

**Consolidated statement of cash flows  
(Unaudited)**

	<b>Six months ended</b>	
	<b>June 30,</b>	
	<b>2014</b>	<b>2015</b>
	<b>(In thousands of CAD)</b>	
<b>Cash flows from operating activities:</b>		
<b>Net earnings</b>	\$ 11,776	\$ 20,436
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	840	1,333
Bad debt expense	(11)	197
Changes in assets and liabilities:		
Accounts receivable	254	(445)
Prepaid and other current assets	249	(1,785)
Accounts payable and accrued expenses and other current liabilities	(835)	(535)
Income taxes payable	(907)	529
Deferred revenue	1,145	4,667
<b>Net cash provided by operating activities</b>	<b>12,511</b>	<b>24,397</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(778)	(372)
Purchases of time deposits	(10,000)	—
Proceeds from redemption of time deposits	—	10,000
Transfers to related parties	(2,073)	(27,601)
Transfers from related parties	64	—
Other, net	(21)	—
<b>Net cash used in investing activities</b>	<b>(12,808)</b>	<b>(17,973)</b>
<b>Cash flows from financing activities:</b>		
Dividends	—	(80)
<b>Net cash used in financing activities</b>	<b>—</b>	<b>(80)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(297)</b>	<b>6,344</b>
Cash and cash equivalents at beginning of period	32,281	19,935
<b>Cash and cash equivalents at end of period</b>	<b>\$ 31,984</b>	<b>\$ 26,279</b>

The accompanying notes to consolidated financial statements are an integral part of these statement

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**Plentyoffish Media Inc. and Subsidiaries  
Notes to consolidated financial statements  
(Unaudited)**

**Note 1—Company overview and summary of significant accounting policies**

**Nature of operations**

Plentyoffish Media Inc. ("POF") was founded in 2004 in Vancouver, Canada and is a leading provider of subscription-based and ad-supported online personals servicing North America, Europe, Latin America and Australia. Services are provided through websites and mobile applications that POF owns and operates.

All references to "POF," the "Company," "we," "our" or "us" in this report are to Plentyoffish Media Inc.

**Basis of presentation**

The Company prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). The Company's unaudited consolidated interim financial statements are expressed in Canadian dollars ("CAD").

**Basis of consolidation**

The consolidated financial statements include the accounts of the Company, and all entities that are wholly-owned by the Company. All intercompany transactions and balances have been eliminated.

The accompanying unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial information. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation. Interim results are not necessarily indicative of the results that may be expected for the full year. The accompanying unaudited consolidated financial statements should be read in conjunction with the consolidated annual financial statements and notes thereto for the year ended December 31, 2014.

**Accounting estimates**