TINDER FOUNDERS, CURRENT EXECUTIVES & EMPLOYEES SUE IAC/MATCH

LAWSUIT SEEKS BILLIONS OF DOLLARS FOR BREAKING THEIR CONTRACTS

NEW YORK, August 14, 2018 — A diverse group of founders, current executives and early employees of Tinder, the most successful dating app ever, filed a lawsuit today against IAC/InterActiveCorp and its Match Group subsidiary seeking billions of dollars in damages. The lawsuit, filed in New York Supreme Court, describes how IAC/Match robbed Tinder employees by manipulating financial information, undermining Tinder's valuation, and unlawfully stripping away their Tinder stock options.

Through deception, bullying, and outright lies, IAC/Match stole billions of dollars from the Tinder employees, who include founders Sean Rad, Justin Mateen, and Jonathan Badeen, and three current senior executives. Written contracts between IAC/Match and the employees required Tinder to be valued on four specific future dates – in 2017, 2018, 2020, and 2021 – when the employees could exercise their stock options and sell them to IAC/Match.

The lawsuit includes startling allegations of how IAC/Match repeatedly lied to the Tinder employees in order to cheat them out of the money to which they were contractually entitled. IAC/Match's misconduct allegedly included: concocting false financial information, hiding truthful projections of continued rapid growth and delaying the launch of transformative new products such as Tinder Gold. IAC/Match also threatened to fire Tinder executives if they told the truth about how much Tinder was really worth.

Just last week, in its August 8th SEC-regulated earnings call, IAC/Match provided objective proof that the doom-and-gloom projections they created to prop up their fake valuation were lies. They acknowledged that Tinder is on pace to earn $800 million in revenue in 2018, 75% more than the bogus projections created by IAC/Match last year.

IAC/Match had an illicit motive for cheating the employees who built Tinder. Under the contracts between IAC/Match and the employees, the more valuable Tinder becomes, the more IAC/Match is required to pay. So IAC/Match cooked the books to manufacture a fake lowball valuation of Tinder and then extinguished Tinder stock options entitling the employees to valuations in 2017, 2018, 2020, and 2021. In the process, IAC/Match pocketed billions of dollars that they were contractually obligated to pay Tinder employees.

"This is an open-and-shut case. The Defendants made contractual promises to recruit and retain the men and women who built Tinder. The evidence is overwhelming that when it came time to pay the Tinder employees what they rightfully earned, the Defendants lied, bullied, and violated their contractual duties, stealing billions of dollars. A jury will now hold the Defendants responsible for their multibillion-dollar theft," said Orin Snyder of Gibson, Dunn & Crutcher, attorney for the plaintiffs.

"We were always concerned about IAC's reputation for ignoring their contractual commitments and acting like the rules don't apply to them. But we never imagined the lengths they would go to cheat all the people who built Tinder. The Tinder team – especially the plaintiffs who are currently senior leaders at the company – have shown tremendous strength in exposing IAC/Match's systematic violation of employees' rights," said Sean Rad, Tinder's co-founder and first CEO.

IAC/Match allegedly went even further to facilitate their scheme. When IAC Chairman Barry Diller recently told The New York Times during a discussion of the #MeToo movement that "all men are guilty," he may have been thinking of Match Group's Chairman/CEO, who allegedly groped and sexually harassed Tinder's Vice President of Marketing and Communications during and after Tinder's December 2016 holiday party in Los Angeles. The lawsuit alleges that IAC/Match covered up the reported misconduct because the Chairman/CEO was leading the effort to rob Tinder's employees of their contractually guaranteed compensation. A credible investigation and public firing would have exposed his alleged misconduct and derailed IAC/Match's scheme to cheat the Tinder employees.

Only two weeks after their scheme concluded, IAC/Match publicly announced the Chairman/CEO's "retirement" – rewarding him with a lucrative golden parachute and a glowing farewell message from Diller complimenting his "integrity." He remains on the Match Group's Board of Directors. The lawsuit also alleges IAC/Match previously concealed other sexual misconduct allegations through confidential payoffs and settlements.

IAC/Match ultimately executed their scheme in rapid-fire succession on July 13, 2017:

- IAC/Match manufactured a fake Tinder valuation of $3 billion – the very same valuation IAC/Match had assigned to Tinder two years earlier, despite its revenues having grown 600% and user base grown 50%.

- Then, only hours later, IAC/Match secretly merged Tinder out of corporate existence and into Match Group – diluting Tinder into a stagnant holding company. This merger was a pretext to extinguish the Tinder employees' stock options.

Today, IAC/Match continue to profit from Tinder's phenomenal growth and Tinder is the most valuable brand among all 150 IAC/Match portfolio companies.

The Tinder Plaintiffs are:

Jonathan Badeen, Co-Founder & Chief Strategy Officer, March 2012 to Present

Paul Cafardo, Director of Engineering, April 2013 to June 2017

Gareth Johnson, Lead Designer, February 2014 to June 2017

James Kim, Vice President of Finance, February 2016 to Present

Alexa Mateen, Head of U.S. Expansion, May 2012 to May 2015

This release is based on and restates allegations made in a legal complaint that will be available today at www.tindercase.com.

Justin Mateen, Co-Founder & Chief Marketing Officer, February 2012 to September 2014, Strategic Advisor from September 2014 to 2017

Joshua Metz, Director of Marketing, June 2013 to Present

Ryan Ogle, Chief Technology Officer, August 2012 to June 2017

Rosette Pambakian, Vice President of Marketing/Communications, March 2014 to Present

Sean Rad, Co-Founder, CEO, President, & Chairman, February 2012 to September 2017

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