CRITEO S.A.

Société Anonyme

32, rue Blanche
75009 Paris

Statutory Auditors' report
on the consolidated financial statements

Year ended December 31, 2015

RBB Business Advisors
133 bis, rue de l'Université
75007 Paris

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185 avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report.

This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

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32, rue Blanche
75009 Paris

Statutory Auditors' report
on the consolidated financial statements

Year ended December 31, 2015

Following our appointment as Statutory Auditors by your General Meeting, we hereby report to you, for the year ended December 31, 2015 on:

- the audit of the accompanying consolidated financial statements of Criteo S.A. (the "Company" or the "Group");
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting policies used and significant accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities, and of the financial position of the Group comprising the entities included in the scope of consolidation and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

2 Justification of assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code, we have made our own assessments which are brought to your attention, in relation to the following matters: (i) paragraphs “Use of Estimates” and “Income Tax” in note 3 Accounting Policies to the consolidated financial statements presenting significant judgments and estimates applied by management, as well as the recognition and measurement policies related to the research tax credit (*Credit d’Impôt Recherche*) and deferred tax assets (note 10 to the consolidated financial statements).

Our procedures consisted in assessing these estimates, the data and assumptions on which they are based, reviewing the procedures for approving these judgments and estimates by management, reviewing, on a test basis, the calculations performed by the Company, and verifying that the notes to the consolidated financial statements provide appropriate disclosures on the assumptions and choices made by the Company.

As indicated in the notes to the consolidated financial statements, these estimates are based upon assumptions and it may be possible that actual results could differ from those estimates.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information relating to the Group, given in the management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, February 26, 2016

The Statutory Auditors

RBB Business Advisors	Deloitte & Associés
Jean-Baptiste Bonnefoux	Anthony Maarek

English Translation Provided For Information Purposes Only
In case of discrepancies between this translation and French original, French original shall prevail

Consolidated financial statements for the year ended December 31, 2015

Contents

CONSOLIDATED STATEMENT OF INCOME

(In thousands of euros)	Notes	December 31, 2013	December 31, 2014	December 31, 2015
Revenue	*5*	**443 960**	**745 081**	**1 193 414**
Traffic acquisition costs	6	(264 952)	(441 427)	(711 755)
Other cost of revenue	6	(21 956)	(36 150)	(56 100)
Gross Profit		**157 052**	**267 504**	**425 559**
Research and development expenses	*6/7*	(32 175)	(45 293)	(78 313)
Sales and operations expenses	*6/7*	(82 816)	(133 393)	(206 325)
General and administrative expenses	*6/7*	(31 387)	(48 788)	(71 386)
Income from Operations		**10 674**	**40 030**	**69 535**
Financial income (expense)	*9*	(6 868)	8 587	(4 094)
Income before taxes		**3 806**	**48 617**	**65 441**
Provision for income taxes	*10*	(2 413)	(13 253)	(8 689)
Net income		**1 393**	**35 364**	**56 752**
- Attributable to shareholders of Criteo SA		1 065	34 354	54 296
- Attributable to non-controlling interests		328	1 010	2 456
Basic earnings per share (in € per share)	*20*	0.02	0.58	0.88
Diluted earnings per share (in € per share)	*20*	0.02	0.55	0.84

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

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Net income	**1 393**	**35 364**	**56 752**
Foreign currency translation differences, net of taxes	1 317	3 376	7 014
- Foreign currency translation differences	*1 317*	*3 376*	*7 014*
- Income tax effect	-	-	-
Actuarial gain or loss on employee benefits, net of taxes	(40)	328	95
- Actuarial gain or loss on employee benefits	*(47)*	*386*	*115*
- Income tax effect	*7*	*(58)*	*(20)*
Financial intruments, net of taxes	(83)	-	-
- Change in fair value of financial instruments	*(98)*	-	-
- Income tax effect	*15*	-	-
COMPREHENSIVE INCOME (LOSS)	**2 587**	**39 068**	**63 861**
- Attributable to shareholders of Criteo SA	2 254	38 102	61 185
- Attributable to non-controlling interests	333	966	2 676

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of euros)	Notes	December 31, 2013	December 31, 2014	December 31, 2015
Goodwill	12	4 191	22 944	38 553
Intangible assets	*13*	6 624	10 560	15 126
Property, plant and equipment	*14*	24 716	43 027	75 762
Non-current financial assets	*15*	7 627	9 494	15 784
Deferred tax assets	*10*	4 486	7 113	18 432
TOTAL NON-CURRENT ASSETS		**47 644**	**93 138**	**163 657**
Trade and other receivables	*16*	87 643	158 633	240 264
Current tax assets	*10*	8 014	2 883	2 500
Other current assets	*17*	13 466	21 021	41 944
Cash and cash equivalents	*18*	234 343	289 784	324 733
TOTAL CURRENT ASSETS		**343 466**	**472 321**	**609 441**
TOTAL ASSETS		**391 110**	**565 459**	**773 098**

(In thousands of euros)	Notes	December 31, 2013	December 31, 2014	December 31, 2015
Share capital	*19*	1 421	1 523	1 562
Additional paid-in capital		241 468	265 522	277 901
Currency translation adjustment		1 384	4 804	11 598
Consolidated reserves		19 523	35 302	90 997
Retained earnings		1 065	34 354	54 296
Equity - attributable to shareholders of Criteo SA		**264 861**	**341 505**	**436 354**
Non-controlling interests		213	1 433	4 315
TOTAL EQUITY		**265 074**	**342 938**	**440 669**
Financial liabilities - non-current portion	*22*	6 119	4 333	3 005
Retirement benefit obligations	*21*	925	1 024	1 327
Deferred tax liabilities		303	946	132
TOTAL NON-CURRENT LIABILITIES		**7 347**	**6 303**	**4 464**
Financial liabilities - current portion	*22*	5 197	7 841	6 573
Provisions	*24*	830	1 131	614
Trade and other payables		75 889	135 557	226 304
Current tax liabilities		1 549	7 969	14 113
Other current liabilities	*25*	35 224	63 719	80 361
TOTAL CURRENT LIABILITIES		**118 689**	**216 217**	**327 965**
TOTAL EQUITY AND LIABILITIES		**391 110**	**565 459**	**773 098**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of euros)	Notes	December 31, 2013	December 31, 2014	December 31, 2015
Net income		**1 393**	**35 364**	**56 752**
Non-cash and non-operating items		**21 558**	**53 931**	**70 867**
- Depreciation, amortization and provisions		12 195	25 146	42 469
- Share-based payment expense		6 876	14 778	21 642
- Net gain or loss on disposal of non-current assets		45	106	(1 918)
- Interest relating to financing activities		9	17	5
- Non-cash financial income and expenses		20	632	20
- Change in deferred taxes		(3 697)	(4 007)	(14 098)
- Income tax for the period		6 110	17 260	22 747
Changes in working capital related to operating activities		**12 965**	**3 516**	**13 022**
- (Increase)/decrease in trade and other receivables		(31 433)	(63 064)	(75 247)
- Increase/(decrease) in trade and other payables		33 704	53 195	90 233
- (Increase)/decrease in other current assets		(5 560)	(6 021)	(21 737)
- Increase/(decrease) in other current liabilities		16 254	19 406	19 773
Income taxes paid		**(11 211)**	**(5 142)**	**(16 960)**
CASH FROM (USED FOR) OPERATING ACTIVITIES		**24 705**	**87 670**	**123 681**
Acquisition of intangible assets and property, plant and equipment		(22 003)	(35 389)	(67 090)
Proceeds from disposal of intangible assets and property, plant and equipment		90	40	9
Acquisitions of companies, net of cash acquired		(5 414)	(18 775)	(18 009)
Change in other non-current financial assets		(806)	(1 728)	(5 964)
CASH FROM (USED FOR) INVESTING ACTIVITIES		**(28 133)**	**(55 853)**	**(91 054)**
Issuance of long-term borrowings		8 000	4 243	3 629
Repayments of borrowings		(3 450)	(4 902)	(8 101)
Interest relating to financing activities		(9)	(17)	(5)
Proceeds from capital increases		192 175	23 854	12 417
Change in other financial liabilities		-	205	(905)
CASH FROM (USED FOR) FINANCING ACTIVITIES		**196 716**	**23 383**	**7 035**
CHANGE IN NET CASH AND CASH EQUIVALENTS		**193 289**	**55 201**	**39 662**
Net cash and cash equivalents at beginning of period	*18*	**43 262**	**234 342**	**289 784**
Effect of exchange rate changes on cash and cash equivalents		(2 208)	242	(4 712)
Net cash and cash equivalents at end of period	*18*	**234 342**	**289 784**	**324 733**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In thousands of euros)	Share capital	Additional paid-in capital	Currency translation reserve	Consolidated Reserves	Retained earnings	**Equity attributable to shareholders of Criteo SA**	Non-controlling interests	**Total shareholders' equity**
Balance at January 1, 2013	**1 178**	**46 542**	**72**	**11 913**	**981**	**60 686**	**(245)**	**60 441**
Net income	-	-	-	-	1 065	**1 065**	328	**1 393**
Other comprehensive income, net of tax	-	-	1 312	(123)	-	**1 189**	5	**1 194**
Total comprehensive income (loss)	-	-	**1 312**	**(123)**	**1 065**	**2 254**	**333**	**2 587**
Allocation of net income from prior period	-	-	-	981	(981)	**-**	-	**-**
Issuance of ordinary shares	243	194 926	-	-	-	**195 169**	-	**195 169**
Share-based compensation	-	-	-	6 750	-	**6 750**	125	**6 875**
Other changes in equity	-	-	-	2	-	**2**	-	**2**
Balance at December 31, 2013	**1 421**	**241 468**	**1 384**	**19 523**	**1 065**	**264 861**	**213**	**265 074**
Net income	-	-	-	-	34 354	**34 354**	1 010	**35 364**
Other comprehensive income, net of tax	-	-	3 420	328	-	**3 748**	(44)	**3 704**
Total comprehensive income (loss)	**-**	**-**	**3 420**	**328**	**34 354**	**38 102**	**966**	**39 068**
Allocation of net income from prior period	-	-	-	1 065	(1 065)	**-**	-	**-**
Issuance of ordinary shares	102	24 054	-	-	-	**24 156**	-	**24 156**
Share-based compensation	-	-	-	14 523	-	**14 523**	255	**14 778**
Other changes in equity	-	-	-	(137)	-	**(137)**	-	**(137)**
Balance at December 31, 2014	**1 523**	**265 522**	**4 804**	**35 302**	**34 354**	**341 505**	**1 433**	**342 938**
Net income	-	-	-	-	54 296	**54 296**	2 456	**56 752**
Other comprehensive income, net of tax	-	-	6 794	95	-	**6 889**	220	**7 109**
Total comprehensive income (loss)	**-**	**-**	**6 794**	**95**	**54 296**	**61 185**	**2 676**	**63 861**
Allocation of net income from prior period	-	-	-	34 354	(34 354)	**-**	-	**-**
Issuance of ordinary shares	39	12 379	-	-	-	**12 418**	-	**12 418**
Share-based compensation	-	-	-	21 435	-	**21 435**	206	**21 641**
Other changes in equity	-	-	-	(189)	-	**(189)**	-	**(189)**
Balance at December 31, 2015	**1 562**	**277 901**	**11 598**	**90 997**	**54 296**	**436 354**	**4 315**	**440 669**

As part of the appropriation of net income, a portion of net income may be allocated to retained earnings. There is no regular transfer policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Criteo is a technology company specializing in performance-based online marketing allowing advertisers to generate sales based on targeted, customized display advertisements. Criteo uses proprietary predictive algorithms that, coupled with insight into expressed consumer intent and purchasing habits, price and deliver highly relevant and personalized banners in real time.

In the following notes, the term “parent company” refers to Criteo SA individually, while the term “Group” refers collectively to Criteo SA and its subsidiaries.

Note 1 – Highlights and significant events

Business combinations

Acquisition of DataPop Inc. securities

On February 17, 2015, Criteo Corp., a subsidiary of Criteo SA, acquired DataPop Inc., a Los Angeles-based company specialized in producing product catalogs tailored to users’ buying intent, for $22.0 million (€16.0 million), breaking down as $3.7 million (€2.7 million) in cash advances and $18.3 million (€13.3 million) to purchase securities, paid on the acquisition date from the Group’s available cash. This business combination was accounted for using the acquisition method, in accordance with IFRS 3. The measurement of the fair value of the acquired assets and outstanding liabilities is provided in Note 12 to the consolidated financial statements for the year ended December 31, 2015.

Additional payments for Tedemis

The payment of the additional price of up to €4.0 million determined by the parties at the time of acquisition of Tedemis was subject to certain conditions that were only partially met at the end of the period under review. Consequently, debt securities initially recorded in other current liabilities were settled in equal parts by a payment of €2.0 million and a cancellation generating a gain of €2.0 million. The latter sum was recorded as a reduction of general and administrative expenses in the year ended December 31, 2015.

Scope of consolidation

Creation of Criteo MEA FZ LLC (Dubai), Criteo Reklamcılık Hzimetleri ve Ticaret A.Ş. (Turkey) and Criteo Canada Corp. (Canada)

These subsidiaries, which are wholly owned and exclusively controlled by the Group, were included in the scope of consolidation as of December 31, 2015, but their contribution to the consolidated financial statements is not material.

Financing

Criteo Advertising (Beijing) Co. Ltd

In October 2014, a revolving credit facility of 15.0 million yuan was entered into with HSBC to finance the growth of our Chinese subsidiary. In May 2015, this amount was increased to 40.0 million yuan. As of December 31, 2015, 25.0 million yuan (€4.8 million) had been drawn on this facility.

Criteo SA

On September 24, 2015, a five-year revolving multicurrency credit facility of €250.0 million (or the equivalent amount in dollars or other optional currencies under certain conditions) was signed with BNP Paribas, Crédit Lyonnais (LCL), HSBC France, Natixis and Société Générale. The new unsecured facility is intended to finance general corporate purposes, including acquisitions. Interest is based on a reference rate equal to the sum of Euribor/Libor, depending on whether amounts are drawn in euros or dollars, plus a margin adjustable on the basis of the leverage ratio and additional costs applicable under the terms of the contract. The agreement contains standard mandatory clauses relating to prepayment, indemnities, representations, covenants (net borrowings to adjusted EBITDA, restrictions in case of new borrowings) and bankruptcy. The arrangement costs (€1.9 million) were spread over the term of the facility, i.e. five years.

Note 2 – General information and statement of compliance

General information

The consolidated financial statements and notes describe the operations of Criteo SA and its subsidiaries. Criteo SA, parent company of the Group, is a limited company. Its registered office is located at 32 rue Blanche 75009 Paris.

The Group's consolidated financial statements for the year ended December 31, 2015 were approved by the Board of Directors of Criteo SA on February 25, 2016; in accordance with French law, they will be deemed final when approved by shareholders at the General Meeting on June 29, 2016.

All amounts are expressed in thousands of euros unless otherwise indicated.

The reporting date of the consolidated financial statements is December 31 of each year. The separate financial statements incorporated into the consolidated financial statements are prepared as of the reporting date of the consolidated accounts, i.e. December 31, and cover the same 12-month period.

Statement of compliance

The significant accounting policies applied in preparing the consolidated financial statements are described below. Unless otherwise stated, these methods have been applied consistently to all periods presented.

Pursuant to regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002, the Group's consolidated financial statements for the year ended December 31, 2015 were prepared in accordance with IFRS (International Financial Reporting Standards) as approved by the European Union as of the date of their preparation. As part of its obligations as a Nasdaq-listed company subject to the provisions of the U.S. Securities Exchange Act of 1934, the Group also publishes consolidated financial statements in accordance with accounting principles generally accepted in the United States of America.

International accounting standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their interpretations, SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee).

The standards and interpretations adopted by the European Union are available on the website of the European Commission at the following address:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

New standards and interpretations applicable from January 1, 2015

The new standards and interpretations whose application is mandatory for annual periods beginning on or after January 1, 2015 relate solely to the interpretation IFRIC 21 – *Levies*, which the Group applied early in the consolidated financial statements for the year ended December 31, 2014.

Standards and Interpretations adopted but not yet effective as of December 31, 2015

The Group has not early-adopted any of the new standards and interpretations listed below, whose application may be relevant to it, but which were not mandatory for annual periods beginning on January 1, 2015:

- IFRS 15 – *Revenue from Contracts with Customers*;
- IFRS 9 – *Financial Instruments;*
- Amendments to IAS 16 and IAS 38 – *Acceptable Methods of Depreciation and Amortization*;
- Amendments to IFRS 11 – *Accounting for Acquisitions of Interests in Joint Operations*;
- Amendments to IAS 1 – *Disclosure Initiative*;
- Amendments to IAS 19 – *Defined Benefit Plans: Employee Contributions*;
- Annual Improvements, 2010-2012 and 2012-2014 cycles.

Management is currently assessing the potential impact of the application of these standards, interpretations and amendments on the statement of income, the statement of financial position, the statement of cash flows and the contents of the notes to the financial statements.

The accounting principles and methods adopted for the 2015 consolidated financial statements are the same as those used for the 2014 consolidated financial statements.

Note 3 – Accounting policies

Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on the basis of the going concern principle and the historical cost method, with the exception of certain assets and liabilities measured at fair value in accordance with IFRS.

Significant accounting policies are described below.

Basis of consolidation

The Group exercises control over all of its subsidiaries, which are therefore all fully consolidated. The following table shows, as of the end of each accounting period and for all entities included in the scope of consolidation, the following information:

- Country of incorporation,
- Percentage of voting rights and interests.

	Country	December 31, 2013		December 31, 2014		December 31, 2015		Consolidation method
		Voting rights	Ownership interest	Voting rights	Ownership interest	Voting rights	Ownership interest	
French subsidiaries								
Criteo SA	France	100%	100%	100%	100%	100%	100%	Parent Company
Criteo France SAS	France	100%	100%	100%	100%	100%	100%	Fully consolidated
Foreign subsidiaries								
Criteo Ltd	United Kingdom	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Corp	United States	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo GmbH	Germany	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo KK	Japan	66%	66%	66%	66%	66%	66%	Fully consolidated
Criteo Do Brasil	Brazil	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo BV	Netherlands	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Pty Ltd	Australia	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Srl	Italy	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Advertising (Beijing) Co.Ltd	China	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Singapore Pte.Ltd	Singapore	100%	100%	100%	100%	100%	100%	Fully consolidated
Ad-X Ltd (*)	United Kingdom	100%	100%	100%	100%	-	-	Fully consolidated
Criteo LLC	Russia	-	-	100%	100%	100%	100%	Fully consolidated
Criteo Europa S.L.	Spain	-	-	100%	100%	100%	100%	Fully consolidated
Criteo Espana S.L.	Spain	-	-	100%	100%	100%	100%	Fully consolidated
Criteo Canada Corp	Canada	-	-	-	-	100%	100%	Fully consolidated
Criteo Reklamcilik Hizmetlervie Anonim	Turkey	-	-	-	-	100%	100%	Fully consolidated
Criteo MEA FZ-LLC	United Arab Emirates	-	-	-	-	100%	100%	Fully consolidated

(*) Ad-X Ltd was liquidated in April 2015

Functional currency and translation of financial statements denominated in foreign currencies

The consolidated financial statements are presented in euros, which is also the functional currency of the parent company. The statements of financial position of the consolidated entities whose functional currency is other than the euro are translated into euros at the exchange rate prevailing at the end of each period. By contrast, their statements of income, statements of other comprehensive income and statements of cash flows are translated at the average exchange rates of the period. Any exchange differences are recognized in other comprehensive income and added to equity under "translation reserve" (and allocated to non-controlling interests, if any).

Conversion of transactions denominated in foreign currencies

Foreign currency transactions are translated into euros at the exchange rate prevailing on the transaction date. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing on the reporting date.

Any resulting gains or losses are recognized in “other financial income and expenses” and included in “financial income and expenses” in the consolidated statement of income, with the exception of exchange differences on monetary items forming part of the reporting entity’s net investment in a foreign operation, which are recognized in other comprehensive income; they are reclassified from equity to profit or loss on disposal of the net investment.

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition cost to obtain control of an entity is the fair value of assets received, liabilities incurred and equity instruments issued, including the fair value of any asset or liability relating to contingent deferred payments.

Direct costs directly attributable to the acquisition are expensed in the year in which they are incurred.

Identifiable assets acquired and liabilities incurred are determined, in the context of business combinations, even if they were not recognized in the financial statements of the acquired company before the acquisition date. The assets acquired and liabilities incurred are generally measured at fair value at the acquisition date.

Goodwill is determined after identification of identifiable intangible assets. It is the amount by which the sum of the acquisition cost and the value of non-controlling interests in the acquired subsidiary exceeds the net identifiable assets and outstanding liabilities measured at fair value as of the acquisition date.

When the acquisition cost is less than the fair value of the share attributable to the Group of the identifiable assets acquired and outstanding liabilities assumed of the acquired subsidiary, the difference is recognized directly in profit or loss.

When accounting for a business combination can only be determined provisionally, the adjustment of asset values and liabilities must be completed within 12 months of the acquisition date, in accordance with IFRS 3.

The impact of capital gains or losses and additions to or reversals of provisions recorded after expiry of the allocation period on the amounts assigned to assets acquired and liabilities incurred upon initial consolidation is recognized prospectively in profit or loss of the period of the change and of future periods, without adjustment of goodwill, except to correct an error in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*.

Intangible assets (excluding goodwill)

Acquired intangible assets are recorded at acquisition cost, less accumulated amortization and, where applicable, accumulated impairment losses. Acquired intangible assets consist mainly of software, amortized on a straight-line basis over estimated useful lives of between one and five years. Intangible assets are reviewed when an event or change in circumstances such as (but not confined to) a significant drop in revenue, earnings or cash flows, or adverse change in the trading environment indicates that an asset may have suffered a loss of value.

Expenses related to the development stage of software specifically adapted to the company's business needs are capitalized. The capitalization of these costs begins once the preliminary design phase is complete, and ends when the solution is ready to be implemented. To identify the various phases of the project, analyses are conducted to measure such aspects as technical feasibility, the availability of resources, the intention of using the solution and the future economic benefits that could be derived from it. Once the solution has been implemented, the capitalized costs are amortized on a straight-line basis over an estimated useful life of three to five years.

All other development costs, primarily personnel costs, are expensed, since the Group's management believes that technical feasibility is only achieved shortly before services are marketed. Consequently, in view of their immaterial nature, development costs incurred between the moment when technical feasibility is established and the time when the relevant services are brought to market are expensed in the period in which they are incurred.

Property, plant and equipment

Property, plant and equipment is recorded at acquisition cost, less accumulated depreciation and, where applicable, any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the assets' estimated useful lives as follows:

- Fixtures and fittings ………………………………………………………………………. 5 to 10 years
- Furniture and equipment
  (data centers, office equipment and furniture) …………………….………… 1 to 5 years

Fittings are depreciated over the shorter of their useful life or the lease term.

Gains and losses on disposal or scrapping of an item of property, plant and equipment are determined by comparing the asset's selling price with its carrying amount. Residual values and useful lives are revised and, where applicable, adjusted at each reporting date.

Asset impairment

Goodwill, intangible assets and property, plant and equipment

In accordance with IAS 36 – *Impairment of Assets*, when an event or change in market conditions implies the risk of impairment of an intangible asset or an item of property, plant and equipment, its carrying amount is reviewed to ensure that it remains lower than its recoverable amount. The recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is measured by discounting future cash flows resulting from the continuous use of the asset and from its eventual disposal. Goodwill is tested for impairment at least once a year in accordance with the principle that the Group has recognized only one cash-generating unit. The Company performs the test as of December 31 each year.

If the recoverable amount is less than the carrying amount, an impairment loss equal to the difference between the two amounts is recognized immediately in profit or loss.
An impairment loss recognized on an item of property, plant and equipment or an intangible asset with a finite useful life can be reversed if the recoverable value again becomes greater than the carrying amount. The reversal may not exceed the loss recognized initially.

The Group did not recognize any impairment of goodwill in the years ended December 31, 2015, 2014 or 2013, since the recoverable amount of the cash-generating unit ("CGU") significantly exceeded its carrying amount.

Leases

Assets acquired under finance leases are capitalized when the lease transfers substantially all the risks and rewards incidental to ownership of the asset to the Group. The main criteria used to assess whether the contract should be classified as a finance lease or an operating lease are as follows:

- the ratio of the lease term to the useful life of the asset;
- the ratio of total future lease payments to the fair value of the financed asset;
- the existence of a transfer of ownership at the end of the contract;
- the existence of a purchase option in favor of the lessee; and
- the type of asset leased.

Financial assets and liabilities, excluding derivative financial instruments

Financial assets, excluding cash, consist of loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. They are included in current assets, except those that mature more than 12 months after the reporting date. Loans are measured at amortized cost using the effective interest method. The recoverable amount of loans and receivables is reviewed whenever there is any indication that the asset may be impaired, and at least on each reporting date. If the recoverable amount is less than the carrying amount, an impairment loss is immediately recognized in profit or loss.

Management regularly reviews and measures the recoverable value of receivables. When the recoverable amount is less than the carrying amount, a provision for impairment or for bad debt is recognized in profit or loss. This assessment of credit risk is based on past experience in terms of debt collection and payment defaults, the volume of receivables past due and payment conditions. Sums are considered past due when payment has not been made by the contractually agreed date.

Future results may be diluted if the creditworthiness of the Group's customers were to deteriorate or if actual defaults were to exceed estimates. Impairments of trade receivables are included in "sales and marketing expenses" in the consolidated statement of income. The Group does not generally require special guarantees from its customers to limit its credit risk.

Financial liabilities are initially recognized at fair value on the transaction date. They are subsequently measured at amortized cost using the effective interest method.

Derivative financial instruments

The Group trades in derivative financial instruments (call and put options, forward purchases and sales) to manage and reduce its exposure to exchange rate fluctuations. Such instruments are traded with front-ranking institutions. Under IAS 39, hedge accounting is permitted when the effectiveness of the hedge relationship is demonstrated and documented from its inception and throughout its life.
The effectiveness of the hedge is verified in accounting terms by the ratio of change in the value of the derivative to that of the underlying hedged item, which must remain between 80% and 125%.
Derivative financial instruments are recognized in the balance sheet at their market value as of the reporting date, in current financial assets or liabilities.
Changes in the value of derivative financial instruments are recorded as follows:

- for hedging instruments documented as cash flow hedges, changes in value are recorded in equity for their effective portion; the ineffective portion is recognized in profit or loss;
- for hedging instruments documented as fair value hedges or not documented, changes in value are recorded in profit or loss.

The market value is based on quoted prices supplied by an external provider.

Pursuant to the amendment to IFRS 7, financial instruments are broken down into three categories in accordance with a hierarchy of methods for determining fair value:

- *Level 1:* fair value calculated from current/quoted prices in active markets for identical assets and liabilities;
- *Level 2:* fair value calculated using valuation techniques based on observable market inputs such as prices of similar assets or liabilities, or parameters traded on an active market;
- *Level 3:* fair value calculated using valuation techniques based wholly or partly on non-observable data such as prices on an inactive market or multiples for unlisted securities.

Cash and cash equivalents

Cash is comprised of cash held in bank accounts. Cash equivalents include highly liquid short-term investments subject to an insignificant risk of change in value.
Term accounts therefore meet the definition of cash equivalents. Cash equivalents are measured at fair value, and changes in fair value are recognized in the consolidated statement of income.

Employee benefits

Depending on the laws and practices of the countries in which the Company operates, employees may be entitled to compensation when they retire, or to a pension following their retirement. The contributions paid under defined contribution pension plans are expensed when due; the Group's commitment is limited to its contributions.

In accordance with IAS 19, the Group's obligation under defined benefit plans is estimated using the projected unit credit method. Under this method, each period of service gives rise to an additional unit of benefit entitlement, and each unit is valued separately to determine the final obligation. The final obligation is then discounted.

The key assumptions used to calculate the obligation are:

- discount rate;
- expected rates of salary increases; and
- employee turnover.

Service costs are recognized in profit or loss and allocated by function.
Financial costs are recognized in profit or loss, and are included in "financial income" in the consolidated statement of income.

Actuarial gains and losses are recognized in other comprehensive income. Actuarial gains and losses arise from changes in actuarial assumptions or adjustments related to experience (differences between previous actuarial assumptions and actual outcomes).

Provisions

In accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, the Group only sets aside provisions if the following three conditions are met: an entity has a present obligation (legal or constructive) to a third party resulting from a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount of the obligation can be estimated reliably.
The determination of exposure to risk, and the recognition and measurement of provisions for ongoing litigation and disputes involve judgment and estimates to a significant extent. These judgments and estimates are inherently subject to change, especially if new information or new evidence becomes available.

Recognition of revenue

The Group sells online advertising services directly to its customers or to advertising agencies. Its advertising services consist of customized banners featuring specific products. Revenue is generated when a user clicks on a banner. Advertising campaigns are priced using the cost per click ("CPC") model, based on the number of clicks generated by users on each banner. Revenue is recognized when services are rendered, in accordance with the specific contractual terms, which are usually based on predetermined CPC and advertising campaign budgets. Revenue is recognized when the following four criteria are met: (1) there is clear evidence of an agreement with the client; (2) services have been rendered; (3) the value of the services is fixed or determinable; (4) the collectability of the receivable is reasonably assured. The collectability of receivables is assessed based on the analysis of certain criteria, such as the customer's creditworthiness, its size and the transaction history of its website. Amounts invoiced or collected above the amount of revenue recognized are recorded as deferred income.

Revenue is recognized over the period during which advertising banners are displayed. Specifically, as part of CPC advertising campaigns, (1) revenue is recognized through the technical solution when the user clicks on a customized banner, (2) revenue is measured at the fair value of the amounts received (3) discounts and rebates granted to customers are deducted from revenue.

Revenue also includes advertising revenue priced on a cost per thousand impressions ("CPM") basis, or on a fixed price for bundled advertising on a customer website. Revenue priced on a CPM basis is dependent on the volume of traffic sold. Revenue from bundled advertising offers is recognized monthly on a fixed basis.

In the normal course of its business, the Group acts as an intermediary in dealings with third parties. In determining whether revenue should be presented on a "gross" or "net" basis, accounting principles bearing on the notions of agent and principal are applied. Determining whether the Group is the agent or the principal requires judgment; the process is based on an analysis of the terms and conditions of each contract. The Group is the principle debtor, and is responsible for (1) identifying and contracting with third party customers, (2) establishing the selling price of banner advertisements, (3) performing all recovery and billing work, and bearing the associated credit risk, while also (4) bearing full responsibility for the advertising service. Considering the above factors, though not decisive when taken individually, the Group acts as principal under these contracts, and as such presents the revenues and costs incurred in connection with these transactions on a gross basis.

Cost of revenue

Cost of revenue consists of traffic acquisition costs and other costs of revenue.

Traffic acquisition costs. This mainly consists of purchases of traffic from publishers on a CPM basis. Purchases of traffic are made directly from publishers or through intermediaries such as ad-exchange companies. Traffic acquisition costs are recognized in cost of revenue for each publisher, as soon as the traffic is delivered. Publisher-related liabilities are included under “accounts payable” in the consolidated statement of financial position.

Under contracts with its publishers, the Group agrees to buy a certain volume of traffic subject to the achievement of a predetermined CTR (click-through rate). Should the publisher fail to deliver this volume of traffic, the Group is free to terminate the contract or reduce its commitment to purchase traffic accordingly.

Other costs of revenue. Other costs of revenue consist of hosting, rental and depreciation costs relating to data centers, and the acquisition cost of data purchased from third parties.

Share-based payments

Free shares, stock options and equity warrants are only issued to the Group’s employees or directors. In accordance with IFRS 2 – *Share-based Payment*, such awards of equity instruments are measured at fair value as of the grant date. Fair value is determined using the most appropriate valuation model, based on the individual features of each plan.
Fair value determined at the grant date is recognized in personnel expenses (and allocated by function in the statement of income) on a straight-line basis over each of the milestones in the vesting period, with a corresponding increase in equity.

At each reporting date, the Group reviews the number of options liable to become exercisable. Where applicable, the impact of any revision of the estimate is recorded in the consolidated statement of income with a corresponding adjustment to equity.

Income tax

The Group has elected to recognize its payments in respect of the corporate value-added tax (*cotisation sur la valeur ajoutée des entreprises* – CVAE) in "income tax," in accordance with IAS 12 – *Income Taxes*.

The research tax credit (*crédit d'impôt recherche* – CIR) is a French tax incentive designed to promote investment on research and development ("R&D"). It is generally deducted from current income tax or refunded at the end of the third fiscal year. The CIR is calculated on the basis of the volume of R&D expenditure claimed. It is consequently deducted from "research and development expenses" in the consolidated statement of income. The volume of expenditure declared under the CIR is confined to R&D spending in France.

Deferred taxes are recognized for all temporary differences between the carrying amounts of tax assets and liabilities in the consolidated financial statements and the corresponding tax amounts, as well as on tax losses. Differences are defined as temporary when they are expected to reverse within the foreseeable future. Deferred tax assets are only recognized when the Group considers that, in view of projected taxable income over the subsequent three years, it is probable that there will be sufficient taxable profit against which to utilize temporary differences and tax loss carryforwards.

The determination of deferred tax assets involves significant judgment and the use of estimates by management. If future taxable income is significantly different from the estimate on which the recognition of deferred tax assets is based, the amount of the ensuing tax assets would have to be revised accordingly (up or down), potentially resulting in a significant impact on the Group's net income.

In accordance with IAS 12 – *Income Taxes*, deferred tax assets and liabilities are not discounted. The amounts recognized in the consolidated financial statements are calculated for each tax entity included in the scope of consolidation.

Operating segments

In accordance with IFRS 8 – *Operating Segments*, segment information is prepared on the basis of internal management data used for the analysis of business performance and for allocating resources.

An operating segment is a distinct component of the Group that engages in supplying distinct products and services, and which is subject to risks and returns that differ from the risks and returns of other operating segments.

The chief operating decision-maker is the Group's Chief Executive Officer (CEO). Each month, the CEO reviews the consolidated data in respect of revenue, revenue excluding traffic acquisition costs (TAC) and adjusted EBITDA (earnings before taxes, financial income and expenses, depreciation and amortization, share-based payments, service costs of defined benefit plans and deferred payments in connection with business combinations) to make decisions on the allocation of resources and to evaluate financial performance.

The Group has concluded from the above that its operations constitute a single operating segment.

Use of estimates

The consolidated financial statements are prepared in accordance with IFRS. Their preparation requires management to exercise judgment, and to make estimates and assumptions that affect the amounts of the assets and liabilities, and income and expenses reported. These underlying estimates and assumptions are based on historical experience and other criteria deemed pertinent. Actual results may differ from these estimates. The underlying estimates and assumptions are reviewed regularly.

Key areas in which management is required to exercise judgment and make estimates are (i) the recognition of revenue, particularly to determine its presentation on a gross or net basis, (ii) the evaluation of the recoverable amount of receivables and the recognition of impairment, (iii) the recognition of deferred tax assets based on the projected earnings of subsidiaries over the subsequent three years and the potential tax deduction resulting from the future exercise of stock options in certain jurisdictions, (iv) the measurement and recognition of goodwill and intangible assets, and in particular the capitalization of costs related to the implementation of software, and (v) the evaluation of share-based payments. The accounting policies relating to these key sources of estimates are described in other sections of this note.

Earnings per share

In accordance with IAS 33 – *Earnings Per Share*, basic earnings per share is calculated by dividing the share of consolidated net income for the period attributable to shareholders of Criteo SA by the weighted average number of shares outstanding. The weighted average number of shares outstanding is calculated on the basis of change in share capital.
Diluted earnings per share is calculated by dividing the share of consolidated net income for the period attributable to shareholders of Criteo SA by the weighted average number of shares outstanding plus all potentially dilutive shares not yet issued.

Note 4 – Management of financial risks

Credit risk

The maximum exposure to credit risk at the end of each period is equal to the carrying amount of financial assets, summarized in the following table:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Non-current financial assets	7 627	9 494	15 784
Trade receivables	87 643	158 633	240 264
Other current assets	13 466	21 021	41 944
Cash and cash equivalents	234 343	289 784	324 733
Total	**343 079**	**478 932**	**622 725**

Trade receivables

Credit risk is defined as an unexpected loss if a customer is unable to meet its obligations on time. The Group has established permanent monitoring of the credit risk represented by its customers. When a potential risk is identified, the Group requires prepayments.

For the periods presented, the aging of trade receivables and provisions is as follows:

(In thousands of euros)	December 31, 2013				December 31, 2014				December 31, 2015			
	Gross value	%	Provision	%	Gross value	%	Provision	%	Gross value	%	Provision	%
Not yet due	63 439	70.9%	-	-	116 020	71.1%	33	(1.0)%	177 824	72.3%	-	-
0-30 days	19 654	22.0%	(12)	0.7%	31 658	19.6%	-	-	49 420	20.1%	-	-
31-60 days	2 236	2.5%	(33)	1.8%	6 195	3.8%	(50)	1.5%	7 612	3.1%	-	-
61-90 days	1 008	1.1%	(108)	5.9%	2 192	1.4%	(53)	1.6%	2 364	1.0%	(2)	-
> 90 days	3 140	3.5%	(1 681)	91.7%	5 805	0%	(3 167)	97.8%	8 797	3.6%	(5 751)	100%
Total	**89 477**	**100%**	**(1 834)**	**100%**	**161 870**	**100%**	**(3 237)**	**100%**	**246 017**	**100%**	**(5 753)**	**100%**

Cash and cash equivalents

Cash and cash equivalents exclusively comprise secure investments such as interest-bearing term accounts.

Market risk

Foreign exchange risk

A 10% increase or decrease of the pound sterling, the US dollar, the Japanese yen or the Brazilian real against the euro would have the following impact on net income, including non-controlling interests:

(In thousands of euros)	December 31, 2013		December 31, 2014		December 31, 2015	
GBP/EUR	**+10%**	**-10%**	**+10%**	**-10%**	**+10%**	**-10%**
Net income impact	(289)	289	174	(174)	13	(13)

(In thousands of euros)	December 31, 2013		December 31, 2014		December 31, 2015	
USD/EUR	**+10%**	**-10%**	**+10%**	**-10%**	**+10%**	**-10%**
Net income impact	(264)	264	(48)	48	956	(956)

(In thousands of euros)	December 31, 2013		December 31, 2014		December 31, 2015	
JPY/EUR	**+10%**	**-10%**	**+10%**	**-10%**	**+10%**	**-10%**
Net income impact	96	(96)	196	(196)	477	(477)

(In thousands of euros)	December 31, 2013		December 31, 2014		December 31, 2015	
BRL/EUR	**+10%**	**-10%**	**+10%**	**-10%**	**+10%**	**-10%**
Net income impact	(604)	604	(83)	83	(711)	711

Counterparty risk

The Group had a net cash position as of December 31, 2015. Cash is pooled between all entities, thereby strengthening the centralization of cash management. Investment decisions are made by the internal treasury department. The Group only deals with counterparties with high credit ratings. In addition, as part of the risk and investment management process implemented by the Group, investments made with a single counterparty may not exceed 25% of the total investment portfolio, regardless of the rating of the counterparty in question.

Liquidity risk

The following tables summarize the remaining contractual maturities of the Group's financial liabilities and lease commitments for the periods presented:

	December 31, 2013				
(In thousands of euros)	Carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	5 years +
Financial liabilities	11 316	11 316	5 197	6 119	-
Trade and other payables	75 889	75 889	75 889	-	-
Other current liabilities	35 224	35 224	35 224	-	-
Operating lease arrangements	-	61 180	9 870	34 091	17 219
Total	**122 429**	**183 609**	**126 180**	**40 210**	**17 219**

	December 31, 2014				
(In thousands of euros)	Carrying value	Contractual cash flows	Less than 1 year	1 to 5 years	5 years +
Financial liabilities	12 174	12 446	7 412	3 834	1 200
Trade and other payables	135 557	135 557	135 557	-	-
Other current liabilities	63 719	63 719	63 719	-	-
Operating lease arrangements	-	65 342	13 293	47 413	4 636
Total	**211 450**	**277 064**	**219 981**	**51 247**	**5 836**

	December 31, 2015				
(In thousands of euros)	Carrying value	Contractual cash flows	Less than 1 year	1 to 5 years	5 years +
Financial liabilities	9 578	9 901	6 664	2 923	314
Trade and other payables	226 304	226 304	226 304	-	-
Other current liabilities	80 361	80 361	80 361	-	-
Operating lease arrangements	-	231 863	55 752	132 823	43 288
Total	**316 243**	**548 429**	**369 081**	**135 746**	**43 602**

Note 5 – Breakdown of revenue and non-current assets by geographical area

The Group operates in the following three geographical areas:

- Americas: North America and South America;
- EMEA: Europe, Middle East, Africa; and
- Asia-Pacific.

The following tables set out the consolidated revenue of each geographical area for the periods presented. Revenue by geographic area is based on the country in which advertisers' campaigns are conducted.

(In thousands of euros)	Americas	EMEA	Asia-Pacific	Total
December 31, 2013	123 004	237 801	83 155	**443 960**
December 31, 2014	228 773	366 404	149 904	**745 081**
December 31, 2015	456 049	488 071	249 294	**1 193 414**

Revenue in France amounted to €59.9 million, €87.0 million and €105.3 million in the years ended December 31, 2013, 2014, and 2015, respectively.

Revenue in other significant countries is presented in the following table:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Americas			
United States	91 589	178 975	378 567
EMEA			
Germany	55 410	79 574	100 824
United Kingdom	43 866	68 092	96 567
Asia-Pacific			
Japan	67 901	116 709	171 420

The largest customer accounted for 5.1%, 2.9% and 1.9% of consolidated revenue in the years ended December 31, 2013, 2014, and 2015, respectively.

Other information

The table below presents non-current assets (corresponding to the net carrying amount of property, plant and equipment and intangible assets) for the periods presented. The geographical breakdown is based on the country of incorporation of legal entities.

(In thousands of euros)	Holding	Americas	*of which: United*	EMEA	Asia-Pacific	*of which: Japan*	Total
December 31, 2013	**18 015**	**7 807**	*7 793*	**1 943**	**3 575**	*3 479*	**31 340**
December 31, 2014	**26 702**	**11 653**	*11 351*	**6 240**	**8 992**	*4 899*	**53 587**
December 31, 2015	**44 234**	**22 445**	*21 431*	**8 127**	**16 082**	*7 171*	**90 888**

Note 6 – Nature of expenses allocated by function

Nature of expenses included in cost of revenue

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Traffic acquisition costs	(264 952)	(441 427)	(711 755)
Other costs of revenue	(21 956)	(36 150)	(56 100)
- Hosting cost	*(12 177)*	*(18 683)*	*(27 444)*
- Depreciation and amor	*(7 846)*	*(16 176)*	*(26 936)*
- Data acquisition costs	*(1 557)*	*(452)*	*(232)*
- Other	*(376)*	*(839)*	*(1 488)*
Total cost of revenue	**(286 908)**	**(477 577)**	**(767 855)**

Nature of expenses allocated to research and development costs

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Personnel expenses	(23 829)	(30 215)	(52 390)
- Personnel expenses excluding share-based payments & research tax credit	*(23 716)*	*(31 256)*	*(49 560)*
- Share-based payments	*(2 049)*	*(2 776)*	*(5 884)*
- Research tax credit	*1 936*	*3 817*	*3 054*
Other cash operating expenses	(7 511)	(11 221)	(19 020)
- Subcontracting and other headcount-related costs	*(3 835)*	*(6 196)*	*(11 358)*
- Rent and facilities costs	*(3 338)*	*(4 346)*	*(6 410)*
- Consulting and professional fees	*(305)*	*(577)*	*(1 084)*
- Marketing costs	*(27)*	*(73)*	*(145)*
- Other	*(6)*	*(29)*	*(23)*
Other non-cash operating expenses	(835)	(3 857)	(6 903)
- Depreciation and amortization	*(915)*	*(3 731)*	*(7 214)*
- Net change in other provisions (Note 10)	*80*	*(126)*	*311*
Total Research and development expenses	**(32 175)**	**(45 293)**	**(78 313)**

Nature of expenses allocated to sales and operations costs

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Personnel expenses	(51 011)	(90 178)	(135 687)
- Personnel expenses excluding share-based payments	*(48 210)*	*(80 911)*	*(125 153)*
- Share-based payments	*(2 801)*	*(9 267)*	*(10 534)*
Other cash operating expenses	(29 188)	(39 264)	(63 359)
- Subcontracting and other headcount-related costs	*(9 292)*	*(13 091)*	*(18 815)*
- Rent and facilities costs	*(6 609)*	*(11 825)*	*(23 039)*
- Marketing costs	*(3 217)*	*(7 120)*	*(11 255)*
- Other	*(10 070)*	*(7 228)*	*(10 250)*
Other non-cash operating expenses	(2 617)	(3 951)	(7 278)
- Depreciation and amortization	*(1 792)*	*(2 762)*	*(4 670)*
- Net change in provision for doubtful receivables	*(720)*	*(1 012)*	*(2 399)*
- Net change in other provisions	(105)	(177)	*(209)*
Total Sales and operations expenses	**(82 816)**	**(133 393)**	**(206 324)**

Nature of expenses allocated to general and administrative costs

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Personnel expenses	(15 092)	(22 417)	(33 976)
- Personnel expenses excluding share-based payments	*(13 066)*	*(19 682)*	*(28 752)*
- Share-based payments	*(2 026)*	*(2 735)*	*(5 224)*
Other cash operating expenses	(15 398)	(25 205)	(37 715)
- Subcontracting and other headcount-related costs	*(7 519)*	*(13 158)*	*(18 006)*
- Rent and facilities costs	*(2 437)*	*(3 566)*	*(5 842)*
- Consulting and professional fees	*(4 900)*	*(7 610)*	*(11 654)*
- Other	*(542)*	*(871)*	*(2 213)*
Other non-cash operating expenses	(897)	(1 166)	305
- Depreciation and amortization	*(566)*	*(863)*	*(1 377)*
- Net change in other provisions	*(331)*	*(303)*	*1 682*
Total General and administrative expenses	**(31 387)**	**(48 788)**	**(71 386)**

Note 7 – Breakdown of personnel expenses

Breakdown of personnel expenses by function

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Research and development	(23 829)	(30 215)	(52 390)
Sales and operating	(51 011)	(90 178)	(135 687)
General and administrative	(15 092)	(22 417)	(33 976)
Total Personnel expenses	**(89 932)**	**(142 810)**	**(222 053)**

Breakdown of personnel expenses by nature

(in thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Wages and salaries	(62 429)	(97 060)	(153 408)
Severance pay	(842)	(1 861)	(1 212)
Social security contributions	(17 442)	(29 263)	(42 550)
Payroll taxes	(1 407)	(2 394)	(5 450)
Acquisition-price supplements	(2 363)	(716)	(292)
Share-based payments	(6 876)	(14 778)	(21 642)
Profit sharing	(509)	(553)	(553)
Research tax credit deducted from research and development costs	1 936	3 815	3 054
Total personnel expenses	**(89 932)**	**(142 810)**	**(222 053)**

Note 8 – Share-based payments

BSPCE, stock option and free share plans

The Board of Directors has been authorized by the General Meeting of Shareholders to implement the following founders' share subscription warrant (*bons de souscription de parts de créateur d'entreprise* – BSPCE) and stock option (SO) plans:

- Issuance of 2,112,000 BSPCEs, authorized by the General Meeting of Shareholders of October 24, 2008, permitting the award of a maximum of 2,112,000 BSPCEs until April 24, 2010, hereinafter referred to as *Plan 1;*

- Issuance of 1,472,800 BSPCEs, authorized by the General Meeting of Shareholders of April 16, 2009, permitting the award of a maximum of 1,472,800 BSPCEs until October 16, 2010, hereinafter referred to as *Plan 2;*

- Issuance of 1,584,000 SOs, authorized by the General Meeting of Shareholders of September 9, 2009, permitting the award of a maximum of 1,584,000 SOs until November 8, 2012. This plan was amended at the General Meeting of Shareholders of November 16, 2010 to allow the award of a maximum of 2,700,000 SOs or BSPCEs. This plan is hereinafter referred to as *Plan 3;*

- Issuance of 361,118 BSPCEs awarded to the co-founders at the General Meeting of Shareholders of April 23, 2010, hereinafter referred to as *Plan 4*;

- Issuance of 2,800,000 BSPCEs or SOs, authorized by the General Meeting of Shareholders of November 18, 2011, permitting the award of a maximum of 2,800,000 SOs or BSPCEs. This plan is referred to as *Plan 5;*

- Issuance of 1,654,290 BSPCEs or SOs, authorized by the General Meeting of Shareholders of September 14, 2012, permitting the award of a maximum of 1,654,290 SOs or BSPCEs. This plan is referred to as *Plan 6;*

- Issuance of 6,627,237 BSPCEs or SOs, authorized by the General Meeting of Shareholders of August 2, 2013, permitting the award of a maximum of 6,627,237 SOs or BSPCEs. This plan is referred to as *Plan 7;*

- Issuance of 9,935,710 SOs, authorized by the General Meeting of Shareholders of June 18, 2014, permitting the award of a maximum of 9,935,710 SOs. The shareholders of the parent company have authorized the allocation of free shares to employees of Criteo, subject only to the condition of continued employment in the company, and to members of senior management, certain senior executives and certain employees, subject to the achievement of specific internal performance targets and continued employment in the company. All free shares will be deducted from the total ceiling of 9,935,710 shares. This plan is referred to as *Plan 8.*

Upon exercise of BSPCEs, SOs or free shares, the Group gives the beneficiaries newly-issued ordinary shares of the parent company.

Beneficiaries may exercise their BSPCEs or SOs in accordance with the following vesting schedule for Plans 1, 2 and 3:

- up to one-third (1/3) of BSPCEs from the first anniversary of the grant date,
- then, up to one-twelfth (1/12) at the end of each quarter after the first anniversary of the grant date, for a period of twenty-four (24) months from that date, and
- no later than ten (10) years from the grant date.

From the amended Plan 3 to Plan 8, the schedule is as follows:

- up to one-quarter (1/4) of SOs from the first anniversary of the grant date,
- then, up to one-sixteenth (1/16) at the end of each quarter after the first anniversary of the grant date, for a period of thirty-six (36) months from that date, and
- no later than ten (10) years from the grant date.

Free shares are subject to the following schedule: 50% of shares vest at the end of a period of two years and 6.25% at the end of each quarter after the first two-year period, over a period of twenty-four (24) months.

When the shares of the parent company were not traded on a stock exchange on the grant date, the exercise price was determined by reference to the most recent capital increase since the grant date, unless the Board of Directors decides otherwise. Since the parent company's IPO in October 2013, exercise prices have been determined by reference to the closing price on the day preceding the grant date, with a minimum value equal to 95% of the average of the previous 20 trading days.

Details of the BSPCE/SO/free share plans

	Plans 1 & 2	Plan 3	Plan 4	Plan 5	Plan 6		Plan 7	Plan 8	
Date of grant (Board of Directors)	**Oct 24, 2008 - Sept 14, 2010**	**Sept 9, 2009 - Sept 21, 2011**	**April 23, 2010**	**Nov 18, 2011 - May 22, 2012**	**Oct 25, 2012**	**Oct 25, 2012 - April 18, 2013**	**Sept 3, 2013 - April 23, 2014**	**July 30, 2014 - Dec 17, 2015**	
Vesting period	3 yrs	3 - 4 yrs	None	4 yrs	1 year	4-5 yrs	4 yrs	4 yrs	4 yrs
Contractual life	10 yrs	10 yrs	10 yrs	10 yrs	10 yrs	10 yrs	10 yrs	10 yrs	-
Expected life	8 yrs	8 yrs	8 yrs	8 yrs	8 yrs	8 yrs	6 - 8 yrs	6 yrs	-
Number granted	1 819 120	4 289 940	361 118	1 184 747	257 688	1 065 520	2 317 374	3 889 508	1 103 405
Type : Stock Option (S.O.) / BSPCE	BSPCE	BSCPCE & S.O	BSPCE	BSCPCE & S.O	BSPCE	BSPCE & S.O	BSCPCE & S.O	S.O	RSU*
Share entitlement per instrument	1	1	1	1	1	1	1	1	1
Exercise price	€ 0.45 - € 2.10	€ 0.20 - € 5.95	€ 2.10	€ 5.95	€ 8.28	€ 8.28 - € 10.43	€ 12.08 - € 38.81	€ 22.95 - € 47.47	-
Valuation method					Black & Scholes				
Fair value of share at grant date	€ 0.20 - € 0.70	€ 0.20 - € 4.98	€ 2.10	€ 4.98	€ 6.43	€ 5.45 - € 6.43	€ 12.08 - € 38.81	€ 22.50 - € 47.47	€ 35.18 - € 35.58
Expected volatility (1)	53.0% -55.7%	55.2% -57.8%	55.2%	52.1% - 52.9%	50.2%	49.6% - 50.2%	44.2% - 50.1%	39.4% - 44.5%	-
Discount rate (2)	2.74% - 4.10%	2.62% - 3.76%	3.40%	2.79% - 3.53%	2.20%	1.80% - 2.27%	1.20% - 2.40%	0.16% - 0.71%	-
Expected dividends	-	-	-	-	-	-	-	-	-
Performance conditions	No	Yes (A)	No	No	Yes (B)	No	No	No	Yes (C)
Fair value per instrument	€ 0.08 - € 0.45	€ 0.08 - € 2.88	€ 1.33	€ 2.75 - € 2.85	€ 3.28	€ 3.28 - € 5.83	€ 6.85 - € 16.90	€ 9.47 - € 17.97	€ 35.18 - € 35.58

(1) Based on the historical volatility of similar entities.
(2) Risk-free bond (government bonds) – OAT TEC10.
** Restricted Stock Units*

(A) The exercise of 180,000 stock options granted on April 7, 2011 was subject to performance conditions based on target revenue excluding TACs in 2012.

(B) The exercise of 257,688 BSPCEs granted to the co-founders was subject to the occurrence of a liquidity event or the transfer of control of the Group. The number of exercisable options is determined by the date of the event, which can be no later than March 31, 2014. Based on assumptions known as of December 31, 2012, we determined that the corresponding expense will be recognized over a year. This assumption was confirmed in 2013.

(C) On October 29, 2015, the Board of Directors of the parent company granted a total of 337,960 free shares to certain eligible employees and members of senior management, subject to the achievement of specific internal performance targets. Based on assumptions known as of December 31, 2015, we determined the corresponding expense by applying a rate of probability of achieving these goals.

Change in number of BSPCE/SO/free shares outstanding

	Plans 1 & 2	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Plan 8	RSUs	Total
Balance at January 1, 2013	**2 903 442**	**6 787 879**	**902 796**	**5 217 906**	**1 119 724**	**-**	**-**	**-**	**16 931 747**
2-for-5 reverse share split Board of Directors 08/03/2013	(1 742 065)	(4 069 726)	(541 678)	(3 130 744)	(671 835)	-	-	-	(10 156 048)
Granted	-	-	-	-	873 880	1 565 584	-	-	2 439 464
Exercised	(26 640)	(320 698)	-	(74 282)	(13 850)	-	-	-	(435 470)
Forfeited	-	(63 692)	-	(83 581)	(103 671)	(10 440)	-	-	(261 384)
Expired	-	-	-	-	-	-	-	-	-
Balance at December 31, 2013	**1 134 737**	**2 333 763**	**361 118**	**1 929 299**	**1 204 248**	**1 555 144**	**-**	**-**	**8 518 309**
Granted	-	-	-	-	-	749 330	2 267 774	-	3 017 104
Exercised	(930 660)	(1 315 733)	(273 559)	(337 352)	(271 520)	(47 019)	-	-	(3 175 843)
Forfeited	-	(82 439)	-	(407 222)	(42 928)	(440 320)	(30 820)	-	(1 003 729)
Expired	-	-	-	-	-	-	-	-	-
Balance at December 31, 2014	**204 077**	**935 591**	**87 559**	**1 184 725**	**889 800**	**1 817 135**	**2 236 954**	**-**	**7 355 841**
Granted	-	-	-	-	-	-	1 621 734	1 103 405	2 725 139
Exercised	(116 520)	(449 069)	(87 559)	(343 021)	(156 801)	(310 827)	(69 819)	-	(1 533 616)
Forfeited	-	(148 864)	-	(22 357)	(40 068)	(218 730)	(466 086)	(7 820)	(903 925)
Expired	-	-	-	-	-	-	-	-	-
Balance at December 31, 2015	**87 557**	**337 658**	**-**	**819 347**	**692 931**	**1 287 578**	**3 322 783**	**1 095 585**	**7 643 439**

Breakdown of closing balance

	Plans 1 & 2	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Plan 8	RSUs	Total
At December 31, 2013									
Number of instruments outstanding	1 134 738	2 333 764	361 118	1 929 299	1 204 248	1 555 144	-	-	8 518 311
Weighted-average exercise price	€ 0.78	€ 1.82	€ 2.10	€ 5.95	€ 9.56	€ 14.12	-	-	€ 5.97
Number exerciseable	1 134 738	1 697 789	361 118	721 031	287 928	-	-	-	4 202 604
Weighted-average exercise price	€ 0.78	€ 1.64	€ 2.10	€ 5.95	€ 8.28	-	-	-	€ 2.64
Weighted-average remaining contractual life	5.6 yrs	7.0 yrs	6.3 yrs	8.3 yrs	9.1 yrs	9.7 yrs	-	-	7.9 yrs
At December 31, 2014									
Number of instruments outstanding	204 077	935 591	87 559	1 184 725	889 800	1 817 135	2 236 954	-	7 355 841
Weighted-average exercise price	€ 1.08	€ 2.08	€ 2.10	€ 5.95	€ 9.81	€ 18.29	€ 23.40	-	€ 14.10
Number exerciseable	204 077	883 399	87 559	730 371	362 778	394 785	-	-	2 662 967
Weighted-average exercise price	€ 1.08	€ 1.94	€ 2.10	€ 5.95	€ 9.58	€ 14.02	-	-	€ 5.81
Weighted-average remaining contractual life	4.6 yrs	5.8 yrs	5.3 yrs	7.3 yrs	8.1 yrs	8.9 yrs	9.6 yrs	-	8.2 yrs
At December 31, 2015									
Number of instruments outstanding	87 557	337 658	-	819 347	692 931	1 287 578	3 322 783	1 095 585	7 643 439
Weighted-average exercise price	€ 1.41	€ 3.14	-	€ 5.95	€ 9.75	€ 17.97	€ 30.50	-	€ 20.97
Number exerciseable	87 557	337 658	-	713 165	420 228	564 034	521 578	-	2 644 220
Weighted-average exercise price	€ 1.41	€ 3.14	-	€ 5.95	€ 9.58	€ 17.24	€ 23.32	-	€ 11.85
Weighted-average remaining contractual life	3.6 yrs	4.8 yrs	-	6.3 yrs	7.1 yrs	7.9 yrs	8.9 yrs	-	7.9 yrs

Non-employee warrants

In addition to grants of free shares, stock options and BSPCEs, the shareholders of the parent company have authorized the award of non-employee warrants, as shown below.

Beneficiaries may exercise their warrants in accordance with the following vesting schedule:

- Plan A: up to one-eighth (1/8) at the end of each quarter after the first anniversary of the grant date, for a period of twenty-four (24) months from that date and no later than ten (10) years from the grant date.
- Plan B: up to one-third (1/3) from the first anniversary of the grant date; then up to one-twelfth (1/12) at the end of each quarter after the first anniversary of the grant date, for a period of twenty-four (24) months from that date and no later than ten (10) years from the grant date.
- Plan C: up to one-twenty-fourth (1/24) at the end of each month after the first anniversary of the grant date, for a period of twenty-four (24) months from that date and no later than ten (10) years from the grant date.

- Plan D (members of the Advisory Board): up to one-twenty-fourth (1/24) at the end of each month after the grant date, for a period of twenty-four (24) months from that date and no later than ten (10) years from the grant date.
- Plan D (non-members of the Advisory Board): one-third (1/3) on the grant date, one-third (1/3) on the first anniversary of the grant date, one-third (1/3) on the second anniversary of the grant date, no later than ten (10) years from the grant date.
- Plan E: up to one-quarter (1/4) of SOs from the first anniversary of the grant date; then up to one-sixteenth (1/16) at the end of each quarter after the first anniversary of the grant date, for a period of thirty-six (36) months from that date and no later than ten (10) years from the grant date.

Upon exercise of warrants, the Group gives the beneficiaries newly-issued ordinary shares of the parent company.

When the shares of the parent company were not traded on a stock exchange on the grant date, the exercise price was determined by reference to the most recent capital increase since the grant date, unless the Board of Directors decides otherwise. Since the parent company's IPO in October 2013, exercise prices have been determined by reference to the closing price on the day preceding the grant date, with a minimum value equal to 95% of the average of the previous 20 trading days.

Details of non-employee warrant plans

	Plan A	Plan B	Plan C	Plan D	Plan E
Grant date (Board of Directors)	Nov 17, 2009	Mars 11, 2010	Nov 16, 2010 - Sept 21, 2011	Oct 25, 2012 - Mar 6, 2013	Mar 19, 2015 - Oct 29, 2015
Vesting period	2 yrs	3 yrs	2 yrs	2 yrs	1 - 4 yrs
Contractual life	10 yrs	10 yrs	10 yrs	10 yrs	10 yrs
Expected life	8 yrs	8 yrs	8 yrs	8 yrs	4 - 9 yrs
Number of warrants granted	231 792	277 200	192 000	125 784	38 070
Share entitlement per warrant	1	1	1	1	1
Subscription price	€ 0.02	€ 0.07 - € 0.11	€ 0.04 - € 0.30	€ 0.43 - € 0.48	€ 9.98 - € 16.82
Exercise price	€ 0.70	€ 0.70	€ 0.70 - € 5.95	€ 8.28 - € 9.65	€ 35.18 - € 41.02
Valuation method used	Black & Scholes				
Fair value of share at grant date	€ 0.20	€ 0.70	€ 0.70 - € 4.98	€ 6.43 - € 9.65	€ 35.18 - € 41.02
Expected volatility (1)	55.7%	55.2%	53.5% - 55.0%	50.0% - 50.2%	39.9%
Discount rate (2)	3.58%	3.44%	2.62% - 3.38%	2.13% - 2.27%	(0.16)% - 0.52%
Expected dividends	-	-	-	-	-
Performance conditions	No	Yes (A)	No	No	No
Fair value per warrant	€ 0.05	€ 0.33 - € 0.38	€ 0.40 - € 2.58	€ 2.85 - € 4.98	€ 9.98 - € 16.82

(1) Based on the historical volatility of similar entities.
(2) Risk-free bond (government bonds) – OAT TEC10.

(A) All performance conditions associated with the Plan B were met in the year ended December 31, 2010.

Change in the number of non-employee warrants

	Warrants
Balance as of January 1, 2013	**1 180 410**
Reverse stock split 2-for-5 shares (Board of Directors 08/02/2013)	(708 246)
Granted	71 400
Exercised	-
Forfeited	(1 416)
Expired	-
Balance as of December 31, 2013	**542 148**
Granted	5 040
Exercised	(345 780)
Forfeited	(2 000)
Expired	-
Balance as of December 31, 2014	**199 408**
Granted	38 070
Exercised	(34 568)
Forfeited	(48 000)
Expired	-
Balance as of December 31, 2015	**154 910**

Breakdown of closing balance

Warrants (BSA)	December 31, 2013	December 31, 2014	December 31, 2015
Number of instruments outstanding	542 148	199 408	154 910
Weighted-average exercise price	€ 3.55	€ 7.54	€ 15.72
Number of instruments exerciseable	425 294	155 609	117 783
Weighted-average exercise price	(7 127)	7 611	(5 384)
Weighted-average remaining contractual life	7.2 yrs	7.5 yrs	7.4 yrs

Reconciliation with the consolidated statement of income

	December 31, 2013				December 31, 2014				December 31, 2015			
(In thousands of euros)	**R&D**	**S&O**	**G&A**	**Total**	**R&D**	**S&O**	**G&A**	**Total**	**R&D**	**S&O**	**G&A**	**Total**
Free shares	-	-	-	-	-	-	-	-	**(637)**	**(943)**	**(491)**	**(2 071)**
Stock options / BSPCE	**(2 049)**	**(2 801)**	**(1 567)**	**(6 417)**	**(2 777)**	**(9 264)**	**(2 638)**	**(14 679)**	**(5 247)**	**(9 591)**	**(4 511)**	**(19 349)**
Plans 1 and 2	-	-	-	-	-	-	-	-	-	-	-	-
Plans 3 & 3 Revised	(65)	(232)	(85)	**(382)**	26	11	(27)	**10**	1	(5)	-	**(4)**
Plan 4	-	-	-	-	-	-	-	-	-	-	-	-
Plan 5	(456)	(129)	(696)	**(1 281)**	(162)	(101)	(194)	**(457)**	(64)	24	(97)	**(137)**
Plan 6	(1 140)	(1 294)	(531)	**(2 965)**	(381)	(1 024)	(33)	**(1 438)**	(170)	(346)	(12)	**(528)**
Plan 7	(388)	(1 146)	(255)	**(1 789)**	(1 205)	(6 404)	(855)	**(8 464)**	(797)	(1 586)	(342)	**(2 725)**
Plan 8	-	-	-	-	(1 054)	(1 746)	(1 528)	**(4 328)**	(4 217)	(7 678)	(4 060)	**(15 955)**
Non-employee warrants	-	-	**(459)**	**(459)**	-	-	**(99)**	**(99)**	-	-	**(222)**	**(222)**
Plan C	-	-	(91)	**(91)**	-	-	-	-	-	-	-	-
Plan D	-	-	(368)	**(368)**	-	-	(99)	**(99)**	-	-	(7)	**(7)**
Plan E	-	-	-	-	-	-	-	-	-	-	(215)	**(215)**
Total	**(2 049)**	**(2 801)**	**(2 026)**	**(6 876)**	**(2 777)**	**(9 267)**	**(2 735)**	**(14 779)**	**(5 884)**	**(10 534)**	**(5 224)**	**(21 642)**

G&A : General & Administrative expenses M&C : Sales & Operating expenses R&D : Research & Development expenses

Note 9 – Financial income and expense

The “financial income and expense” item of the consolidated statement of income breaks down as follows:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Financial income from cash equivalents	620	1 440	1 898
Interest on borrowings	(342)	(439)	(588)
Foreign exchange gain (loss)	(7 127)	7 611	(5 384)
Other financial income (expense)	(19)	(25)	(20)
Total financial income (expense)	**(6 868)**	**8 587**	**(4 094)**

The foreign exchange loss recognized in the year ended December 31, 2015 resulted chiefly from the revaluation of intercompany positions between Criteo SA and its Brazilian subsidiary, net of the impact of related hedges, in the amount of €5.4 million. As of December 31, the balance of funds received in dollars ($70 million) resulting from Criteo SA’s IPO on the NASDAQ was sold, generating a gain of €1.9 million.

At December 31, 2015, the main positions bearing foreign exchange risk were pooled and hedged by the parent company.

The significant foreign exchange gain recognized for the year ended December 31, 2014 resulted chiefly from the revaluation in euros of the balance of funds received in dollars ($90 million) subsequent to the IPO in October 2013. The revaluation at the closing $/€ exchange rate generated a gain of €8.9 million, partially diluted by the cost of premiums on related hedging instruments (€2.2 million).

Note 10 – Income tax

Breakdown of "income tax"

The "income tax" item on the consolidated statement of income breaks down as follows:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Current taxes	(6 110)	(17 260)	(22 787)
Deferred taxes	3 697	4 007	14 098
Income taxes	**(2 413)**	**(13 253)**	**(8 689)**

As indicated in Note 3 – Accounting policies, the research tax credit is not included in "income taxes," but is deducted from research and development expenses (see Note 7 – Breakdown of personnel expenses).

The French corporate value-added tax (*cotisation sur la valeur ajoutée des entreprises* – CVAE) is included in "current income taxes" in the amounts of €1.2 million, €1.9 million and €2.7 million in the years ended December 31, 2013, 2014, and 2015, respectively.

Reconciliation between effective and nominal tax expense

The following table shows the reconciliation between the effective and nominal tax expense at the nominal French rate of 33.34% (excluding additional contributions):

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Profit before tax	3 806	48 617	65 441
Theoretical tax rate	33.33%	34.43%	34.43%
Tax expense calculated at the theoretical rate	**(1 269)**	**(16 739)**	**(22 531)**
Reconciliation items:			
- Research tax credit	707	1 314	1 220
- Net tax deductions on share-based payments (UK and US) (1)	(1 894)	2 577	1 991
- Permanent differences (2)	(1 004)	(1 688)	(906)
-Deferred tax assets not recognized on tax losses and temporary differences (3)	(3 573)	(2 673)	(6 812)
- Utilisation of tax losses previously not recognized (4)	1 790	208	11 089
- CVAE included in income taxes	(1 156)	(1 860)	(2 752)
- Impact of specific tax deductions (4)	3 703	6 773	11 314
- Impact of tax rate differences	381	(768)	(941)
- Other Differences	(98)	(397)	(361)
Effective tax expense	**(2 413)**	**(13 253)**	**(8 689)**
Effective tax rate	**63.4%**	**(27.3)%**	**(13.3)%**

(1) In most countries where the Group operates, share-based payments do not involve tax impacts on the grant date or exercise date, except in the United Kingdom (upon exercise) and the United States (under conditions). The amount of tax deductions in the United Kingdom and the United States in 2014 and 2015 is material in view of the number of options exercised over the period.

(2) In 2013, unrecognized deferred tax assets were primarily related to the tax losses of Criteo do Brasil. For 2014 and 2015, unrecognized deferred tax assets were primarily related to the tax losses of Criteo Ltd, Criteo do Brasil and Criteo Advertising (Beijing) Co. Ltd.

(3) The 2013 balance includes the partial recognition of the prior tax losses of Criteo Corp. (USA) and Criteo Ltd. The 2014 balance mainly includes Criteo Pty Ltd (Australia). The significant variation in 2015 was the result of the capitalization of part of Criteo Corp.'s tax losses in view of projected taxable income over the subsequent three years and the consideration of limits on the use of U.S. tax loss carryforwards (SEC 382).

(4) The specific tax deductions cover the reduced tax rates on technological fees charged by Criteo SA to its subsidiaries.

Deferred tax assets and liabilities

The following table shows changes in the main sources of deferred tax assets and liabilities:

(In thousands of euros)	Defined Benefit Obligation	Tax losses	Intangible assets and property, plant and equipment	Other	Limitation of deferred tax assets	**Deferred tax position**
Balance at January 1, 2013	194	10 017	(434)	2 088	(10 854)	**1 011**
Change in net income	118	5 648	(737)	2 054	(3 386)	3 697
Change in other comprehensive income	16	-	-	33	(27)	22
Change in scope	-	-	(371)	-	-	(371)
Exchange differences	-	(641)	47	(337)	755	(176)
Balance at December 31, 2013	328	15 024	(1 495)	3 838	(13 512)	4 183
Change in net income	160	1 265	1 957	792	(167)	4 007
Change in other comprehensive income	(133)	-	-	5 028	(4 953)	(58)
Change in scope	31	1 054	(2 563)	241	(1 170)	(2 407)
Exchange differences	2	1 987	(106)	242	(1 683)	442
Balance at December 31, 2014	388	19 330	(2 207)	10 141	(21 485)	6 167
Change in net income	184	(266)	2 990	4 350	6 835	14 093
Change in other comprehensive income	(40)	-	-	-	20	(20)
Change in scope	-	5 145	(2 562)	961	(6 270)	(2 726)
Exchange differences	-	1 906	(131)	21	(1 010)	786
Balance at December 31, 2015	532	26 115	(1 910)	15 473	(21 910)	18 300

Unrecognized deferred tax assets amounted to €13.5 million, €21.5 million and €21.9 million as of December 31, 2013, 2014, and 2015, respectively. These amounts relate primarily to accumulated tax losses not recognized by Criteo Corp. (€8.3 million, €10.0 million and €11.4 million), temporary differences of Criteo do Brazil Ltda (€1.8 million, €2.1 million and €3.6 million in 2013, 2014 and 2015 respectively) and Criteo Ltd (€6.3 million as of December 31, 2014 and €4.3 million as of December 31, 2015).

Changes in scope in 2015 relate to the recognition of a deferred tax liability on technology upon acquisition of DataPop.

The variation in net income in 2015 was attributable primarily to the recognition of deferred tax assets on the accumulated tax losses of Criteo Corp. in accordance with the projected taxable income of the subsidiary over the subsequent three years (€8.6 million recognized in deferred tax income in the statement of income), deferred tax assets recognized on temporary differences of the Japanese subsidiary in the amount of €0.9 million and the reversal of deferred tax liabilities mentioned above on the transfer of DataPop technology from Criteo Corp. to Criteo SA.

Income tax receivables

This item relates primarily to deposits paid by Criteo do Brazil Ltda and withholding tax on future income taxes at Criteo Corp.

Note 11 – Categories of financial assets and liabilities

Financial assets

The following tables show the categories of Group's financial assets for the periods presented:

	December 31, 2013			
(In thousands of euros)	Carrying amount	Loans and receivables	Assets at fair value through profit or loss	Fair value
Non-current financial assets	7 627	7 627	-	7 627
Trade and other receivables	87 643	87 643	-	87 643
Other financial assets	13 466	12 878	588	13 466
Cash and cash equivalents	234 343	-	234 343	234 343
Total	**343 079**	**108 148**	**234 931**	**343 079**

	December 31, 2014			
(In thousands of euros)	Carrying amount	Loans and receivables	Assets at fair value through profit or loss	Fair value
Non-current financial assets	9 494	9 494	-	9 494
Trade and other receivables	158 633	158 633	-	158 633
Other financial assets	21 021	21 021	-	21 021
Cash and cash equivalents	289 784	-	289 784	289 784
Total	**478 932**	**189 148**	**289 784**	**478 932**

	December 31, 2015			
(In thousands of euros)	Carrying amount	Loans and receivables	Assets at fair value through profit or loss	Fair value
Non-current financial assets	15 784	15 784	-	15 784
Trade and other receivables	240 264	240 264	-	240 264
Other financial assets	41 944	41 944	-	41 944
Cash and cash equivalents	324 733	-	324 733	324 733
Total	**622 725**	**297 992**	**324 733**	**622 725**

Financial liabilities

The following tables show the categories of Group's financial liabilities for the periods presented:

	December 31, 2013			
(In thousands of euros)	Carrying amount	Liabilities at amortized cost	Liabilities at fair value through profit or loss	Fair value
Financial liabilities	11 316	11 213	103	11 316
Trade and other payables	75 889	75 889	-	75 889
Other current liabilities	35 224	35 224	-	35 224
Total	**122 429**	**122 326**	**103**	**122 429**

	December 31, 2014			
(In thousands of euros)	Carrying amount	Liabilities at amortized cost	Liabilities at fair value through profit or loss	Fair value
Financial liabilities	12 174	11 562	612	12 174
Trade and other payables	135 557	135 557	-	135 557
Other current liabilities	63 719	63 719	-	63 719
Total	**211 450**	**210 838**	**612**	**211 450**

	December 31, 2015			
(In thousands of euros)	Carrying amount	Liabilities at amortized cost	Liabilities at fair value through profit or loss	Fair value
Financial liabilities	9 578	9 070	508	9 578
Trade and other payables	226 304	226 304	-	226 304
Other current liabilities	80 361	80 361	-	80 361
Total	**316 243**	**315 735**	**508**	**316 243**

Note 12 – Goodwill

(In thousands of euros)	Goodwill
Net carrying amount at January 1, 2014	**4 191**
Acquisitions	18 458
Disposals	-
Foreign exchange differences	295
Impairment	-
Net carrying amount at December 31, 2014	**22 944**
- Gross amount at end of period	22 944
- Accumulated impairment at end of period	-
Net book value at January 1, 2015	**22 944**
Acquisitions	14 652
Disposals	-
Foreign exchange differences	957
Impairment	-
Net carrying amount at December 31, 2015	**38 553**
- Gross amount at end of period	38 553
- Accumulated impairment at end of period	-

On February 17, 2015, Criteo Corp., a subsidiary of Criteo SA, acquired DataPop Inc., a Los Angeles-based company specialized in producing product catalogs tailored to users' buying intent, for $22.0 million (€16.0 million), breaking down as $3.7 million (€2.7 million) in cash advances and $18.3 million (13.3 million euros) to purchase the securities, paid on the acquisition date from the Group's available cash. This business combination was accounted for using the acquisition method, in accordance with IFRS 3. As of December 31, 2015, following the completion of the allocation of the acquisition price, a $7.8 million (€6.8 million) asset was identified. The residual goodwill was valued at $16.7 million (€14.7 million). Acquisition costs totaled €0.5 million, and have been expensed.

On April 7, 2014, Criteo acquired AdQuantic, a Paris-based company specializing in advertising campaign optimization. The Group acquired all shares of AdQuantic for €3.0 million, paid on the acquisition date from the Group's available cash. As of December 31, 2014, following the completion of the allocation of the acquisition price, goodwill was valued at €2.8 million, covering employees and know-how. Acquisition costs totaled €0.1 million, and were expensed during the year.

On February 19, 2014, Criteo acquired Tedemis, a company specializing in customized real-time email marketing solutions allowing advertisers to convert visitors to their websites into buyers. The Group acquired all shares of Tedemis for €21.0 million, breaking down as €17.0 million, paid on the acquisition date from the Group's available cash, and additional payments totaling €4.0 million subject to the occurrence of events agreed by parties over a period of two years. As of December 31, 2014, following the completion of the allocation of the acquisition price, the following assets were identified: technology in the amount of €2.8 million, a cookie pool in the amount of €4.6 million and deferred taxes in the amount of €2.3 million. The residual goodwill was valued at €15.6 million. Acquisition costs totaled €0.4 million, and have been expensed (€0.1 million of which in 2013).

On July 11, 2013, the Group acquired all shares of ADX, a company that allows advertisers and advertising agencies to monitor, measure and analyze the performance of advertising in mobile applications. The total cost of the acquisition was €9.1 million (£7.9 million) (based on the €/£ exchange rate of €1.1591 prevailing on July 11, 2013), breaking down as follows: €5.5 million (£4.7 million) paid in cash on the acquisition date, €0.3 million (£0.3 million) paid as deferred settlements to one of the vendors whose employment contract and been terminated (included in the security acquisition cost), and €3.3 million euros (£2.9 million) as deferred settlements to other vendors whose employment contracts will continue (post-acquisition compensation). As of December 31, 2013, following the completion of the allocation of the acquisition price, the following assets were identified: customer relationships in the amount of €0.7 million (£0.6 million), technology in the amount of €1 million (£0.9 million) and deferred taxes in the amount of €0.4 million (£0.3 million). The residual goodwill was valued at €4.2 million (£3.5 million). Post-acquisition compensation was recognized in the amount of €2.4 million as personnel expenses in research and development expenses. Acquisition costs totaled €0.4 million (£0.3 million), and were expensed in 2013.

The Group did not recognize any impairment of goodwill in the years ended December 31, 2015, 2014 or 2013, since the recoverable amount of the CGU significantly exceeded its carrying amount.

Note 13 – Intangible assets

Changes in the net carrying amounts of intangible assets are summarized below:

(In thousands of euros)	Software	Technology and customer relationships	Other intangible assets	Total
Net carrying amount at January 1, 2014	**5 178**	**1 443**	**3**	**6 624**
Additions to intangible assets	2 055	-	280	2335
Disposal of intangible assets	-	-	(6)	(6)
Amortization expense	(3 033)	(2 916)	-	(5 949)
Change in consolidation scope	17	7 450	6	7 473
Currency translation adjustment	1	82	-	83
Other changes	-	-	-	-
Net carrying amout at December 31, 2014	**4 218**	**6 059**	**283**	**10 560**
- Gross carrying amount at end of period	9 191	9 331	283	18 805
- Accumulated amortization and impairment at end of period	(4 973)	(3 272)	-	(8 245)
Net carrying amount at January 1, 2015	**4 218**	**6 059**	**283**	**10 560**
Additions to intangible assets	5 091	500	1 057	6 648
Disposal of intangible assets	-	-	-	-
Amortization expense	(3 274)	(5 963)	-	(9 237)
Change in consolidation scope	2	6 815	-	6 817
Currency translation adjustment	-	338	-	338
Other changes	283	-	(283)	-
Net carrying amount at December 31, 2015	**6 320**	**7 749**	**1 057**	**15 126**
- Gross carrying amount at end of period	14 570	17 025	1 057	32 652
- Accumulated amortization and impairment at end of period	(8 250)	(9 276)	-	(17 526)

Software additions in the year ended December 31, 2015 relate primarily to the purchase of Microsoft, SAP and Kyriba (new cash management system) licenses.

The significant amount of amortization of technology and customer relationships results chiefly from the amortization of technology acquired by Criteo SA (Ad-X, DataPop, Tedemis) and accelerated depreciation of the intangible cookie pool asset (€1.2 million) derived from the acquisition of Tedemis in 2014.

Change in scope relates primarily to the valuation of technology assets following allocation of the purchase price of DataPop, acquired during the period.

Note 14 – Property, plant and equipment

Changes in the net carrying amounts of property, plant and equipment are summarized below:

(In thousands of euros)	Fixtures and fittings	Furniture and equipment	Assets under construction	Total
Net carrying amount at January 1, 2014	**1 159**	**22 814**	**743**	**24 716**
Additions to tangible assets	1 464	31 099	1 776	34 339
Disposal of tangible assets	(61)	(96)	-	(157)
Depreciation expense	(598)	(16 987)	-	(17 585)
Finance leases	-	92	-	92
Change in consolidation scope	48	36	(22)	62
Currency translation adjustment	48	1 466	46	1 560
Other changes	-	611	(611)	-
Net carrying amount at December 31, 2014	**2 060**	**39 035**	**1 932**	**43 027**
- Gross carrying amount at end of period	3 012	69 200	1 932	74 144
- Accumulated depreciation and impairment at end of period	(952)	(30 165)	-	(31 117)
Net carrying amount at January 1st, 2015	**2 060**	**39 035**	**1 932**	**43 027**
Additions to tangible assets	12 094	45 862	3 598	61 554
Disposal of tangible assets	(47)	(44)	-	(91)
Depreciation expense	(1 659)	(29 299)	-	(30 958)
Finance leases	-	-	-	-
Change in consolidation scope	27	64	-	91
Currency translation adjustment	(8)	2 118	29	2 139
Other changes	707	622	(1 329)	-
Net carrying amount at December 31, 2015	**13 174**	**58 358**	**4 230**	**75 762**
- Gross carrying amount at end of period	14 648	115 706	4 230	134 584
- Accumulated depreciation and impairment at end of period	(1 474)	(57 348)	-	(58 822)

Change in property, plant and equipment relates primarily to acquisitions of servers by the French, American, Japanese and Singapore subsidiaries, where the Group's data centers are located, and fitting out the new premises in London, New York, Boston and Palo Alto.

Note 15 – Non-current financial assets

Non-current financial assets mainly comprise the pledge of a deposit account in the amount of €5.6 million requested by the bank in return for granting a guarantee on first demand in favor of the lessor of the headquarters and security deposits paid in respect of property leases and loan agreements with Bpifrance Financement (French state-owned investment bank) in the amount of €10.2 million. The change in 2015 results from security deposits on rentals of real estate in New York, Boston and London.

Note 16 - Trade receivables

The following table shows the breakdown of the net carrying amount of trade receivables for the periods presented:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Trade and other receivables	89 476	161 870	246 017
Less allowance for doubtful accounts	(1 833)	(3 237)	(5 753)
Net carrying amount at end of period	**87 643**	**158 633**	**240 264**

The following table shows change in impairment of trade receivables for the periods presented:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Balance at beginning of period	**(984)**	**(1 833)**	**(3 237)**
Allowance for doubtful accounts	(980)	(1 695)	(2 398)
Reversals	261	686	-
Change in scope	(126)	(326)	(85)
Currency translation adjustment and other	(4)	(69)	(33)
Balance at end of period	**(1 833)**	**(3 237)**	**(5 753)**

Note 17 – Other current assets

The following table shows the breakdown of other current assets for the periods presented:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Prepayments to suppliers	476	546	2 548
Employee-related receivables	33	10	86
Tax receivables	10 771	16 101	27 144
Other debtors	-	1 051	3 462
Prepaid expenses	1 598	3 313	8 704
Financial instruments	588	-	-
Gross carrying amount at end of period	**13 466**	**21 021**	**41 944**
Less allowance for losses	-	-	-
Net carrying amount at end of period	**13 466**	**21 021**	**41 944**

Tax receivables are comprised primarily of VAT receivables and research tax credit receivables. Prepaid expenses primarily comprise advance rental payments.

Note 18 – Cash and cash equivalents

Consolidated statement of financial position

The following table shows the breakdown of "cash and cash equivalents" for the periods presented:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Money market funds	-	129 073	49 773
Interest-bearing bank deposits	17 993	20 559	104 829
Cash	216 350	140 152	170 131
Cash & cash equivalents	**234 343**	**289 784**	**324 733**

Cash equivalents include money market funds and term deposits that meet the criteria of IAS 7, namely highly liquid short-term investments subject to an insignificant risk of change in value.

Consolidated statement of cash flows

The "cash and cash equivalents" item, as presented in the consolidated statement of cash flows, can be reconciled with the items of the consolidated statement of financial position as follows:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Cash & cash equivalents	234 343	289 784	324 733
Less bank overdrafts	(1)	-	-
Net cash and cash equivalents	**234 342**	**289 784**	**324 733**

Note 19 – Share capital

The Group manages its capital to ensure that (i) consolidated entities will be able to maintain business continuity while (ii) maximizing returns for investors through the optimization of financial debt and equity.

The Group's financial structure comprises borrowings (financial debt (notes 22 and 23) net of cash and cash equivalents (Note 18)) and equity (capital components, premiums and reserves, net income and non-controlling interests).

The Group is not subject to any constraint or externally imposed capital requirements.

Subscribed capital

As of December 31, 2015, the share capital of the parent company consisted of 62,470,881 ordinary shares with a par value of 0.025 euros each, i.e. share capital of 1,561,772.03 euros.

Change in number of shares outstanding

(Number of shares)	Ordinary shares
Balance at January 1, 2014	**56 856 070**
Issue of shares - Capital increase in cash [(1)]	525 000
Issue of shares - Exercise of SO/BSPCE [(2)]	3 521 625
Balance at December 31, 2014	**60 902 695**

(1) Approved by the AGM on June 18, 2014 and the Board of Directors on March 21, 2014

(2) Approved by the Board of Directors on January 29, 2014, March 4, 2014, April 23, 2014, July 30, 2014 and December 4, 2014

Balance at January 1, 2015	**60 902 695**
Issue of shares - Exercise of SO/BSPCE [(3)]	1 568 186
Balance at December 31, 2015	**62 470 881**

(3) Approved by the Board of Directors on January 29, 2015, March 19, 2015, April 30, 2015, July 30, 2015 and December 17, 2015

Note 20 – Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the share of consolidated net income attributable to shareholders of Criteo SA by the weighted average number of shares outstanding.

	December 31, 2013	December 31, 2014	December 31, 2015
Profit for the period - attributable to shareholders of Criteo SA	1 065	34 354	54 296
Weighted average number of shares outstanding	48 692 148	58 928 563	61 835 499
Basic earnings per share	**0.02 €**	**0.58 €**	**0.88 €**

Diluted earnings per share

Diluted earnings per share is calculated by dividing the share of consolidated net income attributable to shareholders of Criteo SA by the weighted average number of shares outstanding plus all potentially dilutive shares not yet issued based on BSPCE, warrant, SO and free share plans (Note 8). There were no other potentially dilutive instruments outstanding as of December 31, 2013, 2014 or 2015. The full potential dilutive effect has therefore been taken into account.

For each period presented, an equity instrument (i.e. a stock option, a warrant, a free share or a BSPCE) is considered potentially dilutive if it is “in the money” (i.e. if the exercise or settlement price is below the average market price).

	December 31, 2013	December 31, 2014	December 31, 2015
Profit for the period - attributable to shareholders of Criteo SA	**1 065**	**34 354**	**54 296**
Weighted average number of shares outstanding used to determine basic earnings per share	48 692 148	58 928 563	61 835 499
Effect of dilutive instruments:	5 907 992	3 137 136	2 939 608
Weighted average number of shares outstanding used to determine diluted earnings per share	**54 600 140**	**62 065 699**	**64 775 107**
Diluted earnings per share	**0.02 €**	**0.55 €**	**0.84 €**

Note 21 – Employee benefits

Defined benefit plans

In accordance with French law and the Syntec collective agreement, French employees are entitled to compensation paid on retirement.

The following table shows change in the present value of pension obligations under defined benefit plans:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Defined Benefit Obligation present value - Beginning of period	**582**	**925**	**1 025**
Service cost	281	371	398
Finance cost	15	25	20
Actuarial losses (gains)	47	(386)	(115)
Change in scope	-	90	-
Defined Benefit Obligation present value - End of period	**925**	**1 025**	**1 328**

The reconciliation of changes in the present value of pension obligations under defined benefit plans in the consolidated statement of financial position with the expense recognized in the consolidated statement of income for the periods presented is shown in the following table:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Service cost	(281)	(371)	(398)
Finance cost	(15)	(25)	(20)
Actuarial (losses) gains	(47)	386	115
Total defined benefits plan expenses	**(343)**	**(10)**	**(303)**
Of which :			
- Other comprehensive income	(47)	386	115
- Research and development expenses	(109)	(126)	(147)
- Sales and operating expenses	(105)	(142)	(138)
- General and administrative expenses	(67)	(103)	(113)
- Financial income and expenses	(15)	(25)	(20)

The main actuarial assumptions used in measuring pension obligations under defined benefits plans are presented below:

	December 31, 2013	December 31, 2014	December 31, 2015
Discount rate (Corp AA)	3.2%	1.5%	2.5%
Expected rate of salary increase	5.00%	5.00%	5.00%
Expected rate of social charges	44.00%	44% - 47.60%	48% - 51%
Estimated retirement age	65 years old	65 years old	65 years old
Mortality table	INSEE - 2003-2005	INSEE - 2007-2009	INSEE - 2007-2009
Staff turnover assumptions:	0 - 10%	0 - 15%	0 - 15%

Defined contribution plans

The total expense recognized in the consolidated statement of income in respect of defined contribution pension plans is presented below:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Defined contributions plans included in personnel expenses	(3 129)	(4 917)	(7 504)

Note 22 – Financial liabilities

Changes in current and non-current financial liabilities in the year ended December 31, 2015 are presented in the following table:

(In thousands of euros)	December 31, 2014	New borrowings	Repayments	Change in scope	Other [2]	Currency translation adjustment	December 31, 2015
Bank loans (1)	4 155	-	-	-	(1 150)	-	3 005
Financial liabilities relating to finance leases	21	-	-	-	(21)	-	
Other financial liabilities	157	-	-	-	(157)	-	
Non current portion	**4 333**		**-**		**(1 328)**	**1**	**3 005**
Bank loans (1)	6 595	3 629	(7 868)	1 569	1 442	118	5 485
Financial liabilities relating to finance leases	232	-	(232)	-	21	-	21
Other financial liabilities	402	-	(906)	874	157	32	559
Derivative instruments	612	-	-	-	(104)	-	508
Current portion	**7 841**	**3 629**	**(9 006)**	**2 443**	**1 516**	**150**	**6 573**
Bank loans (1)	10 750	3 629	(7 868)	1 569	292	118	8 490
Financial liabilities relating to finance leases	253	-	(232)	-	-	-	21
Other financial liabilities	559	-	(906)	874	-	32	559
Derivative instruments	612	-	-	-	(104)	-	508
Total	**12 174**	**3 629**	**(9 006)**	**2 443**	**188**	**104**	**9 578**

(1) Including accrued interest (2) Including current / non-current portion

The Group has signed several loan agreements with third party financial institutions for the financing of property, plant and equipment, as shown below:

Grant date	Amount authorized (thousands)	Amount drawn (credit facility) (in thousands)	Rate	Settlement date
LCL loans				
June 7, 2013	8 000 €	N/A	Fixed: 2.30%	June 7, 2016
BPI loans				
February 20, 2014	3 000 €	N/A	Fixed: 2.09%	May 31, 2021
Revolving credit facilities - Central - BPI				
February 20, 2014	2 000 €	50 €	Variable rate: EURIBOR 3M +0.7%	February 28, 2017
Revolving credit facilities - China - HSBC				
May 12, 2015	40 000 RMB	25 000 RMB	Variable rate: +10%	N/A
Revolving credit facilities - Criteo SA				
September 24, 2015	250 000 €	-	Variable rate: EURIBOR or LIBOR + leverage ratio-based adjustable rate	September 23, 2020

On September 24, 2015, a five-year revolving multicurrency credit facility of €250.0 million (or the equivalent amount in dollars or other optional currencies under certain conditions) was signed with BNP Paribas, Crédit Lyonnais (LCL), HSBC France, Natixis and Société Générale. The new unsecured facility is intended to finance general corporate purposes, including acquisitions. Interest is based on a reference rate equal to the sum of Euribor/Libor, depending on whether amounts are drawn in euros or dollars, plus a margin adjustable on the basis of the leverage ratio and additional costs applicable under the terms of the contract. The agreement contains standard mandatory clauses relating to prepayment, indemnities, representations, covenants (net borrowings to adjusted EBITDA, restrictions in case of new debt) and bankruptcy.

The loan from Crédit Lyonnais (LCL) is repayable in equal monthly installments, and matures in June 2016. As of December 31, 2015, the total amount outstanding was €1.4 million.

In February 2014, two loan contracts were signed with Bpifrance (French state-owned investment bank) to finance the Group's expansion. The first is a $3.0 million line of credit with a term of seven years, repayable quarterly after a two-year period. The second is a renewable three-year line of credit capped at €3.0 million, reduced to €2.0 million as of December 31, 2015. It is repayable annually, with an interest rate of 3-month Euribor plus a margin of 0.70%. As of December 31, 2015, €50,000 had been draw on this facility. A commitment fee of 0.30% is payable quarterly based on the amount drawn. In October 2014, a revolving credit facility was contracted with HSBC to finance the growth of our Chinese subsidiary in a total amount of 15.0 million yuan (€1.8 million); this was subsequently increased to 40.0 million yuan (€5.7 million) by an amendment signed in May 2015.

Interest is determined on the basis of a Chinese central bank comparable as of the date of the draw, with a mark-up of 10% payable at maturity of the loan. As of December 31, 2015, 25.0 million yuan (€4.8 million) had been drawn on this facility.

These loans include special clauses in the event of default, but are not subject to collateral and do not contain any banking covenants except that relative to the €250.0 million line of credit, with which the Group was in compliance as of December 31, 2015.

Note 23 – Net financial debt

The Group's net financial debt is calculated by deducting cash and cash equivalents from financial liabilities. The following tables show net financial debt broken down by maturity and currency.
As indicated in Notes 4 and 19, market risks are controlled by management, which determines the consolidated net financial debt management policy, especially in terms of liquidity, interest rate, foreign exchange and counterparty risk for the subsequent months and past management analysis (transactions performed, financial results).

Net financial debt by maturity

(In thousands of euros)	Carrying amount	Maturity					
		2016	2017	2018	2019	2020	2021
Bank loans [1]	8 490	5 484	775	731	600	600	300
Financial liabilities relating to finance leases	21	21	-	-	-	-	-
Other financial liabilities	559	559	-	-	-	-	-
Derivative instruments	508	508	-	-	-	-	-
Total financial debt	**9 578**	**6 572**	**775**	**731**	**600**	**600**	**300**
Cash and cash equivalents	(324 733)	(324 733)	-	-	-	-	-
Net financial debt	**(315 155)**	**(318 161)**	**775**	**731**	**600**	**600**	**300**

[1] including accrued interest

Net financial debt by currency

(In thousands of euros)	Carrying amount	Currency						
		EUR	GBP	USD	CNY	JPY	KRW	AUTRES
Bank loans [1]	8 490	4 912	-	-	3 578	-	-	-
Financial liabilities relating to finance leases	21	21	-	-	-	-	-	-
Other financial liabilities	559	559	-	-	-	-	-	-
Derivative instruments	508	508	-	-	-	-	-	-
Total financial debt	**9 578**	**6 000**	**-**	**-**	**3 578**	**-**	**-**	**-**
Cash and cash equivalents	(324 733)	(260 220)	(4 520)	(19 434)	(2 622)	(15 974)	(2 330)	(19 813)
Net financial debt	**(315 155)**	**(254 220)**	**(4 520)**	**(19 434)**	**956**	**(15 974)**	**(2 330)**	**(19 813)**

[1] including accrued interest

Note 24 – Provisions

(In thousands of euros)	Provision for employee - related litigation	Provision for tax-related litigation	Other provisions	Total
Balance at January 1, 2014	**340**	**490**	**-**	**830**
Charges	331	-	-	331
Provision used	-	-	-	
Provision released not used	(96)	(2)	-	(98)
Change in consolidation scope	68	177	-	245
Currency translation adjustments	-	-	-	-
Other movements	-	(177)	-	(177)
Balance at December 31, 2014	**643**	**488**	**-**	**1 131**
Charges	181	40	342	563
Provision used	(439)	-	-	(439)
Provision released not used	(167)	(488)	-	(655)
Change in consolidation scope	-	-	-	-
Currency translation adjustments	3	-	11	14
Other movements	-	-	-	-
Balance at December 31, 2015	**221**	**40**	**353**	**614**
Current	221	40	353	614
Non-current	-	-	-	-

Provisions mainly cover disputes, and are assessed based on management's best estimate of the outflow of resources needed to settle the liability relating to labor disputes and restoration costs following the end of leases. The main change in the period was the reversal of the provision for tax litigation as of December 31, 2011 in the amount of €0.5 million following receipt of a tax notification in 2015. In 2011, the Group was the subject of a tax audit covering 2008 and 2009. In late 2011, the Group received a collection notice, and set aside a provision of €0.5 million as of December 31, 2011. No provisions were set aside to cover significant adjustments following a further tax audit in 2013, covering 2010 and 2011. The provision was maintained as of December 31, 2013 and 2014.

Note 25 – Other current liabilities

Other current liabilities are presented in the following table:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Customer prepayments	2 414	3 362	5 735
Employee-related payables	14 340	25 815	38 831
Taxes payable	13 069	23 721	27 266
Accounts payable relating to capital expenditures	4 995	10 376	7 382
Other creditors	406	86	1 001
Deferred revenues	-	359	146
Total	**35 224**	**63 719**	**80 361**

Note 26 – Off-balance sheet commitments

Future minimum payments in respect of real estate commitments, hosting and other non-cancellable liabilities are presented below:

(In thousands of euros)	Less than 1 year	1 to 5 years	5 years +	Total
Property commitments				
Future minimum lease payments at December 31, 2013	23 764	93 218	43 288	160 270
Hosting commitments				
Future minimum lease payments at December 31, 2013	28 813	30 963	-	59 776
Other rental commitments				
Future minimum lease payments at December 31, 2013	3 175	8 642	-	11 817

Operating lease expenses

Operating lease expenses relating to offices amounted to €8.9 million, €14.2 million and €21.3 million in 2013, 2014, and 2015, respectively.

Hosting costs for data centers amounted to €12.2 million, €18.7 million and €27.4 million in 2013, 2014, and 2015, respectively.

Short-term credit facilities and bank overdrafts

As indicated in Note 22, the Group has three revolving credit facilities with Bpifrance, HSBC and a syndicate of banks, giving it access to €2 million, €5.7 million (40 million yuan) and €250 million respectively as of December 31, 2015. As of December 31, 2015, drawings amounted to €0.1 million, €3.6 million (25 million yuan) and €0 million, respectively.

The Group also has bank facilities in the form of short-term lines of credit and authorized bank overdrafts with HSBC plc, LCL and Crédit Industriel et Commercial (CIC). The Group has combined facilities in a maximum amount of €9.4 million with these banks. As of December 31, 2015, no amounts had been drawn on these facilities. Interest on any drawings is calculated on the basis of 1-month Euribor or 3-month Euribor.
Banks can cancel short-term facilities on very short notice.
These facilities include special clauses in the event of default, but are not subject to collateral and do not contain any banking covenants except that relative to the €250.0 million line of credit, with which the Group was in compliance as of December 31, 2015.

Note 27 – Related parties

As of December 31, 2015 the Group's senior management consisted of:

Jean-Baptiste Rudelle, Chairman of the Board, Chief Executive Officer and co-founder,
Romain Niccoli, Chief Technology Officer,
Benoît Fouilland, Chief Financial Officer,
Eric Eichmann, Chief Operating Officer.

Total compensation paid to senior management, including payroll taxes, is presented in the following table:

(In thousands of euros)	December 31, 2013	December 31, 2014	December 31, 2015
Short-term benefits (1)	(3 404)	(3 125)	(2 766)
Post-employment benefits (2)	(167)	(182)	(221)
Share-based payments	(2 621)	(2 481)	(4 143)
Total	**(6 192)**	**(5 789)**	**(7 130)**

(1) *Salaries, bonuses and other compensation*
(2) *Defined benefit plan*

At its meeting of December 17, 2015, the Board of Directors decided to separate the functions of Chairman of the Board (Executive Chairman) and Chief Executive Officer (CEO) as of January 1, 2016, and to appoint Eric Eichmann as CEO. Jean-Baptiste Rudelle was appointed Chairman of the Board.

Note 28 – Subsequent events

The Group has reviewed the events occurring between December 31, 2015 and February 25, 2016, when the Board of Directors approved the consolidated financial statements. No significant event requires adjustment or additional mention in the consolidated financial statements for the year ended December 31, 2015.