

Cash flows from investing activities:

Acquisitions, net of cash acquired	(113,871)	(40,712)
Capital expenditures	(14,583)	(19,916)
Purchases of long-term investments	(4,536)	—
Other, net	180	(8,402)
Net cash used in investing activities	(132,810)	(69,030)
Cash flows from financing activities:		
Funds returned from escrow related to Meetic tender offer	12,354	—
Purchase of noncontrolling interests	(30,328)	(557)
Transfers (to) from IAC/InterActiveCorp	(80,767)	75,945
Proceeds from the issuance of related party debt	119,101	—
Acquisition-related contingent consideration payments	(7,373)	(5,510)
Excess tax benefits from stock-based awards	5,283	31,285
Net cash provided by financing activities	18,270	101,163
Effect of exchange rate changes on cash and cash equivalents	(5,113)	(3,461)
Net increase in cash and cash equivalents	9,571	154,913
Cash and cash equivalents at beginning of period	125,226	127,630
Cash and cash equivalents at end of period	\$ 134,797	\$ 282,543

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

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Match Group, Inc. and Subsidiaries

Notes to combined financial statements

(Unaudited)

Note 1—The company and summary of significant accounting policies

Nature of operations

Match Group, Inc. consists of our North America dating business (which includes brands such as Match, OkCupid, Tinder, OurTime, BlackPeopleMeet and other dating brands operating within the United States and Canada), our International dating business (which includes Meetic, Tinder's international operations, Twoo, FriendScout24 and all other dating brands operating outside of the United States and Canada) and our non-dating business, The Princeton Review.

Through the brands within our dating business, we are a leading provider of membership-based and ad-supported dating products servicing North America, Western Europe and other select countries around the world. We provide these services through websites and applications that we own and operate.

The non-dating business consists of The Princeton Review, which provides a variety of educational test preparation, academic tutoring and college counseling services.

Match Group, Inc. is a wholly-owned subsidiary of IAC/InterActiveCorp ("IAC"). On October 16, 2015, Match Group, Inc. filed a registration statement on Form S-1 with the Securities and Exchange Commission ("SEC") relating to the proposed initial public offering ("IPO") of less than 20% of its common stock. The IPO is expected to be completed during the fourth quarter of 2015. On October 28, 2015, Match Group, Inc. completed its previously announced acquisition of PlentyOfFish for \$575 million in cash. 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 IPO price.

All references to the "Company," "we," "our" or "us" in this report are to Match Group, Inc.

Basis of presentation

The Company prepares its combined financial statements in accordance with U.S. generally accepted accounting principles ("GAAP").

Basis of combination

These historical combined financial statements have been prepared on a stand-alone basis and are derived from the consolidated financial statements and accounting records of IAC. The combined financial statements reflect the historical financial position, results of operations and cash flows of the Match Group, Inc. businesses since their respective dates of acquisition by IAC and the allocation to Match Group, Inc. of certain IAC corporate expenses relating to Match Group Inc. based on the historical financial statements and accounting records of IAC. For the purpose of these financial statements, income taxes have been computed for Match Group, Inc. on an as if stand-alone, separate tax return basis.

All intercompany transactions and balances between and among the Company, its subsidiaries and the entities comprising Match Group, Inc. have been eliminated. All intercompany transactions between Match Group, Inc. and IAC and its subsidiaries, with the exception of notes payable due to IAC subsidiaries, are considered to be effectively settled for cash at the time the transaction is recorded. The total net effect of

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