ANNUAL REPORT 2015

AT A GLANCE

Record breaking results

- €37.2m in GM
- €5.5m in EBITDA

Growth returns

- Up 9% year-on-year

Profitability up

- EBITDA margin of 14.8% versus 12.8% in 2014

Profit of €2.6m, representing a truer picture of the Group’s financial health with the change to IFRS

Prestigious Client wins with the likes Euromaster, Estée Lauder and Dubai Parks & Resorts

Attractive industry backdrop: By 2019 global digital advertising spend >50% of overall media spend

Bolt-on acquisitions filling in existing white spots in the Netherlands and Spain

New strategic partnership with US based PM Digital

Closure of landmark €20.7m financing, with €10m earmarked for growth plans

500 Employees

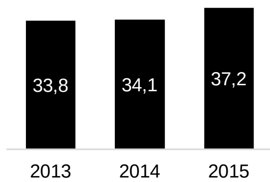
22 Offices Worldwide

Listed on the Paris Stock Exchange

FINANCIAL SUMMARY

Gross Margin

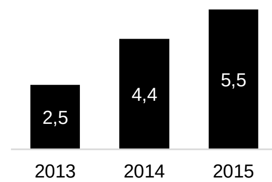
€37.2m



Gross margin was up 9.1% in 2015, coming in at €37.2m versus €34.1m in 2014. Growth was particularly strong in Germany, the UK and Spain on a geographical basis, whilst PPC, Media and Social Media performed well on a channel basis.

EBITDA

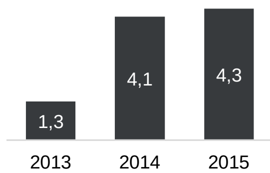
€5.5m



Group EBITDA hit a new high in 2015, with €5.5m being recorded versus €4.4m in 2014. EBITDA margins also improved hitting 14.8%, up from 12.8% in the previous year.

EBIT

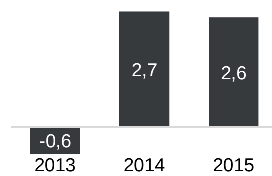
€4.3m



Operating profit under IFRS shows the real economic value created by the Group, with goodwill on historic acquisitions being subject to an annual impairment test, rather than being depreciated annually on a straight-line basis.

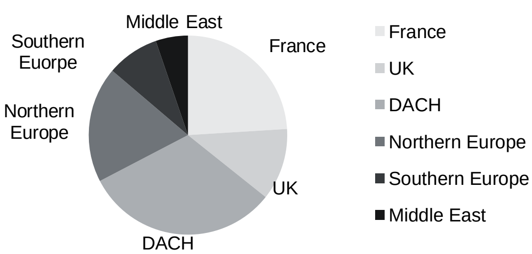
Net Profit

€2.6m



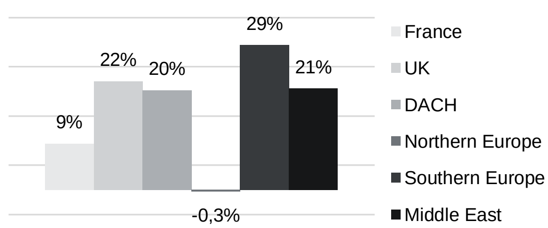
Net Profit also showed the effect of the change to IFRS with lower depreciation and amortisation. 2015 is not comparable with 2014, however, as a change in Group financial policy on the capitalising of tax losses carried forward meant the tax charge for the year was not offset like in 2014

Contribution to 2015 GM by Geography %



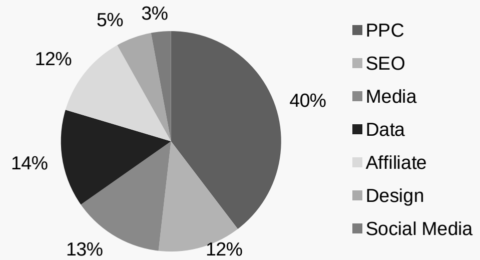
The DACH region became the largest contributor geographically in 2015, increasing it's share from 27% to 32%, with France falling from 31% to 24% and the UK increasing to 12%

EBITDA Margin by Country %



Group EBITDA margins hit 14.8% all-in, with the UK and the Middle East in particular showing healthy improvement in EBITDA margins.

Contribution to 2015 GM by Channel %



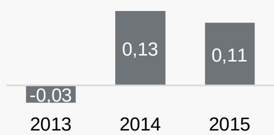
PPC continued to hold the mantle of largest channel in 2015, increasing in size by 12% y-o-y. With the consolidation of Media Diamond, Media has increased in importance, coming in alongside data, affilate and SEO in the low teens

Customer Concentration %

Like in 2014, NetBooster's client structure showed no major client dependencies. Moreover, there is a strong biase towards blue chip international clients, with 65% of the Top 25 being in this subsegment

Headline Diluted EPS

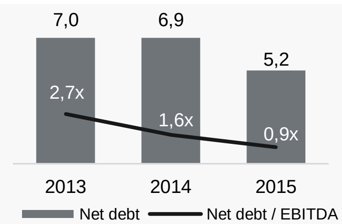
€0.11 per share



Earning per share on a fully diluted basis was slightly down year on year principly due to the change in accounting policy noted previously

Net Debt

€5.2m



Net debt continued to fall in 2015, principally due to the conversion of convertible bonds, whilst Net Debt to EBITDA continued to trend downwards as EBITDA increased

One Year Historical Share Price Performance and Traded Volumes

Source: NetBooster, Yahoo Finance

NetBooster's share price performance has been weighed by convertible bondholders converting and selling their shares, as well as uncertainty around the refinancing of said bond. Since the closure of a landmark €20.7m financing agreement, the share price has recovered substantially.

BOARD OF DIRECTORS & MANAGEMENT

Bernard-Louis Roques
Non-Executive Board Member
Chairman of the Board

Bernard-Louis is a pioneer in the IT venture capital industry in France

Benjamin Faes
Non-Executive Board Member
Board of Directors

Benjamin Faes is currently the Managing Director of Customer Solutions and Innovations at Google for Northern and Central Europe

Andreas Von Habsburg
Non-Executive Board Member
Board of Directors

Andreas has extensive transaction experience in Europe M&A and privitizations in a wide variety of industries

Tim Ringel
CEO (July 2013)
Board of Directors

Tim founded the metapeople group in 1999, which became part of NetBooster in 2011

Tom Armbruster
COO (July 2013)
Executive Committee

In 2010, Tom joined the metapeople group from UBS

Vincent Added
CFO (June 2011)
Executive Committee

Vincent joined the group in 2010 from Deloitte

Natalie Dusey
General Secretary (2013)
Executive Committee

Natalie has 10 years+ of Corporate Affairs experience with International companies

Cian O'Connor
Corporate Finance (2015)
Executive Committee

Cian is Head of Corporate Finance and Controlling, he has over 15 years of corporate finance experience

Emmanuel Arendarczyk
Country Manager UK (2006)
Strategic Committee

Emmanuel joined from Google, during his time at NetBooster he has worked in numerous positions within the group

Kristoffer Ewald
Head of DNA (2007)
Strategic Committee

Kris merged his business with NetBooster in 2007 and became the data specialist

Julius Ewig
Country Manager, DE (2013)
Strategic Committee

Julius Ewig has been the Country Manager of metapeople Duisburg since 2013

Jens Nielsen
Head of Nordics (2009)
Strategic Committee

Jens has 25 years of international management and consulting experience

LETTER TO THE SHAREHOLDERS

Dear Shareholder,

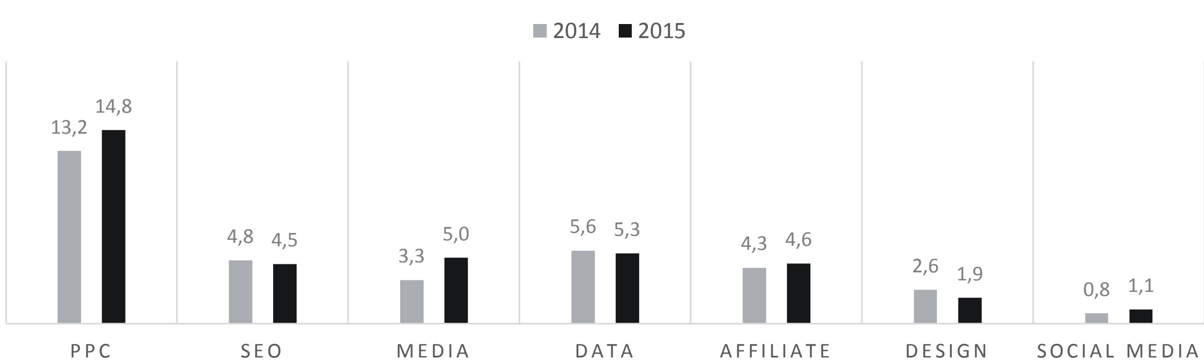
I am delighted to announce to you, our shareholders, that 2015 was the best ever year in NetBooster's history both from a business and financial perspective. 2015 saw the Group capitalise on the restructuring work undertaken in the prior two years, where the management team refocussed the business on large and profitable accounts and aligned the Group in terms of strategic objectives, financial goals and product offering. If 2013 and 2014 were years of internal reorganisation and consolidation, 2015 was the year where growth returned and M&A activity resumed in earnest.

Why do we focus on Gross Margin?

NetBooster's business splits into either service driven business based on a management fee and percentage of advertising spend (i.e. PPC, Media, Affiliate, Social Media), or project driven business based on man hours (i.e. SEO, Design, Data). As a result of the first type of business, our revenue numbers are inflated with publisher costs (i.e. google, facebook, etc.) that are passed through our P&L in revenue and removed in the cost of sales line. Also, clients can choose to pay these costs directly, so our revenue line can fluctuate substantially from year to year purely as a result of this. Hence, we see Gross Margin (GM) as the main metric to evaluate our top line performance, as these are the fees that we earn for the work we do.

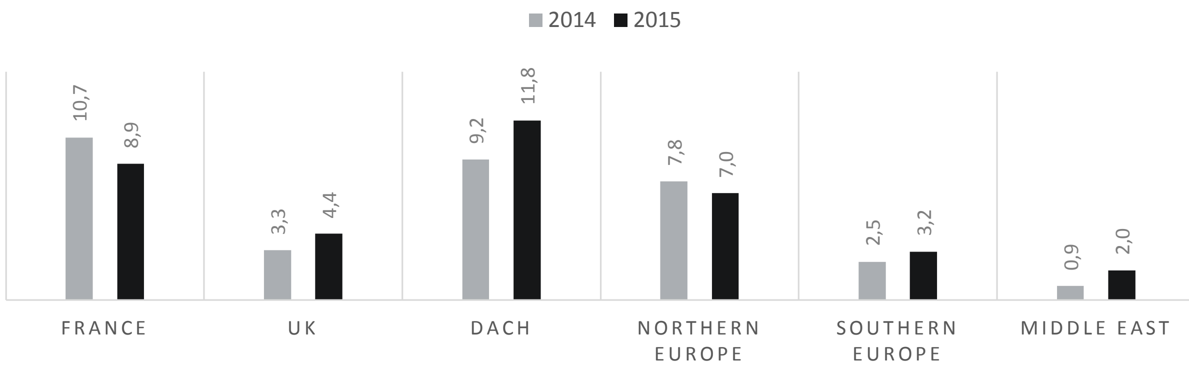
How did we do on our top line – Gross Margin?

NetBooster posted a record breaking Gross Margin of €37.2m in 2015, up 9% year-on-year. PPC and SEO accounted for 52% of the top line, with PPC (including Social Ads) continuing to post strong gains, producing €14.8m in GM versus €13.2m in the prior year, a year on year increase of over 12%. SEO was reasonably stable in 2015, coming in at €4.5m, slightly lower than 2015 on account of the cyclicality of the business. The expectation is that it will recover in 2016.



The other big contributors came in the form of Media, Data and Affiliate, accounting for 40% of the overall business and registering a combined growth rate of 14%. The big driver of this came through Media, with the acquisition of Media Diamond, producing record growth of 51% and hitting €5.0m in GM in 2015. Data also produced strong results with the business adding €5.3m to Group GM versus €5.6m in the previous year. Data continues to permeate all aspects of the Group's activities, so it's standalone consulting fees do not do its full contribution true justice.

Design and Social Media are the final two activities, which together account for 8% of the Group's GM. Social Media, which under our definition comprises community management, but excludes social advertising, saw its contribution grow by 42% in 2015. The expectation is that this business, together with Social Ads, will form a cornerstone business unit going forward.

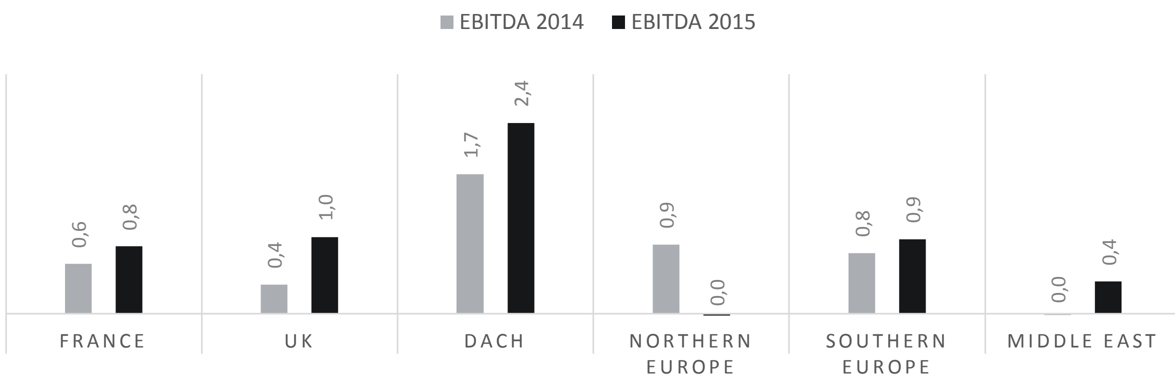


Geographically the DACH region powered ahead in 2015, increasing GM from €9.2m in the prior year to €11.8m in 2015 and claiming the mantle of the largest market. The German business was driven by increased share of client wallet from the likes of Deutsche Telekom and Deichmann in particular. French GM came down somewhat, with clients such as Bouygues Telecom tempering budgets in light of headwinds in the local market. However, the instatement of a new management team locally is expected to yield benefits in repositioning the French business for future growth, both organically with existing clients such as Accor and Estée Lauder, but also with new potential customers.

The UK saw exceptional levels of growth registered in 2015, with the top line jumping by over 30% to €4.4m, owing principally to strong expansion in PPC and the on-boarding of new Group clients such as Groupe SEB. Local issues in Finland and Sweden saw Northern European GM fall in 2015 to €7.0m, but a rebound is expected to set in from 2016 onwards, as the Nordic markets deepen their product offering and align more with the Group. Southern Europe saw a substantial increase in their top line with the addition of Media Diamond, with GM moving from €2.5m in 2014 to €3.2m. Likewise our Dubai based business more than doubled its GM to hit the €2m mark and thereby become a more significant component of the Group's top line.

What about profitability?

Yet again NetBooster set a new record on the profit front, with Group EBITDA hitting €5.5m in 2015, versus €4.4m in 2014. EBITDA margins also improved, rising to 14.8%, up from 12.8% in the previous year. EBITDA largely reflected the development on the top line with the DACH countries hitting €2.4m in EBITDA and their margins increasing to 20%, up a full percentage point on the previous year.



Despite a decline on the top line in France, the management team still posted a higher EBITDA with adjustments on the cost front keeping margins in check. The UK's healthy top line growth translated into a very favourable level of EBITDA with the British entity hitting the €1m mark and increasing margins from 11% in the prior year to a record setting 22%. Northern Europe's EBITDA felt the full impact of the lower top line, with adjustments to the operating model expected to feed through to a gradual recovery in profitability in the coming year. Southern Europe continued to produce high EBITDA margins, coming in at 29% and growing on a nominal basis to almost €1m. Finally, the Middle East matched its strong growth with delivery on the bottom line, posting 21% EBITDA margins and contributing positively to group results.

The impact of the move to IFRS is most keenly seen in the net profit line, with goodwill on historic acquisitions being subject to an annual impairment test, rather than being depreciated annually on a straight-line basis. As a result, Net Profit better reflects the real operational performance of the business, with profit levels in 2015 staying stable at €2.6m. 2015 is not, however, comparable with 2014, as a change in Group financial policy on the capitalising of tax losses carried forward meant the tax charge for the year was not offset by capitalised tax losses positively impacting the P&L like in 2014.

What do we see happening out there?

NetBooster sees numerous trends from an operational perspective: (1) A convergence of channels and focus on pure performance, (2) A realisation amongst our client base that branding can also be performance driven, (3) A pent up demand amongst multinational companies for a full service provider capable of delivering across product and geography, (4) the emergence of facebook as a credible addition to Google, (5) Data is driving transparency and (6) TV is going digital and digital marketing with it.

(1) A convergence of channels and focus on pure performance:

Clients continue to focus on their overall marketing spend and how that translates into revenue for their own business. Deutsche Telekom is a good case in point, with all channels now merged into a client centric model ensuring seamless budget allocation on a daily basis to the highest performing channel for the client. Through data analytics and performance analysis NetBooster can help Deutsche Telekom to select the most appropriate strategy on the back of real time data and implement it on their behalf as well. Our message is clear: NetBooster will adopt the model most appropriate to the client's needs, thereby achieving the highest level of performance.

(2) A realisation amongst our client base that branding can also be performance driven:

We all learned in business school, that marketing is a funnel, going from awareness / branding through interest, consideration, intent and evaluation. Previously performance marketing was believed to be only applicable at the latter end of the funnel, with clients focussing on the likes of pay per click campaigns to ensure they got share of client face time before their purchase decision was made. Today, however, there is a growing realisation that the same performance attributes and metrics can be used at the awareness stage, ensuring that clients can follow their overall spend through the funnel and evaluate the performance of it in turning it into product sales. Our message is clear: Branding is now part of performance marketing and we intend to tap into it.

(3) A pent up demand amongst multinational companies for a full service provider capable of delivering across product and geography

Our strategic rapprochement with PM Digital has really opened our eyes to the enormous untapped potential that exists amongst multinational and global companies in particular for a full service performance marketing agency, that can deliver across channel and geography. Not only do clients want an integrated global platform to deliver their marketing spend, they also have a distinct need to assess that spend using the same metrics across geography and cannot do so with a patchwork of agencies using differing approaches. Our message is clear: We intend to satisfy this pent-up demand.

(4) The emergence of facebook as a credible addition to Google

Facebook continues to broaden its appeal, with a performance offering that allows the client to target their audience with messages tailored to their potential customer's specific interests in a timely and insightful way. The delivery of advertising on facebook can be customized for use throughout the customer journey, from discovery/awareness through to purchase, which differentiates it somewhat from google. Moreover, with the advent of Facebook Messenger based advertising, a real-time one-on-one conversation can be had between our client and their potential customer. Our message is clear: facebook represents a clear growth channel and one we intend to ramp up aggressively.

(5) Data is driving transparency

The Big 6 media network's business models are based on ambiguous deals with publishers, known in the industry as kickbacks or volume discounts. Advertisers are increasingly challenging this due to an increase in transparent trading platforms and the digitalisation of the advertiser and their ultimate consumers. Additionally, they also have a considerable self interest in getting more from their marketing budgets, rather than seeing an estimated 30% of it go on backroom deals. NetBooster operates in a transparent way. Our message is clear: We believe that the Big 6 will suffer as transparency increases and their business model comes under pressure from reduced top line fees on the back of the digitalisation of advertising.

(6) TV is going digital and digital marketing with it

As a result of the offering of Netflix, Hulu, iTunes, Amazon Prime and other streaming services, TV consumption is changing and moving into the digital space. Therefore, TV will become a digital performance channel, fully measurable and targeted to specific audiences and consumers. Our message is clear: We see this as an enormous opportunity for NetBooster and are gearing up to take full advantage of it.

The building blocks for growth being put in place

The NetBooster that exists today is a much more structurally coherent and collaborative entity, than that which existed a number of years back. A real focus has been on professionalising, integrating and creating a common culture out of the assortment of entities that sat under the NetBooster umbrella. Management has also spent the time and resources to provide our investors with market standard financial information with the introduction of IFRS, purge legacy issues such as the group's convertible bond through a refinancing, but also secure inorganic growth through M&A and partnership deals.

IFRS

The switch to IFRS provides you, our investors, and other users of our financial statements with the ability to compare the financial performance of NetBooster on a like-for-like basis with its international peers and provide more transparency to investors on the Group's performance. It represents yet another step in making NetBooster's Investor Relations best in class, providing the investment community with the type of information that can inform their decisions on an investment in the group. We believe it offers us the platform to attract a broader brush of investors to support our future growth story and create the conditions for all investors to prosper.

Refinancing

In March, 2016, NetBooster announced the closing of a landmark €20.7m financing agreement, which sent a clear message of our intent to the financial markets. The new senior secured facility consists of a €10.7m tranche that was used to reimburse the convertible bond that came due on the 23rd of March, 2016 and smaller outstanding loans, as well as a €10m tranche that is dedicated to finance our envisaged growth plans.

The new arrangements offer NetBooster considerable flexibility, with 50% of the transaction coming in the form of a bullet type euro private placement maturing in 2022 and 50% in the form of a traditional amortising loan with a term of 5 years and 9 months. Credit du Nord was appointed Lead Arranger on the transaction and jointly structured it with Tikehau Investment Management's NOVI I fund. Two other large European banks, BNP Paribas and Société Générale and a global player, HSBC, made up the rest of the pool.

The financing round represented the culmination of many years of hard work, solidifies NetBooster's balance sheet with an attractive, long term financing structure, whilst also prefunds our ambitious growth plans to evolve into a global digital media agency.

M&A and Partnership deals

In April, 2015 the Group exercised its call option to acquire a further 40% stake in Media Diamond, bringing its overall ownership in the business to 50% and giving it effective control over the entity with a majority position on the board. The acquisition of Media Diamond represents another step in our ambition to serve our global clients in all markets, with the Spanish business in particular able to service the Iberian Peninsula, but also the lucrative South American market.

In September, 2015 the Group announced the acquisition of Internet Advantage based in Utrecht, Netherlands. The acquisition further enhanced NetBooster's reach by adding the Dutch market to the Group's European offering and fills in a white spot that existed previously. Internet Advantage's management, employees and services fitted perfectly into our vision of growing in size and knowhow with entrepreneurially managed companies. Moreover, as indicated earlier, our top clients are keen to expand into more regions with us and with this transaction we are answering that demand by cherry-picking the best local players with highly involved entrepreneurs and integrating them onto our platform.

In February, 2016 NetBooster announced a new strategic partnership deal with PM Digital of the U.S., thereby forming one of the biggest independent performance agency networks in the world, culminating in a combined international presence with NetBooster of over 25 offices, 800 employees, 250 leading Brands and managed media spend of over $500m annually. Together, we will be in a position to offer our clients unprecedented expertise in PPC, SEO, CRM, Programmatic, Affiliate, Media, Social Media, UX/CRO and all that supported by a strong Data, Analytics and Creative offering on a global basis.

With PM Digital's deep roots in direct and integrated marketing, coupled with their exceptional channel intelligence, this partnership will give us and our clients a significant competitive advantage.

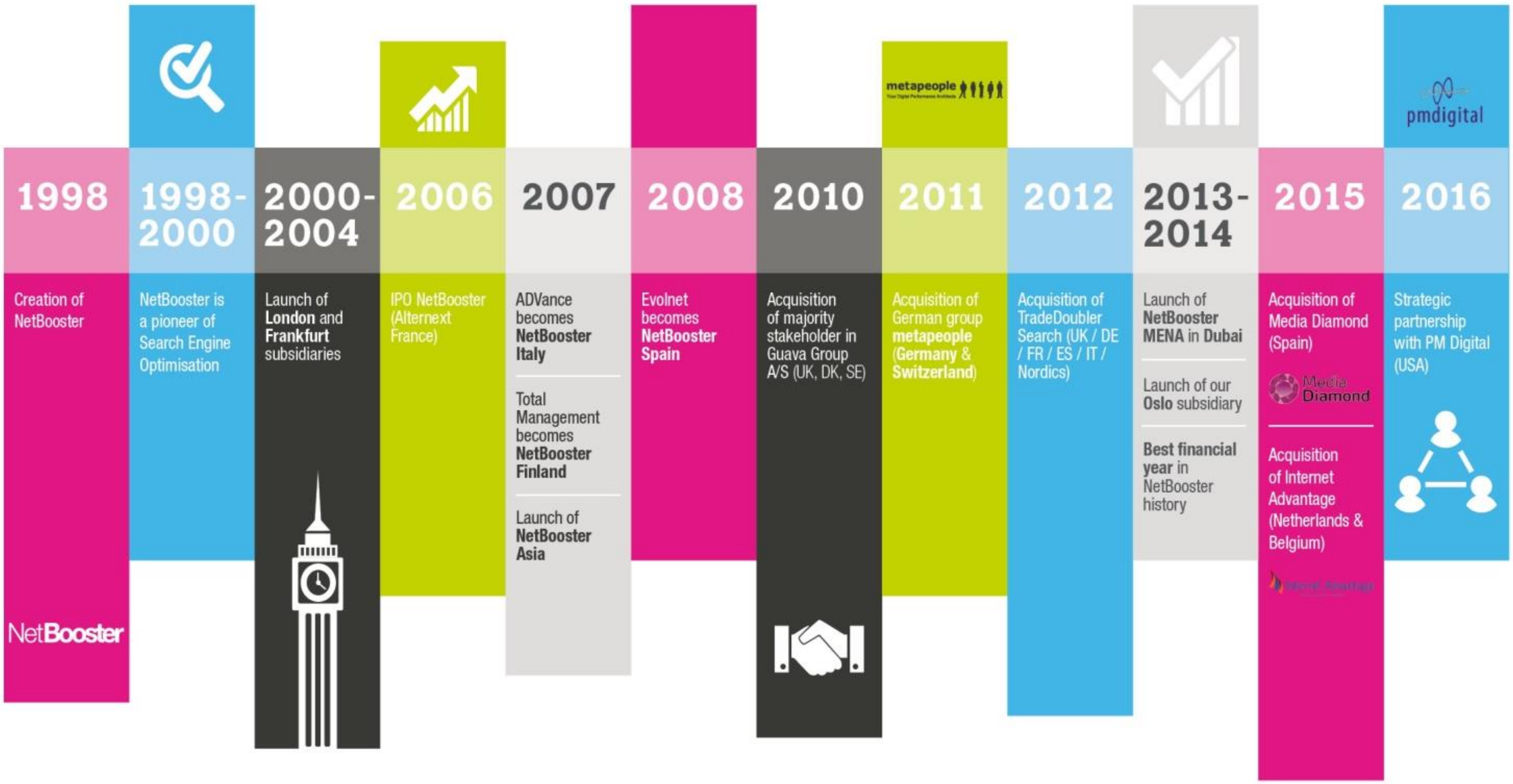
Conclusion

NetBooster has posted landmark results in 2015 for the second year in a row, a product of the combined efforts of all our committed, creative and hard-working colleagues. I'm proud of what NetBooster has achieved, but believe our most exciting years lie ahead of us. The platform we have built over the last three years has now put us in a position to evolve from being a Europe focused international player into a global digital media performance agency. Ours is a business with a growing client base, loyal employees and a strong pedigree for innovation.

Our industry is shifting in our favour from traditional media to digital. Our blue chip clients are eager to work with the exceptional talent that we can put at their disposal. They come to us because we're transparent, efficient and client centric and can deliver the service that they want. That's what defines us and makes us stand out from the traditional media agencies and will fuel our growth story going forward.

OUR GLOBAL FOOTPRINT

COMPANY HISTORY



PRODUCT DESCRIPTION

Product	Description	Business Area
Pay Per Click Advertising (PPC/SEA)	**PPC |** stands for **pay per click**: NetBooster creates and manages Pay-Per-Click campaigns on all the major search engines (Google, Yahoo, Bing, etc.) and social networks (Facebook, etc.). NetBooster's PPC campaigns offer keyword mining and copywriting, scientific optimization tracking, reporting account management, landing page optimization, and international/multilingual campaigns.	PPC
Search Engine Optimisation (SEO)	**SEO |** stands for search engine optimisation: NetBooster uses SEO to achieve the best possible coverage for the customer's website on major search engines (Google, Bing, and Yahoo). NetBooster is a Google enterprise partner. The SEO service focuses on: Content Management System (CMS) Optimisation, SEO Process, Link Management and Generation, Monitoring and Reporting, Keyword Research, Multilingual SEO, Search Engine Listing Continuity.	SEO
Database Management	**Data & Analytics:** NetBooster offers a selection of analytics tools allowing for tracking and measurement of demographics, campaign visitor behaviour, channel effectiveness, cost of new customer acquisition, ROI, etc.	Data
Database Management	**DMP:** NetBooster launched "Groundcontrol" by NetBooster, its own data management platform (DMP) in 2014.	Data
Customer Relationship Management (CRM)	**CRM strategy** (consultancy): NetBooster helps customers with every aspect of their CRM strategy, including choosing the right campaign management platform, defining CRM strategy, operational setting up an animation plan, and providing integration with information systems.	Data
Programmatic Display (RTB)	**Media | Programmatic buying** allows brands to optimize their campaigns by purchasing them in auctions according to pre-defined criteria, thus enabling them to buy a qualified audience.	Media
Affiliate	**Affiliate network:** NetBooster Affiliate is an independent affiliate network that provides hands on account management of client's affiliate program deliver expert technical insights and solutions	Affiliate
Affiliate	**Affiliate marketing:** Affiliate marketing is a type of performance-based marketing in which a business rewards one or more affiliates for each visitor or customer brought by the affiliate's own marketing efforts.	Affiliate
	Design Web design and art direction.	Design
Social Media Marketing	**Social Media** NetBooster helps brands to capture more fans and followers and transform them into clients by combining data from social networks with the client's CRM.	Social Media

INDUSTRY VIEW

Tell me about performance marketing?

Performance Marketing is a strong growing sub-segment of the digital advertising market. All advertising activities in this sub-segment are measurable and accounted for against clear KPIs. This enables companies to measure performance in real time and focus on Return on Investment (ROI).

Many companies are consolidating all performance channels on an international basis with one agency, as this allows them to amalgamate data and thereby maximize the outcomes they are seeking in an efficient and scalable manner. Performance marketing is a measurable digital advertising medium, with revenue generation and profit enhancement at the heart of the offering.

Where do the big six and local players stand on performance marketing?

Coming from the offline world (TV, print, radio, billboards) the Big 6 media networks are mainly focused on creative idea generation and their implementation (media buying). Their clients are absorbed by the creation of brands and brand awareness, so as to generate desire for a product by targeting as many consumers as possible. Given that awareness is the main KPI for traditional advertising agencies, they do not focus on revenue generation and profit enhancement for their clients – Performance isn’t in the DNA of the Big 6.

NetBooster faces local competition in several of the larger markets (France, Germany, UK). Only a few of these very local competitors weren’t sold to the Big 6. The companies that remain are focussed on selected countries and do not cover the majority of Europe. Especially when it comes to large international RFP’s and pitches, the local players simply cannot compete, as their size impedes them to deliver across different performance channels and markets.

Competitive Industry Landscape:

Source: NetBooster Kepler Cheuvreux, RECMA

The shift to digital: Redefining business models

> *"Spending on media continues to shift from traditional to digital products and services at a rapid pace. By 2019, we believe digital spending will account for more than 50 percent of overall media spend"*

The above quote isn't from NetBooster, but from McKinsey & Company's Global Media Report 2015. They go on to re-inforce our view of the market stating that "As digital media gain ground, advertisers are increasingly accepting the validity and persuasiveness of advertising on these media, moving away from the typical high cost-per-thousand (CPM) traditional media to less expensive, low CPM internet and mobile advertising – further accelerating the shift of analogue dollars to digital."

Focusing in on some of NetBooster's larger markets, it is clear that there is sizeable growth potential in our home markets, with the global picture shown overleaf, being even more attractive.

Total Media Advertising Spend – Key European Markets

UK (GBP, bn)	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*CAGR*
Digital	**7.2**	**8.1**	**8.9**	**9.7**	**10.6**	**11.3**	**9.5%**
TV	3.9	4.1	4.3	4.3	4.4	4.4	2.3%
Print	2.8	2.7	2.6	2.5	2.5	2.5	-2.5%
Outdoor	1.0	1.1	1.1	1.1	1.1	1.1	2.3%
Radio	0.3	0.4	0.4	0.4	0.4	0.4	0.9%
TOTAL	**15.3**	**16.3**	**17.2**	**18.1**	**18.9**	**19.7**	**5.2%**

France ($, bn)	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**CAGR**
Digital	**3.0**	**3.2**	**3.4**	**3.6**	**3.8**	**3.9**	**5.2%**
TV	4.3	4.3	4.3	4.4	4.4	4.5	0.8%
Print	3.6	3.3	3.2	3.1	3.0	2.9	-3.8%
Outdoor	1.7	1.7	1.7	1.7	1.7	1.8	1.1%
Radio	1.0	1.0	1.0	0.9	0.9	0.9	-0.4%
TOTAL	**13.5**	**13.5**	**13.6**	**13.7**	**13.9**	**14.0**	**0.7%**

Germany ($, bn)	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**CAGR**
Digital	**6.3**	**6.6**	**7.0**	**7.3**	**7.6**	**7.9**	**4.8%**
TV	5.7	5.9	6.0	6.2	6.2	6.3	2.1%
Print	9.3	9.0	8.7	8.5	8.3	8.2	-2.4%
Outdoor	1.3	1.4	1.4	1.5	1.5	1.5	2.1%
Radio	1.0	1.0	1.0	1.0	1.0	1.0	-0.2%
TOTAL	**23.5**	**23.8**	**24.1**	**24.4**	**24.6**	**24.9**	**1.1%**

Source: NetBooster, eMarketer

Global advertising by Category (US$ millions)

Global ($, bn)	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*CAGR*
Digital	**127.3**	**146.6**	**168.5**	**190.8**	**212.0**	**231.4**	**12.7%**
TV	183.5	189.4	202.5	209.0	223.1	233.9	5.0%
Audio	31.0	31.1	31.3	31.4	31.5	31.7	0.4%
Cinema	2.1	2.2	2.4	2.6	2.8	3.1	7.5%
Out-of-Home	31.7	33.2	34.8	36.5	38.4	40.3	4.9%
Consumer Magazines	23.2	22.5	21.9	21.4	20.9	20.5	-2.4%
Newspapers	73.1	71.4	70.4	70.1	70.3	70.8	-0.6%
Video Games	3.4	4.4	4.9	5.6	6.3	6.9	15.2%
TOTAL	**452.1**	**473.6**	**505.6**	**532.1**	**565.4**	**594.3**	**5.6%**

Source: NetBooster, McKinsey & Company Global Media Report 2015

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In thousands of euros	Note	2015	2014	2013
Net profit (loss) for the year		**2 555**	**2 694**	**(629)**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurements of post-employment benefit obligations		-	-	-
Income tax relating to these items		-	-	-
Items that may subsequently be reclassified to profit or loss:		-	-	-
Currency translation differences		153	118	(14)
Income tax relating to these items		-	-	-
Other comprehensive income for the year, net of tax		**153**	**118**	**(14)**
Comprehensive income for the year		**2 708**	**2 812**	**(643)**
Comprehensive income attributable to:				
- Owners of the parent		2 452	2 812	(643)
- Non-controlling interests		256	-	-

CONSOLIDATED BALANCE SHEET

In thousands of euros	Note	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
ASSETS					
Non-current assets					
Goodwill	Notes 5.1 - 6.1	26 429	24 934	24 934	24 934
Intangible assets	Notes 5.1 - 6.1	480	408	94	104
Property, plant and equipment	Notes 5.2 - 6.1	944	783	923	826
Investments accounted for using the equity method	Note 5.3	-	85	-	-
Derivative financial instruments	Notes 4.3 - 5.3 - 5.5	-	-	-	-
Non-current financial assets	Notes 5.4 - 5.5	511	743	806	1 408
Other non-current assets	Note 5.7	337	468	310	
Deferred income tax assets	Notes 5.12	2 755	2 529	1 194	1 887
Total non-current assets		**31 456**	**29 950**	**28 261**	**29 159**
Current assets					
Trade and other receivables	Note 5.6	43 053	32 332	32 293	35 759
Current income tax assets	-	632	597	512	255
Derivative financial instruments	Notes 4.3 - 5.3 - 5.5	-	230	-	-
Other current assets	Note 5.7	719	445	2 227	2 993
Cash and cash equivalents	Notes 5.5 - 5.8	7 052	5 567	7 509	8 457
Total current assets		**51 456**	**39 171**	**42 541**	**47 464**
TOTAL ASSETS		**82 912**	**69 121**	**70 802**	**76 623**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Ordinary shares	Note 5.9	1 659	1 602	1 543	1 461
Share premium	-	20 711	30 424	29 269	27 676
Retained earnings and Other reserves	-	(6 652)	(19 566)	(18 450)	(14 558)
Net profit (loss) for the period	-	2 299	2 694	(629)	(3 966)
Translation adjustments	-	258	104	(14)	-
Total equity attributable to owners of the parent		**18 275**	**15 258**	**11 719**	**10 613**
Non-controlling interests	-	327	-	-	-
Total equity		**18 602**	**15 258**	**11 719**	**10 613**
Non-current liabilities					
Post-employment benefits	-	21	16	12	11
Other non-current provisions	Note 5.10	106	50	66	11
Borrowings	Notes 5.5 - 5.11	769	11 354	12 700	12 935
Derivative financial instruments	Note 4.3 - 5.5	-	1 169	859	2 014
Deferred tax liabilities	Note 5.12	349	147	-	25
Other non-current liabilities	Note 5.14	564	637	436	447
Total non-current liabilities		**1 809**	**13 373**	**14 073**	**15 443**
Current liabilities					
Borrowings	Notes 5.5 - 5.11	11 448	1 152	1 762	520
Trade and other payables	Note 5.13	48 761	36 781	37 852	42 349
Derivative financial instruments	Note 4.3 - 5.5	72	-	-	-
Current income tax liabilities	-	654	258	346	286
Other current liabilities	Note 5.14	1 566	2 299	5 050	7 412
Total current liabilities		**62 501**	**40 490**	**45 010**	**50 567**
TOTAL LIABILITIES		**64 310**	**53 863**	**59 083**	**66 010**
TOTAL EQUITY AND LIABILITIES		**82 912**	**69 121**	**70 802**	**76 623**

CONSOLIDATED INCOME STATEMENT

In thousands of euros	Note	2015	2014	2013
Revenue	Note 6.1	110 803	96 568	114 086
Cost of sales	-	(73 636)	(62 486)	(80 261)
Gross margin	**Note 6.1**	**37 167**	**34 082**	**33 825**
Employee benefits expense	Note 6.3	(24 282)	(22 956)	(24 733)
External expenses	Note 6.3	(7 747)	(6 918)	(6 231)
Taxes other than taxes on income	-	(155)	(240)	(379)
Other income from operations	Note 6.2	499	412	150
Other expenses from operations	Note 6.3	36	(30)	(102)
EBITDA	**Note 6.1**	**5 518**	**4 350**	**2 530**
Depreciation and Amortization	Note 6.5	(515)	(417)	(407)
Other operating income and expenses - non current	Note 6.6	(668)	140	(849)
Operating profit (loss)	**-**	**4 335**	**4 073**	**1 274**
Income from cash and cash equivalents	Note 6.7	4	22	22
Cost of financial debt	Note 6.7	(1 366)	(1 403)	(1 388)
Cost of net financial debt	**Note 6.7**	**(1 362)**	**(1 381)**	**(1 366)**
Other financial income	Note 6.7	1 670	421	1 288
Other financial expenses	Note 6.7	(809)	(825)	(452)
Net financial profit (loss)	**Note 6.7**	**(501)**	**(1 785)**	**(530)**
Share of profit of investments accounted for using the equity method	Note 5.3	(8)	27	-
Profit (loss) before tax	**-**	**3 826**	**2 315**	**744**
Income tax expense	Note 5.12	(1 271)	379	(1 373)
Net profit (loss) for the year	**Note 6.1**	**2 555**	**2 694**	**(629)**
Profit attributable to:				
- Owners of the parent	-	2 299	2 694	(629)
- Non-controlling interests	-	256	-	-
OCI		**153**	**118**	**(14)**
Comprehensive Income		**2 708**	**2 812**	**(643)**
Earnings per share attributable to the owners of the parent *(in euro per share):*				
- Basic earnings per share	Note 6.8	0,15	0,17	(0,04)
- Diluted earnings per share	Note 6.8	0,11	0,13	(0,03)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	Note	2015	2014	2013
Net profit (loss) for the year		**2 555**	**2 694**	**(629)**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurements of post-employment benefit obligations		-	-	-
Income tax relating to these items		-	-	-
Items that may subsequently be reclassified to profit or loss:		-	-	-
Currency translation differences		153	118	(14)
Income tax relating to these items		-	-	-
Other comprehensive income for the year, net of tax		**153**	**118**	**(14)**
Comprehensive income for the year		**2 708**	**2 812**	**(643)**
Comprehensive income attributable to:				
- Owners of the parent		2 452	2 812	(643)
- Non-controlling interests		256	-	-

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Thousands of €	Share capital	Share premiums	Consolidated reserves	Profit/loss for the year	Translation adjustments	Shareholders' equity
Position at 31/12/2012	**1 461**	**27 676**	**(14 558)**	**(3 966)**	**-**	**10 613**
Changes to capital (parent company)						
Share capital increases	68	1 692	-	-	-	1 760
Costs of capital increases	-	(7)	-	-	-	(7)
Transfers and levies on premiums	14	(14)	-	-	-	-
Reclassification of profit/loss during the previous year	-	-	(3 966)	3 966	-	-
Consolidated profit/loss for the period	-	-	-	(629)	-	(629)
Changes to translation adjustments	-	-	-	-	(14)	(14)
Changes to treasury shares	-	21	-	-	-	21
Value of employee services (IFRS 2)	-	-	74	-	-	74
Convertible bonds	-	(99)	42	-	-	(57)
Business combinations	-	-	-	-	-	-
Liquidity program	-	-	(20)	-	-	(20)
Other movements	-	-	(22)	-	-	(22)
Position at 31/12/2013	**1 543**	**29 269**	**(18 450)**	**(629)**	**(14)**	**11 719**
Changes to capital (parent company)						
Share capital increases	58	1 651	-	-	-	1 709
Costs of capital increases	-	-	-	-	-	-
Transfers and levies on premiums	1	(1)	-	-	-	-
Reclassification of profit/loss during the previous year	-	-	(629)	629	-	-
Other comprehensive income (total comprehensive inco	-	-	-	-	-	-
Consolidated profit/loss for the period	-	-	-	2 694	-	2 694
Changes to translation adjustments	-	-	-	-	118	118
Changes to treasury shares	-	(411)	-	-	-	(411)
Value of employee services (IFRS 2)	-	-	135	-	-	135
Convertible bonds	-	(83)	33	-	-	(50)
Business combinations (1)	-	-	(700)	-	-	(700)
Liquidity program	-	-	44	-	-	44
Other movements	-	-	-	-	-	-
Position at 31/12/2014	**1 602**	**30 424**	**(19 566)**	**2 694**	**104**	**15 258**
Changes to capital (parent company)						
Share capital increases	57	1 292	-	-	-	1 349
Costs of capital increases	-	-	-	-	-	-
Transfers and levies on premiums	-	(10 000)	10 000	-	-	-
Reclassification of profit/loss during the previous year	-	-	2 694	(2 694)	-	-
Other comprehensive income (total comprehensive inco	-	-	-	-	-	-
Consolidated profit/loss for the period	-	-	-	2 554	-	2 554
Changes to translation adjustments	-	-	-	-	248	248
Changes to treasury shares	-	(1 125)	-	-	-	(1 125)
Value of employee services (IFRS 2)	-	-	85	-	-	85
Convertible bonds	-	120	42	-	-	162
Business combinations	-	-	71	-	-	71
Other movements	-	-	95	-	(95)	-
Position at 31/12/2015	**1 659**	**20 711**	**(6 581)**	**2 555**	**258**	**18 602**
Total equity attributable to owners of the parent	**1 659**	**20 711**	**(6 652)**	**2 299**	**258**	**18 275**
Total equity attributable to non-controlling interests	**-**	**-**	**71**	**256**	**-**	**327**

(1) Adjustment additional goodwill Guava

CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	Note	2015	2014	2013
Cash flows from/used in operating activities				
Net profit (loss) for the year	-	2 555	2 694	(629)
Adjustments for non-cash and non-operating items:				
Depreciation and amortization	-	514	302	845
Addition to (reversals of) provisions	-	71	(14)	55
Share of profit of investments accounted for using the equity met	Note 5.3	8	(27)	-
Net (gain) loss on disposals	-	(193)	(389)	75
Income tax expense	Note 5.12	1 271	(379)	1 373
Income tax paid	-	(946)	(1 031)	(854)
Other non-cash items (1)	-	(1 122)	119	(1 055)
Cost of net financial debt	Note 6.7	1 362	1 381	1 366
Adjustments for changes in w orking capital				
Change in trade and other receivables	-	(2 041)	1 321	3 696
Change in trade and other payables	-	1 679	(4 842)	(4 663)
Net cash flows from/used in operating activities	**-**	**3 158**	**(865)**	**209**
Cash flows from/used in investing activities				
Acquisition of subsidiary, net of cash acquired	-	947	3	-
Purchases of property, plant and equipment	Note 5.2	(414)	(213)	(649)
Purchases of intangible assets	Note 5.1	(221)	(343)	(29)
Purchases of other non-current assets	-	(78)	(203)	(443)
Proceeds from other non-current assets	-	310	703	697
Net cash flows from/used in investing activities	**-**	**544**	**(53)**	**(424)**
Cash flows from/used in financing activities				
Proceeds from issuance of ordinary shares	-	(1 013)	(505)	3
Proceeds from borrow ings	-	940	-	320
Repayment of borrow ings	-	(1 186)	(669)	(425)
Acquisition of interest in a subsidiary	-	(1 120)	(395)	6
Interest paid	-	(401)	(575)	(623)
Interest received	-	9	37	15
Dividends paid to non-controlling interests	-	65	-	-
Net cash flows from/used in financing activities	**-**	**(2 706)**	**(2 107)**	**(704)**
Increase/decrease in cash and cash equivalents	**-**	**996**	**(3 025)**	**(919)**
Cash and cash equivalents at beginning of period	Note 5.8	4 664	7 494	8 433
Translation difference on cash and cash equivalents	-	179	194	(20)
Cash and cash equivalents at end of period	**Note 5.8**	**5 838**	**4 664**	**7 494**

(1) fair value adjustement on the bonds for €1047 K

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: GENERAL INFORMATION ON THE NETBOOSTER GROUP

Note 1.1: General information

Incorporated in 1998, NetBooster SA (“the Company”) and its subsidiaries (together, “the Group”) are an independent digital communication group that makes its comprehensive expertise of digital marketing available to its customers to achieve the best possible performance for their investments.

The Group has 21 offices worldwide, it invests in technology and its network caters for the entire pan-European online marketing chain: search engine optimisation, data and analytics, ground control technology, display, affiliation, online media, creation, eCRM and social networks, with a recognised expertise in tomorrow’s digital marketing (Social Media, Video, Ad Exchange etc.). It is certified as an "Innovative Enterprise" by OSEO Innovation and listed on the NYSE Alternext stock exchange. NetBooster is also eligible for FCPI hi-tech funds and SME stock savings plans.

The Company is a joint-stock company (“Société Anonyme”), incorporated and domiciled in France. The address of its registered office is 4/6 passage Louis Philippe in Paris (75011), France.

The Company’s reporting period closes on December 31. The following consolidated financial statements are presented in thousand of euros and all values are rounded to the nearest thousand except when otherwise stated. Thus, numbers may not sum precisely due to rounding.

The Group’s consolidated financial statements were authorised for issue by the Board of Directors on 26 April 2016.

Note 1.2: Major events

Business combinations

- ***Additional acquisition of 40% of the share capital of Media Diamond***

On May 8, 2014, the Group acquired a 10% ownership interest in a Spanish company, Media Diamond, for an overall investment of €57 thousand. The purchase agreement includes a €20 thousand option for NetBooster to acquire a further 40% ownership interest in 2015 for an initial contractual price of €560 thousand. The fair value of the call option amounted to €230 thousand as of April 16, 2015. The Group effectively exercised its call option on April 16, 2015, by acquiring a complementary 40% stake in Media Diamond for a final contractual price of €775 thousand. Therefore, since this date, it holds 50% of the shares of Media Diamond.

Through the initial shareholders’ agreement, NetBooster is guaranteed half the seats of the Board and participates equally with other investors all significant financial and operating decisions. The Group has therefore determined it has joint control over this entity since May 8, 2014, even though it only held 10% the interest in the first year.

In 2015, the shareholders’ agreement was amended to guarantee NetBooster an additional Board seat effective from April 16, 2015. As consequence, since this date the Group has determined it has control the entity and the 50% interest in Media Diamond has been accounted using the full consolidation method.

The following table summarises the fair value of net assets acquired and the goodwill as of April 16, 2015:

In thousands of euros	
Net identifiable assets acquired	**272**
Goodwill	**1 120**

(1) As of April 16, 2015, the 50% interest previously-held in Media Diamond was revalued at €1,256 thousand, based on the €775 thousand final contractual price paid in cash for the further 40% stake and the €230 thousand fair value of the call option exercised as of April 16, 2015. This revaluation resulted in a revaluation gain of €167 thousand, recognised in other operating income in the consolidated income statement.
(2) As the full consolidation of Media Diamond resulted from the additional Board seat, no consideration was transferred.
(3) The Group decided to measure non-controlling interests based on their share in the net identifiable assets of Media Diamond at the acquisition date.

The goodwill has been allocated to the Southern Europe reporting segment.

- ***Acquisition of Internet Advantage***

On September 14, 2015, NetBooster acquired 100% of the digital marketing agency, Internet Advantage, which is based in Utrecht in the Netherlands. Since that date, the newly acquired agency has been accounted using the full consolidation method and has operated under the NetBooster Group's German brand metapeople.
The following table summarises the fair value of net assets acquired and goodwill as of September 14, 2015:

In thousands of euros	
Net identifiable assets acquired	**82**
Goodwill	**375**

Acquisition-related costs amounted to €39 thousand and were directly recognised in other operating income and expenses the consolidated income statement.

This acquisition enables NetBooster to extend its international footprint by adding the important Dutch market to its networks country portfolio. Goodwill represents the expected operational synergies with Internet Advantage in order to focus on performance driven digital strategy and grow the businesses. The goodwill has been allocated to the Germany, Switzerland and Netherlands ("DACH") reporting segment.

Other major events

- ***Share capital increases***

During the year convertible bonds were converted into shares (18 convertible bonds converted into 450,000 shares) to a total amount of €1,125 thousand, representing 2.72% of share capital at the closing date.

On January 14, 2015, the Company's Board of Directors declared a capital increase resulting from the exercise of 81,931 share subscription warrants afforded to the previous shareholders of Metapeople.

81,931 new shares were created for a total subscription of €223,671.63 and a capital increase of €8,193.10. These subscriptions were paid up as compensation against company receivables outstanding to the parties concerned for the earn-out due in connection with the purchase of metapeople.

On December 15, 2015, the Company's Board of Directors declared a capital increase resulting from the award of 5,000 free shares to the Group’s managers. 5,000 new shares were created for a capital increase of €500.

On December 21, 2015, the Company's Board of Directors declared a capital increase resulting from the award of 30,000 free shares to the Group’s managers. 30,000 new shares were created for a capital increase of €3,000.

- ***Share buyback program***

As of December 31, 2015, NetBooster held 581,106 of its own shares, worth €1,473,144 thousand. These shares were purchased in the market using the liquidity contract (78,103) for the sum of €198,032 and an average price of €2,54 and a share buyback program (503,003) for the sum of €1,275,113 and an average price of €2,54.

- ***Consolidation of Danish companies***

In a bid to optimise costs, management decided to merge the company NetBooster Affiliate A/S with the company NetBooster Agency A/S.

- *A new subsidiary in Norway*

A new entity was created in Norway (NetBooster Norway). As it is controlled by the Group, it is fully consolidated in the Group perimeter as of December 31, 2015.

- ***Conversion to IFRS***

Those consolidated financial statements are the first one prepared according to the International Financial Reporting Standards (“IFRS”). The switch to IFRS will provide investors and other users of financial statements with the ability to compare the financial performance of NetBooster on a like-for-like basis with its international peers and provide more transparency to investors on the Group’s performance. The Note 10 provides the impacts of the conversion to IFRS on the consolidated income statement and the consolidated balance as of and for the years ended December 31, 2013 and 2014 (and the financial position as of January 1, 2013).

NOTE 2: BASIS OF PREPARATION

Note 2.1: Statement of compliance

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The accounting policies adopted in preparing and presenting the consolidated financial statements comply with the IFRS standards and interpretations as adopted by the European Union (“UE”) as of December 31, 2015. The standards and interpretations are available on the website http://ec.europa.eu/finance/accounting/ias/index_en.htm. These comprise IFRS and the related interpretations issued by the International Accounting Standards Board (IASB), the Standing Interpretations Committee (SIC) and the IFRS Interpretations Committee (IFRS IC), effective as of December 31, 2015 and adopted by the European Union.

The following standards, amendments to existing standards and interpretations that have been published by the IASB and endorsed by the EU are mandatory for the Group's accounting period beginning on or after January 1, 2015:

- IFRIC 21 "Levies"
- Annual improvement to IFRSs 2011-2013 cycles

The application of these new standards, amendments and interpretations is not material for the Group's consolidated financial statements.

As of December 31, 2015, the main standards, amendments to existing standards and interpretations adopted by the IASB and endorsed by the EU but not yet applicable are:

Amendment to IAS 1 "Presentation of financial statements"	Effective from January 1, 2016
Amendment to IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets"	Effective from January 1, 2016
Amendment to IAS 19 "Employee benefits"	Effective for reporting periods beginning on after February 2, 2015
Amendment to IFRS 11 "Joint arrangements"	Effective from January 1, 2016
Annual improvement to IFRSs 2010-2012 cycles	Effective for reporting periods beginning on after February 2, 2015
Annual improvement to IFRSs 2012-2014 cycles	Effective from January 1, 2016

As of December 31, 2015, the main standards, amendments to existing standards and interpretations adopted by the IASB but not yet applicable as of December 31, 2015 are:

IFRS 9 "Financial instruments"	Initially effective from January 1, 2015 then deferred until January 1, 2017
IFRS 15 "Revenue from contracts with customers"	Effective for reporting periods beginning on after January 1, 2018

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of these standards.

Note 2.2: First-time adoption of IFRS

For all periods up to and including the years ended December 31, 2014, the Company prepared its consolidated financial statements in accordance with generally accepted accounting principles in France ("French GAAP"). The Company decided to prepare for the first time consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") for the year ended December 31, 2015. The Company elected to use January 1, 2013 as the First-time Adoption Date of IFRS as adopted by the European Union.

Subject to certain transition elections and exceptions disclosed in Note 10, the Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position as of January 1, 2013 throughout all periods presented, as if these policies had always been in effect. Note 10 discloses the impact of the transition to IFRS on the reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the years ended December 31, 2014, December 31, 2013 and January 1, 2013 prepared under French GAAP.

NOTE 3: SUMMARY OF ACCOUNTING PRINCIPLES

Note 3.1: Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments which are measured at fair value.

Note 3.2: Estimates and assumptions

The preparation of financial statements based on IFRS requires management to use judgment in applying its accounting policies and reasonable estimates and assumptions about the future. Estimates are made based on a going concern assumption and on information available at the date of their preparation. Estimates and judgements are continuously reviewed and are based on historical experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. When the Group makes estimates and assumptions concerning the future, the resulting accounting estimates will, by definition, seldom equal the related actual results.

The most significant accounting estimates and judgments that the Group has used in the preparation of its consolidated financial statements are addressed below:

- ***Revenue recognition***

The Group's revenue from services is recognised in the accounting period in which the services are rendered. For long-term contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method). Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the consolidated income statement in the period in which the circumstances that give rise to the revision become known by management.

- ***Impairment of non-financial assets***

The Group reviews goodwill and intangible assets not subject to amortisation at least annually as well as other non-financial assets when there is an indication that the asset might be impaired. The Group has estimated the recoverable amount of operating segments using discounted cash flow models that required assumptions about future cash flows, margins and discount rate. Refer to Note 5.1 for more details about methods and assumptions used in estimating net recoverable amounts.

- ***Recognition of deferred tax asset for carried forward tax losses***

The recognition of deferred tax assets on carried forward tax losses is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the tax losses carried forward can be offset and, when appropriate, the timing of the recovery period. Therefore, the Group exercises judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised, and estimates the recovery period. Refer to Note 5.12 for more details about methods and assumptions used in estimating taxable future profits.

- ***Derivative financial instruments on convertible bonds***

The fair value of the derivative financial instruments that are not traded in an active market is determined using valuation techniques. As a consequence, regarding the fair value estimation of the derivative conversion option for convertible bonds, the Group uses its judgement to make assumptions that are mainly based on the features of the convertible bonds options. Refer to Note 5.11 for more details about fair value estimation of the derivative option for convertible bonds.

- ***Consolidation decisions***

Following the two-step acquisition of Media Diamond in 2014 and 2015 (refer to Note 1.2), the Group was required to use judgment in order to determine the control it has over the entity and the consolidation method to adopt. Between May 8, 2014 and April 16, 2016, the Group concluded it jointly controlled Media Diamond, even though it only held a 10% stake, as it was guaranteed half the seats of the Board and participated equally with other investors to all significant financial and operating decisions. Since April 16, 2015, the Group has obtained the full control over Media Diamond as it has been guaranteed an additional Boart seat. As of December 31, 2015, Media Diamond is therefore accounted using the full consolidation method.

Note 3.3: Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Most of the Group's entities operate in Euro zone and use the euro as their functional currency.

The consolidated financial statements are presented in euros ("the presentation currency").

Transaction and balances

Foreign currency transactions, i.e. in a currency other than the entity's functional currency, are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

All foreign exchange gains and losses are presented in the consolidated income statement within "other financial income" or "other financial expenses".

Group companies

The financial statements of entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency (i.e. the euro) are translated into the presentation currency as follows:

- Assets and liabilities of each balance sheet, other than equity, are translated at the closing rate at the date of that balance sheet.
- Equity is translated at the historic rate.
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- Cash-flows are translated at average exchange rates.

All resulting translation adjustments are recognised in other comprehensive income on "Currency translation differences".

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences are recognised in other comprehensive income. On the loss of exclusive control, joint control or significant influence on a foreign entity, the past exchange differences recognised in equity are recycled in the income statement, as part of the gain or loss on sale, even if the Group retains a residual interest in this entity.

The principal exchange rates used for the translation of the financial statements of the Group's main subsidiaries are as follows:

	2015		2014		2013		
Exchange rate	*Closing*	*Average*	*Closing*	*Average*	*Closing*	*Average*	*Jan 1, 2013*
GBP/EUR	0.7367	0.7262	0.7826	0.8066	0.8350	0.8493	0.8184
CHF/EUR	1.0825	1.0676	1.2029	1.2148	1.2259	1.2309	1.2077
DKK/EUR	7.4619	7.4582	7.4452	7.4551	7.4600	7.4582	7.4606
SEK/EUR	9.1806	9.3511					
NOK/EUR	9.6034	8.9401					

Note 3.4: Consolidation

The consolidated financial statements of the Group include the financial statements of NetBooster SA and its subsidiaries at December 31, 2015. The financial statements of subsidiaries and joint ventures cover the same reporting period as the parent company.

A list of companies included in the scope of consolidation is provided in Note 9.

Subsidiaries

Subsidiaries (including structured entities) are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed upon acquisition where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the share of profit or loss and the net assets owned by outside parties. They are disclosed separately from results and equity attributable to owners of the Company in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet.

Investments in associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

Under the equity method, the investment is initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in the consolidated income statement, and the Group’s share of movements in other comprehensive income of the investee in the consolidated statement of other comprehensive income. Dividends received or receivable from an equity-accounted investment are recognised as a reduction in the carrying amount of the investment. The Group’s investment in associates includes goodwill identified on acquisition, net of accumulated impairment loss.

When the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the entity.

Unrealised gains on transactions between the Group and its equity-accounted investees are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence that the asset disposed of is impaired. Accounting policies adopted by equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

As of December 31, 2015, the Group does not own any interest in associates.

Joint arrangements

Joint arrangements are all contractual arrangements over which the Group as joint control. Joint control is defined as a contractually agreed sharing of control between at least two parties, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under IFRS 11 “Joint arrangements”, investments in joint arrangements are classified as either joint operations or joint ventures:

- In a joint venture, the parties have rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet;
- In a joint operation, the parties have rights to the assets and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

As of December 31, 2015, the Group does not own any interest in joint ventures nor joint operations.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the income statement. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Note 3.5: Business combinations and goodwill

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair value of the assets transferred,
- the liabilities incurred to the former owners of the acquired business,
- the equity interests issued by the Group, and
- the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except for deferred tax assets and liabilities, and assets and liabilities related to employee benefit arrangements, which are recognised and measured in accordance with IAS 12 “Income taxes” and IAS 19 “Employee benefits”, respectively.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

When the consideration transferred by the Group in a business combination includes assets and liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred. Subsequent changes to the fair value of the contingent consideration are defined as measurement period adjustments when they arise from additional information that the acquirer obtained during the measurement period (12 months) about facts and circumstances that existed at the acquisition date. Measurement period adjustments are retrospectively recognised through an adjustment to goodwill. Subsequent changes to the fair value of the contingent consideration that result from events after the acquisition date are not defined as measurement period adjustments and their recognition depends on the nature of the contingent consideration:

- if the contingent consideration is classified as equity, it is not re-measured subsequently and its subsequent settlement is accounted within equity;
- if the contingent consideration is classified as an asset or a liability which is a financial instrument and is within the scope of IAS 39, it is measured at fair value, with any resulting gain or loss recognised either in the income statement or in OCI in accordance with that IFRS;
- if the contingent consideration is classified as an asset or a liability which is not within the scope of IAS 39, subsequent changes to its fair value is recognised in accordance with IAS 37 or other IFRS applied for those items.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in the income statement.

Goodwill is defined as the excess of the transferred consideration, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired. Positive goodwill is recognised as an intangible asset in the consolidated balance sheet. Goodwill is not amortised but it is tested for impairment..

For the purposes of assessing impairment, goodwill is allocated to each of the Group's cash-generating units ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination. If the initial allocation of goodwill acquired in a business combination cannot be completed before the end of the year in which the business combination is effected, that initial allocation shall be completed before the end of the following fiscal year. A CGU, or group of CGUs, to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is not reversed in subsequent periods.

Gains and losses arising on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. In the case of a bargain purchase, negative goodwill is recognised directly in the income statement.

Note 3.6: Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The Group assesses whether the useful lives of intangible assets are finite or indefinite. Intangible assets with an indefinite useful life are not amortised and are tested for impairment annually either individually or at the level of the cash-generating unit to which it relates. The useful life of intangible assets with indefinite useful lives is reviewed annually to determine whether the indefinite life assessment remains appropriate. Intangible assets with finite useful lives are amortised over their useful life and tested for impairment whenever there is evidence that they may be impaired. The useful life and amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

According to IAS 38 “Intangible assets”, research expenditure is recognised as an expense as incurred and development costs that are directly attributable to the design and testing of identifiable and unique assets controlled by the Group, such as software, are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the asset and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable development costs that are capitalized as part of intangible assets include the following:

- wages and salaries and other ancillary staff costs in connection with development;
- any expenditure on design and development projects outsourced to subcontractors; and
- depreciation / amortisation of property, plant and equipment or intangibles, in connection with development only.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalized development costs are amortised from the point at which the asset is ready for use.

The other intangible assets mainly include computer software. Costs associated with maintaining software programmes are recognised as an expense as incurred. Software purchased is recognised as intangible assets on the balance sheet at the purchase price. Development costs that are directly attributable to the design and testing of identifiable unique software products controlled by the Group are also recognised as intangible assets if the criteria to capitalize set out above are met. Software recognised as intangible assets is amortised on a straight-line basis over its estimated useful life (between 3 and 5 years) from the date on which it is brought to service.

Note 3.7: Property, plant and equipment

Property, plant and equipment are recognised at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term, as follows:

- Fixtures and fitting: 5-10 years
- Office equipment: 3-5 years
- Office furnishings: 5-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the consolidated income statement.

Note 3.8: Impairment of non-financial assets other than goodwill

Intangible and tangible assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Intangible assets other than goodwill that have an indefinite useful life or that are not ready to use are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised in the consolidated income statement on "Depreciation and amortisation" for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU or the group of CGUs to which the asset belongs.

Prior impairment of non-financial assets other than goodwill is reviewed for possible reversal at each reporting date.

Note 3.9: Financial assets

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and, only in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

- ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives, including separately recognised embedded derivatives, are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Gains and losses from financial assets held for trading are recognised immediately in the income statement.

- ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for loans and receivables with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

- ***Held-to-maturity investments***

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. They are included in current assets, except for held-to-maturity investments with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

- ***Available-for-sale financial assets***

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months after the reporting date.

The breakdown by category of the Group's financial assets is disclosed in Note 5.5.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the trade date, that is the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

Measurement

At initial recognition, financial assets are measured at fair value plus, for all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the income statement.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains and losses arising from changes in the fair value are recognised as follows:

- for financial assets at fair value through profit or loss, changes in the carrying amount are recognised in the income statement as "other operating income or expenses" in the period in which they arise;
- for available-for-sale financial assets, changes in the carrying amount are recognised in other comprehensive income, except for translation differences related to change in the amortised costs of monetary securities denominated in a foreign currency, which are recognised in the income statement.

Impairment of financial assets

At each reporting date, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is impaired only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The criteria used to determine if there is an objective evidence of impairment loss includes:

- significant financial difficulties of the obligor;
- delinquencies in interest or principal payments; and
- it becomes probable that the borrower will enter bankruptcy or other financial reorganization.

For equity securities, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired.

If such evidence exists, the Group recognises an impairment loss, as follows:

- For financial assets carried at amortised cost, the impairment loss is the difference between the amortised cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount.
- For available-for-sale financial assets, the impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment loss previously recognised in the income statement. This amount represents the loss in accumulated other comprehensive income that is reclassified to net income.

Impairment losses on financial assets carried at amortised cost and available-for-sale debt instruments are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised. Impairment losses on available-for-sale equity instruments are not reversed.

Note 3.10: Derivative financial instruments

The Group did not undertake any hedging activity during the period.

Derivatives financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Subsequent changes in the fair value of derivative instruments are recognised immediately in the consolidated income statement within Net financial profit (loss).

The fair values of derivative instruments are disclosed in Note 5.5.

Note 3.11: Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value, which is generally their nominal value, except if the effect of discounting is material. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A factoring contract existed until the year ended December 31, 2014. However, even if transferred to the factor, according to IFRS assets derecognition criteria, those trade receivables have continued to be recognized (refer to Note 5.6).

An impairment charge is recognised in the consolidated income statement when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The provision is recognised in the income statement on "cost of sales". When a trade receivable is considered uncollectible, it is written off.

Note 3.12: Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of changes in value, as well as bank overdrafts if they do not constitute a financing operation. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Note 3.13: Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any company of the Group purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the owners of the Company.

Note 3.14: Share-based payments

The Group has set up a performance-based long-term incentive plan for certain employees, which is classified as equity-settled share-based payments.

Equity-settled shared-based payments to employees are measured at the fair value of the equity instruments at the grant date. This fair value is recognised in the consolidated income statement on "Employee benefits expense" on a straight-line basis over the vesting period, based on the Group's estimates of equity instruments expected to vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated income statement on "Employee benefits expense" such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Note 3.15: Long-term employee benefits

The Group operates various retirement and post-employment schemes, including both defined benefit and defined contribution pension plans.

Defined contribution pension plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Except the legal retirement benefit plan in France, the Group provides only defined contribution plans to its employees, through payment contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised in the income statement as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit pension plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependant on one or more factors such as age, years of service and compensation.

For defined benefit plans, the retirement benefit obligation is recognised in the balance sheet and represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets, if any. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income as incurred. Past service costs (effect of amendment, curtailment or settlement of a defined pension plan) are recognised immediately in the income statement. The interest expenses arising from the reverse discounting of retirement benefits and similar obligations and the financial income from the expected return on plan assets are recognised in net financial profit (loss).The defined benefit is estimated annually.

The Group's defined benefit plans include only the legal retirement benefit plan in France. The amount of the obligation of the Group's French companies is considered to be not significant as of December 31, 2015 and therefore is not disclosed in the notes to the consolidated financial statements.

Note 3.16: Provisions

Provisions for legal claims or other risks are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood than an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are classified as short-term or long-term according to whether the obligation is expected to be settled within or beyond one year.

Note 3.17: Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

The effective interest rate is the rate that exactly discounts the expected stream of future cash flows (transaction costs included) through to maturity of the financial liability, or a shorter period if appropriate, to the current net carrying amount of the liability on initial recognition.

Costs directly attributable to the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Note 3.18: Convertible bonds financial instruments

In 2007, the Company issued convertible bonds, which were renegotiated in 2012. Under IFRS, the conversion parity being not fixed, the bonds are qualified as hybrid financial instruments comprising borrowings and an embedded derivative for the convertible option. Embedded derivative are classified under financial derivative (liability) line item in the consolidated balance sheet. The valuation of the embedded derivative (at fair value) has been done by independent valuation experts. Interest expenses for the borrowing are calculated using the effective interest method and the variation of the derivative fair value is accounted on “other financial income/expense” for the part of the borrowings which is not converted to equity.

Note 3.19: Trade payables

These amounts represent liabilities for services provided by the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at nominal value except if payment terms exceed standard terms, in which case they are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest method.

Note 3.20: Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management annually evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are not discounted.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying value of the deferred tax assets is reviewed at each closing date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Note 3.21: Segment reporting

In accordance with IFRS 8 "Operating segments", operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors.

The information relating to operating segments is based on the same accounting methods and rules used to prepare the consolidated financial statements.

Note 3.22: Recognition of revenue

The Group's activities are the following:

- Pay per Click (PPC) activity, which relates to the management of keywords and ad spaces for the customers,
- Search Engine Optimization (SEO) activity, which is a consulting activity relating to websites creation and optimization,
- Media activity, which relates to advertisement campaigns optimization through internet ad spaces and retargeting (through Real Time Bidding),
- Data activity, which comprises both CRM solutions (emailing and customer databases acquisition) and data analytics solutions,
- Affiliate activity, which relates to the management of advertisements campaigns through affiliate networks,
- Design activity, which is the production of websites, advertisements (videos, banners), e-mails, or other advertisement contents, and
- Social Media, which relates to advertisement retargeting on social networks.

Consequently, the Group's resources are mainly generated by two types of service contracts:

- Recurring contracts, usually drawn up for an initial term of one year and tacitly renewable (for example, in PPC or Media activities), and
- Contracts drawn up on a more sporadic basis to provide human resources, calculated in man-days (for example, in SEO or Design activities).

Revenue from service contracts is recognised over the period of the contract by reference to the stage of completion. The Group recognises revenue when:

- the stage of completion of the transaction at the end of the reporting period can be measured reliably,
- the amount of revenue and costs incurred or to be incurred in respect of the transaction can be reliably measured, and
- it is probable that future economic benefits associated with the transaction will flow to the entity.

Revenue is measured based on the price specified in the sales contract, net of discounts, returns and value added taxes.

In some of its transactions in PPC and Media activities, the Group acts as an “agent” on behalf a third-party service provider. For these transactions, the Group calculates the net amount earned, and any expenses incurred with third-party suppliers are excluded from revenue. In other transactions, the Group acts as a “principal” for its clients. For these transactions, the Group recognises the gross amount invoiced as revenue and any expenses incurred with third-party suppliers in “Cost of sales”.

Note 3.23: Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Their recognition and measurement differ depending on whether grants relate to costs or to assets:

- Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. They are recognised on “Other income from operations”.
- Government grants relating to assets presented in the balance sheet by deducting the grant from the carrying amount of the asset. The grant is recognised in profit or loss over the life of the depreciable asset as a reduced depreciation expense.

NetBooster SA is entitled to the French research tax credit (“Crédit d’Impôt Recherche”). Income tax credits granted for research costs are recognised in the consolidated income statement on “Other income from operations” when earned. Income tax credits granted for development costs that are capitalized as part of intangible assets are deducted from capitalised amounts and recognised in the consolidated income statement as a deduction of depreciation expense.

The Group’s French companies are also entitled to a French tax credit to support competitiveness and employment (“Crédit d’Impôt Compétitivité Emploi”). This income tax credit is deducted from corresponding employee expenses in the income statement.

Note 3.24: Leases

Operating leases

Leases in which a significant portion of the risks and rewards of ownership have not been transferred to the Group (as a lessee) are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

In the event that lease incentives are received from the lessor to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised in the income statement as a reduction of rental expenses on a straight-line basis over the lease term.

The Group recognised rental income from operating sub-leases on a straight-line basis over the term of the relevant sub-lease. Initial direct costs incurred in negotiating and arranging an operating sub-lease are added to the carrying amount of the sub-leased asset and recognised on a straight-line basis over the lease term.

Finance leases

Leases in which a significant portion of the risks and rewards of ownership have been transferred to the Group (as a lessee) are classified as finance leases. Finance leases are capitalised at the lease’s commencement at the lower of the fair value of the leased equipment and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in financial liabilities. Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

As of December 31, 2015, December 31, 2014, December 31, 2013 and January 1, 2013, the Group did not recognise any finance lease in its consolidated financial statements, as the related amounts were not material.

Note 3.25: EBITDA

EBITDA is defined as Operating profit (loss) adjusted to exclude the following items: (i) depreciation and amortisation expense; (ii) "non-recurring" operating income expenses as disclosed in the consolidated income statement on "Other operating income and expenses - net".

EBITDA is not a presentation made in accordance with IFRS, is not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to net income attributable to the Group determined in accordance with IFRS, operating profit / (loss), net cash flows from/used in operating activities determined in accordance with IFRS or any other measure prescribed by GAAP. EBITDA assists the Group in comparing its performance over various reporting periods on a consistent basis because it removes from operating results the impact of items that do not reflect the core operating performance. Because not all companies calculate EBITDA identically, this presentation of EBITDA may not be comparable to other similarly titled measures of other companies.

Note 3.26: Other operating income and expenses – non current

In accordance with the recommendation from the French accounting authorities (Autorité des Normes Comptables – ANC recommendation 2013-03 dated November 7, 2013), "Other operating income and expenses – Net" is reported on a separate line in the income statement and includes items that are limited in number, clearly identifiable and non-recurring that have a material impact on consolidated results. This classification is applied to certain material items of income and expenses that are unusual in terms of their nature and frequency, such as net income from sale of assets or restructuring costs, etc. They are presented separately in the income statement to help users of the consolidated financial statements to better understand the Group's financial performance.

Note 3.27: Dividends distribution

Dividends paid to shareholders are recognised as a liability in the consolidated financial statements for the period during which they are approved by the Company's shareholders.

Note 3.28: Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the net income or loss for the period attributable to equity owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method. The Company's potentially dilutive ordinary shares comprise stock options granted to employees, warrants and convertible bonds conversion option.

NOTE 4: FINANCIAL RISK MANAGEMENT

Note 4.1: Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management is carried out by a [central department under policies approved by the Board of Directors which identifies and evaluates financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity].

Market risks

- ***Foreign exchange risk***

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the pound sterling, the Swiss franc, the Swedish krone, the Norwegian krone and the Danish krone.

Foreign exchange risk arises from:

- the future settlement of the Group's foreign currency transactions;
- the year-end translation of monetary assets and liabilities denominated in foreign currencies;
- the translation of subsidiaries' accounts that have a functional currency different from the presentation currency (i.e. the euro) for consolidation purposes.

Management requires the Group's companies to manage their foreign exchange risk against their functional currency and imposes strict limits on the maximum exposures that can be entered into. The Company does not hedge foreign currency exposures.

The sensitivity of the consolidated net profit (loss) to changes in the exchange rates of the main currencies used by the Group is as follows:

In thousands of euros	Impact on Net profit (loss)		
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013
Pound sterling			
GBP/EUR exchange rate - increase 10%	-63	-88	93
GBP/EUR exchange rate - decrease 10%	76	108	-114
Swedish Krone			
SEK/EUR exchange rate - increase 10%	11		
SEK/EUR exchange rate - decrease 10%	-14		
Swiss Franc			
CHF/EUR exchange rate - increase 10%	-22	-27	-18
CHFEUR exchange rate - decrease 10%	26	32	21
Danish Krone			
DKK/EUR exchange rate - increase 10%	32	0	-47
DKK/EUR exchange rate - decrease 10%	-39	0	58
Norwegian krone			
NOK/EUR exchange rate - increase 10%	-5		
NOK/EUR exchange rate - decrease 10%	6		

Interest rate risk

The Group is not significantly exposed to interest rate risk because its long-term borrowings and receivables are mainly at fixed rate and are carried at amortised cost. Therefore, they are not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Credit risk

Credit risk arises from cash and cash equivalents, non-current financial assets, derivative financial instruments as well as credit exposures to customers, including outstanding receivables and committed transactions.

Credit risk is managed on Group basis, except for credit risk relating to accounts receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. If customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Group.

Liquidity risk

The objective of liquidity risk management is to ensure that the Group has enough funding facilities available to meet its current and future obligations. Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in operating companies of the Group in accordance with practice and limits set by the Group.

At the reporting date, due to its favourable available cash position, the management considers that the liquidity risk is likely to be limited in the short term.

Note 4.2: Capital management

The Group's objectives, when managing capital, are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 4.3: Fair value estimation

The following table classifies financial assets and liabilities that are recognised on the balance sheet at fair value in a hierarchy that is based on significance of the inputs used in making the measurements. According to IFRS 13, the different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market date (that is, unobservable inputs).

In thousands of euros	Level 1	Level 2	Level 3
Derivative financial assets	0	0	0
Derivative financial liabilities	0	72	0
Total as of December 31, 2015	**0**	**72**	**0**
Derivative financial assets	0	230	0
Derivative financial liabilities	0	1,169	0
Total as of December 31, 2014	**0**	**1,399**	**0**
Derivative financial assets	0	0	0
Derivative financial liabilities	0	859	0
Total as of December 31, 2013	**0**	**859**	**0**
Derivative financial assets	0	0	0
Derivative financial liabilities	0	2,014	0
Total as of January 1, 2013	**0**	**2,014**	**0**

NOTE 5: ADDITIONAL INFORMATION RELATED TO THE CONSOLIDATED BALANCE SHEET

Note 5.1: Intangible assets and Goodwill

In thousands of euros	Goodwill	Software	Other intangible assets	TOTAL
Cost	47 756	619	272	48 647
Accumulated amortisation and impairment	-22 822	-569	-218	-23 609
Carrying amount as of January 1, 2013	**24 934**	**50**	**54**	**25 038**
Business combinations	0	0	0	0
Additions	0	29	0	29
Transfers	0	0	0	0
Disposals	0	0	0	0
Translation adjustments	0	0	0	0
Amortisation	0	-30	-9	-39
Impairment	0	0	0	0
Cost	47 756	648	272	48 676
Accumulated amortisation and impairment	-22 822	-599	-227	-23 648
Carrying amount as of December 31, 2013	**24 934**	**49**	**45**	**25 028**
Business combinations	0	0	0	0
Additions	0	282	263	545
Transfers	0	0	0	0
Disposals	0	-556	-48	-604
Translation adjustments	0	0	2	2
Amortisation	0	527	-154	373
Impairment	0	0	0	0
Cost	47 756	373	488	48 617
Accumulated amortisation and impairment	-22 822	-72	-381	-23 275
Carrying amount as of December 31, 2014	**24 934**	**301**	**107**	**25 342**
Business combinations	1 495	9	0	1 504
Additions	0	145	76	221
Transfers	0	0	0	0
Disposals	0	-47	0	-47
Translation adjustments	0	1	16	17
Amortisation	0	-70	-119	-189
Impairment	0	0	0	0
Other	0	0	61	61
Cost	49 251	481	641	50 373
Accumulated amortisation and impairment	-22 822	-142	-500	-23 464
Carrying amount as of December 31, 2015	**26 429**	**339**	**141**	**26 909**

For the year ended December 31, 2014, the increase in intangible assets was due to the recognition of the Ground control software which amounted to €224 thousand and of the new website which amounted to €56 thousand.

For the year ended December 31, 2015, the increase in intangible assets was mainly due to the new goodwill of Media Diamond (€1120 K) and metapeople Netherlands (€375 K). Complementary capitalized development costs have been recognized for the Ground control software which amounted to €79 thousand.

Impairment test for goodwill

Managements reviews the business performance based on geography. Therefore, for impairment testing purposes, goodwill is monitored by management at the level of six geographic segments: (i) France, (ii) United Kingdom, (iii) Germany, Switzerland and Netherlands (“DACH”), (iv) Northern Europe, (v) Southern Europe and (vi) Middle East (Dubai).

Each geographical area represents a group of CGUs, each CGU being a Group’s subsidiary.

Goodwill breaks down as follows by group of CGUs:

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
France	2,031	2,031	2,031	2,031
DACH (1)	12,652	12,277	12,277	12,277
Northern Europe	5,730	5,730	5,730	5,730
Southern Europe	6,016	4,896	4,896	4,896
Goodwill	**26,429**	**24,934**	**24,934**	**24,934**

(1) D.A.C.H.: Germany, Austria, Switzerland & Netherlands

The Group tests whether goodwill has suffered any impairment on an annual basis, by comparing the aggregate recoverable amount of the assets included in each group of CGUs with its carrying amount. The recoverable amount of each group of CGUs is determined based on value-in-use calculations, using post-tax cash flow projections based on financial budget approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rates stated below.

Key assumptions

The key assumptions used to calculate the value in use of each CGU are as follows:

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Long-term growth rate:				
UK	1,50%	1,50%	1,50%	1,50%
Germany	1,50%	1,50%	1,50%	2,50%
France	1,50%	1,50%	1,50%	2,50%
Finland	1,50%	1,50%	1,50%	2,50%
Sweden	1,50%	1,50%	1,50%	1,50%
Italy	1,50%	1,50%	1,50%	2,50%
Spain	1,50%	1,50%	1,50%	2,50%
Denmark	1,50%	1,50%	1,50%	1,50%
Netherlands	1,50%			
Post-tax discount rate:				
UK	7,60%	7,10%	14,00%	14,00%
Germany	6,50%	7,30%	13,70%	13,70%
France	7,50%	7,50%	11,40%	12,20%
Finland	6,80%	8,10%	11,40%	13,20%
Sweden	10,00%	8,50%	14,00%	14,00%
Italy	10,20%	9,70%	12,90%	13,70%
Spain	9,50%	8,90%	12,90%	13,00%
Denmark	5,80%	7,10%	14,00%	14,00%
Netherlands	6,50%			

The discount rates used are post-tax weighted average costs of capital and reflect specific risks relating to the relevant segments and the countries in which they operate.

No goodwill impairment loss was recorded for the years ended December 31, 2015, December 31, 2014, December 31, 2013 and January 1, 2013.

Sensibility

The Group performed a sensitivity test of the impairment charge to changes in the key assumptions used (i.e. post-tax discount rate and long term growth rate).

For all CGUs, the key assumptions were modified as follows:

- post-tax discount rate: +5%; and
- long term growth rate: -0.5%.

This sensitivity test as of December 31, 2013, December 31, 2014 and December 31, 2015 did not conduct the Group to modify its assumptions as no additional impairment charge resulted from the test.

Note 5.2: Property, plant and equipment

In thousands of euros	Constructions and facilities	Fixture, office equipment and furnishings	TOTAL
Cost	427	2 542	2 969
Accumulated amortisation and impairment	-262	-1 881	-2 143
Carrying amount as of January 1, 2013	**165**	**661**	**826**
Additions	14	635	649
Disposals	-153	-719	-872
Translation adjustments	-5	-5	-10
Amortisation	86	243	329
Cost	283	2 455	2 738
Accumulated amortisation and impairment	-177	-1 638	-1 815
Carrying amount as of December 31, 2013	**106**	**817**	**923**
Additions	1	228	229
Disposals	-252	-872	-1 124
Translation adjustments	9	10	19
Amortisation	159	577	736
Cost	41	1 822	1 863
Accumulated amortisation and impairment	-18	-1 062	-1 080
Carrying amount as of December 31, 2014	**23**	**760**	**783**
Business combinations	102	17	119
Additions	5	409	414
Disposals	0	-124	-124
Translation adjustments	0	14	14
Amortisation	-36	-225	-261
Cost	148	2 137	2 285
Accumulated amortisation and impairment	-54	-1 287	-1 341
Carrying amount as of December 31, 2015	**94**	**850**	**944**

For the year ended December 31, 2013, the decrease in carrying amount of property, plant and equipment mainly related to NetBooster SA's change of premises which generated disposals for a total amount of €646 thousand and non-recurring assets depreciation for a total amount of €175 thousand.

Lease

- ***Operating leases***

The Group does not recognise any assets acquired under finance leases as of December 31, 2015, December 31, 2014, December 31, 2013 and January 1, 2013. Lease payments under operating leases amounted to €1,816 thousand as of December 31, 2015, €2,331 thousand as of December 31, 2014, €2,272 thousand as of December 31, 2013. They related mainly to the lease of offices in London and Paris. They are recognised in the consolidated income statement on "External expenses".

- ***Free rents***

Free rents were granted in 2013 for the Paris office for a total amount of €275 thousand. This amount is amortized on a straight-line basis over 9 years.

- ***Sub-lease***

Starting 2015, there is a sub-lease for the London office. The rental income from this sub-lease contract is recognised on the same basis as the related rental expense that is in the income statement on “External expenses” and on a straight-line basis over the term of the sub-lease. The rental income amounted to €137 thousand as of December 31, 2015.

- ***Commitments for minimum lease payments in relation to non-cancellable operating leases***

In thousands of euros	Dec. 31, 2015
Within one year	1 597
Later that one year but not later than five years	1 976
Later than five years	0

Note 5.3: Investments accounted for using the equity method and related derivative financial instruments

Investments accounted for using the equity method

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013
Opening net assets	**85**	**0**	**0**
Share of profit/(loss) for the period	-8	27	0
Other investments	-77	58	0
Closing net assets	**0**	**85**	**0**

On May 8, 2014, the Group acquired a 10% ownership interest in a Spanish company, Media Diamond, for an overall investment of €57 thousand. The purchase agreement includes a €20 thousand option for NetBooster to acquire a further 40% in 2015 for an initial contractual price of €560 thousand. The Group effectively exercised its call option on April 16, 2015. Therefore, as of December 31, 2015, it holds 50% of the shares of the Company.
Through the initial shareholders' agreement, NetBooster is guaranteed half the seats of the Board and participates equally with other investors to all significant financial and operating decisions. The Group has therefore determined that it has a joint control over this entity since May 8, 2014, even though it only holds 10% of the interests the first year.

Therefore, as of December 31, 2014, the 10% interests in Media Diamond were accounted for under the equity accounting method. The investment amounted to €85 thousand and is composed of the initial price as well as the Group’s share of profit of Media Diamond for the eight-month period ended December 31, 2014.

In 2015, the shareholders’ agreement has been amended to guarantee NetBooster with an additional Board seat, with a retroactive effect as of April 16, 2015. As the consequence, since this date, the Group has determined it has control on the entity and the 50% interest in Media Diamond has been accounted using the full consolidation method.

Derivative financial instrument (asset)

The call option described above was designated as a derivative instrument recognised at fair value through profit and loss. As of May 8, 2014, it is initially recognised for €20 thousand which is its acquisition price. As of December 31, 2014, the call option is re-measured at fair value and recognised for €230 thousand in the consolidated balance sheet. Therefore, a €210 thousand gain arising from change in the fair value of the instrument is recognised in other financial income in the consolidated income statement for the year ended December 31, 2014 (refer to Note 5.5).

The Group effectively exercised its call option on April 16, 2015, by acquiring a supplementary 40% stake in Media Diamond for a final contractual price of €775 thousand and therefore derecognised the derivative as of December 31, 2015. As of April 16, 2015, the fair value of the call option amounted to €230 thousand, as the share price of Media Diamond remained stable between 31, 2014 and April 16, 2015. The derivative fair value previously recognised is transferred to the carrying amount of the joint-venture.

Note 5.4: Non-current financial assets

In thousands of euros	Non-current financial assets
Carrying amount as of January 1, 2013	**1,408**
Additions	443
Transfers	-30
Disposals	-753
Impairment	-262
Carrying amount as of December 31, 2013	**806**
Additions	120
Disposals	-278
Impairment	115
Other	-20
Carrying amount as of December 31, 2014	**743**
Additions	78
Disposals	-602
Translation adjustments	2
Impairment	290
Carrying amount as of December 31, 2015	**511**

As of December 31, 2013, non-current financial assets broke down as follows:

- Investments in non-consolidated companies amounted to €16 thousand and related to Buzz Lemon Holding and NetBooster Hong-Kong Holding.
- Guarantee deposits and other receivables amounted to €532 thousand, including a €140 thousand guarantee for the Rue Dieu lease, where restitution was challenged by the lessor and fully impaired by the Group, and a €215 thousand financial advance engaged at the end of 2013 by NetBooster Spain pursuant to a partnership with Media Diamond from the beginning of 2014.
- Financial assets pledged as a guarantee against the bank endorsement obtained for the lease of the premises at 4/6 Passage Louis Philippe in Paris amounted to €164 thousand.
- Financial claims on non-consolidated entities included €290 thousand in relation with NetBooster Brazil and €300 thousand in relation with NetBooster Hong-Kong.
- Funds capitalised under the liquidity contract and the share buyback program amounted to €88 thousand.

As of December 31, 2014, non-current financial assets broke down as follows:

- Guarantee deposits and other receivables amounted to €416 thousand, including a €215 thousand of financial advance engaged at the end of 2013 by NetBooster Spain pursuant to a partnership with Media Diamond from the beginning of 2014.
- Financial assets pledged as a guarantee against the bank endorsement obtained for the lease of the premises at 4/6 Passage Louis Philippe in Paris amounted to €164 thousand.
- Other guarantee deposits related to Denmark for €82 thousand, to Germany for €65 thousand and to Switzerland for €3 thousand.
- Financial claims on non-consolidated entities included €290 thousand in relation with NetBooster Brazil and €175 thousand in relation with NetBooster Hong-Kong, and are fully impaired at the closing date.
- Funds capitalised under the liquidity contract and the share buyback program amount to €162 thousand.

As of December 31, 2015, non-current financial assets broke down as follows:

- Guarantee deposits related to France for €76 thousand, to Denmark for €76 thousand, to Germany for €83 thousand and to Spain for €31 thousand and to Switzerland for €56 thousand
- Financial assets pledged as a guarantee against the bank endorsement obtained for the lease of the premises at 4/6 Passage Louis Philippe in Paris amounted to €164 thousand
- Financial claims on non-consolidated entities included €175 thousand in relation with NetBooster Hong-Kong, and are fully impaired at the closing date. Financial €290 thousand of NetBooster Brasil were totally write off at the closing date.
- Funds capitalised under the liquidity contract amount to €16 thousand

Note 5.5: Financial instruments

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognised in the income statement or the statement of comprehensive income.

Financial instruments (assets) by category

In thousands of euros	Assets at fair value through OCI	Assets at fair value through profit and loss	Financial assets at amortised costs
Non-current financial assets	0	0	1 408
Trade and other receivables (excluding pre-payments)	0	0	34 844
Cash and cash equivalents	0	0	8 457
Financial instruments as of January 1, 2013	**0**	**0**	**44 709**
Non-current financial assets	0	0	806
Trade and other receivables (excluding pre-payments)	0	0	31 635
Cash and cash equivalents	0	0	7 509
Financial instruments as of December 31, 2013	**0**	**0**	**39 950**
Non-current financial assets	0	0	743
Trade and other receivables (excluding pre-payments)	0	0	31 727
Derivative financial instruments	0	230	0
Cash and cash equivalents	0	0	5 567
Financial instruments as of December 31, 2014	**0**	**230**	**38 037**
Non-current financial assets	0	0	511
Trade and other receivables (excluding pre-payments)	0	0	42 075
Cash and cash equivalents	0	0	7 052
Financial instruments as of December 31, 2015	**0**	**0**	**49 638**

Financial instruments (liabilities) by category

In thousands of euros	Derivatives at fair value through profit and loss	Other financial liabilities at amortised cost
Borrowings	0	13 455
Derivative financial instruments	2 014	0
Trade and other payables : Trade payables	0	31 161
Financial instruments as of January 1, 2013	**2 014**	**44 616**
Borrowings	0	14 462
Derivative financial instruments	859	0
Trade and other payables : Trade payables	0	28 384
Financial instruments as of December 31, 2013	**859**	**42 846**
Borrowings	0	12 506
Derivative financial instruments	1 169	0
Trade and other payables : Trade payables	0	23 212
Financial instruments as of December 31, 2014	**1 169**	**35 718**
Borrowings	0	12 217
Derivative financial instruments	72	0
Trade and other payables : Trade payables	0	33 962
Trade and other payables : Amounts due to related parties	0	2
Financial instruments as of December 31, 2015	**72**	**46 181**

Note 5.6: Trade and other receivables

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Trade receivables	42 554	32 338	32 490	36 493
Prepayments	978	605	658	915
Receivables from related parties	2	0	0	0
Provisions for impairment of trade receivables	-481	-611	-855	-1 649
Trade and other receivables	**43 053**	**32 332**	**32 293**	**35 759**

Fair values

The fair values of trade and other receivables approximate their carrying amounts.

Ageing analysis and impairment

The ageing analysis of trade receivables is as follows:

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013
Neither past due neither impaired	**33 214**	**20 459**	**21 812**
Past due but not impaired			
Up to 31 days	6 495	8 377	5 620
31 to 60 days	1 188	738	1 113
61 to 90 days	280	459	816
Beyond 90 days	1 042	1 969	2 731
Past due and impaired	**335**	**335**	**397**
Trade receivables	**42 554**	**32 338**	**32 490**

Movements on the Group provision for impairment of trade receivables are as follows:

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013
Opening provision for impairment	**-611**	**-855**	**-1,649**
Additional impairment	-93	-145	-523
Used amounts (receivables written off)	283	392	1,312
Unused amounts reversed	0	0	0
Translation adjustments	-2	-3	5
Other	-58	0	0
Closing provision for impairment	**-481**	**-611**	**-855**

Movements in allowances for impairment of trade receivables are included in cost of sales in the consolidated income statement. Provisions are generally recognised when the receivable is not expected to be recovered. Improvements to customer risk management, introduced in 2012, eliminated any significant depreciation in the course of 2014.

Currencies

The euro-equivalent values of the carrying amounts of the Group's foreign currency trade receivables are shown below:

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Euro	34 456	25 679	25 997	27 431
Pound sterling	3 557	0	1 080	4 807
Swedish krone	228	0	0	0
Swiss franc	2 243	1 230	759	574
Danish krone	783	4 882	3 688	3 681
Norwegian krone	1 015	0	0	0
US dollar	272	547	966	0
Trade receivables	**42 554**	**32 338**	**32 490**	**36 493**

Transferred receivables

As of January 1, 2013 and December 31, 2013, the carrying amount of the trade receivables includes receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and was prevented from selling or pledging the receivables. However, according to IFRS, the Group has retained the main risk and rewards of the transferred receivables. It has therefore continued to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowings. The factoring contract expired on April 30, 2014, and was replaced by non-secured facilities with the Group's banking partners.

The relevant carrying amounts are as follows:

In thousands of euros	Dec. 31, 2013	Jan. 1, 2013
Transferred receivables to the factor	4,057	1,219

Note 5.7: Other assets

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Other receivables (1)	197	334	2 380	2 914
Prepayments to suppliers	32	171	0	0
Staff and social security receivables	80	10	54	53
State receivables (2)	747	398	103	26
Other assets	**1 056**	**913**	**2 537**	**2 993**
Current	719	445	2 227	2 993
Non current	337	468	310	0

(1) In 2013, other receivables include the factoring contract drawn up by NetBooster SA: 2,080 K€ of outstanding debt and 636K€ in a guarantee fund. These items no longer exist at 31 December 2014 because the NetBooster SA factoring contract was discontinued in the first half of 2014.
In 2014 following the liquidation of companies in the TradeDoubler Search group, receivables with Bidbuddy were written off in the amount of 2.3 M€. This debt was offset by a 2.3 M€ write-off with Bidbuddy. Extraordinary income of 224 K€ was posted In 2015 other receivables related to mainly by credit note to be received in France for €80 thousand

(2) States receivables related to mainly by Tax research and CICE which are mainly non current assets

Note 5.8: Cash and cash equivalents

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Cash at bank and in hand	7,011	5,549	7,491	8,437
Short-term bank deposits	41	18	18	20
Cash and cash equivalents (as presented in the balance sheet)	**7,052**	**5,567**	**7,509**	**8,457**
Bank overdrafts	1,214	904	15	24
Cash and cash equivalents (as presented in the cash flows statement)	**5,838**	**4,664**	**7,494**	**8,433**

As of December 31, 2014, the cash position was adversely affected by the late arrival of a bank transfer from a customer in an amount of €1.3 million.

Note 5.9: Share capital

As of December 31, 2015, the Company's share capital amounted to €1,659 thousand, represented by 16,586,570 shares with a par value of €0.10. From January 1, 2013, changes in share capital have been as follows:

In euros (except number of shares)	Number of shares	Share capital	TOTAL
As of January 1, 2013	**14,607,331**	**0.10**	**1,460,733**
Share capital increase in cash (January 22, 2013)	232,708	0.10	23,271
Convertible bonds conversion (January 22, 2013)	150,000	0.10	15,000
Convertible bonds conversion (February 13, 2013)	200,000	0.10	20,000
Share capital increases (free shares) (March 4, 2013)	139,168	0.10	13,917
Convertible bonds conversion (March 27, 2013)	100,000	0.10	10,000
Share capital increases (free shares) (July 17, 2013)	1,000	0.10	100
As of December 31, 2013	**15,430,207**	**0.10**	**1,543,021**
Share capital increase in cash (January 22, 2014)	81,932	0.10	8,193
Share capital increases (free shares) (March 31, 2014)	7,500	0.10	750
Convertible bonds conversion (May 7, 2014)	100,000	0.10	10,000
Convertible bonds conversion (December 31, 2014)	400,000	0.10	40,000
As of December 31, 2014	**16,019,639**	**0.10**	**1,601,964**
Share capital increase in cash (January 14, 2015)	81,931	0.10	8,193
Convertible bonds conversion (April 7, 2015)	150,000	0.10	15,000
Convertible bonds conversion (May 31, 2015)	150,000	0.10	15,000
Convertible bonds conversion (June 30, 2015)	150,000	0.10	15,000
Share capital increases (free shares) (September 15, 2015)	5,000	0.10	500
Share capital increases (free shares) (December 21, 2015)	30,000	0.10	3,000
As of December 31, 2015	**16,586,570**	**0.10**	**1,658,657**

Conversion right of convertible bonds

As of March 23, 2012, the Company issued convertible bonds, as described in Note 5.11.

During the years ended December 31, 2013, 2014 and 2015, 18 bonds, 20 bonds and 18 were converted respectively in 450,000 shares, 500,000 shares and 450,000 shares, representing a total capital share increase of €3.5 million.

Share capital increases

Refer to Note 1.2.

Securities giving access to share capital

The company issued certain securities (warrants and free shares) giving access to share capital. The tables in note 6.4 provide a summary of the entitlements in circulation as December 31, 2015:

Note 5.10: Other non-current provisions

In thousands of euros	TOTAL
As of January 1, 2013	**11**
Additional provision	55
Used during year	-1
Translation adjustments	1
As of December 31, 2013	**66**
Additional provision	50
Used during year	-68
Translation adjustments	2
As of December 31, 2014	**50**
Additional provision	56
As of December 31, 2015	**106**

The provision concerns litigations.

Litigation

As of January 1, 2013 and December 31, 2013, a €8 thousand provision for litigation was recognised as a result of a dispute between the Company and the French tax authorities regarding a tax audit in 2009. French tax authorities claimed for registration fees in connection with foreign companies' ownership rights, for a total amount of €850 thousand. The litigation outcome occurs in October 2014 and leads to the reversal of the previously recognised provision and the recognition of a €136 thousand non-recurring expense (refer to Note 6.6).

As of December 31, 2013, a €56 thousand provision was recognised as result of litigation between NetBooster UK, a fully-owned subsidiary, and one of its employees. This provision was released during the year ended December 31, 2014.

As of December 31, 2014, a €50 thousand provision was recognised concerning litigation with one employee. As of December 31, 2015, management estimates the risk being the same.

As of December 31, 2015, a €56 thousand provision was recognised concerning some litigation with employees. According to the risk defined by the lawyers, management estimates a maximum risk of €56 thousand.

Note 5.11: Borrowings

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Bank borrowings	769	1,030	1,938	1,931
Convertible bonds	0	10,324	10,762	11,004
Non-current borrowings	**769**	**11,354**	**12,700**	**12,935**
Bank borrowings	179	167	1,655	403
Convertible bonds	10,055	81	92	94
Bank overdrafts	1,214	904	15	24
Current borrowings	**11,448**	**1,152**	**1,762**	**520**

Bank borrowings

As of December 31, 2014, bank borrowings included:

- a €1,024 thousand borrowing in Denmark with a 9.25% interest rate (this borrowing was reimbursed during the year ended December 31, 2015),
- a €173 thousand borrowing in France with a 2.8% interest rate.

As of December 31, 2015, bank borrowings included:

- a €470 thousand borrowing in France with CDN with a 2,25% interest rate and a €470 thousand borrowing in France with BPI with a 3,27% interest rate. These two borrowings were initiated in June and July 2015,
- a €64 thousand borrowing in France with a 2.8 % interest rate.

Convertible bonds

In 2012, the Company renegotiated a share-convertible bond issue originally in 2007. The main terms of the contract for convertible bonds are as follows:

- Number of bonds: 232 (admitted for trading and listed on the Alternext market since March 28, 2007)
- Par value of one bond: €62,500
- Issue price of one bone: €62,500
- Term of borrowing: 4 years
- Annual interest rate: 3%
- Gross actuarial yield rate in the event of non-conversion: 6.12%
- Redemption in the event of non-conversion before the due date on March 23, 2016: redemption payable on March 23, 2015 at the issue price plus a redemption premium of €8,543 per bond, i.e. a total amount of €71,043 per bond
- Conversion parity: 1 bond for 25,000 shares, i.e. €2.50 per share except when the volume average weighted price (VAWP) exceeds €4.75 per share, in which case one bond entitles the holder to a number of shares equal to 25.000 x 4.75/VAWP

In 2012 and 2013, 51 bonds were converted into shares. 20 other bonds were converted in 2014 and 18 were converted in 2015. As of December 31, 2015, the number of remaining bonds was 143, for a total redemption premiums due on maturity of the shares of €1,221,649. See Note 5.9 for the impacts on share capital.

The carrying amount of the convertible bonds and the derivative conversion option attached to the bonds are as follows:

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Convertible bonds (current and non-current parts)	10,055	10,405	10,854	11,098
Derivative conversion option	72	1,169	859	2,014
Total	**10,127**	**11,574**	**11,713**	**13,112**

The carrying amount of the derivative conversion option amounts to its fair value. The derivative conversion option is classified as non-current derivative financial instruments.

Note 5.12: Current and deferred income tax

In thousands of euros	2015	2014	2013
Current tax	-1 236	-770	-658
Deferred tax	-35	1 149	-715
Income tax expense	**-1 271**	**379**	**-1 373**

The current tax includes the CVAE tax («Contribution sur la valeur ajoutée des entreprises ») in France respectively for a total amount of €115 thousand, €128 thousand and €120 thousand, for the years ended December 31, 2015, December 31, 2014 and December 31, 2013.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profits in France (33.33%) as follows:

In thousands of euros	2015	2014	2013
Profit (loss) before tax	3 826	2 315	744
Tax calculated at domestic tax rates applicable to profits in the respective countries	-1 271	379	-1 373
Theoretical income tax expense	**-1 275**	**-772**	**-248**
Tax effects of:			
- Tax rates differences	70	95	-61
- Final tax base differences	-133	105	-54
- Consolidation adjustments (no deferred tax impact)	5	-92	-25
- Other consolidation adjustments (CVAE)	-77	-85	-80
- Capitalisation or utilisation of tax loss carryforwards not previously capitalised	0	1 128	-970
- Others	62	0	64
- Adjustements IFRS	76		
Effective income tax expense	**-1 272**	**379**	**-1 373**

The tax charge relating to components of other comprehensive income is immaterial.

Deferred income tax

The analysis of deferred tax income and deferred tax liabilities is as follows:

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Deferred tax assets	2,755	2,529	1,194	1,887
- To be recovered after more than 12 months	1,694	2,130	992	1,532
- To be recovered within 12 months	1,062	399	202	355
Deferred tax liabilities	349	147	0	25
- To be recovered after more than 12 months	349	147	0	0
- To be recovered within 12 months	0	0	0	25
Net deferred income tax	**2,406**	**2,382**	**1,194**	**1,862**

The gross movement on the deferred income tax account is as follows:

In thousands of euros	2015	2014	2013
As of January 1	**2,382**	**1,194**	**1,862**
Translation adjustments	15	-4	-6
Business combinations	0	0	0
Income statement charge	-35	1,149	-715
Other	125	18	24
Tax charged/(credited) directly to equity	-81	25	29
As of December 31	**2,406**	**2,382**	**1,194**

Most deferred tax assets are accounted for by expected tax savings from loss carryforwards held by the Group's subsidiaries. Deferred income tax assets are recognised for tax losses carried forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

As of December 31, 2015, the Group limited the probability of attribution of tax losses to three years after 2015.

The Group companies' tax losses carried forwards are detailed as follows as of December 31, 2015:

Subsidiaries	Dec 31, 2015
NetBooster SA	10 691
NetBooster Italy	367
NetBooster Finland	1 025
NetBooster Holding A/S	10 092
NetBooster Agency A/S	3 894
NetBooster Spain	265
NetBooster Sw eden	1 343
NetBooster UK	7 236
Tax losses carried forwards	**34 913**

With the exception of results in previous years, featuring non-recurring operating losses, NetBooster SA has posted positive tax results since 2004. It has also been consolidated for tax purposes with its subsidiary Pixidis since January 1, 2013, which is a substantially tax beneficiary.

The Guava Group elected to deploy fiscal integration for all the Danish companies within its scope of consolidation.

NetBooster Italy has undergone considerable restructuring since 2009 to rectify its operational profitability. The company's projected earnings will probably lead to the deployment of tax loss carryforwards over two or three years.

In the first-half of 2012, NetBooster Spain underwent a merger with Evolnet, a company that has made substantial gains since it joined the Group in 2008. This operation enabled it to use a portion of its tax losses carried forwards in 2012, 2013 and 2014.

NetBooster Finland has undergone considerable restructuring since 2010. Its projected earnings will probably lead to the deployment of a portion of tax loss carryforwards over two or three years.

Note 5.13: Trade and other payables

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Trade payables	33 962	23 212	28 384	31 161
Amounts due to related parties	2	0	0	0
Social Security payables	2 593	2 148	1 907	1 689
Tax payables excluding profit tax	4 438	3 513	2 954	3 955
Advances incoming on trade receivables	68	76	93	2 133
Deferred income	7 682	7 832	4 514	3 411
Others	16	0	0	0
Trade and other payables	**48 761**	**36 781**	**37 852**	**42 349**

The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature.

Deferred income is composed of revenue spread out over the audit, operational and maintenance phases, consulting services billed but still pending, media revenue and affiliation billed in advance.

Note 5.14: Other liabilities

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Debt on management	220	223	447	3 093
Free rents	190	221	160	0
Other operating debt (1)	1 300	2 492	4 879	4 766
Others (2)	420	0	0	0
Other liabilities	**2 130**	**2 936**	**5 486**	**7 859**
Current	1 566	2 299	5 050	7 412
Non current	564	637	436	447

(1) During the year ended December 31, 2014, the Group carried out the liquidation of some non-operational companies in the Trade Doubler Search group, acquired in 2011. These non-operational companies assumed a €2.6 million debt and conversely recognised a €2.3 million receivables, towards their previous parent company IMV. Following their liquidation, the €2.6 million debt was written off, and offset by the write-off of the €2.3 million receivables.

(2) A €1.7 million compensation claim was claimed against the Company by Mr. Raphaël Zier (former CEO) during the past years. The claim relates to the non-issuance of financial instruments in his favour during the exercise of his functions. Negotiations are in progress and as of December 31, 2015 managements best estimate of the risk amounted to €420 thousand and accrued this amount as other current liabilities in the consolidated balance sheet. The expense is booked in the “Other operating income and expenses – net” line item.

NOTE 6: NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

Note 6.1: Segment information

The Board of Directors examines the group's performance both from a product and geographic perspectives and has identified six reportable segments of its business:

- France
- United Kingdom
- Germany and Switzerland which have comparable growth rates and similar growth margins
- Northern Europe, comprising Denmark, Finland and Sweden which have comparable growth rates and similar growth margins
- Southern Europe, comprising Spain and Italy which have comparable growth rates and similar growth margins
- Middle East (Dubai)

In addition, segment information from a product perspective has been presented to give an overview of the main activities. Consequently, the activities are the following:

- Pay per Click (PPC) activity relates to the management of keywords and ad spaces for the customers.
- Search Engine Optimization (SEO) activity is a consulting activity relating to websites creation and optimization.
- Media activity relates to advertisement campaigns optimization through internet ad spaces and retargeting (through Real Time Bidding).
- Data activity comprises both CRM solutions (emailing and customer databases acquisition) and data analytics solutions
- Affiliate activity relates to the management of advertisements campaigns through affiliate networks.
- Design activity is the production of websites, advertisements (videos, banners), e-mails, or other advertisement contents.
- Social Media relates to advertisement retargeting on social networks.

The Board of Directors primarily uses a measure gross margin to assess the performance of the operating segments. However, the Board of Directors also receives information about the segments', EBITDA, even if these information are not subject to specific review from the Board.

Segment information

In thousands of euros	Revenue	Gross margin	EBITDA	Net profit (loss) for the	Non-current assets (*)
France	14 973	8 947	846	-213	2 754
United Kingdom	12 113	4 351	961	688	154
DACH (1)	49 640	11 800	2 391	1 687	12 945
Northern Europe	17 168	7 013	-20	-661	5 881
Southern Europe	12 743	3 182	936	628	6 119
Middle East (Dubai)	4 166	1 960	404	426	0
Depreciation, write back & loss on receivables		-86			
Total as of and for the year ended December 31, 2015	**110 803**	**37 167**	**5 518**	**2 555**	**27 853**

(*) correspond to goodwill, intangible assets and property, plant and equipment

(1) D.A.C.H.: Germany, Austria, Switzerland,& Netherlands

In thousands of euros	Revenue	Gross margin	EBITDA	Net profit (loss) for the year	Non-current assets (*)
France	15,501	10,682	627	423	2,734
United Kingdom	9,751	3,268	365	1,902	123
DACH (1)	42,114	9,241	1,747	1,065	12,495
Northern Europe	20,260	7,785	869	-953	5,846
Southern Europe	8,118	2,528	760	312	4,927
Middle East (Dubai)	2,288	929	-18	-55	0
Exchange rate	-1,464	-208	0	0	0
Depreciation, write back & loss on receivables	0	-143	0	0	0
Total as of and for the year ended December 31, 2014	**96,568**	**34,082**	**4,350**	**2,694**	**26,125**

(*) correspond to goodwill, intangible assets and property, plant and equipment
(1) D.A.C.H.: Germany, Austria, Switzerland,& Netherlands

In thousands of euros	Revenue	Gross margin	EBITDA	Net profit (loss) for the year	Non-current assets (*)
France	16,803	10,805	156	-1,153	2,498
United Kingdom	20,272	3,674	95	-346	165
DACH (1)	50,328	9,761	2,034	1,207	12,512
Northern Europe	17,876	7,072	197	-235	5,852
Southern Europe	6,236	2,156	72	-44	4,924
Middle East (Dubai)	2,571	919	-24	-58	0
Depreciation, write back & loss on receivables	0	-562	0	0	0
Total as of and for the year ended December 31, 2013	**114,086**	**33,825**	**2,530**	**-629**	**25,951**

(*) correspond to goodwill, intangible assets and property, plant and equipment
(1) D.A.C.H.: Germany, Austria, Switzerland,& Netherlands

In thousands of euros	Non-current assets (*)
France	2,356
United Kingdom	261
DACH (1)	12,446
Northern Europe	5,870
Southern Europe	4,931
Middle East (Dubai)	0
Total as of January 1, 2013	**25,864**

(*) correspond to goodwill, intangible assets and property, plant and equipment
(1) D.A.C.H.: Germany, Austria, Switzerland,& Netherlands

Reconciliation of non-current assets

In thousands of euros	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Jan. 1, 2013
Goodwill	26,429	24,934	24,934	24,934
Other intangible assets	480	408	94	104
Property, plant and equipment	944	783	923	826
Total non-current assets (*)	**27,853**	**26,125**	**25,951**	**25,864**

Addition information on products

In thousands of euros	Revenue 2015	Revenue 2014	Revenue 2013
PPC	67 470	53 259	69 773
SEO	5 004	6 010	8 064
Media	13 332	11 828	11 285
Data	6 352	6 724	5 726
Affiliate	14 800	15 182	14 517
Design	2 366	2 750	2 879
Social Media	1 480	2 279	1 511
Consulting	0	0	331
Exchange rate	0	-1 464	0
Total Group revenue	**110 803**	**96 568**	**114 086**

In thousands of euros	Gross margin 2015	Gross margin 2014	Gross margin 2013
PPC	14 765	13 160	12 913
SEO	4 539	4 820	5 794
Media	5 011	3 310	3 405
Data	5 342	5 563	4 487
Affiliate	4 570	4 263	4 247
Design	1 943	2 554	2 537
Social Media	1 083	763	737
Consulting	0	0	266
Exchange rate	0	-208	0
Depreciation, w rite back & loss on receivable	-86	-143	-562
Total Group gross margin	**37 167**	**34 082**	**33 825**

Note 6.2: Other income from operations

In thousands of euros	2015	2014	2013
Operating grants	1	1	0
Operating expenditure transfers	170	21	10
Others	328	390	140
Other income from operations	**499**	**412**	**150**

Others are mainly some accruals for suppliers released from more than 5 years to clean the balance sheet position.

Note 6.3: Operating expenses

Employee benefits expense

In thousands of euros	2015	2014	2013
Wages and salaries	-20 040	-18 378	-19 807
Social security costs	-3 844	-4 142	-4 467
Share options granted to directors and employees (cf. No	-85	-135	-74
Employee pension benefits	-5	-4	-1
Others	-308	-297	-384
Employee benefits expenses	**-24 282**	**-22 956**	**-24 733**

External expenses

In thousands of euros	2015	2014	2013
Operating lease expenses	-2 199	-2 331	-2 272
Travel and expenses	-1 118	-893	-984
Marketing	-391	-422	-400
Dues and subscriptions	-201	-240	-226
License fees	-724	-580	-130
Telephone and Internet	-295	-341	-586
Maintenance	-169	-148	-176
Insurance	-114	-138	-82
Fees	-1 341	-1 148	-1 023
Recruitment costs	-213	-132	-50
Bank fees	-88	-103	-117
Freelancers	-210	-75	-68
Others	-684	-367	-117
External expenses	**-7 747**	**-6 918**	**-6 231**

Note 6.4: Share – based payments

The Company has issued share purchase warrants “Bon de souscription d’actions” or “BSAs” and free shares.

Share purchase warrants (“Bons de souscription d’actions” or “BSAs”)

The following table summarizes the data relating to share purchase warrants:

Plans	Date of award by the Board of directors	Number of outstanding BSAs				Sub.price	Ex. price
		Jan 1, 2013	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015		
BSA 2009	Before 2012	78,170	0	0	0	-	€2,26
BSA management / BSA MP	Dec 5, 2012	0	163,863	81,931	0	€0.0	€2,73
BSA 2014	May 12, 2014	0	0	1,175,000	1,175,000	€0.2	€2,42

Each warrant from those plans are convertible into 1 ordinary share.

- BSA 2009

The BSAs were granted before January 1, 2013. They were never exercised and became not exercable during the year ended December 31, 2013.

No IFRS 2 valuation has been performed as the vesting date was prior January 1, 2013 (Transition Date to the IFRS).

- BSA Management / BSA MP

The BSAs were granted during the Board of Directors of December 5, 2012, on the condition precedent of the signature of the amendment on the sale agreement of Metapeople group to the Group (which effectively happened on January 2013). They were granted as “earn out” payment due to two sellers of Metapeople. There were 163,863 BSAs granted the same date into 2 plans (81,932 BSA-1 and 81,931 BSA-2). The BSA-1 were entirely exercised on January 21, 2014 and the BSA-2 were entirely exercised on January 14, 2015.

The exercise of share purchase warrants is not subject to performance conditions. However, there is a service condition under which the beneficiary must still be an employee or corporate officer of the Company. These plans are qualified as “equity settled” under IFRS 2.

No IFRS 2 valuation has been performed as the BSA Management relate to the change of the 2012 earn-out relating to metapeople acquisition. As this change was performed on December 5, 2012, ie before the Transition Date to the IFRSs and that is not for the benefit of the two sellers, there is no expense to be recorded in the years ended December 31, 2013 and 2014.

- BSA 2014

The BSAs were granted during the Board of Directors of May 14, 2014 for some of the NetBooster corporate officers and the top management members. The subscription price for each BSA has been fixed to €0.20 in accordance with an independent expert valuation and the exercise price equaled to €2.42 which was the average closing share price on Alternext Paris on the 60 trading sessions before May 12, 2014.

The BSAs were entirely subscribed by the beneficiaries for a total amount of €235 thousand recorded as an issue premium by the Company in 2014.

The BSAs can't be exercised during 18 months at the grant date, ie. they can be exercised starting November 12, 2015.

The exercise of the BSAs is subject to performance and service conditions. There is a performance condition under which the closing share price should exceed €3.30 for the 20 consecutive trading days preceding the grant date (May 14, 2014) and the exercise date. There is also a service condition under which the beneficiary must still be an employee of the Company. This plan is qualified as "equity settled" under IFRS 2.

As the subscription price was determined as the fair value of the BSAs (determined by an independent expert valuation), there is no expense to be recorded as share-based payments.

Free shares ("Actions gratuities" or "AGA")

Ordinary shares may be issued by the Company to employees for no cash consideration. They are "free shares". All free shares plans are "equity-settled" according to IFRS 2.

The following table summarizes the data relating to free shares:

Plans	Date of award by the Board of directors	Number of outstanding BSAs				Vesting date
		Jan 1, 2013	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015	
AGA Guava	March 2, 2011 and May 13, 2011	340,583	0	0	0	March 2, 2013 and May 13, 2013
AGA	February 7, 2012	7,500	7,500	7,500	0	February 7, 2012
AGA	July 17, 2013	0	5,000	5,000	0	July 17, 2013
AGA 2013	October 14, 2013	0	30,000	30,000	0	October 14, 2015
AGA 2014	February 3, 2014	0	0	112,000	86,000	February 3, 2016
AGA DF	November 12, 2014	0	0	12,500	0	November 12, 2016

<u>Conditions</u>

- <u>AGA Guava</u>

Eligible employees are employees of Guava subsidiary (339,582 free shares) and the former IT Director (1,000 free shares). These free shares are subject to performance and service conditions:

- There are some performance conditions linked to business results.
- There is also a service condition under which the beneficiaries must still be employees of the Company as of March 2, 2013 (339,582 free shares) and May 13, 2013 (1,000 free shares)

On March 4, 2013, and on July 17, 2013, at the end of the two-years' service condition period, 139,168 and 1,000 share options were definitely granted to the beneficiaries of the plans respectively, through a share capital increases.

- <u>AGA (awarded on February 7, 2012)</u>

The then Chief Operating Officer was eligible to the plan. No condition was indicated to vest the free shares. On March 31, 2014, 7,500 shares were definitely granted to the plan beneficiary through a share capital increase of €750 (nominal of €0.1).

- <u>AGA (awarded on July 17, 2013)</u>

The then Chief Operating Officer was eligible to the plan. The vesting of the free shares is subject to a service condition under which the beneficiary must still be employee of the Company as of July 17, 2015. These free shares were awarded definitely on 15/09/2016.

- <u>AGA 2013</u>

There were 4 employees from the Group top management who were eligible to the plan. The vesting of the free shares is subject to a service condition under which the beneficiaries must still be employees of the Company as of October 14, 2015.

On December 21, 2015, at the end of the two-years' service condition period, 30,000 share options were definitely granted to the beneficiaries of this plan, through a share capital increases.

- <u>AGA 2014</u>

There were 15 managers of the Group who were eligible to the plan.

The vesting of the free shares is subject to a service condition under which the beneficiaries must still be employees of the Company as of February 3, 2016. This latter condition leads the outstanding free shares being 86,000 as of December 31, 2015 (vs. 112,000 as of December 31, 2014).

- <u>AGA DF</u>

One employee from the metapeople company was eligible to the plan.

The vesting of the free shares is subject to performance and service conditions:

- There is a performance condition under which the Group should have expensed more than a certain amount of purchases with the supplier Facebook for the year ended December 31, 2014 and for the year ended December 31, 2015.
- There is also a service condition under which the beneficiary must still be an employee of the Company as of November 12, 2016.

However, the employee eligible to the plan left the Company during the year ended December 31, 2015.

Valuation methods of the free shares

The fair value of free shares was determined using the Black and Scholes model. The valuation methods used to estimate the fair value of the free shares are presented below:

- the share price is based on the closing quoted price of the ordinary shares at the grant dates;
- no turnover has been assumed
- the probability of reaching the non-markets conditions are estimated to be 100%.

For each plans, the share-based payments expenses are recognized on the vesting period.

Breakdown of the compensation expenses accounted for under IFRS 2 for the years ended December 2013, 2014 and 2015 (free shares)

€ in thousand

Plans	2015	2014	2013
AGA Guava	0	0	57
AGA (awarded on Feb 2012)	0	0	0
AGA (awarded on July 2013)	0	0	10
AGA 2013	22	28	6
AGA 2014	65	106	-
AGA DF	-2	2	-
Total	**85**	**135**	**74**

Note 6.5: Depreciation and Amortization

In thousands of euros	2015	2014	2013
Depreciation of tangible assets (refer to Note 5.2)	-352	-361	-366
Amortization of intangible assets (refer to Note 5.1)	-163	-56	-41
Depreciation and amortization	**-515**	**-417**	**-407**

Note 6.6: Other operating income and expenses

The Group identified a limited number of items which are non-recurring, well identified, material due to the significance of their nature and/or amount. These are listed separately in the income statement in “Other operating income and expenses” in order to provide a better understanding if the financial performance of the Group, as follows:

In thousands of euros	2015	2014	2013
Income from sale of assets - net	0	353	0
Waiver of debt tradedoubler search - net	0	225	0
Research tax credit 2011 to 2013	0	225	0
Tax audit	0	-140	0
Restructuration costs	-338	-431	-323
Gain on equity method revaluation	167	0	0
Company removed from the scope of consolidation (1)	189	0	0
Litigation (2)	-420	0	0
Others	-266	-92	-526
Other operating income and expenses - net	**-668**	**140**	**-849**

(1) IMW has been liquidated in 2015 and removed from the scope of consolidation

(2) Provision for Zier Litigation

Note 6.7: Financial income and expenses

In thousands of euros	2015	2014	2013
Income from cash and cash equivalents	4	22	22
Cost of financial debt	-1 366	-1 403	-1 388
Cost of net financial debt	**-1 362**	**-1 381**	**-1 366**
Other financial income			
Derivative fair value impact	1 037	210	1 143
Translation gains	338	196	139
Others	5	15	6
Other financial expenses			
Derivative fair value impact	0	-49	0
Impairment of financial assets	0	-25	-122
Translation losses	-517	-591	-311
Others	-2	-160	-19
Net Financial profit (loss)	**-501**	**-1 785**	**-530**

Note 6.8: Earnings per share

Basic earnings per share

In thousands of euros	2015	2014	2013
Net profit (loss) attributable to owners of the parent	2 299	2 694	-629
Weighted average number of ordinary shares	15 793 308	15 399 438	15 309 195
Basic earnings per share *(in Euro)*	**0,15 €**	**0,17 €**	**-0,04 €**

Diluted earnings per share

In thousands of euros	2015	2014	2013
Earnings used in calculating diluted EPS			
Net profit (loss) attributable to ow ners of the parent	2 299	2 694	-629
Total	2 299	2 694	-629
Weighted average number of ordinary shares used in calculating diluted EPS			
Weighted average number of ordinary shares	15 793 308	15 399 438	15 309 195
Free shares, w arrants, convertible bonds	4 836 000	5 198 384	4 776 461
Total	20 629 308	20 597 822	20 085 656
Diluted earnings per share *(in Euro)*	**0,11 €**	**0,13 €**	**-0,03 €**

NOTE 7: RELATED PARTIES

Related parties are considered to be:

- Key management which includes the 8 members of the executive committee and the Board of Directors
- Media Diamond which is a joint-venture for NetBooster from May 8, 2014 to April 16, 2015.

Note 7.1: Key management compensation

The compensation expensed to key management for services is shown below:

In thousands of euros	2015	2014	2013
Salaries and other short-term employee benefit	1 886	1 711	1 487
Termination benefits	0	0	0
Post-employment benefits	0	0	0
Share-based payments	86	20	0
Attendance fees – Board of Directors	6	0	0
Key management compensation	**1 978**	**1 731**	**1 487**

Note 7.2: Media Diamond

The following transactions were carried with Media Diamond from May 8, 2014 to April 16, 2015:

The services were sold/purchased on an arm's length basis.

In thousands of euros	2015	2014
Revenue	101	1,843
Total	**101**	**1,843**

NOTE 8: UNRECOGNISED ITEMS

Note 8.1: Commitments issued

Pledge on financial instruments drawn up as a guarantee against the bank endorsement for the lease drawn up by the Company

The Company arranged a pledge on marketable securities to a total value of €164 thousand. This collateral stands against a €328 thousand bank guarantee for the Company in connection with the lease drawn up by the Company for the premises at 4/6 passage Louis Philippe 75011 PARIS. This item was recognised as non-current financial assets on the balance sheet.

Note 8.2: Events occurring after the reporting period

Refinancing of outstanding convertible bonds

The 21 March 2016, NetBooster has announced the closing of a landmark €20.7m financing agreement.

The new senior secured facility consists of a €10.7m tranche that will be used to reimbourse an existing convertible bond that comes due on the 23rd of March and smaller outstanding loans, as well as a €10m tranche that is dedicated to finance our envisaged growth plans. The latter represents a key cornerstone of management's promise to deliver continued strong growth and global expansion.

The new arrangements offer NetBooster considerable flexibility, with 50% of the transaction coming in the form of a bullet type euro private placement maturing in 2022 and 50% in the form of a traditional amortising loan with a term of 5 years and 9 months. Credit du Nord was appointed Lead Arranger on the transaction and jointly structured it with Tikehau Investment Management's NOVI I fund. Two other large European banks, BNP Paribas and Société Générale and a global player, HSBC, made up the rest of the pool.

NOTE 9: SCOPE OF CONSOLIDATION

As of December 31, 2015

Name of entity	Registered office	% of interest	% of ownership	Consolidation method
NetBooster SA (NBSA)	4/6 Passage Louis Philippe 75011 Paris	Parent	Parent	Full consolidation
Pixidis SARL	4/6 Passage Louis Philippe 75011 Paris	100%	100%	Full consolidation
NetBooster Agency Italy Srl	Via Sicilia, 43 43 00187 Rome	100%	100%	Full consolidation
NetBooster Finland	Bulevardi 2-4 A 00120 Helsinki	100%	100%	Full consolidation
NetBooster Spain SL	Plaza de Manuel Becerra, 15 28028 Madrid	100%	100%	Full consolidation
NetBooster GmbH	Eschenheimer Anlage 31a 60318 Frankfurt	100%	100%	Full consolidation
NetBooster Holding A/S	Pilestraede 521, 3, sal 1112 Copenhagen K	100%	100%	Full consolidation
Metapeople GmbH	21 Philosophenweg 47051 Duisburg	100%	100%	Full consolidation
Metapeople GmbH Zürich	26 Siewerdtstr 8050 Zürich	100%	100%	Full consolidation
NetBooster UK Limited	21st floor, Portland House, Bressenden Plance London SW1E 5BH	100%	100%	Full consolidation
NetBooster MENA	Middle East and North Africa FZ-LLC 3rd Floor Office 304 Building EIB 1	100%	100%	Full consolidation
NetBooster Sweden AB	Sankt Eriksgatan 63 11234 Stockholm	100%	100%	Full consolidation
Media Diamond	Calle Marques de Monteagudo,22 28028 Madrid	50%	100%	Full consolidation
NetBooster Norway	Filipstad Brygge 1 – 2nd floor 0252 Oslo	100%	100%	Full consolidation
NetBooster Danemark	Pilestraede 521, 3, sal 1112 Copenhagen K	100%	100%	Full consolidation
Metapeople Netherlands	Vredenburg 8c 3511 BA Utrecht	100%	100%	Full consolidation

NOTE 10: CONVERSION TO IFRS

For all periods up to and including the year ended December 31, 2014, the Company prepared its consolidated financial statements in accordance with generally accepted accounting principles in France (“French GAAP”). The Company decided to prepare for the first time consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”) for the year ended December 31, 2015 and elected to use January 1, 2013 as the First-time Adoption Date of IFRS as adopted by the European Union.

- ***First-time adoption in accordance with IFRS 1***

IFRS 1 requires full retrospective application of IFRS for the first-time adopters. However, it provides some voluntary and mandatory exemptions from full retrospective applications.

Voluntary exemptions

Voluntary exemptions adopted by the Company are as follows:

Business combinations

Under IFRS 1, a first-time adopter may elect not to apply IFRS 3 “Business Combination” retrospectively to past business combinations that occurred before the date of transition to IFRS. The Company has elected to apply IFRS 3 prospectively from the date of transition. Accordingly, business combinations completed prior to January 1, 2013 have not been restated, thus any goodwill arising from business combinations which took place before this date is recognized at the carrying amount based on French GAAP.

Exchange differences on translating foreign operations

Under IFRS 1, a first-time adopter may elect to deem the cumulative translation adjustments for foreign operations to be zero at the date of transition. The Company has elected this exemption and has deemed the cumulative amount of exchange differences on translating foreign operations to be zero as of January 1, 2013.

Mandatory exemptions

IFRS 1 prohibits retrospective application of IFRSs related to estimates, derecognition of financial assets and financial liabilities, hedge accounting, classification and measurement of financial assets and non-controlling interests. The Group applied the requirements of IFRSs on these items prospectively.

- ***French GAAP to IFRS reconciliations***

Upon transition to IFRS, the Company has adjusted amounts previously reported in its consolidated financial statements prepared in accordance with French GAAP. The following reconciliations and notes disclose the impact of adjustments made by the Group with respect to the transition from French GAAP to IFRS on:

- The balance sheet, including equity, as of January 1, 2013, December 31, 2013 and December 31, 2014;
- The income statement and the cash flow statement for the years ended December 31, 2013 and 2014.

French GAAP to IFRS reconciliation of the balance sheet
Reconciliation as of January 1, 2013

AS OF JANUARY 1, 2013 *In thousands of euros*	*French GAAP*	*Convertible bonds*	*Factoring*	*Employee benefits*	*Currency gains or losses*	*Liquidity program*	*IFRS*
ASSETS							
Non-current assets							
Goodwill	24 934						24 934
Intangible assets	104						104
Property, plant and equipment	826						826
Non-current financial assets	1 408						1 408
Deferred income tax assets	1 690	193		4			1 887
Total non-current assets	**28 962**	**193**		**4**			**29 159**
Current assets							
Trade and other receivables	34 540		1 219				35 759
Current income tax assets	255						255
Other current assets	4 212		(1 219)				2 993
Cash and cash equivalents	8 457						8 457
Total current assets	**47 464**						**47 464**
TOTAL ASSETS	**76 426**	**193**		**4**			**76 623**
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Ordinary shares	1 461						1 461
Share premium	27 676						27 676
Retained earnings and other reserves	(14 083)	(387)		(7)	(57)	(24)	(14 558)
Net profit (loss) for the period	(3 966)						(3 966)
Translation adjustments	(57)				57		-
Total equity attributable to owners of the parent	**11 031**	**(387)**		**(7)**		**(24)**	**10 613**
Non-controlling interests	-						-
TOTAL EQUITY	**11 031**	**(387)**		**(7)**		**(24)**	**10 613**
Non-current liabilities							
Post-employment benefits	-			11			11
Other non-current provisions	11						11
Borrowings	14 345	(1 434)				24	12 935
Derivative financial instruments	-	2 014					2 014
Deferred income tax liabilities	25						25
Other non-current liabilities	447						447
Total non-current liabilities	**14 828**	**580**		**11**		**24**	**15 443**
Current liabilities							
Borrowings	520						520
Trade and other payables	42 349						42 349
Current income tax liabilities	286						286
Other current liabilities	7 412						7 412
Total current liabilities	**50 567**						**50 567**
TOTAL LIABILITIES	**65 395**	**580**		**11**		**24**	**66 010**
TOTAL EQUITY AND LIABILITIES	**76 426**	**193**		**4**			**76 623**

Reconciliation as of December 31, 2013

AS OF DECEMBER 31, 2013 *In thousands of euros*	French GAAP	Impairment	Share-based payments	Convertible bonds	Factoring	Employee benefits	Leases	Currency gains or losses	Liquidity program	IFRS
ASSETS										
Non-current assets										
Goodwill	20 814	4 120								24 934
Intangible assets	94									94
Property, plant and equipment	923									923
Non-current financial assets	806									806
Deferred income tax assets	1 252			(115)		4	53			1 194
Total non-current assets	**23 889**	**4 120**		**(115)**		**4**	**53**			**27 951**
Current assets										
Trade and other receivables	28 236				4 057					32 293
Current income tax assets	512									512
Other current assets	5 253				(2 716)					2 537
Cash and cash equivalents	7 509									7 509
Total current assets	**41 510**				**1 341**					**42 851**
TOTAL ASSETS	**65 399**	**4 120**		**(115)**	**1 341**	**4**	**53**			**70 802**
EQUITY AND LIABILITIES										
Equity attributable to owners of the parent										
Ordinary shares	1 543									1 543
Share premium	29 368			(99)						29 269
Retained earnings and other reserves	(18 070)		74	(346)		(7)		(57)	(44)	(18 450)
Net profit (loss) for the period	(5 243)	4 120	(74)	674		(1)	(107)			(629)
Translation adjustments	(71)							57		(14)
Total equity attributable to owners of the	**7 527**	**4 120**		**230**		**(8)**	**(107)**		**(44)**	**11 719**
Non-controlling interests	-									-
TOTAL EQUITY	**7 527**	**4 120**		**230**		**(8)**	**(107)**		**(44)**	**11 719**
Non-current liabilities										
Post-employment benefits	-					12				12
Other non-current provisions	719			(653)						66
Borrowings	13 251			(551)						12 700
Derivative financial instruments	-			859						859
Other non-current liabilities	223						160			383
Total non-current liabilities	**14 193**			**(345)**		**12**	**160**			**14 020**
Current liabilities										
Borrowings	377				1 341				44	1 762
Trade and other payables	37 852									37 852
Current income tax liabilities	346									346
Other current liabilities	5 103									5 103
Total current liabilities	**43 678**				**1 341**				**44**	**45 063**
TOTAL LIABILITIES	**57 871**			**(345)**	**1 341**	**12**	**160**		**44**	**59 083**
TOTAL EQUITY AND LIABILITIES	**65 398**	**4 120**		**(115)**	**1 341**	**4**	**53**			**70 802**

Reconciliation as of December 31, 2014

AS OF DECEMBER 31, 2014 *In thousands of euros*	French GAAP	Business combination	Impairment	Share-based payments	Convertible bonds	Employee benefits	Leases	Currency gains or losses	Grants	IFRS
ASSETS										
Non-current assets										
Goodwill	17 658	(843)	8 119							24 934
Intangible assets	448								(40)	408
Property, plant and equipment	783									783
Investments accounted for using the equity method	-	85								85
Non-current financial assets	821	(78)								743
Deferred income tax assets	2 039	(79)			477	5	74		13	2 529
Total non-current assets	**21 749**	**(915)**	**8 119**		**477**	**5**	**74**		**(27)**	**29 482**
Current assets										
Trade and other receivables	32 332									32 332
Current income tax assets	597									597
Derivative financial instruments	-	230								230
Other current assets	913									913
Cash and cash equivalents	5 567									5 567
Total current assets	**39 409**	**230**								**39 639**
TOTAL ASSETS	**61 158**	**(685)**	**8 119**		**477**	**5**	**74**		**(27)**	**69 121**
EQUITY AND LIABILITIES										
Equity attributable to owners of the parent										
Ordinary shares	1 602									1 602
Share premium	30 606				(182)					30 424
Retained earnings and other reserves	(23 313)	(699)	4 120	135	362	(8)	(107)	(57)		(19 566)
Net profit (loss) for the period	21	14	3 999	(135)	(1 134)	(3)	(41)		(27)	2 694
Translation adjustments	47							57		104
Total equity attributable to owners of the parent	**8 963**	**(685)**	**8 119**		**(954)**	**(11)**	**(147)**		**(27)**	**15 258**
Non-controlling interests	-									-
TOTAL EQUITY	**8 963**	**(685)**	**8 119**		**(954)**	**(11)**	**(147)**		**(27)**	**15 258**
Non-current liabilities										
Post-employment benefits	-					16				16
Other non-current provisions	50									50
Borrowings	11 092				262					11 354
Derivative financial instruments	-				1 169					1 169
Deferred income tax liabilities	147									147
Other non-current liabilities	-						222			222
Total non-current liabilities	**11 289**				**1 431**	**16**	**222**			**12 958**
Current liabilities										
Borrowings	1 152									1 152
Trade and other payables	36 781									36 781
Current income tax liabilities	258									258
Other current liabilities	2 714									2 714
Total current liabilities	**40 905**									**40 905**
TOTAL LIABILITIES	**52 194**				**1 431**	**16**	**222**			**53 863**
TOTAL EQUITY AND LIABILITIES	**61 157**	**(685)**	**8 119**		**477**	**5**	**75**		**(27)**	**69 121**

French GAAP to IFRS reconciliation of the income statement

Reconciliation for the year ended December 31, 2013

2013 *In thousands of euros*	French GAAP	Impairment	Share-based payments	Convertible bonds	Employee benefits	Revenue	Leases	Foreign exchange rate	CVAE	IFRS
Note		*(b)*	*(c)*	*(d)*	*(e)*	*(k)*	*(f)*	*(g)*	*(l)*	
Revenue	**132 756**					**(18 670)**				**114 086**
Cost of sales	(98 931)					18 670				(80 261)
Gross margin	**33 825**									**33 825**
Employee benefits expense	(24 658)		(74)		(1)					(24 733)
External expenses	(6 071)						(160)			(6 231)
Taxes other than taxes on income	(499)								120	(379)
Other income from operations	150									150
Other expenses from operations	(102)									(102)
EBITDA	**2 645**		**(74)**		**(1)**		**(160)**		**120**	**2 530**
Depreciation and Amortization	(4 527)	4 120								(407)
Other operating income	20									20
Other operating expenses	(869)									(869)
Operating profit (loss)	**(2 731)**	**4 120**	**(74)**		**(1)**		**(160)**		**120**	**1 274**
Income from cash and cash equivalents	22									22
Cost of financial debt	(604)			(784)						(1 388)
Cost of net financial debt	**(582)**			**(784)**						**(1 366)**
Other financial income	145			1 143						1 288
Other financial expenses	(1 105)			653						(452)
Net financial profit (loss)	**(1 542)**			**1 012**						**(530)**
Share of profit of investments accounted for using the equity method	-									-
Profit (loss) before tax	**(4 273)**	**4 120**	**(74)**	**1 012**	**(1)**		**(160)**		**120**	**744**
Income tax expense	(969)			(337)	0		53		(120)	(1 373)
Net profit (loss) for the year	**(5 242)**	**4 120**	**(74)**	**674**	**(1)**		**(107)**			**(629)**
OCI, net of tax	-							(14)		(14)
Comprehensive income for the year	**(5 242)**	**4 120**	**(74)**	**674**	**(1)**		**(107)**	**(14)**		**(643)**

Reconciliation for the year ended December 31, 2014

2014 *In thousands of euros*	French GAAP	Business combination	Impairment	Share-based payments	Convertible bonds	Employee benefits	Revenue	Leases	Foreign exchange rate	CVAE	Grants	IFRS
Note		*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*(k)*	*(f)*	*(g)*	*(l)*	*(h)*	
Revenue	**116 008**						**(19 440)**					**96 568**
Cost of sales	(81 926)						19 440					(62 486)
Gross margin	**34 082**											**34 082**
Employee benefits expense	(22 817)			(135)		(4)						(22 956)
External expenses	(6 857)							(61)				(6 918)
Taxes other than taxes on income	(368)									128		(240)
Other income from operations	462										(50)	412
Other expenses from operations	(30)											(30)
EBITDA	**4 472**			**(135)**		**(4)**		**(61)**		**128**	**(50)**	**4 350**
Depreciation and Amortization	(4 426)		3 999								10	(417)
Other operating income	3 478	(117)										3 361
Other operating expenses	(3 194)	(27)										(3 221)
Operating profit (loss)	**330**	**(144)**	**3 999**	**(135)**		**(4)**		**(61)**		**128**	**(40)**	**4 073**
Income from cash and cash equivalents	22											22
Cost of financial debt	(553)				(850)							(1 403)
Cost of net financial debt	**(531)**				**(850)**							**(1 381)**
Other financial income	864	210			(653)							421
Other financial expenses	(627)				(198)							(825)
Net financial profit (loss)	**(294)**	**210**			**(1 701)**							**(1 785)**
Share of profit of investments accounted for using the equity method	-	27										27
Profit (loss) before tax	**36**	**93**	**3 999**	**(135)**	**(1 701)**	**(4)**		**(61)**		**128**	**(40)**	**2 315**
Income tax expense	(16)	(79)			567	1		20		(128)	13	379
Net profit (loss) for the year	**20**	**14**	**3 999**	**(135)**	**(1 134)**	**(3)**		**(41)**			**(27)**	**2 694**
OCI, net of tax	-								118			118
Comprehensive income for the year	**20**	**14**	**3 999**	**(135)**	**(1 134)**	**(3)**		**(41)**	**118**		**(27)**	**2 812**

- *Notes to the French GAAP to IFRS reconciliations*

Note (a) - Business combination

The business combinations for the years ended December 31, 2013 and December 31, 2014 relate to Media Diamond and Guava.

Media Diamond

On May 8, 2014, the Company acquired a 10% stake in the Spanish company Media Diamond. The shareholders' agreement also included a call option granted to the Company for the acquisition of an additional 40% stake in March 2015. In its consolidated financial statements under French GAAP for the year ended December 31, 2014, the Group did not consolidate Media Diamond as it held 10% of the shares and the investment is presented as a long-term asset in the balance sheet.

In accordance with IFRS 10, IFRS 11 and IAS 28, an analysis should be conducted in order to assess if the Group has control, joint control or significant influence over an investee in order to apply the correct IFRS accounting treatment for the recognition of the investment.

Following such analysis, the Group has concluded that Media Diamond is a joint-venture and should be accounted for under the equity accounting method in its IFRS consolidated financial statements. Furthermore, according to IAS 39, the call option granted to the Company for the acquisition of an addition 40% stake in Media Diamond should be designed as a derivative instrument, measured at fair value in the consolidated balance sheet, with changes in fair value being accounted through profit or loss.

As a consequence, as of December 31, 2014, these changes resulted in:

- The reclassification of the investment in Media Diamond, previously recognized as a non-current financial asset in the consolidated balance sheet, to:
  - "Investments accounted for using the equity method" for an amount of €58 thousand which represents the purchase price of the 10% stake in Media Diamond and related-acquisition costs; and
  - "Derivative financial instrument" for an amount of €20 thousand which represents the fair value of the call option.
- An adjustment to profit (loss) before tax for €237 thousand composed of:
  - €27 thousand in order to recognize the Group's share of profit in Media Diamond for the period from May 8, 2014 to December 31, 2014, with a corresponding increase of the investment accounted for using the equity method in the consolidated balance sheet; and
  - €210 thousand in order to recognize the gain arising from the change in the call option fair value between May 8, 2014 and December 31, 2014, with a corresponding increase of the derivative financial instrument in the consolidated balance sheet.

The related tax effects decreased deferred tax assets by €79 thousand as of December 31, 2014, with a corresponding effect in net profit (loss).

Guava

In 2011, further to a step-by-step acquisition, NetBooster held a 90.49% interest ownership in the Guava group. In April 18, 2014, NetBooster decided to purchase the remaining non-controlling stake. In its consolidated financial statements under French GAAP for the year ended December 31, 2014, the Group recognized an additional goodwill corresponding to the acquisition price, including acquisition-related costs) less the amount of equity acquired.

In accordance with IFRS 3, acquisition-related costs must be expensed as incurred. Furthermore, transactions with non-controlling interests that do not result in a change of control are treated as transactions with equity owners of the Group and result in an adjustment between the carrying amounts of the controlling and non-controlling interests. Any difference between the amount of the adjustment to non-controlling interests and the consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Group.

As a consequence of the IFRS transition, as of December 31, 2014, the Group derecognize the additional goodwill under French GAAP for €843 thousand with the following corresponding adjustments:

- An adjustment to net profit (loss) for €144 thousand, composed of:
  - an additional €27 thousand expense corresponding to the acquisition-related costs that had been capitalized under French GAAP; and

  - the reversal of the €117 thousand income recognized under French GAAP as previous losses of the subsidiary were full recognized in equity attributable to owners of the Group.
- An adjustment to the Group's reserve for the remaining amount.

Note (b) - Impairment

In the Group's consolidated financial statements under French GAAP, goodwill was amortized on a straight-line basis. Further to annual amortisation, the Group performed impairment tests at the end of each reporting period in order to identify and record any additional depreciation.

In accordance with IAS 36, goodwill is no longer amortized but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. However, as explained in Note 10.1, IFRS 1 states that any goodwill arising from business combinations which took place before the date of transition to IFRS is recognized at the carrying amount based on French GAAP, and may not be restated to adjust any previous amortisation of goodwill. In addition, in the context of an IFRS transition, a first-time adopter should test goodwill for impairment at the date of transition to IFRS.

As of January 1, 2013, the impairment test carried out does not indicate that goodwill shall be impaired. As a consequence, the net book value of goodwill recognized under French GAAP at this date remained the same in the opening balance sheet of the Group's IFRS consolidated financial statements.

The Group has reversed goodwill amortisation charges recognized under French GAAP for the periods beginning on and after January 1, 2013, resulting in:

- An adjustment to goodwill for €4,120 thousand as of December 31, 2013 and €8,119 thousand as of December 31, 2014 ;
- An adjustment to net profit (loss) for €4,120 thousand for 2013 and €3,999 thousand for 2014.

Furthermore, impairment tests were performed as of December 31, 2013 and December 31, 2014, and did not indicate that goodwill shall be impaired. Therefore, no depreciation charge has been recognized.

Note (c) – Share-based payments

The Company grants free shares and warrants (BSA) to its managers and representatives. In the Group's consolidated financial statements under French GAAP, free shares and warrants did not generate any expense and were recorded as a capital increase only when exercised for the amount of the exercise price paid.

In accordance with IFRS 2, equity-settled shared-based payments to employees are measured at the fair value of the equity instruments at the grant date. This fair value is recognised in the consolidated income statement on a straight-line basis over the vesting period, based on the Group's estimates of equity instruments expected to vest, with a corresponding increase in equity.

As a consequence, the IFRS adjustments have consisted in an adjustment to net profit (loss) for €(74) thousand for 2013 and €(135) thousand for 2014, with a corresponding impact on the Group's retained earnings and other reserves.

Note (d) – Convertible bonds

In its consolidated financial statements under French GAAP, the Group fully recognized its share-convertible bond in borrowings. Additionally, a provision for non-conversion of convertible bonds was recognized in 2013 because of the unfavourable trajectory of the share listing and was reversed in 2014.

In accordance with IAS 39, compound financial instruments must be analysed to distinguish and record separately a debt component and an equity component, if applicable. In addition, embedded derivatives of a compound financial instrument are recorded separately from the host instrument.

Following such analysis, the Group's convertible bond was qualified as a hybrid financial instrument recognized in borrowings, with an embedded derivative for the convertible option recognized in derivative financial instruments (liability). The valuation of the financial debt and the embedded derivative have been done as of January 1, 2013, December 31, 2013 and December 31, 2014, resulting in:

- An adjustment to borrowings for €(1,434) thousand as of January 1, 2013, €(551) thousand as of December 31, 2013 and €262 thousand as of December 31, 2014 , corresponding to the derecognition of the previous debt under French GAAP, offset by the recognition of the host instrument under IFRS, initially at fair value and subsequently on an amortised cost basis using the effective interest method.
- An adjustment to derivative financial liabilities for €2,014 thousand as of January 1, 2013, €859 thousand as of December 31, 2013 and €1,169 thousand as of December 31, 2014 in order to recognize the embedded convertible option at fair value.
- An adjustment to other non-current provisions for €(653) thousand as of December 31, 2013 in order to release the provision for non-conversion accounted under French GAAP.
- An adjustment to profit (loss) before tax for €1,012 thousand in 2013 and €(1,701) in 2014, corresponding to the revaluation of interest expenses based on the effective interest method, the change in fair value of the derivative financial instrument and the release of the provision for non-conversion and its reversal under French GAAP.

The related tax effects impacted deferred tax assets for €193 thousand as of January 1, 2013, €(115) as of December 31, 2013 and €477 as of December 31, 2014, with a corresponding effect in net profit (loss).

Note (e) – Employee benefits

In its consolidated financial statements under French GAAP, the Group did not account for any provision relating to post-employment benefits and treated these items as off-balance sheet commitments.

In accordance with IAS 19, the Group should recognize a liability for defined benefit plans in the consolidated balance sheet. In addition, current and past service cost is recognized in net profit (loss). Actuarial gains and losses related to defined benefit plan obligations are recognized in other comprehensive income.

As a consequence, these changes resulted in:

- An adjustment to post-employment benefits for €11 thousand as of January 1, 2013, €12 thousand as of December 31, 2013 and €16 thousand as of December 31, 2014;
- An adjustment to profit (loss) before tax for €(1) thousand in 2013 and €4 thousand in 2014.

The related tax effects impacted deferred tax assets for €4 thousand as of January 1, 2013, €4 thousand as of December 31, 2013 and €5 as of December 31, 2014, with a corresponding effect in net profit (loss).

Note (f) – Leases

In the Group's consolidated financial statements under French GAAP, rents (even in case of rent-free periods) are expensed according to the contractual repayment schedule.

In accordance with IAS 17, rental expenses and rent-free periods must be recognized on a straight-line basis over the expected lease term.

As a consequence, this change resulted in an adjustment to other non-current liabilities for €160 thousand as of December 31, 2013 and €61 thousand as of December 31, 2014 with a corresponding impact in net profit (loss), due to the Group's free rents amortization over the expected rent terms.

The related tax effects impacted deferred tax assets for €53 thousand as of December 31, 2013 and €74 as of December 31, 2014, with a corresponding effect in net profit (loss).

Note (g) – Currency gains or losses

In the Group's consolidated financial statements under French GAAP, any conversion difference arising from the translation of the financial statements of the Group's foreign companies to euros was recognized in shareholders' equity under "translation adjustments".

In accordance with IAS 21, all exchange differences resulting from the translation of the financial statements of the Group's entities into the presentation currency shall be recognized in other comprehensive income. In addition, as explained in Note 10.1, IFRS 1 states that a first-time adopter may elect to deem the cumulative translation adjustments for foreign operations to be zero at the date of transition.

As a result, these changes resulted in:

- The derecognition of past cumulative translation adjustments in equity for €57 thousand as of January 1, 2013, December 31, 2013 and December 31, 2014 with a corresponding impact in retained earnings and other reserves.
- The recognition of translation adjustments in OCI for €(14) thousand in 2013 and €118 thousand in 2014.

Note (h) – Grants

The Company is entitled to French research tax credit. For the years ended December 31, 2011 to 2013, expenditures eligible for the French research tax credit related to research costs. For the year ended December 31, 2014, they related to development costs recognized as intangible assets. In its consolidated financial statements under French GAAP, the research tax credit was recognized in the consolidated balance sheet as a receivable. When the tax credit was in relation to operating charges for the year, it was recognized in the consolidated income statement.

In accordance with IAS 20, a distinction should be made between the research tax credit associated with research costs which do not comply with the criteria of capitalization of IAS 38 and the research tax credit associated with capitalized development costs. The first should be considered as a grant related to income and recognized in the consolidated income statement. The second should be recognized as a grant related to assets presented as a deferred income or as a deduction from the carrying amount of the asset and recognized in the consolidated income statement over the life of the depreciable asset.

As a consequence, as the research tax credit for the year 2014 is considered as a grant related to assets, the Group has recognized it as a deduction from the carrying amount of the related intangible asset, for an amount of €50 thousand. In addition, the amortization of this research tax credit amounted to €10 thousand in 2014.

Note (i) – Liquidity program

According to the liquidity program contract, the Group can cancel the contract starting the 24^{th} month of the contract, ie starting May 2014. As the cancellation option did not exist as of January 1, 2013 and December 31, 2013, the Group reclassified €24 thousand as of January 1, 2013 and €44 thousand as of December 31, 2014 from retained earnings and other reserves to borrowings in its IFRS consolidated balance sheet. These amounts correspond to the maximum amount of the contract still available.

Note (j) – Factoring

The Group drew up a factoring contract from 2012 to 2014. In its consolidated financial statements under French GAAP, the receivables transferred to the factor entity were derecognized from the trade receivables.

In accordance with IAS 39, the Group can derecognize an asset only if it transfers substantially all the risks and rewards of ownership of the asset.

Following the analysis of the terms of the factoring contract according to IFRS criteria, the Group has concluded it should not derecognize the receivables transferred to the factor entity under IFRS. As a consequence, the transferred receivables have been recognized back in the IFRS consolidated balance sheet and the rights to draw on lines of credit and the guarantee deposit have been credited.

Note (k) – Revenue

In its consolidated financial statements under French GAAP, revenue from media buying activities was fully recognized in the consolidated income statement, except revenue made with French customer subject to the “Sapin law” which was not recognized as NetBooster acts as the agent of its client when purchasing advertising place.

In accordance with IAS 18, revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Therefore, in an agency relationship, if the Group is an agent acting as an intermediary earning a fee or a commission in return for arranging the provision of services on behalf a principal, amounts collected are not revenue. Instead, revenue is the amount of commission.

For some additional customers in its media buying activities, the Group act as an agent and should recognize revenue based on the net amount earned, resulting in a reclassification of €18,670 thousand in 2013 and €19,440 thousand in 2014 from revenue to cost of sales.

Note (l) – CVAE

In the Group’s consolidated financial statements under French GAAP, the CVAE (*Cotisation sur la Valeur Ajoutée des Entreprises),* contribution which is based on the added value generated by the Group’s French entities, was accounted for in the operating income.

According to IAS 12, as the CVAE is a tax based on added value, it can be considered in the scope of IAS 12. Consequently, the Group has an accounting option to present it under “income taxes”. As a result, in its consolidated income statement under IFRS, the Group has proceeded to the reclassification of €120 thousand for 2013 and €128 thousand for 2014 from operating profit (loss) to income tax.

NOTE 11: AUDITOR’S FEES

The following table shows the amount of auditor’s fees included in the Group’s consolidated income statement for the year. The fees shown apply to fully consolidated subsidiaries.

In thousands of euros	2015	2014	2013
Audit			
Statutory audit fees, certification, auditing of the accounts	-95	-97	-92
- Parent company	*-65*	*-55*	*-53*
- Subsidiaries	*-30*	*-42*	*-39*
Fees for services directly linked to the Statutory Auditor's mission	-86	-85	-90
- Parent company	*0*	*0*	*0*
- Subsidiaries	*-86*	*-85*	*-90*
Sub-total	***-181***	***-182***	***-182***
Other services rendered by auditors' networks to fully-consolidated subsidiaries			
Tax	-3	-2	-2
Other	-42	-23	-31
Sub-total	***-45***	***-26***	***-33***
Total fees paid to the statutory auditor	**-226**	**-208**	**-215**