



PERFORMANT

DEDICATED TO MARKETING SUPERHEROES

QUARTERLY REPORT

as of 31.03.2024

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ISSUER INFORMATION

INFORMATION ABOUT THIS FINANCIAL REPORT

Type of report	Quarterly Report for Q1 2024
For financial period	01.01.2024– 31.03.2024
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INFORMATION ABOUT ISSUER

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
The market on which the securities are traded	MTS AeRO Premium
Total number of shares	13,033,043
Symbol	2P



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The simplified interim financial statements as of March 31st, 2024, presented on the following pages are **not audited**.

ROAD TO AMERICA- QUARTERLY LETTER FROM THE CEO



“Obsession is going to beat talent every time”

Stanley Sugarman - Hustle (2022)

Dear investors,

I want to share with you one of my lifelong obsessions, which is also the mission of the entire 2Performant team, [literally from day one](#):

Helping the young generation of digital entrepreneurs to learn and work in a cool, gamified environment.

This mission has come to life through BusinessLeague.com, and I’m thrilled to walk you through the top three key areas where we accelerated progress in Q1 to support this vision:

Platform:

- Important iterations on the **onboarding** process for **merchants** (top priority for global expansion);
- **Mentorship program** - catalyzing guided learning & working for young digital marketers (to support organic growth);
- Tracking system upgrade, which converts into more money for the Marketers and for us.

Team:

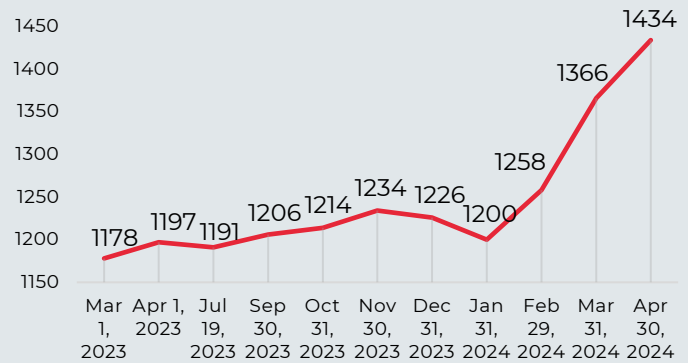
- We announced a long-planned move - naming **Cristina Angelescu (30 years old) as our new COO**;
- We’re building a new team - **Industry managers** (not an easy project, but we’re gonna make it);
- We’ve built an internal **Support team, with Product Managers and dedicated developers** to automate internal processes and accelerate the delivery of key items on our roadmap (and we are really happy with the results so far).

Stock exchange:

- We held the **General Shareholder Meeting**;

- We continued our partnership with [Quarterly Report](#), a Tradeville & Ziare.com project;
- We upgraded the Investors' page on our website - and now the impact of our consistent approach is even clearer.

Evolution of the Number of Investors



Operational results may not show the growth we've become accustomed to, but they reflect both the dynamic of the local market and our focus over the past year on improving the key metrics:

With a total traffic of 22 million clicks (10% less than last year), 650,000 sales were generated through our platform (flat compared to 2023) valued at 31.5M euros (10% more than in 2023).

Converted into financial indicators, however:

2Performant's operating revenues increased by 28%, while expenses only grew by 14%, leading to a positive EBITDA of 600K lei (compared to Q1 2023 when we generated an EBITDA of -1M lei), the highest value in the last 7 years.

In the following pages of this report, you will find detailed information regarding all the operational and financial indicators from the first quarter of this year. My colleagues have once again prepared a comprehensive report, detailing the current state of 2Performant.

Community:

- **Business League Awards Gala** - on January 29th we awarded the best performing players of the competition and announced this year's expansion plan using our newly launched Voting System.
- We organized our [first meetup](#) in a new, innovative format.
- We had a [dedicated episode](#) in the *Canopy Marketing [de] Ia înălțime* podcast with Cristian Ignat
- We are partners at [Digital Bloom](#) on May 29th.

Projects and people that we actively supported in Q1:

- [Edbridge Academy](#) - an innovative project that helps highschool students to learn e-commerce and stock market in real life.
- Anelisse Ionașcu - 10 yo eKarting racer who went from National Vice-Champion to Champion since the start of our collaboration in 2023.
- [Cronici.ro](#), founded by Mircea Meșter - awarded the 2023 "Ioan Cupen" prize for written press by the Romanian Sports Press Association
- PORC TV - a space dedicate to urban artists who express their creativity authentically, no matter the musical style. [This](#) is my favourite so far.
- [Hotrod Bucharest](#) - the cars that have taken the streets of the capital.



You probably guessed why we support these projects by taking a look at what they do, but we're going to say it anyway because they deserve the shoutout: we believe they are true to the same mission that we are committed to. Understanding, nurturing, and helping the young generation to reach true performance with an authentic approach.

What's next?

Our main objective is to launch BusinessLeague.com in the USA market in 2025.

1 year from now, we'll be ready to compete in the biggest, most challenging market in the world.

Who are our direct competitors?

- <https://www.awin.com/gb>
- <https://impact.com>
- <https://www.shareasale.com/info>

They are 3 of the biggest global affiliate networks, among the thousands of players active in this \$17B industry, with a CAGR of 18.86% by 2032.

However, despite these impressive figures, these three platforms are virtually indistinguishable from one another. This lack of differentiation highlights a profound and long-standing issue: the chronic lack of innovation that has plagued the affiliate marketing industry for over a decade.

This has led to a growing gap between these leading platforms' approach and the expectations of the young generation about how work and professional education should look like.

We were the first to recognize this trend early on and we built BusinessLeague.com to seize this opportunity - by offering the younger generation a new way of doing business.

It's our obsession, our mission, and the biggest opportunity that we've ever had. We are not going to miss it.

Good luck & have fun!

Dorin Boerescu

CEO & co-founder

*"If you no longer go for a gap that exists, you're no longer a racing driver."
(Ayrton Senna - [3 times Formula 1 World Champion](#))*

Turnover (RON)



Operating revenue (RON)



Platform users

6,600

22,115,087

Generated Clicks

648,157

Intermediated
Sales

31,541,478 €

Intermediated
Sales Value

49

Number of
Employees

8.27 €

Earn per 100 clicks
(EPC)

17.2 €

Sales index

FINANCIAL RESULTS ANALYSIS

P&L ANALYSIS

The operating revenue of 2Performant Network registered a 28% increase in the first quarter of 2024 compared to the previous year, reaching the sum of 14.9 million lei. In an economy affected by inflation, the company has demonstrated improved operational efficiency and reported a turnover of 12.8 million lei, recording a 22% increase compared to 2023. Additionally, operating income increased by 28% compared to the same period of the previous year.

Revenue generated from tangible and intangible fixed asset production reached the sum of 2.2 million lei, a 75% increase from the first quarter of 2023, representing the success of initiatives developed by the Product Development and Business Intelligence team. This development underscores the company's commitment and firm investment in internal development, bringing benefits both to its own operations and to its business partners. Other operating revenues amounted to 3 thousand lei.

The company has reconfigured its revenue structure by focusing exclusively on affiliate marketing, after excluding the influencer marketing business line starting in 2022. This change highlights a strategic transition in how the company manages its activities and generates revenue. By focusing on affiliate marketing, the company has placed special emphasis on efficiency and performance within the new business strategy.

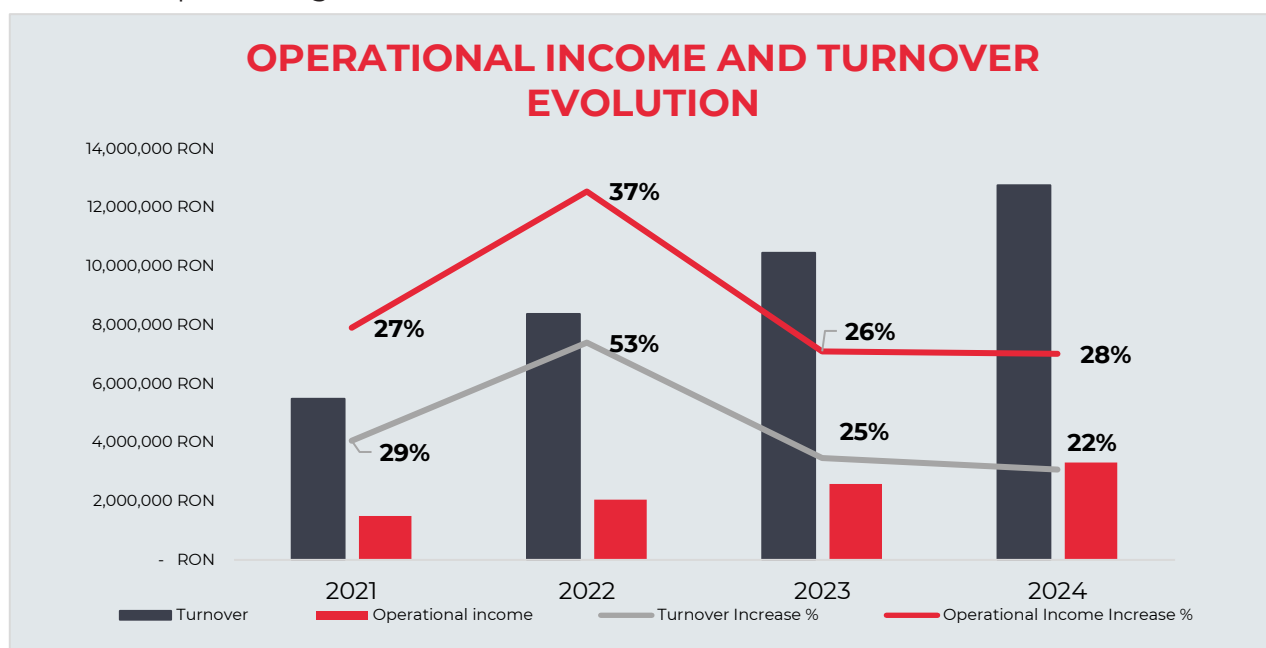
Business Line (RON)	Q1 2023	Q1 2024	YoY Var
Network Commission	2,168,088	2,789,858	621,770 29%
Subscription Fee	382,003	498,307	116,304 30%
Set-up Fee Commission	34,580	44,830	10,250 30%
Operational Fee	-	15,257	15,257 100%
Business League Bonuses	-18,485	-43,120	-24,635 133%
Other revenue	17,824	6,450	-11,374 -64%
Operational Revenue	2,584,010	3,311,582	727,572 28%
Affiliate commission	7,878,157	9,438,618	1,560,461 20%
Influencer marketing	-8,437	-	-8,437 -100%
Total	10,453,730	12,750,200	22%

The positive evolution of the network commission growth by 29% compared to the first quarter of the previous year reflects the company's commitment to maximizing performance and profitability for its partners, with a special focus on developing innovative solutions tailored to affiliates' needs, aimed at stimulating sustainable network growth. Essentially, 2Performant focuses on generating added value for both its affiliates and the entire digital ecosystem, ensuring that all parties involved scale based on these opportunities. Out of the turnover of 12.8 million lei achieved in Q1 2024, Romania contributed 86% to the turnover, while 14% of this represented the share of the external market, an absolute increase as a result of the strategy to expand the company outside the country. 2Performant recorded a 22% growth both in the domestic and external markets compared to the previous year.

Regarding revenues by payment method, Pre-Paid vs. Post-Paid, there was a 35% growth for Post-Paid payment, while the growth for Pre-Paid was 13%. A change in the growth rate of advertisers using the Post-Paid method compared to those using Pre-Paid was observed due to the migration of a significant player from a Pre-Paid program to a Post-Paid program.

Market	Payment option (RON)	Q1 2023	Q1 2024	YoY Var
local	Post-Paid	2,872,292	4,113,669	1,241,377 43%
	Pre-Paid	6,124,498	6,853,057	728,559 12%
external	Post-Paid	1,251,963	1,460,114	208,151 17%
	Pre-Paid	215,053	323,360	108,307 50%
Turnover (affiliate marketing)		10,463,806	12,750,200	2,286,394 22%

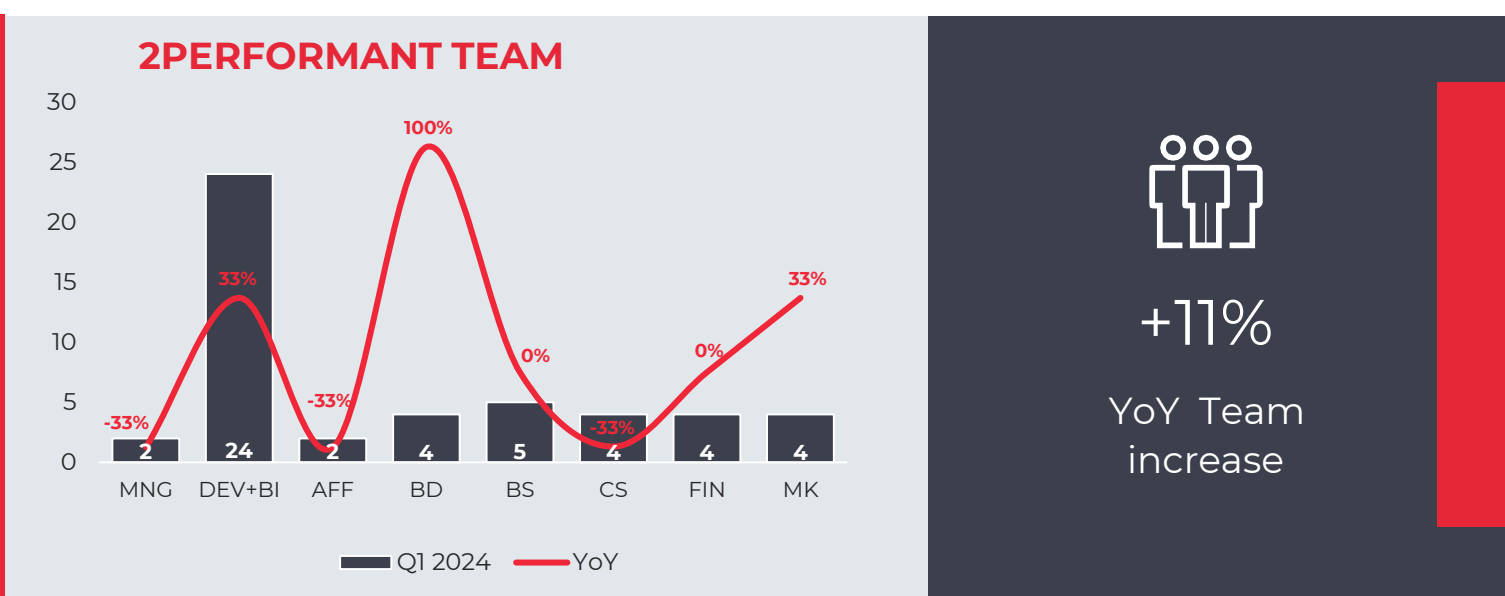
In the first quarter of 2024, the operational revenues of 2Performant Network (after deducting commissions paid to affiliates) increased by 28%, reaching the amount of 3.3 million lei, compared to 2.6 million lei in the previous year. This growth was driven by the implementation of a new network commission calculation formula, which is now based on a percentage of sales value.



Expenses reached 15 million lei, marking a 14% increase, with a growth rate 50% lower than that of operating revenues. The most significant contribution came from other operating expenses, which rose to 11.5 million lei, a 19% increase. This amount represents 84% of the commissions owed to affiliates, which increased by 11% compared to the first quarter of 2023, reflecting business expansion and revenue growth.

The second most significant contribution to costs came from personnel expenses, which recorded a 10% decrease, reaching 2.8 million lei. This reduction is attributed to the company's decision to retain employees through the stock option program in the first quarter of 2023. Excluding this benefit, personnel expenses would have increased by 20%, due to salary increases driven by the current economic context and changes within the team.

At the end of the first quarter of 2024, the number of 2Performant team members was 49 compared to 44 at the end of the first quarter of 2023.



The depreciation costs increased by 83% in 2024 compared to 2023, due to the depreciation method used by the Company, as well as the continuous investments in the 2Performant.com product, totaling 673 thousand lei. Costs related to raw materials, materials, and energy decreased, reaching 266 lei, which represents an insignificant percentage of the total operating expenses.

The operating result improved by 95%, shifting from a loss of 1.45 million lei to an operating loss of 69 thousand lei. Financial expenses decreased compared to the level in 2023, influenced by the volume of external advertisers and positive fluctuations in the exchange rate associated with transactions with them. Out of a total of 18 thousand lei, interest expenses were 5 thousand lei, recording a decrease compared to the previous period, offset by interest earned from deposits, amounting to 63 thousand lei. Therefore, the financial result for this period was positive, amounting to 45 thousand lei.

EBITDA increased by 156% compared to 2023, reaching 603 thousand lei, and the EBITDA margin increased to 4% from -9% in 2023. Gross profit showed a positive evolution, rising from a loss of 1.47 million lei to a loss of 24 thousand lei, a 98% increase. %.

P&L (RON)	Q1 2023	Q1 2024	YoY Var
Operating income	11,684,453	14,906,371	27.57%
Operating expenses	13,136,918	14,976,028	14.00%
Operating result	-1,452,465	-69,657	95.20%
EBIT	-1,452,465	-69,657	95.20%
EBITDA	-1,085,491	603,337	155.58%
Adjusted EBITDA	-297,961	603,337	302.49%
Net profit	-1,470,032	-24,334	98.34%

**Adjusted EBITDA at Q1 2023 does not include the non-cash impact of the Stock Option Plan, amounting to 787,530 lei.*

BALANCE SHEET ANALYSIS

Total assets of 2Performant increased by 47% in the first quarter of 2024, as a result of a 78% growth in fixed assets. Fixed assets reached 11.9 million lei, with the increase primarily driven by a 79% growth 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 2024, the growth of intangible assets reflects the expansion and development of the platform's activity, as well as the support and implementation of new features from BusinessLeague.com, the update of the onboarding process, the launch of Vote Per Sale, and the mentorship program. Tangible assets continued to have an insignificant share in the total fixed assets, amounting to 61 thousand lei.

Current assets increased by 13% in 2024, reaching 7.1 million lei, amid a 7% decrease in cash and bank accounts. Prepaid expenses increased by 68% in the first quarter of 2024, reaching 386 thousand lei. On the other hand, receivables increased by 82% to 2.7 million lei due to the transition of an important player from the Pre-Paid payment area to Post-Paid, and due to the seasonality of the business. In terms of receivables, they maintain a stable collection time rhythm. The increase in receivables indicates an increase in sales volume as well as an increase in the selling price of the services offered. This growth also reflects the development of the company's commercial side.

Regarding liabilities, the company has no long-term debt. Current liabilities increased by 75%, reaching 7.5 million lei, due to the use of the credit line. This line is used for current operations and covers the negative cash flow caused by business seasonality. The use of the credit line should be appreciated as favorable as it determines both current and future development of the company.

The increase in commercial liabilities compared to the previous year can also be explained by the increase in the entity's activity volume, which involves an increase in third-party purchases and contracting with more restrictive supplier terms. Additionally, the increase in personnel expenses, hiring, and turnover should be mentioned, reflecting the taxes due on March 31st, 2024. However, despite a slight increase, the debt ratio remains comfortably below the maximum recommended level, standing at 39%.

The deferred revenues have recorded a growth of 26%, reaching the amount of 2.9 million lei, representing the commissions paid by advertisers in advance (Pre-Paid revenues). The increase in these revenues is due to seasonal fluctuations in activity, as well as the development and expansion of the business through improving our own product and optimizing operational efficiency.

The increase in equity by 37% was driven by the improvement in current results compared to the results recorded in the first quarter of 2023. This increase reflects better business performance, which has led to an increase in equity. Specifically, improved financial results have contributed to strengthening the company's financial position by increasing equity.

Balance sheet (RON)	Q1 2023	Q1 2024	YoY Var
Fixed assets	6,656,708	11,874,730	79.32%
Current assets	6,244,201	7,083,139	3.33%
Prepayments	230,109	358,946	67.72%
Total Assets	13,131,018	19,343,815	41.31%
Current liabilities	4,277,944	7,491,608	70.17%
Provisions	0	0	0.00%
Deferred revenue	2,342,557	2,949,126	28.51%
Equity	6,510,517	8,903,081	29.32%
Total Equity and Liabilities	13,131,018	19,343,815	41.31%

FINANCIAL INDICATORS

Liquidity indicators, solvency, debt ratio, debt-to-equity ratio, and debt-to-assets ratio are key factors for evaluating a company's ability to manage its financial obligations both in the short and long term. These indicators fall within recommended and accepted limits and also ensure the company's financial stability. Liquidity, which represents the ability to convert assets into cash to meet current obligations, is slightly declining, due to continuous investments in the development of its own product.

Liquidity, solvency, and risk indicators	Optimal Range	Q1 2023	Q1 2024
Current ratio (AC/DC)	>2	1.46	0.95
Immediate Liquidity (AC-Inventories)/Current Liabilities	>1	1.46	0.95
Cash ratio (Cash/Current Liabilities)	>0,5	1.12	0.59
Overall solvency (TA/TD)	>1	3.07	2.58
Indebtedness indicator (DTL/ Equity+DTL)	<50%	0.00%	0.00%
Debt ratio (DT/TA)*100	<80%	32.58%	38.73%
Liabilities/Assets	<1	0.33	0.39

PROFIT AND LOSS STATEMENT

Profit and Loss Statement (RON)	Q1 2023	Q1 2024	YoY Var
Operating income, of which:	11,684,453	14,906,371	28%
Turnover	10,453,730	12,750,200	22%
Income from the production of intangible and tangible assets	1,229,913	2,152,737	75%
Other operating income	810	3,434	324%
Operating expenses, of which:	13,136,918	14,976,028	14%
Raw materials, materials and energy expenses	466	266	-43%
Personnel expenses	3,152,909	2,834,253	-10%
Depreciation and amortization	366,974	672,994	83%
Other operating expenses	9,616,569	11,468,515	19%
Operating result	-1,452,465	-69,657	95%
Financial income	39,015	63,054	62%
Financial expenses, of which:	56,582	17,731	-69%
<i>Interest expenses</i>	42,123	5,748	-86%
Financial result	-17,567	45,323	358%
Total income	11,723,468	14,969,425	28%
Total expenses	13,193,500	14,993,759	14%
EBITDA	-1,085,491	603,337	156%
Adjusted EBITDA	-297,961	603,337	302%
Gross profit	-1,470,032	-24,334	98%
Adjusted Gross profit *	-682,502	-24,334	96%
Income tax	0	0	0%
Net Profit	-1,470,032	-24,334	98%

*Adjusted EBITDA and Adjusted Gross profit at Q1 2023 do not include the non-cash impact of the Stock Option Plan, amounting to 787,530 lei.

BUSINESS INDICATORS

INTERMEDIATED SALES

In the first quarter of 2024, the 2Performant ecosystem recorded a sales volume of 648 thousand, in line with the same quarter of 2023, but with a sales value increasing by 10% to reach 31.5 million euros. In the first quarter of 2024, the 6,600 users of the Company's platform generated 22.1 million clicks. During the same period, affiliate commissions reached 1.8 million euros, marking a 7% increase compared to the first quarter of 2023, while network commissions saw a 17% increase, reaching 562 thousand euros. The conversion rate in 2024 increased by 0.3 percentage points compared to 2023, reaching 2.9%, while the average income obtained by affiliates for every 100 clicks increased by 19%, reaching 8.27 euros. The efficiency of investments in affiliate marketing improved, generating a gain of 17.2 euros for every euro invested, a 3% increase compared to the previous year.

Key performance indicators monitored by the company, accurately reflecting the progress of the 2Performant ecosystem and business, showed a notable improvement in the analyzed period:

- The percentage increase in the value of sales mediated through 2Performant.com was 10%;
- The percentage growth of marketer commissions obtained from sales reached 7%;
- The conversion rate improved by 0.3 pp to 2.9%

Business indicators:	Q1 2023	Q1 2024	YoY Var
Sales	647K	648k	+784 0%
Clicks	24.5M	22.1M	-2.4M -10%
Sales Value (excl. VAT))	28.8M €	31.5M €	+2.8M € +10%
Marketers commissions value	1.7M €	1.8M €	+0.12M € +7%
Network commissions value	480K €	562K €	+0.082M € +17%
Average Order Value (excl. VAT)	44.45 €	48.66€	+4.21 € +10%
Conversion rate on 2Performant.com	2.60%	2.90%	+0.3pp +12%

ACTIVE AND PRODUCTIVE RELATIONSHIPS AMONG 2PERFORMANT.COM USERS

Ensuring the quality of the relationships between online stores and affiliates in our company is a central aspect of our mission and one of the key indicators of the health and sustainability of the 2Performant ecosystem.

The company focuses on active relationships, where affiliates have collaborated with an advertiser (online store), generating traffic to it. On the other hand, relationships are considered productive when affiliates have contributed to generating sales for online stores. In 2024, our operational team maintained a constant focus on generating and maintaining quality and productive relationships among platform users. The 2Performant team demonstrated remarkable aptitude in identifying and supporting elite users in the network, those affiliates who excel in affiliate marketing performance, encouraging them to collaborate to maximize results.

An essential aspect of the 2Performant ecosystem in 2024 was the focus on improving network quality by supporting users who bring value, prioritizing quality over quantity of relationships. This approach was important in achieving sales volume with a smaller number of affiliates and participating stores, thus strengthening the foundation for a more robust and sustainable ecosystem.

Players with traffic	Q1 2023	Q1 2024	YoY Var
#Affiliates	4,656	3,796	-860 -18.47%
#Advertisers	563	555	-8 -1.42%
#Active relations	42,003	36,567	-5,436 -12.94%

Sales/ players with traffic	Q1 2023	Q1 2024	YoY Var
# Affiliates	139	171	32 23.02%
# Advertisers	1,150	1,168	18 1.57%
# Active relations	15	18	3 20.00%

Players with sales	Q1 2023	Q1 2024	YoY Var
# Affiliates	1,763	1,419	-344 -19.51%
# Advertisers	540	545	5 0.93%
#Productive relations	12,598	11,592	-1,006 -7.99%

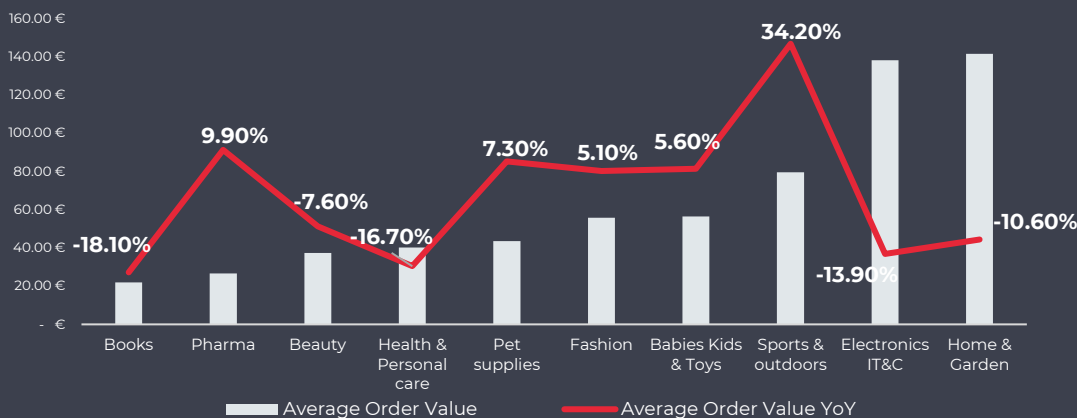
Sales/ Players with sales	Q1 2023	Q1 2024	YoY Var
# Affiliates	367	457	90 24.52%
# Advertisers	1,199	1,189	-10 -0.83%
#Productive relations	51	56	5 9.80%

SALES DISTRIBUTION BY CATEGORIES

In the first quarter of 2024, 545 online commerce platforms were identified across 24 different sectors, including domains such as Fashion, Books, Technology, Pharmaceuticals, Automotive, and Financial Services. This year, the dominant categories of products sold online were as follows: Pharmaceuticals (with a share of 36%), Books, Movies, and Music (totaling 16%), Fashion (12%), Beauty products (9%), Electronics IT&C (8%), Toys and Children's Items (4%), Home and Garden items (4%), Pet Products (3%), Health and Personal Care items (2%), Sports and Outdoor Equipment (1%), and Jewelry (1%).

2P Top 10 Categories	Average order value	Average order value YoY	Conversion Rate	Income at 100 clicks	Income at 100 clicks YoY
Pharma	26.66 €	9.90%	4.30%	3.83 €	0.00%
Books	22.02 €	-18.10%	3.50%	7.87 €	41.20%
Fashion	55.74 €	5.10%	2.60%	12.54 €	37.00%
Beauty	37.36 €	-7.60%	2.90%	8.87 €	19.70%
Electronics IT&C	138.15 €	-13.90%	2.00%	8.88 €	19.60%
Home & Garden	141.48 €	-10.60%	1.30%	11.98 €	5.30%
Babies Kids & Toys	56.48 €	5.60%	2.70%	9.31 €	44.20%
Pet supplies	43.47 €	7.30%	5.00%	10.59 €	69.80%
Health & Personal Care	40.18 €	-16.70%	1.90%	8.05 €	-28.10%
Sports & outdoors	79.47 €	34.20%	2.00%	10.53 €	72.90%

AOV EVOLUTION FOR TOP 10 PRODUCT CATEGORIES



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 collaboration gamification in digital marketing, validated in the Romanian market and with high growth potential globally, 2Performant has intermediated in its 16 years of activity over 12.4 million online sales worth 583 million euros, through more than 705 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.



Figures in time



Sales value of 583 million Euro

705 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, based on 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 intermediated sales, over 2022.

In 2024, the platform development will further favor the performance of marketing and e-commerce champions. In the first quarter of 2024, digital marketing performers benefited from increased visibility and access to a diverse range of partner companies in a continuously growing and evolving market. 2Performant aims to become a leader in the field of collaboration between companies and digital marketers by launching the Business League competition globally. Through the innovations and investments made, 2Performant will succeed in consolidating its position in the global digital marketing market and offer unique opportunities to champions in performance marketing and e-commerce. Thus, a favorable ecosystem for the growth and success of those involved in this field will be created, bringing significant benefits and remarkable results for all parties involved.

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.

"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."

Alain Gavriluțiu, Creative Director

Season 3, Stage 1 Rounds 1-4	Prizes and Bonuses							
	Marketers				Merchants			
	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.

KEY EVENTS IN Q1 2024

GOVERNANCE EVENTS

2PERFORMANT OGMS & EGMS FROM APRIL 22nd, 2024

On April 22nd, 2024 the 2Performant Ordinary General Meeting of Shareholders (OGMS) and the Extraordinary General Meeting of Shareholders (EGMS) took place. During the OGMS, shareholders approved, among other things, the financial statements for the year 2023 and the Budget for 2024. Additionally, shareholders approved the extension by the Company of one or more financing and/or credit facilities (or, as the case may be, the supplementation of existing ones) with a total cumulative value of up to 10 million lei for working capital/investments. The resolutions are available [here](#).

APPOINTMENT OF TWO NEW MEMBERS TO THE BOARD OF DIRECTORS

In the General Meeting of Shareholders held on April 22nd, 2024, 2Performant shareholders approved the appointment of two new members to the Board of Directors, Vladimir Oane and Matei Pavel, for a 3-year term, until April 22nd, 2027.

Vladimir Oane represents the new generation of tech entrepreneurs. He has an impressive background in developing innovative products and companies that have achieved global success. 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 app for personal and professional development. Vladimir Oane also contributes to the success of many tech companies as an advisor or Board member.

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

BUSINESS EVENTS

APPOINTMENT OF CHIEF OPERATING OFFICER

At the end of March, 2Performant appointed Cristina Angelescu (30 years old) as Chief Operating Officer (COO). Over the past four years, she brought valuable contribution to the company by building and leading the Business Intelligence team. Thus, she helped the company develop a data analytics-oriented vision.

In addition to her impressive practical experience, Cristina Angelescu brings a significant amount of knowledge to her new role, with both formal and informal studies in economics and entrepreneurship. A passionate self-learner in the field of data analytics, she is about to complete the Executive MBA program at the Bucharest International School of Management (BISM) in collaboration with Maastricht University. Her curiosity, continuous desire for learning, and varied education highlight her ability to tackle complex problems

with innovative and strategic solutions, making her highly compatible with the development direction of 2Performant.

Her main mission for the upcoming period is to support the company's international expansion through the global e-commerce Business League championship, based on gamification.

INCREASING CAPACITY FOR NEW MARKETS EXPANSION

Since the beginning of 2024, the Company has defined objectives and a recruitment plan for a new team of Industry Managers improved the current sales strategy, sales team processes, and performance, and implemented new strategic dashboards to monitor the expansion of Business League into regional markets.

LAUNCHING NEW PLAYERS IN BUSINESS LEAGUE

In the first quarter of 2024, 2Performant launched 82 new merchants in the Business League, marking a 44% increase compared to the previous year. The number of marketers also grew with an addition of 194 newcomers. During the same period, the Business League ecosystem established 6,700 new collaborations between marketers and merchants, with 1,800 of these facilitated by the merchants and marketers launched since the beginning of the year.

BUSINESS LEAGUE AWARDS GALA – NIGHT OF THE CHAMPIONS

The second edition of Business League Awards Gala took place on January 29th, 2024. During the Gala, 2Performant honored the achievements of the top competitors from the second season of the Business League and presented development plans for the platform and ecosystem

COMMUNITY MEETUPS

On April 30th, 2024, 2Performant kicked off the first Meetup of the year. Business League Residence by 2Performant is a concept that brings together Marketers and Merchants at offline events held multiple times a year. These events provide participants with the opportunity to meet, ask questions and get answers, discuss topics of common interest, learn from each other, and, not least, socialize and have fun in a [relaxed](#) atmosphere.

BUSINESS LEAGUE ECOSYSTEM QUALITY

2Performant has implemented an internal methodology to develop rules that ensure the quality of the Business League ecosystem. The first pilot project is a way to impose consequences on merchants who run out of funds on the platform. This functionality is currently being monitored and tested, before its launch.

BUSINESS LEAGUE AWARDS GALA



+200 guests

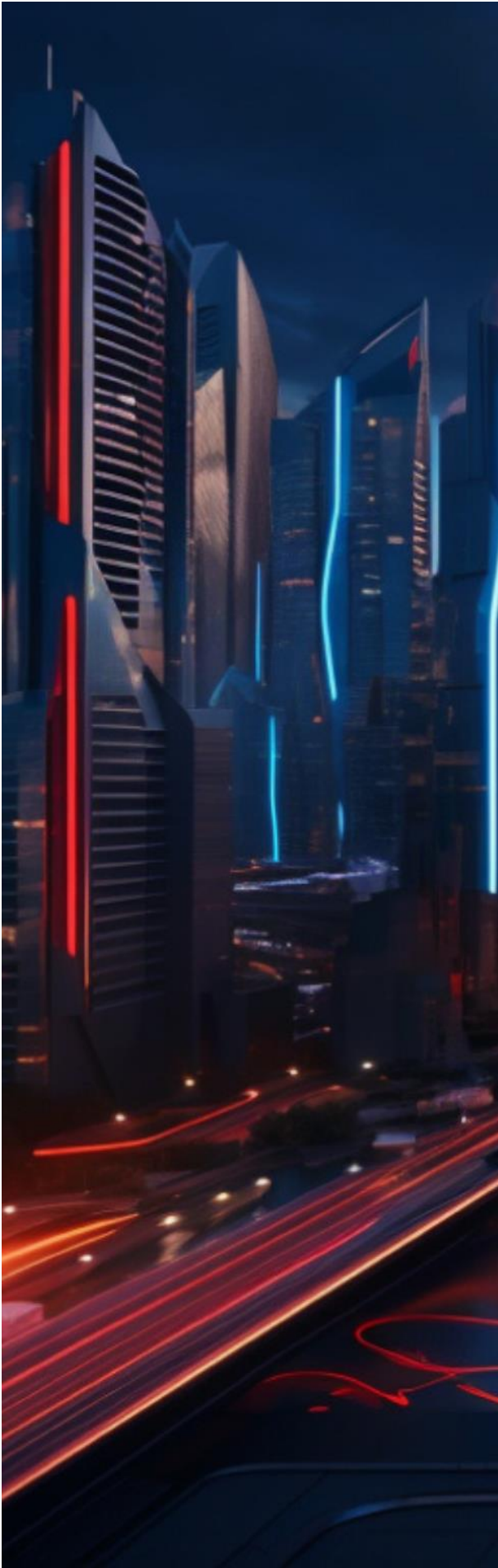
PRIZES

10,000 €

COMMUNITY MEETUPS



+35 guests



DISCOVERY WITHIN THE PLATFORM

LAUNCHING BUSINESSLEAGUE.COM

In the past three months, the Company has launched businessleague.com. This site showcases to the world the 2Performant product and the story of Business League, celebrating the remarkable achievements of our users in the world's only e-commerce championship. Our vision for the coming months is to refine and improve the structure and content of the site. This will enable a more effective incorporation of the essence of Business League, displaying relevant data to support the vision that a gamified, transparent, and meritocratic system represents the future of digital marketing.

ONBOARDING PROCESS UPDATES

To reflect the innovative spirit of Business League, the Company has redesigned the onboarding process for Merchants and Marketers. 2Performant's objective is to provide an efficient and enriched experience that helps users grasp the universe of Business League from this initial stage. The project is ongoing, and continuous updates will be made so that each iteration brings us closer to an ideal user journey.

VOTE PER SALE LAUCHING

2Performant emphasizes the meritocratic spirit of the ecosystem. Thus, on January 29th, 2024, the Vote per Sale feature was launched. This platform functionality allows both advertisers and affiliates from Business League to vote on topics that are relevant to the community, based on their contribution to the total number of sales. Moreover, users vote on the categories for which they receive bonuses during the Business League breaks, making the experience more interactive and rewarding contributions with voting power based on sales.

During the second edition of the Business League Awards Gala, in January 2024, users participated in an important vote concerning the plans and directions of [BusinessLeague.com](https://businessleague.com) for 2024, proposed by Dorin Boerescu, CEO of 2Performant, specifically: "Do you support the roadmap of [BusinessLeague.com](https://businessleague.com) for 2024/2025?".

LAUNCHING THE MENTORSHIP PROGRAM

The company has aligned its engagement strategies with the Business League principles. Thus, on April 1st, 2024, 2Performant launched the Mentorship Program, which allows the ecosystem to grow more rapidly on its own. The newest members of the community (those in the first half

of the Start-ups ranking) can learn for a season from the top performers in the Business League, benefiting from their know-how and assistance in improving their own performance.

TRACKING SYSTEM UPDATE

The company is improving the 2Performant attribution model to identify and cover conversions as efficiently as possible that the classic system does not capture due to changes implemented by the most widely used browsers globally. By optimizing this attribution model, marketers' efforts are more accurately reflected, with an impact on increasing the conversion rate.

USER PROFILE DESIGN REVIEW

The company has implemented a new design for Marketers' profiles and has begun reviewing Merchant profiles, thus moving to the next level of professionalism, one that both categories of players in the global Business League competition fully deserve, in order to create effective and long-lasting relationships.



2PERFORMANT AT BUCHAREST STOCK EXCHANGE

TIMELINE BVB

The 2P shares started trading on the SMT-AeRO market of the Bucharest Stock Exchange on December 9th, 2020, following a technical listing.

As of now, 2Performant has carried out two capital increase operations, with the Company's share capital reaching the nominal value of 1,303,304.3 RON.

Regarding its activity on the capital market, 2Performant intends to attract investors from among the youth, a goal 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.

2Performant has also reimagined the investors' experience on the company's website, with new analyses added regarding 2Performant's performance on the Bucharest Stock Exchange.

Since the beginning of 2024, investors have traded 1,007,091 2P shares, with a total value of 2.67 million lei (average daily trading value of 28,116 lei). There has been no activity of purchasing own shares during the first quarter of 2024. The issuer does not have subsidiaries. The issuer has not issued bonds or any other debt securities.

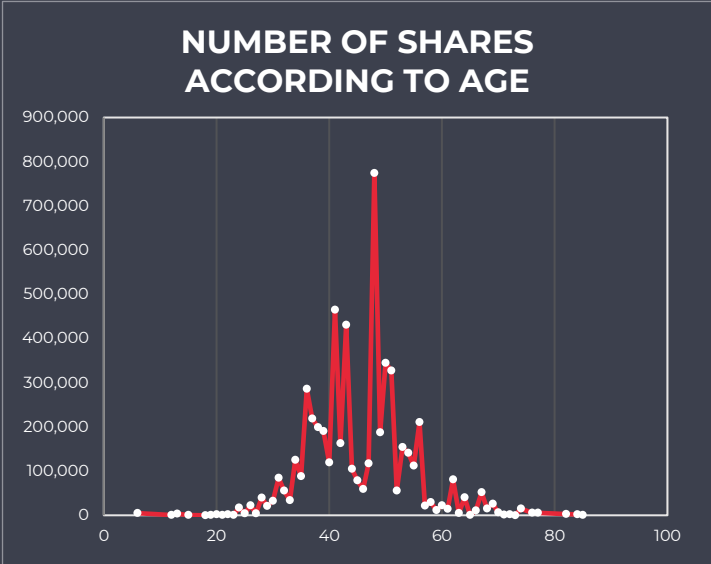
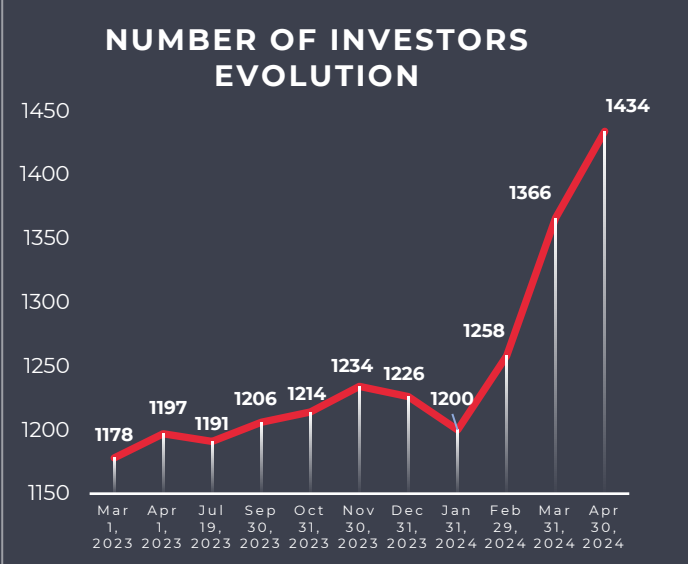
Additionally, the company aims to reach a total of 2,500 investors by the end of 2024, and by the end of 2025, the objective is to double this number, reaching 5,000 investors. Furthermore, an increase in liquidity is targeted, with a minimum of 7.5 million lei for the year 2024 and a doubling of this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

SHAREHOLDERS STRUCTURE AS OF MARCH 31ST, 2024

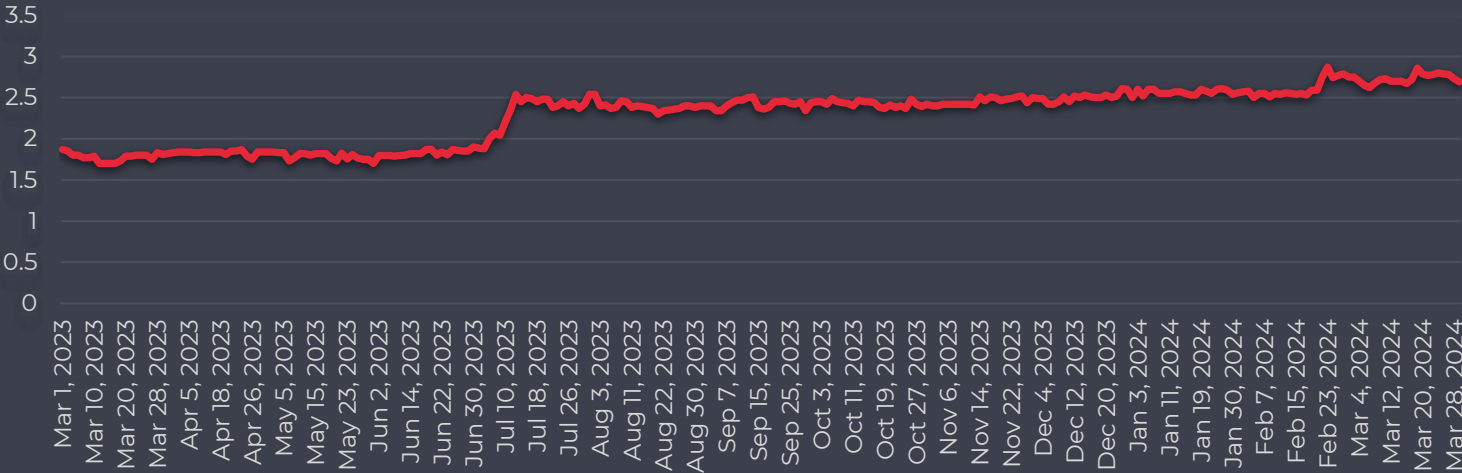

Individuals **62.28%**
 (8,116,342 shares)

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


Companies **5.45%**
 (710,296 shares)



2P SHARE PRICE EVOLUTION



BALANCE SHEET

Balance sheet (RON)	Q1 2023	Q1 2024	YoY Var
Fixed Assets, of which:	6,656,708	11,874,730	78%
Intangible assets	6,609,103	11,813,566	79%
Tangible assets	47,605	61,164	28%
Current Assets, of which:	6,244,201	7,083,139	13%
Receivables	1,462,190	2,657,644	82%
Cash and cash equivalents	4,782,011	4,425,495	-7%
Prepayments	230,109	385,946	68%
TOTAL ASSETS	13,131,018	19,343,815	47%
Total liabilities	4,277,944	7,491,608	75%
Current liabilities (<1 year)	4,277,944	7,491,608	75%
Provisions	0	0	0%
Deferred revenue	2,342,557	2,949,126	26%
Equity, of which:	6,510,517	8,903,081	37%
Subscribed and paid-up capital	1,303,304	1,303,304	0%
Share premium	6,420,099	6,420,099	0%
Reserves	39,386	88,739	125%
Reported result	217,760	1,115,273	412%
Result for the period	-1,470,032	-24,334	98%
Profit distribution	0	0	0%
TOTAL EQUITY AND LIABILITIES	13,131,018	19,343,815	47%

MANAGEMENT DECLARATION

Bucharest, May 20th, 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 quarterly financial statements for the financial period of 3 months, which ended on March 31st, 2024 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 quarterly financial report for the first Quarter of 2024 (January 1st – March 31st, 2024), 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.

