

stock, if the underwriters exercise in full their option to purchase additional shares of our common stock in this offering). IAC is not subject to any contractual obligation to retain its controlling interest in us, except that IAC is subject to the lock-up agreement described in the section "Shares eligible for future sale."

Pre-offering relationship with IAC

We have operated as a wholly-owned subsidiary of IAC since our incorporation. As a result, in the ordinary course of our business, IAC has provided us with various services, including accounting, treasury, legal, tax, risk management, corporate support and internal audit functions. Our combined statement of operations includes allocations of general and administrative costs, including stock-based compensation expense, related to these functions. For more information regarding these allocations, see Note 7 to our unaudited combined financial statements and Note 13 to our audited combined financial statements.

In connection with the financing of certain acquisitions in 2011 and 2014, we borrowed money from (and issued related notes to) certain IAC subsidiaries, which borrowings are classified as long-term debt on the combined balance sheet in our audited combined financial statements. For more information regarding this long-term debt, see Note 7 to our unaudited combined financial statements and Note 13 to our audited combined financial statements. At the time of this offering, all long-term debt which we owe to IAC subsidiaries will be repaid.

We recently acquired PlentyOfFish for \$575 million. The purchase price was funded through a combination of \$75.0 million of cash on hand and a \$500.0 million cash contribution from IAC. IAC will ultimately receive Match Group shares for the \$500.0 million contribution. The number of shares that will be issued will be calculated using the initial public offering price in this offering.

We and certain of our domestic subsidiaries currently unconditionally guarantee IAC's obligations under senior notes issued by IAC in 2012 and 2013. The indentures governing these notes contain restrictive covenants that limit the ability of IAC's subsidiaries to take certain actions generally and, in some cases, if IAC is not in compliance with the financial ratio set forth in the indentures. IAC's revolving credit facility is also currently unconditionally guaranteed by us and certain of our domestic subsidiaries and is also secured by our stock and the stock of certain of our domestic subsidiaries. Prior to the closing of this offering, we will no longer be a restricted subsidiary of IAC for purposes of its debt facilities, nor will we guarantee any debt of IAC nor will the stock of any of our subsidiaries be pledged to secure IAC's debt. For more information regarding these guarantees and pledges, see Note 7 to our unaudited combined financial statements and Note 13 to our audited combined financial statements.

We have entered into certain arrangements with IAC in the ordinary course of business, specifically: (i) the leasing of office space for certain of our businesses at properties owned by IAC, for which we paid IAC approximately \$1,000,000 in 2014, and (ii) the subleasing of space in a data center from an IAC subsidiary, for which we paid such IAC subsidiary approximately \$1,100,000 in 2014.

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We also expect to enter into certain agreements with IAC relating to this offering and our relationship with IAC after this offering, which are described below.

After the initial public offering price has been determined, but prior to the completion of this offering, we will issue to IAC related-party indebtedness with an aggregate principal amount equal to the total net proceeds to us from this offering, assuming the underwriters exercise in full their option to purchase additional shares. If the underwriters exercise in full their option to purchase additional shares, such related-party indebtedness will be repaid in full with the net proceeds from this offering. If the underwriters do not exercise in full their option to purchase additional shares, we intend to incur additional borrowings under the Revolving Credit Facility in order to repay the balance of the IAC related-party indebtedness. The IAC related-party indebtedness will bear interest at 2.25% per year and will mature within 30 days of the issuance of such indebtedness.

Post-offering relationship with IAC

We expect to enter into certain agreements with IAC relating to this offering and our relationship with IAC after this offering, specifically:

- a master transaction agreement;
- an investor rights agreement;
- a tax sharing agreement;
- a services agreement;
- an employee matters agreement; and
- a subordinated loan facility.

The material terms of each of these agreements are summarized below. The summary of each such agreement is qualified by reference in its entirety to the full text of the applicable agreement, which will be filed as an exhibit to the registration statement on Form S-1 of which this prospectus is a part. Other than these agreements, we do not currently expect to enter into any additional agreements or other transactions with IAC outside the ordinary course following this offering.

Master transaction agreement

The master transaction agreement will set forth the agreements between IAC and us regarding the principal transactions necessary to separate our business from IAC, as well as govern certain aspects of our relationship with IAC after the completion of this offering.

In the master transaction agreement, we will agree to indemnify, defend and hold harmless IAC and its current and former directors, officers and employees, from and against any losses arising out of any breach by us of the master transaction agreement or the other transaction-related agreements described in this section, any failure by us to assume and perform any of the liabilities allocated to us in the master transaction agreement and certain liabilities relating to our filings made with the SEC, including this registration statement, and information provided by us to IAC for IAC's filings made with the SEC. IAC will agree to indemnify, defend and hold harmless us and each of our current and former directors, officers and employees, from and against losses arising out of any breach by IAC of the master transaction agreement or the other transaction-related agreements described in this section, any failure by IAC to assume and perform any of the liabilities allocated to IAC in the master transaction agreement, and certain liabilities relating to information provided by IAC for our filings