

REGISTERED NUMBER: 10103086 (England and Wales)

Report of the Directors and
Financial Statements for the Year Ended 31 December 2017
for
Match Group Europe Limited

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Match Group Europe Limited (Registered number: 10103086)

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for the Year Ended 31 December 2017

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Match Group Europe Limited

Company Information
for the Year Ended 31 December 2017

DIRECTORS:

B Perez
P D Eigenmann
J Franklin Sine
A Oguntade

REGISTERED OFFICE:

Skadden, Arps, Slate, Meagher & Flom LLP
40 Bank Street
London
E14 5DS

REGISTERED NUMBER:

10103086 (England and Wales)

AUDITORS:

Ernst & Young LLP, Statutory Auditor
London

BANKERS:

J.P. Morgan
25 Bank Street
Canary Wharf
London
E14 5JP

Match Group Europe Limited (Registered number: 10103086)

Report of the Directors
for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

COMPARATIVE AMOUNTS

Match Group Europe Limited was incorporated on 5 April 2016 and began trading thereafter. Comparative amounts refer to the period from 5 April 2016 to 31 December 2016.

PRINCIPAL ACTIVITY

The company exists primarily as an extension of the Media division of Match Inc, based in USA. The Company is engaged in the business of selling advertising space for the Match Group's European platforms.

There have not been any significant changes in the company's principal activities in the period under review.

REVIEW OF BUSINESS

The key financial and other performance indicators during the year were as follows;

	2017	2016	Change	%
	\$	\$	\$	
Turnover	1,603,299	317,939	1,285,360	404.3
Profit/(Loss) for the financial period	22,580	(33,620)	56,200	167.2

In October 2017 the company invested \$90,523 in MGE Korea Services Limited. This entity is 100% owned by Match Group Europe Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is reliant upon the performance of other Match Group subsidiaries in attracting users to their websites. The primary service offered is to sell advertising space, the company acts as the European extension of the Match Media division within the Match Group.

The company allows brands within the Match Group other than "Match", such as "Tinder" or "Eureka", to grow on the European market as its purpose is to oversee and develop non Match brands, through its subsidiary Tinder France SAS and branches.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017. (2016: nil)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

B Perez
P D Eigenmann
J F Sine

Other changes in directors holding office are as follows:

E Moustaka - resigned 16 June 2017
A Oguntade - appointed 16 June 2017 resigned 29 March 2018

GOING CONCERN

The company has the continuing support of Match Group Inc. for a period of at least 12 months from the date of approving 2017 financial statements of Match Group Europe Limited

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Match Group Europe Limited (Registered number: 10103086)

Report of the Directors
for the Year Ended 31 December 2017

DISCLOSURE IN THE STRATEGIC REPORT

The company is entitled to exemption from preparing a strategic report under Section 383 of the Companies Act 2006 for the period ended 31 December 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

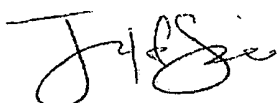
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Jared Franklin Sine - Director

20 December 2018

Report of the Independent Auditors to the Members of
Match Group Europe Limited

Opinion

We have audited the financial statements of Match Group Europe Limited for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Match Group Europe Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

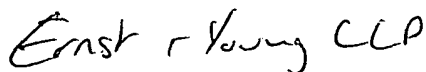
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed



Stuart Darrington (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 21/12/18

Match Group Europe Limited (Registered number: 10103086)

Income Statement
for the Year Ended 31 December 2017

	Notes	Year Ended 31.12.17 \$	Period 5.4.16 to 31.12.16 \$
TURNOVER	3	1,603,299	317,939
Administrative expenses		<u>1,645,742</u>	<u>354,687</u>
		(42,443)	(36,748)
Other operating income	4	<u>15,542</u>	<u>3,128</u>
OPERATING LOSS		(26,901)	(33,620)
Interest receivable and similar income		<u>218</u>	<u>-</u>
LOSS BEFORE TAXATION	6	(26,683)	(33,620)
Tax on loss	7	<u>(49,263)</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>22,580</u>	<u>(33,620)</u>

The notes form part of these financial statements

Match Group Europe Limited (Registered number: 10103086)

Other Comprehensive Income
for the Year Ended 31 December 2017

	Notes	Year Ended 31.12.17 \$	Period 5.4.16 to 31.12.16 \$
PROFIT/(LOSS) FOR THE YEAR		22,580	(33,620)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>22,580</u>	<u>(33,620)</u>

All amounts relate to continuing operations

The notes form part of these financial statements

Match Group Europe Limited (Registered number: 10103086)

Balance Sheet
31 December 2017

	Notes	31.12.17 \$	31.12.16 \$
FIXED ASSETS			
Investments	8	101,265	10,742
CURRENT ASSETS			
Debtors	9	2,021,196	279,878
Cash at bank		<u>458,042</u>	<u>29,071</u>
		2,479,238	308,949
CREDITORS			
Amounts falling due within one year	10	<u>2,528,392</u>	<u>342,569</u>
NET CURRENT LIABILITIES		<u>(49,154)</u>	<u>(33,620)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>52,111</u>	<u>(22,878)</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Share premium		10,740	10,740
Share based payments		52,409	-
Retained earnings		<u>(11,040)</u>	<u>(33,620)</u>
SHAREHOLDERS' FUNDS		<u>52,111</u>	<u>(22,878)</u>

The financial statements were approved by the Board of Directors on 20 December 2018 and were signed on its behalf by:



Jared Franklin Sine - Director

The notes form part of these financial statements

1. AUTHORISATION OF FINANCIAL STATEMENTS AND COMPLIANCE WITH FRS 101

The financial statements of Match Group Europe Limited (the 'Company') for the period to 31 December 2017 were authorised for issue by the board of directors on 20 December 2018 and the balance sheet was signed on the board's behalf by Mr Jared Sine. Match Group Europe Limited is a company incorporated and domiciled in England and Wales.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

The company is exempt by the virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts as the company is included in the consolidated accounts of a larger group headed by IAC/InterActiveCorp, the parent undertaking established under the law of America. These financial statements present information about the company as an individual undertaking and not about its group.

As the company is a wholly owned subsidiary of Match.com Foreign Holding Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 101 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the qualifying related parties).

Going Concern

The company has continuing support of its ultimate parent company, IAC/InterActiveCorp, through its direct subsidiary of Match Group Inc.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue Recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and when the revenue can be measured reliably. For the rendering of services, revenue is recognised when the related services have been provided and costs have been incurred. Revenue is presented net of Value Added Tax.

Operating leases

Operating lease rentals are charged to the income statement on a straight line basis over the term of the lease.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. **ACCOUNTING POLICIES - continued**

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but have not reversed by the balance sheet date except as otherwise required by IAS 12.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not, that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

The directors of the company regard the US dollar as the functional currency of the company. The majority of the company's revenue and expenditure is carried out in US dollars. Therefore the financial statements are presented in US dollars.

Transactions denominated in foreign currencies are translated into US dollars and recorded at the actual rate of exchange during the year. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rate of exchange ruling at the balance sheet date (2017 - \$1.00 = £0.74). Exchange gains or losses are included in the profit and loss account.

Investments

Investments in subsidiary undertakings, associates and joint ventures are held at historical cost less any applicable provision for impairment.

Pensions

The company operates a defined contribution pension scheme. Contributions to the scheme are recognised in the profit and loss account in the period in which they are payable.

Share based payments

The share option programme allows employees to acquire shares of the parent company, Match Group Inc (US). The grant date fair value of share-based payment awards granted is recognised as an employee expense with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

3. **TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

4. **OTHER OPERATING INCOME**

	Year Ended 31.12.17	Period 5.4.16 to 31.12.16
	\$	\$
Exchange gains	<u>15,542</u>	<u>3,128</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

5. **EMPLOYEES AND DIRECTORS**

	Year Ended 31.12.17 \$	Period 5.4.16 to 31.12.16 \$
Wages and salaries	<u>1,214,887</u>	<u>284,860</u>

The average number of employees during the year was as follows:

	Year Ended 31.12.17	Period 5.4.16 to 31.12.16
Administration	<u>8</u>	<u>6</u>

	Year Ended 31.12.17 \$	Period 5.4.16 to 31.12.16 \$
Directors' remuneration	<u>-</u>	<u>-</u>

Director's remuneration for 2017 was borne and paid for by fellow group undertakings. It is impractical to determine the share of remuneration attributable to their services as directors of the company.

6. **LOSS BEFORE TAXATION**

	Year Ended 31.12.17 \$	Period 5.4.16 to 31.12.16 \$
Operating lease rentals- land and buildings	130,672	1,289
Auditors remuneration	<u>31,390</u>	<u>24,713</u>

7. **TAXATION**

Analysis of tax income

	Year Ended 31.12.17 \$	Period 5.4.16 to 31.12.16 \$
Current tax: Tax	(1,947)	-
Deferred tax	<u>(47,316)</u>	<u>-</u>
Total tax income in income statement	<u>(49,263)</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

7. **TAXATION - continued**

Factors affecting the tax expense

The tax assessed for the year is lower (2016 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.17	Period 5.4.16 to 31.12.16
	\$	\$
Loss before income tax	<u>(26,683)</u>	<u>(33,620)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	(5,136)	(6,724)
Effects of:		
Expenses not allowable for tax purposes	6,507	-
Effect of losses surrendered (by)/to other group companies	(11,190)	6,724
Effect of changes in taxation rates	1,188	-
Share options	<u>(40,632)</u>	<u>-</u>
Tax income	<u>(49,263)</u>	<u>-</u>

8. **INVESTMENTS**

	Shares in group undertakings \$
COST	
At 1 January 2017	10,742
Additions	<u>90,523</u>
At 31 December 2017	<u>101,265</u>
NET BOOK VALUE	
At 31 December 2017	<u>101,265</u>
At 31 December 2016	<u>10,742</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Tinder France Services SAS

Registered office: France

Nature of business: Public relations and advertising services

Class of shares:	%
Ordinary	holding 100.00

MG Korea Services Limited

Registered office: Seoul, Korea

Nature of business:

Class of shares:	%
Ordinary	holding 100.00

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	\$	\$
Amounts owed by group undertakings	1,845,137	279,878
Tax	1,418	-
VAT	10,476	-
Deferred tax asset	47,316	-
Prepayments and accrued income	116,849	-
	<u>2,021,196</u>	<u>279,878</u>

Amounts owed by group undertakings bear an interest rate of 6%.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	\$	\$
Trade creditors	2,184	-
Amounts owed to group undertakings	2,304,169	188,263
Social security and other taxes	22,870	-
Accrued expenses	199,169	154,306
	<u>2,528,392</u>	<u>342,569</u>

Amounts owed to group undertakings bear an interest rate of 6%.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
			31.12.17 31.12.16
			\$ \$
1	Ordinary	\$1	<u>2</u> <u>2</u>

12. RELATED PARTY DISCLOSURES

As the company is a wholly-owned subsidiary of Match.com Foreign Holdings Limited, the company has taken advantage of the exemption contained in FRS 101 Related Parties Disclosure and has therefore not disclosed transaction or balances with entities which form part of this group.

13. ULTIMATE PARENT UNDERTAKING

The company is a wholly-owned subsidiary of Match.com Foreign Holdings Limited a company which is incorporated in the United Kingdom, which in turn, is a wholly-owned subsidiary of Mojo Acquisitions Corp, a company which is incorporated in the United State of America..

IAC/InterActiveCorp heads the largest group of which Match Group Europe Limited is a member for which group accounts are prepared.

The group accounts for IAC/InterActiveCorp are available at 555 West 18th Street, New York, NY 10011.

14. SHARE-BASED PAYMENT TRANSACTIONS

SHARE BASED PAYMENT TRANSACTIONS

Share Based Payment Options

Share options in Group Companies are granted to senior executives.

The company awarded share options to employees in Match Group Inc (US) shares on 16 January 2017 and 9 February 2017 totalling \$162,318.

At 31 December 2017 the exercise price of these outstanding options was \$210,538. Options vest equally over four years while the employee remains in group's employment.

The contractual life of each option is 10 years. There are no cash equivalents.

15. NEW ACCOUNTING STANDARDS

IFRS 15- Revenue from Contracts with Customers is based on the principle that revenue is recognised when control of goods or services is transferred to customer and provides a single, principles based five-step model to be applied to all sales contracts. It replaces the separate models for goods, services and construction contracts under current IFRS. The Group plans to adopt the new standard on the required effective date of 1 January 2018.

In anticipation of the introduction of the new revenue accounting standard IFRS 15, Management has carried out an impact assessment of core revenue streams and key contracts against the requirements of IFRS 15. The Group does not expect the application of IFRS 15 to result in differences in the timing of revenue recognition for these services.