdings III Limited

Strategic Report, Directors' Report and Financial Statements

31 December 2022



Contents of the Financial Statements
for the year ended 31 December 2022

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Match.com-Foreign-Holdings-III-Limited

Company information

Directors

P Eigenmann
J Sine

Auditors

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

Bankers

JP Morgan
125 London Wall
London EC2Y 5AJ

Solicitors

Eversheds
1 Royal Standard Place
Nottingham NG1 6FZ

Registered Office

C/O Skadden, Arps, Slate, Meagher & Flom (UK) LLP
22 Bishopsgate
London EC2N 4BQ

Match.com Foreign Holdings III Limited

Strategic report

Principal Activities

The principal activity of the Company is the business of a holding and investment company. The directors expect it to continue as such in the future.

Review of the business

In January 2022, the Company received a cash distribution of USD \$20,253,000 from its direct subsidiary, Match.com Luxembourg S.a.r.l. ("Match Lux"). Immediately thereafter, the Company distributed USD \$20,253,000 to its immediate parent, Match.com Foreign Holdings II ("MFH II").

In March 2022, the Company received USD \$200,000 from MFH II in exchange for one ordinary share of £1 each in the capital of the Company with a share premium of USD \$199,999. Immediately thereafter, the Company contributed USD \$200,000 towards the equity of its wholly-owned subsidiary, Match.com Offshore Holdings Ltd ("Match Offshore").

In May 2022, the share premium account was reduced by \$20,000,000. Additionally, the Company received a dividend of USD \$10,866,213 (JPY ¥1,416,628,132) from Match.com Japan K.K. ("MJKK"). Immediately thereafter, the Company declared a dividend of USD \$10,866,213 to MFH II.

In July 2022, the Company received USD \$38,500,000 from MFH II in exchange for one ordinary share of £1 each in the capital of the Company with a share premium of USD \$38,499,999. Immediately thereafter, the Company contributed USD \$38,500,000 (GBP £32,209,487) towards the equity of its wholly-owned subsidiary, Match.com Europe Limited ("MEL"), in exchange for 8,091,121 ordinary shares. Additionally, the Company received cash in settlement of a note with a group member of USD \$14,338,416. Additionally, the Company received a dividend of USD \$9,466,387 from MEL. Immediately thereafter, the Company declared a dividend of USD \$23,804,802 to its immediate parent, MFH II.

In August 2022, the Company received USD \$2,000,000 from MFH II in exchange for one ordinary share of £1 each in the capital of the Company with a share premium of USD \$1,999,999. Immediately thereafter, the Company contributed USD \$2,000,000 towards the equity of its wholly-owned subsidiary, MEL, in exchange for one ordinary share.

In September 2022, the Company entered into a loan agreement with MFH II in the principal amount of USD \$331,100,000 bearing an interest rate of 6.4% per annum.

In October 2022, a loan payable was novated to the Company from Match Lux USD \$539,605,662 in exchange for a promissory note issued by Match Lux to the Company in the amount of USD \$539,605,662. Additionally, the Company offset two intercompany loan receivables due from Match Lux with redemption values balances of USD \$195,165,780 and USD \$52,515,737 as partial settlement of the new promissory note issued by Match Lux. Match Lux satisfied the remaining obligation to the Company for this new promissory note by assigning the Company the right to receive USD \$291,924,144 of its loan receivable balance. Further, Match Lux declared a dividend to the Company of USD \$38,068,068 in the form of a loan receivable balance of USD \$38,068,068.

Also, in October 2022, the Company received USD \$2,100,000 from MFH II in exchange for one ordinary share of £1 each in the capital of the Company with a share premium of USD \$2,099,999. Immediately thereafter, the Company contributed USD \$2,100,000 towards the equity of its wholly-owned subsidiary, MEL, in exchange for one ordinary share.

Match.com Foreign Holdings III Limited**Strategic report (continued)**

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

	2022	2021	Change %
	<i>(in \$000s)</i>		
Operating (loss) profit on ordinary activities before taxation	\$ (455,650)	\$ 24,452	(1963)%
Interest payable and similar charges	\$ (11,418)	\$ (13,651)	(16)%
Investment income	\$ 78,654	\$ 37,428	110 %

The loss for the year ended 31 December 2022, before taxation, amounts to \$455,650,000 (for the year ended 31 December 2021 - profit of \$24,452,000). Operating loss in 2022 is primarily due to a non-recurring impairment on investments of \$527,700,000, partially offset by an increase in dividend income in 2022 as compared 2021. An impairment analysis was performed and a non-cash impairment charge was recognised as our analysis indicated the carrying value exceeded the fair value of the asset analysed.

Principal risks and uncertainties

As a parent undertaking the principal risk related to reliance on its profitable subsidiaries, which operate in a competitive market. Subsidiaries that are engaged in online dating activities manage this risk by their ability to attract users to their websites and applications, 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 subsidiary websites and applications, and the subsidiaries' ability to maintain productive relationships with affiliate networks. No assurances can be provided that the Company's subsidiaries will continue to be able to effectively attract registered users to their websites 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.

Climate risk

The Company has considered the potential impacts of climate change; however, has not identified specific impacts to the business of the Company.

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. As the nature of the company is a holding company, there are minimal impacts. The Company will continue to monitor the impacts from the increased prices.

Match.com Foreign Holdings III Limited

Strategic report (continued)

Cyber risk

The Company is exposed to the risk of cyberattacks through its investments in operating companies. Our operating companies receive, process, store, and transmit a significant amount of personal user and other confidential or sensitive information, including credit card information and user-to-user communications, and enable their users to share their personal information with each other. In some cases, our operating companies engage third party service providers to store this information. These operating companies are 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. Our operating companies 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 our operating companies' efforts will prevent significant breaches in their systems or other such events from occurring. The impact of cyber or similar attacks experienced by third parties who provide services to our operating companies or otherwise process data on our operating companies' behalf could have a similar effect on us.

ON BEHALF OF THE BOARD:

DocuSigned by:

Phil Eigenmann

P. Eigenmann

Director

Date: 28 September 2023

Match.com Foreign Holdings III Limited

Directors' report

The directors present their report with the audited financial statements for the year ended 31 December 2022.

Results and dividends

The net loss for the year after taxation amounted to \$455,650,000 (2021 - profit of \$24,452,000). The Company distributed interim dividends during 2022 and 2021 of \$54.9 million and \$37.4 million, respectively, to its direct parent company, Match.com Foreign Holdings II Limited.

Directors

The current directors are shown on page 1.

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 Q2 2023 results on 1 August 2023, which included increases in revenue and adjusted operating income over the comparable prior year to date period and cash on hand of approximately \$733 million. Additionally, total revenue and adjusted operating income for 2023 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 a period of twelve months from the date of approval of the balance sheet.

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:

Phil Eigenmann

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P. Eigenmann

Director

Date: 28 September 2023

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) including FRS 101. 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 Foreign Holdings III Limited

Opinion

We have audited the financial statements of Match.com Foreign Holdings III Limited for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Comprehensive Income, 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 2022 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 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 twelve months from the date of approval of the balance sheet.

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 Foreign Holdings III 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 the 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 6, 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 Standards, FRS 101 "Reduced Disclosure Framework", Companies Act 2006, Data Protection

Independent auditors' report (continued)
to the members of Match.com Foreign Holdings III Limited

Act 1998, Proceeds of Crime Act 2002, Money Laundering Regulations 2003, UK Bribery Act, UK Tax Regulation and Health and safety regulations.

- We understood how the Company is complying with those frameworks by holding enquiries with management and those responsible for legal and compliance procedures. 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.

- 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.
- Auditing the risk of management override of controls, including performing analytical procedures.
- Evaluating the business rationale of significant transactions outside the normal course of business.
- 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.



Stuart Darrington (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
1 More London Place
London
SE1 2AF
29 September 2023

Match.com Foreign Holdings III Limited

Income statement

for the year ended 31 December 2022

	Notes	31 Dec 2022	31 Dec 2021
<i>(in \$000s)</i>			
Turnover		\$ —	\$ —
Administrative expenses		(527,726)	(18)
Operating loss		(527,726)	(18)
Income from shares in group undertakings	4	78,654	37,428
Interest receivable and similar income	5	4,840	693
Interest payable and similar charges	6	(11,418)	(13,651)
Operating (loss) profit on ordinary activities before taxation	7	(455,650)	24,452
Tax on (loss) profit on ordinary activities	8	—	—
(Loss) profit for the financial year		\$ (455,650)	\$ 24,452

All amounts relate to continuing operations.

Match:com Foreign Holdings III Limited**Other comprehensive loss/income**

for the year ended 31 December 2022

	Notes	31 Dec 2022	31 Dec 2021
		<i>(in \$000s)</i>	
(Loss) profit for the financial year		\$ (455,650)	\$ 24,452
Other comprehensive income		—	—
Total comprehensive (loss) income for the year		\$ (455,650)	\$ 24,452

Match.com Foreign Holdings III Limited

Registered No. 09737863

Balance sheet

at 31 December 2022

	Notes	31 Dec 2022	31 Dec 2021
(in \$000s)			
Non-current Assets			
Investments	9	\$ 472,166	\$ 957,066
		472,166	957,066
Current Assets			
Debtors	10	336,494	16,000
		336,494	16,000
Creditors			
Amounts falling due within one year	11	552,563	249,195
Net Current Liabilities		(216,069)	(233,195)
Total Assets Less Current Liabilities		256,097	723,871
Net Assets		\$ 256,097	\$ 723,871
Capital and Reserves			
Called up share capital	12	\$ 540,558	\$ 540,558
Share premium	12	204,056	181,256
Retained earnings	13	(488,517)	2,057
Total Equity		\$ 256,097	\$ 723,871

The financial statements were approved by the Board of Directors on 28 September 2023 and were signed on its behalf by:

DocuSigned by:

Phil Eigenmann

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P. Eigenmann

Director

Match.com Foreign Holdings III Limited

Registered No. 09737863

Statement of changes in equity

at 31 December 2022

	Called up share capital	Share premium	Retained earnings	Total equity
	<i>(in \$000s)</i>			
Balance at 1 January 2021	\$ 540,558	\$ 181,256	\$ 15,033	\$ 736,847
Changes in equity				
Dividends	—	—	(37,428)	(37,428)
Total comprehensive income	—	—	24,452	24,452
Balance at 31 December 2021	540,558	181,256	2,057	723,871
Changes in equity				
Issue of share capital	—	42,800	—	42,800
Share capital reduction	—	(20,000)	20,000	—
Dividends	—	—	(54,924)	(54,924)
Total comprehensive loss	—	—	(455,650)	(455,650)
Balance at 31 December 2022	\$ 540,558	\$ 204,056	\$ (488,517)	\$ 256,097

The dividends paid in 2022 were distributed prior to the issuance of the 2022 statutory accounts. Subsequent to the payment of these dividends, a non-cash impairment on the investment in subsidiary was recorded in the 2022 statutory accounts during year-end procedures. This impairment, which was not evident at the time the dividend was paid, resulted in a negative reserve balance. It is the directors' responsibility to review conditions at the date of payment.

Notes to the financial statements

for the year ended 31 December 2022

1. Authorisation of Financial Statements and Compliance

The financial statements of Match.com Foreign Holdings III Limited (the "Company") for the year ended 31 December 2022 were authorised for issue by the board of directors on 28 September 2023 and the balance sheet was signed on the board's behalf by P. Eigenmann. Match Foreign Holdings III Limited is incorporated and domiciled in the United Kingdom.

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 financial statements have been prepared on the going concern basis and in accordance with applications accounting standards in the United Kingdom and under historical cost accounting rules. 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 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;
- 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 ultimate parent undertaking established under the laws 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 Match.com Foreign Holdings II Limited, 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 qualifying as related parties).

Notes to the financial statements

for the year ended 31 December 2022

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 Q2 2023 results on 1 August 2023, which included increases in revenue and adjusted operating income over the comparable prior year to date period and cash on hand of approximately \$733 million. Additionally, total revenue and adjusted operating income for 2023 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 a period of twelve months from the date of approval of the balance sheet.

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 that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency transaction

The directors of the Company regard the US dollar as the functional currency of the Company. The majority of the Company's revenue and expenditure is carried out in US dollars. Therefore, the financial statements are presented in US dollars.

Transactions denominated in foreign currencies are translated in to US dollars and recorded at the actual rate of exchange during the year. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rate of exchange ruling at the balance sheet date (2022 - \$1.00 = £0.8276, 2021 - \$1.00 = £0.7390). Exchange gains or losses are included in the profit and loss account.

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.

Management assumptions

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

Match.com Foreign Holdings III Limited

Notes to the financial statements

for the year ended 31 December 2022

2. Accounting policies (continued)**Reclassifications**

Certain prior year intragroup receivables have been reclassified from current to non-current in the footnotes to comply with IAS 1 requirements.

3. Employees and Directors

There were no staff costs for the year ended 31 December 2022 nor for the year ended 31 December 2021

The directors' remuneration for the years ended 31 December 2022 and 31 December 2021 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 Foreign Holdings III Limited.

4. Income from Shares in Group Undertakings

	31 Dec 2022	31 Dec 2021
	(in \$000s)	
Income from shares in group undertakings	\$ 78,654	\$ 37,428

5. Interest Receivable and Similar Income

	31 Dec 2022	31 Dec 2021
	(in \$000s)	
Deposit account interest	\$ 4,840	\$ 693

6. Interest Payable and Similar Charges

	31 Dec 2022	31 Dec 2021
	(in \$000s)	
Interest payable	\$ 11,418	\$ 13,651

7. Profit before Taxation

The loss before taxation is stated after charging:

	31 Dec 2022	31 Dec 2021
	(in \$000s)	
Non-cash impairment charge on investment in subsidiary	\$ 527,700	\$ —
Auditor's remuneration - audit services	14	17

An impairment analysis was performed related to the 2022 balances. A non-cash impairment was recognised as our analysis indicated the carrying value exceeded the fair value of the asset analysed.

Notes to the financial statements

for the year ended 31 December 2022

8. Taxation

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Factors affecting the tax expense

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

	31 Dec 2022	31 Dec 2021
	<i>(in \$000s)</i>	
(Loss)/Profit on ordinary activities before income tax	\$ (455,650)	\$ 24,452
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%)	\$ (86,574)	\$ 4,646
Effects of:		
Income not taxable for UK corporation tax purposes	(14,944)	(7,111)
Effects of group relief	592	—
Non tax-deductible expenses	100,263	—
Tax rate changes	(3,447)	—
Adjustments in respect of prior years	(6,665)	—
Amounts not recognised	10,112	2,465
Tax expense	\$ —	\$ —

Deferred tax

	31 Dec 2022	31 Dec 2021
	<i>(in \$000s)</i>	
Deferred tax asset:		
Losses	\$ 1,581	\$ 3,588
CIR reactivation	12,877	—
	14,458	3,588
Valuation allowance	(14,458)	(3,588)
Net deferred tax asset	\$ —	\$ —

The company has \$14,458,000 (2021: \$3,588,000) 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.

Match.com Foreign Holdings III Limited

Notes to the financial statements

for the year ended 31 December 2022

9. Investments

	Shares in group undertakings (in \$000s)
Cost	
At 1 January 2022	\$ 1,267,699
Additions	42,800
At 31 December 2022	\$ 1,310,499
Impairment	
At 1 January 2022	\$(310,633)
Impairment for the year	(527,700)
At 31 December 2022	\$(838,333)
Net book value	
At 31 December 2022	\$ 472,166
At 31 December 2021	\$ 957,066

In March 2022, the Company contributed USD \$200,000 towards the equity of its wholly-owned subsidiary, Match Offshore

In July 2022, the Company contributed USD \$38,500,000 (GBP £32,209,487) towards the equity of its wholly-owned subsidiary, MEL, in exchange for 8,091,121 ordinary shares.

In August 2022, the Company contributed USD \$2,000,000 towards the equity of its wholly-owned subsidiary, MEL, in exchange for one ordinary share.

In October 2022, the Company contributed USD \$2,100,000 towards the equity of its wholly-owned subsidiary, MEL, in exchange for one ordinary share..

An impairment analysis was performed related to the 2022 balance. A non-cash impairment charge was recognised as our analysis indicated the carrying value exceeded the fair value of the asset analysed.

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 Luxembourg SARL	Luxembourg	Holding company	Ordinary shares	94.2% direct
Match.com Offshore Holdings Ltd.	Mauritius	Holding company	Ordinary shares	100% direct
Match.com Europe Ltd.	UK	Holding company	Ordinary shares	100% direct
PlentyofFish Media ULC	Canada	Online dating	Common stock	94.2% indirect
PlentyofFish Media, LLC	US	Online dating	Ordinary Shares	94.2% indirect
Eureka, Inc.	Japan	Online dating	Ordinary shares	100% indirect
Pairs Engage Inc.	Japan	Online dating	Ordinary shares	100% indirect
Five Star Matchmaking Information Technology	China	Online dating	Ordinary shares	100% indirect

Notes to the financial statements

for the year ended 31 December 2022

9. Investments (continued)

Company	Country of Incorporation	Principal Activity	Share Capital	Interest
Match.com Pegasus Ltd	UK	Holding company	Ordinary shares	100% indirect
Massive Media Match NV	Belgium	Online dating	Ordinary shares	100% indirect
Match.com Global Services Ltd	UK	Online dating	Ordinary shares	100% indirect
FriendScout24 GmbH	Germany	Online dating	Ordinary shares	100% indirect
Meetic SAS	France	Online dating	Ordinary shares	100% indirect
Match Global Investment SARL	Luxembourg	Holding company	Ordinary shares and preferred shares	100% indirect
Neu.de	Germany	Online dating	Ordinary shares	100% indirect
Match.com International Ltd.	UK	Online dating	Ordinary shares	100% indirect
Match.com Nordic AB	Sweden	Online dating	Ordinary shares	100% indirect
Nexus Ltd	UK	Holding company	Ordinary shares	100% indirect
Massive Media Europe NV	Belgium	Online dating	Ordinary shares	100% indirect
MM Latam LLC	US	Holding company	Ordinary shares	100% indirect
Match.com LatAm Ltd	UK	Online dating	Ordinary shares	100% indirect
Match.com International II Ltd.	UK	Online dating	Ordinary shares	100% indirect
Dating Direct Ltd	UK	Holding company	Ordinary shares	100% indirect
Parperfeito Comunicacao SA	Brazil	Online dating	Ordinary shares	100% indirect
Matchcom Mexico S de R.L. de C.V.	Mexico	Online dating	Ordinary shares	100% indirect
Meetic Netherlands BV	Netherlands	Online dating	Ordinary shares	100% indirect
Meetic Italia SRL	Italy	Online dating	Ordinary shares	100% indirect

10. Debtors

	31 Dec 2022	31 Dec 2021
	(in \$000s)	
Amounts falling due within one year:		
Amounts owed by group undertakings	\$ 334,434	\$ 13,940
Amounts falling due more than one year:		
Amounts owed by group undertakings	2,060	2,060
Total	\$ 336,494	\$ 16,000

The loan was opened in September 2022 and will mature in March 2023. Interest is earned at a fixed rate of 6.4% per annum. Amounts owed by group undertakings falling due after more than one year are repayable on demand and as trading positions are not interest bearing.

Match.com Foreign Holdings III Limited

Notes to the financial statements

for the year ended 31 December 2022

11. Creditors: Amounts Falling due within one Year

	31 Dec 2022	31 Dec 2021
	(in \$000s)	
Amounts owed to group undertakings	\$ 552,544	\$ 249,172
Accrued expenses	19	23
Total	\$ 552,563	\$ 249,195

Loans advanced were novated to the Company in October 2022 and will become due in October 2023 and does not bear interest.

12. Called Up Share Capital and Premium

				Share capital	Share premium,	Total
					(in \$000s)	
Allotted, issued and fully paid:						
	Number:	Class:	Nominal value:			
At 1 January 2022	348,955,286	Ordinary	£1	\$ 540,558	\$ 181,256	\$ 721,814
Issuance of shares	4	Ordinary	£1	—	42,800	42,800
Share premium reduction	—	Ordinary	£1	—	(20,000)	(20,000)
At 31 December 2022	348,955,290	Ordinary	£1	\$ 540,558	\$ 204,056	\$ 744,614

^aIn May 2022, the Company reduced its share premium by USD \$20,000,000.

13. Reserves

	Retained earnings
	(in \$000s)
At 1 January 2022	\$ 2,057
Loss for the period	(455,650)
Share premium reduction	20,000
Dividends	(54,924)
At 31 December 2022	\$ (488,517)

In January 2022, the Company distributed USD \$20,253,000 to its immediate parent, MFH II.

In May 2022, the Company declared a dividend of USD \$10,866,213 to MFH II.

In July 2022, the Company declared a dividend of USD \$23,804,802 to MFH II.

Notes to the financial statements

for the year ended 31 December 2022

14. Ultimate Parent Company

The Company is a wholly-owned subsidiary of Match.com Foreign Holdings Limited II, a company which is incorporated in the United Kingdom, which in turn, is a wholly-owned subsidiary of Match Group Inc., a company incorporated in the USA.

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

15. Related Party Disclosures

As the Company is a wholly-owned subsidiary of Match.com Foreign Holdings II Limited, which in turn, is a wholly-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.

16. Subsequent Events

In February 2023, the Company was released and discharged from its intercompany loan payable due to MG UK II Ltd in the amount of \$539,605,662.

Also, in February 2023, the Company released and discharged MFH II from its intercompany loan payable due to the Company in the amount of \$337,940,805.

In March 2023, the Company entered into a loan agreement with a group member, Match Group, LLC ("MG LLC") and received USD \$1,500,000 at an interest rate of 6.4% per annum.

Additionally, in March 2023, the Company received a dividend of USD \$15,000,000 from its wholly-owned subsidiary, Eureka, Inc. ("Eureka"). Upon receipt of the dividend, the Company fully settled its loan agreement with MG LLC of USD \$1,500,000, and declared a dividend of USD \$8,490,268 to its immediate parent company, MFH II.

In June 2023, the Company received USD \$200,000 from MFH II in exchange for one ordinary share of £1 each in the capital of the Company with a share premium of USD \$199,999. Immediately thereafter, the Company contributed USD \$200,000 towards the equity of its wholly-owned subsidiary, Match.com Offshore Holdings Ltd.

In August 2023, the Company received USD \$11,775,000 from MFH II in exchange for one ordinary share of £1 each in the capital of the Company with a share premium of USD \$11,774,000.

In September 2023, the Company reduced its entire share premium of \$216,031,134 to nil, and reduced the nominal value of each of the 348,955,292 ordinary shares of £1 per ordinary share to £0.63 per ordinary share.