

Plentyoffish Media Inc. and subsidiaries
Consolidated statement of cash flows

	Years ended December 31,	
	2013	2014
(In thousands of CAD)		
Cash flows from operating activities:		
Net earnings	\$ 19,292	\$ 25,658
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	2,073	2,216
Bad debt expense	13	508
Deferred income taxes	(5)	6
Changes in assets and liabilities:		
Accounts receivable	(1,455)	(1,940)
Prepaid and other current assets	(556)	(227)
Accounts payable and accrued expenses and other current liabilities	777	449
Income taxes payable	(501)	634
Deferred revenue	2,140	5,704
Other, net	(184)	168
Net cash provided by operating activities	21,594	33,176
Cash flows from investing activities:		
Capital expenditures	(2,099)	(3,496)
Purchases of time deposits	—	(10,000)
Transfers to related parties	(1,402)	(5,196)
Transfers from related parties	1,039	6,998
Other, net	(44)	22
Net cash used in investing activities	(2,506)	(11,672)
Cash flows from financing activities:		
Dividends	(9,800)	(33,850)
Net cash used in financing activities	(9,800)	(33,850)
Net increase (decrease) in cash and cash equivalents	9,288	(12,346)
Cash and cash equivalents at beginning of period	22,993	32,281
Cash and cash equivalents at end of period	\$ 32,281	\$ 19,935

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

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Plentyoffish Media Inc. and Subsidiaries
Notes to consolidated financial statements

Note 1—Company overview and basis of presentation

Company overview

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 consolidated 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.

Note 2—Summary of significant accounting policies

Accounting estimates