Criteo

Société anonyme

32, rue Blanche

75009 PARIS

Statutory Auditors’ report
on the consolidated financial statements

Year ended December 31, 2023

RBB Business advisors

133 bis, rue de l'Université

75007 PARIS

S.A. au capital de 150 000 €

414 202 341 RCS Paris

Société de Commissariat aux Comptes inscrite à

la Compagnie Régionale de Paris

Deloitte & Associés

6, place de la Pyramide

92908 Paris-La Défense Cedex

S.A.S. au capital de 2 188 160 €

572 028 041 RCS Nanterre

Société de Commissariat aux Comptes inscrite à la Compagnie Régionale de Versailles et du Centre

Criteo

Société anonyme

32, rue Blanche

75009 PARIS

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2023

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Criteo Shareholders' Meeting

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Criteo for the year ended December 31, 2023.

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 as of December 31, 2023, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors for the period from January 1, 2023, to the date of our report.

Justification of our assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Note 3 "Critical accounting estimates and judgments" to the consolidated financial statements mentions the material judgments and estimates adopted by Management. Our procedures consisted in assessing the reasonableness of the data and assumptions underlying these estimates and judgments, examining the procedures for approving these estimates and judgments by Management, reviewing, on a sampling 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.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report.

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

We attest that the consolidated non-financial performance statement required by Article L.225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with Article L.823-10 of this code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

signed in Paris and Paris-La Défense, February 23, 2023

The Statutory Auditors

RBB Business advisors	Deloitte & Associés
Jean-Baptiste BONNEFOUX	Felicitas CAVAGNÉ

ANNEX C

IFRS CONSOLIDATED FINANCIAL STATEMENTS

Please note that because we are a French company, the full text of the consolidated financial statements included in this Annex C has been translated from French. In the case of any discrepancy between this version and the French version, the French version will prevail.

Consolidated Financial Statements for the year ending December 31, 2023

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CONSOLIDATED STATEMENTS OF INCOME

(In thousands of euros)	Notes	December 31, 2021	December 31, 2022	December 31, 2023
Revenue	7	**1,905,790**	**1,919,049**	**1,802,476**
Traffic acquisition costs		(1,127,294)	(1,034,758)	(856,970)
Other cost of revenue		(116,757)	(125,805)	(146,250)
Gross Profit		**661,739**	**758,486**	**799,256**
Research and development expenses	4	(128,002)	(178,872)	(225,358)
Sales and operations expenses	4	(274,035)	(359,227)	(378,361)
General and administrative expenses	4	(128,553)	(195,406)	(129,415)
Income from Operations		**131,149**	**24,981**	**66,122**
Financial and Other income (expense)	9	(1,363)	15,746	(3,902)
Income before taxes		**129,786**	**40,727**	**62,220**
Provision for income taxes	10	(13,883)	(29,655)	(16,748)
Net income		**115,903**	**11,072**	**45,472**
- Available to shareholders of Criteo S.A.	21	113,207	9,266	44,175
- Available to non-controlling interests	21	2,696	1,806	1,297
Basic earnings per share (in € per share)	21	1.86	0.15	0.79
Diluted earnings per share (in € per share)	21	1.78	0.15	0.75

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Net income	**115,903**	**11,072**	**45,472**
Foreign currency translation differences, net of taxes	28,806	11,659	(31,468)
- Foreign currency translation differences	*28,806*	*11,659*	*(31,468)*
Actuarial (losses) gains on employee benefits, net of taxes	1,007	2,817	346
- Actuarial (losses) gains on employee benefits	*1,150*	*3,142*	*414*
- Income tax effect	*(143)*	*(325)*	*(68)*
Comprehensive income	**145,716**	**25,548**	**14,350**
- Available to shareholders of Criteo S.A.	*143,874*	*26,000*	*16,111*
- Available to non-controlling interests	*1,842*	*(452)*	*(1,761)*

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In thousands of euros)	Notes	December 31, 2021	December 31, 2022	December 31, 2023
Goodwill	*12*	291,100	482,972	474,385
Intangible assets	*13*	72,952	164,992	163,698
Property, plant and equipment	*14*	123,574	123,017	114,476
Marketable Securities - non current portion	*15*	4,415	—	15,000
Non-current financial assets	*11*	5,682	5,558	4,791
Restricted cash non-current portion	*11*	—	70,317	—
Right of use assets - operating leases	*16*	104,622	94,561	100,381
Other non-current asset		—	47,645	56,576
Deferred tax assets	*10*	31,792	30,288	49,923
TOTAL NON-CURRENT ASSETS		**634,137**	**1,019,350**	**979,230**
Marketable Securities - current portion	*15*	44,410	23,531	5,403
Trade receivables	*17*	513,849	664,663	701,887
Current tax assets	*10*	7,762	22,141	1,874
Restricted cash - current portion	*11*	—	23,439	67,873
Other current assets	*11/18*	94,524	122,037	135,244
Cash and cash equivalents	*19*	455,330	326,518	304,040
TOTAL CURRENT ASSETS		**1,115,875**	**1,182,329**	**1,216,321**
TOTAL ASSETS		**1,750,012**	**2,201,679**	**2,195,551**

(In thousands of euros)	Notes	December 31, 2021	December 31, 2022	December 31, 2023
Share capital	*20*	1,647	1,581	1,529
Additional paid-in capital		297,123	239,276	182,306
Currency translation adjustment		21,765	28,255	(11,609)
Consolidated reserves		705,183	870,859	911,015
Treasury stock	*20*	(112,360)	(166,646)	(156,870)
Retained earnings		113,207	9,266	44,181
Equity - available to shareholders of Criteo S.A.		**1,026,565**	**982,591**	**970,552**
Non-controlling interests		31,034	30,952	28,735
TOTAL EQUITY		**1,057,599**	**1,013,543**	**999,287**
Financial liabilities - non-current portion	*23/24*	318	69	70
Non-current lease liabilities - operating leases	*16*	82,380	72,096	74,148
Retirement benefit obligation	*22*	5,037	3,633	3,739
Contingencies - non-current portion	*25*	—	31,675	30,591
Other non-current liabilities	*4*	8,729	48,046	2,074
Uncertain tax position non-current portion	*10*	—	16,857	15,753
Deferred tax liabilities	*10*	2,519	3,189	810
TOTAL NON-CURRENT LIABILITIES		**98,983**	**175,565**	**127,185**
Financial liabilities - current portion	*23/24*	567	205	3,067
Current lease liabilities - operating leases	*16*	30,370	28,790	31,464
Contingencies - current portion	*25*	2,701	61,653	1,328
Trade payables	*11*	380,317	697,942	760,208
Current tax liabilities	*10*	5,864	12,223	15,578
Other current liabilities	*26*	173,611	211,758	257,434
TOTAL CURRENT LIABILITIES		**593,430**	**1,012,571**	**1,069,079**
TOTAL EQUITY AND LIABILITIES		**1,750,012**	**2,201,679**	**2,195,551**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of euros)	Notes	December 31, 2021	December 31, 2022	December 31, 2023
Net income		**115,903**	**11,072**	**45,472**
Non-cash and non-operating items		**170,806**	**249,284**	**167,342**
- Amortization and provisions		116,139	177,875	101,731
- Payment for contingent liability on regulatory matters		—	—	(40,000)
- Share-based compensation expense [(1)]	8	37,650	62,642	89,855
- Net gain on disposal of non-current assets		1,663	(184)	(7,382)
- Interest accrued and non-cash financial income and expenses		—	391	2,505
- Change in uncertain tax positions		—	(246)	(814)
- Net change in fair value of Earn-out		—	732	2,167
- Change in deferred taxes	10	(15,542)	3,417	(23,620)
- Income tax for the period		29,425	25,847	41,181
- Interest paid on leasing		1,452	1,251	1,719
- Other		19	(22,441)	—
Change in working capital		**(33,007)**	**55,202**	**69,133**
- (Increase) / Decrease in trade receivables		(114,105)	(40,676)	(52,140)
- Increase / (Decrease) in trade payables		69,898	129,189	81,503
- (Increase) / Decrease in other current assets	18	(16,684)	(13,551)	(672)
'- Increase / (Decrease) in other current liabilities		27,889	(17,114)	40,555
- Change in operating lease liabilities and right of use assets	16	(5)	(2,646)	(113)
Income taxes paid		**(24,315)**	**(36,256)**	**(37,057)**
CASH FROM OPERATING ACTIVITIES		**229,387**	**279,302**	**244,890**
Acquisition of intangible assets, property, plant and equipment	13/14	(46,566)	(57,902)	(107,360)
Proceeds from disposal of intangible assets, property, plant and equipment	13/14	1,818	7,569	1,668
Payments for (Disposal of) acquired businesses, net of cash acquired (disposed)	4	(8,814)	(135,347)	(6,299)
Disposal of businesses		—	—	8,169
Net gain or (loss) on disposal of non-current financial assets		(10,935)	(67,415)	29,104
CASH USED FOR INVESTING ACTIVITIES		**(64,497)**	**(253,095)**	**(74,718)**
Issuance of long-term borrowings		—	70,000	—
Repayment of borrowings [(2)]		(1,056)	(70,000)	—
Repayment of leases		(44,313)	(33,825)	(37,580)
Cash payment for contingent consideration		—	—	(20,245)
Proceeds from capital increase		21,531	1,066	1,798
Change in treasury stocks		(84,870)	(131,543)	(116,885)
Change in other financial liabilities		(3,669)	(252)	217
Other		—	20,662	(1,775)
CASH USED FOR FINANCING ACTIVITIES		**(112,377)**	**(143,892)**	**(174,470)**
CHANGE IN NET CASH AND CASH EQUIVALENTS		**52,513**	**(117,685)**	**(4,298)**
Net cash and cash equivalents at beginning of period	*19*	**397,784**	**455,330**	**326,518**
Effect of exchange rate changes on cash and cash equivalents		5,033	(11,127)	(18,180)
Net cash and cash equivalents at end of period	*19*	**455,330**	**326,518**	**304,040**

(1) Of which €88.1 million and €61.0 million of equity awards compensation expense consisted of share-based compensation expense according to IFRS 2 Share-based payment for the twelve month period ended December 31, 2023 and 2022, respectively.

(2) Interests paid for the year ended December 31, 2023, 2022 and 2021 amounted respectively to €1.4 million, €1.2 million and €1.1 million.

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of euros)	Share capital	Additional paid-in capital	Treasury stock	Currency translation adjustment	Consolidated Reserves	Retained earnings	**Equity attributable to shareholders of Criteo S.A.**	Non-controlling interests	**Total equity**
Balance at January 1, 2021	**1,657**	**301,321.5**	**(76,372)**	**(7,895)**	**627,883**	**63,554**	**910,148.5**	**28,931**	**939,080**
Net income	—	—	—	—	—	113,207	113,207	2,696	**115,903**
Other comprehensive income (loss)	—	—	—	29,660	1,007	—	30,667	(854)	**29,813**
Total comprehensive income	**—**	**—**	**—**	**29,660**	**1,007**	**113,207**	**143,874**	**1,842**	**145,716**
Allocation of net income from prior period	—	—	—	—	63,554	(63,554)	—	—	**—**
Issuance of common shares	27	21,504	—	—	—	—	21,531	—	**21,531**
Share-based compensation	—	—	—	—	35,872	—	35,872	261	**36,133**
Change in treasury stock	(37)	(25,703)	(35,988)	—	(23,142)	—	(84,870)	—	**(84,870)**
Other changes in equity	—	—	—	—	9	—	9	—	**9**
Balance at December 31, 2021	**1,647**	**297,123**	**(112,360)**	**21,765**	**705,183**	**113,207**	**1,026,565**	**31,034**	**1,057,599**
Net income	—	—	—	—	—	9,266	9,266	1,806	**11,072**
Other comprehensive income (loss)	—	—	—	6,490	10,243	—	16,733	(2,257)	**14,476**
Total comprehensive income	**—**	**—**	**—**	**6,490**	**10,243**	**9,266**	**25,999**	**(451)**	**25,548**
Allocation of net income from prior period	—	—	—	—	113,207	(113,207)	—	—	**—**
Issuance of common shares	2	1,063	—	—	—	—	1,065	—	**1,065**
Share-based compensation	—	—	—	—	60,505	—	60,505	369	**60,874**
Change in treasury stock	(68)	(58,910)	(54,286)	—	(18,279)	—	(131,543)	—	**(131,543)**
Other changes in equity	—	—	—	—	—	—	—	—	**—**
Balance at December 31, 2022	**1,581**	**239,276**	**(166,646)**	**28,255**	**870,859**	**9,266**	**982,591**	**30,952**	**1,013,543**
Net income	—	—	—	—	—	44,175	44,175	1,297	**45,472**
Other comprehensive income (loss)	—	—	—	(39,858)	11,795	—	(28,063)	(3,059)	**(31,122)**
Total comprehensive income	**—**	**—**	**—**	**(39,858)**	**11,795**	**44,175**	**16,112**	**(1,762)**	**14,350**
Allocation of net income from prior period	—	—	—	—	9,266	(9,266)	—	—	**—**
Issuance of common shares	3	1,795	—	—	—	—	1,798	—	**1,798**
Share-based compensation	—	—	—	—	88,053	—	88,053	25	**88,078**
Change in treasury stock	(55)	(58,765)	9,776	—	(67,841)	—	(116,885)	—	**(116,885)**
Other changes in equity	—	—	—		(1,117)	—	(1,117)	(480)	**(1,597)**
Balance at December 31, 2023	**1,529**	**182,306**	**(156,870)**	**(11,603)**	**911,015**	**44,175**	**970,552**	**28,735**	**999,287**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Description of the activity

Criteo S.A. is a *société anonyme* or S.A, under the laws of the French Republic. The headquarters are located at 32 rue Blanche, 75009 Paris. The Company is registered on *Registre du Commerce* (Trade and Companies Registry) in Paris under no. 484 786 249 RCS Paris.

Criteo is a global technology company powering the world's marketers with trusted and impactful advertising. Criteo enables brands' and retailers' growth by activating commerce data through artificial intelligence ("AI") technology, reaching consumers on an extensive scale across all stages of the consumer journey, and generating advertising revenues from consumer brands for large retailers.

The preparation of the Consolidated Financial Statements as of December 31, 2023 are under the responsibility of Criteo S.A.'s management. The Consolidated Financial Statements were authorized for issuance by the board of directors of Criteo S.A. on February 23, 2024 and will be approved at the General Meeting on June 25, 2024.

All amounts are expressed in thousands of euros, unless stated otherwise.

In these notes, Criteo S.A. is referred to as the Parent company and together with its subsidiaries, collectively, as "Criteo," the Company "or" the Group".

Note 2 – Summary of material accounting policies

Basis of preparation

The Consolidated Financial Statements have been prepared using a going concern assumption and the historical cost principle with the exception of certain assets and liabilities that are measured at fair value in accordance with IFRS. The categories concerned are detailed in the following notes.

In application of the 1606/2002 regulation adopted by the European Parliament and the European Council, the Consolidated Financial Statements have been prepared in accordance with the *International Financial Reporting Standards* (“IFRS”) as issued by the International Accounting Standard Board (“IASB”) and endorsed by the European Union and whose application is mandatory for the year ending December 31, 2023. Furthermore, regarding its mandatory compliance as a Nasdaq listed company and under the *Securities Exchange Act* of 1934, the Group publishes consolidated financial statements in accordance with the applicable accounting standards in the United States.

Consolidation Methods

The Group has control over all its subsidiaries, and consequently they are all fully consolidated. The table below presents at each period's end and for all entities included in the consolidation scope the following information:

- Country of incorporation; and
- Percentage of voting rights and ownership interests

	Country	December 31, 2021		December 31, 2022		December 31, 2023		Consolidation method
		Voting rights	Ownership interest	Voting rights	Ownership interest	Voting rights	Ownership interest	
French subsidiaries								
Criteo S.A.	France	100%	100%	100%	100%	100%	100%	Parent Company
Criteo France S.A.S.	France	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Finance S.A.S. (1)	France	100%	100%	—%	—%	—%	—%	Fully consolidated
Criteo Technology	France	100%	100%	100%	100%	100%	100%	Fully consolidated
Condigolabs S.A.S. (3)	France	100%	40%	100%	40%	—%	—%	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
Madyourself Technologies, Inc (2)	United States	100%	100%	100%	100%	—%	—%	Fully consolidated
Criteo GmbH	Germany	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Nordics AB.	Sweden	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Korea Ltd.	Korea	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo K.K.	Japan	100%	66%	100%	66%	100%	66%	Fully consolidated
Criteo Do Brasil Desenvolvimento De Serviços De Internet Ltda.	Brazil	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo B.V.	The Netherlands	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Australia Pty Ltd.	Australia	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo S.R.L.	Italy	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Advertising (Beijing) Co.Ltd	China	100%	100%	100%	100%	100%	100%	Fully consolidated
Brandcrush Pty Ltd	Australia	—%	—%	—%	—%	100%	100%	Fully consolidated
Criteo Singapore Pte.Ltd	Singapore	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo LLC	Russia	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Europa MM, S.L.	Spain	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Espana, S.L.	Spain	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Canada Corp.	Canada	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo Reklamcilik Hzimetleri ve Ticaret A.S.	Turkey	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo MEA FZ-LLC	United Arab Emirates	100%	100%	100%	100%	100%	100%	Fully consolidated
Criteo India Private Limited	India	100%	100%	100%	100%	100%	100%	Fully consolidated
Gemini HoldCo, LLC (2)	United States	100%	100%	100%	100%	—%	—%	Fully consolidated
Doobe In Site Ltd	Israel	100%	100%	100%	100%	100%	100%	Fully consolidated
Bidswitch Gmbh	Switzerland	—%	—%	100%	100%	100%	100%	Fully consolidated
Bidswitch Inc.	United States	—%	—%	100%	100%	100%	100%	Fully consolidated
Iponweb Gmbh	Switzerland	—%	—%	100%	100%	100%	100%	Fully consolidated
Iponweb Gmbh	Deutschland	—%	—%	100%	100%	100%	100%	Fully consolidated
Iponweb Ltd.	United Kingdom	—%	—%	100%	100%	100%	100%	Fully consolidated
Iponweb Labs Cyprus	Cyprus	—%	—%	100%	100%	100%	100%	Fully consolidated
Iponweb Inc. (2)	United States	—%	—%	100%	100%	—%	—%	Fully consolidated
The MediaGrid Inc.	United States	—%	—%	100%	100%	100%	100%	Fully consolidated
Iponweb Labs Arménie	Armenia	—%	—%	100%	100%	100%	100%	Fully consolidated

(1) Merged with Criteo Technology
(2) Merged with Criteo Corp.
(3) Disposal of investment

Business combinations

The acquisition method is used in accounting for business combinations. The consideration transferred to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities assumed are recognized in a business combination regardless of whether they have been previously recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

Goodwill is determined after a separate recognition of identifiable intangible assets. It is calculated as the excess of the fair value of the consideration transferred over the sum of the recognized amount of any non-controlling interest in the acquiree and the acquisition date fair values of identifiable net assets.

When the cost of the acquisition is below the fair value of the Company's share in the assets, liabilities and contingent liabilities of the acquiree, the difference is recognized directly in the income statement.

If the initial accounting for a business combination can only be determined provisionally, provisional values of the assets and liabilities should be adjusted within one year from the acquisition date, in accordance with IFRS 3.

The impact of capital gains or losses and of depreciation charges and reversals recognized after 12 months of the acquisition date in relation to the values assigned to assets acquired and liabilities assumed at the time of the first consolidation is recognized prospectively, as the income of the period of change and future periods, if any, without adjusting goodwill except in the case of the correction of an error, in accordance with IAS 8—*Accounting policies, changes in accounting estimates and errors*.

Intangible Assets (Excluding Goodwill)

Acquired intangible assets are accounted for at acquisition cost, less accumulated amortization and any impairment loss. Acquired intangible assets are primarily composed of software, technologies and customer relationships, amortized on a straight-line basis over their estimated useful lives comprised between one and three years for software, and between three and nine years for technologies and customer relationships. Intangible assets are reviewed for impairment whenever there are events or changes in circumstances such as, but not limited to, significant declines in revenue, earnings or cash flows or material adverse changes in the business climate, that indicate that the carrying amount of an asset may be impaired.

Costs related to customized internal-use software that have reached the development stage are capitalized. Capitalization of such costs begins when the preliminary project stage is complete and stops when the project is substantially complete and is ready for its intended purpose. In making this determination, several analysis for each phase were performed, including analysis of the feasibility, availability of resources, intention to use and future economic benefits. Amortization of these costs begins when assets are placed in service and is calculated on a straight-line basis over the assets' useful lives estimated between three to five years.

The research and development efforts are focused on enhancing the performance of our solution and improving the efficiency of the services the Group delivers to clients. All development costs, principally headcount-related costs, are expensed as incurred as management has determined that technological feasibility is reached shortly before the product is available for release to customers.

Property, Plant and Equipment

Property, plant and equipment are accounted for at acquisition cost less cumulative depreciation and any impairment loss. Depreciation is calculated on a straight-line basis over the assets' estimated useful lives. Management determines the appropriate useful life of property, plant and equipment when those assets are initially recognized and it is routinely reviewed. Our current estimate of useful lives represents the best estimate based on current facts and circumstances, but may differ from the actual useful lives due to changes to our business operations, changes in the planned use of assets, and technological advancements. When we change the estimated useful life assumption for any asset, the remaining carrying amount of the asset is accounted for prospectively and depreciated or amortized over the revised estimated useful life.

The estimated useful lives of property and equipment are described below:

Servers.. 5 years

Furniture and IT equipments.. 3 to 5 years

Leasehold improvements are depreciated over their useful life or over the lease term, whichever is shorter.

Impairment of Assets

Goodwill, Intangible Assets, Property, plant and equipment

In accordance with IAS 36—*Impairment of Assets*, whenever events or changes in market conditions indicate a risk of impairment of intangible assets, property, plant and equipment, a detailed review is carried out in order to determine whether the net carrying amount of such assets remains lower than their recoverable amount, which is defined as the greater of fair value (less costs to sell) and value in use. Value in use is measured by discounting the expected future cash flows from continuing use of the asset and its ultimate disposal. Goodwill is tested once a year for impairment following the principle that the Group operates as three reporting units and has selected December 31 as the date to perform its annual impairment test.

In the event that the recoverable value of the reporting unit is lower than the net carrying value, the difference is recognized as an impairment loss. Impairment losses for property, plant and equipment or intangible assets with finite useful lives can be reversed if the recoverable value becomes higher than the net carrying value (but not exceeding the loss initially recorded).

There has been no impairment of goodwill during the years ended December 31, 2021, 2022 and 2023, as the Company's reporting units' fair value was in excess of the carrying value based on the annual goodwill impairment test.

Leases

In accordance with the provisions of IFRS 16, when entering into a rental agreement, the Group recognizes a liability on the balance sheet corresponding to future discounted payments of the fixed part of the rents, as well as a right of use asset amortized over the term of the contract

Office space and data centers are rented under non-cancellable operating lease agreements. These leases typically include rent free periods, rent escalation periods, renewal options and may also include leasehold improvement incentives. Both office and data center leases may contain non-lease components such as maintenance, electrical costs, and other service charges. Non-lease components are accounted for separately.

Operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Options have been included in the calculation if management has determined that it is reasonably certain that the option will be exercised. Lease liabilities or right of use asset for leases with a term of 12 months or less and/or low values are not recognized.

Financial Assets and Liabilities, Excluding Derivatives Financial Instruments

Financial assets, excluding cash, consist exclusively of loans and receivables. Loans and receivables are non-derivative financial assets with a payment, which is fixed or can be determined, not listed on an active market. They are included in current assets, except those that mature more than twelve months after the reporting date.

Loans are measured at amortized cost using the effective interest method. The recoverable amount of loans and advances is estimated whenever there is an indication that the asset may be impaired and at least on each reporting date. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized in the Consolidated Statement of Income.

The Group carries the accounts receivable at original invoiced amount less an allowance for any potential uncollectible amounts. Receivables are presented on a gross basis and are not netted against the payments we are required to make to advertising inventory publishers. Management makes estimates of expected credit trends for the allowance for credit losses based on, among other factors, a past history of collections, current credit conditions, the aging of the receivables, past history of write downs, credit quality of our customers, current economic conditions, and reasonable and supportable forecasts of future economic conditions.

A receivable is considered past due if we have not received payments based on agreed-upon terms.

A higher default rate than estimated or a deterioration in our clients' creditworthiness could have an adverse impact on our future results. Allowances for credit losses on trade receivables are recorded in “sales and operations expenses” in our Consolidated Statements of Income. We generally do not require any security or collateral to support our receivables.

Financial liabilities are initially recorded at their fair value at the transaction date. Subsequently they are measured at amortized cost using the effective interest method.

Derivatives Financial Instruments

The Group buys and sells derivative financial instruments in order to manage and reduce the exposure to the risk of exchange rate fluctuations. The Group deals only with high quality financial institutions. Under IFRS 9, financial instruments may only be classified as hedges when the effectiveness of the hedging relationship at inception and throughout the life of the hedge can be demonstrated and documented. Derivatives not designated as hedging instruments mainly consist of put, forward buying and selling contracts that we use to hedge intercompany transactions and other monetary assets or liabilities denominated in currencies other than the local currency of a subsidiary. We recognize gains and losses on these contracts, as well as the related costs in the financial income (expense), net, along with the foreign currency gains and losses on monetary assets and liabilities.

In accordance with amendment to *IFRS 7—Financial instruments: Disclosures*, financial instruments are presented in three categories based on a hierarchical method used to determine their fair value:

- *Level 1*: fair value calculated using quoted prices in an active market for identical assets and liabilities;
- *Level 2*: fair value calculated using valuation techniques based on observable market data such as prices of similar assets and liabilities or parameters quoted in an active market;
- *Level 3*: fair value calculated using valuation techniques based wholly or partially on unobservable inputs such as prices in an active market or a valuation based on multiples for unlisted companies.

Cash and cash equivalents and Marketable securities

Cash includes cash on deposit with banks and highly liquid investments such as demand deposits with banks. Cash equivalents include short-term, highly liquid investments, with a remaining maturity at the date of purchase of three months or less for which the risk of changes in value is considered to be insignificant. Highly liquid demand deposits therefore meet the definition of cash equivalents.

Criteo holds investments in marketable securities, consisting mainly of term deposits with banks, not meeting the cash equivalents definition, presented as non current assets. Criteo accounts for marketable securities using the amortized cost model as Criteo’s objective is to collect contractual cash flows that are solely made up of payments of principal and interests. Interest income generated from these investments are recorded as financial income

Employee Benefits

Depending on the laws and practices of the countries in which the Group operates, employees may be entitled to compensation when they retire or to a pension following their retirement. For state-managed plans and other defined contribution plans, we recognize them as expenses when they become payable, our commitment being limited to our contributions.

In accordance with IAS 19, the liability with respect to 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 obtain the final obligation. The final amount of the liability is then discounted.

In 2021, the IFRS IC issued a decision on the methodology for calculating the employee benefits and the vesting period. In its decision, the IFRS IC concludes, in this case, that no right is acquired in the event of departure before retirement age and that the commitment must only be recognized over the last years of the career of the employees concerned. This decision had no impact on the Group.

The main assumptions used to calculate the liability are:

- discount rate;
- future salary increases; and
- employee turnover.

Service costs are recognized in the income statement and are allocated by function.

Finance costs are presented as part of "Financial income (expense)" in the Consolidated Statement of Income.

Actuarial gains and losses are recognized in other comprehensive income. Actuarial gains and losses arise as a result of changes in actuarial assumptions or experience adjustments (differences between the previous actuarial assumptions and what has actually occurred).

Provisions

The Group recognizes provisions in accordance with *IAS 37—Provisions, Contingent Liabilities and Contingent Assets*, if the following three conditions are met:

- the Group has a present obligation (legal or constructive) towards a third-party that arises from an event prior to the closing date;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- and the obligation amount can be estimated reliably.

With respect to litigation and claims that may result in a provision to be recognized, the Group exercises significant judgment in measuring and recognizing provisions or determining exposure to contingent liabilities that are related to pending litigation or other outstanding claims. These judgment and estimates are subject to change as new information becomes available.

Revenue recognition

We sell personalized display advertisements featuring product-level recommendations either directly to clients or to advertising agencies. We also provide technology to retailers and other companies in the ad tech space which enables them to monetize on their advertising properties, or connect them to other players in the ad-tech industry.

Revenue is recognized when control of the promised goods or services is transferred to our clients, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. We determine revenue recognition by applying the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract;
- Recognition of revenue when, or as, we satisfy a performance obligations.

We have multiple pricing models which include percentage of spend models, as well as cost-per-click, and cost-per-impression pricing models.

Cost-per-click and cost-per-impression pricing models

We recognize revenues when we transfer control of promised services directly to our clients in an amount that reflects the consideration to which we expect to be entitled to in exchange for those services.

For campaigns priced on a cost-per-click, we bill our clients when a user clicks on an advertisement we deliver or installs an application by clicking on an advertisement we delivered, respectively. For these pricing models, we recognize revenue when a user clicks on an advertisement, as we consider the delivery of clicks our performance obligation.

For campaigns priced on a cost-per-impression basis, we bill our clients based on the number of times an advertisement is displayed to a user. For this pricing model, we recognize revenue when an advertisement is displayed as we consider the display of advertisements our performance obligation.

Percentage of spend models

Criteo's Platform enables the buying and selling of retail media with an end-to-end, self-service platform geared toward our brand, agency and retailer customers and is priced using a percentage of spend model.

We generate revenues when we provide a platform for the purchase and sale of retail media digital advertising inventory. The platform connects sellers and buyers of retail media inventory, in an online marketplace. Retailers provide advertising inventory to the platform and brands and agencies bid on the retailers digital advertising inventory. Winning bids can create advertising, or paid impressions, which retailers display to their website visitors.

The total volume of spending between buyers and sellers on the Company's platform is referred to as working media spend. We charge both the brands and agencies and retailers a contractual fee, based on a percentage of working media spend, for the use of our platform. We recognize revenue when an ad is displayed or clicked on.

Criteo's solutions offer an online trading platform through which supply partners can submit bid requests for media that they wish to sell, and demand partners can submit bids for media that they wish to buy through the operations of a dynamic, real-time exchange whereby media is sold to demand partners whose bids are selected by supply partners.

We generate revenues by charging demand or supply a percentage of total media spend traded through our solutions. We recognize revenue when an ad is displayed or clicked on.

Agent vs Principal

When a third-party is involved in the delivery of our services to the client, through the supply of digital advertising inventory, we assess whether we act as principal or agent in the arrangement. The assessment is based on the degree we control the specified services at any time before they are transferred to the customer. The determination of whether we are acting as principal or agent requires judgment.

We act primarily as principal in our Marketing Solutions segment because (i) we control the advertising inventory before it is transferred to our clients; (ii) we bear sole responsibility in fulfillment of the advertising promise and bear inventory risks and (iii) we have full discretion in establishing prices. Therefore, based on these and other factors, we have determined that we act primarily as principal for our Criteo Marketing Solutions engagements and accordingly report the revenue earned and related costs incurred on a gross basis.

We act primarily as agent in our Retail Media segment. For the arrangements related to transactions using our legacy Retail Media solutions, we consider that we act as principal, as we exercise significant control over the client’s advertising campaign. For arrangements related to transactions using our Platform, a self-service solution providing transparency, measurement and control to our brand, agency and retailer customers, we act as agent, because we (i) do not control the advertising inventory before it is transferred to our clients, (ii) do not have inventory risks because we do not purchase the inventory upfront and(iii) have limited discretion in establishing prices as we charge a platform fee based on a percentage of the digital advertising inventory purchased through the use of the platform. Therefore, we report the revenue earned and related costs incurred by the Platform solution on a net basis.

We act as agent in Iponweb segment as we (i) do not control the advertising inventory before it is transferred to our clients, (ii) do not have inventory risks because we do not purchase the inventory upfront and (iii) have limited discretion in establishing prices as we charge a fee based on a percentage of the digital advertising inventory traded through our solutions. Therefore, we report the revenue earned and related costs incurred by the Iponweb solutions on a net basis.

Rebates and Incentives

Criteo offers rebates and incentives to certain customers that could be either fixed or variable. Fixed incentives may represent payments to a customer directly related to entering into an agreement, which are capitalized and amortized over the life of the agreement on a straight-line basis. Variable rebates and incentives are calculated based on expected amount to be provided to customers and they are recognized as a reduction of revenue. We calculate these amounts based upon estimated customer performance, such as volume thresholds, and the terms of the related business agreements.

Deferred Revenues

We record deferred revenues when cash payments are received or due in advance of our performance. Our payment terms vary depending on the service or the type of customer. For certain customers, we require payment before the services are delivered.

Practical Expedients

We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

We generally expense sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within sales and operating expenses.

Cost of revenue

Our cost of revenue primarily includes traffic acquisition costs and other cost of revenue.

Traffic Acquisition Costs. Traffic acquisition costs consist primarily of purchases of impressions from publishers on a CPM basis. We purchase impressions directly from publishers or third-party intermediaries, such as advertisement exchanges. We recognize cost of revenue on a publisher by publisher basis as incurred. Costs owed to publishers but not yet paid are recorded in our Consolidated Statements of Financial Position as trade payables.

For legacy solutions within Criteo Retail Media, we pay for the inventory of our retailer partners on a revenue sharing basis, effectively paying the retailers a portion of the click-based revenue generated by user clicks on the sponsored products advertisements or impressions on the commerce display advertisements displaying the products of our consumer brand clients. For Retail Media Platform solutions, revenue is recognized on a net basis, and there are no associated Traffic Acquisition Costs.

For solutions within Iponweb, revenue is recognized on a net basis, and there are no associated Traffic Acquisition Costs.

Other Cost of Revenue. Other cost of revenue includes expenses related to third-party hosting fees, depreciation of data center equipment, data purchased from third parties and digital taxes.

The Company does not build or operate its own data centers and none of its Research and Development employments are dedicated to revenue generating activities. As a result, we do not include the costs of such personnel in other cost of revenue.

Advertising and Promotional Expenses

Advertising costs are expensed when incurred and are included in marketing and sales expenses on the consolidated statements of income. We incurred advertising expenses of €1.6 million, €7.0 million, and €2.3 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Share-Based Compensation

Shares, employee share options and warrants are exclusively awarded to our employees or directors. As required by IFRS 2—*Share-Based Payment* , these awards are measured at their fair value on the date of grant. The fair value is calculated with the most relevant formula regarding the settlement and the conditions of each plan.

The fair value is recorded in personnel expenses (allocated by function in the Consolidated Statement of Income) on a straight line basis over each milestone composing the vesting period with a corresponding increase in shareholders' equity.

At each closing date, the Group re-examines the number of options likely to become exercisable. If applicable, the impact of the review of the estimate is recognized in the Consolidated Statement of Income with a corresponding adjustment in equity.

Income Taxes

The Group elected to classify the French business tax, Cotisation sur la Valeur Ajoutée des Entreprises ("CVAE"), as an income tax in compliance with IAS 12—*Income Taxes*.

The French Research Tax Credit, *Crédit d'Impôt Recherche* ("CIR"), is a French tax incentive to stimulate research and development ("R&D"). Generally, the CIR offsets the income tax to be paid and the remaining portion (if any) can be refunded at the end of a three-fiscal year-period. The CIR is calculated based on the claimed volume of eligible R&D expenditures by us. As a result, the CIR is presented as a deduction to "Research and development expenses" in the Consolidated Statement of Income. The Group has exclusively claimed R&D performed in France for purposes of the CIR.

The U.S Research Tax Credit is a U.S. tax credit to incentivize research and development activities in the U.S. Qualifying R&D expenses generating a tax credit which may be used to offset future taxable income once all net operating losses and foreign tax credits have been used. It is not refundable and as such, considered in the scope of IAS 12 - *Income taxes* as a component of income tax expenses. We have exclusively claimed R&D performed in the U.S. for purposes of the U.S. Research Tax Credit.

Deferred taxes are recorded on all temporary differences between the financial reporting and tax bases of assets and liabilities, and on tax losses, using the liability method. Differences are defined as temporary when they are expected to reverse within a foreseeable future. Only deferred tax assets may be recognized if, based on the projected taxable incomes within the next three years; the Group determines that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilized.

This determination requires many estimates and judgments by the management for which the ultimate tax determination may be uncertain.

If future taxable profits are considerably different from those forecasted that support recording deferred tax assets, the amount of deferred tax assets will be revised downwards or upwards, which would have a significant impact on the net income.

In accordance with IAS 12 - *Income taxes*, tax assets and liabilities are not discounted. Amounts recognized in the Consolidated Financial Statement are calculated at the level of each tax entity included in the consolidation scope.

Uncertain Tax Positions

We recognize tax benefits from uncertain tax positions only if we believe that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. These uncertain tax positions include our estimates for transfer pricing that have been developed based upon analyses of appropriate arms-length prices.

Similarly, our estimates related to uncertain tax positions concerning research tax credits are based on an assessment of whether our available documentation corroborating the nature of our activities supporting the tax credits will be sufficient. Although we believe that we have adequately reserved for our uncertain tax positions (including net interest and penalties), we can provide no assurance that the final tax outcome of these matters will not be materially different. We make adjustments to these reserves in accordance with the income tax accounting guidance when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different from the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made, and could have a material impact on our financial condition and operating results.

Operating Segments

We report our financial results based on three reportable segments: Marketing Solutions, Retail Media and Iponweb.

Segment information reported is built on the basis of internal management data used for performance analysis of businesses and for the allocation of resources (management approach). An operating segment is a component of the Company for which separate financial information is available that is evaluated regularly by our Chief Operating Decision Maker ("CODM") in deciding how to allocate resources and assessing performance.

Our CODM is our CEO.

Earnings Per Share

In accordance with *IAS 33—Earnings Per Share*, basic earnings per share (“EPS”) are calculated by dividing the net income attributable to shareholders of the Parent company by the weighted average number of shares outstanding. The weighted average number of shares outstanding is calculated according to movements in share capital.

In addition, diluted earnings per share is calculated by dividing the net income attributable to shareholders of the Parent company by the weighted average number of shares outstanding plus any potentially dilutive shares not yet issued.

Standards and amendments applicable from January 1, 2023

The following new standards and amendments have been adopted by Criteo on January 1, 2023:

- IAS 1, *Disclosure of Accounting Policies*
- IAS 8, *Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*
- IAS 12, *International Tax Reform - Pillar Two Model Rules*
- IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- IFRS 17, *Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information*

Except for the Amendments to IAS 12 (please refer to note 10), no new standards or amendments had a material impact to the Company's consolidated financial statements as of December 31, 2023.

Standards and amendments to be adopted but not yet applicable as of December 31, 2023

- IAS 1, *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- IAS 7 and IFRS 7, *Supplier Finance Arrangements*
- IAS 21, *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*
- IFRS 16, *Lease Liability in a Sale and Leaseback*

Note 3 – Critical accounting estimates and judgments

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with IFRS. The preparation of our consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of revenue, assets, liabilities, costs and expenses. We base our estimates and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates.

The areas where assumptions and estimates are significant to the consolidated financial statements are: (1) gross vs net assessment in revenue recognition, (2) income taxes, including i) recognition of deferred tax assets arising from the subsidiaries projected taxable profit for future years, ii) evaluation of uncertain tax positions associated with our transfer pricing policy and iii) recognition of income tax position in respect with tax reforms recently enacted in countries we operate, (3) assumptions used in valuing long-lived assets, including intangible assets, and goodwill, and (4) assumptions surrounding the recognition and valuation of contingent liabilities and losses.

Revenue Recognition - Gross vs Net Assessment

For revenue generated from arrangements that involve purchasing inventory from media owners, there is significant judgment in evaluating whether we are the principal, and report revenue on a gross basis, or the agent, and report revenue on a net basis. In this assessment, we consider if we obtain control of the specified goods or services before they are transferred to the customer, as well as other indicators such as the determination of the party primarily responsible for fulfillment of the promised service, inventory risk, and discretion in establishing price. The assessment of whether we are considered the principal or the agent in a transaction could impact our revenue and cost of revenue recognized in the consolidated statements of income.

For additional information regarding revenue and the assumptions used for determining our revenue recognition refer to the Section “Revenue Recognition” in this Note.

Income taxes

We are subject to income taxes in France and numerous foreign jurisdictions. We record deferred taxes on all temporary differences between the financial reporting and tax bases of assets and liabilities, and on tax losses, using the liability method. The measurement of deferred income tax assets is reduced, if necessary, by a valuation allowance for any tax benefits which are not expected to be realized. If future taxable profits are considerably different from those forecasted that support recording deferred tax assets, we will have to revise downwards or upwards the amount of the deferred tax assets, which could have a significant impact on our financial results.

We also recognize tax benefits from uncertain tax positions only if we believe that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. These uncertain tax positions include our estimates for transfer pricing that have been developed based upon analyses of appropriate arms-length prices. Similarly, our estimates related to uncertain tax positions concerning research and development tax credits are based on an assessment of whether our available documentation corroborating the nature of our activities supporting the tax credits will be sufficient.

Valuation of Long-lived Assets including Goodwill, and Intangible Assets

We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill to reporting units based on the expected benefit from the business combination. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets.

Significant estimates in valuing certain intangible assets include, but are not limited to, estimated replacement costs and future expected cash flows from acquired users, acquired technology, acquired patents, and trade names from a market participant perspective, useful lives, and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Allocation of purchase consideration to identifiable assets and liabilities affects our amortization expense, as acquired finite-lived intangible assets are amortized over the useful life, whereas any indefinite-lived intangible assets, including goodwill, are not amortized. During the measurement period, which is not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Goodwill is tested for impairment at the reporting unit level annually or more frequently if events or changes in circumstances would more likely than not reduce the fair value of a reporting unit below its carrying value. Goodwill has been allocated to segments using a relative fair value allocation approach. As of December 31, 2023, no impairment of goodwill has been identified.
Long-lived assets, including property and equipment and finite-lived intangible assets are reviewed for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. The evaluation is performed at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate from the use and eventual disposition. If such review indicates that the carrying amount of property and equipment and intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value.

Contingent Losses and Liabilities

With respect to litigation, claims and non-income tax risks, that may result in a provision to be recognized, we exercise significant judgment in measuring and recognizing provisions or determining exposure to contingent liabilities that are related to pending litigation, other outstanding claims and non income tax audits. These judgment and estimates are subject to change as new information becomes available.

Note 4 – Significant Events and Transactions of the Period

Brandcrush acquisition

On February 28, 2023, we completed the acquisition of all of the outstanding shares of Brandcrush Pty Ltd. ("Brandcrush"). The purchase price for the acquisition of shares was $7.1 million (6,4 million euros). The acquisition was financed by available cash resources. The transaction has been accounted for as a business combination under the acquisition method of accounting. The purchase price allocation has been completed and resulted in the recognition of intangible assets related to technology of $3.5 million (3,2 million euros) and goodwill for to $5.0 million (4,5 million euros). In addition, acquisition costs amounting to $0.7 million (0,6 million euros) were fully expensed as incurred.

Iponweb acquisition

On August 1, 2022 (the "Acquisition Date"), the Company entered into an amended and restated Framework Purchase Agreement (the “FPA”), which provided for the acquisition of the business of Iponweb Holding Limited (the "Iponweb business"), a market-leading AdTech company with world-class media trading capabilities (the “Iponweb Acquisition”).

The purchase price, as per IFRS 3 - Business combinations, was $290.2 million (€283.6 million) for the Iponweb business, out of which $61.2 million (€59.8 million) represents the fair value of the contingent consideration. This contingent consideration is payable in cash to the Sellers in an amount up to $100 million (€97.7 million), conditioned upon the achievement of certain net revenue targets by the Iponweb business for the 2022 and 2023 fiscal years. See Note 26 for further details.

The Company transferred Treasury shares with a fair value of $70.2 million (€68.6 million) to Iponweb's Sellers, subject to lock-up conditions. See Note 8 for further details.

The transaction was accounted for as a business acquisition. The purchase price allocation has been completed and resulted in recognition of $187.6 million (€183.3 million) of goodwill.

Restructuring

As part of our ongoing transformation, the Company incurred restructuring costs of €20.8 million for the year ended December 31, 2023. The following table summarizes restructuring activities as of December 31, 2023 included in other current liabilities on the balance sheet:

	Salaries and other benefits
Restructuring liability as of January 1, 2023	—
Restructuring charge	20.781
Amounts paid	(16.684)
Restructuring liability as of December 31, 2023	**4.097**

For the year ended December 31, 2023 €12.6 million, was included in Research and Development expenses, €5.1 million, was included in General and Administrative expenses €3.2 million was included in Sales and Operations.

Note 5 – Segment information

Reportable segments

The Company reports segment information based on the "management" approach. The management approach designates the internal reporting used by management for making decisions and assessing performance as the source of the Company's reportable segments. For the year ended December 31, 2023, the Company reported its results of operations through the following three segments: Marketing Solutions, Retail Media and Iponweb.

- *Marketing Solutions* : Criteo's Marketing Solutions segment allow commerce companies to address multiple marketing goals by engaging their consumers with personalized ads across the web, mobile and offline store environments.

- *Retail Media* : Criteo's Retail Media segment allow retailers to generate advertising revenues from consumer brands, and/or to drive sales for themselves, by monetizing their data and audiences through personalized ads, either on their own digital property or on the open Internet, that address multiple marketing goals.

- *Iponweb* : This segment specializes in building real-time advertising technology and trading infrastructure, delivering advanced media buying, selling, and packaging capabilities for media owners, agencies, performance advertisers, and 3rd-party ad tech platforms.

The Company's Chief Operating Decision Maker ("CODM") allocates resources to and assesses the performance of each operating segment using information about Contribution ex-TAC, which is Criteo's segment profitability measure and reflects our gross profit plus other costs of revenue. The CODM does not review any other financial information for our three segments, other than Contribution ex-TAC.

Our CODM is our CEO.

The following table shows revenue by reportable segment:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Marketing Solutions	1,696,910	1,675,150	1,496,004
Retail Media	208,880	192,346	193,243
Iponweb	—	**51,554**	**113,229**
Total Revenue	**1,905,790**	**1,919,049**	**1,802,476**

The following table shows Contribution ex-TAC by reportable segment and its reconciliation to the Company's Consolidated Statements of Operation:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Marketing Solutions	673,074	679,322	644,162
Retail Media	105,422	153,415	188,115
Iponweb	—	**51,554**	113,229
Total Contribution ex-TAC	**778,496**	**884,291**	**945,506**
Other costs of sales	**(116,757)**	**(125,805)**	**(146,250)**
Gross profit	**661,739**	**758,487**	**799,256**
Operating expenses			
Research and development expenses	(128,002)	(178,872)	(225,358)
Sales and operations expenses	(274,035)	(359,227)	(378,361)
General and administrative expenses	(128,553)	(195,406)	(129,415)
Total Operating expenses	**(530,590)**	**(733,505)**	**(733,134)**
Income from operations	**131,149**	**24,982**	**66,122**
Financial and Other Income (Expense)	(1,363)	15,746	(3,902)
Income before tax	**129,786**	**40,728**	**62,220**

Note 6 – Financial risk management

Credit risk

The maximum exposure to credit risk at the end of each reported period is represented by the carrying amount of financial assets and summarized in the following table:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Marketable securities	48,825	23,531	20,403
Non-current financial assets	6,239	5,558	4,791
Trade receivables	513,849	664,663	701,887
Other current assets	94,524	122,037	135,244
Cash and cash equivalents	455,330	326,518	304,040
Total	**1,118,767**	**1,142,307**	**1,166,365**

Trade receivables

Credit risk is defined as an unexpected loss in cash and earnings if the client is unable to pay its obligations in due time. The Group performs internal ongoing credit risk evaluations of the clients. When a possible risk exposure is identified, the Group requires prepayments.

For each period presented, the aging of trade receivables and provisions for credit losses is as follows:

(In thousands of euros)	December 31, 2021				December 31, 2022				December 31, 2023			
	Gross Value	%	Provision	%	Gross Value	%	Provision	%	Gross Value	%	Provision	%
Not yet due	339,231	61 %	(2,418)	6%	456,034	64 %	(1,001)	2 %	498,772	67 %	(51)	4 %
0-30 days	96,181	17 %	(5)	—%	125,013	18 %	(1,702)	4 %	140,478	19 %	(1,304)	(1)%
31-60 days	33,326	6 %	(220)	1%	33,031	5 %	(219)	— %	32,347	4 %	(383)	1 %
60-90 days	17,587	3 %	(65)	—%	17,607	2 %	(144)	— %	13,336	2 %	(406)	1 %
> 90 days	67,611	12 %	(37,379)	93%	77,796	11 %	(41,752)	92 %	56,243	8 %	(37,095)	95 %
Total	**553,936**	**100 %**	**(40,087)**	**100%**	**709,481**	**100 %**	**(44,818)**	**100 %**	**741,176**	**100 %**	**(39,239)**	**100 %**

Cash and Cash Equivalents and Marketable securities

Cash and cash equivalents and marketable securities are exclusively invested in secure investments such as interest-bearing term deposits.

Market Risk

Foreign Currency Risk

A 10% increase or decrease of the Pound Sterling, the U.S dollar, the Japanese yen or the Brazilian real against the euro would have impacted the Consolidated Statement of Income in Equity including non-controlling interests as follows:

(In thousands of euros)	December 31, 2021		December 31, 2022		December 31, 2023	
GBP/EUR	**10%**	**(10)%**	**10%**	**(10)%**	**10%**	**(10)%**
Net income impact	(285)	285	(428)	428	(67)	67
(In thousands of euros)	December 31, 2021		December 31, 2022		December 31, 2023	
USD/EUR	**10%**	**(10)%**	**10%**	**(10)%**	**10%**	**(10)%**
Net income impact	1,770	(1,770)	3,408	(3,408)	4,168	(4,168)
(In thousands of euros)	December 31, 2021		December 31, 2022		December 31, 2023	
JPY/EUR	**10%**	**(10)%**	**10%**	**(10)%**	**10%**	**(10)%**
Net income impact	793	(793)	531	(531)	1,679	(1,679)
(In thousands of euros)	December 31, 2021		December 31, 2022		December 31, 2023	
BRL/EUR	**10%**	**(10)%**	**10%**	**(10)%**	**10%**	**(10)%**
Net income impact	(34)	34	(223)	223	204	(204)

Counter Party Risk

As of December 31, 2023, we show a positive net cash position. Since 2012, we utilize a cash pooling arrangement, reinforcing cash management centralization. Investment and financing decisions are carried out by our internal central treasury function. We only deal with counterparties with high credit ratings. In addition, under our Investment and Risk Management Policy, our central treasury function ensures a balanced distribution between counterparties of the investments, no matter the rating of such counterparty.

Liquidity Risk

The following tables disclose for each presented period the contractual cash flows of our financial liabilities and operating lease arrangements :

	December 31, 2021				
(In thousands of euros)	Carrying value	Contractual cash flows	Less than 1 year	1 to 5 years	5 years +
Financial liabilities	885	885	567	318	—
Operating lease liabilities	112,750	112,750	30,370	82,380	—
Trade payables	380,317	380,317	380,317	—	—
Other current liabilities	173,611	173,611	173,611	—	—
Total	**667,563**	**667,563**	**584,865**	**82,698**	**—**

	December 31, 2022				
(In thousands of euros)	Carrying value	Contractual cash flows	Less than 1 year	1 to 5 years	5 years +
Financial liabilities	274	274	205	69	—
Operating lease liabilities	100,886	100,886	28,790	72,096	—
Trade payables	697,942	697,942	697,942	—	—
Other current liabilities	211,758	211,758	211,758	—	—
Total	**1,010,860**	**1,010,860**	**938,695**	**72,165**	**—**

	December 31, 2023				
(In thousands of euros)	Carrying value	Contractual cash flows	Less than 1 year	1 to 5 years	5 years +
Financial liabilities	3,137	3,137	3,067	70	—
Operating lease liabilities	105,612	105,612	31,464	74,148	—
Trade payables	760,208	760,208	760,208	—	—
Other current liabilities	257,434	257,434	257,434	—	—
Total	**1,126,391**	**1,126,391**	**1,052,173**	**74,218**	**—**

Note 7 – Breakdown of Revenue and Non-Current Assets by Geographical Areas

The Company operates in the following three geographical markets:

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

The following tables disclose the consolidated revenue for each geographical area for each of the reported periods. Revenue by geographical area is based on the location of advertisers' campaigns.

(In thousands of euros)	Americas	EMEA	Asia-Pacific	Total
December 31, 2021	775,332	713,636	416,822	**1,905,790**
December 31, 2022	849,676	671,982	397,391	**1,919,049**
December 31, 2023	820,325	621,897	360,254	**1,802,476**

Revenue generated in France amounted to €92.7million, €105.7 million and €128.9million for the periods ended December 31, 2023, 2022 and 2021, respectively.

Revenue generated in other significant countries where the Group operates is presented in the following table:

(In thousands of euros)		December 31, 2021	December 31, 2022	December 31, 2023
Americas				
	United States	689,916	760,734	742,695
EMEA				
	Germany	184,228	186,459	185,048
	United Kingdom	73,908	77,034	66,172
Asia-Pacific				
	Japan	261,486	240,699	200,705

For each reported period, non-current assets (corresponding to the net book value of tangible and intangible assets) are presented in the table below. The geographical information results from the locations of legal entities.

(In thousands of euros)	Holding	Americas	*of which United States*	EMEA	Asia-Pacific	*of which Japan*	*of which Singapore*	Total
December 31, 2021	86,196	75,008	*74,027*	5,329	29,993	*12,502*	*13,818*	196,526
December 31, 2022	176,164	87,148	*84,894*	4,788	19,909	*8,278*	*11,567*	288,009
December 31, 2023	180,493	80,911	*80,777*	3,188	13,582	*6,022*	*6,954*	278,174

Note 8 – Share-Based Compensation

Share-Based Compensation

Share-based compensation expense recorded in the consolidated statements of operations was as follows:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Research and Development	(13,809)	(35,530)	(50,661)
Sales and Operations	(10,675)	(13,495)	(18,502)
General and Administrative	(13,165)	(13,616)	(20,692)
Total share-based compensation	**(37,649)**	**(62,641)**	**(89,855)**
Tax benefit from stock-based compensation	4,106	5,147	7,271
Total share-based compensation, net of tax effect	**(33,543)**	**(57,494)**	**(82,584)**

The breakdown of the equity award compensation expense by instrument type was as follows:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Share options	(830)	(97)	(83)
Lock-up shares	—	(15,781)	(30,719)
Restricted stock units / Performance stock units	(35,302)	(44,995)	(57,276)
Non-employee warrants	(1,517)	(1,768)	(1,777)
Total share-based compensation	**(37,649)**	**(62,641)**	**(89,855)**
Tax benefit from stock-based compensation	4,106	5,147	7,271
Total share-based compensation, net of tax effect	**(33,543)**	**(57,494)**	**(82,584)**

Share Options

Stock options granted under the Company's stock incentive plans generally vest over four years, subject to the holder's continued service through the vesting date and expire no later than 10 years from the date of grant.

	Options Outstanding			
	Number of Shares Underlying Outstanding Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding - December 31, 2022	**372,329**			
Options granted	—			
Options exercised	(43,617)			
Options canceled	(5,933)			
Options expired	(3,541)			
Outstanding - December 31, 2023	**319,238**			
Vested and exercisable - December 31, 2023	319,238	€20.74	4.18	€4.65

The aggregate intrinsic value represents the difference between the exercise price of the options and the fair market value of common stock on the date of exercise. No new stock options were granted in the year ending December 31, 2023 and December 31, 2022. As of December 31, 2023, there is no unrecognized stock-based compensation expense related to unvested stock options.

Lock up shares

On August 1, 2022, 2,960,243 Treasury shares were transferred to the Founder (referred to as Lock Up Shares or "LUS"), as partial consideration for the Iponweb Acquisition. As these shares are subject to a lock-up period that expires in three installments on each of the first three anniversaries of the Iponweb Acquisition, unless the Founder's employment agreement is terminated under certain circumstances during the pendency of such lock-up period, they are considered as equity settled share-based payments, and are accounted over the three-year vesting period. The shares were valued based on the volume weighted average price of one ADS traded on Nasdaq during the twenty (20) trading days immediately preceding July 28, 2022.

	Shares LUS	Weighted-Average Grant date Fair Value Per Share
Outstanding as of December 2022	2,960,243	
Granted	—	
Vested	(1,006,483)	
Forfeited	—	
Outstanding as of December 31, 2023	**1,953,760**	**€23.94**

At December 31, 2023, the Company had unrecognized stock-based compensation relating to restricted stock of approximately 17.4 million euros, which is expected to be recognized over a period from January 2024 to August 1, 2025.

Restricted Stock Units/PSUs

Restricted stock awards generally vest over four years, subject to the holder's continued service through the vesting date.

	Shares (RSU)	Weighted-Average Grant date Fair Value Per Share
Outstanding as of December 2022	**5,349,955**	
Granted	1,894,491	
Vested	(1,476,005)	
Forfeited	(475,178)	
Outstanding as of December 31, 2023	**5,293,263**	**€26.67**

At December 31, 2023, the Company had unrecognized stock-based compensation relating to restricted stock of approximately 69.2 million euros, which is expected to be recognized over a weighted-average period of 3.1 years

	Shares (PSU)	Weighted-Average Grant date Fair Value Per Share
Outstanding as of December 2022	**522,467**	
Granted	356,402	
Vested	(204,218)	
Forfeited	(14,256)	
Outstanding as of December 31, 2023	**660,395**	**€28.27**

At December 31, 2023, the Company had unrecognized stock-based compensation relating to restricted stock of approximately 8.8 million euros, which is expected to be recognized over a weighted-average period of 3.0 years.

Non-employee warrants

Non-employee warrants generally vest over four year, subject to the holder's continued service through the vesting date. Stock options granted under the Company's stock incentive plans generally vest over four years, subject to the holder's continued service through the vesting date and expire no later than 10 years from the date of grant.

	Shares	Weighted-Average Grant date Fair Value Per Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding - December 31, 2022	**302,775**			
Granted	—			
Exercised	(58,318)			
Canceled	—			
Expired	—			
Outstanding - December 31, 2023	**244,457**	**€17.65**	**4.48**	**€9.79**

The aggregate intrinsic value represents the difference between the exercise price of the non-employee warrants and the fair market value of common stock on the date of exercise. No new stock non-employee warrants were granted in the year ending December 31, 2023 and December 31, 2022. As of December 31, 2023, the instruments were fully vested.

Note 9 – Financial and other Income and Expenses

The Consolidated Statements of Income line item “Financial income (expense)” can be broken down as follows:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Financial income from cash equivalents	536	1,837	4,316
Interest and fees	(1,921)	(1,922)	(2,075)
- Interest on debt	*(1,682)*	*(1,443)*	*(1,674)*
- Commissions	*(239)*	*(479)*	*(401)*
Interest on leases [1]	(1,452)	(1,251)	(1,719)
Interest income (expense) on contingencies	—	2,143	(263)
Discounting impact	—	(4,461)	(4,890)
Foreign exchange gain / (loss)	(3,080)	18,775	(6,882)
Other financial income (expense)	4,554	625	7,611
Total financial and other income (expense)	**(1,363)**	**15,746**	**(3,902)**

[1] Application of IFRS 16 leases on since January 1, 2019.

The €(3.9) million financial and other expense for the period ended December 31, 2023 was mainly driven by proceeds from disposal of non consolidated investments fully offset by the recognition of a negative impact of foreign exchange, the accretion of earn-out liability related to Iponweb acquisition and interests expense relating to our €407 million available Revolving Credit Facility (RCF). At December 31, 2023, our exposure to foreign currency risk was centralized at Criteo S.A. and hedged using foreign currency swaps or forward purchases or sales of foreign currencies.

The €15.7 million financial and other income for the period ended December 31, 2022 was mainly driven by the positive impact of foreign exchange derivatives entered-into to secure the cash consideration of the Iponweb acquisition. This was partially offset by the €4.5 million accretion of earn-out liability related to Iponweb acquisition. Other impacts come from the foreign exchange reevaluations net of related hedging of our operations, income from cash and cash equivalent, and the financial expense relating to our €407 million available Revolving Credit Facility (RCF) up-front fees amortization and non-utilization costs. At December 31, 2022, our exposure to foreign currency risk was centralized at Criteo S.A. and hedged using foreign currency swaps or forward purchases or sales of foreign currencies.

The €1.4 million financial expense for the period ended December 31, 2021 was mainly driven by i) interest on lease liabilities ii) financial expense related to the up-front fees amortization and the non-utilization costs as part of our available Revolving Credit Facility (RCF financing), partially offset from iii) the disposal of servers equipments for €2.5 million and iv) dividends received from a minority interest for €2.0 million. As of December 31, 2021, the main positions bearing currency risk are centralized and hedged at the level of the parent company.

Note 10 – Provision for Income Taxes

Breakdown of Income Taxes

The Consolidated Statement of Income line item “Provision for income taxes” can be broken down as follows:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Current income tax expense (benefit)	29,425	26,244	40,368
Deferred tax expense (benefit)	(15,542)	3,411	(23,620)
Income tax	**13,883**	**29,655**	**16,748**

Reconciliation between the Effective and Nominal Tax Expense

The following table shows the reconciliation between the effective and nominal tax expense at the nominal standard French rate of 25,8% (excluding additional contributions):

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Income before taxes	129,786	40,727	62,220
Theoretical group tax rates	28.4 %	25.82 %	25.82 %
Nominal tax expense (benefit)	**36,859**	**10,516**	**16,065**
(Increase) Decrease in tax expense arising from :			
French Research Tax Credit, Crédit d’Impôt Recherche (“CIR”)	*(4,082)*	*(2,753)*	*(2,197)*
Shared-based compensation, net of tax deductions	*(1,209)*	*2,923*	*8,103*
BEAT tax	*5,548*	*—*	*—*
Non-tax deductible provision from loss contingency on regulatory matters (see Note 25)	*—*	*16,106*	*(5,127)*
Non deductible expenses	*5,475*	*5,874*	*4,873*
Non recognition of deferred tax assets	*1,407*	*3,038*	*806*
Utilization or recognition of previously unrecognized tax losses	*(8,896)*	*(4,405)*	*(1,627)*
French business tax - (“CVAE”) [1]	*1,834*	*1,554*	*1,473*
Income eligible to reduced taxation rate [2]	*(21,684)*	*(6,421)*	*(4,180)*
Change in uncertain tax positions	*—*	*391*	*(814)*
Effect of different tax rates	*(1,809)*	*2,643*	*(467)*
Other differences	*440*	*189*	*(160)*
Effective tax expense (benefit)	**13,883**	**29,655**	**16,748**
Effective tax rate	**10.9 %**	**72.8 %**	**26.9 %**

[1] French CVAE "*cotisation sur la valeur ajoutée des entreprises*" - is the business value add contribution tax in France

[2] Income eligible to reduced taxation rate refers to the application of a reduced income tax rate on the majority of the technology royalties income

Deferred Tax Assets and Liabilities

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

(in thousands of euros)	Defined Benefit Obligation	Tax losses	Intangible & Tangible assets**	Other*	Limitation of Deferred Tax Assets	Deferred Tax Position
Balance at January 1, 2021	1,453	20,031	(16,633)	38,929	(31,035)	12,745
Recognized in profit or loss	144	5,975	1,711	7,119	800	15,749
Recognized in other comprehensive income	(337)	—	—	—	194	(143)
Change in scope		2,080	(1,487)	18	(611)	—
Currency translation adjustments	2	1,517	(1,175)	2,243	(1,665)	922
Transfer	—	—	(1,214)	(206)	1,420	—
Balance at December 31, 2021	1,262	29,603	(18,798)	48,103	(30,897)	29,273
Recognized in profit or loss	448	(9,769)	17,052	(14,120)	3,056	(3,333)
Recognized in other comprehensive income	(811)	—	—	—	486	(325)
Change in scope		—	1,368	14	(845)	537
Currency translation adjustments	—	277	(963)	2,009	(376)	947
Transfer	—	—	989	(370)	(619)	—
Balance at December 31, 2022	899	20,111	(352)	35,636	(29,195)	27,099
Recognized in profit or loss	135	(3,137)	17,167	8,276	1,104	23,545
Recognized in other comprehensive income	(69)	—	—	—	42	(27)
Purchase price accounting	—	—	—	(995)	995	—
Currency translation adjustments		29	(406)	(1,221)	94	(1,504)
Transfer	—	—	(188)	188	—	—
Balance at December 31, 2023	965	17,003	16,221	41,884	(26,960)	49,113

**Other deferred tax assets and liabilities are mainly comprised of research tax credits and employee related-payables.*

***Includes Section 174 expense capitalization*

The Company mainly has net operating loss carryforwards in the U.S. for €31.2 million in various states, which begin to expire in 2031 and net operating loss carryforwards in the United Kingdom for €34.9 million which have no expiration date. The company has €5.3 million of state R&D tax credits which can be carry-forward indefinitely.

Utilization of our net operating loss and tax credit carryforwards in the US may be subject to annual limitations due to the ownership change limitations provided by the IRS Code 382 and similar state provisions. Such annual limitations could result in the expiration of the net operating loss and tax credit carryforwards before their utilization.

As of December 31, 2023, we have not provided deferred taxes on unremitted earnings related to foreign subsidiaries. We intend to continue to reinvest these foreign earnings indefinitely and do not expect to incur any significant taxes related to such amounts.

Ongoing tax audits

As a multinational corporation, we are subject to regular review and audit by U.S. federal and state, and foreign tax authorities. Significant uncertainties exist with respect to the amount of our tax liabilities, including those arising from potential challenges with certain positions we have taken. Any unfavorable outcome of such a review or audit could have an adverse impact on our tax rate.

Uncertain Tax Positions

In 2023, the Group recognized current income tax of €0.9 million related to reversals of uncertain tax positions and has cumulatively recorded liabilities of €15.8 million for uncertain tax positions at December 31, 2023, none of which are reasonably expected to be resolved within 12 months. Interest and penalties were not material in any of the periods presented.

Our Uncertain Tax Positions relate to the acquisition of Iponweb. We have recorded an indemnification asset in the full amount of the provision as the Company is indemnified against certain tax liabilities under the purchase agreement for the Iponweb Acquisition. The indemnification asset is recorded as part of "Other non current assets" on the consolidated statement of financial position. For more information regarding the acquisitions please refer to Note 4 Significant events.

Pillar Two

On October 8, 2021, the Organization for Economic Co-operation and Development (OECD) announced the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting which agreed to a two-pillar solution to address tax challenges arising from digitalization of the economy. On December 20, 2021, the OECD released Pillar Two Model Rules (“Pillar Two”) defining the global minimum tax, which calls for the taxation of a minimum rate of 15% for multinational companies with consolidated revenue above €750 million. Additional “top-up” tax will be due, either at domestic level (“Qualified Minimum Domestic Top-Up Tax”), or under Pillar Two computation. The Group is in scope of the Pillar Two. Various foreign jurisdictions, where the Group operates, have already enacted Pillar Two in domestic laws as from January 1, 2024. Some other are in the process of doing it. We are currently assessing the potential impacts of Pillar Two in 2024 and on future periods, based on the most recently available financial information. The Group anticipates that transitional safe harbor relief should apply in most of the jurisdictions based on prior year results. Given the uncertainties and complexities linked to the new, the quantitative impact of Pillar Two remains an estimate subject to change. Significant impacts to our tax expense remain possible. The Group continues to progress on its assessment and expects to complete it in 2024.

Note 11 – Categories of Financial Assets and Liabilities

Financial Assets

The following schedules disclose our financial assets categories for the presented periods:

(In thousands of euros)	December 31, 2021 Carrying Value	Loans and receivables	Fair value
Marketable securities	48,825	—	48,825
Non current financial assets	6,239	6,239	6,239
Trade receivables, net of allowances	513,849	513,849	513,849
Other current assets	94,524	94,471	94,471
including derivatives instruments	53	—	*53*
Cash and cash equivalents	455,330	—	455,330
Total	**1,118,767**	**614,559**	**1,118,714**

(In thousands of euros)	December 31, 2022 Carrying Value	Loans and receivables	Fair value
Marketable Securities	23,531	—	23,531
Non current financial assets	5,558	5,558	5,558
Trade receivables, net of allowances	664,663	664,663	664,663
Other current assets	122,037	122,037	122,037
including derivatives instruments	2,792	—	*2,792*
Restricted cash * *(€23.7m current)*	93,756		93,756
Cash and cash equivalents	326,518	—	*326,518*
Total	**1,236,063**	**792,258**	**1,236,063**

(In thousands of euros)	December 31, 2023 Carrying Value	Loans and receivables	Fair value
Marketable Securities	20,403	—	20,403
Non current financial assets	4,791	4,791	4,791
Trade receivables, net of allowances	701,887	701,887	701,887
Other current assets	135,244	135,244	135,244
including derivatives instruments	—	—	—
Restricted cash*	67,873	—	67,873
Cash and cash equivalents	304,040	—	304,040
Total	**1,234,238**	**841,922**	**1,234,238**

* As part of the Iponweb Acquisition, we have deposited $100.0 million (93.8 million euros) of cash into an escrow account containing withdrawal conditions. The cash secures the Company's potential payment of Iponweb Acquisition contingent consideration to the Sellers, which is conditioned upon the achievement of certain revenue targets by the Iponweb business for the 2022 and 2023 fiscal years.

Financial Liabilities

The following schedules disclose our financial liabilities categories for the presented periods:

	December 31, 2021	
(In thousands of euros)	Carrying Value	Fair value
Financial liabilities	885	885
including derivative instruments	—	—
Trade Payables	380,465	380,465
Other current liabilities	173,612	173,612
Total	**554,962**	**554,962**

	December 31, 2022	
(In thousands of euros)	Carrying Value	Fair value
Financial liabilities	274	274
including derivative instruments	—	—
Trade Payables	697,942	697,942
Other current liabilities	211,758	211,758
Total	**909,974**	**909,974**

	December 31, 2023	
(In thousands of euros)	Carrying Value	Fair value
Financial liabilities	3,137	3,137
including derivative instruments	*2,304*	*2,304*
Trade Payables	760,208	760,208
Other current liabilities	257,434	257,434
Total	**1,020,779**	**1,020,779**

Note 12 – Goodwill

(In thousands of euros)	Marketing Solutions	Retail Media	IponWeb	Total
Balance at January 1, 2022	**158,221**	**132,879**	**—**	**291,100**
Additions to goodwill	—	—	183,961	183,961
Currency translation adjustment	4,408	3,503	—	7,911
Balance at December 31, 2022	**162,629**	**136,382**	**183,961**	**482,972**
- Gross value at end of period	162,629	136,382	183,961	482,972
Balance at January 1, 2023	**162,629**	**136,382**	**183,961**	**482,972**
Additions to goodwill	—	4,728	—	4,728
Change in scope	(560)	—	—	(560)
Currency translation adjustment	(4,413)	(3,642)	(4,700)	(12,755)
Balance at December 31, 2023	**157,656**	**137,468**	**179,261**	**474,385**
- Gross value at end of period	157,656	137,468	179,261	474,385

As at December 31, 2023, 2022 and 2021, the Company did not recognize any goodwill impairment as the recoverable value of the cash generating unit exceeded significantly its carrying value.

Note 13 – Intangible assets

Changes in net book value during the presented periods are summarized below:

(In thousands of euros)	Software	Technology and customer relationships	Construction in Progress	Total
Balance at January 1, 2022	**16,388**	**39,517**	**17,047**	**72,952**
Additions to intangible assets	479	84,809	25,781	111,069
Disposals	(50)	—	—	(50)
Amortization and impairment expense	(9,621)	(22,106)	—	(31,727)
Change in consolidation scope	—	10,717	—	10,717
Currency translation adjustment	323	1,757	(49)	2,031
Transfer into service	1,848	—	(1,848)	—
Balance at December 31, 2022	**9,367**	**114,694**	**40,931**	**164,992**
Gross value at end of period	59,271	235,166	40,931	335,368
Accumulated amortization and impairment at end of period	(49,904)	(120,472)	—	(170,376)
Balance at January 1, 2023	**9,367**	**114,694**	**40,931**	**164,992**
Additions to intangible assets	2,974	963	37,646	41,583
Disposals	—	—	—	—
Amortization and impairment expense	(12,286)	(32,343)	—	(44,629)
Change in consolidation scope	(59)	3,327	59	3,327
Currency translation adjustment	(275)	(825)	(474)	(1,574)
Transfer into service	19,662		(19,662)	—
Balance at December 31, 2023	**19,383**	**85,816**	**58,500**	**163,699**
Gross value at end of period	81,350	235,950	58,500	375,800
Accumulated amortization and impairment at end of period	(61,967)	(150,134)	—	(212,101)

Additions to software consist mainly of capitalization of internally developed internal-use software.

Amortization on technology and customer relationships relates to HookLogic, Storetail, Mabaya and Iponweb intangibles resulting from each of the those business combinations respectively.

No event in 2023 that would trigger impairment in the balance of intangibles has occurred.

The average life of software is 3 years. The average life of technology and customer relationships is between 3 and 9 years.

Note 14 – Property, Plant and Equipment

Changes in net book value during the presented periods are summarized below:

(In thousands of euros)	Fixtures and fittings	Furniture and equipment	Construction in progress	Total
Balance at January 1, 2022	**3,459**	**108,286**	**11,829**	**123,574**
Additions to tangible assets	672	7,887	43,030	51,589
Disposal of tangible assets	(216)	(2,131)	—	(2,347)
Depreciation expense	(2,318)	(50,507)	—	(52,825)
Change in consolidation scope	—	394	4	398
Currency translation adjustments	(50)	1,900	779	2,629
Transfer into service	3,214	7,862	(11,076)	—
Balance at December 31, 2022	**4,761**	**73,691**	**44,566**	**123,018**
Gross value at end of period	12,158	282,094	44,565	338,817
Accumulated depreciation at end of period	(7,398)	(208,402)	—	(215,800)
Balance at January 1, 2023	**4,761**	**73,691**	**44,566**	**123,018**
Additions to tangible assets	2,414	17,427	24,104	43,945
Disposal of tangible assets	(191)	(2,157)	—	(2,348)
Depreciation expense	(2,784)	(44,724)	—	(47,508)
Change in consolidation scope	—	—	—	—
Currency translation adjustments	(156)	(1,608)	(868)	(2,632)
Transfer into service	4,986	20,666	(25,652)	—
Balance at December 31, 2023	**9,030**	**63,295**	**42,150**	**114,475**
Gross value at end of period	16,053	278,976	42,150	337,179
Accumulated depreciation at end of period	(7,023)	(215,681)		(222,704)

The increase in property plant and equipment mainly includes server equipment in the French, U.S. and Japanese subsidiaries where the Company's data centers are located.

Note 15 – Marketable Securities

As of December 2023, €20.4 million of investments were classified as Marketable Securities as they do not meet the cash and cash equivalent criteria and are accounted for using the amortized cost model. Management has the intent to hold the investments maturity and collect interest income. The interest income was not material as of December 31, 2023.

The fair value approximates the carrying amount of the securities given the nature of the term deposit and the maturity of the expected cash flows. The term deposit is considered a level 2 financial instruments as it is measured using valuation techniques based on observable market data.

Note 16 - Leases

The components of lease expense are as follows:

(In thousands of euros)	December 31, 2021		
	Offices	Data Centers	Total
Depreciation and impairment expense	13,579	19,967	33,546
Interest expense	939	511	1,450
Short term lease expense	289	34	323
Variable lease expense	259	226	485
Sublease income	(600)	—	(600)
Total	**14,466**	**20,738**	**35,204**

(In thousands of euros)	December 31, 2022		
	Offices	Data Centers	Total
Depreciation and impairment expense	14,708	18,675	33,383
Interest expense	740	511	1,251
Short term lease expense	478	5	483
Variable lease expense	77	—	77
Sublease income	(457)	—	(457)
Total	**15,546**	**19,191**	**34,737**

(In thousands of euros)	December 31, 2023		
	Offices	Data Centers	Total
Depreciation and impairment expense	14,729	20,149	34,878
Interest expense	685	1,035	1,720
Short term lease expense	588	39	627
Variable lease expense	742	69	811
Sublease income	(852)	—	(852)
Total	**15,892**	**21,292**	**37,184**

The right of use asset is compromised of the following items:

	December 31, 2021		
(In thousands of euros)	Gross Book Value	Amortization and Depreciation	Net
Offices	98,928	(26,858)	72,070
Data Centers	73,436	(40,884)	32,552
Total	**172,364**	**(67,742)**	**104,622**

	December 31, 2022		
(In thousands of euros)	Gross Book Value	Amortization and Depreciation	Net
Offices	95,661	(29,244)	66,417
Data Centers	84,577	(56,433)	28,144
Total	**180,238**	**(85,677)**	**94,561**

	December 31, 2023		
(In thousands of euros)	Gross Book Value	Amortization and Depreciation	Net
Offices	93,313	(37,673)	55,640
Data Centers	109,313	(64,572)	44,741
Total	**202,626**	**(102,245)**	**100,381**

Changes in net book value during the presented periods are summarized below:

(In thousands of euros)	Offices	Data Centers	Total
Net value as of January 1, 2022	**72,070**	**32,552**	**104,622**
New contracts/modifications to existing contracts	8,656	13,556	22,212
Depreciation	(16,526)	(18,675)	(35,201)
Impairment	1,501	—	1,501
Currency translation adjustments	716	711	1,427
Transfers of assets in progress	0	0	—
Net value as of December 31, 2022	**66,417**	**28,144**	**94,561**
New contracts/modifications to existing contracts	4,244	37,643	41,887
Depreciation	(14,308)	(20,149)	(34,457)
Impairment	(421)	—	(421)
Currency translation adjustments	(291)	(898)	(1,189)
Transfers of assets in progress	—	—	—
Net value as of December 31, 2023	**55,641**	**44,740**	**100,381**

The lease liability is composed of the following:

	December 31, 2021		
(In thousands of euros)	Offices	Data Centers	Total
Long term lease liabilities	64,020	18,360	82,380
Short term lease liabilities	12,739	17,631	30,370
Total	**76,759**	**35,991**	**112,750**

	December 31, 2022		
(In thousands of euros)	Offices	Data Centers	Total
Long term lease liabilities	57,101	14,995	72,096
Short term lease liabilities	13,187	15,603	28,790
Total	**70,288**	**30,598**	**100,886**

	December 31, 2023		
(In thousands of euros)	Bureaux	Serveurs	Total
Long term lease liabilities	47,474	26,674	74,148
Short term lease liabilities	10,125	21,338	31,463
Total	**57,599**	**48,012**	**105,611**

As of December 31, 2023, the future minimum lease payments were as follows:

(In thousands of euros)	Offices	Data Centers	Total
2024	10,536	22,125	32,661
2025	12,378	9,683	22,061
2026	9,603	8,416	18,019
2027	8,139	6,711	14,850
2028	7,593	3,513	11,106
2029 and after	11,494	324	11,818
Total	**59,743**	**50,772**	**110,515**

As of December 31, 2023, we have additional leases, for offices and data centers, that have not yet commenced which will result in additional operating lease liabilities and right of use assets of approximately €1.1.million and €8.2 million respectively. These operating leases will commence in 2024.

Note 17 - Trade Receivables

The following table shows the breakdown in trade receivables net book value for the presented periods:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Trade accounts receivables	553,936	709,481	741,126
Less provision for credit losses	(40,087)	(44,818)	(39,239)
Net book value at end of period	**513,849**	**664,663**	**701,887**

Changes in allowance for doubtful accounts are summarized below:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Balance at beginning of period	**(32,527)**	**(40,087)**	**(44,818)**
Provision for doubtful accounts	(12,202)	(17,734)	(13,106)
Reversal of provision	6,328	18,425	17,977
Change in consolidation scope	—	(4,625)	—
Currency translation adjustment	(1,686)	(797)	708
Balance at end of period	**(40,087)**	**(44,818)**	**(39,239)**

Changes in consolidation scope of €(4.6) million is related to the Iponweb acquisition in 2022.

Credit risk is defined as an unexpected loss in cash and earnings if the client is unable to pay its obligations in due time. We perform internal ongoing credit risk evaluations of our clients. When a possible risk exposure is identified, we require prepayments or impair Customer credit.

Note 18 – Other Current Assets

The following table shows the breakdown in other current assets net book value for the presented periods:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Prepayments to suppliers	8,512	11,646	6,786
Employee-related receivables	144	280	880
Taxes receivables	64,797	73,386	98,905
Other debtors	7,523	4,865	4,107
Indemnification assets	—	4,828	593
Prepaid expenses	13,495	24,994	23,973
Derivatives	53	2,038	—
Gross book value at end of period	**94,524**	**122,037**	**135,244**
Net book value at end of period	**94,524**	**122,037**	**135,244**

Prepaid expenses mainly consist of costs related to licenses.

Note 19 – Cash and Cash Equivalents

Consolidated Statement of the Financial Position

The following table presents for each reported period, the breakdown of cash and cash equivalents :

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Interest-bearing bank deposits	121,161	61,793	45,995
Cash & cash equivalents	334,169	264,725	258,045
Total Cash & cash equivalents	**455,330**	**326,518**	**304,040**

The short-term investments included investments in money market funds and interest–bearing bank deposits which met IFRS 7 — Statement of Cash Flow criteria: short-term, highly liquid investments, for which the risks of changes in value are considered to be insignificant.

Interest-bearing bank deposits are considered level 2 financial instruments as they are measured using valuation techniques based on observable market data. For the cash and cash equivalents, the fair value approximates the carrying amount, given the nature of the cash and cash equivalents and the maturity of the expected cash flows.

Consolidated Statement of Cash Flow

The breakdown of cash & cash equivalents presented in the Consolidated Statement of Cash Flow can be reconciled with the financial statement position as follows:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Cash & cash equivalents	455,330	326,518	304,040
Net cash and cash equivalents	**455,330**	**326,518**	**304,040**

Note 20 – Common shares

The Group manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

Our capital structure consists of financial liabilities (net debt) and equity (issued capital, reserves, retained earnings and non-controlling interests).

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

Change in Number of Shares

Change in number of shares	Number of ordinary shares
Balance at January 1, 2022	**60,675,474**
of which Common stock	*65,883,347*
of which Treasury stock	*(5,207,873)*
Issuance of shares under share option and free share plans [1]	(2,634,619)
Treasury shares issued for RSU vesting	1,625,742
Treasury shares retired	2,732,386
Share repurchase program [2]	(5,135,359)
Balance at December 31, 2022	**57,263,624**
of which Common stock	*63,248,728*
of which Treasury stock	*(5,985,104)*
Issuance of shares under share option and free share plans [3]	(2,083,065)
Treasury shares issued for RSU vesting	1,679,674
Treasury shares issued for LUS vesting	1,006,482
Treasury shares retired	2,185,000
Share repurchase program [4]	(4,286,624)
Balance at December 31, 2023	**55,765,091**
of which Common stock	*61,165,663*
of which Treasury stock	*(5,400,572)*

[1] [2] Approved by the Board of Directors on July 28, 2022 and December 7, 2022
[3] [4] Approved by the Board of Directors on December 7, 2023

Note 21 – Earnings Per Share

Basic Earnings Per Share

The Group calculates basic earnings per share by dividing the net income for the period attributable to shareholders of the Parent company by the weighted average number of shares outstanding.

	December 31, 2021	December 31, 2022	December 31, 2023
Net income attributable to shareholders of Criteo S.A.	113,207	9,266	44,175
Weighted average number of shares outstanding	60,717,446	60,004,707	56,170,658
Basic earnings per share	**1.86 €**	**0.15 €**	**0.79 €**

Diluted Earnings Per Share

The Group calculates diluted earnings per share by dividing the net income attributable to shareholders of the Parent company by the weighted average number of shares outstanding plus any potentially dilutive shares not yet issued from share-based compensation plans (see note 8). There were no other potentially dilutive instruments outstanding as of December 31, 2021, 2022 and 2023. Consequently all potential dilutive effects from shares are considered.

For each period presented, a contract to issue a certain number of shares (i.e. share option, share warrant, restricted share award or BSPCE contracts) is assessed as potentially dilutive, if it is "in the money" (i.e., the exercise or settlement price is inferior to the average market price).

	December 31, 2021	December 31, 2022	December 31, 2023
Net income attributable to shareholders of Criteo S.A.	**113,207**	**9,266**	**44,175**
Weighted average number of shares outstanding of Criteo S.A.	60,717,446	60,004,707	56,170,658
Dilutive effect of :	2,908,824	3,670,989	3,084,564
- Restricted share awards	2,591,291	3,508,151	2,934,019
- Share options (OSA) and BSPCE	203,309	98,432	98,384
- Share warrants	114,224	64,406	52,161
Weighted average number of shares outstanding used to determine diluted earnings per share	**63,626,270**	**63,675,696**	**59,255,222**
Diluted earnings per share	**1.78 €**	**0.15 €**	**0.75 €**

Note 22 – Employee Benefits

Defined Benefit Plans

According to the French law and the Syntec Collective Agreement, French employees are entitled to compensation paid on retirement.

The following table summarizes the changes in the projected benefit obligation:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Defined Benefit Obligation present value - Beginning of period	**5,026**	**5,037**	**3,633**
Service cost	1,119	1,667	371
Finance cost	43	69	149
Actuarial losses (gains)	(1,151)	(3,140)	(414)
Change in consolidation scope	—	—	—
Defined Benefit Obligation present value - End of period	**5,037**	**3,633**	**3,739**

The Company does not hold any plan assets for any of the periods presented.

The reconciliation of the changes in the present value of projected benefit obligation with the Consolidated Statement of Income for the presented periods is illustrated in the following table:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Service cost	(1,119)	(1,667)	(371)
- Research and development expense	*(580)*	*(846)*	*(243)*
- Sales and operations expense	*(175)*	*(322)*	*45*
- General and administrative expense	*(364)*	*(499)*	*(173)*
Finance cost	(43)	(69)	(149)
- Finance income (expense)	*(43)*	*(69)*	*(149)*
Actuarial (losses) gains	1,151	3,140	414
- Other comprehensive (loss) income	*1,151*	*3,140*	*414*

The main assumptions used for the purposes of the actuarial valuations are listed below:

	December 31, 2021	December 31, 2022	December 31, 2023
Discount rate (Corp AA)	1.40 %	4.25 %	3.90 %
Expected rate of salary increase	5.00 %	5.00 %	6.96 %
Expected rate of social charges	49% - 50%	48%	48%
Estimated retirement age	Progressive table	Progressive table	Progressive table
Life table	TH-TF 2000-2002 shifted	TH-TF 2000-2002 shifted	TH-TF 2000-2002 shifted
Staff turnover assumptions	0 - 17.8%	0 - 17.8%	Company based table

Defined Contribution Plans

The total expense represents contributions payable to these plans by us at specified rates.

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Defined contributions plans included in personnel expenses	(13,665)	(16,253)	(16,598)

Note 23 – Financial Liabilities

The changes in current and non-current financial liabilities during the periods ended December 31, 2023 are illustrated in the following schedules:

(In thousands of euros)	December 31, 2022	New borrowings	Repayments	Change in scope	Other (2)	Currency translation adjustment	December 31, 2023
Borrowings (1)	—	—	—	—	—	—	—
Other financial liabilities	69	—	—	—	—	1	70
Non current portion	**69**	**—**	**—**	**—**	**—**	**1**	**70**
Borrowings (1)	—	—	—	—	—	—	—
Other financial liabilities	205	326	—	—	—	232	763
Derivatives	—	—	—	—	2,304	—	2,304
Current portion	**205**	**326**	**—**	**—**	**2,304**	**232**	**3,067**
Borrowings (1)	—	—	—	—	—	—	—
Other financial liabilities	274	326	—	—	—	232	832
Derivatives	—	—	—	—	2,304	—	2,304
Total	**274**	**326**	**—**	**—**	**2,304**	**232**	**3,136**

(1) includes accrued interest

We are party to several loan agreements and revolving credit facilities, or RCF, with third-party financial institutions. Our loans and RCF agreements are presented in the table below:

Date	Nominal/ Authorized amounts (in thousands of euros)	Amount drawn	Balance as of December 31, 2022 (in thousands of euros)	Interest rate	Settlement date
Bank syndicate RCF - Criteo SA					
September 1, 2022	407,000	—	—	Floating rate : EURIBOR/ SOFR + margin depending on leverage ratio	September 2027

On November 17, 2023, we updated certain terms of our €407 million syndicated credit facility to a €407 million sustainability-linked credit facility, the framework for which was provided for in the initial credit facility agreement. Certain terms and conditions of the amended credit facility are now linked to our sustainability goals to increase the representation of women in tech roles and reduce our GHG emissions, while the rest of the credit facility agreement remains unchanged.

We are also party to short-term credit lines and overdraft facilities with HSBC plc, BNP Paribas and LCL with an authorization to draw up to a maximum of 21.5 million euros in the aggregate under the short-term credit lines and overdraft facilities. As of December 31, 2023, we had not drawn on any of these facilities. Any loans or overdrafts under these short-term facilities bear interest based on the one month EURIBOR rate or three month EURIBOR rate. As these facilities are exclusively short-term credit and overdraft facilities, our banks have the ability to terminate such facilities on short notice.

At December 31, 2023, no amount is drawn under the RCF.

This revolving credit facilities is unsecured and contain customary events of default and covenants, including compliance with a total net debt to adjusted EBITDA ratio and restrictions on the incurrence of additional indebtedness. At December 31, 2023, we were in compliance with the required leverage ratio.

Note 24 – Net debt

The company net debt is calculated by offsetting the cash and cash equivalents from the financial liabilities.

As shown in note 6 and 19, the market risk is monitored by management, who define the management policy regarding the consolidated net debt in terms of liquidity, interest rates, exchange rates and counterparty risk for the upcoming months and analyzes the previous events (realized transactions, financial results).

The following tables show the maturity and allocation by currency of our financial liabilities and cash and cash equivalents.

Net debt by maturity

(In thousands of euros)	Carrying value	Maturity				
		2024	2025	2026	2027	2028
Other financial liabilities	833	763	70	—	—	—
Derivatives	2,304	2,304	—	—	—	—
Financial liabilities	**3,137**	**3,067**	**70**	**—**	**—**	**—**
Cash and cash equivalents	304,040	304,040	—	—	—	—
Net financial debt	**(300,903)**	**(300,973)**	**70**	**—**	**—**	**—**

Net debt by currency

(In thousands of euros)	Carrying value	Currency				
		EUR	GBP	USD	JPY	Others
Other financial liabilities	833	501	321	11	—	
Derivatives	2,304	2,304	—	—	—	—
Financial liabilities	**3,137**	**2,805**	**321**	**11**	**—**	**—**
Cash and cash equivalents	304,040	117,579	7,556	146,655	9,029	23,219
Net financial debt	**(300,903)**	**(114,774)**	**(7,235)**	**(146,644)**	**(9,029)**	**(23,219)**

Note 25 – Contingencies

(In thousands of euros)	Provision for employee related litigation	Provisions for non income tax risks	Other provisions	Total
Balance at January 1, 2022	**986**	**—**	**1,715**	**2,701**
Charges	85	—	60,106	60,191
Provision used	(441)	—	(284)	(725)
Provision released not used	(131)	(1,382)	(371)	(1,884)
Currency translation adjustments	(14)	(3)	3	(15)
Other	—	33,060	—	33,060
Balance at December 31, 2022	**485**	**31,675**	**61,168**	**93,328**
Charges	195	—	—	195
Provision used	(30)	—	(40,000)	(40,030)
Provision reversed not used (*)	(280)	(1,449)	(20,207)	(21,936)
Currency translation adjustments	—	—	(3)	(3)
Other	—	(256)	—	(256)
Balance at December 31, 2023	**370**	**29,970**	**958**	**31,298**
of which current	370	—	958	1,328

Legal and Regulatory Matters

In November 2018, Privacy International filed a complaint with certain data protection authorities, including France's Commission Nationale de l'Informatique et des Libertés ("CNIL"), against Criteo and a number of other similarly situated advertising technology companies, arguing that certain of these companies' practices were not in compliance with the European Union's General Data Protection Regulation ("GDPR"). In January 2020, CNIL opened a formal investigation into Criteo in response to this complaint, and on June 23, 2021, CNIL notified the Company of the appointment of an investigator (rapporteur) for the ongoing investigation. The investigation also covers another complaint against Criteo received in November 2018 by CNIL from the European Center for Digital Rights ("NOYB").

In June 2023, the CNIL issued its decision, which retained alleged GDPR violations but reduced the financial sanction against Criteo from the original amount of €60.0 million ($65.0 million) to €40.0 million ($43.3 million). Criteo made the required sanction payment in the third quarter of 2023. The decision relates to past matters and does not include any obligation for Criteo to change its current practices. Criteo has appealed this decision before the Conseil d'Etat.

The €40.0 million ($43.3 million) penalty was applied against the previously accrued liability for loss contingency reflected in our financial statements for the period ended June 30, 2022, which amounted to €60.0 million ($65.0 million). Criteo issued the required sanction payment during the third quarter of 2023.

We are party to a claim (Doe v.GoodRx Holdings, Inc. et al. in the U.S. District Court for the Northern District of California), alleging violations of various state and federal laws. We intend to vigorously defend our position, but we are unable to predict the potential outcome.

Non income tax risks

We have recorded a 29.9 million euros provision related to certain non income tax items. These risks were identified and recognized as part of the Iponweb Acquisition. We have recorded an indemnification asset in the full amount of the provision as the Company is indemnified against certain tax liabilities under the FPA. The indemnification asset is recorded as part of "Other non current assets" on the consolidated statement of financial position.

Note 26 – Other current liabilities

Other current liabilities are presented in the following table:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Clients' prepayments	14,502	15,313	23,421
Credit notes	15,383	16,566	21,099
Employee-related payables	86,647	80,225	102,522
Other taxes payables	52,067	53,287	60,327
Accounts payable relating to capital expenditures	4,217	23,827	3,028
Earn-out liability - current portion	—	20,289	45,653
Other creditors	722	2,239	1,375
Deferred revenue	73	12	9
Total	**173,611**	**211,758**	**257,434**

Earn out liability

As part of the Iponweb Acquisition, the Sellers are entitled to contingent consideration of a maximum of $100.0 million (90.5 million of euros), which is conditioned upon the achievement of certain revenue targets by the Iponweb business for the 2022 and 2023 fiscal years. The related earn out liability is valued and discounted using management's best estimate of the consideration that will be paid in 2024 (current portion).

Note 27 – Commitments and contingencies

Purchase Obligations

As of December 31, 2023, the Group had €58.8 million of other non-cancellable contractual obligations, primarily related to software licenses, maintenance and €1.8 million bandwidth for the servers.

Note 28 – Related Parties

The Executive Officers as of December 31, 2023 were:

- Megan Clarken - Chief Executive Officer
- Sarah Glickman - Chief Financial Officer and Principal Accounting Officer
- Ryan Damon - Chief Legal and Corporate Affairs Officer

Total compensation for the Executive Officers, including social contributions, is summarized in the following table:

(In thousands of euros)	December 31, 2021	December 31, 2022	December 31, 2023
Short-term benefits [1]	(2,526)	(2,450)	(2,930)
Share-based compensation	(5,678)	(7,328)	(9,074)
Total	**(8,204)**	**(9,778)**	**(12,004)**

1) Wages, bonuses and other compensations

For the year ended December 31, 2021, 2022 and 2023, there were no material related party transactions.

Note 29 – Subsequent Events

Beginning in the first quarter of 2024 – following the completion of the integration of our Iponweb acquisition – our Chief Operating Decision Maker, who is our Chief Executive Officer (“CEO”), no longer receives disaggregated information for Iponweb. As such, we will update our segment financial reporting structure in line with how our CEO assesses performance and allocates resources. We will have two segments: Retail Media and Performance Media. Performance Media combines our former Marketing Solutions and Iponweb segments.