As filed with the Securities and Exchange Commission on March 1, 2022

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2021
Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from__________to__________

Commission File No. 001-38220

Angi Inc.
(Exact name of Registrant as specified in its charter)

Delaware	**82-1204801**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3601 Walnut Street, Denver, CO 80205
(Address of Registrant's principal executive offices)
(303) 963-7200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Class A Common Stock, par value $0.001	ANGI	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of February 11, 2022, the following shares of the Registrant's common stock were outstanding:

Class A Common Stock	79,607,313
Class B Common Stock	422,019,247
Class C Common Stock	—
Total outstanding Common Stock	501,626,560

The aggregate market value of the voting common stock held by non-affiliates of the Registrant as of June 30, 2021 was $1,076,847,384. For the purpose of the foregoing calculation only, all directors and executive officers of the Registrant are assumed to be affiliates of the Registrant.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Registrant's proxy statement for its 2022 Annual Meeting of Stockholders are incorporated by reference into Part III herein.

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PART I

Item 1. Business

OVERVIEW

Who We Are

Angi Inc., formerly ANGI Homeservices Inc., ("Angi," the "Company," "we," "our," or "us") connects quality home service professionals with consumers across more than 500 different categories, from repairing and remodeling homes to cleaning and landscaping. During the year ended December 31, 2021, over 240,000 domestic service professionals actively sought consumer leads, completed jobs or advertised work through Angi Inc. platforms. Additionally, consumers turned to at least one of our brands to find a service professional for approximately 33 million projects during the year ended December 31, 2021.

The Company has two operating segments: (i) North America (United States and Canada), which includes Angi Ads, Angi Leads and Angi Services; and (ii) Europe. In March 2021, the Company rebranded its North American brands which operate as follows: Angi Ads operates under the Angi (formerly Angie's List) brand, Angi Leads operates primarily under the HomeAdvisor, powered by Angi brand, and Angi Services operates primarily under the Handy and Angi Roofing brands. The Company categorizes its services under two main areas: 1) Angi Leads and Angi Ads, which include services that generate revenue from service professionals for consumer matches, revenue from service professionals under contract for advertising, and membership subscription revenue from service professionals and consumers; and 2) Angi Services, which primarily includes its pre-priced offerings by which the consumer purchases services directly from the Company and the Company engages a service professional to perform the service, as well as revenue from services provided by Angi Roofing, LLC (which includes the business the Company acquired on July 1, 2021 known as Total Home Roofing, Inc.)

We have been incorporated in the State of Delaware since 2017 and operate under the name Angi Inc., formerly ANGI Homeservices Inc. We are a publicly traded holding company that was formed to facilitate the combination of IAC/InterActiveCorp's ("IAC") HomeAdvisor business and Angie's List, Inc. (the "Combination"), which was completed on September 29, 2017.

As used herein, "Angi," the "Company," "we," "our," "us," and similar terms refer to Angi Inc. and its subsidiaries (unless the context requires otherwise).

DESCRIPTION OF OUR BUSINESSES

Angi Ads, Leads, & Angi Services

In the United States, the Company offers its service professionals and consumers three main services: 1) our Angi Ads business connects consumers with service professionals for local services through a nationwide online directory; 2) our Angi Leads business provides consumers with tools and resources to help them find local, pre-screened and customer-rated service professionals, matching consumers with independently established home services professionals engaged in a trade, occupation and/or businesses that customarily provides such services and provides consumers with tools to communicate with service professionals and pay for related services directly through Angi platforms; and 3) our Angi Services business allows consumers to browse and buy common household services at set prices directly from Angi, rather than requesting quotes, from service professionals (which we refer to as pre-priced offerings), as well as instantly book appointments with service professionals online for household services (primarily cleaning and handyman services) which are fulfilled by high-quality, pre-screened independent service professionals. The matching and pre-priced booking services and related tools and directories are provided to consumers free of charge. Angi Services also includes roof replacement services fulfilled via the Angi Roofing, LLC business.

As of December 31, 2021, Angi had a network of approximately 206,000 transacting service professionals (each of whom paid for consumer matches through Angi Leads and/or performed an Angi Services job in the quarter. In addition, our Angi Ads business had approximately 38,000 advertising service professionals under contract for advertising as of December 31, 2021.

Collectively, this service professional network provided services in more than 500 different categories, ranging from cleaning and installation services to simple home repairs and larger home remodeling projects, and in 64 discrete geographic areas in the United States. Angi Ads and Angi Leads generated approximately 33 million service requests during the year ended December 31, 2021. Service requests consist of fully completed domestic service requests submitted to Angi Leads and completed jobs sourced through Angi's platforms.

Angi Ads Overview

Connecting consumers with service professionals for local services through the Angi nationwide online directory of service professionals across more than 500 service categories, as well as provides consumers with valuable tools, services and content (including verified reviews of local service professionals), to help them research, shop and hire for local services. Consumers can access the Angi nationwide online directory and related basic tools and services free of charge upon registration, as well as by way of purchased membership packages. Our Angi Ads business also sells term-based website and mobile and digital magazine advertising to service professionals, as well as provides them with quoting, invoicing, and payment services.

Consumer Services

Through our Angi Ads business, consumers who register for free can search for a service professional in the Angi nationwide online directory and/or be matched with a service professional, as well as access related basic tools and services, ratings, reviews, and certain promotions. In addition, two premium membership packages are available for a fee, which include varying degrees of online and phone support, access to exclusive promotion features, and an award-winning Angi digital magazine.

Consumers can rate service professionals listed in the Angi nationwide online directory on a one- to five- star rating scale based on a variety of criteria, including overall experience, availability, price, quality, responsiveness, punctuality and professionalism and other criteria, depending on the type of service provided. Ratings on each applicable criterion are weighted across all reviews submitted for the service professional to produce such professional's overall rating on Angi. Consumers can also provide a detailed description of (and commentary regarding) their experiences with service providers. Ratings and reviews cannot be submitted anonymously, and there are processes in place to prevent service professionals from reporting on themselves or their competitors, as well as to detect fraudulent or otherwise problematic reviews.

Service Professional Services

Angi provides certified service professionals with a variety of services and tools, including quoting, invoicing, and payment services. Generally, service professionals with an average consumer rating below a "3" are not eligible for certification. Service professionals must satisfy certain criteria for certification, including retaining the requisite member rating, and owners or principals of businesses affiliated with service professionals must pass certain criminal background checks and attest to applicable licensure requirements.

Once eligibility criteria are satisfied, service professionals must then purchase term-based advertising to obtain certification. As of December 31, 2021, Angi had approximately 38,000 certified service professionals under contract for advertising. If a certified service professional fails to meet any eligibility criteria during the applicable contract term, refuses to participate in our complaint resolution process, and/or engages in what we determine to be prohibited behavior through any business, existing advertising and exclusive promotions will be suspended, and the related advertising contract will be subject to termination.

Certified service professionals rotate among the first service professionals listed in the Angi nationwide online directory search results for an applicable category (together with their company name, overall rating, number of reviews, certification badge and basic profile information), with non-certified service professionals appearing below certified service professionals in directory search results. Certified service professionals can also provide exclusive promotions to members. When consumers choose to be matched with a service professional, Angi's proprietary algorithm will determine where a given service professional appears within related results.

Angi Leads Overview

The Angi Leads (HomeAdvisor powered by Angi) digital marketplace (formerly known as the HomeAdvisor Marketplace) service connects consumers with service professionals nationwide for home repair, maintenance and improvement projects. Our Angi Leads business provides consumers with tools and resources to help them find local, pre-screened and customer-rated service professionals, as well as instantly book appointments online, connect with service professionals instantly by telephone, and access several home services-related resources, such as cost guides for different types of home services projects.

Consumer Services

Consumers can submit a request to be matched with service professionals through the Angi Leads digital marketplace, as well as through certain paths on the Angi Ads and various third-party affiliate platforms. Depending on the nature of the service request and the path through which it was submitted, consumers are generally matched with service professionals from the Angi Leads digital marketplace, an Angi Services service professional or a combination of Angi Leads and Angi Ads service professionals (as and if available for the given service request).

Matches made through the Angi Leads and Angi Ads businesses and various third-party affiliate platforms and paths are made by way of Angi's proprietary algorithm, based on several factors (including the type of services desired, location and the number of service professionals available to fulfill the request).

In all cases, service professionals may contact consumers with whom they have been matched directly and consumers can generally review profiles, ratings and reviews of presented service professionals and select the service professional whom they believe best meets their specific needs. Consumers are under no obligation to work with any service professional(s) referred by or found through any Angi branded or third-party affiliate platforms.

Consumers are responsible for booking the service and for paying the service professional directly, which can be done by consumers independently or via the Angi Pay function in the Angi Pro Leads mobile app, through which consumers can also finance payments to service providers through a third party.

In addition to the general matching services described above, our Angi Leads business also provides several on-demand services, including Instant Booking and Instant Connect. Consumers can also access Angi's online True Cost Guide, which provides project cost information for more than 400 project types nationwide, as well as a library of home services-related content consisting primarily of articles about home improvement, repair and maintenance, tools to assist consumers with the research, planning and management of their projects and general advice for working with service professionals.

Service Professional Services

Angi Leads service professionals pay fees for consumer matches and subscription fees for Angi Leads memberships, which are available for purchase through our sales force. The basic annual membership package includes membership in the Angi Leads digital marketplace, as well as access to consumer matches (for which additional fees are paid) through Angi Leads and Angi Ads platforms, and a listing in the Angi Leads online directory and certain other affiliated directories. Membership also includes a business profile page on HomeAdvisor.com and Angi.com, a mobile application and access to various online tools designed to help service professionals more effectively market to, manage and connect with, consumers with whom they are matched. In addition to the commercial membership terms, in order to be admitted into the Angi Leads network, service professionals must validate their home services experiences, as well as satisfy credential verification of any required state-level licensing and the owner or principal passing certain criminal background checks. Once in the network, the service professional must maintain at least a three-star customer rating. If a service professional in the Angi Leads network fails to meet any eligibility criteria during the term of its contract, refuses to participate in the complaint resolution process, or engages in what we determine to be prohibited behavior through any of our service channels, the service professional is subject to being removed from the Angi network.

Angi Services Overview

Angi began offering pre-priced offerings after acquiring Handy Technologies, Inc. ("Handy") on October 19, 2018. Angi Services was launched in August 2019 on the Angi platform. Angi Services provides a pre-priced booking service, whereby consumers can request services through either the Angi or Handy platforms and pay Angi or Handy for the services directly. Angi then fulfills the request with independently established home services providers engaged in a trade, occupation and/or business that customarily provides such services.

On July 1, 2021, Angi acquired certain assets and liabilities of Total Home Roofing, LLC. Upon completion of the acquisition, the acquired assets and liabilities were distributed to a newly created legal entity called Angi Roofing LLC, which operates as a part of Angi Services. Angi Roofing is a roof replacement and repair company serving the Florida market (a market leader) and to a limited extent Ohio, Kentucky, and Indiana markets.

Consumer Services

Consumers can submit requests for work to be done on the Handy and Angi apps and matches will be made through Handy platforms and paths based on the type of service desired, location and the date and time the consumer wants the service to be provided. In the case of Handy service professionals, consumers request services and pay for such services directly through the Handy platform and then Handy fulfills the request with independently established home services providers engaged in a trade, occupation and/or business that customarily provides such services. In certain markets, consumers can also submit a request to book a specific Handy service professional for a given household service.

In addition, consumers who purchase furniture, electronics, appliances and other home-related items from select third-party retail partners online (and in certain markets, in store) can simultaneously purchase assembly, installation and other related services to be fulfilled by Handy service professionals, which are then paid for directly through the applicable third-party retail partner platform.

Angi Roofing consumers are identified through lead generation services as well as organically through consumers that reach out directly. Consumers are able to receive roof replacement services, as well as a warranty on the quality of workmanship.

Service Professional Services

Angi Services service professionals, including those on the Handy platform, are provided with access to a pool of consumers seeking service professionals and must validate their home services experiences, as well as satisfy credential verification and a background check (either as an individual professional or as the owner or principal of the business) and maintain an acceptable rating to remain on the Angi and Handy platforms. Access to the platforms will be revoked for repeatedly receiving low customer satisfaction ratings.

Our International Businesses

We also operate several international businesses that connect consumers with home service professionals. These international businesses include: (i) Travaux, MyHammer and Werkspot, the leading home services marketplaces in France, Germany and the Netherlands, respectively, (ii) MyBuilder, and Instapro, leading home services marketplaces in the United Kingdom and Italy, respectively, and (iii) the Austrian operations of MyHammer. We own controlling interests in MyHammer and wholly-own MyBuilder, Travaux, Werkspot and Instapro. The business models of our international businesses vary by jurisdiction and differ in certain respects from Angi business models.

Revenue

Angi Ads and Leads Revenue is primarily derived from (i) advertising revenue, which includes revenue from service professionals under contract for advertising, (ii) consumer connection revenue, which is comprised of fees paid by service professionals for consumer matches (regardless of whether the service professional ultimately provides the requested service), and (iii) membership subscription revenue from service professionals and consumers. Consumer connection revenue varies based upon several factors, including the service requested, product experience offered, and geographic location of service. Angi Services revenue is primarily comprised of revenue from jobs (i) sourced through the “Book Now” feature which lets consumers complete booking the entire transaction digitally for work that is completed physically, (ii) under managed projects (including Angi Roofing) which are home improvement projects, and (iii) through retail partnerships for installation of furniture or other household items.

Marketing

In March 2021, the Company changed its name to Angi Inc. and updated one of its leading websites and brands, Angie’s List, to Angi, and concentrated its marketing investment in the Angi brand in order to focus its marketing, sales, and branding efforts to a single brand.

We market our various products and services to consumers primarily through digital marketing (primarily paid search engine marketing, display advertising and third-party affiliate agreements) and traditional offline marketing (national television and radio campaigns), as well as through e-mail and free search engine marketing. Pursuant to third-party affiliate agreements, third parties agree to advertise and promote our products and services (and those of our service professionals) on their platforms. In exchange for these efforts, these third parties are paid a fixed fee when visitors from their platforms click through and submit a valid service request through our platforms, or when visitors submit a valid service request on the affiliate platform and the affiliate transmits the service request to us. We also market our products and services to consumers through relationships with select third-party retail partners and, to a lesser extent, through partnerships with other contextually related websites and direct mail.

We market Angi Leads matching services and membership subscriptions and Angi Ads’ term-based advertising and related products are marketed to service professionals primarily through our sales force. These products and services are also marketed, together with our Handy branded products and services and our pre-priced bookings and various directories, through paid search engine marketing, digital media advertising and direct relationships with trade associations and manufacturers.

Both generally, and in connection with the brand integration initiative describe below, we have made (and expect we will continue to make) substantial investments in digital and traditional offline marketing (with continued expansion into new and existing digital platforms) to consumers and service professionals to promote our products and services and drive visitors to our various platforms and service professionals.

Technology

Each of our brands and businesses develops its own technology to support its products and services, leveraging both open-source and vendor supported software technology. Each of our various brands and businesses has dedicated engineering teams responsible for software development and the creation of new features to support our products and services across a full range of devices (desktop, mobile web, native mobile applications and digital voice assistant platforms). Our engineering teams use an agile development process that allows us to deploy frequent iterative releases for product and service features.

Competition

The home services industry is highly competitive and fragmented, and in many important respects, local in nature. We compete with, among others: (i) search engines and online directories, (ii) home and/or local services-related platforms, (iii) providers of consumer ratings, reviews and referrals and (iv) various forms of traditional offline advertising (primarily local in nature), including radio, direct marketing campaigns, yellow pages, newspapers and other offline directories. We also compete with local and national retailers of home improvement products that offer or promote installation services. We believe our biggest competition comes from the traditional methods most people currently use to find service professionals, which are by word-of-mouth and through referrals.

We believe that our ability to compete successfully will depend primarily upon the following factors:

- the ability to successfully implement the brand integration initiative;
- the ability of the Angi Services business to expand pre-priced booking services, while balancing the overall mix of service requests and directory services on Angi platforms generally;
- the size, quality, diversity and stability of our network of service professionals and the breadth of our online directory listings;
- our ability to consistently generate service requests and pre-priced bookings through the Angi platforms that convert into revenue for our service professionals in a cost-effective manner;
- our ability to increasingly engage with consumers directly through our platforms, including our various mobile applications (rather than through search engine marketing or via free search engine referrals);
- the functionality of our websites and mobile applications and the attractiveness of their features and our products and services generally to consumers and service professionals, as well as our continued ability to introduce new products and services that resonate with consumers and service professionals generally;
- our ability to continue to build and maintain awareness of, and trust in and loyalty to, our Angi brand; and
- the quality and consistency of our service professional pre-screening processes and ongoing quality control efforts, as well as the reliability, depth and timeliness of customer ratings and reviews.

Intellectual Property

We regard our intellectual property rights as critical to our success generally, with our trademarks, service marks and domain names being especially critical to the continued development and awareness of our brands and our marketing efforts.

We protect our intellectual property rights through a combination of registered copyrights, trademarks, trade dress, domain name registrations, trade secrets and patent applications, as well as through contractual restrictions and reliance on federal, state and common law. We enter into confidentiality and proprietary rights agreements with employees, consultants, contractors and business partners, and employees and contractors are also subject to invention assignment provisions.

We have several registered trademarks in the United States (the most significant of which relate to our Angi and HomeAdvisor brands), as well as other trademarks in Canada and Europe, and several pending trademark applications in the United States and certain other jurisdictions. We have also registered a variety of domestic and international domain names, the most significant of which relate to our HomeAdvisor and Angi brands. In addition, we have one patent in the United States that expires in November 2035 and three patent applications pending in the United States.

Government Regulation

We are subject to laws and regulations that affect companies conducting business on the Internet generally and through mobile applications, including laws relating to the liability of providers of online services for their operations and the activities of their users. As a result, we could be subject to claims based on negligence, various torts and trademark and copyright infringement, among other actions.

In addition, because we receive, transmit, store and use a substantial amount of information received from or generated by consumers and service professionals, we are also impacted by laws and regulations governing privacy, the storage, sharing, use, processing, disclosure and protection of personal data and data breaches. See “Item 1A-Risk Factors-Risks Related to Our Business and Industry-The processing, storage, use and disclosure of personal data could give rise to liabilities and increased costs.”

We are particularly sensitive to laws and regulations that adversely impact the popularity or growth in use of the Internet and/or online products and services generally, restrict or otherwise unfavorably impact the ability or manner in which we provide our products and services, regulate the practices of third parties upon which we rely to provide our products and services and undermine open and neutrally administered Internet access. For example, the United Kingdom's proposed May 2021 Online Safety Bill, which like previous proposed legislation, seeks to create a new regulatory body responsible for establishing duties of care for Internet companies that provide user-generated content and for assessing related compliance. As proposed, failure to comply with the legislation could result in fines, blocking of services and personal liability for senior management. To the extent our businesses are required to implement new measures and/or make changes to our products and services to ensure compliance, our business, financial condition and results of operations could be adversely affected. Compliance with this legislation or similar or more stringent legislation in other jurisdictions could be costly, and the failure to comply could result in service interruptions and negative publicity, any or all of which could adversely affect our business, financial condition and results of operations. In addition, in December 2017, the U.S. Federal Communications Commission (the "FCC") adopted an order reversing net neutrality protections in the United States, including the repeal of specific rules against blocking, throttling or "paid prioritization" of content or services by Internet service providers. To the extent Internet service providers take such actions, our business, financial condition and results of operations could be adversely affected. Similarly, there have been various legislative efforts to restrict the scope of the protections available to online platforms under Section 230 of the Communications Decency Act, and our current protections from liability for third-party content in the United States could decrease or change as a result. Any future adverse changes to Section 230 could result in additional compliance costs for us and/or exposure for additional liabilities.

We are also generally sensitive to the adoption of new tax laws. The European Commission and several European countries have recently adopted (or intend to adopt) proposals that would change various aspects of the current tax framework under which our European businesses are taxed, including proposals to change or impose new types of non-income taxes (including taxes based on a percentage of revenue). For example, we are subject to and pay the Digital Services Tax in the United Kingdom, France, and Italy. Similar proposed tax laws could adversely affect our business, financial condition and results of operations.

As a provider of products and services with a membership-based element, we are also sensitive to the adoption of laws and regulations affecting the ability of our businesses to periodically charge for recurring membership or subscription payments. For example, many U.S. states have considered enacting legislation that could impact the ability of our businesses to efficiently process auto-renewal payments for, as well as offer promotional or differentiated pricing. The adoption of any law that adversely affects revenue from recurring membership or subscription payments could adversely affect our business, financial condition and results of operations.

We are particularly sensitive to laws and regulations related to the adoption and interpretation of worker classification laws, specifically, laws that could effectively required us to change our classification of certain of our service professional from independent contractors to employees.

We are also subject to laws governing marketing and advertising activities conducted by/through telephone, e-mail, mobile devices and the Internet, including the Telephone Consumer Protection Act of 1991, the Telemarketing Sales Rule, the CAN-SPAM Act and similar state laws, as well as federal, state, and local laws and agency guidelines governing background screening.

Human Capital Management

As of December 31, 2021, we employed approximately 5,200 full-time employees worldwide, the substantial majority of which provided services to our brands and businesses located in the United States. We also retain consultants, independent contractors, and temporary and part-time workers.

Talent and Development

The development, attraction and retention of employees is critical to our success. We strive to provide an atmosphere that fosters teamwork and growth. We are investing in a more productive, engaged, diverse and inclusive workforce. To support the advancement of our employees, we offer training and development programs and encourage advancement from within. In 2020, we launched a Learning Management system for broader facilitation of training resources. We leverage both formal and informal programs designed to identify, foster, and retain top talent. We believe that our rich culture enables us to create, develop and fully leverage the strengths of our workforce to exceed consumer expectations and meet our growth objectives. We also place a high value on inclusion, engaging employees in our Diversity, Equity and Inclusion Council, or DEI, which is staffed by employees with diverse backgrounds, experiences or characteristics who share a common interest in professional development, improving corporate culture and delivering sustained business results. Recent DEI initiatives include unconscious bias training and a women in leadership program.

Total Rewards and Benefits

As part of our compensation philosophy, we believe that we must offer and maintain market competitive total rewards programs for our employees in order to attract and retain superior talent. These programs include base wages and incentives in support of our pay for performance culture, as well as health, welfare, and retirement benefits, vision, dental, life, prescription, and long-term disability insurance plans. We also provide employee paid supplemental life and accident insurance plans. To help employees cover medical expenses pre-tax, we offer employees a Flexible Spending Account. We also focus many programs on employee wellness and have implemented solutions including mental health support access, telemedicine, and fitness programs. We also offer our US-based full-time employees a 401(k) retirement plan with a Company match.

Community

We encourage our employees to become involved in their communities by providing full-time employees eight hours of paid-time off each year to volunteer in local community-based programs.

COVID Response

In response to the COVID-19 pandemic, we quickly implemented safety and health standards and protocols for our employees to ensure a safe work environment. Employees in our offices have been working remotely since March 2020 and we have moved our sales employees to work fully remotely. When our corporate employees return to the office, we will adhere to the recommended protocols of the Centers for Disease Control or local regulations. We have offered paid leave for COVID-related illness that meet local requirements.

Ethics

Our employees are required to annually agree to comply with our Code of Business Conduct and Ethics and any deviations by our directors and executive officers are required to be approved by our Board. We also maintain an Ethics Hotline that is available to all of our employees to report (anonymously if desired) any matter of concern. Communications to the hotline (which is facilitated by an independent third party) are routed to appropriate functions (whether Human Resources, Legal or Finance) for investigation and resolution. In addition, any shareholder or other interested party may send communications to the Board of Directors, either individually or as a group, through a process that is outlined in the Investor Relations section of our website.

Additional Information

Company Website and Public Filings

We maintain a website at *www.angi.com*. Neither the information on this website, nor the information on the websites of any of our brands and businesses, is incorporated by reference into this annual report, or into any other filings with, or into any other information furnished or submitted to, the U.S. Securities and Exchange Commission ("SEC").

We also make available, free of charge through our website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K (including related amendments) as soon as reasonably practicable after they have been electronically filed with (or furnished to) the SEC.

Code of Ethics

Our code of ethics applies to all of our employees (including our principal executive officer, principal financial officer and principal accounting officer) and directors and is posted on our website at *http://ir.angi.com* under the heading "Code of Ethics." This code of ethics includes provisions enumerated in Item 406 of SEC Regulation S-K and the rules of The Nasdaq Stock Market LLC. Any changes to this code of ethics that affect the provisions required by Item 406 of Regulation S-K (and any waivers of such provisions of the code of ethics for our executive officers, senior financial officers or directors) will also be disclosed on our website.

RELATIONSHIP WITH IAC

Equity Ownership and Vote

We have two classes of capital stock outstanding, Class A common stock and Class B common stock, with one vote and ten votes per share, respectively. Our shares of Class B common stock are convertible into shares of Class A common stock on a share for share basis. As of December 31, 2021, IAC owned all of our outstanding shares of Class B common stock, and 2,588,180 outstanding shares of the Company's Class A common stock, in total representing approximately 84.5% of our total outstanding shares of capital stock and approximately 98.2% of the total combined voting power of our outstanding capital stock.

Intercompany Agreements

In connection with the Combination, we and IAC entered into certain agreements to govern our relationship following the Combination. These agreements include the following:

Contribution Agreement

Under the contribution agreement: (i) we agreed to assume all of the assets and liabilities related to the HomeAdvisor business and indemnify IAC against any losses arising out of any breach by us of the contribution agreement or any other transaction related agreement described below and (ii) IAC agreed to indemnify us against losses arising out of any breach by IAC of the contribution agreement or any other transaction related agreement described below.

Investor Rights Agreement

Under the investor rights agreement, IAC has certain registration, preemptive and governance rights related to us and the shares of our capital stock it holds. The investor rights agreement also provides certain governance rights for the benefit of stockholders other than IAC.

Services Agreement

The services agreement currently governs services that IAC has agreed to provide to us through September 29, 2021, with automatic renewal for successive one-year terms, subject to IAC's continued ownership of a majority of the total combined voting power of our voting stock and any subsequent extension(s) or truncation(s) agreed to by us and IAC. The services agreement has been renewed through September 29, 2022. Services currently provided to us by IAC pursuant this agreement include: (i) assistance with certain legal, M&A, human resources, finance, risk management, internal audit and treasury functions, health and welfare benefits, information security services and insurance and tax affairs, including assistance with certain public company and unclaimed property reporting obligations; (ii) accounting, controllership and payroll processing services; (iii) investor relations services and (iv) tax compliance services. The scope, nature and extent of services may be changed from time to time as we and IAC may agree.

Tax Sharing Agreement

The tax sharing agreement governs our and IAC's rights, responsibilities and obligations with respect to tax liabilities and benefits, entitlements to refunds, preparation of tax returns, tax contests and other tax matters regarding U.S. federal, state, local and foreign income taxes. Under the tax sharing agreement, we are generally responsible and required to indemnify IAC for: (i) all taxes imposed with respect to any consolidated, combined or unitary tax return of IAC or its subsidiaries that includes us or any of our subsidiaries (to the extent attributable to us or any of our subsidiaries, as determined under the tax sharing agreement) and (ii) all taxes imposed with respect to any consolidated, combined, unitary or separate tax returns of us or our subsidiaries.

Employee Matters Agreement

The employee matters agreement addresses certain compensation and benefit issues related to the allocation of liabilities associated with: (i) employment or termination of employment; (ii) employee benefit plans and (iii) equity awards. Under the employee matters agreement, our employees participate in IAC's U.S. health and welfare plans, 401(k) plan and flexible benefits plan and we reimburse IAC for the costs of such participation. In the event IAC no longer retains shares representing at least 80% of the aggregate voting power of shares entitled to vote in the election of our board of directors, we will no longer participate in IAC's employee benefit plans, but will establish our own employee benefit plans that will be substantially similar to the plans sponsored by IAC.

In addition, under the employee matters agreement, we are required to reimburse IAC for the cost of any IAC equity awards held by our current and former employees, with IAC electing to receive payment either in cash or shares of our Class B common stock. This agreement also provides that IAC may require stock appreciation rights granted prior the closing of the Combination and equity awards in our subsidiaries to be settled in either shares of our Class A common stock or IAC common stock. To the extent shares of IAC common stock are issued in settlement of these awards, we are obligated to reimburse IAC for the cost of those shares by issuing shares of our Class A common stock in the case of stock appreciation rights granted prior to the closing of the Combination and shares of our Class B common stock in the case of equity awards in our subsidiaries.

Lastly, pursuant to the employee matters agreement, in the event of a distribution of Angi Inc. capital stock to IAC stockholders in a transaction intended to qualify as tax-free for U.S. federal income tax purposes, the Compensation Committee of the IAC board of directors has the exclusive authority to determine the treatment of outstanding IAC equity awards. Such authority includes (but is not limited to) the ability to convert all of part of IAC equity awards outstanding immediately prior to the distribution into equity awards denominated in shares of Angi Inc. Class A Common Stock, which Angi Inc. would be obligated to assume and which would be dilutive to Angi's stockholders.

Item 1A. Risk Factors

Cautionary Statement Regarding Forward-Looking Information

This annual report on Form 10-K contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as “anticipates”, “estimates”, “expects”, “plans”, “intends”, “will continue”, “may”, “could” and “believes”, among similar expressions, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: our future business, financial condition, results of operations and financial performance, our business strategy, trends in the home services industry and other similar matters. These forward-looking statements are based on the expectations and assumptions of our management about future events as of the date of this annual report, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.

Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others, the risk factors set forth below. Other unknown or unpredictable factors that could also adversely affect our business, financial condition and results of operations may arise from time to time. In light of these risks and uncertainties, the forward-looking statements discussed in this annual report may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of our management as of the date of this annual report. We do not undertake to update these forward-looking statements.

Risk Factors

Risks Related to Our Business and Industry

Our brands and businesses operate in an especially competitive and evolving industry.

The home services industry is competitive, with a consistent and growing stream of new products, services and entrants. Some of our competitors may enjoy better competitive positions in certain geographical areas, with certain consumer and service professional demographics and/or in other key areas that we currently serve or may serve in the future. Generally, we compete with search engines, online marketplaces and social media platforms that have the ability to market their products and services online in a more prominent and cost-effective manner than we can, as well as better tailor their products and services to individual users. Any of these advantages could enable these competitors to offer products and services that are more appealing to consumers and service professionals than our products and services, respond more quickly and/or cost effectively than we do to evolving market opportunities and trends, and/or display their own integrated or related home services products and services in search results and elsewhere in a more prominent manner than our products and services, which could adversely affect our business, financial condition and results of operations.

In addition, since most home services products and services are offered to consumers for free, consumers can easily switch among home services offerings (or use multiple home services offerings simultaneously) at no cost to them. And while service professionals may incur additional or duplicative near-term costs, the costs for switching to a competing platform over the long term are generally not prohibitive. Low switching costs, coupled with the propensity of consumers to try new products and services generally, will most likely result in the continued emergence of new products and services, entrants and business models in the home services industry. Our inability to continue to innovate and compete effectively against new products, services and competitors could result in decreases in the size and level of engagement of our consumer and service professional bases, any of which could adversely affect our business, financial condition and results of operations.

Our success will depend, in substantial part, on the continued migration of the home services market online.

We believe that the digital penetration of the home services market remains low, with the vast majority of consumers continuing to search for, select and hire service professionals offline. While many consumers have historically been (and remain) averse to finding service professionals online, others have demonstrated a greater willingness to embrace the online shift. Service professionals must also continue to embrace the online shift, which will depend, in substantial part, on whether online products and services help them to better connect and engage with consumers relative to traditional offline efforts. The speed and ultimate outcome of the shift of the home services market online for consumers and service professionals is uncertain and may not occur as quickly as we expect, or at all. The failure or delay of a meaningful number of consumers and/or service professionals to migrate online and/or the return of a meaningful number of existing participants in the online home services market to offline solutions, could adversely affect our business, financial condition and results of operations.

Our brands and businesses are sensitive to general economic events and trends, particularly those that adversely impact consumer confidence and spending behavior.

We have historically been, and will continue to be, particularly sensitive to events and trends that result in consumers delaying or foregoing home services projects and/or service professionals being less likely to pay for consumer matches and subscriptions. Any such event or trend (for example, a general economic downturn or sudden disruption in business conditions, consumer confidence, spending levels and access to credit) could result in decreases in service requests, pre-priced bookings and directory searches. Any such decreases could adversely impact the number and quality of service professionals at Angi Leads and Angi Services and at our directories and/or adversely impact the reach of (and breath of services offered through) the Angi Leads and Angi Services and our directories, any or all of which could adversely affect our business, financial condition and results of operations.

Lastly, we have historically been, and will continue to be, sensitive to events and trends that could result in decreased marketing and advertising expenditures by service professionals. Adverse economic conditions and trends could result in service professionals decreasing and/or delaying fees paid for consumer matches, pre-priced bookings, membership subscriptions and/or time-based advertising spend, any or all of which would result in decreased revenue and could adversely affect our business, financial condition and results of operations.

The expansion of our pre-priced booking services, while balancing the overall mix of our service request and directory services on our platforms, is critical to our business, financial condition and results of operations.

For our Angi Services offerings, we contract with a service professional to perform a specific task for a consumer at a contracted price. Pre-priced booking services potentially offer higher margin opportunities, but also involve greater financial risk because we bear the impact of cost overruns, which could result in increased costs and expenses. An increase in the percentage of pre-priced booking services may also reduce service professional's level of participation in our Angi Ads and Angi Leads offerings. As we expand our pre-priced booking services, we expect our mix of pre-priced booking services will be increasing over time, which could increase the risk that we suffer losses if we underestimate the level of effort or costs required to perform the consumer's task. Our profits could be adversely affected if our costs exceed the assumptions we used in offering the contracted task. For example, we may miscalculate the costs, materials, or time needed to complete a task or we might be provided with inaccurate information by the consumer, which could result in us charging consumers too little for contracted tasks, which in turn would result in us having to absorb the actual, higher cost for contracted tasks or risk not being able to find service professionals to perform contracted tasks at the contracted rate. Our business, financial condition and results of operations could be adversely affected if our actual costs exceed the assumptions we used in offering the contracted task in our pre-priced booking service.

COVID-19 and other similar outbreaks could adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic has caused a widespread global health crisis, resulting in significant disruption and has had (and is likely to continue to have) an adverse effect on economic conditions generally, as well as on consumer confidence and spending, all of which could have an adverse effect on our businesses, financial condition and results of operations. When COVID-19 first impacted North America and Europe in the early spring of 2020, we experienced a decline in demand for service requests, driven primarily by decreases in demand in certain categories of jobs (particularly discretionary indoor projects). While we experienced a rebound in service requests in the second half of 2020 and through early 2021, service requests did start to decline in May 2021 compared to the comparable months of 2020 as a result of the surge in 2020 and due to impacts of our brand integration initiative that we commenced in March 2021. Moreover, many service professionals' businesses have been adversely impacted by labor and material constraints and many service professionals have limited capacity to take on new business, which negatively impacted our ability to monetize the increased level of service requests through the first quarter of 2021. Although our ability to monetize service requests rebounded modestly in the second half of 2021, we still have not returned to levels we experienced pre-COVID-19. No assurances can be provided that we will continue to be able to improve monetization, or that service professionals' businesses will not be adversely impacted in the future.

The extent to which developments related to the COVID-19 pandemic and measures designed to curb its spread continue to impact our business, financial condition and results of operations will depend on future developments, all of which are highly uncertain and many of which are beyond the Company's control, including the continuing spread of COVID-19, the severity of resurgences of COVID-19 caused by variant strains of the virus, the effectiveness of vaccines and attitudes toward receiving them, materials and supply chain constraints, labor shortages, the scope of governmental and other restrictions on travel, discretionary services and other activity, and public reactions to these developments.

In addition, in response to the COVID-19 outbreak and government-imposed measures to control its spread, our ability to conduct ordinary course business activities has been (and may continue to be) impaired for an indefinite period of time. For example, we have taken several precautions that could adversely impact employee productivity, such as requiring employees to work remotely, as well as imposing travel restrictions and temporarily closing office locations. While we have found that our employees (including call center and sales employees) have transitioned to working remotely with limited disruption to date, no assurances can be provided that their productivity and efficiency will remain at pre-pandemic levels, particularly if they are required to continue working remotely for an extended period of time. Also, working remotely may involve increased operational risks, such as increased risks of "phishing," other cybersecurity attacks or the unauthorized dissemination of personally identifiable information or proprietary and confidential information. Lastly, moving employees back to the office may introduce distraction that could have a temporary negative impact on the Company's productivity, and in turn, revenue. We may also experience increased operating costs as we gradually resume normal operations and enhance preventative measures, including with respect to real estate, compliance and insurance-related expenses. Moreover, we may also experience business disruption if the ordinary course operations of our contractors, vendors or business partners are adversely affected. Any of these measures or impairments could adversely affect our business, financial condition and results of operations.

Success depends, in substantial part, on our ability to maintain and/or enhance our brands, which could be negatively impacted by various factors.

We own and operate two of the leading home services brands in the United States (Angi and HomeAdvisor), as well as leading brands in several foreign jurisdictions. In March 2021, we updated one of our leading websites and brands, Angie's List, to Angi, and concentrated our marketing investment in the Angi brand in order to focus our marketing, sales, and branding efforts on a single brand.

We believe that our success depends, in substantial part, on our continued ability to build awareness and loyalty to our Angi brand, maintain and enhance our established brands, as well as build awareness of (and loyalty to) new and emerging brands. Events that could negatively impact our brands and brand-building efforts include (among others): product and service quality concerns; service professional quality concerns; consumer and service professional complaints and lawsuits; lack of awareness of our policies or confusion about how the policies are applied; a failure to respond to feedback from our service professionals and consumers; ineffective advertising; inappropriate and/or unlawful acts perpetrated by service professionals and consumers; actions or proceedings commenced by governmental or regulatory authorities; and inadequate data protection and security breaches including related bad publicity. Any factors that negatively impact the Angi and/or HomeAdvisor brand(s) could materially and adversely affect our business, financial condition and results of operations.

In addition, trust in the integrity and objective, unbiased nature of the ratings and reviews found across our various brands contributes significantly to public perception of these brands and their ability to attract consumers and service professionals. If consumer reviews are perceived as not authentic in general, the reputation and strength of the relevant brand could be materially and adversely affected. While we use, and will continue to use, filters (among other processes) to detect fraudulent reviews, the accuracy of consumer reviews cannot be guaranteed. If fraudulent or inaccurate reviews (positive or negative) increase and we are unable to effectively identify and remove such reviews, the overall quality of the ratings and reviews across our various brands could decrease and the reputation of affected brands might be harmed. This could deter consumers and service professionals from using our products and services, which in turn could adversely affect our business, financial condition and results of operations.

Our Angi brand integration initiative may involve substantial costs, including as a result of a continued negative impact on our organic search placement, and may not be favorably received by customers and service professionals.

We have incurred and may continue to incur substantial costs as a result of our brand integration initiative that we commenced in March 2021, and we may not be able to achieve or maintain brand name recognition or status that is comparable to the recognition and status previously enjoyed by Angie's List, and our customers and service professionals may be confused as we transition and focus on the Angi brand. Our Company relies heavily on free and paid search engine marketing efforts to drive traffic to our platforms. Our brand initiative has adversely affected the placement and ranking of Angi Inc. websites, particularly Angi.com, in organic search results as Angi does not have the same domain history as Angie's List. In addition, we shifted marketing to support the Angi brand, away from the HomeAdvisor brand, which has negatively affected the efficiency of our search engine marketing efforts.

Since the beginning of the integration process, these efforts have had a pronounced negative impact on service requests from organic search results and via our mobile applications, which in turn has resulted in increased paid search engine marketing to generate service requests. These factors have increased marketing spend and reduced revenue during the year ended December 31, 2021, materially more than expected at the launch of the brand initiative in March 2021. We expect the pronounced negative impact to organic search results, increased paid search engine marketing and reduced monetization from our mobile applications will continue until such time as the new brand establishes search engine optimization ranking and consumer awareness is more established. Any or all of these impacts could continue to increase our marketing costs (particularly to the extent free traffic is replaced with paid traffic) and adversely affect the effectiveness of our marketing efforts overall. Finally, as we align and focus the organization around a single brand, we could experience financial and operational challenges and reduced service professional participation across our various product lines. Depending on market acceptance, our brand integration initiative could adversely affect our ability to attract and retain customers and service professionals, which could cause us not to realize some or all of the anticipated benefits contemplated by the brand integration initiative.

Our success depends, in substantial part, on our ability to establish and maintain relationships with quality and trustworthy service professionals.

We must continue to attract, retain and grow the number of skilled and reliable service professionals who can provide services across our platforms. If we do not offer innovative products and services that resonate with consumers and service professionals generally, as well as provide service professionals with an attractive return on their marketing and advertising investments, the number of service professionals affiliated with our platforms would decrease. Any such decrease would result in smaller and less diverse networks and directories of service professionals, and in turn, decreases in service requests, pre-priced bookings and directory searches, which could adversely impact our business, financial condition and results of operations.

In addition to skill and reliability, consumers want to work with service professionals whom they can trust to work in their homes and with whom they can feel safe. While we maintain screening processes (which generally include certain, limited background checks) to try and prevent unsuitable service professionals from joining our platforms, these processes have limitations and, even with these safety measures, no assurances can be provided regarding the future behavior of any service provider on our platforms. Inappropriate and/or unlawful behavior of service professionals generally (particularly any such behavior that compromises the trustworthiness of service providers and/or of the safety of consumers), could result in decreases in service requests, bad publicity and related damage to our reputation, brands and brand-building efforts and/or actions by governmental and regulatory authorities, criminal proceedings and/or litigation. The occurrence or any of these events could, in turn, adversely affect our business, financial condition and results of operations.

Marketing efforts designed to drive traffic to our brands and businesses may not be successful or cost-effective.

Attracting consumers and service professionals to our brands and businesses involves considerable expenditures for online and offline marketing. We have made, and expect to continue to make, significant marketing expenditures, primarily for digital marketing (primarily paid search engine marketing, display advertising and third-party affiliate agreements) and traditional offline marketing (national television and radio campaigns). These efforts may not be successful or cost-effective. Historically, we have had to increase marketing expenditures over time to attract and retain consumers and service professionals and sustain our growth.

Our ability to market our brands on any given property or channel is subject to the policies of the relevant third-party seller, publisher of advertising (including search engines and social media platforms with extraordinarily high levels of traffic and numbers of users) or marketing affiliate. As a result, we cannot assure you that these parties will not limit or prohibit us from purchasing certain types of advertising (including the purchase by Angi of advertising with preferential placement), advertising certain of our products and services, and/or using one or more current or prospective marketing channels in the future. If a significant marketing channel took such an action generally, for a significant period of time and/or on a recurring basis, our business, financial condition and results of operations could be adversely affected. In addition, if we fail to comply with the policies of third-party sellers, publishers of advertising and/or marketing affiliates, our advertisements could be removed without notice and/or our accounts could be suspended or terminated, any of which could adversely affect our business, financial condition and results of operations.

In addition, our failure to respond to rapid and frequent changes in the pricing and operating dynamics of search engines, as well as changing policies and guidelines applicable to keyword advertising (which may unilaterally be updated by search engines without advance notice), could adversely affect our paid search engine marketing efforts (and free search engine traffic). Such changes could adversely affect paid listings (both their placement and pricing), as well as the ranking of our brands and businesses within search results, any or all of which could increase our marketing expenditures (particularly if free traffic is replaced with paid traffic). Any or all of these events could adversely affect our business, financial condition and results of operations.

Evolving consumer behavior (specifically, increased consumption of media through digital means) can also affect the availability of profitable marketing opportunities. To continue to reach and engage consumers and service professionals and grow in this environment, we will need to continue to identify and devote more of our overall marketing expenditures to newer digital advertising channels (such as online video and other digital platforms), as well as target consumers and service professionals via these channels. Since newer advertising channels are undeveloped and unproven relative to traditional channels (such as television), it could be difficult to assess returns on marketing investments in newer channels, which could adversely affect our business, financial condition and results of operations.

Lastly, we also enter into various arrangements with third parties to drive visitors to our Angi platforms. These arrangements are generally more cost-effective than traditional marketing efforts. If we are unable to renew existing (and enter into new) arrangements of this nature, sales and marketing costs as a percentage of revenue would increase over the long-term, which could adversely affect our business, financial condition and results of operations. In addition, the quality and convertibility of traffic and leads generated through third-party arrangements are dependent on many factors, most of which are outside our control. If the quality and/or convertibility of traffic and leads do not meet the expectations of our users and/or Angi Leads service professionals, they could leave our network and/or decrease their budgets for consumer matches or participation in pre-priced booking services, any or all of which could adversely affect our business, financial condition and results of operations.

We rely on Internet search engines to drive traffic to our various properties. Certain operators of search services offer products and services that compete directly with our products and services. If links to websites offering our products and services are not displayed prominently in search results, traffic to our properties could decline and our business could be adversely affected.

In addition to paid marketing, we rely heavily on Internet search engines, such as Google, to drive traffic to our properties through their unpaid search results. Although search results have allowed us to attract a large audience with low organic traffic acquisition costs in the past, if they fail to continue to drive sufficient traffic to our properties, we may need to increase our marketing spend to acquire additional traffic. We cannot assure you that the value we ultimately derive from any such additional traffic would exceed the cost of acquisition, and any increase in marketing expense may in turn harm our operating results.

The amount of traffic we attract from search engines is due in large part to how and where information about our brands (and links to websites offering our products and services) are displayed on search engine results pages. The display, including rankings, of unpaid search results can be affected by a number of factors, many of which are not in our direct control, and may change frequently. Search engines have made changes in the past to their ranking algorithms, methodologies and design layouts that have reduced the prominence of links to websites offering our products and services, and negatively impacted traffic to such websites, and we expect that search engines will continue to make such changes from time to time in the future.

However, we may not know how (or otherwise be in a position) to influence actions of this nature taken by search engines. With respect to search results in particular, even when search engines announce the details of their methodologies, their parameters may change from time to time, be poorly defined or be inconsistently interpreted.

In addition, in some instances, search engines may change their displays or rankings in order to promote their own competing products or services, or the products or services of one or more of our competitors. Any such action could negatively impact the search rankings of links to websites offering our products and services, or the prominence with which such links appear in search results. Our success depends on the ability of our products and services to maintain a prominent position in search results, and in the event operators of search engines promote their own competing products in the future in a manner that has the effect of reducing the prominence or ranking of our products and services, our business, financial condition and results of operations could be adversely affected.

Our ability to communicate with consumers and service professionals via e-mail (or other sufficient means) is critical to our success.

Historically, one of our primary means of communicating with consumers and service professionals and keeping them engaged with our products and services has been via e-mail communication. Through e-mail, we provide consumers and service professionals with service request and pre-priced booking service updates, as well as present or suggest new products and services (among other things) and market our products and services in a cost-effective manner. As consumers increasingly communicate via mobile and other digital devices and messaging and social media apps, usage of e-mail (particularly among younger consumers) has declined and we expect this trend to continue. In addition, deliverability and other restrictions could limit or prevent our ability to send e-mails to consumers and service professionals. A continued and significant erosion in our ability to communicate with consumers and service professionals via e-mail could adversely impact the overall user experience, consumer and service professional engagement levels and conversion rates, which could adversely affect our business, financial condition and results of operations. We cannot assure you that any alternative means of communication (for example, push notifications and text messaging) will be as effective as e-mail has been historically.

Our success depends, in part, on our ability to access, collect and use personal data about consumers.

We depend on search engines, digital app stores and social media platforms, in particular, those operated by Google, Apple and Facebook, to market, distribute and monetize our products and services. Consumers engage with these platforms directly, and as a result, these platforms may receive personal data about consumers that we would otherwise receive if we transacted with them directly. Certain of these platforms have restricted our access to personal data about users of our products and services obtained through their platforms. If these platforms limit or increasingly limit, eliminate or otherwise interfere with our ability to access, collect and use personal data about users of our products and services that they have collected, our ability to identify and communicate with a meaningful portion of our user base may be adversely impacted. If so, our customer relationship management efforts, our ability to identify, target and reach new segments of our user base and the population generally, and the efficiency of our paid marketing efforts could be adversely affected. We cannot assure you that search engines, digital app stores and social media platforms upon which we rely will not limit or increasingly limit, eliminate or otherwise interfere with our ability to access, collect and use personal data about users of our products and services that they have collected. To the extent that any or all of them do so, our business, financial condition and results of operations could be adversely affected.

Our success depends, in part, on our ability to continue to develop and monetize versions of our products and services for mobile and other digital devices.

As consumers increasingly access our products and services through mobile and other digital devices (including through digital voice assistants), we will need to continue to devote significant time and resources to ensure that our products and services are accessible across these platforms (and multiple platforms generally). If we do not keep pace with evolving online, market and industry trends including the introduction of new and enhanced digital devices and changes in the preferences and needs of consumers and service professionals generally, offer new and/or enhanced products and services in response to such trends that resonate with consumers and service professionals, monetize products and services for mobile and other digital devices as effectively as our traditional products and services and/or maintain related systems, technology and infrastructure in an efficient and cost-effective manner, our business, financial condition and results of operations could be adversely affected.

In addition, the success of our mobile and other digital products and services depends on their interoperability with various third-party operating systems, technology, infrastructure and standards, over which we have no control. Any changes to any of these things that compromise the quality or functionality of our mobile and other digital products and services could adversely affect their usage levels and/or our ability to attract consumers and service professionals, which could adversely affect our business, financial condition and results of operations.

There may be adverse tax, legal and other consequences if the contractor classification or employment status of the service professionals who use our platform is challenged.

We are particularly sensitive to the adoption of worker classification laws, specifically, laws that could effectively require us to change our classification of certain of our service professionals from independent contractors to employees, as well as changes to state and local laws or judicial decisions related to the definition and/or classification of independent contractors. For example, in 2019, California passed a worker classification statute (AB 5), which effectively narrowed the definition of an independent contractor by requiring hiring entities to use a stricter test to determine a given worker's classification placed the burden of proof for classifying workers as independent contractors on the hiring entity, and provided enforcement powers to the state and certain cities. AB 5 has been the subject of widespread national discussion and it is possible that other jurisdictions may enact similar laws. Since we currently treat service professionals who provide services through our business as independent contractors for all purposes, we do not withhold federal, state and local income or other employment related taxes, make federal or state unemployment tax or Federal Insurance Contributions Act payments or provide workers' compensation insurance with respect to these individuals. If we are required as the result of new laws, interpretations or orders to reclassify these individuals as employees, we could be exposed to various liabilities and additional costs, including exposure (for prior and future periods) under federal, state and local tax laws, and workers' compensation, unemployment benefits, labor, and employment laws, as well as potential liability for penalties and interest, any or all of which could adversely affect our business, financial condition and results of operations. We are involved in various legal proceedings and investigations challenging the classification of these individuals as independent contractors, and may become involved in other proceedings and investigations in the future.

We may not be able to protect our systems, technology and infrastructure from cyberattacks and cyberattacks experienced by third parties may adversely affect us.

We are regularly under attack by perpetrators of malicious technology-related events, such as the use of botnets, malware or other destructive or disruptive software, distributed denial of service attacks, phishing, attempts to misappropriate user information and account login credentials and other similar malicious activities. The incidence of events of this nature (or any combination thereof) is on the rise worldwide. We continuously develop and maintain systems designed to detect and prevent events of this nature from impacting our systems, technology, infrastructure, products, services and users. We have invested (and continue to invest) heavily in these efforts and related personnel and training and deploy data minimization strategies (where appropriate), but these efforts are costly and require ongoing monitoring and updating as technologies change and efforts to overcome preventative security measures become more sophisticated. Despite these efforts, some of our systems have experienced past security incidents, none of which had a material adverse effect on our business, financial condition and results of operations, and we could experience significant events of this nature in the future.

Any event of this nature that we experience could damage our systems, technology and infrastructure and/or those of our users, prevent us from providing our products and services, compromise the integrity of our products and services, damage our reputation, erode our brands and/or be costly to remedy, as well as subject us to investigations by regulatory authorities, fines and/or litigation that could result in liability to third parties. Even if we do not experience such events firsthand, the impact of any such events experienced by third parties could have a similar effect. We may not have adequate insurance coverage to compensate for losses resulting from any of these events. If we (or any third-party with whom we do business or otherwise rely upon) experience(s) an event of this nature, our business, financial condition and results of operations could be adversely affected.

If personal, confidential or sensitive user information that we maintain and store is breached or otherwise accessed by unauthorized persons, it may be costly to mitigate and our reputation could be harmed.

We receive, process, store and transmit a significant amount of personal, confidential or sensitive user information and, in certain cases, enable users to share their personal information with each other. While we continuously develop and maintain systems designed to protect the security, integrity and confidentiality of this information, we cannot guarantee that inadvertent or unauthorized use or disclosure will not occur or that third parties will not gain unauthorized access to this information. When such events occur, we may not be able to remedy them, we may be required by law to notify regulators and impacted individuals, and it may be costly to mitigate the impact of such events and to develop and implement protections to prevent future events of this nature from occurring. When breaches of security (ours or that of any third-party we engage to store information) occur, we could face governmental enforcement actions, significant fines, litigation (including consumer class actions) and the reputation of our brands and business could be harmed, which could adversely affect our business, financial condition and results of operations. In addition, if any of the search engines, digital app stores or social media platforms through which we market, distribute and monetize our products and services were to experience a breach, third parties could gain unauthorized access to personal data about our users and subscribers, which could harm the reputation of our brands and businesses and in turn, adversely affect our business, financial condition and results of operations.

The processing, storage, use and disclosure of personal data could give rise to liabilities and increased costs.

We receive, transmit and store a large volume of personal information in connection with the provision of our products and services. The manner in which we share, store, use, disclose and protect this information is determined by the respective privacy and data security policies of our various businesses, as well as federal, state and foreign laws and regulations and evolving industry standards and practices, which are changing, and in some cases, inconsistent and conflicting and subject to differing interpretations. In addition, new laws, regulations, standards and practices of this nature are proposed and adopted from time to time.

For example, a comprehensive European Union privacy and data protection reform, the General Data Protection Regulation (the “GDPR”), became effective in May 2018. The GDPR, which applies to companies that are organized in the European Union or otherwise provide services to (or monitor) consumers who reside in the European Union, imposes significant penalties (monetary and otherwise) for non-compliance, as well as provides a private right of action for individual claimants. The GDPR will continue to be interpreted by European Union Data protection regulators, which may require that we make changes to our business practices and could generate additional risks and liabilities. Data protection regulators in European union member states have taken a strict view of cookie consent requirements after the enactment of the GDPR and enforcement actions are on the rise.

Also, the exit from the European Union by the United Kingdom could result in the application of new and conflicting data privacy and protection laws and standards to our operations in the United Kingdom and our handling of personal data of users located in the United Kingdom.

Moreover, multiple legislative proposals concerning privacy and the protection of user information are being considered by the U.S. Congress and various state legislatures. Other U.S. state legislatures have already enacted privacy legislation, one of the strictest and most comprehensive of which is the California Consumer Privacy Act of 2018, which became effective January 1, 2020 (the “CCPA”). The CCPA provides data privacy rights for California consumers, including the right to know what personal information is being collected about them and how it is being used, as well as significant rights over the use of their personal information and operational requirements for businesses. The CCPA restricts the ability of our businesses to use personal California user and subscriber information in connection with our various products, services and operations, which could adversely affect our business, financial condition and results of operations. The CCPA also provides consumers with a private right of action for security breaches, as well as provides for statutory damages of up to $750 per violation, with the California Attorney General maintaining authority to enforce the CCPA and seek civil penalties for intentional violations of up to $7,500 per violation. In addition, California Privacy Rights Act (“CPRA”) will take effect on January 1, 2023, and will revise and significantly expand the scope of the CCPA. The CPRA also creates a new California data protection agency authorized to implement and enforce the CCPA and the CPRA, which could result in increased privacy and information security enforcement. This could further restrict the ability of our businesses to use personal California user and subscriber information in connection with our various products, services and operations and/or impose additional operational requirements on our businesses, which could adversely affect our business, financial condition and results of operations. Virginia and Colorado also passed comprehensive privacy legislation in 2021. These state laws have similar requirements to those under the CCPA and penalties that range up to $7,500 per violation. Both laws take effect in 2023 could restrict the ability of our businesses to use personal user and subscriber information of Virginia and Colorado users in connection with our various products, services, and operations and/or impose additional operational requirements on our business, which could adversely affect our business, financial condition, and results of operations. Lastly, the Federal Trade Commission has also increased its focus on privacy and data security practices and we anticipate this focus to continue.

We could be subject to claims of non-compliance with applicable privacy and data protection policies, laws and regulations and industry standards and practices that we may not be able to successfully defend and/or significant fines and penalties. Moreover, any non-compliance or perceived non-compliance by us (or any third-party we engage to store or process information) or any compromise of security that results in unauthorized access to (or use or transmission of) personal information could result in a variety of claims against us, including governmental enforcement actions, significant fines, litigation (including consumer class actions), claims of breach of contract and indemnity by third parties and adverse publicity. When such events occur, our reputation could be harmed and the competitive positions of our various brands and businesses could be diminished, which could adversely affect our business, financial condition and results of operations. Additionally, to the extent multiple U.S. state-level (or European Union member-state level) laws are introduced with inconsistent or conflicting standards and there is no federal or European Union regulation to preempt such laws, compliance could be even more difficult to achieve and our potential exposure to the risks discussed above could increase.

Lastly, ongoing compliance with existing (and compliance with future) privacy and data protection laws worldwide could be costly. The devotion of significant costs to compliance (versus the development of products and services) could result in delays in the development of new products and services, us ceasing to provide problematic products and services in existing jurisdictions and us being prevented from introducing products and services in new and existing jurisdictions, which could adversely affect our business, financial condition and results of operations.

Credit card data security breaches or fraud could adversely affect our business, financial condition and results of operations.

We accept payments (including recurring payments) from service professionals and consumers, primarily through credit and debit card transactions. The ability to access payment information on a real-time basis without having to proactively reach out to service professionals and consumers to process payments is critical to our success.

When third parties (including credit card processing companies, as well as any business that offers products and services online or offline) experience a data security breach involving credit card information, affected cardholders will often cancel their credit cards. The more sizable a given affected third-party’s customer base, the greater the number of accounts impacted and the more likely it will be that our service professionals and consumers would be impacted by such a breach. If such a breach were to impact our service professionals and consumers, we would need to contact affected service professionals and consumers to obtain new payment information. It is likely that we would not be able to reach all affected service professionals and consumers, and even if we could, new payment information for some may not be obtained and pending payments may not be processed, which could adversely affect our business, financial condition and results of operations.

Even if our service professionals and consumers are not directly impacted by a given data security breach, they may lose confidence in the ability of providers of online products and services to protect their personal information generally. As a result, they may stop using their credit cards online and choose alternative payment methods that are not as convenient for us or restrict our ability to process payments without significant effort, which could adversely affect our business, financial condition and results of operations.

Our success depends, in part, on the integrity, quality, efficiency and scalability of our systems, technology and infrastructure, and those of third parties.

We rely on our systems, technology and infrastructure to perform well on a consistent basis. From time to time in the past we have experienced (and in the future we may experience) occasional interruptions that make some or all of this framework and related information unavailable or that prevent us from providing products and services; any such interruption could arise for any number of reasons. We also rely on third-party data center service providers and cloud-based, hosted web service providers, as well as third-party computer systems and a variety of communications systems and service providers in connection with the provision of our products and services generally, as well as to facilitate and process certain payment and other transactions with users. We have no control over any of these third parties or their operations.

The framework described above could be damaged or interrupted at any time due to fire, power loss, telecommunications failure, natural disasters, acts of war or terrorism, acts of God and other similar events or disruptions. Any event of this nature could prevent us from providing our products and services at all (or result in the provision of our products and services on a delayed or intermittent basis) and/or result in the loss of critical data. While we and the third parties upon whom we rely have certain backup systems in place for certain aspects of our respective frameworks, none of our frameworks are fully redundant and disaster recovery planning is not sufficient for all eventualities. In addition, we may not have adequate insurance coverage to compensate us for losses from a major interruption. When such damages, interruptions or outages occur, our reputation could be harmed and the competitive positions of our various brands and businesses could be diminished, any or all of which could adversely affect our business, financial condition and results of operations.

We also continually work to expand and enhance the efficiency and scalability of our framework to improve the consumer and service professional experience, accommodate substantial increases in the number of visitors to our various platforms, ensure acceptable load times for our various products and services, and keep up with changes in technology and user preferences. If we do not do so in a timely and cost-effective manner, the user experience and demand across our brands and businesses could be adversely affected, which could adversely affect our business, financial condition and results of operations.

We may experience risks related to acquisitions.

We have made numerous acquisitions in the past and we continue to seek to identify potential acquisition candidates to expand our business generally in the future. If we do not identify suitable acquisition candidates or complete acquisitions on satisfactory pricing or other terms, our growth could be adversely affected. Even if we complete what we believe to be suitable acquisitions, we may experience related operational and financial risks. As a result, to the extent that we continue to grow through acquisitions, we will need to:

- properly value prospective acquisitions, especially those with limited operating histories;
- successfully integrate the operations, as well as the various functions and systems, of acquired businesses with our existing operations, functions and systems;
- successfully identify and realize potential synergies among acquired and existing businesses;
- retain or hire senior management and other key personnel at acquired businesses; and
- successfully manage acquisition-related strain on our management, operations and financial resources.

We may not be successful in addressing these challenges or any other problems encountered in connection with historical and future acquisitions. In addition, the anticipated benefits of one or more acquisitions may not be realized. Also, future acquisitions could result in increased operating losses, dilutive issuances of equity securities and/or the assumption of contingent liabilities. Lastly, the value of goodwill and other intangible assets acquired could be impacted by one or more continuing unfavorable events and/or trends, which could result in significant impairment charges. The occurrence of any these events could have an adverse effects on our business, financial condition and results of operations.

We face additional risks in connection with our international operations.

We currently operate businesses under various regional brands in Canada, France, Germany, Austria, the United Kingdom, the Netherlands and Italy and intend to seek to expand our international presence, both through acquisitions and organic growth.

Operating abroad, particularly in jurisdictions where we have limited experience, exposes us to additional risks, including:

- operational and compliance challenges caused by distance, language barriers and cultural differences;
- difficulties in staffing and managing international operations;
- differing levels (or lack) of social and technological acceptance of online services generally, as well as online home services offerings specifically;
- foreign currency fluctuations;
- restrictions on the transfer of funds among countries and back to the United States and related repatriation costs;
- differing and potentially complex laws and regulations, including related to tax, data privacy, cybersecurity and data protection, and related compliance challenges;
- competitive environments that favor local businesses;
- limitations on the level of intellectual property protection; and
- trade sanctions, political unrest, terrorism, war and epidemics or the threat of any of these events.

The occurrence of any or all of the events described above could adversely affect our international operations, and in turn, our business, financial condition and results of operations.

We may fail to adequately protect our intellectual property rights or may be accused of infringing the intellectual property rights of third parties.

We rely heavily upon trademarks, trade dress and related domain names and logos to market our brands and businesses and to build and maintain brand loyalty and recognition, as well as upon trade secrets and patents.

We rely on a combination of laws and contractual restrictions on access to and use of proprietary information with employees, customers, suppliers, affiliates and others to establish and protect our and their various intellectual property rights. For example, we have generally registered and continue to apply to register and renew, or secure by contract where appropriate, trademarks and service marks as they are developed and used, and reserve, register and renew domain names as we deem appropriate. We also generally seek to apply for patents or for similar statutory protections as and if we deem appropriate, based on then current facts and circumstances, and will continue to do so in the future. No assurances can be given that these efforts will result in adequate trademark and service mark protection, adequate domain name rights and protections, the issuance of a patent or adequate patent protection against competitors and similar technologies. Third parties could also create new products or methods that achieve similar results without infringing upon patents we own.

Despite these measures, challenges to our intellectual property rights could still arise, third parties could copy or otherwise obtain and use the intellectual property without authorization and/or laws regarding the enforceability of existing intellectual property rights could change in an adverse manner. The occurrence of any of these events could result in the erosion of our various brands and limitations on our ability to control marketing online using our various domain names, as well as impede our ability to effectively compete against competitors with similar technologies, any of which could adversely affect our business, financial condition and results of operations.

We depend on our key personnel.

Our future success depends upon our ability to identify, hire, develop, motivate and retain highly skilled, diverse individuals, particularly in the case of senior and executive management. Competition for well-qualified employees across our various businesses is intense and we must attract new (and retain existing) employees to compete effectively. While we have established programs, we may not be able to continue to attract new (and retain existing) key and other employees in the future, especially in the technical fields of engineering and product development. In addition, if we do not ensure the effective transfer of knowledge and smooth transitions (particularly in the case of senior and executive management) across our various businesses, our business, financial condition and results of operations, could be adversely affected.

Failure to obtain and maintain required licenses or to comply with applicable regulations could adversely affect our business, financial condition and results of operations.

We may be required under certain state and local government regulations to obtain and maintain licenses to perform pre-priced booking services on our platforms. Typically, licenses must be renewed annually and may be revoked or suspended for cause at any time. In some jurisdictions, the loss of a license for cause may lead to the loss of licenses in other jurisdictions and could make it more difficult to obtain additional licenses. The failure to receive or retain a license, or any other required permit, in a particular location, or to continue to qualify for, or renew licenses, could negatively impact our business. We may also spend significant amounts of money and effort to obtain licenses and continued compliance with applicable regulations. If we fail to comply with such licensing and permit regulations, we may be subject to various sanctions and/or penalties and fines or may be required to cease operations in such location until we achieve compliance, which could have an adverse effect on our business, financial condition and results of operations.

Risks Related to Our Relationship with IAC

IAC controls our company and will have the ability to control the direction of our business.

As of December 31, 2021, IAC owned all of our outstanding shares of Class B common stock, and 2,588,180 outstanding shares of the Company's Class A common stock, in total representing approximately 84.5% of our total outstanding shares of capital stock and approximately 98.2% of the total combined voting power of our outstanding capital stock. For so long as IAC owns shares of our capital stock that represent a majority of the combined voting power of our outstanding capital stock, it will be able to control any corporate action that requires a stockholder vote, regardless of the vote of any other stockholder (subject to certain limited exceptions for certain class votes). As a result, IAC has (and we expect will continue to have) the ability to control significant corporate activities, including:

- the election of our board of directors (subject to certain provisions of the investor rights agreement between us and IAC) and, through our board of directors, decision-making with respect to our business direction and policies, including the appointment and removal of our officers;
- acquisitions or dispositions of businesses or assets, mergers or other business combinations;
- issuances of shares of our Class A common stock, Class B common stock and Class C common stock and our capital structure generally;
- corporate opportunities that may be suitable for us and IAC, subject to the corporate opportunity provisions in our amended and restated certificate of incorporation (as described below);
- our financing activities, including the issuance of debt securities and/or the incurrence of other indebtedness generally;
- stock repurchases or the payment of one-time or recurring dividends; and
- the number of shares available for issuance under our equity incentive plans.

This voting control will limit the ability of other stockholders to influence corporate matters and, as a result, we may take actions that stockholders other than IAC do not view as beneficial. This voting control may also discourage transactions involving a change of control of our company, including transactions in which holders of shares of our Class A common stock might otherwise receive a premium for their shares.

Even if IAC owns shares of our capital stock representing less than a majority of the total combined voting power of our outstanding capital stock, so long as IAC owns shares representing a significant percentage of our total combined voting power, IAC will have the ability to substantially influence these significant corporate activities.

In addition, pursuant to the investor rights agreement between us and IAC, IAC has the right to maintain its level of ownership in us to the extent we issue additional shares of our capital stock in the future and, pursuant to the employee matters agreement between us and IAC, IAC may receive payment for certain compensation expenses through the receipt of additional shares of our capital stock. For a more complete summary of our various agreements with IAC, see "Note 14-Related Party Transactions with IAC" to the consolidated financial statements included in "Item 8-Consolidated Financial Statements and Supplementary Data."

Until such time as IAC no longer controls or has the ability to substantially influence us, we will continue to face the risks described in this "Risk Factors" section relating to IAC's control of us and the potential conflicts of interest between us and IAC.

Our amended and restated certificate of incorporation could prevent us from benefiting from certain corporate opportunities.

Our amended and restated certificate of incorporation has a "corporate opportunity" provision that requires us to renounce any interests or expectancy in corporate opportunities for both us and IAC. This provision also includes a disclaimer that states that we recognize that: (i) any of our directors or officers who are also officers, directors, employees or other affiliates of IAC or its affiliates (except that we and our subsidiaries are not considered affiliates of IAC or its affiliates for purposes of this provision) and (ii) IAC itself, will have no duty to offer or communicate information regarding such corporate opportunities to us. Generally, neither IAC nor any of our officers or directors who are also officers or directors of IAC or its affiliates will be liable to us or any of our stockholders for breach of any fiduciary duty by reason of the fact that any such person pursues or acquires any corporate opportunity for the account of IAC or any of its affiliates, directs or transfers such corporate opportunity to IAC or any of its affiliates or does not communicate information regarding such corporate opportunity to us. This corporate opportunity provision may exacerbate conflicts of interest between us and IAC because the provision effectively permits any of our directors or officers who also serves as a director or officer of IAC to choose to direct a corporate opportunity to IAC instead of us.

IAC's interests may conflict with our interests and the interests of our other stockholders. Conflicts of interest between us and IAC could be resolved in a manner unfavorable to us and our other stockholders.

Various conflicts of interest between us and IAC could arise. As of the date of this report, four of our twelve directors are current directors or executive officers of IAC. Ownership interests of these individuals and IAC in our capital stock and ownership interests of our directors and officers in IAC capital stock, or service by an individual as either a director and/or officer of both companies, could create or appear to create potential conflicts of interest when such individuals are faced with decisions relating to us. These decisions could include:

- corporate opportunities;
- the impact that operating or capital decisions (including the incurrence of indebtedness) relating to our business may have on IAC's consolidated financial statements and/or current or future indebtedness (including related covenants);
- business combinations involving us;
- our dividend and stock repurchase policies;
- management stock ownership; and
- the intercompany agreements and services between us and IAC.

Potential conflicts of interest could also arise if we decide to enter into new commercial arrangements with IAC in the future or in connection with IAC's desire to enter into new commercial arrangements with third parties. Additionally, IAC may be constrained by the terms of agreements relating to its indebtedness from taking actions, or permitting us to take actions, that may be in our best interest.

Furthermore, disputes may arise between us and IAC relating to our past and ongoing relationships, and these potential conflicts of interest may make it more difficult for us to favorably resolve such disputes, including those related to: tax, employee benefit, indemnification and other matters arising from the Combination; the nature, quality and pricing of services IAC agrees to provide to us; sales or other disposals by IAC of all or a portion of its ownership interest in us; and business combinations involving us.

We may not be able to resolve any potential conflicts, and even if we do, the resolution may be less favorable to us than if we were dealing with an unaffiliated third-party. While we are controlled by IAC, we may not have the leverage to negotiate amendments to our various agreements with IAC (if required) on terms as favorable to us as those we would negotiate with an unaffiliated third-party.

We rely on exemptions from certain Nasdaq corporate governance requirements that provide protection to stockholders of other companies.

Because IAC owns more than 50% of the combined voting power of our outstanding capital stock, we are a “controlled company” under the Marketplace Rules of The Nasdaq Stock Market, LLC (the “Marketplace Rules”). As a “controlled company,” we are exempt from compliance with certain Marketplace Rules related to corporate governance, including that a majority of our board of directors consists of “independent directors” (as defined in the Marketplace Rules) and that we have a nominating/governance committee composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.

Accordingly, for so long as we are a “controlled company” and avail ourselves of these exemptions, our stockholders will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the Marketplace Rules.

IAC’s desire to maintain flexibility with respect to its ability to distribute the shares of our capital stock it holds on a tax-free basis to its stockholders, and its desire to preserve the ability to maintain tax consolidation for U.S. federal income tax purposes, may prevent us from pursuing opportunities to raise capital, acquire other businesses or provide equity incentives to our employees, or otherwise impact our ability to manage our capital structure.

Under current laws, IAC must retain beneficial ownership of at least 80% of our combined voting power and 80% of each class of our non-voting capital stock (if any is outstanding) in order to effect a tax-free distribution of our shares held by IAC to its stockholders. IAC has advised us that it does not have any present intention or plans to undertake such a tax-free distribution. However, IAC does currently intend to use its majority voting interest to retain its ability to engage in such a transaction. In addition, IAC must maintain ownership of at least 80% of our outstanding capital stock in order to maintain tax consolidation with us for U.S. federal income tax purposes. IAC has advised us that it currently intends to take such actions, or cause the Company to take such actions, as may be necessary in order to preserve tax consolidation. Each of these intentions may cause IAC not to support transactions that we wish to pursue that involve issuing shares of our capital stock, including for capital-raising purposes, as consideration for an acquisition or as equity incentives to our employees, or otherwise impact our overall capital management strategy. Our inability to pursue such transactions, or any reduced flexibility in the management of our capital structure, may adversely affect our business, financial condition and results of operations.

Our agreements with IAC will require us to indemnify IAC for certain tax liabilities and may limit our ability to engage in desirable strategic or capital-raising transactions.

Pursuant to our tax sharing agreement with IAC, we generally will be responsible and will be required to indemnify IAC for: (i) all taxes imposed with respect to any consolidated, combined or unitary tax return of IAC or its subsidiaries that includes us or any of our subsidiaries to the extent attributable to us or any of our subsidiaries (excluding certain taxes attributable to Angi and its subsidiaries for taxable periods (or portions thereof) ending on or before the completion of the Combination), as determined under the tax sharing agreement, and (ii) all taxes imposed with respect to any consolidated, combined, unitary or separate tax returns of ours or any of our subsidiaries. To the extent IAC fails to pay taxes imposed with respect to any consolidated, combined or unitary tax return of IAC or one of its subsidiaries that includes us or any of our subsidiaries, the relevant taxing authority could seek to collect such taxes (including taxes for which IAC is responsible under the tax sharing agreement) from us or our subsidiaries.

IAC does not have a present plan or intention to undertake a tax-free spin-off of its interest in us. Under the tax sharing agreement, we generally will be responsible for any taxes and related amounts imposed on IAC or us (or our respective subsidiaries) that arise from the failure of a future spin-off of IAC’s retained interest in us to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Section 368(a)(1)(D) and/or Section 355 of the Internal Revenue Code of 1986, as amended (the “Code”), to the extent that the failure to so qualify is attributable to: (i) a breach of the relevant representations and covenants made by us in the tax sharing agreement (or any representation letter provided in support of any tax opinion or ruling obtained by IAC with respect to the U.S. federal income tax treatment of such spin-off), (ii) an acquisition of our equity securities or assets or (iii) any other action or inaction by us after any such spin-off.

To preserve the tax-free treatment of any potential future spin-off by IAC of its interest in us, the tax sharing agreement restricts us and our subsidiaries, for the two-year period following any such spin-off (except in specific circumstances), from: (i) entering into any transaction pursuant to which shares of our capital stock would be acquired above a certain threshold, (ii) merging, consolidating or liquidating, (iii) selling or transferring assets above certain thresholds, (iv) redeeming or repurchasing stock (with certain exceptions), (v) altering the voting rights of our capital stock, (vi) actions and inactions that are inconsistent with representations or covenants in any tax opinion or private letter ruling document or (vii) ceasing to engage in any active trade or business as defined in the Code. The indemnity obligations and other limitations under the tax sharing agreement could have an adverse effect on our business, financial condition and results of operations.

Future sales or distributions of shares of our capital stock by IAC could depress the price of our Class A common stock.

IAC has the right to sell or distribute to its stockholders all or a portion of the shares of our capital stock that it holds. Although as of the date of this report IAC has advised us that it does not have any present intention or plans to undertake such a sale or distribution, sales by IAC in the public market or distributions to its stockholders of substantial amounts of our capital stock (shares of Class B common stock or Class A common stock) could depress the price of our Class A common stock. In addition, IAC has the right, subject to certain conditions, to require us to file registration statements covering the sale of the shares of our capital stock it holds or to include such shares in other registration statements that we may file. If IAC exercises these registration rights and sells all or a portion of the shares of our capital stock it holds, the price of our Class A common stock could decline.

The services that IAC provides to us may not be sufficient to meet our needs.

We expect IAC to continue to provide us with corporate and shared services related to corporate functions, such as executive oversight, risk management, information technology, accounting, audit, legal, investor relations, tax, treasury and other services in exchange for the fees specified in the services agreement between us and IAC. Since the services agreement automatically renews for one (1) year periods for as long as IAC holds a majority of the outstanding shares of our common stock, we may not be able to modify these services in a manner desirable to us as a standalone public company. Although we intend to replace portions of the services currently provided by IAC, we may not be able to perform these services ourselves and/or find appropriate third parties to do so at a reasonable cost (or at costs at or below those charged by IAC), which could adversely affect our business, financial condition and results of operations.

Risks Related to Our Indebtedness

We may not be able to generate sufficient cash to service our indebtedness.

Our ability to satisfy our debt obligations will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control.

We may not be able to generate sufficient cash flow from our operations to meet our scheduled debt obligations. If so, we could be forced to reduce or delay capital expenditures, sell assets or seek additional capital in a manner that complies with the terms (including certain restrictions and limitations) of our current indebtedness. If these efforts do not generate sufficient funds to meet our scheduled debt obligations, we would need to seek additional financing and/or negotiate with our bondholders to restructure or refinance our indebtedness. Our ability to do so would depend on the condition of the capital markets and our financial condition at such time. Any such financing, restructuring or refinancing could be on less favorable terms than those governing our current indebtedness and would need to comply with the terms (including certain restrictions and limitations) of our existing indebtedness.

Risks Related to Ownership of Our Class A Common Stock

The multiclass structure of our capital stock has the effect of concentrating voting control with IAC and limiting the ability of holders of our Class A common stock to influence corporate matters.

Each share of our Class B common stock has ten votes per share and each share of our Class A common stock has one vote per share. As of December 31, 2021, IAC owned all of our outstanding shares of Class B common stock, and 2,588,180 outstanding shares of the Company's Class A common stock, in total representing approximately 84.5% of our total outstanding shares of capital stock and approximately 98.2% of the total combined voting power of our outstanding capital stock. Due to the ten-to-one voting ratio between our Class B common stock and Class A common stock, IAC (and any future holders of our Class B common stock, collectively) will continue to control a substantial majority of the combined voting power of our capital stock. This concentrated control will significantly limit the ability of holders of our Class A common stock to influence matters submitted to our stockholders for approval.

The difference in the voting rights of our Class B common stock and Class A common stock may harm the value and liquidity of our Class A common stock.

This difference in voting rights between our Class B common stock and Class A common stock could harm the value of our Class A common stock to the extent that any investor or potential future purchaser of our Class A common stock ascribes value to the right of the holders of our Class B common stock to ten votes per share. The existence of two classes of common stock with different voting rights could result in less liquidity for our Class A common stock than if there were only one class of common stock, which could adversely affect the price of our Class A common stock.

We do not expect to pay any cash dividends in the foreseeable future.

We have never declared or paid cash dividends and we currently have no plans to pay cash dividends on our Class A common stock and/or Class B common stock. Instead, we currently anticipate that all of our future earnings will be retained to support our operations and finance the growth and development of our business. Any future determination relating to our dividend policy will be made by our board of directors and will depend on a number of factors, including: our historic and projected financial condition, liquidity and results of operations; our capital levels and needs; tax considerations; any acquisitions that we may consider; statutory and regulatory prohibitions and other limitations; the terms of any credit agreement or other borrowing arrangements that restrict our ability to pay cash dividends; general economic conditions; and other factors deemed relevant by our board of directors.

We are not obligated to pay dividends on our Class A common stock or Class B common stock. Consequently, investors may need to rely on sales on their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

The Delaware General Corporation Law and certain provisions in our amended and restated certificate of incorporation and bylaws may discourage, delay or prevent a change of control of our company and/or changes in our management.

The Delaware General Corporation Law (the "DGCL") and our amended and restated certificate of incorporation and bylaws contain provisions that could discourage, delay or prevent a change in control of our Company and/or changes in our management that our stockholders may deem advantageous, including provisions that: (i) authorize the issuance of "blank check" preferred stock, which our board of directors could issue to discourage a takeover attempt; (ii) limit the ability of our stockholders to call special meetings of stockholders; and (iii) provide that our board of directors is expressly authorized to make, alter or repeal our bylaws.

Any provision of the DGCL or our amended and restated certificate of incorporation and bylaws that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a related premium for their Class A common stock and could also affect the price that some investors are willing to pay for our Class A common stock.

The choice of forum provision in our amended and restated bylaws could limit the ability of our stockholders to obtain the judicial forum of their choice for certain disputes.

Our amended and restated bylaws provide that unless we consent in writing to the selection of an alternative forum, a state court within the State of Delaware (or, if no state court located within Delaware has jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for all of the following actions: (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim for (or based on breach of) fiduciary duty owed by any of our current or former directors, officers or other employees to us or to our stockholders, (iii) any action asserting a claim against us or any of our current or former directors, officers or other employees pursuant to the DGCL, our certificate of incorporation or our bylaws, (iv) any action asserting a claim relating to or involving us that is governed by the internal affairs doctrine or (v) any action asserting an "internal corporate claim" (as defined under the DGCL). This choice of forum provision may limit the ability of our stockholders to bring claims in a judicial forum that they find favorable for disputes with us or our current or former directors, officers or other employees, which may discourage such lawsuits. Alternatively, if a court were to find our choice of forum provision to be inapplicable or unenforceable in an action, we could incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition.

Our Class A common stock is currently ineligible for inclusion in certain stock market indices which may adversely affect the trading market for our Class A common stock.

Policies adopted by certain operators of U.S. stock market indices exclude equity securities of companies with multiple classes of outstanding publicly traded equity securities and/or companies with outstanding classes of publicly traded equity securities that have no voting rights (or "low" voting rights relative to another outstanding class of equity securities) from their stock indices and similar policies may be implemented by other operators of stock market indices in the future. Given the multiclass structure of our capital stock and IAC's control over us, our Class A common stock is not currently eligible for inclusion in the S&P Composite 1500 (and its three component indices) and any indices managed by FTSE Russell and, as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our stock. Exclusion from these stock market indices (and any others in the future) could make our Class A common stock less attractive which could adversely affect the market price of our Class A common stock.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

We believe that the facilities for our management and operations are generally adequate for our current and near-term future needs. Our facilities, most of which are leased, consist of executive and administrative offices, sales offices and data centers. We do not anticipate any future problems renewing or obtaining suitable leases for us or any of our businesses. We currently lease approximately 152,000 square feet of office for our corporate headquarters, Angi business and administrative and sales force personnel in Denver, Colorado.

Item 3. Legal Proceedings

Overview

In the ordinary course of business, the Company and its subsidiaries are (or may become) parties to claims, suits, regulatory and government investigations, and other proceedings involving property, personal injury, intellectual property, privacy, tax, labor and employment, competition, commercial disputes, consumer protection and other claims, as well as stockholder derivative actions, class action lawsuits and other matters. Such claims, suits, regulatory and government investigations, and other proceedings could result in fines, civil or criminal penalties, or other adverse consequences. The amounts that may be recovered in such matters may be subject to insurance coverage. Although the results of legal proceedings and claims cannot be predicted with certainty, neither the Company nor any of its subsidiaries is currently a party to any legal proceedings the outcome of which, we believe, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our business, financial condition or results of operations. However, the outcome of such matters is inherently unpredictable and subject to significant uncertainties.

Rules of the Securities and Exchange Commission require the description of material pending legal proceedings (other than ordinary, routine litigation incident to the registrant's business) and advise that proceedings ordinarily need not be described if they primarily involve damages claims for amounts (exclusive of interest and costs) not exceeding 10% of the current assets of the registrant and its subsidiaries on a consolidated basis. In the judgment of Company management, none of the pending litigation matters which we are defending, including the one described below, involves or is likely to involve amounts of that magnitude. The litigation matter and the investigation described below involves issues or claims that may be of particular interest to our stockholders, regardless of whether this matter may be material to our financial position or operations based upon the standard set forth in the rules of the Securities and Exchange Commission.

FTC Investigation of Certain HomeAdvisor Business Practices

On April 19, 2021, the staff of the Federal Trade Commission ("FTC") informed HomeAdvisor that upon investigation it believes that certain of HomeAdvisor's business practices relating to leads provided to service professionals and its mHelpDesk product are unfair or deceptive in violation of the FTC Act. The Company and FTC have been engaged in discussions about the staff's beliefs, and those discussions are ongoing. While HomeAdvisor believes that any such claims would be without merit and is prepared to defend vigorously against any enforcement proceeding, it is continuing a dialogue with the FTC to discuss the matter and cannot currently predict the outcome of this investigation and related discussions.

Service Professional Class Action Litigation against HomeAdvisor

In July 2016, a putative class action, *Airquip, Inc. et al. v. HomeAdvisor, Inc. et al.*, No. 1:16-cv-1849, was filed in the U.S. District Court for the District of Colorado. The complaint, as amended in November 2016, alleges that our HomeAdvisor business engages in certain deceptive practices affecting the service professionals who join its network, including charging them for substandard customer leads and failing to disclose certain charges. The complaint seeks certification of a nationwide class consisting of all HomeAdvisor service professionals since October 2012, asserts claims for fraud, breach of implied contract, unjust enrichment and violation of the federal RICO statute and the Colorado Consumer Protection Act ("CCPA"), and seeks injunctive relief and damages in an unspecified amount.

In July 2018, the plaintiffs' counsel filed a separate putative class action in the U.S. District Court for the District of Colorado, *Costello et al. v. HomeAdvisor, Inc. et al.*, No. 1:18-cv-1802, on behalf of the same nine proposed new plaintiffs in the *Airquip* case, naming as defendants HomeAdvisor, Angi and IAC (as well as an unrelated company), and asserting 45 claims largely duplicative of those asserted in the proposed second amended complaint in the *Airquip* case. In November 2018, the judge presiding over the *Airquip* case issued an order consolidating the two cases to proceed before him under the caption *In re HomeAdvisor, Inc. Litigation*.

In January 2019, the plaintiffs renewed their motion for leave to file a consolidated second amended complaint, naming as defendants, in addition to HomeAdvisor, Angi and IAC, CraftJack, Inc. (a wholly-owned subsidiary of the Company and thus, an entity affiliated with HomeAdvisor) and two unrelated entities. In February 2019, the defendants opposed the motion on various grounds. In September 2019, the court issued an order granting the plaintiffs' motion. In October and December 2019, the four defendants affiliated with HomeAdvisor filed motions to dismiss certain claims in the amended complaint. On September 29, 2020, the court issued an order granting in part and denying in part the defendants' motions to dismiss. Discovery in the case will close during 2022, after which the parties will begin litigating the issue of class certification.

The Company believes that the allegations in this lawsuit are without merit and will continue to defend vigorously against them.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market for Registrant's Common Equity and Related Stockholder Matters

Our Class A common stock is quoted on The Nasdaq Global Select Market ("NASDAQ") under the ticker symbol "ANGI." There is no established public trading market for our Class B common stock.

As of February 11, 2022, there were 40 holders of record of our Class A common stock. Because the substantial majority of the outstanding shares of our Class A common stock are held by brokers and other institutions on behalf of shareholders, we are not able to estimate the total number of beneficial shareholders represented by these record holders. As of February 11, 2022, there was one holder of record and beneficial shareholder of our Class B common stock.

Dividends

We do not currently expect that any cash or other dividends will be paid to holders of our Class A or Class B common stock in the near future. Any future cash dividend or other dividend declarations are subject to the determination of the Company's Board of Directors.

Unregistered Sales of Equity Securities

There were no unregistered sales of our capital stock during the quarter ended December 31, 2021.

Issuer Purchases of Equity Securities

The Company did not purchase any shares of its Class A common stock during the quarter ended December 31, 2021. As of that date, 16.1 million shares of ANGI Class A common stock remained available for repurchase under the Company's previously announced March 2020 repurchase authorization. The Company may repurchase shares pursuant to this repurchase authorization over an indefinite period of time in the open market and in privately negotiated transactions, depending on those factors Company management deems relevant at any particular time, including, without limitation, market conditions, share price and future outlook. From January 1, 2022 through February 11, 2022, the Company repurchased approximately 1.0 million shares at an average price of $7.80 per share. As of February 11, 2022, there were approximately 15.0 million shares remaining in the March 2020 share repurchase authorization.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

Management Overview

Angi Inc., formerly ANGI Homeservices, Inc., ("Angi," the "Company," "we," "our," or "us") connects quality home service professionals with consumers across more than 500 different categories, from repairing and remodeling homes to cleaning and landscaping. As of December 31, 2021, Angi had a network of approximately 240,000 transacting service professionals, each of whom paid for consumer matches and/or performed a job sourced or booked through Angi Ads and

Leads and/or Angi Services. Collectively, this service professional network provided services in more than 175 categories, ranging from cleaning and installation services to simple home repairs and larger home remodeling projects, and 64 discrete geographic areas in the United States. Additionally, consumers turned to at least one of our brands to find a professional for approximately 33 million projects during the year ended December 31, 2021.

The Company has two operating segments: (i) North America (United States and Canada), which includes Angi Ads, Angi Leads and Angi Services; and (ii) Europe. In March 2021, the Company rebranded its North American brands which operate as follows: Angi Ads operates under the Angi (formerly Angie's List) brand, Angi Leads operates primarily under the HomeAdvisor, powered by Angi brand, and Angi Services operates primarily under the Handy and Angi Roofing brands.

Angi Ads provides service professionals the capability to engage with potential customers, including quote, invoicing, and payment services. Angi Leads provides consumers with tools and resources to help them find local, pre-screened and customer-rated service professionals nationwide for home repair, maintenance and improvement projects. Angi Services allows consumers to browse and buy common household services at set prices directly from Angi, rather than requesting quotes from vetted service professionals, as well as instantly book appointments online for household services (primarily cleaning and handyman services) with top-quality, pre-screened independent service professionals. Consumers can request and pay for household services directly through the Angi platform and Angi fulfills the request through the use of independently established home services providers engaged in a trade, occupation and/or business that customarily provides such services. The matching and pre-priced booking services and related tools and directories are provided to consumers free of charge. Angi Services also includes roof replacement services fulfilled via the Angi Roofing, LLC business.

In the U.S., the Company primarily markets its services to consumers through search engine marketing, television advertising, and affiliate agreements with third parties. The Company also markets its services to consumers through email, digital display advertisements, partnerships with other contextually related websites and, to a lesser extent, through relationships with certain retailers, direct mail and radio advertising. The Company markets subscription packages and time-based advertising to service professionals primarily through its sales force, as well as through search engine marketing, digital media advertising, and direct relationships with trade associations and manufacturers. We have made, and expect to continue to make, substantial investments in digital and traditional advertising (with continued expansion into new and existing digital platforms) to consumers and service professionals to promote our products and services and to drive traffic to our various platforms and service professionals.

Defined Terms and Operating Metrics:

Unless otherwise indicated or as the context otherwise requires, certain terms, which include the principal operating metrics we use in managing our business, are defined below:

- **Angi Ads and Leads Revenue** primarily reflects domestic ads and leads revenue, including consumer connection revenue for consumer matches, revenue from service professionals under contract for advertising and membership subscription revenue from service professionals and consumers.

- **Angi Services Revenue** primarily reflects domestic revenue from pre-priced offerings by which the consumer purchases services directly from the Company and the Company engages a service professional to perform the service and includes revenue from Total Home Roofing, Inc. (“Angi Roofing”), which was acquired on July 1, 2021.

- **Angi Service Requests (“Service Requests”)** are fully completed and submitted domestic customer service requests and includes Angi Services requests in the period.

- **Angi Monetized Transactions** are fully completed and submitted domestic customer service requests that were matched to and paid for by a service professional and includes completed and in-process Angi Services jobs in the period.

- **Angi Transacting Service Professionals (“Transacting SPs”)** are the number of service professionals that paid for consumer matches through Angi Leads or performed an Angi Services job during the most recent quarter.

- **Angi Advertising Service Professionals (“Advertising SPs”)** are the number of service professionals under contract for advertising at the end of the period.

- **Senior Notes** - On August 20, 2020, ANGI Group, LLC (“ANGI Group”), a direct wholly-owned subsidiary of the Company, issued $500.0 million of its 3.875% Senior Notes due August 15, 2028, with interest payable February 15 and August 15 of each year, commencing February 15, 2021.

Components of Results of Operations

Sources of Revenue

Angi Ads and Leads Revenue is primarily derived from (i) advertising revenue, which includes revenue from service professionals under contract for advertising, (ii) consumer connection revenue, which is comprised of fees paid by service professionals for consumer matches (regardless of whether the service professional ultimately provides the requested service), and (iii) membership subscription revenue from service professionals and consumers. Consumer connection revenue varies based upon several factors, including the service requested, product experience offered, and geographic location of service. Angi Services is primarily comprised of revenue from jobs (i) sourced through the “Book Now” feature which lets consumers complete booking the entire transaction digitally for work that is completed physically, (ii) under managed projects (including Angi Roofing) which are larger home improvement projects, and (iii) through retail partnerships for installation of furniture or other household items.

Operating Costs and Expenses:

- **Cost of revenue** - consists primarily of payments made to independent service professionals who perform work contracted under Angi Services arrangements, credit card processing fees, hosting fees, and roofing materials costs associated with Angi Roofing.

- **Selling and marketing expense** - consists primarily of advertising expenditures, which include online marketing, including fees paid to search engines; offline marketing, which is primarily television advertising; and partner-related payments to those who direct traffic to our brands; compensation expense (including stock-based compensation expense) and other employee-related costs for our sales force and marketing personnel; and facilities costs.

- **General and administrative expense** - consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in executive management, finance, legal, tax, human resources and customer service functions, fees for professional services (including transaction-related costs related to acquisitions), provision for credit losses, software license and maintenance costs, and facilities costs. Our customer service function includes personnel who provide support to our service professionals and consumers.

- **Product development expense** - consists primarily of compensation expense (including stock-based compensation expense) and other employee-related costs that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology, software license and maintenance costs, and facilities costs.

Non-GAAP financial measure

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is a non-GAAP financial measure. See "Principles of Financial Reporting" for the definition of Adjusted EBITDA and a reconciliation of net loss attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA for the years ended December 31, 2021 and 2020.

The following discussion should be read in conjunction with Item 8. Consolidated Financial Statements and Supplementary Data. For a discussion regarding our financial condition and results of operations for the year ended December 31, 2020 compared to the year ended December 31, 2019, please refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed with the SEC on February 16, 2021.

Brand Integration Initiative

In March 2021, the Company changed its name to Angi Inc. and updated one of its leading websites and brands, Angie's List, to Angi, and since then, has concentrated its marketing investment in the Angi brand in order to focus its marketing, sales, and branding efforts on a single brand.

We rely heavily on free, or organic, search results from search engine optimization, and paid search engine marketing to drive traffic to our websites. Our brand integration initiative has adversely affected the placement and ranking of Angi Inc. websites, particularly Angi.com, in organic search results as Angi does not have the same domain history as Angie's List. In addition, we shifted marketing to support Angi, away from HomeAdvisor, which has negatively affected the efficiency of our search engine marketing efforts.

Since the beginning of the integration process, these efforts have had a pronounced negative impact on service requests from organic search results and via our mobile applications, which in turn has resulted in increased paid search engine marketing to generate service requests. These factors have increased marketing spend and reduced revenue during the year ended December 31, 2021, materially more than expected at the launch of the brand initiative in March 2021. We expect the pronounced negative impact to organic search results, the increased paid search engine marketing costs and the reduced monetization from our mobile applications to continue until such time as the new brand establishes search engine optimization ranking and consumer awareness is established.

Angi Services Investment

Angi Services was launched in August 2019 and we have invested significantly in Angi Services and expect to continue to do so going forward. We expect significant future revenue growth as we expand the business, refine the overall experience, and increase penetration in certain geographies and service categories. This increased investment in Angi Services has contributed to losses for the Company for the year ended December 31, 2021 and this investment is expected to continue through at least 2023.

COVID-19 Update

The impact on the Company from the COVID-19 pandemic and the measures designed to contain its spread has been varied and volatile.

As previously disclosed, the impact of COVID-19 on the Company initially resulted in a decline in demand for service requests, driven primarily by decreases in demand in certain categories of jobs (particularly discretionary indoor projects). While we experienced a rebound in service requests in the second half of 2020 and through early 2021, service requests did start to decline in May 2021 compared to the comparable months of 2020 as a result of the surge in 2020 and due to impacts of the Brand Integration Initiative described above. Moreover, many service professionals' businesses have been adversely impacted by labor and material constraints and many service professionals have limited capacity to take on new business, which continues to negatively impact our ability to monetize the slightly increased level of service requests. Although our ability to monetize service requests rebounded modestly in the second half of 2021, we still have not returned to levels we experienced pre-COVID-19. No assurances can be provided that we will continue to be able to improve monetization, or that service professionals' businesses and, as a consequence, our revenue and profitability will not continue to be adversely impacted in the future.

The extent to which developments related to the COVID-19 pandemic and measures designed to curb its spread continue to impact the Company's business, financial condition and results of operations will depend on future developments, all of which are highly uncertain and many of which are beyond the Company's control, including the continuing spread of COVID-19, the severity of resurgences of COVID-19 caused by variant strains of the virus, the effectiveness of vaccines and attitudes toward receiving them, materials and supply chain constraints, labor shortages, the scope of governmental and other restrictions on travel, discretionary services and other activity, and public reactions to these developments.

Results of Operations for the Years Ended December 31, 2021 and 2020

Revenue

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
North America				
Angi Ads and Leads:				
Consumer connection revenue	$ 896,711	$ (2,464)	—%	$ 899,175
Advertising revenue	252,010	25,505	11%	226,505
Membership revenue	68,062	(6,011)	(8)%	74,073
Other revenue	27,812	(5,324)	(16)%	33,136
Total Angi Ads and Leads revenue	1,244,595	11,706	1%	1,232,889
Angi Services revenue	357,976	195,437	120%	162,539
Total North America revenue	1,602,571	207,143	15%	1,395,428
Europe	82,867	10,370	14%	72,497
Total revenue	$ 1,685,438	$ 217,513	15%	$ 1,467,925
Percentage of Total Revenue:				
North America	95 %			95 %
Europe	5 %			5 %
Total revenue	100 %			100 %

	Years Ended December 31,			
	2021	Change	% Change	2020
	(In thousands, rounding differences may occur)			
Operating metrics:				
Service Requests	32,730	318	1%	32,412
Monetized Transactions	17,942	1,270	8%	16,672
Transacting SPs[a]	206	(2)	(1)%	208
Advertising SPs	38	(2)	(4)%	39

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[a] Angi Transacting Service Professionals ("Transacting SPs") are the number of service professionals that paid for consumer matches through Angi Leads or performed an Angi Services job during the most recent quarter.

North America revenue increased $207.1 million, or 15%, driven by increases in Angi Services revenue of $195.4 million, or 120%, and Angi Ads and Leads revenue of $11.7 million, or 1%. The increase in Angi Services revenue is due primarily to organic growth and, to a lesser extent from Angi Roofing, acquired July 1, 2021. The increase in Angi Ads and Leads revenue is due primarily to an increase in Advertising revenue of $25.5 million, or 11%.

Europe revenue increased $10.4 million, or 14%, due to growth across its markets from increased consumer demand and the favorable impact of the weakening of the U.S dollar relative to the Euro and the British Pound.

Cost of revenue

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Cost of revenue (exclusive of depreciation shown separately below)	$ 325,880	$ 152,599	88%	$ 173,281
As a percentage of revenue	19%			12%

North America cost of revenue increased $152.6 million, or 89%, and increased as a percentage of revenue, due primarily to the organic growth of Angi Services resulting in increased payments to third-party professional service providers and $51.2

million of costs attributable to the inclusion of Angi Roofing acquired July 1, 2021, primarily for roofing materials and third-party contractors.

Selling and marketing expense

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Selling and marketing expense	$ 883,643	$ 121,053	16%	$ 762,590
As a percentage of revenue	52%			52%

North America selling and marketing expense increased $122.5 million, or 17%, driven by increases in advertising expense of $63.6 million, compensation expense of $36.9 million, consulting costs of $11.1 million, and $14.0 million in expense from the inclusion of Angi Roofing. The increase in advertising expense was due primarily to increases of $52.8 million in online marketing spend and $9.6 million in television spend. The increase in online marketing spend was attributable to the brand integration initiative described above under "Brand Integration Initiative." The increase in television spend in 2021 reflects the return to historical spending levels as compared to the cost cutting initiatives during 2020 due to the impact of COVID-19. The increase in compensation expense was due primarily to increased commission expense, in addition to an increase in sales force headcount, net of an equity based compensation capitalization increase. The increase in consulting costs was due primarily to various sales initiatives at Angi Services.

Europe selling and marketing expense decreased $1.5 million, or 4%, driven by a decrease in compensation expense of $3.7 million, partially offset by an increase in advertising expense of $2.6 million. The decrease in compensation expense was primarily due to severance costs recorded in 2020 associated with headcount reductions in France and lower headcount in 2021. The increase in advertising expense was due, in part, to decreased advertising expense in 2020 to mitigate the negative impact of COVID-19 on revenue.

General and administrative expense

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
General and administrative expense	$ 405,819	$ 31,723	8%	$ 374,096
As a percentage of revenue	24%			25%

North America general and administrative expense increased $24.5 million, or 7%, due primarily to an increase of $25.5 million in professional fees, $10.8 million of expense from the inclusion of Angi Roofing, $9.6 million in one-time costs related to the Company reducing its real estate footprint in 2021, increases of $7.5 million in the provision for credit losses, and $6.9 million in software license and maintenance costs, offset by a decrease of $42.4 million in compensation expense. The increase in professional fees is due primarily to an increase in outsourced personnel costs, and to a lesser extent, legal fees, recruiting fees, and consulting costs. The increase in outsourced personnel costs is due primarily to an increase in call volume related to our customer booking assistance function. The real estate related costs are the result of impairments of right-of-use lease assets, leasehold improvements and furniture and equipment associated with office space we vacated. The increase in the provision for credit losses is primarily due to higher Angi Services revenue as the provision for credit losses as a percentage of revenue has remained relatively flat. The increase in software license and maintenance expense is due primarily to increased investment in software to support our customer service function. The decrease in compensation expense was due primarily to a decrease of stock-based compensation expense of $54.1 million, partially offset by an increase of $11.4 million in wage related expenses resulting primarily from annual wage increases and a certain departments' headcount now being aligned to general and administrative functions under the brand integration initiative, contributing $5.8 million of the increase. The decrease in stock-based compensation expense was due primarily to $30.8 million in stock appreciation rights expense recognized during the twelve months ended December 31, 2020, which was not incurred in 2021 as the awards became fully vested in 2020, and a net decrease of $7.7 million due to the reversal of previously recognized expense related to unvested awards that were forfeited due to management departures in the first quarter of 2021, partially offset by the issuance of new equity awards since 2020.

Europe general and administrative expense increased $7.2 million, or 25%, due primarily to a charge of $7.0 million in compensation expenses related to the acquisition of an additional 25% interest in our MyBuilder business at a premium to fair value and a $1.7 million increase in professional fees related to corporate restructuring, partially offset by a $2.6 million decrease in compensation expense driven by severance costs recorded in 2020 associated with headcount reductions in France.

Product development expense

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Product development expense	$ 70,933	$ 2,130	3%	$ 68,803
As a percentage of revenue	4%			5%

North America product development expense decreased $3.5 million, or 6%, due primarily to decreases in compensation expense of $4.9 million and lease expense of $1.0 million, partially offset by an increase in software license and maintenance expense of $1.4 million. The decrease in compensation expense is due to certain departments' headcount that were previously included within product development now being aligned to general and administrative functions under the brand integration initiative described above under "Brand Integration Initiative.".

Europe product and development expense increased $5.6 million, or 49%, due to an increase in compensation expense of $5.3 million due primarily to higher headcount and fewer software development projects being capitalized.

Depreciation

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Depreciation	$ 59,246	$ 6,625	13%	$ 52,621
As a percentage of revenue	4%			4%

North America and Europe depreciation in 2021 increased from 2020 due primarily to investments in capitalized software to support our products and services.

Operating (loss) income

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
North America	$ (63,316)	$ (68,127)	NM	$ 4,811
Europe	(13,197)	(2,018)	(18)%	(11,179)
Total	$ (76,513)	$ (70,145)	NM	$ (6,368)
As a percentage of revenue	(5)%			—%

NM = Not meaningful

North America operating income decreased $68.1 million to a loss of $63.3 million due to a decrease in Adjusted EBITDA of $143.5 million, described below, and an increase of $5.3 million in depreciation, partially offset by decreases of $54.5 million in stock-based compensation expense and $26.2 million in amortization of intangibles. The increase in depreciation was due primarily to the investments in capitalized software to support our products and services. The decrease in the amortization of intangibles was due primarily to certain intangible assets becoming fully amortized during 2020. The decrease in stock-based compensation expense was due primarily to $30.8 million in stock appreciation rights expense recognized during the twelve months ended December 31, 2020, which was not incurred in 2021 as the awards became fully vested in 2020, and a net decrease of $7.7 million due to the reversal of previously recognized expense related to unvested awards that were forfeited due to management departures in the first quarter of 2021, partially offset by the issuance of new equity awards since 2020.

Europe operating loss increased $2.0 million, or 18%, due primarily to an increase in Adjusted EBITDA loss of $1.4 million, described below, and an increase of $1.3 million in depreciation expense, partially offset by decreases of $0.4 million in stock-based compensation expense and $0.3 million in amortization of intangibles.

At December 31, 2021, there is $107.7 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.9 years.

Adjusted EBITDA

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
North America	$ 35,328	$ (143,526)	(80)%	$ 178,854
Europe	(7,462)	(1,412)	(23)%	(6,050)
Total	$ 27,866	$ (144,938)	(84)%	$ 172,804
As a percentage of revenue	2%			12%

For a reconciliation of net loss attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA, see "Principles of Financial Reporting." For a reconciliation of operating (loss) income to Adjusted EBITDA for the Company's reportable segments, see "Note 11—Segment Information" to the consolidated financial statements included in "Item 8. Consolidated Financial Statements and Supplementary Data."

North America Adjusted EBITDA decreased $143.5 million, or 80%, to $35.3 million, and decreased as a percentage of revenue, despite higher revenue of $207.1 million, due primarily to an increase in selling and marketing expense of $122.5 million as well as growth of Angi Services due to factors described above in the cost of revenue and selling and marketing discussions.

Europe Adjusted EBITDA loss decreased $1.4 million, or 23%, due primarily to an increase of $10.4 million in revenue, largely offset by the increase in general and administrative expense of $6.7 million (excluding stock-based compensation expense), which included a charge of $7.0 million related to the acquisition of an additional 25% interest in MyBuilder at a premium to fair value, and the increase in product development expense of $5.6 million.

Interest expense

Interest expense relates to interest on the ANGI Group Senior Notes, ANGI Group Term Loan, and commitment fees on the ANGI Group Revolving Facility. As of May 6, 2021, the outstanding balance of the ANGI Group Term Loan was repaid in its entirety. The ANGI Group Revolving Facility was terminated effective August 3, 2021. No amounts were ever drawn under the ANGI Group Revolving Facility prior to its termination.

For a detailed description of long-term debt, net, see "Note 6—Long-term Debt" to the consolidated financial statements included in "Item 8. Consolidated Financial Statements and Supplementary Data."

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(In thousands)			
Interest expense	$ 23,485	$ 9,307	66%	$ 14,178

Interest expense increased due primarily to the issuance of the ANGI Group Senior Notes in August 2020 and the write-off of deferred debt issuance costs associated with the termination of the ANGI Group Revolving Facility, partially offset by a decrease in interest expense due to the repayment of the ANGI Group Term Loan during the second quarter of 2021.

Other (expense) income, net

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(In thousands)			
Other (expense) income, net	$ (2,509)	$ (3,727)	NM	$ 1,218

Other expense, net in 2021 primarily includes net foreign currency exchange losses of $1.7 million and the write-off of $1.1 million of deferred debt issuance costs related to the ANGI Group Term Loan which was repaid in its entirety during the second quarter of 2021, partially offset by interest income of $0.2 million.

Other income, net in 2020 primarily includes interest income of $1.7 million, partially offset by a $0.2 million mark-to-market charge for an indemnification claim related to the Handy acquisition that was settled in Angi Inc. shares during the first quarter of 2020.

Income tax benefit

	Years Ended December 31,			
	2021	$ Change	% Change	2020
	(Dollars in thousands)			
Income tax benefit	$ 32,013	$ 16,845	111%	$ 15,168
Effective income tax rate	31%			NM

For further details of income tax matters, see "Note 3—Income Taxes" to the consolidated financial statements included in "Item 8. Consolidated Financial Statements and Supplementary Data."

In 2021, the effective income tax rate was higher than the statutory rate of 21% due primarily to excess tax benefits generated by the exercise and vesting of stock-based awards and a change in judgement about the valuation allowance at the beginning of the year, partially offset by unbenefited foreign losses.

In 2020, the Company recorded an income tax benefit of $15.2 million. The income tax benefit was due primarily to a reduction to deferred taxes due to the true-up of the state tax rate of an indefinite-lived intangible asset, a change in judgement about the valuation allowance at the beginning of the year, and excess tax benefits generated by the exercise and vesting of stock-based awards.

PRINCIPLES OF FINANCIAL REPORTING

We report Adjusted EBITDA as a supplemental measure to U.S. generally accepted accounting principles ("GAAP"). This measure is one of the primary metrics by which we evaluate the performance of our businesses, on which our internal budgets are based and by which management is compensated. We believe that investors should have access to, and we are obligated to provide, the same set of tools that we use in analyzing our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. We endeavor to compensate for the limitations of the non-GAAP measure presented by providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. We encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measure, which we discuss below.

Definition of Non-GAAP Measure

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of amortization of intangible assets and impairments of goodwill and intangible assets, if applicable. We believe this measure is useful for analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses.

The following table reconciles net loss attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA:

	Years Ended December 31,	
	2021	2020
	(In thousands)	
Net loss attributable to Angi Inc. shareholders	$ (71,378)	$ (6,283)
Add back:		
Net earnings attributable to noncontrolling interests	884	2,123
Income tax benefit	(32,013)	(15,168)
Other expense (income), net	2,509	(1,218)
Interest expense	23,485	14,178
Operating loss	(76,513)	(6,368)
Add back:		
Stock-based compensation expense	28,702	83,649
Depreciation	59,246	52,621
Amortization of intangibles	16,430	42,902
Adjusted EBITDA	$ 27,865	$ 172,804

For a reconciliation of operating loss to Adjusted EBITDA for the Company's reportable segments, see "Note 11—Segment Information" to the consolidated financial statements included in "Item 8. Consolidated Financial Statements and Supplementary Data."

Non-Cash Expenses That Are Excluded from Our Non-GAAP Measure

Stock-based compensation expense consists of expense associated with the grants, including unvested grants assumed in acquisitions, of stock appreciation rights, restricted stock units ("RSUs"), stock options, performance-based RSUs ("PSUs") and market-based awards. These expenses are not paid in cash and we view the economic costs of stock-based awards to be the dilution to our share base; we also include the related shares in our fully diluted shares outstanding for GAAP earnings per share using the treasury stock method. PSUs and market-based awards are included only to the extent the applicable performance or market condition(s) have been met (assuming the end of the reporting period is the end of the contingency period). The Company is currently settling all stock-based awards on a net basis and remits the required tax-withholding amounts from its current funds.

Depreciation is a non-cash expense relating to our capitalized software, leasehold improvements and equipment and is computed using the straight-line method to allocate the cost of depreciable assets to operations over their estimated useful lives, or, in the case of leasehold improvements, the lease term, if shorter.

Amortization of intangible assets and impairments of goodwill and intangible assets are non-cash expenses related primarily to acquisitions. At the time of an acquisition, the identifiable definite-lived intangible assets of the acquired company, such as service professional relationships, technology, memberships, customer lists and user base, and trade names, are valued and amortized over their estimated lives. Value is also assigned to acquired indefinite-lived intangible assets, which comprise trade names and trademarks, and goodwill that are not subject to amortization. An impairment is recorded when the carrying value of an intangible asset or goodwill exceeds its fair value. We believe that intangible assets represent costs incurred by the acquired company to build value prior to acquisition and the related amortization and impairments of intangible assets or goodwill, if applicable, are not ongoing costs of doing business.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	December 31, 2021	December 31, 2020
	(In thousands)	
Cash and cash equivalents and marketable debt securities:		
United States	$ 404,277	$ 793,679
All other countries	23,859	19,026
Total cash and cash equivalents	428,136	812,705
Marketable debt securities (United States)	—	49,995
Total cash and cash equivalents and marketable debt securities	$ 428,136	$ 862,700
Long-term debt:		
Senior Notes	$ 500,000	$ 500,000
Term Loan	—	220,000
Total long-term debt	500,000	720,000
Less: unamortized debt issuance costs	5,448	7,723
Total long-term debt, net	$ 494,552	$ 712,277

At December 31, 2021, all of the Company's international cash can be repatriated without any significant tax consequences.

Cash Flow Information

In summary, the Company's cash flows are as follows:

	Years Ended December 31,	
	2021	2020
	(In thousands)	
Net cash provided (used in) by:		
Operating activities	$ 6,209	$ 188,419
Investing activities	$ (45,072)	$ (103,954)
Financing activities	$ (345,168)	$ 337,053

Net cash provided by operating activities consists of earnings adjusted for non-cash items and the effect of changes in working capital. Non-cash adjustments include stock-based compensation expense, provision for credit losses, amortization of intangibles, depreciation, impairment of long-lived and right-of-use assets, non-cash lease expense, and deferred income taxes.

2021

Adjustments to earnings consist primarily of $88.1 million of provision for credit losses, $59.2 million of depreciation, $28.7 million of stock-based compensation expense, $16.4 million of amortization of intangibles, $12.9 million of non-cash lease expense, $12.7 million of impairment charges on long-lived and right-of-use assets, and $8.6 million of revenue reserves, partially offset by $36.3 million of deferred income taxes. The decrease from changes in working capital consists primarily of an increase of $115.4 million in accounts receivable and a decrease of $16.8 million in operating lease liabilities, partially offset by increases of $14.0 million in accounts payable and other liabilities. The increase in accounts receivable is due primarily to revenue growth, primarily attributable to Angi Services. The increase in accounts payable and other liabilities is due primarily to increases in accrued advertising and related payables and accrued roofing material costs related to Angi Roofing.

Net cash used in investing activities includes $70.2 million of capital expenditures, primarily related to investments in capitalized software to support the Company's products and services, and $25.6 million of cash principally related to the acquisition of Angi Roofing, partially offset by proceeds of $50.0 million from the maturities of marketable debt securities.

Net cash used in financing activities includes $220.0 million for the prepayment of the ANGI Group Term Loan, which otherwise would have matured on November 5, 2023, $61.9 million for the payment of withholding taxes on behalf of employees for stock-based awards that were net settled, $35.4 million for the repurchase of 3.2 million shares of Angi Inc. Class A common stock, on a settlement date basis, at an average price of $11.06 per share, and $27.9 million for the purchase of redeemable noncontrolling interests.

2020

Adjustments to earnings consist primarily of $83.6 million of stock-based compensation expense, $78.2 million of provision for credit losses, $52.6 million of depreciation, $42.9 million of amortization of intangibles, and $13.7 million of non-cash lease expense. The decrease from changes in working capital consists primarily of an increase in accounts receivable of $79.8 million, a decrease in operating lease liabilities of $13.4 million, and an increase in other assets of $7.7 million, partially offset by an increase in accounts payable and other liabilities of $30.6 million. The increase in accounts receivable is due primarily to revenue growth. The increase in accounts payable and other liabilities is due primarily to an increase in accrued advertising and related payables, and accrued compensation costs due, in part, to the deferral of payroll tax payments under the Coronavirus Aid, Relief, and Economic Security Act.

Net cash used in investing activities includes purchases of marketable debt securities of $100.0 million and capital expenditures of $52.5 million, primarily related to investments in the development of capitalized software to support the Company’s products and services, $2.3 million related to the acquisition of a business, partially offset by $50.0 million of proceeds from maturities of marketable debt securities, and $0.7 million of net proceeds received in 2020 related to the December 31, 2018 sale of Felix.

Net cash provided by financing activities includes $500.0 million of proceeds from the issuance of the Senior Notes and a $3.1 million distribution from IAC pursuant to the tax sharing agreement, net of $63.7 million for the repurchase of 8.5 million shares of Angi Inc. Class A common stock, on a settlement date basis, at an average price of $7.47 per share, $64.1 million for the payment of withholding taxes on behalf of employees for stock-based awards that were net settled, $27.5 million in principal payments on the Term Loan, including the prepayment of the $13.8 million of principal payments that were otherwise due in 2021, $6.5 million for debt issuance costs, and $4.3 million for the purchase of redeemable noncontrolling interests

Liquidity and Capital Resources

Financing Arrangements

The ANGI Group Senior Notes were issued on August 20, 2020, the proceeds of which have been used for general corporate purposes, including the acquisition of Angi Roofing, and treasury share repurchases.

As of May 6, 2021, the outstanding balance of the ANGI Group Term Loan was repaid in its entirety. The outstanding balance of the ANGI Group Term Loan at December 31, 2020 was $220.0 million and bore interest at 2.16%.

The $250.0 million ANGI Group Revolving Facility, which otherwise would have expired on November 5, 2023, was terminated effective August 3, 2021. No amounts were ever drawn under the ANGI Group Revolving Facility prior to its termination.

Share Repurchase Authorizations and Activity

During the year ended December 31, 2021, the Company repurchased 3.2 million shares, on a trade date basis, of its common stock at an average price of $11.06 per share, or $35.4 million in aggregate. From January 1, 2022 through February 11, 2022, the Company repurchased an additional 1.0 million shares at an average price of $7.80 per share, or $8.1 million in aggregate. Angi Inc. has 15.0 million shares remaining in its share repurchase authorization as of February 11, 2022. The Company may purchase shares over an indefinite period of time on the open market and in privately negotiated transactions, depending on those factors Angi Inc. management deems relevant at any particular time, including, without limitation, market conditions, share price and future outlook.

Outstanding Stock-based Awards

The Company may settle equity awards on a gross or a net basis depending upon factors deemed relevant at the time, and if settled on a net basis, Angi remits withholding taxes on behalf of the employee. At IAC’s option, certain Angi stock appreciation rights can be settled in either Class A shares of Angi or shares of IAC common stock. If settled in IAC common stock, the Company reimburses IAC in either cash or through the issuance of Class A shares to IAC. The Company currently settles all equity awards on a net basis.

Pursuant to the employee matters agreement, in the event of a distribution of Angi capital stock to IAC stockholders in a transaction intended to qualify as tax-free for U.S. federal income tax purposes, the Compensation Committee of the IAC Board of Directors has the exclusive authority to determine the treatment of outstanding IAC equity awards. Such authority includes (but is not limited to) the ability to convert all or part of IAC equity awards outstanding immediately prior to the distribution into equity awards denominated in shares of Angi Class A Common Stock for no compensation, which Angi would be obligated to assume and which would be dilutive to Angi's stockholders.

The following table summarizes the aggregate intrinsic value of all awards outstanding as of February 11, 2022; assuming these awards were net settled on that date, the withholding taxes that would be paid by the Company on behalf of employees upon exercise or vesting that would be payable (assuming these equity awards are net settled with a 50% tax rate), and the shares that would have been issued are as follows:

	Aggregate intrinsic value of awards outstanding	Estimated withholding taxes payable	Estimated shares to be issued
		(In thousands)	
Stock appreciation rights	$ 5,309	$ 2,654	308
Other equity awards[(a)(b)]	131,743	65,040	7,747
Total outstanding employee stock-based awards	$ 137,052	$ 67,694	8,055

(a) Includes stock options, RSUs, and subsidiary denominated equity.

(b) The number of shares ultimately needed to settle subsidiary denominated equity awards and the cash withholding tax obligation may vary significantly as a result of the determination of the fair value of the relevant award at the time of exercise. In addition, the number of shares required to settle these awards will be impacted by movement in the Company's stock price.

Contractual Obligations

The Company enters into various contractual arrangements as a part of its continued operations. Many of these contractual obligations are discussed in the notes to the financial statements included in "Item 8—Consolidated and Combined Financial Statements and Supplementary Data." As of December 31, 2021, material obligations discussed in the notes included principal and interest payments on the Company's long-term debt discussed above and in "Note 6—Long-term Debt," operating leases discussed in "Note 12—Leases," and postretirement benefits discussed in "Note 15—Benefit Plans."

In addition, as of December 31, 2021, the Company has material purchase obligations which represent legally binding agreements to purchase goods and services that specify all significant terms. These obligations are discussed in "Note 13—Commitments and Contingencies."

Capital Expenditures

The Company's 2022 capital expenditures are expected to be higher than 2021 capital expenditures of $70.2 million by approximately 15% to 20%, due primarily to increased investment in capitalized software to support the development of our products and services.

Liquidity Assessment

The Company's liquidity could be negatively affected by a decrease in demand for its products and services due to COVID-19 or other factors. As described in the "COVID-19 Update" section above, to date, the COVID-19 outbreak and measures designed to curb its spread have adversely impacted the Company's business.

At December 31, 2021, IAC held all Class B shares of Angi Inc., which represent 84.5% of the economic interest and 98.2% of the voting interest of the Company. As a result, IAC has the ability to control Angi Inc.'s financing activities, including the issuance of additional debt and equity securities by Angi Inc. or any of its subsidiaries, or the incurrence of other indebtedness generally. While Angi Inc. is expected to have the ability to access debt and equity markets if needed, such transactions may require the approval of IAC due to its control of the majority of the outstanding voting power of Angi Inc.'s capital stock and its representation on the Angi Inc. board of directors. Additional financing may not be available on terms favorable to the Company or at all. In addition, the Company's existing indebtedness could limit its ability to obtain additional financing.

The Company believes its existing cash, cash equivalents, and expected positive cash flows generated from operations will be sufficient to fund its normal operating requirements, including capital expenditures, debt service, the payment of withholding taxes paid on behalf of employees for net-settled stock-based awards, and investing and other commitments, for the foreseeable future.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The following disclosure is provided to supplement the descriptions of Angi's accounting policies contained in "Note 2—Summary of Significant Accounting Policies" to the consolidated financial statements included "Item 8. Consolidated Financial Statements and Supplementary Data" in regard to significant areas of judgment. Management of the Company is required to make certain estimates, judgments and assumptions during the preparation of its consolidated financial statements in accordance with GAAP. These estimates, judgments and assumptions impact the reported amount of assets, liabilities, revenue and expenses and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates. Because of the size of the financial statement elements to which they relate, some of our accounting policies and estimates have a more significant impact on our financial statements than others. What follows is a discussion of some of our more significant accounting policies and estimates.

Credit Loss and Revenue Reserves

The Company makes judgments as to its ability to collect outstanding receivables and provides reserves when it has determined that all or a portion of the receivable will not be collected. The Company maintains a credit loss reserve to provide for the estimated amount of accounts receivable that will not be collected. The credit loss reserve is based upon a number of factors, including the length of time accounts receivable are past due, the Company's previous loss history and the specific customer's ability to pay its obligation to the Company. The duration of time between the Company's issuance of an invoice and payment due date is not significant. The Company also maintains reserves for potential revenue adjustments. The amounts of these reserves are based primarily upon historical experience. The carrying value of the credit loss and revenue reserves is $36.4 million and $27.8 million at December 31, 2021 and 2020, respectively. The provision for credit losses was $88.1 million and $78.2 million for the years ended December 31, 2021 and 2020, respectively.

Business Combinations

Acquisitions, which are generally referred to in GAAP as business combinations, are an important part of the Company's growth strategy. The Company invested $29.2 million and $2.7 million in acquisitions for the years ended December 31, 2021 and 2020, respectively. The purchase price of each acquisition is attributed to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, including identifiable intangible assets that either arise from a contractual or legal right or are separable from goodwill.

Management makes two critical determinations at the time of an acquisition, the reporting unit that will benefit from the acquisition and to which goodwill will be assigned and the allocation of the purchase price of the business to the assets acquired and the liabilities assumed based upon their fair values. The reporting unit determination is important beyond the initial allocation of purchase price because future impairment assessments of goodwill, as described below, are performed at the reporting unit level. At October 1, 2021, the Company has two reporting units: North America and Europe. Historically, when the Company's acquisitions have been complementary to these reporting units and the goodwill has been assigned to either the North America or Europe reporting unit.

The allocation of purchase price to the assets acquired and liabilities assumed based upon their fair values is complex because of the judgments involved in determining these values. The determination of purchase price and the fair value of monetary assets acquired and liabilities assumed is typically the least complex aspect of the Company's accounting for business combinations due to management's experience and the inherently lower level of complexity. Due to the higher degree of complexity associated with the valuation of intangible assets, the Company usually obtains the assistance of outside valuation experts in the allocation of purchase price to the identifiable intangible assets acquired, which can be both definite-lived, such as acquired technology, customer and contractor relationships, or indefinite lived, such as acquired trade names and trademarks. While outside valuation experts may be used, management has ultimate responsibility for the valuation methods, models and inputs used and the resulting purchase price allocation. The excess purchase price over the net tangible and identifiable intangible assets is recorded as goodwill and is assigned to the reporting unit that is expected to benefit from the business combination as of the acquisition date.

Recoverability of Goodwill and Indefinite-Lived Intangible Assets

The carrying value of goodwill is $916.0 million and $891.8 million at December 31, 2021 and 2020, respectively. Indefinite-lived intangible assets, which consist of the Company's acquired trade names and trademarks, have a carrying value of $171.4 million and $171.9 million at December 31, 2021 and 2020, respectively.

Goodwill and indefinite-lived intangible assets are assessed annually for impairment as of October 1, or more frequently if an event occurs or circumstances change that would indicate that it is more likely than not that the fair value of a reporting unit or the fair value of an indefinite-lived intangible asset has declined below its carrying value. In performing its annual goodwill impairment assessment, the Company has the option under GAAP to qualitatively assess whether it is more likely than not that the fair value of a reporting unit is less than its carrying value; if the conclusion of the qualitative assessment is that there are no indicators of impairment, the Company does not perform a quantitative test, which would require a valuation of the reporting unit, as of October 1. GAAP provides a not all-inclusive set of examples of macroeconomic, industry, market and company specific factors for entities to consider in performing the qualitative assessment described above; management considers the factors it deems relevant in making its more likely than not assessments. While the Company also has the option under GAAP to qualitatively assess whether it is more likely than not that the fair values of its indefinite-lived intangible assets are less than their carrying values, the Company's policy is to quantitatively determine the fair value of each of its indefinite-lived intangible assets annually as of October 1, in part, because the level of effort required to perform the quantitative and qualitative assessments is essentially equivalent.

If the conclusion of our qualitative assessment is that there are indicators of impairment and a quantitative test is required, the annual or interim quantitative test of the recovery of goodwill involves a comparison of the estimated fair value of the Company's reporting unit that is being tested to its carrying value. If the estimated fair value of a reporting unit exceeds its carrying value, goodwill of the reporting unit is not impaired. If the carrying value of a reporting unit exceeds its estimated fair value, a goodwill impairment equal to the excess is recorded.

The Company's annual assessment of the recovery of goodwill begins with management's reassessment of its operating segments and reporting units. A reporting unit is an operating segment or one level below an operating segment, which is referred to as a component. This reassessment of reporting units is also made each time the Company changes its operating segments. If the goodwill of a reporting unit is allocated to newly formed reporting units, the allocation is usually made to each reporting unit based upon their relative fair values.

For the Company's annual goodwill test at October 1, 2021, a qualitative assessment of the North America and Europe reporting units' goodwill was performed and the Company concluded it was more likely than not that the fair value of these reporting units was in excess of their respective carrying values. In the aggregate, Angi's October 1, 2021 market capitalization of $6.2 billion exceeded its carrying value by approximately $5.0 billion. The primary factor that the Company considered in its qualitative assessment for its Europe reporting unit were valuations performed during 2021 that indicated a fair value in excess of the carrying value. The fair value based on the valuation that was most proximate to, but not as of, October 1, 2021 exceeded the carrying value of the Europe reporting unit by $164.2 million. The primary factor that the Company considered in its qualitative assessment for its North America reporting unit was the significant excess of the estimated fair value of the North America reporting unit over its carrying value. The fair value of the North America reporting unit was estimated by subtracting the fair value of the Europe reporting unit, based on the valuation described above, from the October 1, 2021 market capitalization of the Company; the estimated fair value of the North America reporting unit exceeded its carrying value by approximately $4.9 billion.

The fair value of the Company's Europe reporting unit is determined using both an income approach based on discounted cash flows ("DCF") and a market approach when it tests goodwill for impairment, either on an interim basis or annual basis as of October 1 each year. Determining fair value using a DCF analysis requires the exercise of significant judgment with respect to several items, including the amount and timing of expected future cash flows and appropriate discount rates. The expected cash flows used in the DCF analyses are based on the Company's most recent forecast and budget and, for years beyond the budget, the Company's estimates, which are based, in part, on forecasted growth rates. The discount rates used in the DCF analyses are intended to reflect the risks inherent in the expected future cash flows of the respective reporting units. Assumptions used in the DCF analyses, including the discount rate, are assessed based on the reporting units' current results and forecasted future performance, as well as macroeconomic and industry specific factors. The discount rate used in determining the fair value of the Company's Europe reporting unit was 15% in both 2021 and 2020. Determining fair value using a market approach considers multiples of financial metrics based on both acquisitions and trading multiples of a selected peer group of companies. From the comparable companies, a representative market multiple is determined which is applied to financial metrics to estimate the fair value of a reporting unit. To determine a peer group of companies for our respective reporting units, we considered companies relevant in terms of consumer use, monetization model, margin and growth characteristics, and brand strength operating in their respective sectors.

The Company determines the fair value of indefinite-lived intangible assets using an avoided royalty DCF valuation analysis. Significant judgments inherent in this analysis include the selection of appropriate royalty and discount rates and estimating the amount and timing of expected future cash flows. The discount rates used in the DCF analyses are intended to reflect the risks inherent in the expected future cash flows generated by the respective intangible assets. The royalty rates used in the DCF analyses are based upon an estimate of the royalty rates that a market participant would pay to license the Company's trade names and trademarks. The future cash flows are based on the Company's most recent forecast and budget and, for years beyond the budget, the Company's estimates, which are based, in part, on forecasted growth rates. Assumptions used in the avoided royalty DCF analyses, including the discount rate and royalty rate, are assessed annually based on the actual and projected cash flows related to the asset, as well as macroeconomic and industry specific factors. The discount rates used in the Company's annual indefinite-lived impairment assessment ranged from 11.1% to 15.0% in 2021 and 11.5% to 15.0% in 2020, and the royalty rates used ranged from 2.0% to 5.0% in 2021 and 2.0% to 5.5% in 2020.

The 2021 and 2020 annual assessments of goodwill and indefinite-lived intangible assets identified no impairments.

Recoverability and Estimated Useful Lives of Long-Lived Assets

We review the carrying value of all long-lived assets, comprising of leased right-of-use assets ("ROU assets"), capitalized software, leasehold improvements and equipment and definite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value is deemed not to be recoverable, an impairment loss is recorded equal to the amount by which the carrying value of the long-lived asset exceeds its fair value. In addition, the Company reviews the useful lives of its long-lived assets whenever events or changes in circumstances indicate that these lives may be changed. The carrying value of these long-lived assets is $210.5 million and $234.2 million at December 31, 2021 and 2020, respectively.

Income Taxes

The Company is included within IAC's tax group for purposes of federal and consolidated state income tax return filings. In all periods presented, the income tax provision and/or benefit has been computed for the Company on an as if standalone, separate return basis and payments to and refunds from IAC for the Company's share of IAC's consolidated federal and state tax return liabilities/receivables calculated on this basis have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows. The tax sharing agreement between the Company and IAC governs the parties' respective rights, responsibilities and obligations with respect to tax matters, including responsibility for taxes attributable to the Company, entitlement to refunds, allocation of tax attributes and other matters and, therefore, ultimately governs the amount payable to or receivable from IAC with respect to income taxes. Any differences between taxes currently payable to or receivable from IAC under the tax sharing agreement and the current tax provision computed on an if standalone, separate return basis for GAAP are reflected as adjustments to additional paid-in capital in the consolidated statement of shareholders' equity and financing activities within the consolidated statement of cash flows. The portion of the December 31, 2021 deferred tax assets that will be payable to IAC pursuant to the tax sharing agreement, upon realization, is $93.9 million.

The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided if it is determined that it is more likely than not that the deferred tax asset will not be realized. At December 31, 2021 and 2020, the balance of the Company's net deferred tax asset is $120.8 million and $84.4 million, respectively.

The Company evaluates and accounts for uncertain tax positions using a two-step approach. Recognition (step one) occurs when the Company concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustainable upon examination. Measurement (step two) determines the amount of benefit that is greater than 50% likely to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. De-recognition of a tax position that was previously recognized would occur when the Company subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained. This measurement step is inherently difficult and requires subjective estimations of such amounts to determine the probability of various possible outcomes. At December 31, 2021 and 2020, the Company has unrecognized tax benefits, including interest, of $6.3 million and $5.3 million, respectively. We consider many factors when evaluating and estimating our tax positions and unrecognized tax benefits, which may require periodic adjustment and which may not accurately anticipate actual outcomes. Although management currently believes changes to unrecognized tax benefits from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

The ultimate amount of deferred income tax assets realized and the amounts paid for deferred income tax liabilities and unrecognized tax benefits may vary from our estimates due to future changes in income tax law, state income tax apportionment or the outcome of any review of our tax returns by the various tax authorities, as well as actual operating results of the Company that vary significantly from anticipated results.

The Company regularly assesses the realizability of deferred tax assets considering all available evidence including, to the extent applicable, the nature, frequency and severity of prior cumulative losses, forecasts of future taxable income, tax filing status, the duration of statutory carryforward periods, available tax planning and historical experience. As of December 31, 2021, the Company is in a three-year cumulative loss position. The Company's most significant net deferred tax asset relates to U.S. federal net operating loss ("NOL") carryforwards of $124.5 million. The Company expects to generate future taxable income of at least $592.9 million prior to the expiration of these NOLs, $372.2 million of which expire between 2030 and 2037, and the remainder of which never expire, to fully realize this deferred tax asset.

Stock-Based Compensation

The stock-based compensation expense reflected in our statements of operations includes expense related to the Company's stock options, stock appreciation rights, RSU awards, including those that are linked to the achievement of the Company's stock price, known as market-based awards ("MSUs") and those that are linked to the achievement of a performance target, known as performance-based awards ("PSUs"), equity instruments denominated in shares of subsidiaries, and IAC denominated stock options.

The Company recorded stock-based compensation expense of $28.7 million and $83.6 million for the years ended December 31, 2021 and 2020, respectively. Included in stock-based compensation expense in the years ended December 31, 2021 and 2020 is $1.0 million and $22.2 million, respectively, related to the modification of previously issued HomeAdvisor equity awards and Angie's List equity awards, both of which were converted into Angi's equity awards when the businesses combined on September 29, 2017. These modified awards finished vesting in the first quarter of 2021. Additionally, in the first quarter of 2021, the Company recognized a net decrease of $7.7 million due to the reversal of previously recognized expense related to unvested awards that were forfeited due to management departures, and, in connection with the departure of the president and chief operating officer of the Company in December 2020, the Company recognized $14.1 million of expense related to the acceleration of vesting of his unvested stock appreciation rights and RSUs and the extension of the post-termination exercise period for his vested and exercisable stock appreciation rights.

Stock-based compensation at the Company is complex due to our desire to attract, retain, inspire and reward outstanding entrepreneurs and managers at the Company, including recently acquired companies, by allowing them to benefit directly from the value they help to create. We accomplish these objectives, in part, by issuing equity awards denominated in the equity of our subsidiaries as well as in Angi Inc. We further refine this approach by tailoring certain equity awards to the applicable circumstances. For example, we issue certain equity awards for which vesting is linked to the achievement of a performance target such as revenue or profits; these awards are referred to as performance-based awards. In other cases, we link the vesting of equity awards to the achievement of a value target for a subsidiary or Angi Inc.'s stock price, as applicable; these awards are referred to as market-based awards. The nature and variety of these types of equity-based awards creates complexity in our determination of stock-based compensation expense.

In addition, acquisitions are an important part of the Company's growth strategy. These transactions may result in the modification of equity awards which creates additional complexity and additional stock-based compensation expense. Also, our internal reorganizations can also lead to modifications of equity awards and result in additional complexity and stock-based compensation expense.

Finally, the means by which we settle our equity-based awards also introduces complexity into our financial reporting. We provide a path to liquidity by settling the subsidiary denominated awards in IAC or Angi Inc. shares. In addition, certain former HomeAdvisor (US) awards can be settled in IAC or Angi Inc. awards at IAC's election. These features increase the complexity of our earnings per share calculations.

There were no stock options or stock appreciation rights granted by the Company for the years ended December 31, 2021, 2020 or 2019. The Company estimates the fair value of newly granted or modified stock appreciation rights and stock options, including equity instruments denominated in shares of subsidiaries, using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the use of highly subjective and complex assumptions, the most significant of which include expected term, expected volatility of the underlying shares, risk-free interest rates and the expected dividend yield. In addition, the recognition of stock-based compensation expense is impacted by our estimated forfeiture rates, which are based, in part, on historical forfeiture rates. For stock appreciation rights and stock options, including equity instruments denominated in shares of subsidiaries, the grant date fair value of the award is recognized as an expense on a straight-line basis, net of estimated forfeitures, over the requisite service period, which is the vesting period of the award. The Company also issues RSUs, PSUs and MSUs. For RSUs, the value of the instrument is measured at the grant date as the fair value of the underlying Angi's common stock and expensed as stock-based compensation expense over the vesting term. For PSUs, the value of the instrument is measured at the grant date as the fair value of the underlying Angi's common stock and expensed as stock-based compensation over the vesting term when the performance targets are considered probable of being achieved. For MSUs, a lattice model is used to estimate the value of the awards.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see "Note 2—Summary of Significant Accounting Policies" to the consolidated financial statements included in "Item 8. Consolidated Financial Statements and Supplementary Data."

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's long-term debt.

At December 31, 2021, the principal amount of the Company's outstanding debt is comprised of $500.0 million of ANGI Group Senior Notes, which bears interest at a fixed rate. If market rates decline, the Company runs the risk that the related required payments of the ANGI Group Senior Notes will exceed those based on market rates. A 100-basis point increase or decrease in the level of interest rates would, respectively, decrease or increase the fair value of the fixed-rate debt by $28.4 million. Such potential increase or decrease in fair value is based on certain simplifying assumptions, including an immediate increase or decrease in the level of interest rates with no other subsequent changes for the remainder of the period.

Foreign Currency Exchange Risk

The Company has operations in certain foreign markets, primarily in various jurisdictions within the European Union and the United Kingdom. The Company has exposure to foreign currency exchange risk related to its foreign subsidiaries that transact business in a functional currency other than the U.S. dollar. As a result, as foreign currency exchange rates fluctuate, the translation of the statement of operations of the Company's international businesses into U.S. dollars affects year-over-year comparability of operating results.

In addition, certain of the Company's U.S. operations have customers in international markets. International revenue which is measured based upon where the customer is located, accounted for 6%, 6%, and 7% for the years ended December 31, 2021, 2020 and 2019, respectively.

The Company is also exposed to foreign currency transaction gains and losses to the extent it or its subsidiaries conduct transactions in and/or have assets and/or liabilities that are denominated in a currency other than the entity's functional currency. The Company recorded foreign exchange gains and (losses) of $1.2 million, $(0.1) million, and $0.6 million for the year ended December 31, 2021, 2020 and 2019, respectively.

The Company's exposure to foreign currency exchange gains or losses have not been material to the Company, therefore, the Company has not hedged any foreign currency exposures. Any growth and expansion of our international operations increases our exposure to foreign exchange rate fluctuations. Significant foreign exchange rate fluctuations, in the case of one currency or collectively with other currencies, could have a significant impact on our future results of operations.

Item 8. Consolidated Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Angi Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Angi Inc. and subsidiaries (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive operations, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and the financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 1, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Stock-Based Compensation

scription of the Matter	During the year ended December 31, 2021, the Company recorded stock-based compensation expense of $28.7 million. As disclosed in Note 10 to the consolidated financial statements, the Company issues various types of equity awards, including stock options, restricted stock units, performance-based stock units, market-based awards and equity instruments denominated in the shares of certain subsidiaries. Auditing the Company's accounting for stock-based compensation required complex auditor judgment due to the number and the variety of the types of equity awards, the prevalence of modifications, the subjectivity of assumptions used to value stock-based awards, the use of market-based vesting conditions and the existence of awards denominated in the shares of certain subsidiaries.
w We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls over stock-based compensation. For example, we tested controls over the Company's process to assess the completeness of its share-based awards and for measuring and recording stock-based compensation, including management's review of the underlying calculations, the significant assumptions used in valuing certain awards and related valuation reports prepared by its specialists. To test stock-based compensation expense, we performed audit procedures that included, among others, assessing the completeness of the awards granted and evaluating the methodologies used to estimate the fair value of the awards granted and the significant assumptions described above. Our procedures also included, evaluating the key terms and conditions of awards granted to assess the accounting treatment for a sample of awards, testing the clerical accuracy of the calculation of the expense recorded and assessing the Company's accounting for award modifications. Additionally, for certain awards issued by the Company, we involved our internal valuation specialists to assess the valuation methodologies and assumptions used in estimating the fair value of the awards.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.

New York, New York
March 1, 2022

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

	December 31, 2021	December 31, 2020
	(In thousands, except par value amounts)	
ASSETS		
Cash and cash equivalents	$ 428,136	$ 812,705
Marketable debt securities	—	49,995
Accounts receivable, net of reserves of $36,360 and $27,839, respectively	84,387	43,148
Other current assets	70,548	71,958
Total current assets	583,071	977,806
Capitalized software, leasehold improvements and equipment, net	118,267	108,842
Goodwill	916,039	891,797
Intangible assets, net	193,826	209,717
Deferred income taxes	122,693	85,746
Other non-current assets, net	76,245	94,274
TOTAL ASSETS	$ 2,010,141	$ 2,368,182
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable	$ 38,860	$ 30,805
Deferred revenue	53,834	54,654
Accrued expenses and other current liabilities	183,815	148,219
Total current liabilities	276,509	233,678
Long-term debt, net	494,552	712,277
Deferred income taxes	1,883	1,296
Other long-term liabilities	91,670	111,710
Redeemable noncontrolling interests	—	26,364
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Class A common stock, $0.001 par value; authorized 2,000,000 shares; issued 99,745 and 94,238 shares, respectively, and outstanding 80,578 and 78,333, respectively	100	94
Class B convertible common stock, $0.001 par value; authorized 1,500,000 shares; 422,019 and 421,862 shares issued and outstanding	422	422
Class C common stock, $0.001 par value; authorized 1,500,000 shares; no shares issued and outstanding	—	—
Additional paid-in capital	1,350,457	1,379,469
(Accumulated deficit) retained earnings	(61,629)	9,749
Accumulated other comprehensive income	3,309	4,637
Treasury stock, 19,167 and 15,905 shares, respectively	(158,040)	(122,081)
Total Angi Inc. shareholders' equity	1,134,619	1,272,290
Noncontrolling interests	10,908	10,567
Total shareholders' equity	1,145,527	1,282,857
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 2,010,141	$ 2,368,182

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

	Years Ended December 31,		
	2021	2020	2019
	(In thousands, except per share data)		
Revenue	$ 1,685,438	$ 1,467,925	$ 1,326,205
Operating costs and expenses:			
Cost of revenue (exclusive of depreciation shown separately below)	325,880	173,281	46,493
Selling and marketing expense	883,643	762,590	733,223
General and administrative expense	405,819	374,096	348,247
Product development expense	70,933	68,803	64,200
Depreciation	59,246	52,621	39,915
Amortization of intangibles	16,430	42,902	55,482
Total operating costs and expenses	1,761,951	1,474,293	1,287,560
Operating (loss) income	(76,513)	(6,368)	38,645
Interest expense	(23,485)	(14,178)	(11,493)
Other (expense) income, net	(2,509)	1,218	6,494
(Loss) earnings before income taxes	(102,507)	(19,328)	33,646
Income tax benefit	32,013	15,168	1,668
Net (loss) earnings	(70,494)	(4,160)	35,314
Net earnings attributable to noncontrolling interests	(884)	(2,123)	(485)
Net (loss) earnings attributable to Angi Inc. shareholders	$ (71,378)	$ (6,283)	$ 34,829
Per share information attributable to Angi Inc. shareholders:			
Basic loss per share	$ (0.14)	$ (0.01)	$ 0.07
Diluted loss per share	$ (0.14)	$ (0.01)	$ 0.07
Stock-based compensation expense by function:			
Selling and marketing expense	$ 4,064	$ 4,662	$ 3,717
General and administrative expense	19,768	73,846	56,475
Product development expense	4,870	5,141	8,063
Total stock-based compensation expense	$ 28,702	$ 83,649	$ 68,255

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE OPERATIONS

	Years Ended December 31,		
	2021	2020	2019
	(in thousands)		
Net (loss) earnings	$ (70,494)	$ (4,160)	$ 35,314
Other comprehensive (loss) income:			
Change in foreign currency translation adjustment	(1,219)	6,827	399
Change in unrealized gains and losses on available-for-sale marketable debt securities	—	—	(3)
Total other comprehensive (loss) income	(1,219)	6,827	396
Comprehensive (loss) income	(71,713)	2,667	35,710
Components of comprehensive income attributable to noncontrolling interests:			
Net earnings attributable to noncontrolling interests	(884)	(2,123)	(485)
Change in foreign currency translation adjustment attributable to noncontrolling interests	(109)	(811)	86
Comprehensive income attributable to noncontrolling interests	(993)	(2,934)	(399)
Comprehensive (loss) income attributable to Angi Inc. shareholders	$ (72,706)	$ (267)	$ 35,311

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Years Ended December 31, 2021, 2020, and 2019

		Angi Inc. Shareholders’ Equity												
		Class A Common Stock $0.001 Par Value		Class B Convertible Common Stock $0.001 Par Value		Class C Common Stock $0.001 Par Value								
	Redeemable Noncontrolling Interests	$	Shares	$	Shares	$	Shares	Additional Paid-in Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Angi Inc. Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
	(In thousands)													
Balance as of December 31, 2018	$ 18,163	$ 81	80,515	$ 421	421,118	$ —	—	$ 1,333,097	$ (18,797)	$ (1,861)	$ —	$ 1,312,941	$ 9,046	$ 1,321,987
Net earnings	142	—	—	—	—	—	—	—	34,829	—	—	34,829	343	35,172
Other comprehensive income (loss)	39	—	—	—	—	—	—	—	—	482	—	482	(125)	357
Stock-based compensation expense	148	—	—	—	—	—	—	65,815	—	—	—	65,815	—	65,815
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	6	6,492	—	—	—	—	(32,963)	—	—	—	(32,957)	—	(32,957)
Issuance of common stock to IAC pursuant to the employee matters agreement	—	—	—	1	452	—	—	(1,766)	—	—	—	(1,765)	—	(1,765)
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	(57,949)	(57,949)	—	(57,949)
Adjustment pursuant to the tax sharing agreement	—	—	—	—	—	—	—	1,151	—	—	—	1,151	—	1,151
Purchase of redeemable noncontrolling interests	(71)	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjustment of redeemable noncontrolling interests to fair value	8,242	—	—	—	—	—	—	(8,242)	—	—	—	(8,242)	—	(8,242)
Other	—	—	—	—	—	—	—	(17)	—	—	—	(17)	—	(17)
Balance as of December 31, 2019	$ 26,663	$ 87	87,007	$ 422	421,570	$ —	—	$ 1,357,075	$ 16,032	$ (1,379)	$ (57,949)	$ 1,314,288	$ 9,264	$ 1,323,552
Net earnings (loss)	767	—	—	—	—	—	—	—	(6,283)	—	—	(6,283)	1,356	(4,927)
Other comprehensive income	439	—	—	—	—	—	—	—	—	6,016	—	6,016	372	6,388
Stock-based compensation expense	15	—	—	—	—	—	—	85,267	—	—	—	85,267	—	85,267
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	7	7,231	—	—	—	—	(62,704)	—	—	—	(62,697)	—	(62,697)
Issuance of common stock to IAC pursuant to the employee matters agreement	—	—	—	—	292	—	—	(1,445)	—	—	—	(1,445)	—	(1,445)
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	(64,132)	(64,132)	—	(64,132)
Adjustment pursuant to the tax sharing agreement	—	—	—	—	—	—	—	3,613	—	—	—	3,613	—	3,613
Purchase of redeemable noncontrolling interests	(3,165)	—	—	—	—	—	—	—	—	—	—	—	(1,115)	(1,115)
Adjustment of redeemable noncontrolling interests to fair value	1,645	—	—	—	—	—	—	(1,645)	—	—	—	(1,645)	—	(1,645)
Purchase of noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	(692)	—	—	—	(692)	690	(2)
Balance as of December 31, 2020	$ 26,364	$ 94	94,238	$ 422	421,862	$ —	—	$ 1,379,469	$ 9,749	$ 4,637	$ (122,081)	$ 1,272,290	$ 10,567	$ 1,282,857

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Years Ended December 31, 2021, 2020, and 2019

	Redeemable Noncontrolling Interests	Angi Inc. Shareholders' Equity: Class A Common Stock $0.001 Par Value $	Shares	Class B Convertible Common Stock $0.001 Par Value $	Shares	Class C Common Stock $0.001 Par Value $	Shares	Additional Paid-in Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Angi Inc. Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
							(In thousands)							
Net (loss) earnings	(23)	—	—	—	—	—	—	—	(71,378)	—	—	(71,378)	907	(70,471)
Other comprehensive income (loss)	515	—	—	—	—	—	—	—	—	(1,328)	—	(1,328)	(406)	(1,734)
Stock-based compensation expense	—	—	—	—	—	—	—	33,057	—	—	—	33,057	—	33,057
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	3	2,919	—	—	—	—	(61,226)	—	—	—	(61,223)	—	(61,223)
Issuance of common stock to IAC pursuant to the employee matters agreement	—	3	2,588	—	157	—	—	(3)	—	—	—	—	—	—
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	(35,959)	(35,959)	—	(35,959)
Purchase of noncontrolling interests	(28,318)	—	—	—	—	—	—	—	—	—	—	—	(160)	(160)
Adjustment of redeemable noncontrolling interests to fair value	1,462	—	—	—	—	—	—	(430)	—	—	—	(430)	—	(430)
Other	—	—	—	—	—	—	—	(410)	—	—	—	(410)	—	(410)
Balance as of December 31, 2021	$ —	$ 100	99,745	$ 422	422,019	$ —	—	$ 1,350,457	$ (61,629)	$ 3,309	$ (158,040)	$ 1,134,619	$ 10,908	$ 1,145,527

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended December 31,		
	2021	2020	2019
		(In thousands)	
Cash flows from operating activities:			
Net (loss) income	$ (70,494)	$ (4,160)	$ 35,314
Adjustments to reconcile net loss to net cash provided by operating activities:			
Provision for credit losses	88,076	78,229	64,278
Stock-based compensation expense	28,702	83,649	68,255
Depreciation	59,246	52,621	39,915
Amortization of intangibles	16,430	42,902	55,482
Deferred income taxes	(36,306)	(15,278)	(3,250)
Impairment of long-lived and right-of-use assets	12,671	169	30
Non-cash lease expense	12,880	13,659	12,318
Revenue reserves	8,569	10,251	5,934
Other adjustments, net	5,107	1,702	2,241
Changes in assets and liabilities, net of effects of acquisitions and dispositions:			
Accounts receivable	(115,379)	(79,830)	(78,954)
Other assets	923	(7,672)	1,064
Accounts payable and other liabilities	14,018	30,597	24,332
Operating lease liabilities	(16,847)	(13,391)	(10,705)
Income taxes payable and receivable	232	(1,243)	1,650
Deferred revenue	(1,619)	(3,786)	(3,743)
Net cash provided by operating activities	6,209	188,419	214,161
Cash flows from investing activities:			
Acquisitions, net of cash acquired	(25,607)	(2,264)	(20,341)
Capital expenditures	(70,215)	(52,488)	(68,804)
Purchases of marketable debt securities	—	(99,977)	—
Proceeds from maturities of marketable debt securities	50,000	50,000	25,000
Net proceeds from the sale of a business	750	731	23,615
Proceeds from sale of fixed assets	—	20	—
Other, net	—	24	(103)
Net cash used in investing activities	(45,072)	(103,954)	(40,633)
Cash flows from financing activities:			
Proceeds from the issuance of Senior Notes	—	500,000	—
Principal payments on Term Loan	(220,000)	(27,500)	(13,750)
Debt issuance costs	—	(6,484)	—
Principal payments on related party debt	—	—	(1,008)
Purchase of treasury stock	(35,403)	(63,674)	(56,905)
Proceeds from the exercise of stock options	—	—	573
Withholding taxes paid on behalf of employees on net settled stock-based awards	(61,908)	(64,079)	(35,284)
Distribution from IAC pursuant to the tax sharing agreement	—	3,071	(11,355)
Purchase of noncontrolling interests	(27,857)	(4,281)	(71)
Other, net	—	—	(3,732)
Net cash (used in) provided by financing activities	(345,168)	337,053	(121,532)
Total cash (used) provided	(384,031)	421,518	51,996
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(45)	565	661
Net (decrease) increase in cash and cash equivalents and restricted cash	(384,076)	422,083	52,657
Cash and cash equivalents and restricted cash at beginning of period	813,561	391,478	338,821
Cash and cash equivalents and restricted cash at end of period	$ 429,485	$ 813,561	$ 391,478

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—ORGANIZATION

Nature of Operations

Angi Inc., formerly ANGI Homeservices, Inc., ("Angi," the "Company," "we," "our," or "us") connects quality home service professionals with consumers across more than 500 different categories, from repairing and remodeling homes to cleaning and landscaping. During the year ended December 31, 2021, over 240,000 domestic service professionals actively sought consumer matches, completed jobs, or advertised work through Angi Inc. platforms. Additionally, consumers turned to at least one of our brands to find a service professional for approximately 33 million projects during the year ended December 31, 2021.

Angi Ads provides service professionals the capability to engage with potential customers, including quoting, invoicing, and payment services. Angi Leads provides consumers with tools and resources to help them find local, pre-screened and customer-rated service professionals. Angi Services allows consumers to browse and buy common household services at set prices, rather than requesting quotes from vetted service professionals, as well as instantly book appointments online for household services (primarily cleaning and handyman services) with top-quality, pre-screened independent service professionals. Consumers can request and pay for household services directly through the Angi platform and Angi fulfills the request through the use of independently established home services providers engaged in a trade, occupation and/or business that customarily provides such services. Additionally, Angi Services (including Angi Roofing) manages home improvement projects for consumers.

The Company has two operating segments: (i) North America (United States and Canada), which includes Angi Ads, Angi Leads and Angi Services; and (ii) Europe. The brands operate as follows: Angi Ads (formerly Angie's List) brand, Angi Leads (formerly HomeAdvisor) brand, and the Angi Services (Handy and Angi Roofing) brand.

As used herein, "Angi," the "Company," "we," "our," "us," and similar terms refer to Angi Inc. and its subsidiaries (unless the context requires otherwise).

At December 31, 2021, IAC/InterActiveCorp ("IAC") owned 84.5% and 98.2% of the economic interest and voting interest, respectively, of the Company.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The Company prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). The consolidated financial statements include the accounts of the Company, all entities that are wholly-owned by the Company and all entities in which the Company has a controlling financial interest. All intercompany transactions and balances between and among the Company and its subsidiaries have been eliminated. All intercompany transactions between (i) Angi Inc. and (ii) IAC and its subsidiaries are considered to be effectively settled for cash at the time the transaction is recorded. See "Note 14—Related Party Transactions with IAC" for additional information on transactions between Angi Inc. and IAC.

In the opinion of management, the assumptions underlying the historical consolidated financial statements, including the basis on which the expenses have been allocated from IAC, are reasonable. However, the allocations may not reflect all of the expenses that Angi Inc. may have incurred as a standalone public company for the periods presented.

COVID-19 Update

The impact on the Company from the COVID-19 pandemic and the measures designed to contain its spread has been varied and volatile.

As previously disclosed, the initial impact of COVID-19 on the Company initially resulted in a decline in demand for service requests, driven primarily by decreases in demand in certain categories of jobs (particularly discretionary indoor projects). While we experienced a rebound in service requests in the second half of 2020 and through early 2021, service requests did start to decline in May 2021 compared to the comparable months of 2020 as a result of the surge in 2020 and due to impacts of the brand integration initiative launched in March 2021. Moreover, many service professionals' businesses have been adversely impacted by labor and material constraints and many service professionals have limited capacity to take on new business, which continue to negatively impact our ability to monetize the slightly increased level of service requests. Although our ability to monetize service requests rebounded modestly in the second half 2021, we still have not returned to levels we experienced pre-COVID-19. No assurances can be provided that we will continue to be able to improve monetization, or that service professionals' businesses and, as a consequence, our revenue and profitability will not be adversely impacted in the future.

The extent to which developments related to the COVID-19 pandemic and measures designed to curb its spread continue to impact the Company's business, financial condition and results of operations will depend on future developments, all of which are highly uncertain and many of which are beyond the Company's control, including the continuing spread of COVID-19, the severity of resurgences of COVID-19 caused by variant strains of the virus, the effectiveness of vaccines and attitudes toward receiving them, materials and supply chain constraints, labor shortages, the scope of governmental and other restrictions on travel, discretionary services and other activity, and public reactions to these developments.

Accounting Estimates

Management of the Company is required to make certain estimates, judgments, and assumptions during the preparation of its consolidated financial statements in accordance with GAAP. These estimates, judgments, and assumptions impact the reported amounts of assets, liabilities, revenue, and expenses and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

On an ongoing basis, the Company evaluates its estimates and judgments, including those related to: the fair values of cash equivalents and marketable debt securities; the carrying value of accounts receivable, including the determination of the allowance for credit losses and the determination of revenue reserves; the determination of the customer relationship period for certain costs to obtain a contract with a customer; the carrying value of right-of-use assets ("ROU assets"); the useful lives and recoverability of definite-lived intangible assets and capitalized software, leasehold improvements, and equipment; the recoverability of goodwill and indefinite-lived intangible assets; unrecognized tax benefits; the valuation allowance for deferred income tax assets; and the fair value of and forfeiture rates for stock-based awards, among others. The Company bases its estimates and judgments on historical experience, its forecasts and budgets, and other factors that the Company considers relevant.

Revenue Recognition

The Company's disaggregated revenue disclosures are presented in "Note 11—Segment Information."

The Company accounts for a contract with a customer when it has approval and commitment from all parties, the rights of the parties and payment terms are identified, the contract has commercial substance and collectability of consideration is probable. Revenue is recognized when control of the promised services or goods is transferred to our customers and in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or goods.

Revenue is primarily derived from consumer connection revenue, which comprises fees paid by Angi Leads service professionals for consumer matches (regardless of whether the service professional ultimately provides the requested service). Consumer connection revenue varies based upon several factors, including the service requested, product experience offered and geographic location of service. Consumer connection revenue is generally billed one week following a consumer match, with payment due upon receipt of invoice. The Company maintains revenue reserves for potential credits issued to Angi Leads services providers.

Revenue is also derived from (i) sales of time-based website, mobile and call center advertising to service professionals, (ii) Angi Leads service professional membership subscription fees, (iii) membership subscription fees from consumers, (iv) service warranty subscription and other services and (v) revenue from completed jobs sourced through the Angi Services platforms. Angi service professionals generally pay for advertisements in advance on a monthly or annual basis at the option of the service professional, with the average advertising contract term being approximately one year. Angi website, mobile and call center advertising revenue is recognized ratably over the contract term. Revenue from the sale of advertising in the *Angie's List Magazine* is recognized in the period in which the publication is distributed. Service professional membership subscription revenue is initially deferred upon receipt of payment and is recognized using the straight-line method over the applicable subscription period, which is typically one year. Angi prepaid consumer membership subscription fees are recognized as revenue using the straight-line method over the term of the applicable subscription period, which is typically one year. Consumers typically pay when a job is scheduled through the Angi Services platform, or when the job is completed for Angi Roofing. Billing practices are governed by the contract terms of each project as negotiated with the consumer. Billings do not necessarily correlate with revenue recognized over time as this is based on the timing of when the consumer receives the promised services.

Prior to January 1, 2020, Handy recorded revenue on a net basis. Effective January 1, 2020, the Company modified the Handy terms and conditions so that Handy, rather than the service professional, has the contractual relationship with the consumer to deliver the service and Handy, rather than the consumer, has the contractual relationship with the service professional. Consumers request services and pay for such services directly through the Handy platform and then Handy fulfills the request with independently established home services providers engaged in a trade, occupation and/or business that customarily provides such services. This change in contractual terms requires gross revenue accounting treatment was effective January 1, 2020 and resulted in an increase in revenue of $73.8 million during the year ended December 31, 2020.

Transaction Price

The objective of determining the transaction price is to estimate the amount of consideration the Company is due in exchange for its services or goods, including amounts that are variable. The Company determines the total transaction price, including an estimate of any variable consideration, at contract inception and reassesses this estimate each reporting period.

The Company excludes from the measurement of transaction price all taxes assessed by governmental authorities that are both (i) imposed on and concurrent with a specific revenue-producing transaction and (ii) collected from customers. Accordingly, such tax amounts are not included as a component of net revenue or cost of revenue.

For contracts that have an original duration of one year or less, the Company uses the practical expedient available under ASC 606, applicable to such contracts and does not consider the time value of money.

Arrangements with Multiple Performance Obligations

The Company's contracts with customers may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company generally determines standalone selling prices based on the prices charged to customers, which are directly observable or based on an estimate if not directly observable.

Assets Recognized from the Costs to Obtain a Contract with a Customer

The Company has determined that certain costs, primarily commissions paid to employees pursuant to certain sales incentive programs, meet the requirements to be capitalized as a cost of obtaining a contract. Capitalized sales commissions are amortized over the estimated customer relationship period. The Company calculates the estimated customer relationship period as the average customer life, which is based on historical data. When customer renewals are expected and the renewal commission is not commensurate with the initial commission, the average customer life includes renewal periods. For sales incentive programs where the customer relationship period is one year or less, the Company has elected the practical expedient to expense the costs as incurred.

During the years ended December 31, 2021 and 2020 and the Company recognized expense of $84.7 million and $64.8 million, respectively, related to the amortization of these costs. The current contract assets are $38.0 million and $49.2 million at December 31, 2021, and 2020, respectively. The non-current contract asset balances are $1.1 million and $0.4 million at December 31, 2021 and 2020, respectively. The current and non-current contract assets are included in "Other current assets" and "Other non-current assets," respectively, in the accompanying consolidated balance sheet.

Performance Obligations

As permitted under the practical expedient available under ASC 606, the Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts with variable consideration that is allocated entirely to unsatisfied performance obligations or to a wholly unsatisfied promise accounted for under the series guidance, and (iii) contracts for which the Company recognizes revenue at the amount which we have the right to invoice for services performed.

Accounts Receivables, Net of Credit Loss and Revenue Reserves

Accounts receivable include amounts billed and currently due from customers. The credit loss reserve is based upon a number of factors, including the length of time accounts receivable are past due, the Company's previous loss history and the specific customer's ability to pay its obligation. The time between the Company's issuance of an invoice and payment due date is not significant; customer payments that are not collected in advance of the transfer of promised services or goods are generally due no later than 30 days from invoice date. The Company also maintains reserves for potential credits issued to service professionals or other revenue adjustments. The amounts of these revenue reserves are based primarily upon historical experience.

Credit Losses and Revenue Reserve

The following table presents the changes in the credit loss reserve for the years ended December 31, 2021 and 2020:

	December 31, 2021	December 31, 2020
	(In thousands)	
Balance at January 1	$ 26,046	$ 19,066
Current period provision for credit losses	88,076	78,229
Write-offs charged against the credit loss reserve	(82,911)	(73,682)
Recoveries collected	2,441	2,433
Balance at December 31	$ 33,652	$ 26,046

The revenue reserve was $2.7 million and $1.8 million at December 31, 2021 and 2020, respectively. The total credit loss and revenue reserve was $36.4 million and $27.8 million as of December 31, 2021 and 2020.

Deferred Revenue

Deferred revenue consists of advance payments that are received or are contractually due in advance of the Company's performance. The Company's deferred revenue is reported on a contract by contract basis at the end of each reporting period. The Company classifies deferred revenue as current when the term of the applicable subscription period or expected completion of its performance obligation is one year or less. During the years ended December 31, 2021 and 2020, the Company recognized $54.5 million and $57.6 million of revenue that was included in the deferred revenue balance as of December 31, 2020 and 2019, respectively. The current deferred revenue balances are $53.8 million and $54.7 million at December 31, 2021 and 2020, respectively. The non-current deferred revenue balances are $0.1 million and $0.2 million at December 31, 2021 and 2020, respectively. Non-current deferred revenue is included in "Other long-term liabilities" in the accompanying consolidated balance sheet.

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments, with maturities of less than 91 days from the date of purchase. Domestically, cash equivalents consist of AAA rated government money market funds, treasury discount notes, and time deposits. Internationally, there are no cash equivalents at December 31, 2021 and 2020.

Investments in Marketable Debt Securities

The Company invests in marketable debt securities with active secondary or resale markets to ensure portfolio liquidity to fund current operations or satisfy other cash requirements as needed. Marketable debt securities are adjusted to fair value each quarter, and the unrealized gains and losses, net of tax, are included in accumulated other comprehensive income (loss) as a separate component of shareholders' equity. The specific-identification method is used to determine the cost of debt securities sold and the amount of unrealized gains and losses reclassified out of accumulated other comprehensive income (loss) into earnings. The Company reviews its debt securities for impairment, including from risk of credit loss, each reporting period. The Company recognizes an unrealized loss on debt securities in net loss when the impairment is determined to be other-than-temporary. Factors the Company considers in making such determination include the duration, severity and reason for the decline in value and the potential recovery and our intent to sell the debt security. The Company also considers whether it will be required to sell the security before recovery of its amortized cost basis and whether the amortized cost basis cannot be recovered because of credit losses. If an impairment is considered to be other-than-temporary, the debt security will be written down to its fair value and the loss will be recognized within other (expense) income, net. The Company held no marketable debt securities at December 31, 2021. The Company held $50.0 million in marketable debt securities at December 31, 2020.

Capitalized Software, Leasehold Improvements and Equipment

Capitalized software, leasehold improvements and equipment, including significant improvements, are recorded at cost. Repairs and maintenance costs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, or, in the case of leasehold improvements, the lease term, if shorter.

set Category	Estimated Useful Lives
pitalized software and computer equipment	2 to 3 Years
rniture and other equipment	5 to 7 Years
asehold improvements	5 to 25 Years

The Company capitalizes certain internal use software costs including external direct costs utilized in developing or obtaining the software and compensation for personnel directly associated with the development of the software. Capitalization of such costs begins when the preliminary project stage is complete and ceases when the project is substantially complete and ready for its intended purpose. The net book value of capitalized internal use software was $86.4 million and $67.9 million at December 31, 2021 and 2020, respectively.

Business Combinations

The purchase price of each acquisition is attributed to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, including identifiable intangible assets that either arise from a contractual or legal right or are separable from goodwill. The Company usually uses the assistance of outside valuation experts to assist in the allocation of purchase price to identifiable intangible assets acquired. While outside valuation experts may be used, management has ultimate responsibility for the valuation methods, models and inputs used and the resulting purchase price allocation. The excess purchase price over the net tangible and identifiable intangible assets is recorded as goodwill and is assigned to the reporting unit(s) that is expected to benefit from the combination as of the acquisition date.

Goodwill and Indefinite-Lived Intangible Assets

The Company assesses goodwill and indefinite-lived intangible assets for impairment annually as of October 1, or more frequently if an event occurs or circumstances change that would indicate that it is more likely than not that the fair value of a reporting unit or the fair value of an indefinite-lived intangible asset has declined below its carrying value. At October 1, 2021, the Company has two reporting units: North America and Europe.

When the Company elects to perform a qualitative assessment and concludes it is not more likely than not that the fair value of the reporting unit is less than its carrying value, no further assessment of that reporting unit's goodwill is necessary; otherwise, a quantitative assessment is performed and the fair value of the reporting unit is determined. If the carrying value of the reporting unit exceeds its fair value an impairment equal to the excess is recorded.

For the Company's annual goodwill test at October 1, 2021, a qualitative assessment of the North America and Europe reporting units' goodwill was performed and it was concluded that it was more likely than not that the fair value of these reporting units was in excess of their respective carrying values. In the aggregate, Angi's October 1, 2021 market capitalization of $6.2 billion exceeded its carrying value by approximately $5.0 billion. The primary factor that the Company considered in its qualitative assessment for its Europe reporting unit were valuations performed during 2021 that indicated a fair value in excess of the carrying value. The fair value based on the valuation that was most proximate to, but not as of, October 1, 2021 exceeded the carrying value of the Europe reporting unit by $164.2 million. The primary factor that the Company considered in its qualitative assessment for its North America reporting unit was the significant excess of the estimated fair value of the North America reporting unit over its carrying value. The fair value of the North America reporting unit was estimated by subtracting the fair value of the Europe reporting unit, based on the valuation described above, from the October 1, 2021 market capitalization of the Company; the estimated fair value of the North America reporting unit exceeded its carrying value by approximately $4.9 billion.

The fair value of the Company's Europe reporting unit is determined using both an income approach based on discounted cash flows ("DCF") and a market approach when it tests goodwill for impairment, either on an interim basis or annual basis as of October 1 each year. Determining fair value using a DCF analysis requires the exercise of significant judgment with respect to several items, including the amount and timing of expected future cash flows and appropriate discount rates. The expected cash flows used in the DCF analyses are based on the Company's most recent forecast and budget and, for years beyond the budget, the Company's estimates, which are based, in part, on forecasted growth rates. The discount rates used in the DCF analyses are intended to reflect the risks inherent in the expected future cash flows of the respective reporting units. Assumptions used in the DCF analyses, including the discount rate, are assessed based on the reporting units' current results and forecasted future performance, as well as macroeconomic and industry specific factors. The discount rate used in determining the fair value of the Company's Europe reporting unit was 15% in both 2021 and 2020. Determining fair value using a market approach considers multiples of financial metrics based on both acquisitions and trading multiples of a selected peer group of companies. From the comparable companies, a representative market multiple is determined which is applied to financial metrics to estimate the fair value of a reporting unit. To determine a peer group of companies for our respective reporting units, we considered companies relevant in terms of consumer use, monetization model, margin and growth characteristics, and brand strength operating in their respective sectors.

While the Company has the option to qualitatively assess whether it is more likely than not that the fair values of its indefinite-lived intangible assets are less than their carrying values, the Company's policy is to determine the fair value of each of its indefinite-lived intangible assets annually as of October 1, in part, because the level of effort required to perform the quantitative and qualitative assessments is essentially equivalent. The Company determines the fair value of indefinite-lived intangible assets using an avoided royalty DCF valuation analysis. Significant judgments inherent in this analysis include the selection of appropriate royalty and discount rates and estimating the amount and timing of expected future cash flows. The discount rates used in the DCF analyses are intended to reflect the risks inherent in the expected future cash flows generated by the respective intangible assets. The royalty rates used in the DCF analyses are based upon an estimate of the royalty rates that a market participant would pay to license the Company's trade names and trademarks. Assumptions used in the avoided royalty DCF analyses, including the discount rate and royalty rate, are assessed annually based on the actual and projected cash flows related to the asset, as well as macroeconomic and industry specific factors. The discount rates used in the Company's annual indefinite-lived impairment assessment ranged from 11.1% to 15.0% in 2021 and 11.5% to 15.0% in 2020, and the royalty rates used ranged from 2.0% to 5.0% in 2021 and 2.0% to 5.5% in 2020.

The 2021, 2020 and 2019 annual assessments of goodwill and indefinite-lived intangible assets identified no impairments.

Long-Lived Assets and Intangible Assets with Definite Lives

Long-lived assets, which consist of ROU assets, capitalized software, leasehold improvements and equipment and intangible assets with definite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value is deemed not to be recoverable, an impairment loss is recorded equal to the amount by which the carrying value of the long-lived asset exceeds its fair value. Amortization of definite-lived intangible assets is computed either on a straight-line basis or based on the pattern in which the economic benefits of the asset will be realized.

Fair Value Measurements

The Company categorizes its financial instruments measured at fair value into a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability. The three levels of the fair value hierarchy are:

- Level 1: Observable inputs obtained from independent sources, such as quoted market prices for identical assets and liabilities in active markets.

- Level 2: Other inputs, which are observable directly or indirectly, such as quoted market prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data. The fair values of the Company's Level 2 financial assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded. Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.

- Level 3: Unobservable inputs for which there is little or no market data and require the Company to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities.

The Company's non-financial assets, such as goodwill, intangible assets, ROU assets, capitalized software, leasehold improvements and equipment are adjusted to fair value only when an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

Warranty Costs

As part of certain of our revenue arrangements, we include warranties providing customers with assurance on the quality of the services provided. Under our warranties, we incur costs to ensure the services performed are up to the customers standard and/or to reimburse for any claim for damages submitted in accordance with our warranty terms and conditions. These costs are recorded in the period the associated revenue is recognized as a component of cost of revenue in the Consolidated Statement of Operations.

Advertising Costs

Advertising costs are expensed in the period incurred (when the advertisement first runs for production costs that are initially capitalized) and represent online marketing, including fees paid to search engines, offline marketing, which is primarily television advertising and partner-related payments to those who direct traffic to our platforms. Advertising expense was $556.4 million, $487.6 million and $484.3 million for the years ended December 31, 2021, 2020 and 2019, respectively.

Legal Costs

Legal costs are expensed as incurred.

Income Taxes

The Company is included within IAC's tax group for purposes of federal and consolidated state income tax return filings. In all periods presented, the income tax provision and/or benefit has been computed for the Company on an as if standalone, separate return basis and payments to and refunds from IAC for the Company's share of IAC's consolidated federal and state tax return liabilities/receivables calculated on this basis have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows.

The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense.

The Company evaluates and accounts for uncertain tax positions using a two-step approach. Recognition (step one) occurs when the Company concludes that a tax position, based solely on its technical merits, is more-likely-than-not to be sustainable upon examination. Measurement (step two) determines the amount of benefit that is greater than 50% likely to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. De-recognition of a tax position that was previously recognized would occur when the Company subsequently determines that a tax position no longer meets the more-likely-than-not threshold of being sustained.

Earnings Per Share

Basic earnings per share is computed by dividing net earnings attributable to Angi Inc. shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if stock appreciation rights, stock options and other commitments to issue common stock were exercised or equity awards vested resulting in the issuance of common stock that could share in the earnings of the Company.

Foreign Currency Translation and Transaction Gains and Losses

The financial position and operating results of foreign entities whose primary economic environment is based on their local currency are consolidated using the local currency as the functional currency. These local currency assets and liabilities are translated at the rates of exchange as of the balance sheet date, and local currency revenue and expenses of these operations are translated at average rates of exchange during the period. Translation gains and losses are included in accumulated other comprehensive income (loss) as a component of shareholders' equity. Transaction gains and losses resulting from assets and liabilities denominated in a currency other than the functional currency are included in the consolidated statement of operations as a component of other income (expense), net. Translation gains and losses relating to foreign entities that are liquidated or substantially liquidated are reclassified out of accumulated other comprehensive income (loss) into earnings.

Stock-Based Compensation

Stock-based compensation is measured at the grant date based on the fair value of the award and is expensed over the requisite service period. See "Note 10—Stock-based Compensation" for a discussion of the Company's stock-based compensation plans.

Redeemable Noncontrolling Interests

Noncontrolling interests in the consolidated subsidiaries of the Company are ordinarily reported on the consolidated balance sheet within shareholders' equity, separately from the Company's equity. However, securities that are redeemable at the option of the holder and not solely within the control of the issuer must be classified outside of shareholders' equity. Accordingly, all noncontrolling interests that are redeemable at the option of the holder are presented outside of shareholders' equity in the accompanying consolidated balance sheet.

In connection with the acquisition of certain subsidiaries, management of these businesses has retained an ownership interest. The Company is party to fair value put and call arrangements with respect to these interests. These put and call arrangements allow management of these businesses to require the Company to purchase their interests or allow the Company to acquire such interests at fair value, respectively. The put arrangements do not meet the definition of a derivative instrument as the put agreements do not provide for net settlement. These put and call arrangements become exercisable by the Company and the counter-party at various dates. During the year ended December 31, 2021, the remaining redeemable non-controlling interest was exercised. One of these arrangements was exercised during the year ended December 31, 2020, and none of these arrangements were exercised during the year ended December 31, 2019. Because these put arrangements are exercisable by the counter-party outside the control of the Company, to the extent that the fair value of these interests exceeds the value determined by normal noncontrolling interest accounting, the value of such interests is adjusted to fair value with a corresponding adjustment to additional paid-in capital. During the years ended December 31, 2021, 2020 and 2019, the Company recorded adjustments of $28.3 million, $1.6 million and $8.2 million, respectively, to increase these interests to fair value. Fair value determinations require high levels of judgment and are based on various valuation techniques, including market comparables and discounted cash flow projections.

Certain Risks and Concentrations

The Company's business is subject to certain risks and concentrations including dependence on third-party technology providers, exposure to risks associated with online commerce security and credit card fraud.

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of cash and cash equivalents and marketable debt securities. Cash and cash equivalents are maintained with financial institutions and are in excess of Federal Deposit Insurance Corporation insurance limits.

Recent Accounting Pronouncements

Accounting Pronouncements Adopted by the Company

ASU 2021-08 – Business Combinations (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

In October 2021, the Financial Accounting Standards Board issued ASU No. 2021-08, which changes how entities will recognize assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers. The provisions of ASU No. 2021-08 will require acquiring entities to recognize and measure contract assets and contract liabilities, including deferred revenue, acquired in a business combination in accordance with ASU No. 2014-09 (Topic 606), Revenue from Contracts with Customers, as if it had originated the contracts. The provisions of ASU No. 2021-08 are effective for fiscal years beginning after December 15, 2022, with early adoption permitted, including adoption in an interim period. The Company early adopted ASU 2021-08 effective in the fourth quarter of 2021. An entity that early adopts in an interim period is required to apply the amendments (i) retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early adoption and (ii) prospectively to all business combinations that occur on or after the date of initial application. Early adoption has no retrospective impact on the Company. The adoption of ASU 2021-08 may have a material impact on the purchase accounting for prospective business combinations.

Accounting Pronouncements Not Yet Adopted by the Company

There are no recently issued accounting pronouncements that have not yet been adopted that are expected to have a material effect of the financial statement of the Company.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 3—INCOME TAXES

The Company is included within IAC's tax group for purposes of federal and consolidated state income tax return filings. In all periods presented, the income tax benefit and/or provision has been computed for the Company on an as if standalone, separate return basis and payments to and refunds from IAC for the Company's share of IAC's consolidated federal and state tax return liabilities/receivables calculated on this basis have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows. The tax sharing agreement between the Company and IAC governs the parties' respective rights, responsibilities and obligations with respect to tax matters, including responsibility for taxes attributable to the Company, entitlement to refunds, allocation of tax attributes and other matters and, therefore, ultimately governs the amount payable to or receivable from IAC with respect to income taxes. Any differences between taxes currently payable to or receivable from IAC under the tax sharing agreement and the current tax provision computed on an as if standalone, separate return basis for GAAP are reflected as adjustments to additional paid-in capital in the consolidated statement of shareholders' equity and financing activities within the consolidated statement of cash flows.

U.S. and foreign (loss) earnings before income taxes and noncontrolling interests are as follows:

		Years Ended December 31,		
		2021	2020	2019
		(In thousands)		
S.	$	(88,777)	(10,913)	39,821
reign		(13,730)	(8,415)	(6,175)
Total	$	(102,507)	(19,328)	33,646

The components of the income tax (benefit) provision are as follows:

		Years Ended December 31,		
		2021	2020	2019
		(In thousands)		
ırrent income tax provision:				
deral	$	36	(306)	(43)
ıte		3,008	1,408	819
reign		1,249	(992)	806
Current income tax provision		4,293	110	1,582
ferred income tax benefit				
deral		(29,889)	(5,163)	(3,416)
ıte		(8,712)	(6,249)	517
reign		2,295	(3,866)	(351)
Deferred income tax benefit		(36,306)	(15,278)	(3,250)
Income tax benefit	$	(32,013)	(15,168)	(1,668)

The tax effects of cumulative temporary differences that give rise to significant deferred tax assets and deferred tax liabilities are presented below. The valuation allowance relates to deferred tax assets for which it is more likely than not that the tax benefit will not be realized.

	December 31, 2021	December 31, 2020
	(In thousands)	
ferred tax assets:		
t operating loss ("NOL") carryforwards	$ 212,315	$ 182,449
ng-term lease liabilities	26,182	29,314
ock-based compensation	5,390	18,955
her	35,384	28,637
Total deferred tax assets	279,271	259,355
ss valuation allowance	(66,626)	(77,076)
Net deferred tax assets	212,645	182,279
ferred tax liabilities:		
angible assets	(46,591)	(47,858)
pitalized software, leasehold improvements and equipment	(18,624)	(16,152)
ght-of-use assets	(17,270)	(21,496)
pitalized costs to obtain a contract with a customer	(9,263)	(12,233)
her	(87)	(90)
Total deferred tax liabilities	(91,835)	(97,829)
Net deferred tax assets	$ 120,810	$ 84,450

The portion of the December 31, 2021 deferred tax assets that will be payable to IAC pursuant to the tax sharing agreement, upon realization, is $93.9 million.

At December 31, 2021, the Company has federal and state NOLs of $592.9 million and $479.2 million, respectively, available to offset future income. Of these federal NOLs, $220.7 million can be carried forward indefinitely and $372.2 million, if not utilized, will expire at various times between 2030 and 2037. The state NOLs, if not utilized, will expire at various times primarily between 2025 and 2041. Federal and state NOLs of $327.5 million and $226.6 million, respectively, can be used against future taxable income without restriction and the remaining NOLs will be subject to limitations under Section 382 of the Internal Revenue Code, separate return limitations, and applicable state law. At December 31, 2021, the Company has foreign NOLs of $358.0 million available to offset future income. Of these foreign NOLs, $314.3 million can be carried forward indefinitely and $43.7 million, if not utilized, will expire at various times between 2022 and 2039. During 2021, the Company recognized tax benefits related to NOLs of $44.0 million.

At December 31, 2021, the Company has tax credit carryforwards of $19.9 million relating to federal and state tax credits for research activities. Of these credit carryforwards, $0.8 million can be carried forward indefinitely and $19.1 million, if not utilized, will expire between 2024 and 2041.

The Company regularly assesses the realizability of deferred tax assets considering all available evidence including, to the extent applicable, the nature, frequency and severity of prior cumulative losses, forecasts of future taxable income, tax filing status, the duration of statutory carryforward periods, available tax planning and historical experience. At December 31, 2021, the Company has a U.S. gross deferred tax asset of $210.7 million that the Company expects to fully utilize on a more likely than not basis.

During 2021, the Company's valuation allowance decreased by $10.5 million primarily due to a decrease in state and foreign NOLs and currency translation adjustments on foreign NOLs. At December 31, 2021, the Company has a valuation allowance of $66.6 million related to the portion of NOLs and other items for which it is more likely than not that the tax benefit will not be realized.

A reconciliation of the income tax benefit to the amounts computed by applying the statutory federal income tax rate to earnings before income taxes is shown as follows:

	Years Ended December 31,		
	2021	**2020**	**2019**
	(In thousands)		
come tax (benefit) provision at the federal statutory rate of 21%	$ (21,527)	$ (4,058)	$ 7,066
te income taxes, net of effect of federal tax benefit	(1,379)	1,641	2,693
ck-based compensation	(10,331)	(2,914)	(12,768)
benefited losses	4,481	2,899	1,523
ange in judgement on beginning of the year valuation allowance	(4,165)	(3,544)	—
search credit	(2,431)	(2,494)	(3,308)
ferred tax adjustment for enacted changes in tax law and rates	768	(5,244)	502
t adjustment related to the reconciliation of income tax provision accruals to tax returns	335	(743)	448
her, net	2,236	(711)	2,176
Income tax benefit	$ (32,013)	$ (15,168)	$ (1,668)

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest, is as follows:

	December 31,		
	2021	**2020**	**2019**
	(In thousands)		
lance at January 1	$ 5,268	$ 4,025	$ 2,356
lditions based on tax positions related to the current year	1,317	1,676	1,325
lditions for tax positions of prior years	264	423	344
ductions for tax positions of prior years	(91)	—	—
ttlements	(460)	(856)	—
Balance at December 31	$ 6,298	$ 5,268	$ 4,025

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. At December 31, 2021, accruals for interest are not material and there are no accruals for penalties. At December 31, 2020, there are no accruals for interest and penalties.

The Company is routinely under audit by federal, state, local and foreign authorities in the area of income tax as a result of previously filed separate company and consolidated tax returns with IAC. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Internal Revenue Service ("IRS") has substantially completed its audit of IAC's federal income tax returns for the years ended December 31, 2013 through 2017, and has begun its audit of the years December 31, 2018 through 2019, which includes the operations of the Company. The statutes of limitations for the years 2013 through 2019 have been extended to December 31, 2023. Returns filed in various other jurisdictions are open to examination for various tax years beginning with 2009. Income taxes payable include unrecognized tax benefits considered sufficient to pay assessments that may result from examination of prior year tax returns. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may not accurately anticipate actual outcomes and, therefore, may require periodic adjustment. Although management currently believes changes in unrecognized tax benefits from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided will not have a material impact on liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

At December 31, 2021 and 2020, the Company has unrecognized tax benefits, including interest, of $6.3 million and $5.3 million respectively; all of which are for tax positions included in IAC's consolidated tax return filings. If unrecognized tax benefits at December 31, 2021 are subsequently recognized, the income tax provision would be reduced by $6.0 million. The comparable amount as of December 31, 2020 is $5.1 million.

At December 31, 2021, all of the Company's international cash can be repatriated without any significant tax consequences.

NOTE 4—GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets, net are as follows:

	December 31, 2021	December 31, 2020
	(In thousands)	
Goodwill	$ 916,039	$ 891,797
Intangible assets with indefinite lives	171,427	171,888
Intangible assets with definite lives, net of accumulated amortization	22,399	37,829
Total goodwill and intangible assets, net	$ 1,109,865	$ 1,101,514

The following table presents the balance of goodwill by reportable segment, including the changes in the carrying value of goodwill, for the year ended December 31, 2021:

	Balance at December 31, 2020	Additions	(Deductions)	Foreign Currency Translation	Balance at December 31, 2021
			(In thousands)		
North America	$ 816,307	$ 26,822	$ —	$ 64	$ 843,193
Europe	75,490	—	—	(2,644)	72,846
Total goodwill	$ 891,797	$ 26,822	$ —	$ (2,580)	$ 916,039

In July, 2021, Angi acquired certain assets and assumed certain liabilities of Total Home Roofing ("Angi Roofing") (included in the North America segment), including $26.8 million of goodwill.

The following table presents the balance of goodwill by reportable segment, including the changes in the carrying value of goodwill, for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	(Deductions)	Foreign Currency Translation	Balance at December 31, 2020
			(In thousands)		
North America	$ 813,417	$ 2,665	$ —	$ 225	$ 816,307
Europe	70,543	—	—	4,947	75,490
Total goodwill	$ 883,960	$ 2,665	$ —	$ 5,172	$ 891,797

Additions relate to immaterial acquisition activity during the year (included in the North America segment).

Intangible assets with indefinite lives are trade names and trademarks acquired in various acquisitions. At December 31, 2021 and 2020, intangible assets with definite lives are as follows:

	December 31, 2021			
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Useful Life (Years)
	(Dollars in thousands)			
rvice professional relationships	$ 97,989	$ (97,322)	667	3.0
chnology	82,351	(60,619)	21,732	5.5
ade names	1,415	(1,415)	—	5.0
Total	$ 181,755	$ (159,356)	22,399	4.1

	December 31, 2020			
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted-Average Useful Life (Years)
	(Dollars in thousands)			
rvice professional relationships	$ 97,160	$ (97,000)	160	3.0
chnology	83,468	(47,144)	36,324	5.5
emberships	15,900	(15,900)	—	3.0
ıstomer lists and user base	800	(192)	608	8.0
ade names	3,128	(2,391)	737	5.6
Total	$ 200,456	$ (162,627)	37,829	4.1

At December 31, 2021, amortization of intangible assets with definite lives for each of the next five years and thereafter is estimated to be as follows:

ırs Ending December 31,	(In thousands)
22	$ 14,441
23	7,958
24	—
25	—
26	—
ereafter	—
Total	$ 22,399

NOTE 5—FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Marketable Debt Securities

The Company did not hold any available-for-sale marketable debt securities at December 31, 2021.

At December 31, 2020, current available-for-sale marketable debt securities were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Treasury discount notes	$ 49,995	$ —	$ —	$ 49,995
Total available-for-sale marketable debt securities	$ 49,995	$ —	$ —	$ 49,995

The contractual maturities of debt securities classified as current available-for-sale at December 31, 2020 were within one year.

For the years ended December 31, 2021 and 2020, proceeds from maturities of available-for-sale marketable debt securities were $50.0 million, respectively. There were no gross realized gains or losses from the maturities of available-for-sale marketable debt securities for the years ended December 31, 2021 and 2020.

Fair Value Measurements

The Company categorizes its financial instruments measured at fair value into a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability. The three levels of the fair value hierarchy are:

- Level 1: Observable inputs obtained from independent sources, such as quoted market prices for identical assets and liabilities in active markets.

- Level 2: Other inputs, which are observable directly or indirectly, such as quoted market prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data. The fair values of the Company's Level 2 financial assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded. Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.

- Level 3: Unobservable inputs for which there is little or no market data and require the Company to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities.

The following tables present the Company's financial instruments that are measured at fair value on a recurring basis:

	December 31, 2021			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Money market funds	$ 280,052	$ —	$ —	$ 280,052
Total	$ 280,052	$ —	$ —	$ 280,052

	December 31, 2020			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Money market funds	$ 374,014	$ —	$ —	$ 374,014
Treasury discount notes	—	324,995	—	324,995
Time deposits	—	2,721	—	2,721
Marketable debt securities:				
Treasury discount notes	—	49,995	—	49,995
Total	$ 374,014	$ 377,711	$ —	$ 751,725

Assets measured at fair value on a nonrecurring basis

The Company's non-financial assets, such as goodwill, intangible assets, ROU assets, capitalized software, leasehold improvements and equipment are adjusted to fair value only when an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

During the year ended December 31, 2021, the Company recorded $12.7 million in impairment charges on ROU assets, leasehold improvements, and furniture and equipment, of which $9.6 million is a result of the Company reducing its real estate footprint in 2021. Impairment expense was determined by comparing the carrying value of each asset group related to each office space vacated to the estimated fair market value of cash inflows directly associated with each office space. Based on this analysis, if the carrying amount of the asset group is greater than the estimated future undiscounted cash flows, an impairment charge is recognized, measured as the amount by which the carrying amount exceeds the fair value of the asset.

Financial instruments measured at fair value only for disclosure purposes

The following table presents the carrying value and the fair value of financial instruments measured at fair value only for disclosure purposes:

	December 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Long-term debt, net [(a)]	$ (494,552)	$ (486,875)	$ (712,277)	$ (725,700)

[(a)] At December 31, 2021 and December 31, 2020, the carrying value of long-term debt, net includes unamortized debt issuance costs of $5.4 million and $7.7 million, respectively.

The fair value of long-term debt is estimated using observable market prices or indices for similar liabilities, which are Level 2 inputs.

NOTE 6—LONG-TERM DEBT

Long-term debt consists of:

	December 31, 2021	December 31, 2020
	(In thousands)	
3.875% ANGI Group Senior Notes due August 15, 2028 (“ANGI Group Senior Notes”); interest payable each February 15 and August 15, commencing February 15, 2021	$ 500,000	$ 500,000
ANGI Group Term Loan due November 5, 2023 (“ANGI Group Term Loan”)	—	220,000
Total long-term debt	500,000	720,000
Less: unamortized debt issuance costs	5,448	7,723
Total long-term debt, net	$ 494,552	$ 712,277

ANGI Group Senior Notes

The ANGI Group Senior Notes were issued on August 20, 2020, the proceeds of which have been used for general corporate purposes, including the acquisition of Total Home Roofing, Inc. (“Angi Roofing”) on July 1, 2021, and treasury share repurchases. At any time prior to August 15, 2023, these notes may be redeemed at a redemption price equal to the sum of the principal amount thereof, plus accrued and unpaid interest and a make-whole premium. Thereafter, these notes may be redeemed at the redemption prices set forth below, plus accrued and unpaid interest thereon, if any, to the applicable redemption date, if redeemed during the twelve-month period beginning on August 15 of the years indicated below:

ar	Percentage
23	101.938 %
24	100.969 %
25 and thereafter	100.000 %

The indenture governing the ANGI Group Senior Notes contains a covenant that would limit ANGI Group’s ability to incur liens for borrowed money in the event a default has occurred or ANGI Group’s secured leverage ratio (as defined in the indenture) exceeds 3.75 to 1.0. At December 31, 2021, there were no limitations pursuant thereto.

ANGI Group Revolving Facility

The $250.0 million ANGI Group Revolving Facility, which otherwise would have expired on November 5, 2023, was terminated effective August 3, 2021. No amounts were ever drawn under the ANGI Group Revolving Facility prior to its termination.

ANGI Group Term Loan

As of May 6, 2021, the outstanding balance of the ANGI Group Term Loan was repaid in its entirety. The outstanding balance of the ANGI Group Term Loan at December 31, 2020 was $220.0 million and bore interest at 2.16%.

NOTE 7—SHAREHOLDERS’ EQUITY

Description of Class A Common Stock, Class B Convertible Common Stock and Class C Common Stock

Except as described herein, shares of Angi Inc. Class A common stock, Class B common stock and Class C common stock are identical.

Holders of Class A common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Holders of Class B common stock are entitled to ten votes per share on all matters to be voted upon by stockholders. Holders of Class C common stock have no voting rights, except as otherwise required by the laws of the State of Delaware, in which case holders of Class C common stock are entitled to one one-hundredth (1/100) of a vote per share. Holders of the Company’s Class A common stock, Class B common stock and Class C common stock do not have cumulative voting rights in the election of directors.

Shares of Angi Inc. Class B common stock are convertible into shares of our Class A common stock at the option of the holder at any time on a share for share basis. Such conversion ratio will in all events be equitably preserved in the event of any recapitalization of Angi Inc. by means of a stock dividend on, or a stock split or combination of, our outstanding Class A common stock or Class B common stock, or in the event of any merger, consolidation or other reorganization of Angi Inc. with another corporation. Upon the conversion of a share of our Class B common stock into a share of our Class A common stock, the applicable share of Class B common stock will be retired and will not be subject to reissue. Shares of Class A common stock and Class C common stock have no conversion rights.

The holders of shares of Angi Inc. Class A common stock, Class B common stock and Class C common stock are entitled to receive, share for share, such cash dividends as may be declared by Angi Inc. Board of Directors out of funds legally available therefor. In the event of a liquidation, dissolution or winding up, holders of the Company's Class A common stock, Class B common stock and Class C common stock are entitled to receive ratably the assets available for distribution to the stockholders after payment of all liabilities and accrued but unpaid dividends and liquidation preferences on any outstanding preferred stock.

At December 31, 2021, IAC holds all 422.0 million outstanding shares of the Company's Class B common stock, and 2.6 million outstanding shares of the Company's Class A common stock, in total representing approximately 84.5% economic interest and 98.2% voting interest in the Company.

In the event that Angi Inc. issues or proposes to issue any shares of Angi Inc. Class A common stock, Class B common stock or Class C common stock (with certain limited exceptions), including shares issued upon the exercise, conversion or exchange of options, warrants and convertible securities, IAC will generally have a purchase right that permits it to purchase for fair market value, as defined in the agreement, up to such number of shares of the same class as the issued shares as would (i) enable IAC to maintain the same ownership interest in the Company that it had immediately prior to such issuance or proposed issuance, with respect to issuances of our voting capital stock, or (ii) enable IAC to maintain ownership of at least 80.1% of each class of the Company's non-voting capital stock, with respect to issuances of our non-voting capital stock.

Reserved Common Shares

In connection with outstanding awards under our equity compensation plans, 25.6 million shares of Angi Inc. Class A common stock are reserved for future issuances at December 31, 2021.

Common Stock Repurchases

On March 9, 2020 and February 6, 2019, the Board of Directors of Angi Inc. authorized the Company to repurchase up to 20 million and 15 million shares of its common stock, respectively. During the year ended December 31, 2021, the Company repurchased 3.2 million shares of Angi Inc. common stock for aggregate consideration, on a trade date basis, of $35.4 million. At December 31, 2021, the Company has approximately 16.1 million shares remaining in its share repurchase authorization.

NOTE 8—ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following tables presents the components of accumulated other comprehensive income (loss) and items reclassified out of accumulated other comprehensive income (loss) into earnings:

	Years Ended December 31,						
	2021		2020		2019		
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income (Loss)	Foreign Currency Translation Adjustment	Unrealized Gains on Available-For-Sale Debt Securities	Accumulated Other Comprehensive (Loss) Income
	(In thousands)						
Balance at January 1	$ 4,637	$ 4,637	$ (1,379)	$ (1,379)	$ (1,864)	$ 3	$ (1,861)
Other comprehensive (loss) income	(1,328)	(1,328)	6,016	6,016	485	(3)	482
Balance at December 31	$ 3,309	$ 3,309	$ 4,637	$ 4,637	$ (1,379)	$ —	$ (1,379)

At December 31, 2021, 2020, and 2019, there was no tax benefit or provision on the accumulated other comprehensive income (loss).

NOTE 9—(LOSS) EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted (loss) earnings per share attributable to Angi Inc. Class A and Class B Common Stock shareholders:

	Years Ended December 31,					
	2021		2020		2019	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)					
Numerator:						
Net (loss) earnings	$ (70,494)	$ (70,494)	$ (4,160)	$ (4,160)	$ 35,314	$ 35,314
Net earnings attributable to noncontrolling interests	(884)	(884)	(2,123)	(2,123)	(485)	(485)
Net (loss) earnings attributable to Angi Inc. Class A and Class B Common Stock shareholders	$ (71,378)	$ (71,378)	$ (6,283)	$ (6,283)	$ 34,829	$ 34,829
Denominator:						
Weighted average basic Class A and Class B common stock shares outstanding	502,761	502,761	498,159	498,159	504,875	504,875
Dilutive securities [(a) (b)]	—	—	—	—	—	13,044
Denominator for (loss) earnings per share—weighted average shares	502,761	502,761	498,159	498,159	504,875	517,919
(Loss) earnings per share attributable to Angi Inc. shareholders:						
(Loss) earnings per share	$ (0.14)	$ (0.14)	$ (0.01)	$ (0.01)	$ 0.07	$ 0.07

(a) If the effect is dilutive, weighted average common shares outstanding include the incremental shares that would be issued upon the assumed exercise of stock options and subsidiary denominated equity and vesting of restricted stock units ("RSUs"). For the years ended December 31, 2021, 2020, and 2019, 17.5 million, 24.9 million, and 5.5 million of potentially dilutive securities, respectively, were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. Accordingly, the weighted average basic shares outstanding were used to compute all earnings per share amounts.

(b) Market-based awards and performance-based stock units ("PSUs") are considered contingently issuable shares. Shares issuable upon exercise or vesting of market-based awards and PSUs are included in the denominator for earnings per share if (i) the applicable market or performance condition(s) has been met and (ii) the inclusion of the market-based awards and PSUs is dilutive for the respective reporting periods. For the years ended December 31, 2021, 2020, and 2019, 2.2 million, 2.0 million and 0.9 million underlying market-based awards and PSUs, respectively, were excluded from the calculation of diluted earnings per share because the market or performance condition(s) had not been met.

NOTE 10—STOCK-BASED COMPENSATION

The Company currently has one active stock plan, which became effective on September 29, 2017 ("the Combination"). The 2017 plan ("the Plan") covers stock options, stock appreciation rights and RSU awards, including those that are linked to the achievement of the Company's stock price, known as market-based awards ("MSUs") and those that are linked to the achievement of a performance target, known as performance-based awards ("PSUs"), denominated in shares of Angi Inc. common stock, as well as provides for the future grant of these and other equity awards. The Plan authorizes the Company to grant awards to its employees, officers, directors and consultants. At December 31, 2021, there are 8.1 million shares available for grant under the Plan.

The Plan has a stated term of ten years, and provides that the exercise price of stock options and stock appreciation rights granted will not be less than the market price of the Company's common stock on the grant date. The Plan does not specify grant dates or vesting schedules for awards, as those determinations have been delegated to the Compensation Committee of Angi Inc. Board of Directors (the "Committee"). Each grant agreement reflects the grant date and vesting schedule for that particular grant as determined by the Committee. Stock options and stock appreciation rights granted under the Plan generally vest in equal annual installments over a four-year period from the grant date. RSU awards granted under the Plan generally vest either in one installment over a three-year period or in equal annual installments over a four-year period, in each case, from the grant date. MSU awards granted under the Plan generally vest in five installments over a two-year period from the grant date. PSU awards granted subsequent to the Combination generally cliff vest in a two to five-year period from the grant date.

Stock-based compensation expense recognized in the consolidated statement of operations includes expense related to: (i) the Company's stock options, stock appreciation rights and RSUs; (ii) equity instruments denominated in shares of its subsidiaries; and (iii) IAC denominated stock options and PSUs held by Angi Inc. employees. The amount of stock-based compensation expense recognized is net of estimated forfeitures. The forfeiture rate is estimated at the grant date based on historical experience and revised, if necessary, in subsequent periods if actual forfeitures differ from the estimated rate. The expense ultimately recorded is for the awards that vest. At December 31, 2021, there was $107.7 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.9 years.

The total income tax benefit recognized in the accompanying consolidated statement of operations for the years ended December 31, 2021, 2020, and 2019 related to all stock-based compensation is $16.9 million, $24.3 million, $28.8 million, respectively.

The aggregate income tax benefit recognized related to the exercise of stock options and stock appreciation rights for the years ended December 31, 2021, 2020, and 2019 is $10.8 million, $11.4 million, and $27.9 million, respectively. There may be some delay in the timing of the realization of the cash benefit of the income tax deductions related to stock-based compensation because it will be dependent upon the amount and timing of future taxable income and the timing of estimated income tax payments.

Stock Options and Stock Appreciation Rights

Stock options and stock appreciation rights outstanding at December 31, 2021 and changes during the year ended December 31, 2021 were as follows:

	December 31, 2021			
	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
	(Shares and intrinsic value in thousands)			
ıtstanding at January 1, 2021	10,689	$ 4.67		
·anted	—	—		
·ercised	(9,050)	4.19		
rfeited	(17)	6.58		
·pired	(13)	10.64		
ıtstanding at December 31, 2021	1,609	$ 7.32	3.84	$ 5,954
·ercisable	1,609	$ 7.32	3.84	$ 5,954

The aggregate intrinsic value in the table above represents the difference between Angi Inc. closing stock price on the last trading day of 2021 and the exercise price, multiplied by the number of in-the-money awards that would have been exercised had all award holders exercised their awards on December 31, 2021. The total intrinsic value of awards exercised during the years ended December 31, 2021, 2020, and 2019 is $103.8 million, $120.9 million and $107.5 million, respectively.

The following table summarizes the information about stock options and stock appreciation rights outstanding and exercisable at December 31, 2021:

	Awards outstanding & exercisable		
ıge of Exercise Prices	Outstanding at December 31, 2021	Weighted average remaining contractual life in years	Weighted average exercise price
	(Shares in thousands)		
.01 to $10.00	1,086	3.9	$ 3.80
0.01 to $20.00	508	3.8	14.41
0.01 to $30.00	15	1.6	22.02
	1,609	3.8	$ 7.32

There were no stock options or stock appreciation rights granted by the Company for the years ended December 31, 2021, 2020, and 2019.

In connection with the Combination, the previously issued HomeAdvisor (US) stock appreciation rights were converted into Angi Inc. equity awards resulting in a modification charge. Included in stock-based compensation expense in the years ended December 31, 2021, 2020, and 2019 were charges of $0.9 million, $21.1 million, and $29.0 million, respectively, related to these modified awards, and the remaining charge will be recognized over the remaining vesting period of the modified awards.

No cash was received from stock option exercises during the years ended December 31, 2021 and 2020 because they were net settled in shares of Angi Inc. common stock. Cash received from stock option exercises was $0.6 million for the year ended December 31, 2019.

The Company currently settles all equity awards on a net basis with the Company remitting withholding taxes on behalf of the employee or on a gross basis with the Company issuing a sufficient number of Class A shares to cover the withholding taxes. In addition, at IAC's option, certain awards can be settled in either Class A shares of Angi Inc. or shares of IAC common stock. If settled in IAC common stock, Angi Inc. reimburses IAC in either cash or through the issuance of Class A shares to IAC. Assuming all of the stock appreciation rights outstanding on December 31, 2021 were net settled on that date, ANGI would have issued 0.3 million Class A shares (either to award holders or to IAC as reimbursement) and ANGI would have remitted $2.9 million in cash for withholding taxes (assuming a 50% withholding rate). Assuming all other ANGI equity awards outstanding on December 31, 2021, were net settled on that date, including stock options, RSUs and subsidiary denominated equity described below, ANGI would have issued 9.1 million Class A shares and would have remitted $83.5 million in cash for withholding taxes (assuming a 50% withholding rate).

Restricted Stock Units, Market-based Stock Units and Performance-based Stock Units

RSUs, MSUs, and PSUs are awards in the form of phantom shares or units denominated in a hypothetical equivalent number of shares of Angi Inc. common stock and with the value of each RSU and PSU equal to the fair value of Angi Inc. common stock at the date of grant. The value of each MSU is estimated using a lattice model that incorporates a Monte Carlo simulation of Angi Inc.'s stock price. Each RSU, MSU, and PSU grant is subject to service-based vesting, where a specific period of continued employment must pass before an award vests. MSUs also include market-based vesting, tied to the stock price of Angi Inc. before an award vests and PSUs include performance-based vesting, where certain performance targets set at the time of grant must be achieved before an award vests. For RSU grants, the expense is measured at the grant date as the fair value of Angi Inc. common stock and expensed as stock-based compensation over the vesting term. For MSU grants, the expense is measured using a lattice model and expensed as stock-based compensation over the requisite service period. For PSU grants, the expense is measured at the grant date as the fair value of Angi Inc. common stock and expensed as stock-based compensation over the vesting term if the performance targets are considered probable of being achieved.

Unvested RSUs, MSUs, and PSUs outstanding at December 31, 2021 and changes during the year ended December 31, 2021 are as follows:

	RSUs		MSUs		PSUs	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares [a]	Weighted Average Grant Date Fair Value	Number of Shares [a]	Weighted Average Grant Date Fair Value
	(Shares in thousands)					
nvested at January 1, 2021	9,560	$ 10.19	2,496	$ 7.82	1,958	$ 5.11
anted	11,670	12.73	3,328	14.39	696	13.51
sted	(2,424)	12.78	(153)	6.81	(369)	5.11
rfeited	(5,510)	11.28	(1,960)	6.85	(1,111)	6.37
nvested at December 31, 2021	13,296	$ 11.49	3,711	$ 14.27	1,174	$ 8.89

[a] Included in the table are MSUs and PSUs which vests in varying amounts depending upon certain market or performance conditions. The MSUs and PSUs in the table above includes these awards at their maximum potential payout.

In 2019, the Company granted certain MSUs that are liability-classified stock-settled awards with a market condition. The fair value of these awards were subject to remeasurement each reporting period until settlement of the award occurred in 2021. The total expense related to these awards recognized was $10.4 million, equal to the number of shares vested based on the fair value of Angi Inc. common stock on the settlement date.

The weighted average fair value of RSUs granted during the years ended December 31, 2021, 2020, and 2019 based on market prices of Angi Inc. common stock on the grant date was $12.73, $7.37, and $13.16, respectively. The weighted average fair value of MSUs granted during the years ended December 31, 2021 and 2019, based on the lattice model, was $14.39 and $3.67, respectively. There were no MSUs granted during the year ended December 31, 2020. The weighted average fair value of PSUs granted during the years ended December 31, 2021, 2020, and 2019 based on market prices of Angi Inc. common stock on the grant date was $13.51, $6.92 and $15.93, respectively. The total fair value of RSUs that vested during the years ended December 31, 2021, 2020, and 2019 was $35.2 million, $23.4 million and $16.1 million, respectively. The total fair value of MSUs that vested during the years ended December 31, 2021, 2020, and 2019 was $2.1 million, $5.2 million, and $3.2 million, respectively. The total fair value of PSUs that vested during the year ended December 31, 2021 was $3.6 million. There were no PSUs that vested during the years ended December 31, 2020 and 2019.

Equity Instruments Denominated in the Shares of Certain Subsidiaries

Angi Inc. has granted stock appreciation rights denominated in the equity of certain non-publicly traded subsidiaries to employees and management of those subsidiaries. These equity awards vest over a period of years, which is typically four years. The value of the stock appreciation rights is tied to the value of the common stock of these subsidiaries, which is determined by the Company using a variety of valuation techniques including a combination of market based and discounted cash flow valuation methodologies. Accordingly, these interests only have value to the extent the relevant business appreciates in value above the initial value utilized to determine the exercise price. These interests can have significant value in the event of significant appreciation. The fair value of these interests is generally determined by the board of directors of the applicable subsidiary when settled, which will occur at various dates through 2026 and are ultimately settled in IAC common stock or Angi Inc. Class A common stock, at IAC's election. These equity awards are settled on a net basis, with the award holder entitled to receive a payment in shares equal to the intrinsic value of the award at exercise less an amount equal to the required cash tax withholding payment. The expense associated with these equity awards is initially measured at fair value, using the Black-Scholes option pricing model, at the grant date and is expensed as stock-based compensation over the vesting term.

The plans under which these awards are granted establish specific settlement dates or liquidity events for which the valuation of the relevant subsidiary is determined for purposes of settlement of the awards.

NOTE 11—SEGMENT INFORMATION

The overall concept that the Company employs in determining its operating segments is to present the financial information in a manner consistent with how the chief operating decision maker views the businesses. In addition, the Company considers how the businesses are organized as to segment management and the focus of the businesses with regards to the types of services or products offered or the target market.

The following table presents revenue by reportable segment:

	Years Ended December 31,		
	2021	2020	2019
	(In thousands)		
Revenue:			
North America	$ 1,602,571	$ 1,395,428	$ 1,249,892
Europe	82,867	72,497	76,313
Total	$ 1,685,438	$ 1,467,925	$ 1,326,205

The following table presents the revenue of the Company's segments disaggregated by type of service:

	Years Ended December 31,		
	2021	2020	2019
	(In thousands)		
North America			
Angi Ads and Leads:			
Consumer connection revenue[(a)]	$ 896,711	$ 899,175	$ 867,307
Advertising revenue[(b)]	252,010	226,505	214,259
Membership subscription revenue[(c)]	68,062	74,073	92,975
Other revenue	27,812	33,136	23,844
Total Angi Ads and Leads revenue	1,244,595	1,232,889	1,198,385
Angi Services revenue[(d)]	357,976	162,539	51,507
Total North America revenue	1,602,571	1,395,428	1,249,892
Europe			
Consumer connection revenue[(e)]	68,686	57,692	59,611
Service professional membership subscription revenue	12,939	13,091	14,231
Advertising and other revenue	1,242	1,714	2,471
Total Europe revenue	82,867	72,497	76,313
Total revenue	$ 1,685,438	$ 1,467,925	$ 1,326,205

(a) Includes fees paid by service professionals for consumer matches through the Angi Ads and Leads platforms.

(b) Includes revenue from service professionals under contract for advertising.

(c) Includes membership subscription revenue from service professionals and consumers.

(d) Includes revenue from pre-priced offerings and revenue from Angi Roofing.

(e) Includes fees paid by service professionals for consumer matches.

Revenue by geography is based on where the customer is located. Geographic information about revenue and long-lived assets is presented below.

	Years Ended December 31,		
	2021	2020	2019
	(In thousands)		
Revenue			
United States	$ 1,581,051	$ 1,379,236	$ 1,234,755
All other countries	104,387	88,689	91,450
Total	$ 1,685,438	$ 1,467,925	$ 1,326,205

The United States is the only country whose revenue is greater than 10% of total revenue of the Company for the years ended December 31, 2021, 2020, and 2019.

	December 31, 2021	December 31, 2020
	(In thousands)	
Long-lived assets (excluding goodwill and intangible assets):		
United States	$ 111,136	$ 97,841
All other countries	7,131	11,001
Total	$ 118,267	$ 108,842

The following tables present operating (loss) income and Adjusted EBITDA by reportable segment:

	Years Ended December 31,		
	2021	2020	2019
	(In thousands)		
Operating (loss) income:			
North America	$ (63,316)	$ 4,811	$ 48,967
Europe	(13,197)	(11,179)	(10,322)
Total	$ (76,513)	$ (6,368)	$ 38,645

	Years Ended December 31,		
	2021	2020	2019
	(In thousands)		
Adjusted EBITDA[(f)]:			
North America	$ 35,328	$ 178,854	$ 208,192
Europe	$ (7,463)	$ (6,050)	$ (5,895)

[(f)] The Company's primary financial measure is Adjusted EBITDA, which is defined as operating (loss) income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of amortization of intangible assets and impairments of goodwill and intangible assets, if applicable.

The following tables reconcile operating (loss) income for the Company's reportable segments and net loss attributable to Angi Inc. shareholders to Adjusted EBITDA:

	Year Ended December 31, 2021				
	Operating Loss	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
	(In thousands)				
North America	$ (63,316)	$ 28,399	$ 53,815	$ 16,430	$ 35,328
Europe	(13,197)	$ 303	$ 5,431	$ —	$ (7,463)
Operating loss	(76,513)				
Interest expense	(23,485)				
Other expense, net	(2,509)				
Loss before income taxes	(102,507)				
Income tax benefit	32,013				
Net loss	(70,494)				
Net earnings attributable to noncontrolling interests	(884)				
Net loss attributable to Angi Inc. shareholders	$ (71,378)				

	Year Ended December 31, 2020				
	Operating Income (Loss)	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
	(In thousands)				
North America	$ 4,811	$ 82,933	$ 48,515	$ 42,595	$ 178,854
Europe	(11,179)	$ 716	$ 4,106	$ 307	$ (6,050)
Operating loss	(6,368)				
Interest expense	(14,178)				
Other income, net	1,218				
Loss before income taxes	(19,328)				
Income tax benefit	15,168				
Net earnings	(4,160)				
Net earnings attributable to noncontrolling interests	(2,123)				
Net earnings attributable to Angi Inc. shareholders	$ (6,283)				

	Year Ended December 31, 2019				
	Operating Income (Loss)	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
	(In thousands)				
North America	$ 48,967	$ 67,646	$ 37,481	$ 54,098	$ 208,192
Europe	(10,322)	$ 609	$ 2,434	$ 1,384	$ (5,895)
Operating income	38,645				
Interest expense	(11,493)				
Other income, net	6,494				
Earnings before income taxes	33,646				
Income tax benefit	1,668				
Net earnings	35,314				
Net earnings attributable to noncontrolling interests	(485)				
Net earnings attributable to Angi Inc. shareholders	$ 34,829				

The following table presents capital expenditures by reportable segment:

	Years Ended December 31,		
	2021	2020	2019
	(In thousands)		
pital expenditures:			
rth America	$ 67,772	$ 50,462	$ 64,215
rope	2,443	2,026	4,589
Total	$ 70,215	$ 52,488	$ 68,804

NOTE 12—LEASES

The Company leases office space, data center facilities, and equipment in connection with its operations under various operating leases, the majority of which contain escalation clauses.

ROU assets represent the Company’s right to use the underlying assets for the lease term and lease liabilities represent the present value of the Company’s obligation to make payments arising from these leases. ROU assets and related lease liabilities are based on the present value of fixed lease payments over the lease term using the Company’s incremental borrowing rate on the lease commencement date or January 1, 2019 for leases that commenced prior to that date. The Company combines the lease and non-lease components of lease payments in determining ROU assets and related lease liabilities. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the Company will exercise the option(s). Lease expense is recognized on a straight-line basis over the term of the lease. As permitted by ASC 842, leases with an initial term of twelve months or less (“short-term leases”) are not recorded on the accompanying consolidated balance sheet.

Variable lease payments consist primarily of common area maintenance, utilities, and taxes, which are not included in the recognition of ROU assets and related lease liabilities. The Company’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

ıses	Balance Sheet Classification		December 31, 2021	2020
			(In thousands)	
sets:				
ght-of-use assets	Other non-current assets	$	69,858	$ 87,559
abilities:				
ırrent lease liabilities	Accrued expenses and other current liabilities		17,098	15,700
ng-term lease liabilities	Other long-term liabilities		88,423	103,575
Total lease liabilities		$	105,521	$ 119,275

ıse Cost	Income Statement Classification		December 31, 2021	2020
			(In thousands)	
ked lease cost	Cost of revenue	$	346	$ 321
ked lease cost	Selling and marketing expense		7,305	9,913
ked lease cost	General and administrative expense		16,829	7,545
ked lease cost	Product development expense		1,232	1,848
Total fixed lease cost[(a)]			25,712	19,627
riable lease cost	Cost of revenue		—	—
riable lease cost	Selling and marketing expense		1,087	2,314
riable lease cost	General and administrative expense		2,481	1,567
riable lease cost	Product development expense		567	867
Total variable lease cost			4,135	4,748
Net lease cost		$	29,847	$ 24,375

(a) The years ended December 31, 2021 and 2020 includes $0.1 million and $0.04 million of short-term lease cost, respectively, and $1.8 million of sublease income for both years.

Maturities of lease liabilities as of December 31, 2021[(b)]:

Years Ending December 31:		(In thousands)
22	$	22,818
23		21,103
24		19,825
25		19,302
26		18,377
ereafter		25,050
tal		126,475
Less: Interest		20,954
esent value of lease liabilities	$	105,521

[(b)] Lease payments exclude $1.2 million of legally binding minimum lease payments for leases signed but not yet commenced.

The following are the weighted average assumptions used for lease terms and discount rates as of December 31, 2021 and 2020:

	December 31,	
	2021	2020
maining lease term	6.0 years	6.9 years
scount rate	5.97%	5.91%

		December 31,		
		2021		2020
		(In thousands)		
er information:				
ght-of-use assets obtained in exchange for lease liabilities	$	3,143	$	326
sh paid for amounts included in the measurement of lease liabilities	$	23,506	$	20,939

NOTE 13—COMMITMENTS AND CONTINGENCIES

Commitments

The Company has entered into certain off-balance sheet commitments that require the future purchase of services ("purchase obligations"). Future payments under non-cancelable unconditional purchase obligations as of December 31, 2021 are as follows:

	Amount of Commitment Expiration Per Period				
	Less Than 1 Year	1–3 Years	3–5 Years	More Than 5 Years	Total
	(In thousands)				
rchase obligations	$ 26,262	$ 4,515	$ —	$ —	$ 30,777

Purchase obligations include (i) payments of $13.0 million related to advertising commitments to be made in 2022, (ii) payments of $6.6 million related to technology contracts spend, (iii) payments of $6.1 million related to communication spend, and (iv) payments of $3.1 million related to background check services.

In the ordinary course of business, the Company is a party to various lawsuits. The Company establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. As a result, a $3.8 million legal reserve is established. Management has also identified certain other legal matters where we believe an unfavorable outcome is not probable. Although management currently believes that resolving claims against us, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of the Company. See "Note 3—Income Taxes" for additional information related to income tax contingencies.

NOTE 14—RELATED PARTY TRANSACTIONS WITH IAC

Relationship with IAC

Angi Inc. and IAC have entered into certain agreements to govern their relationship. These agreements include: a contribution agreement; an investor rights agreement; a services agreement; a tax sharing agreement; and an employee matters agreement.

Contribution Agreement

The contribution agreement sets forth the agreements between the Company and IAC regarding the principal transactions necessary for IAC to separate the Angi business from IAC's other businesses, as well as governs certain aspects of our relationship. Under the contribution agreement, the Company agreed to assume all of the assets and liabilities related to the Angi business and agreed to indemnify IAC against any losses arising out of any breach by the Company of the contribution agreement or the other transaction related agreements described below. IAC also agreed to indemnify the Company against losses arising out of any breach by IAC of the contribution agreement or any of the other transaction related agreements described below.

Investor Rights Agreement

The investor rights agreement provides IAC with certain registration, preemptive, and governance rights related to the Company and the shares of its capital stock it holds, as well as certain governance rights for the benefit of stockholders other than IAC.

Services Agreement

The services agreement governs services that IAC provides to the Company including, among others: (i) assistance with certain legal, M&A, human resources, finance, risk management, internal audit and treasury functions, health and welfare benefits, information security services and insurance and tax affairs, including assistance with certain public company and unclaimed property reporting obligations; (ii) accounting, controllership and payroll processing services; (iii) investor relations services; (iv) tax compliance services; and (v) such other services as to which IAC and the Company may agree. The services agreement automatically renews annually for an additional one-year period for so long as IAC continues to own a majority of the outstanding shares of the Company’s common stock.

For the years ended December 31, 2021, 2020 and 2019, the Company was charged $3.9 million, $4.8 million and $4.8 million, respectively, by IAC for services rendered pursuant to the services agreement. There were no outstanding receivables or payables pursuant to the services agreement as of December 31, 2021 and 2020, respectively.

Separately, the Company subleases office space to IAC and charged rent of $1.6 million, $1.8 million, and $1.4 million for the years ended December 31, 2021, 2020, and 2019, respectively. IAC subleases office space to the Company and charged the Company $0.6 million of rent for the year ended December 31, 2021. IAC did not sublease office space to the Company for the years ended December 31, 2020 and 2019. There were no outstanding receivables due from IAC or payables due to IAC, pursuant to sublease agreements, for the year ended December 31, 2021. At both December 31, 2020 and 2019, there were outstanding receivables of less than $0.1 million due from IAC, pursuant to sublease agreements, which were subsequently paid in full in the first quarter of 2021 and 2020, respectively.

Tax Sharing Agreement

The tax sharing agreement governs the rights, responsibilities, and obligations of the Company and IAC with respect to tax liabilities and benefits, entitlements to refunds, preparation of tax returns, tax contests and other tax matters regarding U.S. federal, state, local and foreign income taxes. Under the tax sharing agreement, the Company is generally responsible and required to indemnify IAC for: (i) all taxes imposed with respect to any consolidated, combined or unitary tax return of IAC or its subsidiaries that includes the Company or any of its subsidiaries to the extent attributable to the Company or any of its subsidiaries, as determined under the tax sharing agreement, and (ii) all taxes imposed with respect to any of the Company's or its subsidiaries’ consolidated, combined, unitary or separate tax returns.

At December 31, 2021 and 2020, the Company had outstanding payables of $0.3 million and $0.9 million, respectively, due to IAC pursuant to the tax sharing agreement, which are included in “Accrued expenses and other current liabilities,” in the accompanying consolidated balance sheet. There were $1.5 million of payments to IAC pursuant to this agreement during the year ended December 31, 2021. There were $3.1 million of refunds received from IAC pursuant to this agreement during the year ended December 31, 2020.

Employee Matters Agreement

The employee matters agreement addresses certain compensation (including stock-based compensation) and benefit issues related to the allocation of liabilities associated with: (i) employment or termination of employment, (ii) employee benefit plans and (iii) equity awards. Under the employee matters agreement, the Company's employees participate in IAC’s U.S. health and welfare plans, 401(k) plan and flexible benefits plan and the Company reimburses IAC for the costs of such participation. In the event IAC no longer retains shares representing at least 80% of the aggregate voting power of shares entitled to vote in the election of the Company’s Board of Directors, Angi will no longer participate in IAC’s employee benefit plans, but will establish its own employee benefit plans that will be substantially similar to the plans sponsored by IAC prior to the Combination.

In addition, the employee matters agreement requires the Company to reimburse IAC for the cost of any IAC equity awards held by Angi current and former employees, with IAC electing to receive payment in cash or shares of our Class B common stock. This agreement also provides that IAC may require stock appreciation rights granted prior to the closing of the Combination and equity awards in our subsidiaries to be settled in either shares of our Class A common stock or IAC common stock. To the extent shares of IAC common stock are issued in settlement of these awards, the Company is obligated to reimburse IAC for the cost of those shares by issuing shares of our Class A common stock in the case of stock appreciation rights granted prior to the closing of the Combination and shares of our Class B common stock in the case of equity awards in our subsidiaries.

Lastly, pursuant to the employee matters agreement, in the event of a distribution of Angi Inc. capital stock to IAC stockholders in a transaction intended to qualify as tax-free for U.S. federal income tax purposes, the Compensation Committee of the IAC Board of Directors has the exclusive authority to determine the treatment of outstanding IAC equity awards. Such authority includes (but is not limited to) the ability to convert all or part of IAC equity awards outstanding immediately prior to the distribution into equity awards denominated in shares of Angi Inc. Class A Common Stock, which Angi Inc. would be obligated to assume and which would be dilutive to Angi Inc.'s stockholders.

For the years ended December 31, 2021, 2020, and 2019, 0.2 million, 0.3 million, and 0.5 million shares of Angi Class B common stock were issued to IAC, respectively, pursuant to the employee matters agreement as reimbursement for shares of IAC common stock issued in connection with the exercise and vesting of IAC equity awards held by Angi employees. For the years ended December 31, 2021, 2.6 million shares of Angi Inc. Class A common stock were issued to IAC pursuant to the employee matters agreement as reimbursement for IAC common stock issued in connection with the exercise and settlement of certain Angi Inc. stock appreciation rights. There were no shares of Angi Inc. Class A common stock issued to IAC during the years ended December 31, 2020 and 2019.

NOTE 15—BENEFIT PLANS

The Company's employees in the United States are eligible to participate in a retirement savings program offered by IAC, which is qualified under Section 401(k) of the Internal Revenue Code. Under the IAC/InterActiveCorp Retirement Savings Plan (the "IAC Plan"), participating employees may contribute up to 50% of their pre-tax earnings, but not more than statutory limits. The current employer match under the IAC Plan is fifty cents for each dollar a participant contributes in the IAC Plan, with a maximum contribution of 3% of a participant's eligible earnings. Matching contributions under the IAC Plan for the years ended December 31, 2021, 2020, and 2019 were $8.4 million, $7.7 million, and $6.3 million, respectively. Matching contributions are invested in the same manner as each participant's voluntary contributions in the investment options provided under the IAC Plan. An investment option in the IAC Plan is IAC common stock, but neither participant nor matching contributions are required to be invested in IAC common stock.

Internationally, the Company also has or participates in various benefit plans, primarily defined contribution plans. The Company's contributions for these plans for the years ended December 31, 2021, 2020, and 2019 were $0.7 million, $0.6 million, and $0.5 million, respectively.

NOTE 16—CONSOLIDATED FINANCIAL STATEMENT DETAILS

Cash and Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the accompanying balance sheet to the total amounts shown in the accompanying statement of cash flows:

	December 31, 2021	December 31, 2020
	(In thousands)	
Cash and cash equivalents	$ 428,136	$ 812,705
Restricted cash included in other current assets	156	407
Restricted cash included in other non-current assets	1,193	449
Total cash and cash equivalents, and restricted cash as shown on the consolidated statement of cash flows	$ 429,485	$ 813,561

Restricted cash included in other current assets at December 31, 2021 primarily consisted of funds collected from service providers for disputed payments which were not settled as of the period end, in addition to cash reserved to fund insurance claims. Restricted cash included in other current assets at December 31, 2020 primarily consists of cash received from customers at Angi Inc. through the Handy platform, representing funds collected for payment to service providers, which were not settled as of the period end.

Restricted cash included in other non-current assets for all periods presented above primarily consisted of deposits related to leases. Restricted cash included in other non-current assets at December 31, 2021 also included cash held related to a check endorsement guarantee for Angi Roofing.

	December 31,	
	2021	2020
	(In thousands)	
her current assets:		
pitalized costs to obtain a contract with a customer	$ 37,971	$ 49,194
epaid expenses	24,749	17,742
her	7,828	5,022
Other current assets	$ 70,548	$ 71,958

	December 31,	
	2021	2020
	(In thousands)	
ıpitalized software, leasehold improvements and equipment, net:		
ıpitalized software and computer equipment	$ 153,953	$ 132,026
asehold improvements	29,605	31,864
ırniture and other equipment	11,596	13,252
ojects in progress	31,348	27,138
Capitalized software, leasehold improvements and equipment	226,502	204,280
ccumulated depreciation and amortization	(108,235)	(95,438)
Capitalized software, leasehold improvements and equipment, net	$ 118,267	$ 108,842

	December 31, 2021	December 31, 2020
	(In thousands)	
:crued expenses and other current liabilities:		
:crued employee compensation and benefits	$ 46,464	$ 47,310
:crued advertising expense	36,231	30,033
ırrent lease liabilities	17,098	15,700
her	84,022	55,176
Accrued expenses and other current liabilities	$ 183,815	$ 148,219

Other (expense) income, net

	Years Ended December 31, 2021	2020	2019
	(In thousands)		
Interest income	$ 239	$ 1,725	$ 7,974
Gain (loss) on the sale of a business[(a)]	31	(454)	(218)
Foreign exchange (losses) gains	(1,656)	(57)	559
Loss on extinguishment of debt[(b)]	(1,110)	—	—
Other	(13)	4	(1,821)
Other (expense) income, net	$ (2,509)	$ 1,218	$ 6,494

(a) Loss from acquisition/sale of a business for the year ended December 31, 2020 includes a $0.2 million mark-to-market charge for an indemnification charge related to the Handy acquisition that was settled in Angi Inc. shares during the first quarter of 2020 and a $0.3 million charge related to the final earn-out settlement related to the sale of Felix.

(b) Represents the write-off of deferred debt issuance costs related to the ANGI Group Term Loan, which was repaid in its entirety during the second quarter of 2021.

Supplemental Disclosure of Cash Flow Information:

	Years Ended December 31, 2021	2020	2019
	(In thousands)		
sh paid (received) during the year for:			
Interest expense—third-party	$ 21,450	$ 5,367	10,290
Interest expense—related party	—	—	54
Income tax payments, including amounts paid to IAC for Angi Inc.'s share of IAC's consolidated tax liability	4,647	1,789	12,224
Income tax refunds, including amounts received from IAC for Angi Inc.'s share of IAC's consolidated tax liability	(587)	(3,506)	(957)

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Conclusion Regarding the Effectiveness of the Company's Disclosure Controls and Procedures

The Company monitors and evaluates on an ongoing basis its disclosure controls and procedures and internal control over financial reporting in order to improve their overall effectiveness. In the course of these evaluations, the Company modifies and refines its internal processes as conditions warrant.

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), our management, including our Chief Executive Officer (“CEO”) and our Chief Financial Officer (“CFO”), conducted an evaluation, as of the end of the period covered by this report, of the effectiveness of the Company's disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e). Based on this evaluation, our CEO and our CFO concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) for the Company. The Company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2021. In making this assessment, our management used the criteria for effective internal control over financial reporting described in “Internal Control—Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on this assessment, management has determined that, as of December 31, 2021, the Company’s internal control over financial reporting is effective. The effectiveness of our internal control over financial reporting as of December 31, 2021 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report, included herein.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control Over Financial Reporting

On July 1, 2021, the Company completed its acquisition of Angi Roofing. Accordingly, the acquired assets and liabilities of Angi Roofing are included in our consolidated balance sheet at December 31, 2021 and the results of its operations and cash flows are reported in our consolidated statements of income and cash flows from July 1, 2021 through December 31, 2021. We have elected to exclude Angi Roofing from the Company’s assessment of internal control over financial reporting as of December 31, 2021. Angi Roofing represented less than 5% of the Company’s net assets and revenue as of and for the year ended December 31, 2021. During the quarter ended December 31, 2021, there have been no other changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. See Item 8. Consolidated Financial Statements and Supplementary Data and Report of Independent Registered Public Accounting Firm, which reports are incorporated herein by reference.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Angi Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Angi Inc. and subsidiaries' internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Angi Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Total Home Roofing, Inc., acquired on July 1, 2021, which is included in the 2021 consolidated financial statements of the Company and constituted less than 5% of the Company's net assets and revenues as of and for the year ended December 31, 2021. Our audit of internal control over financial reporting of Angi Inc. also did not include an evaluation of the internal control over financial reporting of Total Home Roofing, Inc.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2021 and 2020, and the related consolidated statements of operations, comprehensive operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and the financial statement schedule listed in the Index at Item 15(a), and our report dated March 1, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York
March 1, 2022

Item 9B. Other Information

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

The information required by Part III (Items 10, 11, 12, 13 and 14) has been incorporated herein by reference to the definitive Proxy Statement to be used in connection with the Angi Inc. 2022 Annual Meeting of Stockholders (the "2022 Proxy Statement"), as set forth below in accordance with General Instruction G(3) of Form 10-K.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Items 401 and 405 of Regulation S-K relating to directors and executive officers of Angi Inc. and their compliance with Section 16(a) of the Exchange Act is set forth in the sections entitled "Information Concerning Director Nominees" and "Information Concerning Angi Inc. Executive Officers Who Are Not Directors," and "Delinquent Section 16(a) Reports," respectively, in the 2022 Proxy Statement and is incorporated herein by reference. The information required by Item 406 of Regulation S-K relating to the Angi Inc. Code of Ethics is set forth under the caption "Part I-Item 1-Business-Description of Our Businesses-Additional Information-Code of Ethics" of this annual report and is incorporated herein by reference. The information required by subsections (c)(3), (d)(4) and (d)(5) of Item 407 of Regulation S-K is set forth in the sections entitled "Corporate Governance" and "The Board and Board Committees" in the 2022 Proxy Statement and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 402 of Regulation S-K relating to executive and director compensation and pay ratio disclosure is set forth in the sections entitled "Executive Compensation," "Director Compensation" and "Pay Ratio Disclosure," respectively, in the 2022 Proxy Statement and is incorporated herein by reference. The information required by subsections (e)(4) and (e)(5) of Item 407 of Regulation S-K relating to certain compensation committee matters is set forth in the sections entitled "The Board and Board Committees," "Compensation Committee Report" and "Compensation Committee Interlocks and Insider Participation" in the 2022 Proxy Statement and is incorporated herein by reference; provided, that the information set forth in the section entitled "Compensation Committee Report" shall be deemed furnished herein and shall not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information regarding ownership of the Company's Class A common stock and Class B common stock required by Item 403 of Regulation S-K and securities authorized for issuance under our equity compensation plans required by Item 201(d) of Regulation S-K is set forth in the sections entitled "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information," respectively, in the 2022 Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information regarding certain relationships and related transactions involving Angi Inc. required by Item 404 of Regulation S-K and director independence determinations required by Item 407(a) of Regulation S-K is set forth in the sections entitled "Certain Relationships and Related Person Transactions" and "Corporate Governance," respectively, in the 2022 Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

Information required by Item 9(e) of Schedule 14A regarding the fees and services of the Company's independent registered public accounting firm and the pre-approval policies and procedures applicable to services provided to the Company by such firm is set forth in the sections entitled "Fees Paid to Our Independent Registered Public Accounting Firm" and "Audit and Non-Audit Services Pre-Approval Policy," respectively, in the 2022 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) List of documents filed as part of this Report:

(1) Consolidated Financial Statements of Angi Inc.

Report of Independent Registered Public Accounting Firm: Ernst & Young LLP (PCAOB ID:42).

Consolidated Balance Sheet as of December 31, 2021 and 2020.

Consolidated Statement of Operations for the Years Ended December 31, 2021, 2020 and 2019.

Consolidated Statement of Comprehensive Operations for the Years Ended December 31, 2021, 2020 and 2019.

Consolidated Statement of Shareholders' Equity for the Years Ended December 31, 2021, 2020 and 2019.

Consolidated Statement of Cash Flows for the Years Ended December 31, 2021, 2020 and 2019.

Notes to Consolidated Financial Statements.

(2) Consolidated Financial Statement Schedule of Angi Inc.

Schedule Number	
II	Valuation and Qualifying Accounts.

All other financial statements and schedules not listed have been omitted since the required information is either included in the Consolidated Financial Statements or the notes thereto, is not applicable or is not required.

(3) Exhibits

The documents set forth below, numbered in accordance with Item 601 of Regulation S-K, are filed herewith, incorporated by reference to the location indicated or furnished herewith.

Exhibit Number	Description	Location
2.1	Agreement and Plan of Merger, dated as of May 1, 2017, as amended by Amendment No. 1 to the Agreement and Plan of Merger, dated as of August 26, 2017, by and among Angie's List, Inc., IAC/InterActiveCorp, ANGI Homeservices Inc. and Casa Merger Sub, Inc.	Annex B to the Proxy Statement/Prospectus of Angie's List, Inc. and ANGI Homeservices Inc., filed on August 30, 2017 pursuant to Rule 424(b)(3).
3.1	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Angi Inc.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on March 17, 2021.
3.2	Amended and Restated Certificate of Incorporation of ANGI Homeservices Inc.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on October 2, 2017.
3.3	Amended and Restated Bylaws of Angi Inc.	Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed on March 17, 2021.
4.1	Description of Securities[(1)].	
4.2	Investor Rights Agreement, dated as of September 29, 2017, by and between ANGI Homeservices Inc. and IAC/InterActiveCorp.	Exhibit 2.2 to the Registrant's Current Report on Form 8-K, filed on October 2, 2017.
4.3	Registration Rights Agreement, dated October 19, 2018, by and among ANGI Homeservices Inc. and the holders signatory thereto.	Exhibit 4.2 to the Registration Statement on Form S-3ASR (SEC File No. 333-227932), filed on October 22, 2018.
4.4	Indenture, dated as of August 20, 2020, among ANGI Group, LLC, the guarantors party thereto and Computershare Trust Company, N.A., as trustee.	Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on August 20, 2020.

4.5	Form of Angi Inc. Common Stock Certificate.	Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q, filed on May 10, 2021.
10.1	Contribution Agreement, dated as of September 29, 2017, by and between ANGI Homeservices Inc. and IAC/InterActiveCorp.(2)	Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed on October 2, 2017.
10.2	Services Agreement, dated as of September 29, 2017, by and between ANGI Homeservices Inc. and IAC/InterActiveCorp.(2)	Exhibit 2.3 to the Registrant's Current Report on Form 8-K, filed on October 2, 2017.
10.3	Tax Sharing Agreement, dated as of September 29, 2017, by and between ANGI Homeservices Inc. and IAC/InterActiveCorp.(2)	Exhibit 2.4 to the Registrant's Current Report on Form 8-K, filed on October 2, 2017.
10.4	Employee Matters Agreement, dated as of September 29, 2017, by and between ANGI Homeservices Inc. and IAC/InterActiveCorp.(2)	Exhibit 2.5 to the Registrant's Current Report on Form 8-K, filed on October 2, 2017.
10.5	ANGI Homeservices Inc. 2017 Stock and Annual Incentive Plan.(3)	Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on October 2, 2017.
10.6	Form of Notice and Terms and Conditions for Restricted Stock Units granted under the ANGI Homeservices Inc. 2017 Stock and Annual Incentive Plan.(3)	Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2017.
10.7	Form of Notice and Terms and Conditions for Stock Options granted under the ANGI Homeservices Inc. 2017 Stock and Annual Incentive Plan.(3)	Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2017.
10.8	Form of Terms and Conditions for Stock Appreciation Rights granted under the ANGI Homeservices Inc. 2017 Stock and Annual Incentive Plan.(3)	Exhibit 10.2 to the Registration Statement on Form S-4, as amended (SEC File No. 333-219064), filed on August 28, 2017.
10.9	Employment Agreement between Shannon Shaw and ANGI Homeservices Inc., dated as of February 22, 2019.(3)	Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2019.
10.10	Employment Agreement between Angela R. Hicks Bowman and ANGI Homeservices Inc., dated as of June 29, 2017.(3)	Exhibit 10.4 to the Registration Statement on Form S-4 (SEC File No. 333-219064), filed on June 30, 2018.
10.11	Employment Agreement between Bryan Ellis and HomeAdvisor, Inc., dated as of April 24, 2020.(1)(3)(4)	
10.12	Employment Agreement between Oisin Hanrahan and ANGI Homeservices Inc., dated as of February 24, 2021.(3)	Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on February 25, 2021.
10.13	Employment Agreement between Umang Dua and Angi Inc., dated as of February 24, 2021.(1)(3)(4)	
10.14	Employment Agreement between Kulesh Shanmugasundaram and Angi Inc., dated as of March 25, 2021. (3)	Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q, filed on May 10, 2021.
10.15	Employment Agreement between Jeff Pedersen and Angi Inc., dated as of June 18, 2021. (3)	Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on June 24, 2021.
10.16	Employment Agreement between Dhanusha Sivajee and Angi Inc., dated as of July 30, 2021. (3)	Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, filed on November 5, 2021.
21.1	Subsidiaries of the Registrant as of December 31, 2021.(1)	
23.1	Consent of Ernst & Young LLP.(1)	
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(1)	

31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(1)
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(4)
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(4)
101.INS	Inline XBRL Instance (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema(1)
101.CAL	Inline XBRL Taxonomy Extension Calculation(1)
101.DEF	Inline XBRL Taxonomy Extension Definition(1)
101.LAB	Inline XBRL Taxonomy Extension Labels(1)
101.PRE	Inline XBRL Taxonomy Extension Presentation(1)
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

(1) Filed herewith.

(2) Annexes, schedules and/or exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of any omitted attachment to the SEC on a confidential basis upon request.

(3) Reflects management contracts and management and director compensatory plans.

(4) Furnished herewith.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 1, 2022

Angi Inc.

By: /s/ JEFFREY W. PEDERSEN
Jeffrey W. Pedersen
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on **March 1, 2022**:

Signature	Title
/s/ OISIN HANRAHAN Oisin Hanrahan	Chief Executive Officer and Director
/s/ JEFFREY W. PEDERSEN Jeffrey W. Pedersen	Chief Financial Officer
/s/ CHRISTOPHER W. BOHNERT Christopher W. Bohnert	Senior Vice President, Principal Accounting Officer
/s/ JOSEPH LEVIN Joseph Levin	Chairman of the Board and Director
/s/ THOMAS R. EVANS Thomas R. Evans	Director
/s/ ALESIA J. HAAS Alesia J. Haas	Director
/s/ KENDALL HANDLER Kendall Handler	Director
/s/ ANGELA R. HICKS BOWMAN Angela R. Hicks Bowman	Director
/s/ SANDRA HURSE Sandra Hurse	Director
/s/ JEREMY G. PHILIPS Jeremy G. Philips	Director
/s/ GLENN H. SCHIFFMAN Glenn H. Schiffman	Director
/s/ MARK STEIN Mark Stein	Director
/s/ SUZY WELCH Suzy Welch	Director
/s/ GREGG WINIARSKI Gregg Winiarski	Director

Schedule II

ANGI INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

scription	Balance at Beginning of Period	Charges to Earnings	Charges to Other Accounts	Deductions	Balance at End of Period
			(In thousands)		
21					
edit loss reserves	$ 26,046	$ 88,076 (a)	$ 92	$ (80,562) (c)	$ 33,652
venue reserves	1,793	117,239 (b)	—	(116,323) (d)	$ 2,709
ferred tax valuation allowance	77,076	(5,925) (e)	(4,525) (f)	—	$ 66,626
her reserves	7,495				$ 11,360
20					
edit loss reserves	$ 19,066	$ 78,229 (a)	$ (152)	$ (71,097) (c)	$ 26,046
venue reserves	1,227	103,627 (b)	—	(103,061) (d)	1,793
ferred tax valuation allowance	71,472	(235) (g)	5,839 (f)	—	77,076
her reserves	5,057				7,495
19					
edit loss reserves	$ 15,622	$ 64,278 (a)	$ (46)	$ (60,788) (c)	$ 19,066
venue reserves	981	111,069 (b)	(2)	(110,821) (d)	1,227
ferred tax valuation allowance	58,903	14,083 (h)	(1,514) (f)	—	71,472
her reserves	3,919				5,057

(a) Additions to the credit loss reserve are charged to expense.

(b) Additions to the revenue reserves are charged against revenue.

(c) Write-off of fully reserved accounts receivable balance, net of recoveries.

(d) Write-off of revenue reserve as credits are granted to customers.

(e) Amount is primarily related to a decrease in state and foreign NOLs.

(f) Amount is primarily related to currency translation adjustments on foreign NOLs.

(g) Amount is primarily related to an increase in foreign NOLs largely offset by a decrease in state NOLs.

(h) Amount is primarily related to foreign and state NOLs.

Exhibit 4.1

DESCRIPTION OF CAPITAL STOCK

The following is a description of our capital stock and does not purport to be complete. For a more detailed description of our capital stock, see the applicable provisions of the Delaware General Corporation Law (the "DGCL"), ANGI's amended and restated certificate of incorporation (the "Certificate of Incorporation") and ANGI's amended and restated bylaws (the "Bylaws"). This description is subject to, and qualified in its entirety by reference to, the DGCL, the Certificate of Incorporation and the Bylaws, all of which are incorporated by reference as exhibits to this Annual Report on Form 10-K, of which this Exhibit 4.1 is a part.

ANGI Authorized Capital Stock

Our authorized capital stock consists of 5,500,000,000 shares of stock, comprised of 2,000,000,000 shares of Class A Common Stock, par value $0.001 per share (“Class A Common Stock”), 1,500,000,000 shares of Class B Common Stock, par value $0.001 per share ("Class B Common Stock"), 1,500,000,000 shares of Class C Common Stock, par value $0.001 per share ("Class C Common Stock"), and 500,000,000 shares of preferred stock, par value $0.001 per share (“Preferred Stock”).

As of February 11, 2022, there were 79,607,313 shares of Class A Common Stock outstanding, 422,019,247 shares of Class B Common Stock outstanding and no shares of Class C Common Stock or preferred stock outstanding. The number of authorized shares of any class of stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the vote of the holders of a majority of the voting power of all then-outstanding shares of Class A Common Stock, Class B Common Stock and any outstanding series of preferred stock entitled to vote thereon, voting together as one class. Shares of Class A Common Stock are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and shares of Class B Common Stock are not registered pursuant to Section 12.

ANGI Common Stock

The rights of holders of Class A Common Stock, Class B Common Stock and Class C Common Stock are identical, except for the differences described below under "—Voting Rights," "—Dividend Rights" and "—Conversion Rights." Any authorized but unissued shares of Class A Common Stock, Class B Common Stock and Class C Common Stock are available for issuance by the ANGI board of directors without any further stockholder action, subject to any limitations imposed by the Marketplace Rules of The Nasdaq Stock Market, LLC (the "Nasdaq Rules").

Voting Rights

Holders of Class A Common Stock are entitled to one vote per share on all matters to be voted upon by stockholders. Holders of Class B Common Stock are entitled to ten votes per share on all matters to be voted upon by stockholders. Holders of Class C Common Stock are not entitled to any votes per share (except as, and then only to the extent, otherwise required by the laws of Delaware, in which case holders of Class C Common Stock are entitled to one one-hundredth of a vote per share). Holders of Class A Common Stock, Class B Common Stock and Class C Common Stock do not have cumulative voting rights in the election of directors.

Dividend Rights

Holders of Class A Common Stock, Class B Common Stock and Class C Common Stock are entitled to ratably receive dividends (other than in the event of a share distribution or an asset distribution, as further described below) if, as and when declared from time to time by the ANGI board of directors in its discretion out of funds legally available for that purpose, after payment of any dividends required to be paid on any outstanding preferred stock. Under Delaware law, we can only pay dividends either out of "surplus" or out of the current or the immediately preceding year's net profits. Surplus is defined as the excess, if any, at any given time, of the total assets of a corporation over its total liabilities and statutory capital. The value of a corporation's assets can be measured in a number of ways and may not necessarily equal their book value.

In a distribution of shares of ANGI common stock, we may distribute: (i) shares of Class C Common Stock (or securities convertible into or exercisable or exchangeable for shares of Class C Common Stock), on an equal per share basis, to holders of Class A Common Stock, Class B Common Stock and Class C Common Stock or (ii) (x) shares of Class A Common Stock (or securities convertible into or exercisable or exchangeable for shares of

Class A Common Stock), on an equal per share basis, to holders of Class A Common Stock, (y) shares of Class B Common Stock (or securities convertible into or exercisable or exchangeable for shares of Class B Common Stock), on an equal per share basis, to holders of Class B Common Stock and (z) shares of Class C Common Stock (or securities convertible into or exercisable or exchangeable for shares of Class C Common Stock), on an equal per share basis, to holders of Class C Common Stock.

In a distribution of any other of our securities or the capital stock or other securities of another person or entity, we may choose to distribute: (i) identical securities, on an equal per share basis, to holders of Class A Common Stock, Class B Common Stock and Class C Common Stock, (ii) a separate class or series of securities to holders of shares of Class A Common Stock, a separate class of securities to holders of shares of Class B Common Stock and a separate class or series of securities to holders of shares of Class C Common Stock, on an equal per share basis, (iii) a separate class or series of securities to holders of shares of Class B Common Stock and a different class or series of securities to holders of shares of Class A Common Stock and Class C Common Stock, on an equal per share basis or (iv) a separate class or series of securities to holders of shares of Class C Common Stock and a different class or series of securities to holders of shares of Class A Common Stock and Class B Common Stock, on an equal per share basis, provided that, in the case of clause (ii), (iii) or (iv), the different classes or series of securities to be distributed are not different in any respect other than their relative voting rights (and any related differences in designation, conversion, redemption and share distribution provisions, as applicable), with either (x) holders of shares of Class B Common Stock receiving the class or series of securities having the highest relative voting rights or (y) holders of shares of Class B Common Stock and Class A Common Stock receiving a class or series of securities having the highest relative voting rights. A dividend involving a class or series of securities of another person or entity may be treated as a share distribution or as an asset distribution as determined by our board of directors.

In a distribution of our assets (including shares of any class or series of capital stock of another person or entity owned by us) to holders of any class or classes of common stock, a dividend in cash and/or other property will be paid to holders of each other class of common stock then outstanding on an equal per share basis in an amount, in the case of a dividend consisting solely of cash, equal to the fair market value of such holders' ownership interest in the assets paid as a dividend pursuant to the asset distribution, or having a fair market value, in the case of any other dividend, equal to the fair market value of such holders' ownership interest in assets paid as a dividend pursuant to the asset distribution.

The ANGI board of directors has the power and authority to, in good faith, make all determinations regarding, among other things: (i) whether or not a dividend is an equal dividend per share or is declared and paid on an equal per share basis, (ii) whether one or more classes or series of securities differ in any respect other than their relative voting rights and (iii) any other interpretations that may be required under the dividend rights provisions of the ANGI Certificate of Incorporation described above.

Conversion Rights

Shares of Class B Common Stock are convertible into shares of Class A Common Stock at the option of the holder at any time on a share for share basis. The conversion ratio will in all events be equitably preserved in the event of any recapitalization of the Company by means of a stock dividend on, or a stock split or combination of, the outstanding shares of Class A Common Stock or of Class B Common Stock, or in the event of any merger, consolidation or other reorganization of the Company with another corporation. Upon the conversion of a share of Class B Common Stock into a share of Class A Common Stock, the applicable share of Class B Common Stock will be retired and will not be subject to reissue. Shares of Class A Common Stock and shares of Class C Common Stock have no conversion rights.

Liquidation Rights

Upon the liquidation, dissolution or winding up of ANGI , holders of Class A Common Stock, Class B Common Stock and Class C Common Stock are entitled to receive ratably the assets available for distribution to the stockholders after the rights of holders of shares of preferred stock have been satisfied.

Other Matters

Shares of Class A Common Stock, Class B Common Stock and Class C Common Stock have no preemptive rights pursuant to the terms of ANGI's Certificate of Incorporation and Bylaws. There are no redemption or sinking fund provisions applicable to shares of Class A Common Stock, Class B Common Stock or Class C Common Stock. All outstanding shares of Class A Common Stock and of Class B Common Stock are fully paid and non-assessable.

Listing

ANGI Class A Common Stock is listed on The Nasdaq Global Select Market under the symbol "ANGI."

Transfer Agent and Registrar

The transfer agent and registrar for ANGI Class A Common Stock is Computershare Trust Company, N.A.

Preferred Stock

Pursuant to ANGI's Certificate of Incorporation, shares of preferred stock are issuable from time to time, in one or more series, with the designations of the series, the voting rights of the shares of the series (if any), the powers, preferences and relative, participation, optional or other special rights (if any), and any qualifications, limitations or restrictions thereof as our board of directors from time to time may adopt by resolution (and without further stockholder approval, subject to any limitation imposed by Nasdaq Rules). The rights, preferences and privileges of such preferred stock may be greater than, and may adversely affect, the rights of our common stock. Each series will consist of that number of shares as will be stated and expressed in the certificate of designations providing for the issuance of the preferred stock of the series.

Anti-Takeover Effects of Provisions of the Certificate of Incorporation, Bylaws and Other Agreements

Certain provisions of the and certain provisions of ANGI's Certificate of Incorporation and Bylaws summarized below may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in such stockholder's best interests, including attempts that might result in a premium being paid over the market price for the shares held by our stockholders.

Multi-Class Structure

As discussed above, each share of Class B Common Stock has ten votes per share, while each share of Class A Common Stock (the only class of our stock that is publicly traded) has one vote per share. Except as provided in the ANGI Certificate of Incorporation or by the DGCL, the holders of Class A Common Stock and the holders of Class B Common Stock vote on all matters (including the election of directors) together as one class. Our Class C Common Stock, of which no shares are outstanding, do not have any voting rights. IAC owns and controls all of the outstanding shares of Class B Common Stock, which at this time constitutes a substantial majority of both the total voting power and the total number of shares of our total outstanding capital stock. Even if IAC in the future owns significantly less than 50% of our total outstanding capital stock, because of the multi-class structure of our common stock and the higher relative voting rights of Class B Common Stock compared to Class A Common Stock, IAC will be able to control all matters in which the Class A Common Stock and the Class B Common Stock vote together as one class that are submitted to our stockholders for approval. This concentrated control could discourage others from initiating any potential merger, takeover or other change of control transaction that other stockholders may view as beneficial.

Director Vacancies

The DGCL provides that board vacancies and newly created directorships may be filled by a majority of the directors then in office (even though less than a quorum) or by a sole remaining director unless: (i) otherwise provided in the certificate of incorporation or bylaws of the corporation or (ii) the certificate of incorporation directs that a particular class of stock is to elect such director, in which case a majority of the other directors elected by such class, or a sole remaining director elected by such class, will fill such vacancy.

ANGI's Bylaws provide that vacancies and newly created directorships may be filled by the vote of a majority of the remaining directors elected by the stockholders who vote on such directorship (even if less than a quorum) or the vote or written consent of a majority of the voting power of the shares of our stock issued and outstanding and entitled to vote on such directorship (subject to the provisions of the Investor Rights Agreement, dated September 29, 2017 (the "Investor Rights Agreement"), by and between ANGI and IAC, concerning two ANGI-Designated Directors (as such term is defined in the Investor Rights Agreement)).

No Cumulative Voting

Under the DGCL, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. ANGI’s Certificate of Incorporation does not provide for cumulative voting.

Special Meetings of Stockholders

Under the DGCL, a special meeting of stockholders may be called by the board of directors or by such other persons as may be authorized in the certificate of incorporation or the bylaws of the corporation.

ANGI’s Bylaws provide that special meetings of the stockholders may be called by the chairman of the ANGI board of directors or by a majority of ANGI directors. ANGI stockholders, however, may not call for a special meeting of stockholders.

Amending ANGI’s Certificate of Incorporation and Bylaws

Under the DGCL, a certificate of incorporation may be amended if: (i) the board of directors adopts a resolution setting forth the proposed amendment, declares the advisability of the amendment and directs that it be submitted to a vote at a meeting of stockholders (except that, unless required by the certificate of incorporation, no meeting or vote of stockholders is required to adopt an amendment for certain specified changes) and (ii) the holders of a majority of shares of stock entitled to vote on the matter approve the amendment, unless the certificate of incorporation requires the vote of a greater number of shares. If a class vote on the amendment is required by the DGCL, or by the certificate of incorporation, approval by a majority of the outstanding shares of stock of the class is required, unless a greater proportion is specified in the certificate of incorporation or by other provisions of the DGCL. The ANGI Certificate of Incorporation provides that we reserve the right to amend, alter, change or repeal any provision contained in such Certificate of Incorporation, as prescribed by the DGCL.

Under the DGCL, the board of directors may adopt, amend or repeal a corporation's bylaws if so authorized in the certificate of incorporation. The stockholders of a Delaware corporation also have the power to adopt, amend or repeal bylaws.

ANGI’s Certificate of Incorporation and Bylaws allow ANGI board of directors to adopt, amend or repeal ANGI's Bylaws by the vote of a majority of all directors. Under the Investor Rights Agreement, however, up until the date on which the 2022 annual meeting of our stockholders is held, IAC has agreed not to vote in favor of any amendments to the ANGI Certificate of Incorporation or Bylaws that would be inconsistent with certain provisions of the Investor Rights Agreement and would adversely affect the rights of holders of Class A Common Stock, other than as may be approved by the audit committee of the ANGI board of directors and a majority of the holders of Class A Common Stock.

Authorized but Unissued Shares

Delaware companies are permitted to authorize shares that may be issued in the future. A substantial number of unissued shares of ANGI Class A Common Stock, Class B Common Stock, Class C Common Stock and preferred stock are available for future issuances by the ANGI board of directors without stockholder approval, subject to any limitations imposed by Nasdaq Rules. Issuances of these shares could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of any authorized but unissued and unreserved Class A Common Stock, Class B Common Stock, Class C Common Stock and preferred stock could render more difficult or discourage an attempt to obtain control of ANGI by means of a proxy contest, tender offer, merger or otherwise.

Exclusive Jurisdiction

ANGI’s Bylaws provide that a state court located within Delaware, or if no state court located within Delaware has jurisdiction, the federal district court for the District of Delaware, shall be the exclusive forum for all of the following: (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim for or based on breach of fiduciary duty owed by any current or former director or officer or other employee of ANGI to us or to our stockholders, (iii) any action asserting a claim against ANGI or any of its current or former directors, officers or other employees pursuant to the DGCL, the ANGI Certificate of Incorporation or Bylaws, (iv) any action asserting a claim relating to or involving us that is governed by the internal affairs doctrine or (v) any action asserting an "internal corporate claim," as defined under the DGCL.

Limitation on Liability and Indemnification of Directors and Officers

Under the DGCL, subject to specified limitations in the case of derivative suits brought by a corporation's stockholders in its name, a corporation may indemnify any person who is made or is threatened to be made a party to any action, suit or proceeding on account of being a director, officer, employee or agent of the corporation (or was serving at the request of the corporation in such capacity for another corporation, partnership, joint venture, trust or other enterprise) against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, provided that there is a determination that: (i) the individual acted in good faith and in a manner the individual reasonably believed to be in or not opposed to the best interest of the corporation and (ii) in a criminal action or proceeding, the individual had no reasonable cause to believe his or her conduct was unlawful. Without court approval, however, no indemnification may be made in respect of any derivative action in which an individual is adjudged liable to the corporation, except to the extent the Delaware Court of Chancery or the court in which such action or suit was brought determines upon application that, despite the adjudication but in view of all the circumstances of the case, such person is fairly and reasonably entitled to be indemnified.

The DGCL requires indemnification of directors and officers for expenses (including attorneys' fees) actually and reasonably relating to a successful defense on the merits or otherwise of a derivative or third party action.

Under DGCL, a corporation may advance expenses relating to the defense of any proceeding to directors and officers upon the receipt of an undertaking by or on behalf of the individual to repay such amount if it is ultimately determined that such person is not entitled to be indemnified.

The DGCL permits the adoption of a provision in a corporation's certificate of incorporation limiting or eliminating the monetary liability of a director to a corporation or its stockholders by reason of a director's breach of the fiduciary duty of care. The DGCL does not permit any limitation of the liability of a director for: (i) breaching the duty of loyalty to the corporation or its stockholders, (ii) acts or omissions not in good faith, (iii) engaging in intentional misconduct or a known violation of law, (iv) obtaining an improper personal benefit from a transaction or (v) paying a dividend or approving a stock repurchase or redemption that was illegal under applicable law.

In addition, ANGI’s Certificate of Incorporation provides that it must indemnify its directors and officers to the fullest extent authorized by law. Under ANGI’s Bylaws, ANGI is also expressly required to advance certain expenses to its directors and officers and is permitted to carry directors' and officers' insurance providing indemnification for its directors and officers for some liabilities.

Waiver of Corporate Opportunity of IAC and Officers and Directors of IAC

The DGCL permits the adoption of a provision in a corporation's certificate of incorporation renouncing any interests or expectancy of a corporation in, or in being offered an opportunity to participate in, specified business opportunities or specified classes or categories of business opportunities that are presented to the corporation or one or more of its officers, director or stockholders.

ANGI’s Certificate of Incorporation includes a "corporate opportunity" provision that renounces any of its interests or expectancy: (i) to participate in any business of IAC or (ii) in any potential transaction or matter that may constitute a corporate opportunity for both (a) IAC and (b) ANGI. Under this provision, ANGI further recognizes that: (x) any of its directors or officers who are also officers, directors, employees or other affiliates of IAC or its affiliates (except that ANGI and its subsidiaries will not be deemed affiliates of IAC or its affiliates for the purposes of this provision) and (y) IAC itself has no duty to offer or communicate information regarding such a corporate opportunity. The provision generally provides that neither IAC nor our officers or directors who are also officers or directors of IAC or its affiliates will be liable to ANGI or its stockholders for breach of any fiduciary duty by reason of: (A) such person's participation in any business on behalf of IAC or (ii) the fact that any such person pursues or acquires any corporate opportunity for the account of IAC or its affiliates, directs or transfers such corporate opportunity to IAC or its affiliates, or does not communicate information regarding such corporate opportunity to ANGI. This renunciation does not extend to corporate opportunities expressly offered to ANGI officers or directors solely in their capacities as an officer and/or director of ANGI.

Exhibit 10.11

April 27, 2020

Bryan Ellis
Via email

Dear Bryan:

On behalf of HomeAdvisor, Inc. (the “Company” or “HomeAdvisor”), I am pleased to provide you with the following terms and conditions regarding your employment with the Company.

1. **Employment.** In your role as the Company’s Executive Vice President, Operations, you agree to devote your full business time, best efforts, skill, knowledge, attention and energies to the advancement of the Company’s business and interests and to the performance of your duties and responsibilities as an employee of the Company. You will report to Craig Smith, President & Chief Operating Officer, ANGI Homeservices, Inc. You agree to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein that may be adopted from time to time by the Company. Your employment will be based out of the Company’s headquarters in Denver, Colorado. Your employment is contingent upon receipt of proof of eligibility to work in the United States and a satisfactory background check. Your employment will begin on May 6, 2020, your start date.

2. **Base Salary.** In consideration of your services, as Executive Vice President, Operations, you will be paid an annual salary of $350,000.00, payable in accordance with the standard payroll practices and subject to all withholdings and deductions as required by law.

3. **Annual Discretionary Bonus.** During your employment with the Company, you will be eligible to receive discretionary annual bonuses (the “Annual Bonus”). The Annual Bonus shall be of a target amount equal to 100% of your base salary, and shall in all cases be determined by the Company in its sole discretion based on the factors it deems relevant, which may include, among other factors, the Company’s performance and your contribution and performance. With respect to calendar year 2020, your Annual Bonus shall not be less than 50% of the target amount, prorated for a partial year of service.

4. **Benefits.** You will be eligible to participate in benefit plans and programs in effect from time to time, in accordance with and subject to the eligibility and other provisions of such plans and programs. You are eligible to participate in the IAC Retirement Savings Plan (a 401(k) plan) per HomeAdvisor policies, and in the IAC Health and Welfare Benefit Plan according to the terms outlined in the benefit summary. As a convenience, you will be automatically enrolled in the IAC 401(k) with a pre-tax deferral rate of 6% of your eligible earnings, contributed via payroll deductions. IAC matches 50% of the first 6% of pre-tax contributions you make. Participation in the company’s health and welfare benefits will be effective on the first of the month following your start date. Benefits are subject to change at any time in the Company’s sole discretion.

5. **Vacation and Holidays.** You will be entitled to that number of days of vacation leave and sick leave per year that you determine is necessary in your reasonable discretion. In addition, you will be eligible for all Company Holidays, plus one additional Floating Holiday designated at the Company’s discretion upon hire.

6. **Restrictive Covenants.** During your employment by the Company, you agree not to improperly use or disclose any confidential information or trade secrets of any former employer or any other person to whom you have an obligation of confidentiality, or bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom you have an obligation of confidentiality unless consented to in writing by that former employer or person. You further agree that you will not breach any agreement with any party (including any prior employer) regarding non-solicitation, noncompetition, trade secrets, or proprietary information.

7. **No Conflict**. You represent that you are not bound by any employment contract, restrictive covenant or other restriction preventing you from carrying out your responsibilities for the Company, or which is in any way inconsistent with the terms of this letter. You further represent that you will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

8. **At-Will Employment.** You understand that you are not being offered employment for a definite period of time and that either you or the Company may terminate at will the employment relationship at any time and for any reason (or no reason whatsoever) without prior notice. This is not an employment agreement for any specified length of time.

9. **Equity.** If approved by the Company's Compensation Committee of the Board of Directors, you will be granted ANGI RSUs valued at approximately $1,000,000 which shall vest 1/4th on each of the first four anniversary dates of your vest start date, which will be May 6, 2020. The grant will be made pursuant to the Company's Amended and Restated Omnibus Incentive Plan.

10. **Termination of Employment**. Your employment may be terminated by either the Company or You at any time and for any reason or for no particular reason. You shall be entitled to the compensation and benefits described in this Paragraph 10 and shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

    a. Termination without Cause. In the event that (a) your employment is terminated by the Company without Cause (as defined below) and (b) within sixty (60) days following your termination date you timely execute and do not revoke a separation and release agreement drafted by and satisfactory to the Company (the "Separation Agreement"), the Company will provide you with severance pay equal to twelve (12) months of your then current base salary (the "Severance Payment"), payable in a lump sum on the Payment Commencement Date (as defined herein). The Severance Payment shall be paid or commence, as applicable, on the sixtieth (60th) day following your date of termination (the "Payment Commencement Date"); provided, however, that if by the 60th day following your date of termination the Severance Agreement has not become binding, then you shall not be entitled to the Severance Payment and the Severance Payment shall not be paid or commence. The Severance Payment shall be subject to the terms and conditions set forth below.

    b. Termination at Any Time for Cause or Without Good Reason. In the event that your employment is terminated at any time by the Company for Cause or you resign without Good Reason, you will be entitled only to your unpaid base salary through the date of your termination of employment, which shall be paid on the regular payday immediately following your termination date. You will not be entitled to any other compensation or consideration, including any bonus not yet paid, that you may have received had your employment with the Company not ceased.

    c. For purposes hereof, the term "Good Reason" shall mean one or more of the following conditions arising without your consent: (i) a material diminution in your base compensation; or (ii) a material diminution in your authority, duties, or responsibilities. To be entitled to terminate your employment for Good Reason, you must (i) provide written notice to the Company of the event or change you consider constitutes "Good Reason" within 30 calendar days following its occurrence, (ii) provide the Company with a period of at least 30 calendar days to cure the event or change, and (iii) if the Good Reason persists following the cure period, actually resign by written resignation letter within 90 calendar days following the event or change. For purposes hereof, "Cause" shall mean a determination by the Company (which determination shall not be arbitrary or capricious) that: (i) you were convicted of, or pled *nolo contendere* to, a felony (regardless of the nature of the felony), or any other crime involving theft, embezzlement, bribery, dishonesty, fraud, or moral turpitude, (ii) you engaged in or acted with willful misconduct (including, but not limited to, acts of fraud, criminal activity, or professional misconduct) in connection with the performance of your duties and responsibilities to the Company or any of its subsidiaries which was injurious to the Company or any of its subsidiaries, (iii) you acted with recklessness or criminal fraud in the performance of your duties, or (iv) you willfully breached any written agreement or obligation to the Company or any of its subsidiaries.

11. **Choice of Law.** This letter shall be interpreted, construed and governed by the laws of the State of Colorado, regardless of its place of execution or performance.

12. **Entire Understanding.** This letter supersedes all prior understandings and agreements, whether written or oral, relating to the terms of your employment. This letter shall not be assignable by you.

13. **Captions.** Captions and headings of the sections and Sections of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or Section.

14. **Counterparts**. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

If this letter correctly sets forth the terms of your employment with the Company, please sign this letter in the space provided below and return it to me.

Sincerely,

/s/ Craig Smith

Craig Smith

President & COO
ANGI Homeservices

The foregoing correctly sets forth the terms of my at-will employment with HomeAdvisor, Inc. I am not relying on any representations other than those set forth above.

/s/ Bryan Ellis
Bryan Ellis

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is entered into by and between Umang Dua ("Executive") and Angi Inc., a Delaware corporation (the "Company"), and is effective as of February 24, 2021 (the "Effective Date").

WHEREAS, the Company desires to establish its right to the services of Executive, in the capacity described below, on the terms and conditions hereinafter set forth, and Executive is willing to accept such employment on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Executive and the Company have agreed and do hereby agree as follows:

1A. EMPLOYMENT. During the Term (as defined below), the Company shall employ Executive, and Executive shall be employed, as Chief Revenue Officer - Angi Services, Angi Inc. During Executive's employment with the Company, Executive shall do and perform all services and acts necessary or advisable to fulfill the duties and responsibilities as are commensurate and consistent with Executive's position and shall render such services on the terms set forth herein. During Executive's employment with the Company, Executive shall report directly to the Chief Executive Officer of the Company (hereinafter referred to as the "Reporting Officer"). Executive shall have such powers and duties with respect to the Company as may reasonably be assigned to Executive by the Reporting Officer, to the extent consistent with Executive's position. Executive agrees to devote all of Executive's working time, attention and efforts to the Company and to perform the duties of Executive's position in accordance with the Company's policies as in effect from time to time. Notwithstanding anything to the contrary above, Executive may participate in civic and charitable activities, and may serve as member of the board of directors of such entities as may be approved from time to time in advance by the Reporting Officer, so long as such activities do not conflict with or interfere with Executive's performance of his duties hereunder or compete with or present an actual or apparent conflict of interest for the Company, which shall be determined by the Reporting Officer and/or the Chief Legal Officer of the Company in his/her good faith judgment.

2A. TERM. The term of this Agreement shall commence on the Effective Date and shall terminate on the first anniversary thereof (the "Initial Term"); provided, that certain terms and conditions herein may specify a greater period of effectiveness; and further provided that this Agreement shall automatically renew for additional one year terms (each a "Renewal Term", and collectively with the Initial Term, the "Term"), unless terminated by either party with written notice provided not less than ninety (90) days prior to the end of the then-current Term or Renewal Term (a "Notice of Non-Renewal").

Notwithstanding any other provision of this Agreement to the contrary, Executive's employment with the Company is "at-will" and may be terminated at any time for any reason or no reason, with or without cause, by the Company or Executive, with or without notice. During the Term, Executive's right to payments upon certain terminations of employment is governed by Section 1 of the Standard Terms and Conditions attached hereto. Following the expiration of the Term, upon the termination of Executive's employment, the Company shall have no further obligation hereunder, except for the payment of Accrued Obligations and such other payment obligations as may apply pursuant to Section 1 of the Standard Terms and Conditions.

3A. COMPENSATION.

(a) BASE SALARY. During the period that Executive is employed with the Company hereunder, the Company shall pay Executive an annual base salary of $400,000 (the "Base Salary"), payable in equal biweekly installments (or, if different, in accordance with the Company's payroll practice as in effect from time to time), which Base Salary may be increased, from time to time, as approved by the Compensation and Human Resources Committee of the Board (the "Compensation Committee"). For all purposes under this Agreement, the term "Base Salary" shall refer to the Base Salary as in effect from time to time.

(b) DISCRETIONARY BONUS. During the period that Executive is employed with the Company hereunder, Executive shall be eligible to receive discretionary annual bonuses (the "Annual Bonuses"). The Annual Bonuses shall be of a target amount equal to 100% of your Base Salary, and shall in all cases to be determined by the Compensation Committee in its sole discretion, based on the factors it deems relevant, which may include, among other factors, the Company's performance against various criteria (including its competition, its prior year results, achievement of established initiatives, etc.) and the contribution and performance of Executive.

(c) EQUITY AWARD. Executive shall be granted, under and subject to the provisions of the Company's 2017 Stock and Annual Incentive Plan (the "2017 Plan"), an award of 209,643 Company Restricted Stock Units (the "RSU Award"). The actual vesting and other terms and conditions of the RSU Award will be governed by the award notice and related terms and conditions attached as Exhibit A and the 2017 Plan. Executive shall remain eligible for future equity grants during the Term of his employment with the Company.

(d) BENEFITS. From the Effective Date through the date of termination of Executive's employment with the Company for any reason, Executive shall be entitled to participate in any welfare, health and life insurance and pension benefit programs as may be adopted from time to time by the Company on the same basis as that provided to similarly situated employees of the Company. Without limiting the generality of the foregoing, Executive shall be entitled to the following benefits:

(i) Reimbursement for Business Expenses. During the period that Executive is employed with the Company hereunder, the Company shall reimburse Executive for all reasonable, necessary and documented expenses incurred by Executive in performing Executive's duties for the Company, on the same basis as similarly situated employees generally and in accordance with the Company's policies as in effect from time to time; and

(ii) Vacation. During the period that Executive is employed with the Company hereunder, Executive shall be entitled to paid vacation each year, in accordance with the plans, policies, programs and practices of the Company applicable to similarly situated employees of the Company generally.

4A. NOTICES. All notices and other communications under this Agreement shall be in writing and shall be given by first-class mail, certified or registered with return receipt requested, or by hand delivery, or by overnight delivery by a nationally recognized carrier, in each case to the applicable address set forth below, and any such notice is deemed effectively given when received by the recipient (or if receipt is refused by the recipient, when so refused):

If to the Company: Angi Inc.
14023 Denver West Parkway, Suite 100
Golden, CO 80401
Attention: Chief Legal Officer

With a copy to:
IAC/InterActiveCorp
555 West 18th Street, 6th Floor New York, NY
10011 Attention: General Counsel

If to Executive: At the most recent address for Executive on file at the
Company.

Either party may change such party's address for notices by notice duly given pursuant hereto.

5A. GOVERNING LAW; JURISDICTION. This Agreement and the legal relations thus created between the parties hereto (including, without limitation, any dispute arising out of or related to this Agreement) shall be governed by and construed under and in accordance with the internal laws of the State of New York without reference to its principles of conflicts of laws.
Any such dispute will be heard and determined before an appropriate federal court located in the State of New York in New York County, or if not maintainable therein, then in an appropriate state court located in New York City, and each party hereto submits itself and its property to the non-exclusive jurisdiction of the foregoing courts with respect to such disputes. Each party hereto (i) agrees that service of process may be made by mailing a copy of any relevant document to the address of the party set forth above, (ii) waives to the fullest extent permitted by law any objection which it may now or hereafter have to the courts referred to above on the grounds of inconvenient forum or otherwise as regards any dispute between the parties hereto arising out of or related to this Agreement, (iii) waives to the fullest extent permitted by law any objection which it may now or hereafter have to the laying of venue in the courts referred to above as regards any dispute between the parties hereto arising out of or related to this Agreement and (iv) agrees that a judgment or order of any court referred to above in connection with any dispute between the parties hereto arising out of or related to this Agreement is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

6A. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

7A. STANDARD TERMS AND CONDITIONS. Executive expressly understands and acknowledges that the Standard Terms and Conditions attached hereto are incorporated herein by reference, deemed a part of this Agreement and are binding and enforceable provisions of this Agreement. References to “this Agreement” or the use of the term “hereof” shall refer to this Agreement and the Standard Terms and Conditions attached hereto, taken as a whole.

[The Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and delivered by its duly authorized officer and Executive has executed and delivered this Agreement on the Effective Date.

Angi Inc.

/s/ Oisin Hanrahan

By: Oisin Hanrahan
Title: Co founder & CEO

/s/ Umang Dua

Umang Dua

STANDARD TERMS AND CONDITIONS

1. TERMINATION OF EXECUTIVE’S EMPLOYMENT.

(a) DEATH. In the event Executive’s employment hereunder is terminated by reason of Executive’s death, the Company shall pay Executive’s designated beneficiary or beneficiaries, within thirty (30) days of Executive’s death in a lump sum in cash, (i) Executive’s Base Salary through the end of the month in which death occurs and (ii) any other Accrued Obligations (as defined in paragraph 1(f) below).

(b) DISABILITY. Only if, as a result of Executive’s incapacity due to physical or mental illness (“Disability”), Executive shall have been absent from the full-time performance of Executive’s duties with the Company for a period of four (4) consecutive months and, within thirty (30) days after written notice is provided to Executive by the Company (in accordance with Section 4A hereof), Executive shall not have returned to the full-time performance of Executive’s duties, Executive’s employment under this Agreement may be terminated by the Company for Disability. During any period prior to such termination during which Executive is absent from the full-time performance of Executive’s duties with the Company due to Disability, the Company shall continue to pay Executive’s Base Salary at the rate in effect at the commencement of such period of Disability, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company. Upon termination of Executive’s employment due to Disability, the Company shall pay Executive within thirty (30) days of such termination (i) Executive’s Base Salary through the end of the month in which termination occurs in a lump sum in cash, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company; and (ii) any other Accrued Obligations (as defined in paragraph 1(f) below).

(c) TERMINATION FOR CAUSE. Upon the termination of Executive’s employment by the Company for Cause (as defined below), the Company shall have no further obligation hereunder, except for the payment of any Accrued Obligations (as defined in paragraph 1(f) below). As used herein, “Cause” shall mean: (i) the plea of guilty or nolo contendere to, or conviction for, the commission of a felony offense by Executive; provided, however, that after indictment, the Company may suspend Executive from the rendition of services, but without limiting or modifying in any other way the Company’s obligations under this Agreement; (ii) a material breach by Executive of a fiduciary duty owed to the Company;
(iii) a material breach by Executive of any of the covenants made by Executive in any of Sections 2(a)-(e) hereof; (iv) the willful or gross neglect by Executive of the material duties required by this Agreement; or (v) a violation by Executive of any Company policy pertaining to ethics, wrongdoing or conflicts of interest; provided, that in the case of conduct described in clauses (iii), (iv) or (v) above which is capable of being cured, Executive shall have a period of fifteen (15) days after Executive is provided with written notice thereof in which to cure.

(d) TERMINATION BY THE COMPANY OTHER THAN FOR DEATH, DISABILITY OR CAUSE; RESIGNATION BY EXECUTIVE FOR GOOD REASON. If Executive's employment hereunder is terminated prior to the expiration of the Term by the Company for any reason other than Executive's death or Disability or for Cause or if Executive resigns for Good Reason (as defined below) prior to the expiration of the Term, then

(i) the Company shall continue to pay to Executive the Base Salary for 12 months from the date of such termination or resignation ("Severance Period"), payable in equal biweekly installments (or, if different, in accordance with the Company's payroll practice as in effect from time to time) over the course of such twelve (12) months;

(ii) any compensation awards of Executive based on, or in the form of, Company equity (e.g., restricted stock, restricted stock units, stock options or similar instruments) that are outstanding and unvested at the time of such termination but which would, but for such termination, have vested during the Severance Period shall vest as of the date of such termination of employment; provided that for these purposes, any equity awards with a vesting schedule less frequent than annual shall be treated as though the vesting occurred in equal annual installments and any portion of any such awards that would have vested by the end of the Severance Period (including any portion which would have vested prior to the date of termination of employment) shall vest as of the date of such termination of employment (e.g., if 100 restricted stock units were granted
1.7 years prior to the date of termination with a 5-year cliff vesting term then on the date of termination 40 of such units would vest); provided, further, that with respect to any awards subject to performance vesting requirements, the vesting of such awards shall in all events be subject to the satisfaction of the applicable performance goals; and

(iii) any then-vested options or stock appreciation rights of Executive (including any such awards vesting as a result of (iii) above) to acquire Company equity shall remain exercisable through the earlier of (A) the scheduled expiration date of such awards and (B) eighteen months following Executive's termination of employment; and

(iv) the Company shall pay Executive within thirty (30) days of the date of such termination or resignation in a lump sum in cash any Accrued Obligations (as defined in paragraph 1(f) below).

The payment to Executive of the severance benefits described in this Section 1(d) shall be subject to Executive's execution and non-revocation of a general release of the Company and its affiliates, in a form substantially similar to that used for similarly situated executives of the Company and its affiliates, such general release to be executed and promptly delivered to the Company (and in no event later than 21 days following Executive's termination of employment, or such longer period as may be required by applicable law) and Executive's compliance with the restrictive covenants set forth in Section 2 hereof. Such release shall make clear that Executive is not releasing his right to receive any termination benefits pursuant to this Section 1(d) above and/or under any equity incentive plan governing any outstanding equity award then held by Executive and/or any rights to indemnification or directors' and officers' liability insurance coverage. Executive acknowledges and agrees that the severance benefits described in this

Section 1(d) constitute good and valuable consideration for such release.

For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following without Executive's prior written consent: (A) the reduction in Executive's Base Salary constituting a material diminution in Executive's base compensation as determined for purposes of Section 409A and regulations thereunder, (B) a material diminution in Executive's title, duties or level of responsibilities as compared to those in effect as of the Effective Date, excluding for this purpose any such change that is an isolated and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive, (C) relocation of Executive's principal place of employment to a location outside of New York City, (D) the Company's breach of the compensation and benefits entitlements and/or liability coverage provisions, or (E) the requirement that Executive report to anyone other than the Chief Executive Officer or the Board of the Company; *provided*, *however*, that in no event shall Executive's resignation be for "Good Reason" unless (x) an event or circumstance set forth in clauses (A) through (E) above shall have occurred and Executive provides the Company with written notice thereof within thirty (30) days after Executive has initial knowledge of the occurrence or existence of such event or circumstance, which notice specifically identifies the event or circumstance that Executive believes constitutes Good Reason, (y) the Company fails to correct the event or circumstance so identified within thirty (30) days after the receipt of such notice and (z) Executive resigns within ninety (90) days after the date of delivery of the notice referred to in (x) above.

*Section 280G; Parachute Payments***.**

(a) If any payment or benefit Executive will or may receive from the Company or otherwise (a "280G Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then any such 280G Payment provided pursuant to this Agreement (a "Payment") shall be equal to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "Reduction Method") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "Pro Rata Reduction Method").

(b) Notwithstanding any provision of subsection (a) above to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (i) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (ii) as a second priority, Payments that are contingent on future events (e.g., being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (iii) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) Unless Executive and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the change in control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 1. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Executive and the Company within 15 calendar days after the date on which Executive's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company.

(e) OFFSET. If Executive obtains other employment during the period of time in which the Company is required to make payments to Executive pursuant to Section 1(d)(i) above, the amount of any such remaining payments or benefits to be provided to Executive shall be reduced by the amount of compensation and benefits earned by Executive from such other employment through the end of such period. For purposes of this Section 1(e), Executive shall have an obligation to inform the Company regarding Executive's employment status following termination and during the period of time in which the Company is making payments to Executive under Section 1(d)(i) above.

(f) ACCRUED OBLIGATIONS. As used in this Agreement, "Accrued Obligations" shall mean the sum of (i) any portion of Executive's accrued but unpaid Base Salary through the date of death or termination of employment for any reason, as the case may be; (ii) any compensation previously earned but deferred by Executive (together with any interest or earnings thereon) that has not yet been paid and that is not otherwise to be paid at a later date pursuant to the executive deferred compensation plan of the Company, if any, and (iii) any reimbursements that Executive is entitled to receive under Section 3A(d)(i) of the Agreement

(g) NOTICE OF NON-RENEWAL. If the Company delivers a Notice of Non- Renewal to Executive then, provided Executive offers reasonable transition of his duties as may be requested by the Company (which such transition shall not extend beyond the then-current expiration date of the Term), effective as of Executive's separation from service from the Company, Executive shall have the same rights and obligations hereunder as if the Company had terminated Executive's employment without Cause.

2. CONFIDENTIAL INFORMATION; NON-COMPETITION; NON-SOLICITATION; AND PROPRIETARY RIGHTS.

(a) CONFIDENTIALITY. Executive acknowledges that, while employed by the Company, Executive will occupy a position of trust and confidence. The Company, its subsidiaries and/or affiliates shall provide Executive with “Confidential Information” as referred to below. Executive shall not, except as may be required to perform Executive’s duties hereunder or as required by applicable law, without limitation in time, communicate, divulge, disseminate, disclose to others or otherwise use, whether directly or indirectly, any Confidential Information regarding the Company and/or any of its subsidiaries and/or affiliates.

“Confidential Information” shall mean information about the Company or any of its subsidiaries or affiliates, and their respective businesses, employees, consultants, contractors, clients and customers that is not disclosed by the Company or any of its subsidiaries or affiliates for financial reporting purposes or otherwise generally made available to the public (other than by Executive’s breach of the terms hereof) and that was learned or developed by Executive in the course of employment by the Company or any of its subsidiaries or affiliates, including (without limitation) any proprietary knowledge, trade secrets, data, formulae, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information. Confidential Information shall not include information that is the product of Executive’s general knowledge, education, training and/or experience or in the public domain through no fault of Executive. Executive acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company and its subsidiaries or affiliates, and that such information gives the Company and its subsidiaries or affiliates a competitive advantage. Executive agrees to deliver or return to the Company, at the Company’s request at any time or upon termination or expiration of Executive’s employment or as soon thereafter as possible, all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the Company and its subsidiaries or affiliates or prepared by Executive in the course of Executive’s employment by the Company and its subsidiaries or affiliates. As used in this Agreement, “subsidiaries” and “affiliates” shall mean any company controlled by, controlling or under common control with the Company. In accordance with the Defend Trade Secrets Act of 2016, Executive understands Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to any attorney, and (B) solely for the purpose of reporting or investigating suspected violation of law: or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition nothing in this Agreement limits Executive’s ability to communicate with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (each a “Government Agency” and together, the “Government Agencies”) or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Executive’s right to receive an award for information provided to any Government Agencies.

NON-COMPETITION. In consideration of this Agreement, and other good and valuable consideration provided hereunder, the receipt and sufficiency of which are hereby acknowledged by Executive, Executive hereby agrees and covenants that, during Executive's employment hereunder and for a period of twelve (12) months thereafter (the "Restricted Period"), Executive shall not, without the prior written consent of the Company, directly or indirectly, engage in or become associated with a Competitive Activity.

For purposes of this Section 2(b), (i) a "Competitive Activity" means any business or other endeavor involving Similar Products if such business or endeavor is in a country (including the United States) in which the Company (or any of its businesses) provides or planned to provide during the twelve (12) month period preceding the last date of Executive's employment hereunder such Similar Products; (ii) "Similar Products" means any products or services that are the same or similar to any of the types of products or services that the Company (or any of its businesses) provides, has provided or actively planned to provide during the twelve (12) month period preceding the last date of Executive's employment hereunder; and (iii) Executive shall be considered to have become "associated with a Competitive Activity" if Executive becomes directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, member, advisor, lender, consultant or in any other individual or representative capacity with any individual, partnership, corporation or other organization that is engaged in a Competitive Activity.

Executive acknowledges that Executive's covenants under this Section 2(b) are a material inducement to the Company's entering into this Agreement. Further, Executive acknowledges that the restrictions set forth in this provision are reasonable and not greater than necessary to protect and maintain the proprietary and other legitimate business interests of the Company, and that the enforcement of these restrictions would not prevent Executive from earning a livelihood.

Notwithstanding the foregoing, Executive may make and retain investments during the Restricted Period, for investment purposes only, in less than one percent (1%) of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if the stock of such corporation is either listed on a national stock exchange or on the NASDAQ National Market System if Executive is not otherwise affiliated with such corporation. In addition, the provisions of this Agreement shall not be violated by Executive commencing employment with a subsidiary, division or unit of any entity that engages in a Competitive Activity so long as Executive and such subsidiary, division or unit does not engage in a business in the Competitive Activity.
Executive acknowledges that Executive's covenants under this Section 2(b) are a material inducement to the Company's entering into this Agreement.

(b) NON-SOLICITATION OF EMPLOYEES. Executive recognizes that Executive will possess Confidential Information about other employees, consultants and contractors of the Company and its subsidiaries or affiliates relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with suppliers to and customers of the Company and its subsidiaries or affiliates. Executive recognizes that the information Executive will possess about these other employees, consultants and contractors is not generally known, is of substantial value to the Company and its subsidiaries or affiliates in developing their respective businesses and in securing and retaining customers, and will be acquired by

Executive because of Executive's business position with the Company. Executive agrees that, during Executive's employment hereunder and for a period of twelve (12) months thereafter, Executive will not, directly or indirectly, hire or solicit or recruit any employee of (i) the Company and/or (ii) its subsidiaries and/or affiliates with whom Executive has had direct contact during Executive's employment hereunder, in each case, for the purpose of being employed by Executive or by any business, individual, partnership, firm, corporation or other entity on whose behalf Executive is acting as an agent, representative or employee and that Executive will not convey any such Confidential Information or trade secrets about employees of the Company or any of its subsidiaries or affiliates to any other person except within the scope of Executive's duties hereunder.

(c) NON-SOLICITATION OF BUSINESS PARTNERS. During Executive's employment hereunder, and for a period of twelve (12) months thereafter, Executive shall not, without the prior written consent of the Company, persuade or encourage any business partners or business affiliates of (i) the Company and/or (ii) any of its subsidiaries and/or affiliates with whom Executive has direct contact during his employment hereunder, in each case, to cease doing business with the Company and/or any of its subsidiaries and/or affiliates or to engage in any business competitive with the Company and/or its subsidiaries and/or affiliates. Notwithstanding the foregoing, the provisions of this Agreement shall not be violated by (A) general advertising or solicitation not specifically targeted at Company-related persons or entities or (B) Executive serving as a reference for any employee of the Company.

(d) PROPRIETARY RIGHTS; ASSIGNMENT. All Employee Developments (defined below) shall be considered works made for hire by Executive for the Company or, as applicable, its subsidiaries or affiliates, and Executive agrees that all rights of any kind in any Employee Developments belong exclusively to the Company. In order to permit the Company to exploit such Employee Developments, Executive shall promptly and fully report all such Employee Developments to the Company. Except in furtherance of Executive's obligations as an employee of the Company, Executive shall not use or reproduce any portion of any record associated with any Employee Development without prior written consent of the Company or, as applicable, its subsidiaries or affiliates. Executive agrees that in the event actions of Executive are required to ensure that such rights belong to the Company under applicable laws, Executive will cooperate and take whatever such actions are reasonably requested by the Company, whether during or after the Term, and without the need for separate or additional compensation. "Employee Developments" means any idea, know-how, discovery, invention, design, method, technique, improvement, enhancement, development, computer program, machine, algorithm or other work of authorship, developed, conceived or reduced to practice during the period of employment, that (i) concerns or relates to the actual or anticipated business, research or development activities, or operations of the Company or any of its subsidiaries or affiliates, or
(ii) results from or is suggested by any undertaking assigned to Executive or work performed by Executive for or on behalf of the Company or any of its subsidiaries or affiliates, whether created alone or with others, during or after working hours, or (iii) uses, incorporates or is based on Company equipment, supplies, facilities, trade secrets or inventions of any form or type. All Confidential Information and all Employee Developments are and shall remain the sole property of the Company or any of its subsidiaries or affiliates. Executive shall acquire no proprietary interest in any Confidential Information or Employee Developments developed or acquired during the Term. To the extent Executive may, by operation of law or otherwise, acquire any

right, title or interest in or to any Confidential Information or Employee Development, Executive hereby assigns and covenants to assign to the Company all such proprietary rights without the need for a separate writing or additional compensation. Executive shall, both during and after the Term, upon the Company's request, promptly execute, acknowledge, and deliver to the Company all such assignments, confirmations of assignment, certificates, and instruments, and shall promptly perform such other acts, as the Company may from time to time in its discretion deem necessary or desirable to evidence, establish, maintain, perfect, enforce or defend the Company's rights in Confidential Information and Employee Developments.

(e) COMPLIANCE WITH POLICIES AND PROCEDURES. During the period that Executive is employed with the Company hereunder, Executive shall adhere to the policies and standards of professionalism set forth in the policies and procedures of the Company and IAC as they may exist from time to time.

(g) SURVIVAL OF PROVISIONS. The obligations contained in this Section 2 shall, to the extent provided in this Section 2, survive the termination or expiration of Executive's employment with the Company and, as applicable, shall be fully enforceable thereafter in accordance with the terms of this Agreement. If it is determined by a court of competent jurisdiction that any restriction in this Section 2 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by applicable law.

3. ASSIGNMENT; SUCCESSORS. This Agreement is personal in its nature and none of the parties hereto shall, without the consent of the others, assign or transfer this Agreement or any rights or obligations hereunder; provided, that the Company may assign this Agreement to, or allow any of its obligations to be fulfilled by, or take actions through, any affiliate of the Company and, in the event of the merger, consolidation, transfer, or sale of all or substantially all of the assets of the Company (a "Transaction") with or to any other individual or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder, and in the event of any such assignment or Transaction, all references herein to the "Company" shall refer to the Company's assignee or successor hereunder.

4. WITHHOLDING. The Company shall make such deductions and withhold such amounts from each payment and benefit made or provided to Executive hereunder, as may be required from time to time by applicable law, governmental regulation or order.

5. SECTION 409A OF THE INTERNAL REVENUE CODE.

(a) This Agreement is not intended to constitute a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the rules and regulations issued thereunder ("Section 409A"). It is intended that any amounts payable under this Agreement and the Company's and Executive's exercise of authority or discretion hereunder shall comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent. In no event shall the Company be required to pay Executive any "gross-up" or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any benefit paid to Executive hereunder.

(b) For purposes of this Agreement, a "Separation from Service" occurs when Executive dies, retires or otherwise has a termination of employment with the Company that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder.

(c) If Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of Executive's Separation from Service, Executive shall not be entitled to any payment or benefit pursuant to Section 1(d) that constitutes nonqualified deferred compensation under Section 409A until the earlier of (i) the date which is six (6) months after his Separation from Service for any reason other than death, or (ii) the date of Executive's death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A. Any amounts otherwise payable to Executive upon or in the six (6) month period following Executive's Separation from Service that are not so paid by reason of this Section 5(c) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after Executive's Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of Executive's death).

(d) To the extent that any reimbursement pursuant to this Agreement is taxable to Executive, Executive shall provide the Company with documentation of the related expenses promptly so as to facilitate the timing of the reimbursement payment contemplated by this paragraph, and any reimbursement payment due to Executive pursuant to such provision shall be paid to Executive on or before the last day of Executive's taxable year following the taxable year in which the related expense was incurred. Such reimbursement obligations pursuant to this Agreement are not subject to liquidation or exchange for another benefit and the amount of such benefits that Executive receives in one taxable year shall not affect the amount of such benefits that Executive receives in any other taxable year.

(e) The Company and Executive agree to negotiate in good faith to make amendments to the Agreement, as the parties mutually agree are necessary or desirable to avoid the imposition of taxes, penalties or interest under Section 409A. Notwithstanding the foregoing, the Company does not guaranty any particular tax effect. In no event shall the Company be required to pay Executive any "gross-up" or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any benefit paid to Executive hereunder. The Company agrees to take any reasonable steps requested by Executive to avoid adverse tax consequences to Executive as a result of any benefit to Executive hereunder being subject to Section 409A, provided that Executive shall, if requested, reimburse the Company for any incremental costs (other than incidental costs) associated with taking such steps. All payments to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" under Section 409A.

(f) Neither the Company nor Executive shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(g) For purposes of Section 409A, Executive's right to receive any "installment" payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

6. HEADING REFERENCES. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. References to "this Agreement" or the use of the term "hereof" shall refer to these Standard Terms and Conditions and the Employment Agreement attached hereto, taken as a whole.

7. REMEDIES FOR BREACH. Executive expressly agrees and understands that Executive will notify the Company in writing of any alleged breach of this Agreement by the Company, and the Company will have thirty (30) days from receipt of Executive's notice to cure any such breach. Executive expressly agrees and understands that in the event of any termination of Executive's employment by the Company during the Term, the Company's contractual obligations to Executive shall be fulfilled through compliance with its obligations under Section 1 of the Standard Terms and Conditions.

Executive expressly agrees and understands that the remedy at law for any breach by Executive of Section 2 of the Standard Terms and Conditions will be inadequate and that damages flowing from such breach are not usually susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon Executive's violation of any provision of such Section 2, the Company shall be entitled to seek from any court of competent jurisdiction immediate injunctive relief and seek a temporary order restraining any threatened or further breach as well as an equitable accounting of all profits or benefits arising out of such violation.
Nothing shall be deemed to limit the Company's remedies at law or in equity for any breach by Executive of any of the provisions of this Agreement, including Section 2, which may be pursued by or available to the Company.

8. WAIVER; MODIFICATION. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquish- ment of such right or power at any other time or times. This Agreement shall not be modified in any respect except by a writing executed by each party hereto.

9. SEVERABILITY. In the event that a court of competent jurisdiction determines that any portion of this Agreement is in violation of any law or public policy, only the portions of this Agreement that violate such law or public policy shall be stricken. All portions of this Agree- ment that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Agreement shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties under this Agreement.

10. TERMINATION OF PRIOR AGREEMENTS. This Agreement constitutes the entire agreement between the parties and, as of the Effective Date, terminates and supersedes the existing employment agreement, dated as of September 29, 2018, as amended, by and between Executive and Handy Technologies, Inc. Executive acknowledges and agrees that neither the Company nor anyone acting on its behalf has made, and is not making, and in executing this Agreement, Executive has not relied upon any representations, promises or inducements except to the extent the same is expressly set forth in this Agreement.

11. INDEMNIFICATION. The Company shall indemnify, defend and hold Executive harmless for acts and omissions in Executive's capacity as an officer, director or employee of the Company to the maximum extent permitted under applicable law and the organizational documents of the Company, including, without limitation, any and all expenses (including, without limitation, advancement and payment of reasonable attorneys' fees) and losses arising out of or relating to any of Executive's actual or alleged acts and/or omissions; provided, however, that neither the Company, nor any of its subsidiaries or affiliates shall indemnify Executive for any losses incurred by Executive as a result of acts described in Section 1(c) of this Agreement. These indemnification obligations shall survive the termination of this Agreement and Executive's employment and service with the Company and its affiliates.

[The Signature Page Follows]

ACKNOWLEDGED AND AGREED:

Date: 5/4/2021

Angi Inc.

/s/ Oisin Hanrahan

By: Oisin Hanrahan

Title: Co founder & CEO

/s/ Umang Dua

Umang Dua

Exhibit A

The following sets forth terms that apply to the restricted stock unit awards approved by the Executive Compensation Committee, unless otherwise specifically stated at the time of presentation of an award.

Award Holder	Umang Dua
Award Amount	209,643 restricted stock units (“RSUs”) under the Angi Inc. 2017 Stock and Annual Incentive Plan (the “2017 Plan”). Capitalized terms used (but not defined) in this Award Notice shall have the meanings set forth in the 2017 Plan.
Award Date	The date approved by the Compensation Committee (the date on which the last director executes the written consent)
Vest Start Date	February 24, 2021
Vesting Schedule	Subject to Executive’s continued employment with Angi Inc. or its subsidiaries, Executive’s RSU award shall, subject to the provisions of the 2017 Plan and the provisions of Executive’s Employment Agreement (including without limitation Section 1(d)(ii) of the Terms and Conditions attached thereto), vest on the 24-month anniversary of the Vest Start Date.
Termination	• Except as provided in Executive’s Employment Agreement (including without limitation Section 1(d)(ii) of the Terms and Conditions attached thereto), all unvested RSUs shall be forfeited and canceled in their entirety upon such termination for any reason. • In addition, upon termination for Cause or resignation in anticipation of being terminated for Cause, all RSUs shall be forfeited and canceled in their entirety upon such termination or resignation. In addition, if following any termination of employment for any reason, the Company becomes aware that during the two- year period prior to such termination there was an event or circumstance that constituted fraud (financial or otherwise) or that would have been grounds for termination for Cause that caused, or is reasonably likely to cause, meaningful damage (economic, reputational or otherwise) to the Company and/or any of its affiliates (the “Underlying Event”), then all RSUs that remain outstanding shall be canceled and forfeited in their entirety and if any portion of the RSUs vested after the Underlying Event, the Company shall be entitled to recover at any time within two years after such exercise any value received upon vesting.
Change in Control	• Change in Control as defined in the 2017 Plan. • 100% acceleration of vesting for all RSUs if, during the two-year period following a Change in Control, Executive’s employment is terminated by the Company other than for Cause or Executive resigns for Good Reason (as such terms are defined in the 2017 Plan).

Impact of Corporate Transactions on Award	• In the event of a Corporate Transaction or Share Change (as such terms are defined in the 2017 Plan), the Committee may and shall, respectively, adjust the Awards as it deems equitable and appropriate in accordance with the 2017 Plan. • In the event of any other transaction that results in the common stock of the Company no longer being publicly traded, the Committee shall have the ability to adjust the Awards as it deems equitable and appropriate in a manner it determines in its sole discretion. In any such case, equitable and appropriate adjustments may include, without limitation: (a) the substitution of shares of ANGI Class A common stock underlying the Awards with publicly-traded shares of the ultimate parent of the Company; or (b) the creation of a valuation and/or liquidity mechanism for the underlying shares of ANGI Class A common stock underlying the awards which are no longer publicly traded.
Dividend Rights	No cash dividends will be paid on RSUs and/or on the shares of ANGI Class A common stock underlying the RSUs. Stock dividends, distributions and extraordinary, significant non-recurring cash dividends may result in an adjustment to the number of RSUs, as determined by the Committee or the Board and as further provided by the 2017 Plan.
Form of Payout	Vested RSUs are settled in the form of shares of ANGI Class A common stock.
Withholding Taxes	Upon vesting, RSUs are settled net of amounts necessary to cover withholding taxes, with shares of ANGI Class A common stock withheld from vested awards.
Terms and Conditions:	Executive’s RSU award is subject to the related Terms and Conditions and to the 2017 Plan, which are incorporated herein by reference. To the extent there is any inconsistency between this Term Sheet and the 2017 Plan, the terms of this Term Sheet shall govern. Copies of these documents are also available upon request from Angi Inc. Human Resources. Without a complete review of these documents, Executive will not have a full understanding of all the material terms of Executive’s RSU award.

Exhibit 21.1

Angi Inc. Subsidiaries
As of December 31, 2021

Entity	Jurisdiction of Formation
AHWC, Inc.	Delaware
AL Real Estate Holdings, LLC	Indiana
ANGI Group, LLC	Delaware
Angi Roofing, LLC	Delaware
Angie’s List, Inc.	Delaware
CraftJack Inc.	Illinois
Fixd Repair, LLC	Texas
Fixd Services, LLC	Texas
HAI Holding BV	Netherlands
Handy Platform Limited	Ireland
Handy Technologies, Inc.	Delaware
HandyBook Canada ULC	Canada
Handy Contracting, LLC	Delaware
HomeAdvisor Contracting, LLC	Delaware
Home Advisor Limited	England and Wales
HomeAdvisor GmbH	Germany
HomeAdvisor International, LLC	Delaware
HomeAdvisor, Inc.	Delaware
HomeStars, Inc.	Canada
ImproveNet, Inc.	Delaware
Instapro I AG	Germany
Instapro II AG	Germany
MH Handwerksleistungen Berlin UG	Germany
Mhelpdesk, Inc.	Delaware
Mile High Insights, LLC	Delaware
MyBuilder Limited	England and Wales
MyBuilder Plus Limited	England and Wales
MyHammer AG	Germany
MyHammer Holding AG	Germany
ServiceMagic GmbH	Germany
Travaux.com S.à.r.l.	France
We are Mop! Limited	England and Wales
Werkspot BV	Netherlands

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following registration statements (and amendments thereto):

(1) Registration Statement (Form S-3, No. 333-227932) of ANGI Homeservices Inc (Angi Inc.)

(2) Registration Statement (Form S-8, No. 333-220788) pertaining to ANGI Homeservices Inc. (Angi Inc.) 2017 Stock and Annual Incentive Plan; and

(3) Registration Statement (Form S-4, No. 333-219064) of ANGI Homeservices Inc. (Angi Inc.)

of our reports dated March 1, 2022, with respect to the consolidated financial statements and schedule of Angi Inc. and subsidiaries, and the effectiveness of internal control over financial reporting of Angi Inc. and subsidiaries, included in this Annual Report (Form 10-K) of Angi Inc. and subsidiaries for the year ended December 31, 2021.

/s/ ERNST & YOUNG LLP

New York, New York
March 1, 2022

Exhibit 31.1

Certification

I, Oisin Hanrahan, certify that:

1. I have reviewed this quarterly report on Form 10-K for the quarter ended December 31, 2021 of Angi Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 1, 2022

/s/ OISIN HANRAHAN
Oisin Hanrahan
Chief Executive Officer

Exhibit 31.2

Certification

I, Jeffrey W. Pedersen, certify that:

1. I have reviewed this quarterly report on Form 10-K for the quarter ended December 31, 2021 of Angi Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 1, 2022

/s/ JEFFREY W. PEDERSEN
Jeffrey W. Pedersen
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Oisin Hanrahan, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-K for the fiscal quarter ended December 31, 2021 of Angi Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Angi Inc.

Dated: March 1, 2022

/s/ OISIN HANRAHAN
Oisin Hanrahan
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey W. Pedersen, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-K for the fiscal quarter ended December 31, 2021 of Angi Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Angi Inc.

Dated: March 1, 2022

/s/ JEFFREY W. PEDERSEN
Jeffrey W. Pedersen
Chief Financial Officer