

complex arrangements.

The more significant of the two contingent consideration arrangements relates to the acquisition, on January 4, 2013, of Massive Media NV, which operates Twoo.com, a social discovery website that allows its users to meet new people. The Twoo.com contingent consideration arrangement is payable in three annual installments, which began in 2014. Payments are based upon EBITDA and number of monthly active users. The 2014 installment of \$7.4 million was paid in the second quarter of 2014. The remaining aggregate amount of the 2015 and 2016 installment payments cannot exceed €77.9 million (\$94.9 million at December 31, 2014). The estimate of the fair value for the Twoo.com remaining payments was determined using a probability weighted analysis that forecasted EBITDA and monthly active users based primarily on management's internal projections and strategic plans. The fair value of this arrangement is determined using a discount rate of 15%.

The fair values of the contingent consideration arrangements are sensitive to changes in the forecasts of earnings and/or the relevant operating metrics and changes in discount rates. The Company remeasures the fair value of the contingent consideration arrangements each reporting period, and changes are recognized in "General and administrative expense" in the accompanying combined statement of operations. The contingent consideration arrangement liability at December 31, 2014 includes a current portion of \$10.3 million and non-current portion of \$10.3 million, which are included in "Accrued expenses

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and other current liabilities" and "Other long-term liabilities," respectively, in the accompanying combined balance sheet.

Assets measured at fair value on a nonrecurring basis

The Company's non-financial assets, such as goodwill, intangible assets and property and equipment, as well as cost method investments, are adjusted to fair value only when an impairment charge is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

Note 7—Accumulated other comprehensive loss

The following tables present the components of accumulated other comprehensive loss:

	Year ended December 31, 2013		
	Foreign currency translation adjustment	Unrealized gain on available- for-sale security	Accumulated other comprehensive (loss) income
			(In thousands)
Balance at January 1	\$ (20,948)	\$ —	\$ (20,948)
Other comprehensive income	3,858	702	4,560
Balance at December 31	\$ (17,090)	\$ 702	\$ (16,388)

	Year ended December 31, 2014		
	Foreign currency translation adjustment	Unrealized (loss) on available-for- sale security	Accumulated other comprehensive loss
			(In thousands)
Balance at January 1	\$ (17,090)	\$ 702	\$ (16,388)
Other comprehensive loss	(59,710)	(1,950)	(61,660)
Balance at December 31	\$ (76,800)	\$ (1,248)	\$ (78,048)

During the year ended December 31, 2012, \$8.7 million in unrealized loss was reclassified out of accumulated other comprehensive loss into other income (expense). There were no unrealized gains and losses reclassified out of accumulated other comprehensive loss into earnings for the years ended December 31, 2013 and 2014. At December 31, 2013 and 2014, there was no tax benefit or provision on the accumulated other comprehensive loss.

Note 8—Stock-based compensation

Match Group, Inc. currently has two active plans under which awards have been granted. These plans provide for the grant of non-qualified stock options to acquire shares of Match Group, Inc. common stock, and stock appreciation rights. These plans authorize the Company to grant awards to its employees, officers, directors and consultants. At December 31, 2014, there are 1.8 million shares available for grant under the Company's stock-based compensation plans.

Prior to this offering, the options to acquire shares of Match Group, Inc. common stock are settleable for shares of IAC common stock having a value equal to the difference between the option exercise price and the fair market value of a share of Match Group, Inc. common stock. Upon completion of this offering, the options to acquire shares of Match Group, Inc. common stock will be adjusted in accordance with their terms to provide that the awards are exercisable for shares of Match Group, Inc. common stock.

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