PERFORMANT

DEDICATED TO MARKETING SUPERHEROES

ANNUAL REPORT

2023

CONTENT

ISSUER INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

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INFORMAȚII DESPRE EMITENT

Issuer's Name	2Performant Network S.A.
Fiscal code	26405652
Trade Registry Number	J40/493/2010
Registered office	6 – 8 Corneliu Coposu Boulevard, Unirii View Building, Floor 2, (office) ResCo-working09, 3rd District, Bucharest, Romania

INFORMATION ABOUT SECURITIES

Subscribed and paid-up share capital	**1,303,304.30 lei**
Market on which the securities are traded	**MTS AeRO Premium**
Total number of shares	**13,033,043**
Symbol	**2P**

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LETTER FROM CEO

Dear investors,

2023 undoubtedly represented the most important year in the history of 2Performant.

- We significantly optimized the business model.
- We reorganized and strengthened the management team.
- We validated a unique product in the global e-commerce and digital marketing market.
- We clarified the expansion strategy.

In the second half of last year, the capital market responded extraordinarily to the rapidly growing evolution and visibility of our business. The quotation and liquidity of 2P doubled last year, which is excellent news for most of us. Well, for all of us :).

The new generation of digital professionals and entrepreneurs represents the "engine" of 2Performant's growth in the past, present, and future because they are the ones who quickly understand and adopt new technologies and digital trends. There is an extraordinary opportunity in our ability to meet their needs and aspirations, providing them with the tools, platforms, and support necessary to develop their skills and businesses in an ever-changing environment.

They are also the ones who feel most strongly about the major discrepancy between the possibilities opened up by technological potential and business models, respectively traditional professional education. Regardless of biological age, our target audience is curious, persevering individuals eager to continuously evolve professionally and earn directly proportional to the value they create for business partners and society at large.

For them, we are building BusinessLeague.com. I am convinced that the opportunity for which we have been preparing for 15 years is here, and this new generation of digital professionals and entrepreneurs, supported by us, is perfectly prepared to take advantage of it.

My colleagues, alongside the Business League Community, are ready to take this project to a global level.

Fasten your seatbelts. The best is just beginning.

Dorin Boerescu

Co-founder & CEO

LETTER FROM CTO

Dear investors,

2023 was our peak year in Product Development and Engineering. We ended 2023 with a “mission accomplished” feeling, having met our objectives for Business League enhancements, the new network commission model, and various updates that advanced our goal of fostering marketing democracy via a performance-driven, transparent and gamified system.

The introduction of a quality rating system for digital marketers and merchants has strengthened the competitive spirit and transparency of the Business League. Moreover, our Challenges series unleashed the competitive drive of the ecosystem, spotlighting remarkable results such as 100 sales in 4 minutes, an €83.13 EPC, and a 28.49% conversion rate.

Our focus on automation and interface improvements has optimized the player experience, ensuring our championship remains an immersive journey into the world of e-commerce. The formation of the Product Design team, with their expertise in Product Design and User Experience, is a sign of our commitment to create a seamless and immersive user experience. Concurrently, Backend, Front End Development, and Quality Assurance roles expanded to maintain a fluid and adaptable workflow. In parallel, our second year of a structured internship program has laid the foundation for a dedicated Product Services team that handles user support requests and internal needs.

We have fortified our infrastructure and technical services, shifting towards an Event-Driven architecture to ease the rollout of Challenges and gear up for our upcoming market expansion. The upgrade from AngularJS to Angular 15 has brought efficiency gains to the Business League while unblocking hiring for FE functions. With substantial Quality Assurance infrastructure enhancements and security upgrades, we remain committed to excellence and robustness.

Lastly, the launch of the Hall of Fame, Affiliate Alliance, new Advertisers Traffic Sources, and the Fringe Commissions Management System conclude our 2023 efforts to honor top performers, encourage collaboration, and maintain integrity in commission generation.

As we move into 2024, we are excited to leverage these developments to enhance Business League DNA, consolidate the suite of attribution systems, develop product capabilities to sustain our strategic business strategy while maintaining a robust tech infrastructure.

We are not just building technology and developing a product, we're enabling our company to disrupt the affiliate marketing industry by leveraging technical, marketing and creative skills to build the only e-commerce global championship

Thank you for joining us on this exciting journey. We look forward to continuing to explore new frontiers and achieving greater heights together.

Ana Oprița

Chief Technology Officer

KPI

Turnover (RON)

2021	25,747,882 RON
2022	35,066,198 RON
2023	46,361,151 RON

Operating revenue (RON)

2021	6,857,887 RON
2022	8,825,860 RON
2023	11,838,737 RON

Number of users in platform

9,249

2.86 MIL
Sales intermediated

142.17 MIL €
Sales value intermediated

8.17 €
EP 100 C

102.10 MIL
Generated clicks

49
Number of Employees

17 €
Sales index

ABOUT 2PERFORMANT

2Performant is the first technology company listed on the Bucharest Stock Exchange and the leader in the affiliate marketing market in Romania. The company develops, operates, and monetizes its own technological product that underpins the world's only e-commerce championship – BusinessLeague.com - through which online stores collaborate with the most performing professionals in digital marketing, through a cost-per-sale model.

With a unique global vision of gamifying collaborations in digital marketing, validated in the Romanian market and with high growth potential globally, 2Performant has intermediated in its 16 years of activity over 12.2 million online sales worth 574 million euros, through more than 699 million clicks, for thousands of online stores from Romania and the region, from over 30 industries.

2Performant is part of the New Economy (Gig Economy), defined by digitization, democratization, performance, and transparency. In this context, digital skills and new ways of working and collaborating between people and organizations lay the groundwork for new business models that generate new opportunities worldwide. The vision and dedication of the team have led from the launch of the first affiliate network in Romania to the formation and maturation of the industry and the development of the business to this day.

Situated at the intersection of affiliate marketing and e-commerce and validating the concept of gamification in this context, the company launched in 2022 the first global online sales championship, Business League. This championship involves both digital marketers and online stores, offering them growth opportunities at both local and international levels, and attracts the next generations of professionals in a gamified manner, based on innovation and the power of community.

2020

2Performant, Romanian market leader on affiliate marketing is listed on **Bucharest Stock Exchange**

Figures in time

12.2 million online sales

Sales value of

574 million Euro

699 million clicks

KEY MOMENTS IN 2PERFORMANT EVOLUTION

In 2008, 2Performant (at the moment known as 2Parale) introduced the concept of affiliate marketing to the Romanian market and the first network of this kind. This happened nearly 30 years after the conceptualization of affiliate marketing. For reference, Amazon launched its affiliate marketing program in 1996 - 10 years after the launch of the first affiliate marketing networks in the world. Since then, 2Performant has assumed the role of leader and educator in this market, promoting affiliate marketing as one of the most effective tools for promotion and sales for brands, and a simple and fair way to earn money for digital talents.

Over time, the Company has gone through various stages, from testing and improving the product to developing a unique, efficient business model, capable of sustaining accelerated growth in the medium and long term.

Additionally, it attracted a series of renowned business angels and made investments of over 2 million euros in its technology, which underlies the 2Performant.com platform, the platform it operates and generates revenue from. In 2011, the company entered the Bulgarian market and has since approached multiple foreign markets, both directly and through partnerships.

A defining moment in the company's history is the period 2015-2016, when it developed the current platform 2Performant.com, a European platform in English, with transactions in RON and Euro currencies. With this, the company rebranded to 2Performant.

In 2018 and 2019, 2Performant diversified and increased its sources of income and developed its Business Intelligence and Client Service capabilities, offered to platform users.

On December 9th, 2020, 2Performant performed a technical listing on the AeRO market of the Bucharest Stock Exchange, with the symbol 2P. Since October 2021, 2P shares have been included in the BET-AeRO index of the Bucharest Stock Exchange, which tracks the most liquid companies listed on the AeRO market.

In 2021, the Company appointed a Board of Directors and an Advisory Committee. Additionally, in 2021, the Company's Product & Development team developed Big Bear, a technical upgrade for conversion attribution in the 2Performant platform. This product was launched in 2022 and by the end of the year had attracted over 183 thousand additional sales generated by affiliates for merchants in 2Performant, being activated during this period by over 270 online stores.

Moreover, in 2022, 2Performant launched the world's first e-commerce competition - Business League - based on direct collaborations between online stores and digital marketing talents - collaborations facilitated and automated by the 2Performant platform, with the criterion being the number of generated sales. In Season 1 - Pilot of the competition, which took place over 16 weeks, affiliates and participating merchants generated 29.4 million clicks and over 715,000 online sales.

2023 was a year marked by records for the company, with the value of sales generated for enrolled online stores exceeding 100 million euros in a year. In June 2023, the number of sales intermediated by the 2performant platform exceeded 10 million. This is also the year in which the team size grew to over 50 members.

The end of 2023 coincided with the conclusion of the first full season of the Business League competition and a remarkable result recorded on Black Friday, the most important annual campaign for the e-commerce industry: a 75% increase in sales value compared to the same period of the previous year. In the context of an annual growth of approximately 8% in the e-commerce market in Romania, 2Performant recorded a 39 % increase in the total value of intermediary sales, over 2022.

The Company was not involved in mergers or reorganizations in 2023.

No acquisitions or disposals of assets were made during 2023.

2Performant Network SA does not own subsidiaries.

USUAL TERMS

Affiliate Marketing - a marketing strategy in which an advertiser (online store/merchant) rewards one or more affiliates for each visitor or customer brought through their own promotional efforts.

Advertiser/Merchant - the business being promoted online, namely, a company operating one or more online stores or presentation websites through which it sells a product or service, accepts payments, and processes orders online. The advertiser is the one who initiates and runs an affiliate program or an influencer marketing campaign, providing affiliates and influencers with various tools to promote its products or services.

Affiliate - an individual or legal entity that promotes products and/or services of an advertiser in exchange for a commission on sales. They can be a publisher, blogger, SEM specialist, or anyone with the skills, time, and motivation to join an affiliate program, to generate sales or leads in exchange for commissions correlated with the results.

Affiliate program - a marketing program built by an advertiser that allows affiliates to recommend products or services from its website, in exchange for a commission based on desired results (sale or lead).

Pre-Paid affiliate program - a program in which the advertiser pre-funds their account with a sum of money, which is later allocated to pay commissions generated by affiliates, network commission, and subscription fees.

Post-Paid affiliate program - a program in which the billing of commissions generated by affiliates occurs after processing by the advertiser.

Business League - the global marketing competition where both digital specialists and online stores compete in a performance-based format.

Affiliate ranking - the permanent ranking of affiliates based on the commissions generated in the last 90 days.

Traffic Sources - the ability of merchants to choose and present within their affiliate programs the types of traffic sources they wish to collaborate with affiliates.

Active relationships – collaborations where affiliates have generated traffic for an online store.

Productive relationships – collaborations between affiliates and online stores that have resulted in placing an order.

Big Bear - the conversion attribution system based on 1st party cookies.

For the extended glossary of key terms, we invite you to read the Listing Memorandum from December 2020, available here.

PRESENTATION OF THE MAIN ACTIVITY

2Performant Business Model is centered around the technology that powers the 2Performant.com platform, technology that the company develops and improves, operates, and monetizes through its product: affiliate marketing. Specifically, 2Performant provides companies, entrepreneurs, and digital specialists, with the technological infrastructure, legal and fiscal framework, and know-how to collaborate efficiently, fairly, and transparently, to the benefit of all parties involved.

Innovation and a first-mover attitude are in the DNA of the company and the 2Performant Network S.A. brand and represent some of the ingredients that have led to the company's accelerated growth in recent years. Therefore, it is essential for 2Performant to constantly track and monitor trends in relevant markets, to identify and leverage major opportunities that can generate value in the medium and long term.

In August 2022, 2Performant launched **Business League**, the company's most significant project in recent years - the only global marketing competition that takes place over the course of a year. The main criterion of the championship is the number of online sales generated. Based on tris criterion, users are classified into five levels, from Freelancers (those with fewer than 10 sales in 28 days) to Unicorns (those who achieve over 10,000 sales in 28 days).

Currently, the third season of the Business League competition is underway.

In recent years, diversifying and increasing sources of income and improving the pricing system have been a priority for the company, reflected in revenue growth. The activity of digital talents within the 2Performant.com platform is free, from creating an account to participating in the Business League competition, as well as participating in challenges.

In the case of affiliate marketing, advertisers - companies and brands that develop affiliate marketing programs on 2Performant.com - pay affiliates a commission calculated as a percentage of the sales generated by them through the platform, generally ranging from 2% to 20% of the value of the sales generated.

INCOME SOURCES

Regarding 2Performant's affiliate marketing income sources, these are of four types:

Network Comission

The network commission is calculated as a percentage of the sales value and billed separately to advertisers. In relation to the sales generated through the platform, the company's commission represents approximately 2% of the sales value.

Subscription

The subscription for using the platform represents a fixed monthly fee. There are several types of subscriptions, depending on the access to the platform's functionalities and the level of support 2Performant team offers to the advertiser.

Setup Fee

The setup fee includes the program onboarding up to its activation, Big Bear consultation and implementation, tracking code implementation and verification, support in creating the product feed, and proactive support in the first month after launch.

Operational Fee

The operational fee is the operational commission for processing affiliate requests

Additionally, advertisers can pay promotion fees among affiliates to increase advertisers' visibility on the platform, at offline events, or in other situations.

The Business League's business model and competition allow both affiliates and advertisers to receive rewards based on their success in the categories they participate in.

2Performant platform allows companies to make payments in two ways

Pre-Pay

advance payment system and continuous account funding

Post-Pay

weekly or monthly billing payment system

Direct Debit

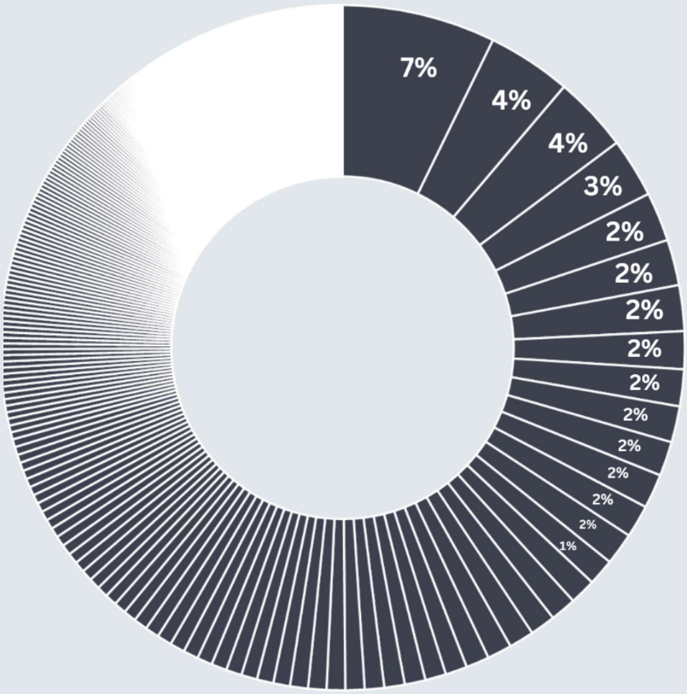
For the Pre-Pay payment method, 2Performant has implemented the **Direct-Debit functionality**, which automates the affiliate program funding process, ensuring an uninterrupted flow of sales.

The company ensures an efficient management of revenues and expenses, as well as cash flow, with good predictability. Another strong point of the business model is the variety of activity domains of advertisers on 2Performant.com: Fashion; Books, movies, and music; Beauty products; Electronics; Children's products; Home and garden products; Sporting goods and outdoor activities; Health and personal care products, and many others.

This way, 2Performant's revenues are not directly dependent on a specific sector. This distribution of 2Performant clients across activity sectors brings stability to the company, especially in periods when certain sectors are particularly affected.

The diversity of activity domains and client portfolios ensures the company's independence from the financial situation of any individual client, with the largest client representing only 7% of the network commission in 2023.

NETWORK COMMISSION SHARE



29%

The first 10 clients represent only 29% of the 2Performant network commission

71%

611 clients contribute to 71% of 2Performant's network commission

PRODUCT PRESENTATION

THE TECHNOLOGICAL PLATFORM 2PERFORMANT.COM

2Performant has developed and optimized a complex platform that offers functionalities in multiple areas, one of the most important being the discovery of relevant partners by accessing their performance history. Another essential functionality is the traffic direction of users and the correct attribution of conversions to the affiliate who generated them, complemented by internal messaging, a billing system for stores, and payments (including calculation, withholding, and tax payment) for individual affiliates, product import system from stores, and export to accepted affiliates. Additionally, the application programming interface (API) allows access to important data in real-time.

The 2Performant.com platform is the meeting and collaboration space for online stores with digital specialists who have the competence to generate sales. Through this technological platform, 2Performant operates and monetizes the company's affiliate marketing product, which represents a collaboration between platform users: advertisers, and affiliates.

Furthermore, 2Performant supports performance by introducing the Business League competition, a unique competition globally. The Business League universe gathers and rewards its members' activity through a well-defined system of seasons, stages, and rounds, as well as challenges designed to strengthen interaction and commitment, encouraging innovation and mutual growth within the Affiliate community.

The technology stack underlying the platform and the Business League competition includes Ruby and Ruby on Rails (respectively, development language and framework), RDS MySQL, MongoDB, Redis (data storage solutions), SNS/SQS for message transmission between services, and other external tools that contribute to the optimal functioning of the entire technical ecosystem.

The suite of services developed entirely internally by the 2Performant Product Development team has been hosted on Amazon since 2016 and operates consistently with an uptime of >99.99% (for example, the conversion attribution service operated with an interruption of 11 minutes throughout the year 2023 for technical upgrades).

LETTER FROM THE CREATIVE DIRECTOR

Business League represents an innovative initiative developed by 2Performant, incorporating the company's fundamental values into a unique digital ecosystem designed for the business world. By implementing a central ranking system, the Business League provides a competitive, transparent, and fair platform that not only recognizes and rewards excellence but also stimulates universal motivation for improvement. This universe is created as an extension of the 2Performant ecosystem, designed to bring together the growing community of digital businesses, offering ample networking and professional development opportunities.

The concept of the Business League is based on the principle that in the digital age, perceptions of work are rapidly evolving, especially among younger generations. Gamification becomes an essential tool in engaging and developing these new attitudes, transforming competitions into an environment conducive to continuous skills improvement. In this context, the Business League positions itself as a "city of digital business," where the most experienced players in e-commerce demonstrate and test their skills in challenges that measure expertise in commerce and marketing.

Participants are encouraged to adopt a winner's mindset, not necessarily by winning the competition, but by the courage to engage in a battle where the final outcome is uncertain. This approach aims not only to legitimize the most high-performing members of the community but also to stimulate a general desire for self-improvement. Thus, the Business League is more than just a competition; it is an environment that fosters continuous professional development, innovation, and collaboration among the best representatives in the e-commerce field.

Through this initiative, 2Performant underscores its commitment to supporting growth and success in the digital business world, while also strengthening the values that underpin its corporate identity. Creative Director

Alain Gavriluțiu

Creative Director

BUSINESS LEAGUE

Business League is the first marketing competition in the world, an innovative and dynamic platform designed to revolutionize the world of e-commerce marketing by introducing a comprehensive gamification system. It represents the first global online commerce competition that brings participants together in an official ranking based on sales volume, offering a new dimension to competition in the digital marketing and online commerce field.

Operating as a business universe, Business League invites users to participate in a world where sales performance is not only recognized and rewarded in rankings but also visualized through the construction of futuristic buildings. These buildings form the elite neighborhood in the world of online commerce and symbolize success and reputation in the digital world, transforming marketing achievements into impressive virtual monuments.

The competition is structured into five levels, reflecting different stages of sales achievements, from Freelancers (10 sales in 4 weeks) to Unicorns (10,000 sales in 4 weeks), and is enriched with a series of challenges that test a wide range of skills relevant to digital marketing. These challenges are designed not only to test and improve participants' abilities but also to bring a new element of novelty and excitement to the marketing process.

Unicorns
10,000 sales/4 weeks

Corporations
3,001-10,000 sales/4 weeks

Companies
501 – 3,000 sales/4 weeks

Start-ups
11-500 sales/4 weeks

Freelancers
10 sales/4 weeks

Alain Gavriluțiu
Creative Director

“The story begins when the user, playing the role of a "rookie," steps into the cyberpunk neighborhood of future digital commerce for the first time - Business League. Here, he encounters unique characters and receives specific missions, all aimed at helping him climb the rankings and build an increasingly tall building. This journey is not just a professional growth experience, but also an adventure in a world full of business opportunities and marketing innovations where the reward and bonus system is designed to reward performance through a consistent and fair system.”.

Round 3	Prizes and Bonuses							
	Affiliates				Advertisers			
	1st Place	2nd Place	3rd Place	Weekly Bonus	1st Place	2nd Place	3rd Place	Weekly Bonus
Unicorns	€ 750	€ 525	€ 375	€ 200	€ 320	€ 160	€ 80	€ 80
Corporations	€ 250	€ 175	€ 125	€ 100	€ 160	€ 80	€ 40	€ 40
Companies	€ 100	€ 60	€ 40	€ 40	€ 80	€ 40	€ 20	€ 20
Startups	€ 30	€ 25	€ 20	€ 15	€ 40	€ 20	€ 10	€ 10
Freelancers	€ 15	€ 10	€ 5	€ 5	€ 20	€ 10	€ 5	€ 5

Each Season of the Business League starts in December and consists of 3 stages, each comprising 4 adrenaline-filled rounds, open to all competitors, affiliates, and advertisers alike.

The Business League is more than just a competition; it's an elite community of the best marketing specialists, a place where innovation, creativity, and performance are celebrated and transformed into a spectacular virtual urban landscape. By integrating gamification elements, the Business League manages to motivate and inspire marketing specialists to reach new heights of success, turning the business world into a stimulating and competitive playground.

“About Business League, I would say it is a championship that brings together the best professionals in the field of online sales, fostering healthy competition and excellence in performance. This championship is designed to promote and reward the top marketers, providing a dynamic and challenging framework for all e-commerce professionals, from solo entrepreneurs to marketers in multinational companies. In short, it's an excellent opportunity for digital professionals to showcase their skills and measure their performance in a competitive and motivating environment.”

Tiberiu Anghelina
Product Manager

Bogdan Achim
Software Developer

"To work at the Business League is an incredibly satisfying experience. I enjoy the evolution of the competition and deliver each functionality with enthusiasm, knowing they are being used by some of the most talented marketers in the world. I can't wait to contribute even more to the growth and success of the world's premier marketing competition.”

TESTIMONIALS FROM BUSINESS LEAGUE PLAYERS

Ovidiu Golea
Marketer
Glew Solutions

“We are marketing people; we are working with numbers and Business League offers you exactly that: we have the numbers to work with. It's a new experience, it's a new way of doing marketing. It's a way of seeing all the numbers and making decisions because of the numbers.

You have to like sports. The way Business League is built, it is built like a sport. It gives you access to all the data of all the players and you can make better decisions using them. That's the difference.

Business League shows the results: you can see the earns for 100 clicks, you can see the Average Commission Value, you can see the number of sales, you can see the clicks, you can see the conversion rate. It helps you make a good decision in going into the market. You can see all the stores that are selling, what are the results, and the best performance KPIs and you can improve and work with that. It is not different, it's unique: it's something that doesn't exist at this time in the whole world, not only in Europe. “

“It's truly impressive. It taps into my achievement-driven side like nothing else and being surrounded by other competitive teams only feels that fire. Now I know it might sound a little bit cheesy but honestly, I'm not trying to impress anyone. I just genuinely love this game or should I say challenge. Let me tell you this, I'm absolutely hooked. I spent nights mornings and every spare moment I could find diving into it. It's like my personal candy crash but with money rewards. It doesn't get any better, or, does it? It's not just about me. It's about the partners and the platform feeling the effect of my dedication. So, if you feel like giving it a try, go for it! Give it a shot! Because I, for one, love a good challenge! “

Manuela Feiffer
Marketer – ING Bazar

Octavian Jomir
Merchant – Esteto.ro

“Business League encourages relationships between the best, with the best, while simultaneously fostering new partnerships so that our interest is to be at the top and to try to attract as many business partners as possible. One of the most important features of the Business League is that from the moment you enter the platform, you can see the results of your competitors, and your own, and discover new partners, thus increasing both the number of clients and the number of sales.

Practically, Business League has a direct impact on real sales in a unique e-commerce market. What's most interesting is that these results are measured over a longer period of time. We're not talking about a challenge or competition over a short period, but rather about a competition that lasts for a month, two months, or a year, so long-term results are very, very important. “

AFFILIATE MARKETING

Affiliate marketing involves paid promotion on a cost-per-sale basis. In other words, it represents the collaboration between a brand (usually an online store) and digital specialists who can direct potential customers to stores through various forms or online promotion projects, receiving a commission for the generated sales in return. For brands, affiliate marketing is probably the most efficient promotion and sales tool, while for specialists, it is the simplest way to earn money using their time, money, and digital marketing skills. The platform 2Performant.com mediates this relationship, making it simple, fair, and performance-based.

Advertisers

The role of advertiser is generally attributed to stores operating in the online environment

Among the active advertisers from 2performant platform, we have online stores like Answear, BestValue, Bookzone, Cărturești, Chicco, Cupio, Decathlon, Dr.Max, DY Fashion, ePantofi, Esteto, evoMAG, F64, FashionDays, FitLife, Flanco, Flip, Fornello, Hervis, iHunt, Kit Unghii, Lensa, LibrăriaDelfin, Librărie.net, Librex, Libris, Litera, Nichiduță, Noriel, Notino, Ookee.ro, Optiblu, Optiplaza, Otter, Sinsay, Spring Pharma.

Affiliates

Affiliates are platform users who promote online offers from advertisers with whom they have entered into an affiliate relationship. Their objective is to generate targeted traffic to the advertisers' online stores, being remunerated when a visitor sent by them makes a purchase from the advertiser.

Affiliates can be individuals or legal entities, Romanian or foreign, operating in the market in various forms, such as:

- Content websites - generalist or commercial (blogging, dedicated projects);
- PayPerClick specialists (Google and Facebook Ads);
- Publishers (newspapers, television, online publications, etc.);
- Specialists or firms in email marketing;
- Cashback projects and discount codes (vouchers);
- Product aggregators in a certain industry;
- Price comparison platforms;
- Shopping communities on social networks.

The predictability associated with the costs and volumes of the service offered generates a trend of increasing the number of affiliates from one period to another. The utility of this product stems from the unconditional access to the platform both for affiliates and for companies interested in online commerce. The platform's operating system constantly monitors and presents in real time the sales generated through it.

The pricing mechanism is focused on incentivizing affiliates, with companies remunerating through commission only for sales actually generated through the platform (cost per sale). The commission for the intermediary service is calculated, starting from October 2023, as a percentage of the sales made by advertisers through 2Performant affiliates (approximately 2%). Based on pre-pay and post-pay subscriptions paid by companies, 2Performant provides access to the platform and a level of support that can vary from self-service to strategy and account management services.

The range of 2Performant subscription offers for companies is built to meet the needs and preferences of a diverse range of profiles, from beginner and occasional advertisers to large businesses or clients for whom online sales are important, initiating and running promotion campaigns regularly and/or on a large scale.

FACILITIES		**PERFORMER**	**PLUS**	**ENTERPRISE**
Unlimited affiliates		●	●	●
Invitations/month for Affiliate Ranking Affiliates		20	60	100
Display in în advertiser ranking		●	●	●
Affiliate recruitment		●	●	●
Bulk messages/month to all affiliates accepted in the program		2	4	5
Unlimited messages one-to-one between the online shop and affiliate		●	●	●
Real-time statistics		●	●	●
Customized onboarding		●	●	●
Apparition in monthly materials (newsletter, social media)		●	●	●
Number of promotions per month		1	4	5
Product Feed		1	5	unlimited
Proactive support first month after activation		●	●	●
Standard email		●	-	-
Dedicated support email and phone		-	●	●
Monthly reports Looker Studio		-	-	●
Recommendations and consultancy (hours/month)		-	2	15
Tracking code implementation (contractor)		optional	optional	optional
COSTS (in euro)	Setup fee	299	299	299
	Initial deposit at program activation	790	790	990
	Monthly subscription	69	119	599
	Network commission	Variable, according to category	Variable, according to category	Variable, according to category
	Tracking code implementation	100	100	100

The dynamic nature and complexity of the 2Performant.com network enable the efficient operation of affiliate program management. It ensures real-time tracking, recruitment, and retention of the affiliate and advertiser community, employing gamification approaches and the ability to work simultaneously across multiple markets on the same platform.

Moreover, the platform continuously quantifies the activity conducted through it using various indicators, which are subsequently highlighted distinctly within the platform through the Business League rankings, ensuring relevance and transparency.

All these features are distinctive factors for 2Performant in the Romanian and European markets. The focus on the Business League Competition emphasizes this competitive advantage; with a unique structure, the competition stimulates excellence and innovation while rewarding hard work and dedication simultaneously. This competitive environment aims to revitalize digital marketing, promoting an ethos of superiority and collective success.

AFFILIATE MARKETING RELATED TO INTERNATIONAL PARTNERS

In 2023, we continued to operate within the ecosystem, through direct collaboration, with stores operating in countries within the European Union, in Bulgaria, Czech Republic, Poland, and Italy, as well as local stores of international brands. At the same time, for economic reasons as well as alignment with 2Performant's principles, we decided not to develop integrations with other affiliate networks anymore and instead developed the Business League competition, as a technological product and differentiating factor to attract both stores and digital talents from outside the country, through its innovative elements, unique worldwide, in this industry. The uniqueness of the Business League is recognized both by stores and by marketers active in other affiliate marketing networks, which will represent a catalyst for the accelerated development of the 2Performant business. Transparency in communicating the results obtained by the two categories of users of the 2Performant proprietary technology is one of the main characteristics that bring motivation and competitiveness to the ecosystem.

In 2023, 100% of the turnover obtained by 2Performant on external markets was generated by affiliate marketing.

COMPETITIVE OVERVIEW

2Performant has consolidated its position as the market leader in affiliate marketing in Romania. There continues to be interest from international companies in the Romanian market, but there have not yet been actions showing an acceleration of such an endeavor to access the market, maintaining the specific entry barriers related to recruiting and retaining the local community of affiliates and advertisers, as well as technical and commercial aspects.

The company's market share remains difficult to quantify. In 2023, the 2Performant ecosystem - online stores and digital marketing specialists doing business on our platform - generated 2.23% of the total eCommerce market value in Romania, estimated by McKinsey at 6.37 billion euros in 2023[1]. Specifically, marketers from 2Performant achieved sales of over 142.16 million euros for online stores on our platform.

Locally, the main competitor is Profitshare.ro, an affiliate marketing network owned by the performance marketing agency Conversion, a company that is 90% owned by

[1] https://romania.payu.com/en/news/e-commerce-in-romania-2024/

Emag. Profitshare's competitive advantages consist essentially of the dominant market share of the main advertiser, namely Emag, significantly boosting sales generated through affiliate marketing.

Whereas Conversion also has a strong agency component, 2Performant operates a marketplace and technology business, so a comparative analysis of the performance indicators of the two companies is inadequate. In terms of active stores in Profitshare compared to 2Performant, there was a ratio of 1 to 3 throughout 2023.

KEY EVENTS IN 2023

GOVERNANCE EVENTS

2PERFORMANT OGMS FROM January 30th , 2023

On January 30th, 2023, the 2Performant OGMS (Ordinary General Meeting of Shareholders) took place. During the Assembly, the shareholders approved the composition of the Company's Board of Directors, which consists of Dorin-Cristian Boerescu, Anda-Irina Patzelt, and Iulian-Florentin Cîrciumaru. The term of office for the three members was initially two years, until January 30th, 2025. At the OGMS on April 24th, 2023, the term of office for the members of the Board of Directors was extended of four years, so their mandates are set to expire on January 30th, 2027.

APPOINTMENT OF THE PRESIDENT OF THE BOARD OF DIRECTORS

The Board of Directors decided on January 31st, 2023, to appoint Dorin-Cristian Boerescu as President of the Board of Directors of 2Performant. The term of office as President of the Board of Directors was initially two years, until January 30th, 2025. On April 28th, 2023, the Board of Directors of 2Performant decided to extend Dorin-Cristian Boerescu's term as President of the Board of Directors until January 30th, 2027.

SHARE CAPITAL INCREASE

2Performant Board of Directors approved, on July 6th, 2022, a new operation to increase the Company's share capital. The share capital increase operation was carried out in accordance with the resolution of the EGMS dated April 18th, 2022. The Capital Increase aimed primarily at implementing a Stock Option Plan program, aiming to obtain funds for the Company's current activities, as well as funding for ongoing and/or new projects.

On February 2nd, 2023, the Financial Supervisory Authority (ASF) approved the Prospectus for the increase of share capital through cash contribution. On March 10th, 2023, stage 1 of the share capital increase operation was concluded, during which investors subscribed a total of 170,530 shares out of 1,239,926 available shares, representing 13.75% of the total issuance. In stage 2 of the share capital increase operation, completed on March 20th, 2023, 463,253 new dematerialized nominative shares were issued, with a nominal value of 0.1 RON each and a total nominal value of 46,325.3 RON as a result of the conversion operation of the certain, liquid, and exigible claims of the SOP beneficiaries.

The Company's share capital was thus increased from a nominal value of 1,239,926 RON to a nominal value of 1,303,304.3 RON, by issuing a total of 633,783 new dematerialized nominative shares, with a nominal value of 0.1 RON each and a total nominal value of 63,378.3 RON.

On March 31st, 2023, the increase in the share capital of 2Performant was registered at the Trade Registry Office attached to the Bucharest Tribunal (ORCB). On 07.04.2023, 2Performant announced the receipt of the Financial Supervisory Authority's Certificate of Registration of Financial Instruments (CIIF), certifying the registration of the share capital increase operation with 633,783 new shares, which were issued in accordance with the Board of Directors Decisions no. 3/06.07.2022 and no. 4/28.11.2022.

2PERFORMANT OGMS & EGMS FROM April 24th, 2023

On April 24th, 2023, took place the 2Performant OGMS and EGMS. Within the OGMS, shareholders approved, among other things, the financial statements for the year 2022, the Budget for 2023, and the extension of the tenure of the current members of the Board of Directors. Within EGMS, shareholders approved 2Performant's contracting of a credit facility totaling up to 4 million lei to finance the Company's working capital/investments, to be executed through the IMM Invest Plus Program. Additionally, shareholders approved the Company's contracting of one or more financings and/or credit facilities (or, as applicable, the increase of existing ones) totaling up to 10 million lei for the financing of working capital/investments. The decisions are available here.

BUSINESS EVENTS

BUSINESS LEAGUE AWARDS GALA

The first edition of The Business League Awards Gala took place on January 30th, 2023. 2Performant awarded the best competitors of the first season of the Business League, the world's first decentralized marketing competition.

On January 29th , 2024, the second edition of the Business League Awards Gala took place, during which 2Performant honored the performances of the top competitors from Season 2 of the Business League and presented development plans within the platform and ecosystem.

INCREASE OF MONTHLY SUBSCRIPTION VALUE FOR ADVERTISERS

On March 1st, 2023, 2Performant published its new tariff plans for advertiser subscriptions, both for new and existing ones, in order to support the development of technologies within the platform. The new subscription values are available here.

BUSINESS LEAGUE AWARDS GALA

+200 guests

PRIZES

5,000 €	10,000 €
Unicorn Pitch	10K Euro Run
Glew Solutions	CătăR
2023	2024

LAUNCHING OF PAY FOR PERFORMANCE

On March 21st, 2023, 2Performant launched Pay for Performance (P4P), a service that allowed online stores to outsource promotion through Google Ads based on cost per sale.

TOUCHING THE 10 MILLION SALES THRESHOLD

In June 2023, 2Performant surpassed the threshold of 10 million sales intermediated since the creation of the platform in 2008. From the beginning of 2023 until that moment, 2Performant had intermediated 1.1 million sales for online stores, marking the fourth consecutive year in which the platform reached the threshold of 1 million sales intermediated in a calendar year.

IMPROVEMENT OF NEW AFFILIATE ACCOUNTS QUALITY

2Performant introduced the filtering of affiliate accounts, unlike the previous year when anyone could create an affiliate account. Filtering consists of a questionnaire and confirmation from 2Performant, an action that increases the quality of users and profitability per user.

ADVERTISER QUALITY

2Performant focused on improving the quality of advertisers, as reflected by the number of those who closed their account or encountered Budget Lock incidents (their account is no longer funded, interrupting the flow between advertiser and affiliate).

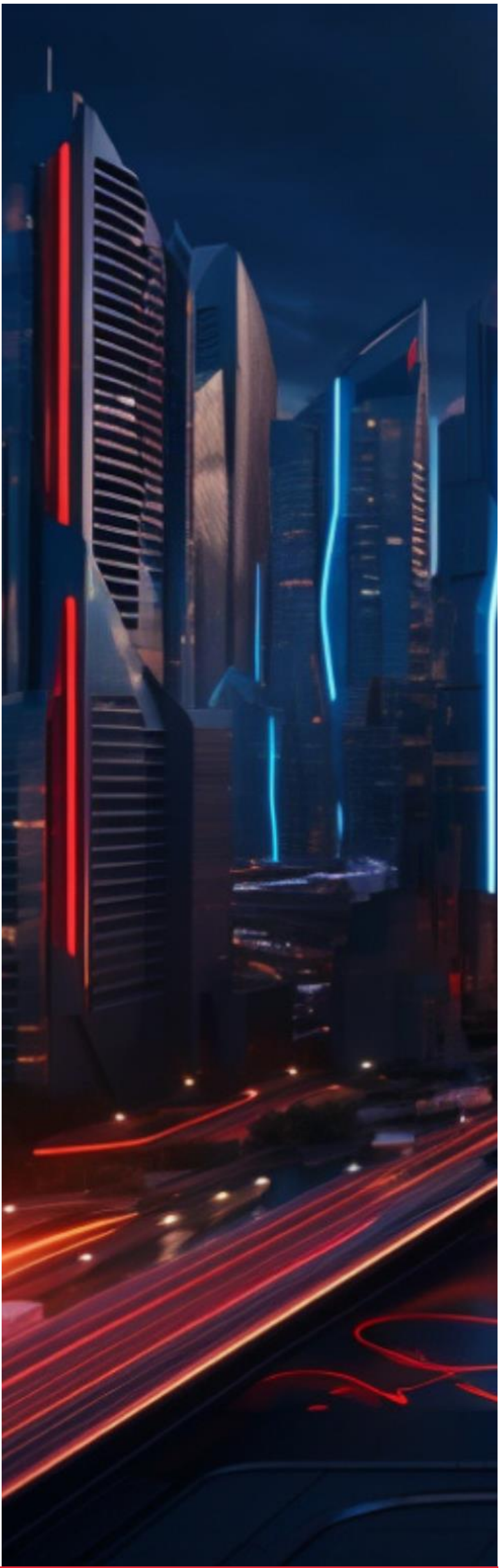
Throughout 2023, the number of advertisers who closed their accounts decreased by 46.9% compared to the previous year. Regarding Budget Lock incidents, their number decreased in 2023 compared to the previous year by 36.2%, the number of advertisers experiencing such incidents also decreased by 28.5%, and the average duration companies spend in Budget Lock decreased by 36.3%.

SURPASSING THE 2 MILLION SALES THRESHOLD IN 2023

Between January 1st, 2023 and September 27th , 2023, 2Performant recorded 2 million online sales intermediated by its own platform, 2023 being the first year this threshold is surpassed. Thus, the number of online sales intermediated increased by 59% compared to the same period in 2022 when 1.25 million sales were recorded. Additionally, for the given period, the daily average number of sales increased from 4,648 in 2022 to 7,412, with the most performant day being May 8th, 2023, with 10,696 intermediate sales.

BLACK FRIDAY 2023 CAMPAIGN RESULTS

On Black Friday 2023, on November 10th, 2023, the 2Performant platform intermediated sales worth 3 million euros excluding VAT, an increase of 75% compared to 2022, for 404 partner stores. As for the entire Black Friday 2023 campaign week, held in the week of November 6th – 12th, 2023, 2Performant intermediated sales worth 8.2 million euros excluding VAT, a 52% increase compared to the comparable period in 2022, for 469 online stores. The value of sales intermediated by 2Performant in that week exceeds the monthly figures recorded in the first seven months of the previous year. Each of the 469 partner online stores of 2Performant benefited, on average, from 257 sales worth over 17,000 euros excluding VAT during that week.



DISCOVERY WITHIN THE PLATFORM

LAUNCHING OF SEARCH FUNCTIONALITY FOR BUSINESS LEAGUE

2Performant has launched the search functionality within the Business League, allowing users to easily find the most relevant business partners within the ecosystem. This option not only enhances user experience but also contributes to the development and engagement of the platform.

LAUNCHING OF THE USER RATING FUNCTIONALITY

2Performant has launched the User Ratings functionality, both for advertisers and affiliates. In this way, the visibility and value of user profiles within the Business League are improved, enabling them to make informed decisions and foster trust between advertisers and affiliates

VERIFICATION OF COMMISSIONS WITH EXCEPTIONAL VALUES

To ensure transparency and prevent irregularities within the platform, 2Performant has implemented exceptional commission control, allowing for the proactive identification and verification of unusually high commission values before they are recorded. This step strengthens the integrity and fairness of the Company's commission system.

IMPLEMENTATION OF THE NEW VERSION OF GOOGLE ANALYTICS

2Performant transitioned to the new version of Google Analytics, GA4, for reporting user activity on the platform. This replaces the current version, GA3/UA, available until July 1st, 2023. GA4 improves the quality of insights into the use of the 2Performant product and reduces the complexity required to obtain them, both through settings and interface.

PAYMENT PROCESSING SYSTEM UPDATES

In the context of the increasing volume of online payments in the Prepaid system, as well as the introduction of Direct Debit functionality, 2Performant has changed its payment processor to one that offers customers an improved experience by enhancing the efficiency and security of payment processes, while also reducing costs for the Company compared to the previous period.

STREAMLINING AFFILIATE AND ADVERTISER RELATIONSHIPS

2Performant has initiated a project focused on traffic sources, represented by various channels through which a user reaches a specific website. Understanding these sources will significantly improve collaboration between affiliates and advertisers, allowing them to optimize campaigns, allocate resources, and improve return on investment. Additionally, enhancements have been made to the user profiles of Business League, including a more detailed display of the total rating indicator. This transparency in our calculation method improves understanding of the total rating indicator while highlighting top performances for each individual indicator.

BUSINESS LEAGUE UPDATES

The company has launched a new opportunity for active users within the Business League, called Challenges, which includes competitions such as Revenue Rally, Target Strike, and First 100. In the platform section dedicated to this initiative, both types of users (advertisers, affiliates) in the categories of Unicorns, Corporations, Companies, and Start-Ups can compete based on various sales metrics. This type of short-term competition (records reset each time they are surpassed) adds a new competitive advantage to the 2Performant platform by increasing user engagement and interaction levels within the Business League, both through the bonus system offered and through the technology itself that enables competition.

A new challenge dedicated to affiliates in the Business League, at the end of 2023, was The Affiliate Alliance. It took place from November 6th, 2023 to December 31st , 2023, and during it, affiliates joined forces with the goal of generating together 1 million sales. Achieving this threshold guarantees them access to a prize, which was to be distributed proportionally based on their contribution to the number of 1 million sales. The company has modernized the Business League interface, providing users with an experience similar to that of a game. Additionally, the Company has automated prize payments in the Business League, marking a significant improvement in efficiency and user satisfaction by ensuring real-time prize allocation. Moreover, migrating Business League components from Angular.js to Angular 15 was a critical step in improving the performance and scalability of the 2Performant platform. This technological advancement positions the Company for future growth and continuous innovation.

BIG BEAR AND DIRECT DEBIT ADOPTION RATE

At the end of 2023, the number of advertisers adopting Big Bear, the technical upgrade for conversion attribution in the 2Performant platform, reached 495, while the remaining advertisers who have not implemented Big Bear pay an additional commission of 20%. Direct Debit, the solution for automating marketing budget payments, ensuring the continuity of promotional campaigns regardless of the volume of generated sales, has been implemented by 219 advertisers among those with the Pre-Paid payment method.

2PERFORMANT HALL OF FAME

For the recognition of affiliates' achievements within the platform, the Company has established a Hall of Fame, honoring the top 100 affiliates of the 2Performant network based on sales generated since the platform's inception, thus setting a benchmark of excellence within the community.

IMPLEMENTATION OF THE COMMISSION MODEL

2Performant has updated the network's commission model, starting from October 2nd, 2023. The network commission is no longer calculated as a percentage of affiliates' commissions but as a percentage of sales value, being implemented for both existing and new clients. This change aims to simplify the process of calculating and budgeting network commissions for online store clients, thus ensuring a fair and transparent model.

LAUNCHING OF TRAFFIC SOURCES FUNCTIONALITY

On October 5th, 2023, 2Performant launched Traffic Sources, a new automated method through which advertisers can make their preferences regarding traffic sources known, helping to direct relevant audiences to online stores. This development not only provided advertisers with personalized campaign strategies but also strengthened their alignment with affiliates' preferences.

LETTER FROM COO

Dear investors community,

2023 has been a really amazing journey for the Business League ecosystem. Together with our players, we managed to deliver on the anticipated sales growth plans and to bring the average performance of players to new heights. New contenders have joined the Business League championship throughout the year, totaling 141 new merchant players and 1419 new marketer players (out of which 869 were come-backs). Among them, we find exciting merchant names such as Flanco.ro, Liki24.ro, Liki24.it, Cupio.ro, Editura-arthur.ro, Petmax.ro, Petpal.ro, Fermier.ro, Pfarma.ro, as well as marketer names such as Shopia.eu, Shoply.pro, Modreanu.com, MrCashback.ro, Truda.io, Expandeo.com, Delupe.com, TbiBank.ro.

Even more exciting paths lie ahead. The mountain top of the BusinessLeague story in 2024 will be registering 1000 merchant players in total by the end of the year, from the regional markets we have in focus with the BusinessLeague.com launch, as well as the local market.

To support reaching this mountain top with BusinessLeague, we will participate in regional e-commerce industry events and host our own community events and projects, aimed at supporting specific industry sectors and opening new markets. We've always taken pride in our ability to foster new partnerships between players. This year, we are enhancing our growth strategy for the ecosystem by incorporating a mentorship component, further strengthening these relationships.

What is more, we are actively developing new processes and strategies tailored to sales and market expansion. These efforts will be supported by the creation of a new Industry Management team, with driven individuals specifically responsible for crafting and executing growth strategies and tactics for BusinessLeague.com. They will be operating for both current and target markets, considering the unique demands of each industry sector.

Driven by the same expansion objective and the purpose of delivering an excellent competition experience to all players, we are also undergoing a reorganization of our internal team structures and individual objectives. We are investing more in analytics and we are implementing automation for repetitive internal tasks and integrating artificial intelligence into our daily operations, both of which are vital components of our transformation.

We have proudly supported two promising marketing projects with awards of €15,000. The marketer players in our championship are continually evolving their projects and business stories, learning to thrive in the dynamic world of e-commerce, which is boasting with daily challenges. We're happy and humbled not only to be their partner, but also to be a facilitator of this growing community of bold and resilient business characters through our technology and spirit.

It will be a thrilling year to be part of this BusinessLeague growth story!

Cristina Angelescu

Chief Operating Officer

BUSINESS INDICATORS

Intermediated sales

During 2023, the 2Performant ecosystem recorded a 46% increase in sales number compared to 2022, amid a general 3% growth in e-commerce sales in Romania, according to data from online merchants active in both periods[2]. In this timeframe, 2Performant achieved sales of 142.2 million euros, marking a 39% rise compared to the previous period. At the same time, the company exceeded the 100 million clicks milestone during one year.

Throughout 2023, the 9,249 users of the Company's platform generated 102.1 million clicks (+19% vs. 2022) and approximately 2.9 million sales, representing a 46% increase compared to the previous year. Over the entire year, affiliate commissions amounted to 8.3 million euros, a 33% increase compared to 2022. Also, in 2023, the conversion rate increased by 0.5pp compared to 2022, reaching 2.8%, while the average income obtained by affiliates for every 100 clicks increased by 12%, reaching 8.17 euros. The efficiency of investments in affiliate marketing improved, providing a gain of 17 euros for every euro invested, a 4% improvement over the previous year.

Key performance indicators monitored by the company, accurately reflecting the progress of the 2Performant ecosystem and the business, have shown a significant improvement in the past year:

- The percentage increase in sales intermediated through 2Performant.com was 46%;
- The growth percentage of commission value from generated sales reached 33%;
- Productive relationships, defined as interactions between affiliates and online stores where traffic sent by an affiliate resulted in actual customer acquisitions, decreased by -7% based on a qualitative increase of 58% in the average number of sales generated by a user.

Business indicators:	**2022**	**2023**	**YoY Var**
Sales	2.0M	2.9M	+0.9M 46%
Clicks	86.0M	102.1M	+16.1M 19%
Sales Value (excl. VAT)	102.4M €	142.2M €	+39.8M € 39%
Commission value from generated sales	6.3M €	8.3M €	+2.1M € 33%
Average Order Value (excl. VAT)	52.34 €	49.73€	-2.6 € -5%
Conversion rate on 2Performant.com	2.30%	2.80%	+0.5pp 22%

[2] *https://www.bursa.ro/merchantpro-in-2023-vanzarile-in-ecommerce-au-crescut-sub-rata-inflatiei-cu-doar-3-procente-02377155*

ACTIVE AND PRODUCTIVE RELATIONSHIPS AMONG 2PERFORMANT.COM USERS

The quality of relationships between online stores and affiliates within 2Performant.com is a key aspect of the company's mission and one of the most important indicators of the health and sustainability of the 2Performant ecosystem.

On one hand, the company focuses on active relationships, where affiliates have worked for an advertiser (online store), generating traffic for them. On the other hand, productive relationships are also considered, where affiliates have generated sales for online stores.

In 2023, the operational team's focus remained on generating and maintaining high-quality, productive relationships among 2Performant.com users. The 2Performant team demonstrated remarkable talent in identifying and supporting elite users within the network, those affiliates who stand out with exceptional performance in affiliate marketing, encouraging collaboration to maximize results.

An important aspect in 2023 for the 2Performant ecosystem was the emphasis on improving the network's quality by supporting users who contribute to value growth, prioritizing quality over the number of relationships. This proved to be a decisive factor in achieving a higher number of sales with a lower number of affiliates and participating stores, thereby consolidating the foundation for a more robust and sustainable 2Performant ecosystem.

Players with traffic	2022	2023	YoY Var
#Affiliates	11,362	6,608	-4,754 -41.84%
#Advertisers	885	689	-196 -22.15%
#Active relationships	100,023	70,922	-29,101 -29.09%

Sales/Players with traffic	2022	2023	YoY Var
#Affiliates	172	433	261 151.74%
#Advertisers	2,210	4,149	1,939 87.74%
#Active relationships	20	40	20 100.00%

Players with sales	2022	2023	YoY Var
#Affiliates	3,579	2,618	-961 -26.90%
#Advertisers	765	674	-91 -11.90%
#Productive relationships	26,107	24,111	-1,996 -7.60%

Sales/Players with sales	2022	2023	YoY Var
#Affiliates	546	1,092	546 100.00%
#Advertisers	2,556	4,242	1,686 65.96%
#Productive relationships	75	119	44 58.67%

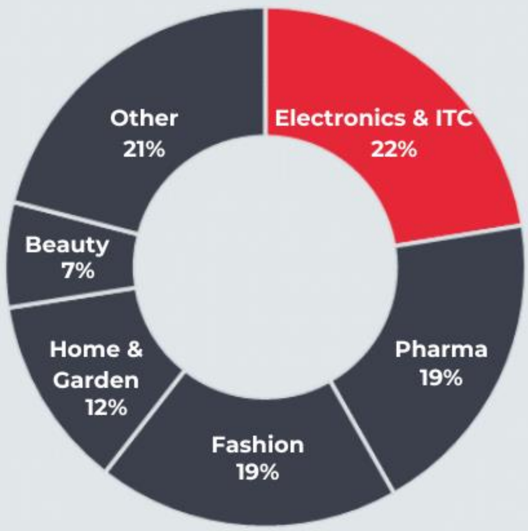
SALES DISTRIBUTION BY CATEGORIES

Throughout the year 2023, 674 online commerce platforms were distributed across 25 different sectors, including areas such as Fashion, Books, Technology, Pharmaceuticals, Automotive, and even Financial Services. In this year, the dominant categories of products sold online included Pharmaceuticals with a share of 39%, Fashion items with 17%, Books, Movies, and Music totaling 12%, Beauty products with 9%, IT&C Electronics with 7%, Toys and Children's items with 4%, Home and Garden items also with 4%, Pet Products with 2%, Health and Personal Care items with 2%, Sports and outdoor activities equipment with 1%, and Jewelry, also with 1%.

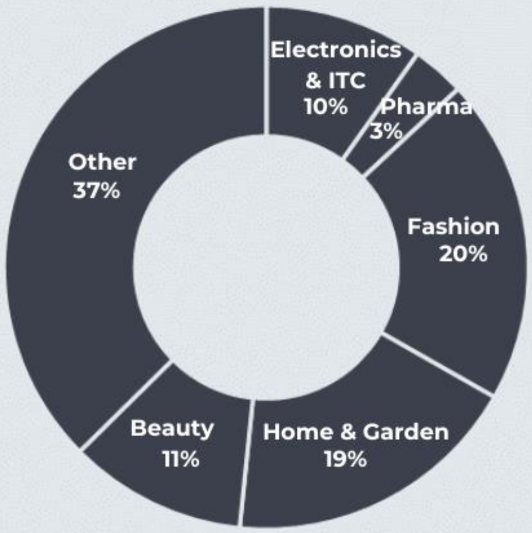
2P Top 10 Categories	Average order value	Average order value YoY	Conversion rate	Income at 100 clicks	Income at 100 clicks YoY
Pharma	24.48 €	0.90%	4.20%	4.53 €	18.20%
Fashion	55.70 €	4.90%	2.30%	10.85 €	18.50%
Books	23.12 €	-14.04%	3.30%	7.68 €	37.80%
Beauty	38.19 €	-2.70%	2.70%	8.92 €	22.20%
Electronics IT&C	166.50 €	5.10%	1.80%	8.29 €	13.50%
Babies Kids & Toys	56.96 €	6.50%	2.50%	8.87 €	37.40%
Home & Garden	146.50 €	-7.50%	1.40%	12.47 €	10.00%
Pet supplies	42.31 €	4.40%	4.30%	9.12 €	46.30%
Health & Personal care	55.99 €	16.10%	2.50%	10.09 €	-9.90%
Sports & outdoors	67.28 €	13.60%	2.10%	8.21 €	34.70%

7 categories of products each recorded sales of over 7 million euros through 2Performant.com in 2023, three of them exceeding the sales value of 25 million euros:

SALES VALUE



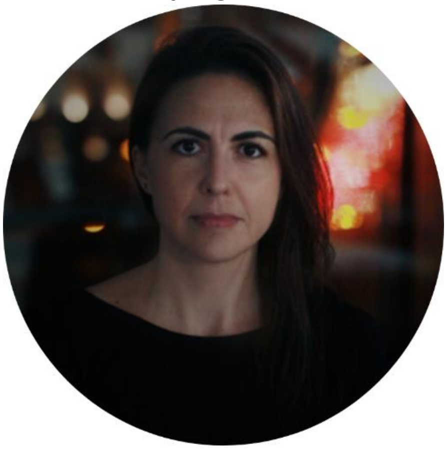
NUMBER OF ADVERTISERS



LETTER FROM CFO

Dear Shareholders,

The year 2023 was a year of exceptional results for 2Performant, marked by significant achievements and the implementation of strategies that laid the groundwork for accelerated growth.



The budget for the year 2024, approved by the Board of Directors and shareholders of 2Performant, underscores our ambitious commitment to growth while also being sustainable.

The finance department, along with the CTO, COO, and CEO, has carefully planned the 2Performant budget, focusing on maximizing results and optimizing resources. Detailed financial projections for 2024, which incorporate both conservative estimates and ambitious growth targets, are designed to ensure that 2Performant is well-positioned to capitalize on opportunities while minimizing risks.

Our financial strategy for the next year is built on a solid foundation of fiscal management, strategic investments to support innovation and growth. We are dedicated to ensuring that 2Performant not only achieves its financial goals but also surpasses them, thereby delivering value to our shareholders, partners, and customers.

A significant part of our budget is allocated to funding strategic domains: investments in new technologies, market expansion, and product development to maintain a competitive advantage. The finance department closely monitors these investments, ensuring alignment with our long-term objectives and delivering the expected returns.

The launch of our global championship, BusinessLeague.com, and the expansion of the Mentorship Program are just a few examples of the bold initiatives that 2Performant has launched earlier this year. The finance department will provide the necessary support for these projects, from the initial budget allocation to continuous financial monitoring, to ensure their success and scalability.

We continuously improve internal controls, audit processes and compliance protocols to protect the company's interests and maintain the integrity and accuracy of financial reporting.

By promoting transparency and open communication, we will continue to provide timely, accurate, and clear financial information, facilitating informed decision-making and promoting trust in our financial management practices.

Thank you for your continued trust and support.

Sincerely,

Adriana Ionaș

Chief Financial Officer

FINANCIAL RESULTS ANALYSIS

P&L ANALYSIS

The operational revenue of 2Performant Network recorded a 35% increase in 2023 compared to the previous year, reaching the amount of 52.3 million lei. In an economic context marked by inflation, the company reported a turnover of 46.4 million lei, marking a 32% growth compared to 2022. Operating revenue also witnessed a 34% increase compared to the previous year.

The 72% growth in revenues from the production of tangible and intangible fixed assets, reaching 6 million lei in 2023 compared to 2022, underlines the success of the Product Development and Business Intelligence team's initiatives. This development highlights the company's investment in internal development, benefiting both 2Performant and its ecosystem partners. Other operating revenues amounted to 4 thousand lei.

In 2023, the company's turnover structure consisted exclusively of affiliate marketing, excluding the influencer marketing business line, starting in 2022. This indicates a strategic shift in how the company conducts its operations and generates revenue. By focusing solely on affiliate marketing, the company has emphasized efficiency and performance within the new business strategy.

Business Line (RON)	**2022**	**2023**	**YoY Var**
Network Commission	7,136,984	9,816,389	2,679,405 38%
Subscription Fee	1,366,653	1,886,838	520,185 38%
Set-up Fee Commission	143,665	165,118	21,453 15%
Operational Fee	-	43,580	43,580 100%
Business League Bonuses	*-38,853*	*-114,718*	*-75,865* *195%*
Other revenue	217,411	41,530	-175,881 -81%
Operational Revenue	**8,825,860**	**11,838,737**	**3,012,877** **34%**
Affiliate commission	**26,134,845**	**34,530,851**	**8,396,006** **32%**
Influencer marketing	105,493	-8,437	-13,930 -108%
Total	**35,066,198**	**46,361,151**	**32%**

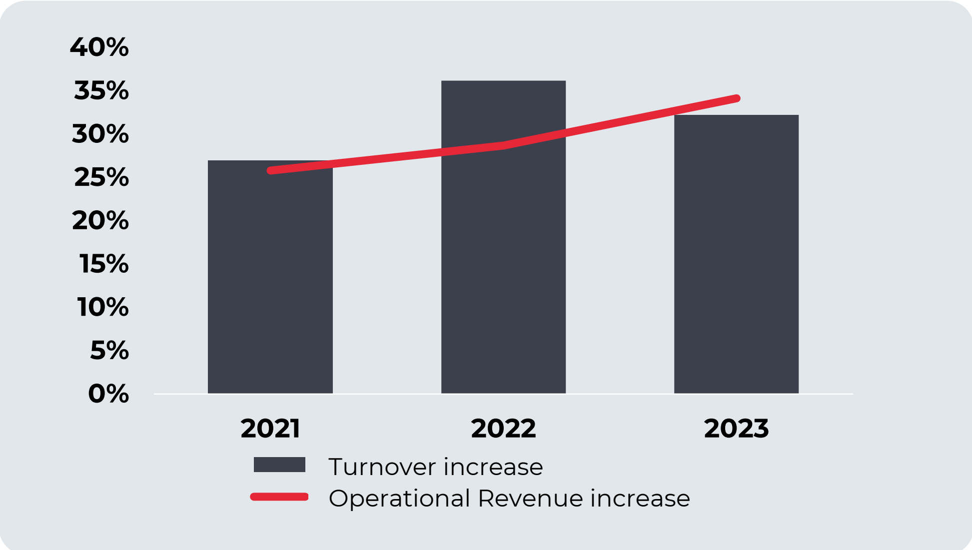
The positive dynamics of the 38% increase in network commission compared to the previous year underscores the company's commitment to maximizing performance and profitability for its partners, placing particular emphasis on developing innovative solutions that efficiently address affiliates' needs and stimulate sustainable network growth. Essentially, 2Performant focuses on creating added value for both its affiliates and its entire digital ecosystem, ensuring that all involved parties benefit from these efforts.

From the turnover of 46.37 million lei achieved in 2023, Romania contributed 87% to the turnover, while 13% of it was generated in the foreign market, showing both a percentage and absolute value increase as a result of the strategy to expand the company abroad. 2Performant recorded a growth of 34% in the domestic market and 22% in the foreign market compared to the previous year.

Regarding the payment methods, Pre-Paid vs. Post-Paid, the growth recorded for Post-Paid payment was 17%, compared to Pre-Paid, which was 49%. There is a noticeable shift in the growth rate of Post-Paid advertisers compared to Pre-Paid due to the quality of launches by Pre-Paid advertisers throughout 2023 and the positive effects of implementing Direct Debit at the end of 2022.

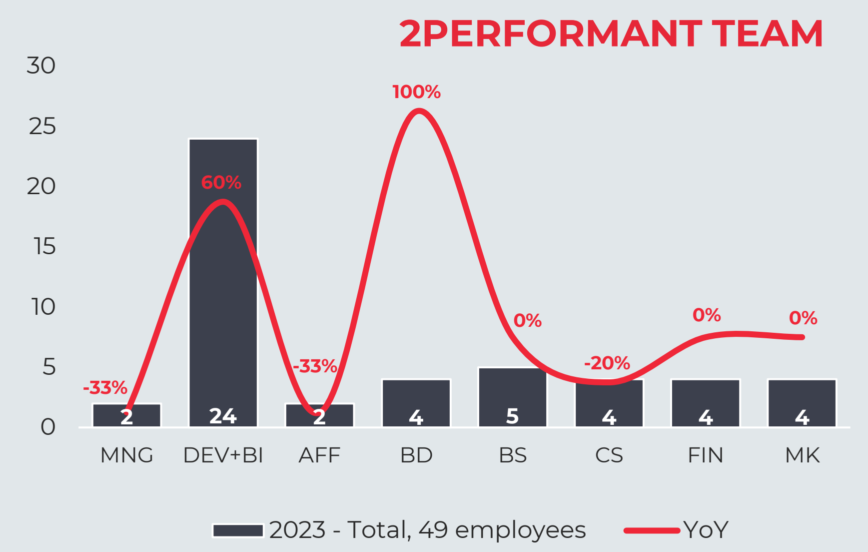
Market	Payment option (RON)	2022	2023	YoY Var
local	Post-Paid	14,180,696	15,899,022	1,718,326 12%
	Pre-Paid	15,869,523	24,516,385	8,646,862 54%
extern	Post-Paid	3,627,172	4,869,751	1,242,579 34%
	Pre-Paid	1,257,719	1,086,069	-171,650 -14%
Turnover (affiliate marketing)		**34,933.110**	**46,371,227**	**11,436,117** **33%**

In 2023, the operating income of 2Performant Network (after deducting commissions paid to affiliates) experienced a 34% growth, reaching 11.8 million lei, compared to 8.8 million lei in the previous year. This increase was stimulated by implementing the new calculation formula for network commission, based on a percentage of the sales value.



Expenses amounted to 51.4 million lei, appreciating by 34%, growing 1% more slowly than operational revenues. The largest contribution came from other operating expenses, reaching 39.2 million lei, a 32% increase. This cost represents 88% of the affiliates' commissions, which grew by 33% compared to 2022, based on business expansion and in-line turnover growth.

The second-largest contribution to costs was from personnel expenses, which increased by 35%, reaching 10.7 million lei, due to salary increases in response to the current economic context and changes within the team. At the end of 2023, the 2Performant team numbered 49 employees, compared to 41 at the end of 2022.



+19.5%

Team increase YoY

The depreciation costs increased by 74% in 2023 compared to 2022, due to the depreciation method used by the Company and continuous investments in the product 2Performant.com, totaling 1.48 million lei. Costs related to raw materials, materials, and energy increased to 19 thousand lei, attributed to the company's promotional activities.

Operational result improved by 128%, from a profit of 416 thousand lei to an operational profit of 949 thousand lei. The adjusted result, excluding costs related to Stock Options for employees, brought the gross profit to 1.8 million lei. Financial expenses remained at the 2022 level, influenced by foreign advertiser volumes and the negative exchange rate variation associated with these transactions. Out of the 196 thousand lei, 137 thousand lei were interest expenses, which increased due to the use of the credit line from IMM Invest, offset by interest on created deposits, totaling 234 thousand lei. Therefore, the financial result for the period was positive, at 38 thousand lei.

EBITDA increased by 92% compared to 2022, reaching 2.4 million lei, and the EBITDA margin grew to 5% from 3% in 2022. Adjusted EBITDA reached 3.2 million lei; a 154% increase compared to 2022. Gross profit showed a positive trend, rising from a profit of 365 thousand lei to 987 thousand lei, a 170% increase. At the net profit level, 2Performant closed the year 2023 with 869 thousand lei, a growth of 236% compared to 2022.

P&L (RON)	**2022**	**2023**	**YoY Var**
Operating income	**38,905,526**	**52,379,584**	**34.63%**
Operating expenses	38,489,507	51,430,711	33.62%
Operating result	416,019	948,873	128.08%
EBIT	416,019	948,873	128.08%
EBITDA	1,266,666	2,426,299	91.55%
Adjusted EBITDA *	***1,266,666***	***3,213,829***	***153.72%***
Net profit	**258,454**	**869,432**	**236.40%**

*Adjusted EBITDA presented does not include the non-cash impact of the Stock Option Plan, amounting to 787,530 lei.

BALANCE SHEET ANALYSIS

The total assets of 2Performant increased by 41% in 2023, driven by a 79% growth in fixed assets. Fixed assets reached 10.4 million lei, with the increase mainly attributed to an 80% rise in intangible assets, influenced by the value of the 2Performant platform and the costs of the Product Development and Business Intelligence team continuously developing the platform. In 2023, the growth in intangible assets reflected the expansion and development of the platform's activities, as well as the support and implementation of new features in Business League, Traffic Sources, the new calculation of network commission and implementation of operational fee for affiliates. Tangible assets continued to have an insignificant share in the total fixed assets, amounting to 37 thousand lei.

Current assets increased by 3% in 2023, reaching 7.4 million lei, amid a 5% decrease in cash and bank accounts. Prepayments increased by 121% since the beginning of the year, reaching 1.4 million lei. On the other hand, receivables increased by 17% to 3.2 million lei due to the transition of a significant player from the Pre-Paid to Post-Paid area and seasonal factors – at the end of the year, the company invoices sales made during Black Friday and Christmas periods, which are then collected in Q1 of the following year. The collection rate for receivables throughout 2023 was 99.99%. In terms of accounts receivable, they maintain a stable number of payment days. The increase in receivables indicates growth in sales volume and the selling price of the services offered. This growth also reflects the development of the company's commercial side.

Regarding the debts, the company had no long-term debts. Current liabilities increased by 70%, reaching 6.9 million lei, due to the use of the credit line. This line of credit is utilized for current operations and covers the negative cash flow caused by the seasonality of the business. The use of the credit line should be appreciated as favorable, as it contributes to the current and future development of the company.

The increase in current liabilities compared to the previous year can also be explained by the increased volume of activity of the entity, suggesting a growth in the acquisition volume from third parties and the negotiation of more restrictive contractual terms with suppliers. Additionally, the increase in personnel expenses, hiring, and turnover should be noted, reflecting the taxes due as of December 31, 2023. However, despite a slight increase, the debt ratio remains comfortably below the recommended maximum level, standing at 36%.

Deferred revenues increased by 29%, reaching 3.4 million lei, representing advance payments made by advertisers. The reason for the growth is attributed to the seasonality of the activity and the increase in sales in the second half of the year (both in absolute and relative terms, compared to volumes generated in the same period of the previous year).

Equity increased by 29% as a result of the positive outcome recorded in 2022. On the other hand, in Q1 2023, following the increase in share capital, 171 thousand shares were subscribed, and 463 thousand shares were distributed through the Stock Option plan, approved by shareholders in 2021. Through the capital increase operation, a transfer of approximately 63 thousand lei from shared premium to share capital took place, and at the same time, the shared premium increased by 19%.

Balance sheet (RON)	2022	2023	YoY Var
Fixed assets	5,772,835	10,351,867	79.32%
Current assets	7,142,295	7,379,892	3.33%
Prepayments	653,689	1,442,816	120.72%
Total Assets	***13,568,819***	***19,174,575***	***41.31%***
Current liabilities	4,035,371	6,866,837	70.17%
Provisions	0	0	0.00%
Deffered revenue	2,630,330	3,380,323	28.51%
Equity	6,903,118	8,927,415	29.32%
Total Equity and Liabilities	***13,568,819***	***19,174,575***	***41.31%***

FINANCIAL INDICATORS

Liquidity, solvency, debt level, debt ratio, and debt/assets ratio indicators represent the company's capacity to manage short- and long-term commitments. These indicators are above recommended and accepted benchmarks. Liquidity is decreasing due to ongoing investments in our own product.

Liquidity, solvency and risk indicators	OPTIMAL RANGE	2022	2023
Current ratio (AC/DC)	>2	1.77	1.07
Immediate Liquidity (AC-Inventories)/Current Liabilities	>1	1.77	1.07
Cash ratio (Cash/Current Liabilities)	>0,5	1.10	0.61
Overall solvency (TA/TD)	>1	3.36	2.79
Indebtedness indicator (DTL/ Equity+DTL)	<50%	0.00%	0.00%
Debt ratio (DT/TA)*100	<80%	29.74%	35.81%
Liabilities/Assets	< 1	0.30	0.36

PROFIT AND LOSS STATEMENT

Profit and Loss Statement (RON)	**2022**	**2023**	**YoY Var**
Operating income, of which:	38,905,526	52,379,584	35%
Turnover	**35,066,198**	**46,361,151**	**32%**
Income from the production of intangible and tangible assets	3,489,605	6,013,816	72%
Other operating income	349,723	4,617	-99%
Operating expenses, of which:	38,489,507	51,430,711	34%
Raw materials, materials and energy expenses	7,325	19,044	160%
Personnel expenses	7,938,511	10,679,010	35%
Depreciation and amortization	850,647	1,477,426	74%
Other operating expenses	29,693,023	39,255,231	32%
Operating result	**416,019**	**948,873**	**128%**
Financial income	146,369	234,585	60%
Financial expenses, of which:	196,447	196,380	0%
Interest expenses	*100,050*	*137,891*	38%
Financial result	**-50,078**	**38,205**	**176%**
Total income	39,051,895	**52,614,169**	35%
Total expenses	38,685,954	51,627,091	33%
EBITDA	1,266,666	2,426,299	92%
Adjusted EBITDA *	**1,266,666**	**3,213,829**	**154%**
Gross profit	365,941	987,078	170%
Adjusted Gross profit *	**365,941**	**1,774,608**	**385%**
Income tax	107,487	117,646	9%
Net Profit	**258,454**	**869,432**	**236%**

*Adjusted EBITDA and Adjusted Gross profit presented do not include the non-cash impact of the Stock Option Plan, amounting to 787,530 lei.

BALANCE SHEET

Balance sheet (RON)	2022	2023	YoY Var
Fixed Assets, of which:	**5,772,835**	**10,351,867**	**79%**
Intangible assets	5,733,779	10,315,159	80%
Tangible assets	39,056	36,708	-6%
Current Assets, of which:	**7,142,295**	**7,379,892**	**3%**
Receivables	2,700,906	3,165,857	17%
Cash and cash equivalents	4,441,389	4,214,035	-5%
Prepayments	**653,689**	**1,442,816**	**121%**
TOTAL ASSETS	**13,568,819**	**19,174,575**	**41%**
Total liabilities	**4,035,371**	**6,866,837**	**70%**
Current liabilities (<1 year)	4,035,371	6,866,837	70%
Provisions	0	0	-
Deffered revenue	**2,630,330**	**3,380,323**	**29%**
Equity, of which:	**6,903,118**	**8,927,415**	**29%**
Subscribed and paid-up capital	1,239,926	1,303,304	5%
Share premium	5,406,046	6,420,099	19%
Reserves	39,386	88,739	125%
Reported result	-22,397	295,195	1418%
Result for the period	**258,454**	**869,432**	**236%**
Profit distribution	-18,297	-49,354	170%
TOTAL EQUITY AND LIABILITIES	**13,568,819**	**19,174,575**	**41%**

CASH-FLOW

Cash-flow statement	2022	2023	YoY Var
Operational activities: (Loss)/Net profit	**258,454**	**1,024,302**	**296%**
Adjustments for reconciling net income with net cash used in operational activities:			
Adjustment of tangible and intangible assets value (depreciation and impairment adjustment)	916,148	1,477,426	61%
Interest income	119,015	-214,028	-280%
Interest expenses	100,050	137,891	38%
Income tax	107,487	117,646	9%
Customer valuation adjustment	188,573	0	-100%
Net exchange difference on cash	69,704	18,247	-74%
Increase/(decrease) in cash from operational activities before changes in working capital	**1,759,431**	**2,561,484**	**46%**
Increase/(decrease) in trade and other receivables balances	-484,839	-1,257,699	159%
Increase/(decrease) in trade and other payables balances	2,091,520	3,264,264	56%
Net cash flow generated from operational activities	**3,366,112**	**4,568,049**	**36%**
Interest received	-119,015	214,028	-280%
Interest paid	-100,050	-137,891	38%
Income tax paid	0	107,487	100%
Net cash flow generated from operating activities	**3,147,047**	**4,751,673**	**51%**
Cash flows from investing activities:			
Cash payment for acquisition of fixed assets	-3,550,284	-6,056,458	71%
Net cash flow used in investing activities	**-3,550,284**	**-6,056,458**	**71%**
Cash flows from financing activities:			
Increase in share capital and capital premiums	0	1,077,431	100%
Net cash flow generated from financing activities	**0**	**1,077,431**	**100%**
Cash flows – total	-403,238	-227,354	-44%
Changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	4,844,627	4,441,389	-8%
Cash and cash equivalents at the end of the period	**4,441,389**	**4,214,035**	**-5%**
Increase/(decrease) in cash and cash equivalents	-403,238	-227,354	-44%

PERSPECTIVE ELEMENTS

2Performant aims to maintain its status as a leader in the local affiliate marketing market in the medium term, to consolidate its regional presence, and to take advantage of the expansion of the e-commerce market in Central and Eastern Europe, where conventional methods of marketing budget management are losing efficiency. In line with this direction, the company is launching BusinessLeague.com starting in April 2024, a project designed to establish the first global online commerce championship, facilitating collaboration between online stores and digital experts in a gamified, transparent, fair, and predictable environment.

By adopting a results-oriented business model that values transparency and competition, 2Performant occupies a distinctive position in the market. This strategy is designed to be attractive to the new generations of e-commerce specialists, offering a fresh perspective on professional activity and training in a gamified context.

Once the position in the region is strengthened, 2Performant plans to expand into the US market, an ambitious initiative supported by the success and recognition of its product, Business League, both in Romania and regionally.

At the same time, the 2Performant management team is and will remain open to new opportunities. The technology, digital marketing, and e-commerce sectors are characterized by dynamism and are among the first to adopt new trends and models. Innovation and a first-mover attitude are in the company's and 2Performant's brand DNA and represent some of the ingredients that have led to the company's accelerated growth in recent years. Therefore, it is essential for 2Performant to continuously monitor trends in relevant markets, identify, and capitalize on major opportunities that can generate value in the medium and long term.

INCOME AND EXPENSES BUDGET 2024

The 2Performant management team is confident in the prospects and strategic direction of the company for 2024.

At the core of the budget estimates lies the anticipated, continuous growth, based on last year's results and indicators' evolution. This growth is directly linked to the significant increase in sales numbers, as a result of projects and changes implemented in the previous year and the plans for this year.

2024 holds the potential for scaling, especially due to our global championship, BusinessLeague.com. We will target the EU market, focusing on six countries in Central and Eastern Europe – Czech Republic, Slovakia, Poland, Hungary, Croatia, and Bulgaria. In these markets, we already have clients, brand recognition, as well as established partnerships.

We expect this initiative to drive the already anticipated increase in consumer spending, a common trend in election years, which our business and concepts are strategically positioned to capitalize on.

The upward trend of e-commerce globally represents an opportunity. Our efforts to innovate in this space, as well as our success, are reflected in results and in the growth of the market we capture.

Our vision for 2024 is not only about sustaining growth but also about accelerating it. Our estimated turnover increase of 55% represents a notable growth compared to 32% in the previous year, supported by an estimated 45% increase in sales numbers.

The EBITDA growth is directly connected with the higher increase in operational revenues, surpassing the growth in affiliate commissions, as well as a smaller increase in operational expenses.

These objectives are achievable through the strategic changes implemented last year, such as the new method of calculating network revenues as a percentage of sales value.

Moreover, initiatives this year, including the Mentorship Program and the introduction of the global competition BusinessLeague.com, further solidify our path toward achieving these ambitious goals.

To support our growth and profitability over the next two years, we plan a capital increase this year, with details to be communicated in May 2024.

The funds raised will primarily support marketing and sales in our target markets and will support the development of BusinessLeague.com.

We also plan to leverage other financing instruments available on the Romanian capital market, including exploring regional acquisition targets to be separately funded through bonds and 2P shares.

Profit and Loss statement (RON)	**2023**	**Buget 2024**	**Variation**
Operating income, of which:	52,379,584	81,670,565	56%
Turnover	46,361,151	71,767,509	55%
Income from the production of intangible and tangible assets	6,013,816	9,903,056	65%
Other operating income	4,617	-	-100%
Operating expenses, of which:	51,430,711	78,796,610	53%
Operating expenses	49,953,285	76,070,671	52%
Depreciation and amortization and value adjustments	1,477,426	2,725,939	85%
Operating result	948,873	2,873,955	203%
Financial result	38,205	-359,000	-1040%
EBITDA	2,426,299	5,599,894	131%
Gross profit	987,078	2,514,955	155%
Net Profit	869,432	2,112,562	143%
EBITDA MARGIN	**4.63%**	**6.86%**	
NET MARGIN	**1.88%**	**2.94%**	

Operating expenses, EBITDA, Gross Profitl, Net Profit for 2023 include a non-cash Stock Option Plan impact of 787,530 RON

Indicators	2023	2024 Estimation	Variation
Clicks	102,096,646	148,015,396	45%
Number of sales	2,858,928	4,144,838	45%
Sales value	142,165,776	€ 216,582,601	52%
Sales commission Affiliates	8,345,470	€ 13,189,279	58%
Sales commission Network	2,335,464	€ 4,109,023	76%
Conversion rate	2.80%	2.80%	0%
Average Order Value	€49.70	€ 52.30	5%
% Affiliate commission from sales value	5.90%	6.10%	4%
% Network Commission from sales value	1.60%	1.90%	15%
Approval rate	82%	84%	3%

PLANS FOR 2024

Platform developments in 2024, as well as the 2Performant business model, will further favor champions in performance marketing and e-commerce. Since its launch and until the present, 2Performant has represented the fairest collaboration system between companies and talents in digital marketing. In 2024, this competitive advantage is set to be strengthened, through the launch of the Business League competition globally, via BusinessLeague.com, as well as through regional expansion and entry into the United States market. To achieve the established objectives, the company has already initiated significant projects aimed at strengthening its current position in the local and regional markets:

- On January 29th, 2024, **Vote per Sale** was launched, a platform functionality through which both advertisers and affiliates in the Business League have the opportunity to vote, based on their contribution to the total number of sales, on relevant topics for the community. Vote per Sale is a powerful tool that encourages active involvement of ecosystem members and decision-making centered around their needs.

- On April 1st, 2024, the **Mentorship** program was launched, where the newest members of the community (those in the first half of the Start-ups ranking) can learn from the top performers in the Business League for a season, benefiting from their know-how and assistance to improve their own performances.

For the year 2024, the company will maintain the profitability approach from previous years, which, given a significantly higher generated margin, will result in a more substantial profit without sacrificing investments. However, considering the dynamism of the field in which 2Performant operates, the company remains attentive to medium and long-term perspectives. Financing growth from the margin generated by current activities remains the cheapest and fastest source of funding for the Company's growth, which is why 2Performant will continue to use most of the margin for investments to distance itself from competitors, while also marking increasingly consistent profits year by year.

Additionally, the company aims to reach a total of 2,500 investors in the year 2024, and by the end of 2025, the objective is to double this number, reaching 5,000 investors. Furthermore, an increase in liquidity is pursued, with a minimum of 7.5 million lei targeted for the year 2024 and a doubling of this amount, reaching 15 million lei in 2025.

TEAM & MANAGEMENT

TEAM

Alongside the developed technology, the 2Performant team is the company's most important asset, as well as the primary vector for implementing development strategies and achieving objectives.

Throughout 2Performant's growth, the organizational structure has adapted to the company's needs and changes in strategy and priorities. In this process of continuous shaping, the aim has been for valuable human resources for 2Performant, consonant with the company's organizational culture, to find their suitable role and develop alongside 2Performant.

2Performant focuses on the development, operation, and monetization of its own product. Therefore, some support functions (primary accounting, payroll, legal) have been outsourced. Additionally, to enhance internal capacity and competencies for implementing certain projects, the company relies on specialized providers in software development, PR, marketing, and business development, with whom it has developed strong partnership relationships, but not ones that create dependence. The organizational structure and short decision-making chain allow the company to work externally whenever it identifies a provider who can bring added value towards achieving its objectives.

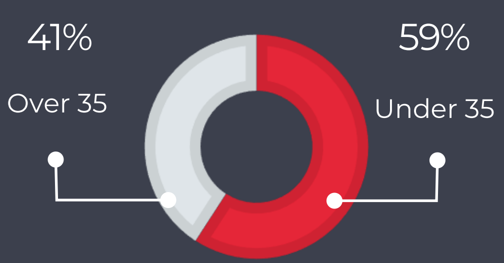
If in the years 2017-2018, 2Performant had 16-17 employees, in 2019, 20 employees, steadily increasing to 39 employees in 2021 and 41 in 2022. By the end of 2023, the 2Performant team consisted of 49 employees, 24 of whom were in Product Development and BI teams, directly involved in product development.

Retention and attraction strategies for human resources (Board, management, employees) also include a stock options plan (SOP). The stock options package is specific to technology companies and aligns shareholder interests with those of management. A SOP has already been approved at the general shareholders' meeting of 2Performant in 2021 and finalized in 2023.

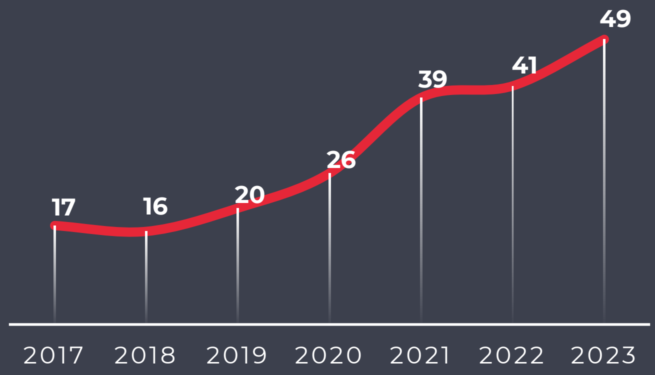
2Performant employees are not part of a union.

TEAM STRUCTURE 2023

TEAM AGE STRUCTURE



2PERFORMANT EMPLOYEE EVOLUTION



BOARD OF DIRECTORS

At present, the company is led by a Board of Directors consisting of 5 members.

Dorin Boerescu, Anda Patzelt, and Iulian Cîrciumaru were appointed as members of the Board of Directors at the Ordinary General Meeting of Shareholders held on January 30th, 2023, with Iulian Cîrciumaru serving as an independent member. The term of office of the members of the Board of Directors was extended for a period of four years at the OGMS held on 24.04.2023, so their mandates are set to expire on January 30th, 2027.

At the General Meeting of Shareholders held on April 22nd, 2024, the shareholders approved the appointment of two new members to the Board of Directors, Vladimir Oane and Matei Pavel, for a term of 3 years, until April 22nd, 2027.

Dorin Boerescu, President of the Board of Directors

Dorin Boerescu is a representative of the first generation of entrepreneurs and digital marketing specialists in Romania, with over 25 years of experience in digital and technology. A serial entrepreneur, he founded and ran a number of advertising companies, and since 2009 he has been a significant shareholder and CEO of 2Performant. From this position, he grew 2Performant's turnover from 15,000 euros in 2009 to 9 million euros in 2023.

On December 31st, 2023, Dorin Boerescu held 4,206,405 2P shares.

In the last 5 years, Dorin Boerescu has not been prohibited by a court from performing the function of a member of the board of directors or supervisory board of a commercial company. In the last 5 years, there have been no cases of insolvency, liquidation, bankruptcy, or special administration of commercial companies, of which Dorin Boerescu is a part of the board of directors or supervisory board. In the last 5 years, there have been no disputes or administrative procedures involving Dorin Boerescu regarding his activity within the issuer, as well as those concerning Dorin Boerescu's capacity to fulfill his duties within the issuer.

Anda Patzelt, non-executive member of the Board of Directors

Anda Patzelt is a lawyer with 20 years of experience, currently the owner of the Anda Patzelt Law Firm. Throughout her career, she has provided legal assistance to companies on corporate and commercial matters, merger and acquisition projects, internet law, intellectual property, etc. She holds a degree in law, specializing in comparative law obtained at the International Faculty of Comparative Law, Strasbourg.

On December 31st , 2023, Anda Patzelt held 39,799 2P shares.

Fot the past 5 years, Anda Patzelt has not been prohibited by a court from serving as a member of the management or supervisory board of a commercial company. In the last 5 years, there have been no cases of insolvency, liquidation, bankruptcy, or special administration of commercial companies, of which Anda Patzelt was a member of the management or supervisory board. In the last 5 years, there have been no disputes or administrative procedures involving Anda Patzelt regarding their activity within the issuer, as well as those concerning Anda Patzelt's ability to fulfill their duties within the issuer.

Iulian Cîrciumaru, independent, non-executive member of the Board of Directors

Iulian Cîrciumaru is the Managing Partner of V7 Capital, Chairman of the Board at Holde Agri Invest, and a member of the Advisory Board at GapMinder and Ideo Ideis. He has worked in management consulting for Kearney and PwC and is the founder of 7card, a company acquired by Sodexo. He has been investing in the capital market for over 15 years, as well as in various local startups. Iulian studied economics and business administration at the Bucharest University of Economic Studies, Copenhagen Business School, and IMD Lausanne.

On December 31st, 2023, Iulian Cîrciumaru directly owned 39,799 2P shares, as well as 354,500 through the affiliated company, 2Performant Network SA, and 84,880 through SevenX Ventures SRL.

In the past 5 years, Iulian Cîrciumaru has not been prohibited by a court from serving as a member of the board of directors or supervisory board of a commercial company. In the past 5 years, there have been no cases of insolvency, liquidation, bankruptcy, or special administration of commercial companies, of which Iulian Cîrciumaru has been a member of the board of directors or supervisory board. In the past 5 years, there have been no lawsuits or administrative procedures involving Iulian Cîrciumaru related to his activities within the issuer, as well as those concerning his ability to fulfill his duties within the issuer.

Vladimir Oane

Vladimir Oane is a representative of the new generation of technology entrepreneurs. He has impressive experience in developing innovative products and companies that succeed globally. One of these is uberVU, a social analytics platform founded and led by Vladimir Oane, which was later acquired by HootSuite. More recently, he co-founded Deepstash, a global application for personal and professional development. Additionally, Vladimir Oane contributes to the success of many technology companies as an advisor or board member.

On December 31st, 2023, Vladimir Oane owned 210,900 2P shares.

In the last 5 years, Vladimir Oane has not been prohibited by a court from serving as a member of the board of directors or supervisory board of a commercial company. In the last 5 years, there have been no cases of insolvency, liquidation, bankruptcy, or special administration of commercial companies, of which Vladimir Oane is a member of the board of directors or supervisory board. In the last 5 years, there have been no lawsuits or administrative procedures involving Vladimir Oane regarding his activity within the issuer, as well as those concerning his ability to fulfill his duties within the issuer.

Matei Pavel

Matei Pavel is an entrepreneur and technology investor. He began his relationship with 2Performant back in 2011 when he was among the top affiliates on the platform, ranking number 1 for at least 2 years. Over the past 10 years, Matei Pavel has launched a series of successful online and technology businesses, co-founding T-Me Studios, one of the global leaders in mobile application publishing, with over 1 billion downloads, a company in which he successfully exited in 2020. Additionally, he invests in businesses across various domains, contributing to their accelerated growth. He is part of the Veridion Board (formerly Soleadify), directly involved in the fundraising round in February 2023, where they raised $6 million.

On December 31st, 2023, Matei Pavel directly owned 123,680 2P shares and 141,450 shares through Konk Media SRL.

Over the past 5 years, Matei Pavel has not been prohibited by a court of law from serving as a member of the board of directors or supervisory board of a commercial company. In the last 5 years, there have been no cases of insolvency, liquidation, bankruptcy, or special administration of commercial companies, of which Matei Pavel has been a part of the board of directors or supervisory board. In the last 5 years, there have been no lawsuits or administrative procedures involving Matei Pavel regarding his activities within the issuer, as well as those concerning his ability to fulfill his duties within the issuer.

EXECUTIVE MANAGEMENT

The executive management of 2Performant is ensured by Dorin Boerescu as Chief Executive Officer (CEO), who directly oversees the activities of four senior managers: Ana Oprita, Cristina Angelescu, Adriana Ionaș, and Alain Gavriluțiu. In 2023, the management team was supported by the Advisory Board, consisting of Sergiu Neguț, Vladimir Oane, and Matei Pavel. Following the GSM resolution, the Advisory Board was dissolved, and at the same time, the number of members of the Board of Directors increased to 5 with the addition of Vladimir Oane and and Matei Pavel.

2Performant Network SA

2PERFORMANT AT BUCHAREST STOCK EXCHANGE

TIMELINE BVB

2P shares started trading on the SMT-AeRO market of the Bucharest Stock Exchange on December 9^{th}, 2020, after a technical listing. In June 2022, the most recent operation to increase the share capital through the distribution of free shares was completed, resulting in a subscribed and paid-up share capital of 1,239,926 lei for 2Performant. The new shares were allocated to 2Performant shareholders in a 1:1 ratio, meaning that for each share already held, a new share was allocated.

On February 2^{nd}, 2023, the Financial Supervisory Authority (ASF) approved the Prospectus for increasing the share capital with a cash contribution. On March 10^{th}, 2023, stage 1 of the share capital increase operation was completed, during which investors subscribed to a total of 170,530 shares out of 1,239,926 shares available, representing 13.75% of the total issuance.

In stage 2 of the share capital increase operation, completed on March 20^{th}, 2023, 463,253 new dematerialized nominal shares were issued, with a nominal value of 0.1 RON each and a total nominal value of 46,325.3 RON, as a result of the conversion of certain liquid and due claims of SOP beneficiaries. The unsubscribed shares at the end of stage 2 were canceled by the decision of the Board of Directors, which approved the final results of the share capital increase.

On the debut date on the stock exchange of Hidroelectrica (symbol H2O), 2Performant distinguished itself as the issuer with the highest liquidity on the AeRO market, with the value of a share rising to 2.54 RON. Subsequently, in February, with the announcement of preliminary results, the value of a share rose to 2.87 RON. Throughout February and March, the company set new liquidity records.

At the beginning of the year, the company decided to internally manage communication with investors, ending its partnership with the investor relations agency. Regarding its activity on the capital market, 2Performant intends to attract investors from among young people, a fact highlighted by the support given to Edbridge Academy. A group of young people from the academy participated with Dorin Boerescu in an event aimed at facilitating dialogue with investors.

The company's share capital was thus increased from the nominal value of 1,239,926 RON to the nominal value of 1,303,304.3 RON, by issuing a total of 633,783 new dematerialized nominal shares, with a nominal value of 0.1 RON each and a total nominal value of 63,378.3 RON.

During the period from April 1^{st}, 2023, to March 31^{st} , 2024, investors traded 2,112,106 2P shares, with a total value of 5.17 million lei (average daily trading value of 19,910 lei). There was no activity of acquiring own shares throughout the year 2023.

The issuer does not have subsidiaries.

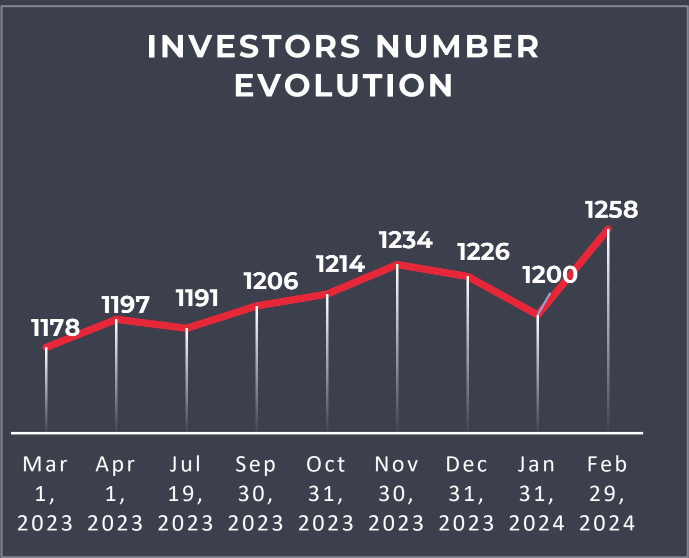
The issuer has not issued bonds or other debt securities.

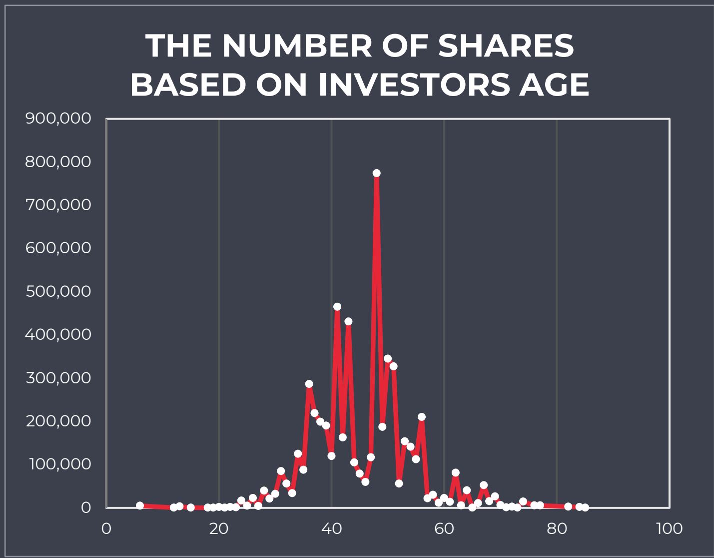
SHAREHOLEDRS STRUCTURE ON 31.12.2023

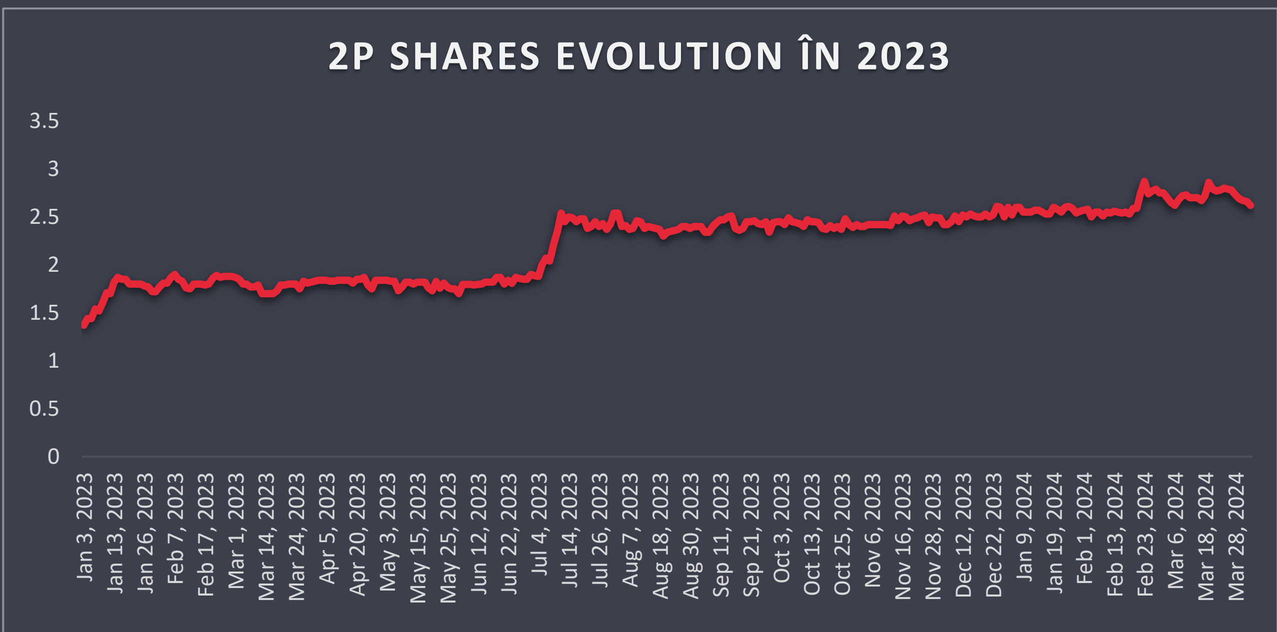
Individuals — **62.94%** (8,802,842 shares)

DORIN BOERESCU — **32.27%** (4,206,405 shares)

Companies — **4.79%** (623,796 shares)







DIVIDEND POLICY

The Board of Directors outlines the following relevant principles regarding the dividend policy:

i. The Company acknowledges shareholders' rights to be remunerated in the form of dividends, as a means of participating in the accumulated net profits from operations, as well as expressing the remuneration of capital invested in the Company.
ii. In substantiating the proposal for the distribution of net profit realized during a financial year, the Board of Directors will consider a balanced distribution of net profit, between the portion due to shareholders in the form of dividends and the portion retained at the Company's disposal for investments, in accordance with the principles of prudent management and for the purpose of ensuring sustainable development of the Company in the medium and long term.
iii. Dividends due to the Company's shareholders will be distributed exclusively from the net profit attributable to a financial year, recognized based on applicable accounting regulations and audited in accordance with the law, while respecting other relevant legal provisions (Law no. 31/1990 on companies).
iv. The distribution of dividends due to shareholders may be made through cash payment or by granting shares free of charge, following the capitalization of net profits accumulated by the Company.

Each year, the proposal regarding the distribution of dividends from profits realized in previous financial years is formulated by the Board of Directors of the Company and brought to the attention of investors at least 30 calendar days before the Ordinary Annual General Meeting of Shareholders (AGM), by publishing it on the Company's website 2Performant Network SA, in the section dedicated to the AGM. The decision regarding the approval of dividend distribution belongs to the General Meeting of Shareholders, under the conditions of the law.

The company's dividend policy can be found at the following link. Over the past 3 years, the company has not paid dividends, and profits have been capitalized to support the company's development.

CORPORATE GOVERNANCE PRINCIPLES

Declaration on Alignment with the Corporate Governance Principles of the BVB for the Multilateral Trading System - AeRO Market.

Section A – Responsibilities of the Administrative Board (The Board)				
Code	**Provisions to be observed**	**Fully respects**	**Does NOT Respect**	**Explanations**
A1.	The company must have an internal board regulation that includes reference terms regarding the Board and the key leadership functions of the company. Managing conflicts of interest at the Board level must also be addressed in the Board's regulation.	•		The company has an internal regulation of the board.
A2.	Any other professional commitments of the members of the Board, including the position of executive or nonexecutive member of the Board in other companies (excluding subsidiaries of the company) and nonprofit institutions, will be notified to the Board before appointment and during the term of office.	•		All the professional commitments of the Board members were disclosed prior to their appointment and are available on the issuer's website
A3.	Each member of the Board shall inform the Board of any connection with a shareholder who directly or indirectly holds shares representing no less than 5% of the total voting rights. This obligation encompasses any kind of relationship that may affect the position of the respective member regarding decisions of the Board.	•		Uppon the case, the members of the Board of Directors presented such a statement to the Board.
A4.	The annual report will inform whether an evaluation of the Board has taken place under the leadership of the president. The annual report must contain the number of Board meetings	•		Throughout the year 2023, the issuer held 7 meetings, following which 7 decisions of the Board of Directors were approved.
A5.	The procedure regarding cooperation with the Authorized Consultant for a period in which this cooperation is applicable shall include at least the following:	•		The issuer signed a contract with Cornerstone Communications S.R.L. regarding the provision of services as an Authorized Consultant, post-listing, until January 31, 2024.".
A5.1	A liaison person with the Authorized Consultant	•		
A5.2	The frequency of meetings with the Authorized Consultant, which shall be at least once a month and whenever new events or information arise that involve the transmission of current or periodic reports, so that the Authorized Consultant can be consulted;	•		
A5.3	The obligation to provide the Authorized Consultant with all relevant information and any information reasonably requested by the Authorized Consultant or necessary for the fulfillment of its responsibilities;	•		
A5.4	The obligation to inform the Bucharest Stock Exchange of any dysfunctionality that occurs in the cooperation with the Authorized Consultant, or the change of the Authorized Consultant.	•		

Section B – Control / Internal Audit

Cod	Provisions to be observed	Fully respects	Does NOT Respect	Explanations
B1.	The Board will adopt a policy so that any transaction of the company with a subsidiary representing 5% or more of the company's net assets, according to the most recent financial reporting, shall be approved by the Board.			The company doesn't have such a policy because it's not part of a group and doesn't own subsidiaries.
B2.	Internal audit must be carried out by a separate organizational structure (the internal audit department) within the company or through the services of an independent third party, which will report to the Board and within the company, will report directly to the Chief Executive Officer.		•	In 2023, 2Performant did not have an internal auditor.

Section C – Fair compensation and motivation

Cod	Provisions to be observed	Fully respects	Does NOT Respect	Explanations
C1.	The company will publicly disclose in the annual report a section that will include the total revenues of the Board members and the CEO, as well as the total value of all bonuses or any variable compensations, including key assumptions and principles for their calculation.	•		The issuer publishes a remuneration report.

Section D – Building value through relationships with investors

Cod	Provisions to be observed	Fully respects	Does NOT Respect	Explanations
D1.	Supplementary to the information provided by legal provisions, the company's website will contain a section dedicated to Investor Relations, both in Romanian and English, with all relevant information of interest to investors, including:	•		2Performant respects all rules regarding the IR function, as detailed below. The company has a dedicated section for investor relations on the website www.2performant.com, available in both English and Romanian.
D1.1	The company's main regulations, particularly the articles of incorporation and the internal regulations of statutory bodies	•		2Performant's key regulations can be found on the issuer's website
D1.2	Resumes of statutory body members;	•		The resumes and biographies of the company's management can be found on the 2Performant website as well as in the annual reports.
D1.3	Current reports and periodic reports;	•		All current and periodic reports of 2Performant are available on the issuer's website.
D1.4	Information regarding general shareholders' meetings: agenda and related materials; resolutions of general meetings	•		All information related to 2Performant's General Shareholders Meeting is available on the issuer's website.
D1.5	Information on corporate events such as dividend payments or other events resulting in the acquisition or limitation of shareholder rights, including deadlines and principles of such operations;	•		If applicable, this information is published by the company on the 2Performant website, as well as through a current report sent to the Bucharest Stock Exchange.

D1.6	Other extraordinary information that should be made public: cancellation/modification/initiation of cooperation with an Authorized Consultant; signing/renewal/termination of an agreement with a Market Maker.	•		If necessary, this information is published by the company on the 2Performant website, as well as through a current report sent to Bucharest Stock Exchnage.
D1.7	The company must have an Investor Relations function and include in the dedicated section on the company's website the name and contact details of a person who has the ability to provide, upon request, relevant information.	•		Contact details for the IR department of 2Performant can be found on the company's website, under the "Investors" section.".
D2.	The company must have adopted a dividend policy as a set of directions regarding the distribution of net profit, which the company declares it will adhere to. The principles of the dividend policy must be published on the company's website.	•		The company's dividend policy is available on the 2Performant website, under the "Investors" section.
D3.	The company must have adopted a policy regarding forecasts and whether or not they will be provided. Forecasts represent the quantified conclusions of studies aimed at determining the total impact of a list of factors relating to a future period (the so-called assumptions). The policy must specify the frequency, period under consideration, and content of the forecasts. If published, forecasts will be part of annual, semi-annual, or quarterly reports. The policy regarding forecasts must be published on the company's website.	•		2Performant's forecast policy is available on the company's website, under the "Investors" section.
D4.	The company must establish the date and location of a general meeting to allow the participation of as many shareholders as possible.	•		2Performant organizes and will continue to organize GMS on working days, at a location to be decided upon convocation as well as online.
D5.	Financial reports will include information in both Romanian and English regarding the main factors influencing changes in sales, operating profit, net profit, or any other relevant financial indicator.	•		2Performant issues all investor information, including financial reports, in a bilingual manner, in English and Romanian.
D6.	The company will organize at least one meeting/conference call with analysts and investors each year. The information presented on these occasions will be published in the investor relations section of the company's website at the time of the respective meeting/conference call.	•		2Performant will organize the "2P Investor Day" - an event for all stakeholders, including investors, analysts, and media representatives..

RISKS

Price Risk

The risk of business commoditization, meaning the risk that the product or technology becomes widely spread and widely adopted, is reduced because the company heavily relies on the in-house developed technological platform. 2Performant.com offers full support to users, placing 2Performant at the top of the affiliate market in Romania. There is interest from companies with international presence in approaching the Romanian market. However, the accessibility of the affiliate marketing market is not easy, requiring considerable efforts for recruiting and retaining the community of affiliates and advertisers, as well as for constantly updating the technical and commercial framework through which mediation is carried out. Management actively monitors local and international markets to always offer products and services with added value and to maintain a leading position in the local market.

Credit Risk

Credit risk is the risk that a third party, whether an individual or legal entity, fails to meet its obligations according to a financial instrument or a customer contract, leading to financial loss. The most common trading mechanism of the company with its customers is on a prepay basis, where customers pre-fund their accounts from which commissions are sequentially withdrawn as sales are recorded. The complexity of users requires diversification of commissioning levers, with a periodic payment system, preceded by sales registration and client approval of the commission. The remuneration policy of affiliates and collection of commissions related to 2Performant is conditioned by the finalization of payment by advertisers. In this context, there is a risk of non-collection of receivables and the inability to fulfill the obligation to affiliates.

Measures taken against this risk consist of rigorous cash collection procedures, allowing for the collection of post-pay invoiced receivables at a rate of 99.99% in 2023, as well as conditioning post-pay subscription beneficiaries to constitute a collateral deposit. The prudential vision assumed by 2Performant involves monthly provisioning for outstanding invoices exceeding 270 days. The company manages this risk by offering and promoting the option to pay on a prepaid basis instead of post-pay. In 2023, over 25.6 million lei in revenue was paid on a prepaid basis, a 49% increase from 2022.

Liquidity Risk

Liquidity risk is associated with holding fixed or financial assets. The company's activity does not depend on holding fixed or financial assets and converting them into liquid assets. The company does not hold financial fixed assets. The company's fixed assets, mainly technological equipment, are used in the current activity of providing services.

Cash-flow Risk

Cash-flow risk represents the risk that the company may not be able to meet its payment obligations when due. A prudent cash-flow risk management policy involves maintaining a sufficient level of cash, cash equivalents, and financial availability through appropriately contracted credit facilities. The company monitors the level of projected cash inflows from the collection of trade receivables, as well as the level of projected cash outflows for the payment of trade payables and other liabilities. The company manages this risk by offering and promoting the option to pay on a prepaid basis instead of post-pay. In 2023, over 25.6 million lei in revenue was paid on a Pre-Paid basis, an increase of 49% compared to 2022.

Competition-related risks

In tandem with technological development, the affiliate marketing market in Romania is increasing its attractiveness, shaping the premises for the emergence of competition-related risks. The entry of a global or regional player into the national market will create pressure on the activity of 2Performant if their resources allow them to approach the user community with more favorable conditions. Similarly, the faster implementation of new trends in the offerings of domestic competitors also accumulates pressure on the package of services offered by 2Performant. However, access to the affiliate marketing market is not easy, requiring considerable efforts for recruiting and retaining affiliates and advertisers, as well as constantly updating the technical and commercial framework through which mediation is carried out.

Product and service-related risks

The peculiarity of this risk stems from the operating system of the 2Performant.com platform and consists of technical problems arising, affecting the company's operational activities. The impact of this risk is assessed by the company at a low level, with effects on collaborators, and the solution identified by 2Performant consists of successive investments in the operated technology and prompt intervention measures.

Information processing in a database is a decisive factor in the process of community loyalty, and any factor that could jeopardize the centralized data system may constitute an inherent risk to the company's activities, with direct effects on the services offered to platform users. The automatic creation of backups for stored data is a procedure aimed at mitigating the impact of this risk.

The platform's activity can be compromised by unauthorized access, cyber-attacks, errors, or omissions, with an impact on the company and users. Reducing this risk is ensured through insurance policies and collaborations with IT firms specializing in securing access to confidential information..

Positioning-related risks

This risk arises from the rapid evolution of the IT industry, associated with a lack of response to current trends. The realization of such a hypothesis is based on the absence of new products and prospects for continuous improvement of the technical framework. Similarly, an undersized team and management without complementary support through specialized knowledge shape the premises for the emergence of a positioning risk in the technology field. The company combats the emergence of such a risk by promptly absorbing technological trends and operating its own technology.

Market risk integrates the risk factors from the company's external environment that may influence 2Performant's activity.

Risk regarding employees/key personnel

Attracting, retaining, and motivating qualified personnel is an important asset for the company's research-development-innovation system, a vector of competitiveness and continuous business development.

In the context of IT industry development, the level of approach to the workforce has intensified its competitiveness, intervening the risk of losing key employees. The stability of the platform and, consequently, the level of performance of the company's activities largely depends on the existence of a specialized technical team. Therefore, changes in the organizational architecture of human resources can generate negative effects on 2Performant's activity.

To ensure the absorption and retention of experienced and potential personnel, the company has implemented a motivating remuneration system, ensures flexibility in the work schedule, access to courses, training, and development workshops. Additionally, 2Performant implemented a Stock Option Plan in 2021 to stimulate and retain employees, a system that is very popular in advanced economies and especially among technology companies.

Operational risks: ensuring system stability

The functioning mechanism of the 2Performant.com platform is subordinated to the principle of continuity, ensuring accessibility at any time, and any interruption in operational activity generates unfavorable effects on results. From the perspective of increasing the number of clients and active transactions on the platform, it is essential that all platform components, both external and internal, function properly. There is a risk that the current architecture may not incorporate the redundancy, capacity, and agility necessary at all levels of devices used by the company to sustain the sustainable development of the business.

2Performant prevents the occurrence of such a risk through constant investments in server maintenance, adoption of new technologies, improvement of system architectures, and, respectively, by adjusting resources in relation to the expansion of the served ecosystem. Equally, monitoring performance and scalability, as well as speed in technical review, are factors that subscribe to the principle of prudence assumed by the company.

Operational risks: conversion attribution

The profitability of the affiliate marketing platform depends on the ability of the 2Performant technology to correctly and exhaustively attribute conversions generated by affiliates. Also, the way this technology is integrated into the technical systems of clients is a decisive factor in correctly measuring traffic and conversions, and in allocating commissions to affiliates and the company.

In the context of increasing concerns for personal data security and explicit granting by users to companies of the right to store information about their activity, there is a risk of inactivity, total or partial, of the technology used by the company as a result of intensified restrictions imposed by browser manufacturers or operating systems.

There is a trend of e-commerce migration from browsers to other media, such as mobile phones, through various applications. Thus, it is necessary to adapt current technology to allow for conversion tracking from these media, and implicitly adapt to the products and specific needs of these media, which requires significant investment effort. Also, the risk of not promptly assimilating changes made to technology by clients is inherent in 2Performant's activity, with effects on the reputational level.

2Performant ensures the minimization of this risk through actions to optimize the conversion attribution process, by generating a new conversion attribution mode, and by scrutinizing the interaction conditions of operating systems with the platform's tracking technology.

Risk associated with forecasting

Financial forecasts start from the premise of fulfilling the business development plan. The company aims to periodically issue forecasts regarding the evolution of key economic and financial indicators to provide potential investors and the capital market with a faithful and complete picture of the current situation and future plans envisaged by the company, as well as current reports detailing comparative elements between forecasted data and actual results obtained. Forecasts will be part of the annual reports, and the forecasting policy is published on the company's website HERE. Forecasts are made in a prudent manner, however, there is a risk of non-fulfillment, therefore, the data to be reported by the company may be significantly different from those forecasted or estimated, as a result of factors that were not previously foreseen or whose negative impact could not be counteracted or anticipated.

Intellectual property-related risks

Intangible assets, including rights to technology ownership, account for 42% of the company's assets, which is why the risk of intentional or accidental disclosure of confidential data may affect the company's activity.

To prevent unauthorized dissemination of internally sensitive information, a Non-Disclosure Agreement (NDA) and penalty policy have been implemented, preceding any collaboration with employees and external suppliers. Additionally, industry norms regarding access to data, implementation of processes and technologies are applied, enhancing the level of information security. Human resources are trained and aligned with the ethical norms of the field.

Risk regarding the protection of personal data

In the course of its activity, the company collects, stores, and uses data that are protected by laws on the protection of personal data. Although the issuer takes precautionary measures to protect customer data in accordance with legal requirements for privacy protection, especially in the context of implementing the General Data Protection Regulation (EU) 2016/79 and in Romania (starting May 25, 2018), the risks of data leakage cannot be completely eliminated. The company considers this risk and takes precautionary measures to protect user data in accordance with current legal requirements. The issuer takes all precautionary measures required in this area, however, there is the possibility that, given that it conducts business relations with various contractual partners, they may not fully respect the relevant contractual terms and all obligations regarding data protection imposed on them.

Fiscal and Legal Risks

The legislative framework, which is constantly evolving with multiple regulatory acts in various fiscal areas and numerous ambiguities, can create confusion. The process of consolidating and harmonizing Romania's taxation system with European legislation allows for different interpretations of certain aspects that are treated differently by tax authorities. This aspect can lead to fines and additional penalties.

Risks Associated with Other Types of Disputes

In the context of its activities, the issuer is subject to the risk of litigation, among other things, as a result of changes and developments in legislation. It is possible for the issuer to be affected by other contractual claims, complaints, and litigation, including from counterparties with whom it has contractual relationships, clients, competitors, or regulatory authorities, as well as any negative publicity attracted by such an event. In 2023, there were no new lawsuits, updates, or ongoing lawsuits, as previously communicated by the company.

General Economic Risks

The issuer's activities are sensitive to economic cycles and general economic conditions. Both international financial crises and unstable economic environments can have significant negative effects on the issuer's activities, operational results, and financial position. Socio-political turbulence can also impact the company's activities. International financial markets have felt the effects of the global financial crisis triggered in 2008. These effects were also felt in the Romanian financial market in the form of low market liquidity, as well as an increase in medium-term financing interest rates, due to the global liquidity crisis. In the future, such a scenario could repeat itself, and any significant losses suffered by the international financial market, with major implications for the local market, could affect the Issuer's ability to obtain loans or new financing on sustainable terms.

Other Risks

Investors should consider that the risks presented above are the most significant risks known to the company at the time of writing this report. However, the risks presented in this section do not necessarily include all the risks associated with the issuer's activities, and the company cannot guarantee that it encompasses all relevant risks. There may be other risk factors and uncertainties of which the company is not aware at the time of writing the report, which may alter the issuer's actual results, financial conditions, performance, and achievements in the future and may lead to a decrease in the company's stock price. Additionally, investors should undertake necessary due diligence to make their own assessment of the investment opportunity.

Environment Impact

The professional activity of 2Performant does not have an impact on the environment. There are no litigations, nor are there any anticipated litigations related to environmental protection.

MANAGEMENT DECLARATION

Bucharest, April 23rd, 2024

I, the undersigned Dorin Boerescu, in my capacity as President of the Board of Directors of 2Performant Network S.A., a company headquartered in Bucharest, Bd Corneliu Coposu 6-8, Unirii View Building, 2nd floor (office) ResCo-working09, sector 3, unique registration code 26405652, registration number at the Trade Registry Office J40/493/2010, declare under my own responsibility, being aware of the provisions of art. 326 of the New Criminal Code regarding false declarations, the following:

● To the best of my knowledge, the annual financial statements for the financial period ended December 31, 2023, were prepared in accordance with applicable accounting standards and provide a true and fair view of the company's financial position, assets, liabilities, and profit and loss account;

● The annual financial report for the period 01.01.2023 - 31.12.2023, submitted to the capital market operator - BVB - as well as to the Financial Supervisory Authority, accurately and completely presents the information about the company.

Dorin Boerescu

President of the Board of Directors

2Performant Network S.A.