



**2025 6 MONTHS CONSOLIDATED  
UNAUDITED INTERIM REPORT**

(Translation of the Estonian original)

## GENERAL INFORMATION

TextMagic AS and its subsidiaries, also referred to as “TextMagic Group” or “Group”.

The company is listed on the Nasdaq Baltic Alternative Market First North Tallinn.

Business name:	TextMagic AS
Main activity:	Software product development and management
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Financial year:	From January 1, 2025 to December 31, 2025
Reporting period:	From January 1, 2025 to June 30, 2025
Auditor:	KPMG Baltics OÜ

## TABLE OF CONTENTS

MANAGEMENT REPORT	3
CONSOLIDATED INTERIM FINANCIAL STATEMENTS	20
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	20
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	21
CONSOLIDATED STATEMENT OF CASH FLOWS	22
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	23
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	24
NOTE 1. GENERAL INFORMATION	24
NOTE 2. BASIS OF ACCOUNTING	24
NOTE 3. FUNCTIONAL AND PRESENTATION CURRENCY	24
NOTE 4. RISK MANAGEMENT	24
NOTE 5. PROPERTY, PLANT AND EQUIPMENT	25
NOTE 6. INTANGIBLE ASSETS	26
NOTE 7. INVESTMENTS IN SUBSIDIARIES	27
NOTE 8. FINANCIAL INVESTMENTS	27
NOTE 9. CAPITAL AND RESERVES	28
NOTE 10. TRADE AND OTHER PAYABLES	29
NOTE 11. INCOME TAX AND TAX LIABILITIES	30
NOTE 12. LEASE LIABILITIES	31
NOTE 13. OTHER PROVISIONS	31
NOTE 14. REVENUE	32
NOTE 15. GOODS, RAW MATERIALS AND SERVICES	33
NOTE 16. OTHER OPERATING EXPENSES	33
NOTE 17. STAFF EXPENSES	34
NOTE 18. SEGMENT REPORTING	35
NOTE 19. TRANSACTIONS WITH RELATED PARTIES	36
MANAGEMENT BOARD CONFIRMATION TO THE GROUP'S INTERIM REPORT	37

## MANAGEMENT REPORT

### Our B2B software products

#### **Textmagic**

a business messaging platform that provides an easy-to-use and efficient solution for text messaging and e-mail based communication.

#### **VOOG**

a platform that provides convenient and intuitive tools for creating and managing aesthetically pleasing websites and online stores.

#### **edicy**

an intuitive campaign and landing page creation tool for small businesses that has SEO support, also marketing and analytics integrations.

### TextMagic Group in numbers

2025 H1

**€7.12M** ↘ 9%

Revenue

2024 H1: **€7.81M**

**€2.58M** ↘ 18%

EBITDA






2024 H1: **€3.15M**

**-€0.12M** ↘ 111%

Operating profit (loss)

2024 H1: **€1.10M**

#### Revenue distribution

-  **58%** USA & Canada
-  **26%** United Kingdom
-  **7%** EU
-  **7%** AU
-  **2%** Other

## 2025 6 MONTHS OVERVIEW

In the first half of 2025, revenue amounted to €7,115 thousand (H1 2024: €7,809 thousand). The decline was mainly due to a more competitive pricing strategy that was implemented on the Textmagic platform. EBITDA was €2,581 thousand (H1 2024: €3,149 thousand), and the operating loss totaled to €123 thousand (H1 2024: operating profit of €1,097 thousand). Profitability was negatively affected by an increase in amortization expenses of €652 thousand, resulting from the higher volume of development activities in previous periods with the goal of improving the value proposition.

### Group's operational figures for H1 2025 and change compared to H1 2024

**7.12 M € -9%**

Revenue

**125.91M SMS -1%**

Number of SMS sent on Textmagic platform

**2.58 M € -18%**

EBITDA

**21 307 users -9%**

Active users of Textmagic platform

Although sales revenue has declined, we have seen growth in usage volumes since March on the Textmagic platform - in the second quarter of 2025, 7% more SMS messages were sent than in the same period last year. Acquiring new customers in the US market has become more difficult due to regulations, while we are seeing growth in the UK and Australia.

Since 2024, Textmagic's platform development has focused on expanding the product's value proposition by adding features and communication channels that support business interactions. In the first quarter of 2025, the rapid development pace slowed down, and the team was downsized to optimize development activities and improve cost efficiency.

As of the end of June 2025, the Textmagic platform team consists of 58 people (30.06.2024: 80), of whom 29 (30.06.2024: 48) are in the development team. The team also includes user support, marketing and finance departments, and management, whose membership has remained at the same level. As of the end of June 2025, the Voog.com and Edicy.com platform team will consist of 6 members (30.06.2024: 11).

The goal of Textmagic's software development is to shape the product into a multichannel business communication platform that enables companies to consolidate their customer interactions in one environment and manage them more efficiently.

We believe that business customers of the Textmagic platform need tools that support and simplify their daily activities. Our vision is to develop business software that is easy to use, helps speed up information exchange, and has a clear pricing policy. Textmagic's goal is to be a reliable partner for stress-free business communication.

In the first quarter of 2025, new communication channels were added to the Textmagic platform, including Business Instagram and Facebook Messenger, allowing users to manage a wide range of customer inquiries and information exchanges in a single environment. In June, we launched an email campaign feature to offer our clients a more comprehensive solution for marketing and customer communication in addition to SMS.

In the coming periods, the focus will be on improving profitability through cost efficiency and restoring revenue growth through new marketing strategies. Software development will continue to be guided by user feedback and needs, with the aim of improving the product's value proposition and user experience.

In 2025, TextMagic AS received recognition at the Nasdaq Baltic Awards, earning 2nd place for Best Investor Relations among companies listed on the First North market.

## FINANCIAL RESULTS

### Revenue

The Group's consolidated total revenue decreased by 9% year-on-year to €7,115 thousand in the first half year of 2025 (H1 2024 : €7,809 thousand). Reasons for the decline in sales revenue include more favorable Textmagic pricing compared to the reference period, U.S. regulations on mass text messaging, currency exchange rates, and the competitive and economic environments.

(in thousands of euros)	H1 2025	H1 2024
Textmagic multichannel business messaging platform	€6,804	€7,490
Voog website and online store platform	€311	€319
<b>Total revenue</b>	<b>€7,115</b>	<b>€7,809</b>

### Textmagic SMS platform business volumes

Textmagic platform's sales revenue for the first half year of 2025 amounted to €6,804 thousand (H1 2024: €7,490 thousand), representing a 9% decrease compared to H1 2024.

	H1 2025	H1 2024	Change
Revenue (thousands)	€6,804	€7,490	-9%
Volume of SMS messages (thousands)	125,913	127,046	-1%
Active users*	21,307	23,499	-9%
Average revenue per user (ARPU, 6 months)**	€319	€319	0%

\* An active user is any unique paying customer who has used Textmagic SMS platform services during the reporting period.

\*\*ARPU is calculated by dividing unaudited revenue by the number of active users.

In the first half of 2025, the total number of SMS messages sent was 1% lower compared to the same period of previous year. The decline was primarily driven by the first quarter, during which usage volume fell by 8%. However, the second quarter saw noticeable growth, with the number of SMS messages sent increasing by 7% compared to the same period last year.

Despite the recovery in usage volumes, revenue has still decreased due to various factors. The main impact comes from offering less expensive plans and free usage options. U.S. regulations remain a significant reason for the decline, as they restrict mass messaging for unregistered marketing campaigns. Additionally, revenue has been affected by currency exchange rates, as well as customers' financial situations and price sensitivity.

Textmagic platform's revenue distribution is similar to last year, with some variations across major regions. The US and Canadian markets collectively represent the majority of revenues at 61% (H1 2024: 65%). The UK market has grown to account for 27% (H1 2024: 24%). The Australian market has increased from 6% to 7% of sales, while the European Union accounts for 3%. All other regions contribute the remaining 2% of sales in both periods.

## Direct costs

The results for H1 2025 include direct costs of services sold from continuing operations in the amount of €2,544 thousand, representing 36% of revenues (H1 2024: 31%; €2,396 thousand). Direct costs have increased due to higher input prices, while the direct cost ratio has increased due to more favorable pricing plans offered by the Textmagic platform.

The direct costs recognized mainly include resale services such as SMS, voice and email communications, as well as services directly related to the provision of services, including payment solutions, web hosting, cloud servers, verification and fraud detection services, and so forth.

## Staff costs

Our team comprises employees and contractors, all of whom we consider to be invaluable members of the Group. A significant portion of labor costs can be allocated to the development team. The rapid pace of development slowed in the first quarter of 2025. To optimize development activities and improve cost efficiency, we reduced the team's size. This resulted in a decrease in labor costs in the first half of 2025, totaling €2,649 thousand, compared to €3,346 thousand in the first half of 2024.

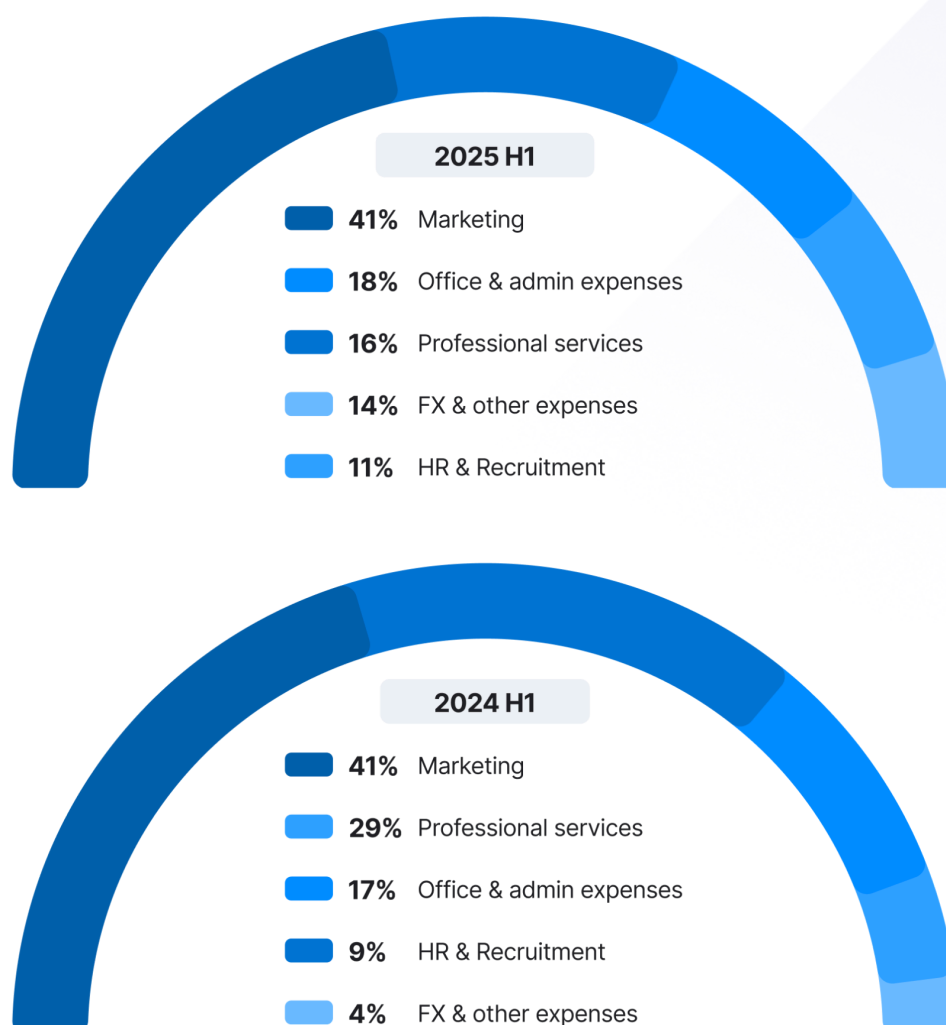
Of the personnel expenses, 49% (€1,311 thousand) were capitalized (H1 2024: 62%; €2,083 thousand), as they are directly related to product development. Personnel expenses also include the non-monetary impact of option contracts with a term of three years in the amount of €86 thousand (H1 2024: €334 thousand). The first option contracts were exercised at the end of 2024.



## Other operating expenses

The total operating expenses decreased by 32% to €715 thousand (H1 2024: €1,050 thousand).

### Distribution of operating expenses



Marketing expenses accounted for 41% of total operating costs, amounting to €292 thousand in the first half of 2025 (H1 2024: €427 thousand). These costs include a range of advertising expenses, social media costs, marketing consultancy fees, and expenditures on tools and software.

Professional services include legal, accounting, audit, and other professional advisory services. In the first half of 2025, these costs represented 16% of operating expenditure (H1 2024: 29%).

The cost of legal and other professional advisory services decreased the most in total by €155 thousand, down to €44 thousand (H1 2024: €199 thousand). The higher expense in 2024 was due to one-time costs associated with ensuring the regulatory compliance of global business operations.

Accounting and auditing expenses decreased by €38 thousand to €70 thousand (H1 2024: 108 thousand euros). The decrease in costs is related to accounting and tax software costs.

Recruiting and staffing costs decreased by €11 thousand to €80 thousand (H1 2024: €91 thousand) as a result of the conclusion of downsizing the team.

Fluctuations in the currency exchange rate resulted in a loss of €87 thousand in the first half of 2025, compared to a profit of €12 thousand during the same period last year.



## Profitability

The operating loss for the first half of 2025 was €123 thousand (H1 2024: operating profit of €1,097 thousand), mainly due to lower sales revenue and higher amortization of intangible assets. The increase in amortization was due to higher capitalized development costs in recent years. Labor and operating expenses decreased in the first half of 2025 compared to the same period in 2024.

EBITDA, which excludes amortization, was €2,581 thousand in the first half of 2025, a decrease of €432 thousand from 2024 (H1 2024: €3,149 thousand). The EBITDA margin was 36% (H1 2024: 40%), confirming that the company's cash flow from operating activities remains strong.

Due to these factors, the net loss for the period was €93 thousand (H1 2024: net profit of €1,245 thousand).

## Cash flows

As of June 30, 2025, the TextMagic Group had cash and cash equivalents of €4,060 thousand (30.06.2024: €4,229 thousand). Total cash flow for the first half of 2025 was €620 thousand (H1 2024: €321 thousand).

The Textmagic SMS platform continues to generate a strong positive cash flow, enabling the Group to maintain its investments in product development and distributions to shareholders.

The Group's cash flow from operating activities amounted to €2,198 thousand in the first half of 2025 (H1 2024: €3,124 thousand). Cash flow from operating activities decreased due to a decline in sales revenue and increase in direct expenses.

Cash flow from investing activities mainly consisted of expenditure on intangible fixed assets in the amount of €1,557 thousand (H1 2024: €1,925 thousand).

Cash flows from financing activities include both principal repayments on lease liabilities in the amount of €66 thousand (H1 2024: EUR 0) and proceeds from the issue of shares in the amount of €11 thousand (H1 2024: €0).

## Financial ratios

	H1 2025	H1 2024
<b>Revenue</b> (in thousands of euros)	7,115	7,809
<b>EBITDA</b> (in thousands of euros)	2,581	3,149
<b>EBITDA margin</b> (EBITDA / revenue)	36.3%	40,3%
<b>EBIT</b> (in thousands of euros)	(123)	1,097
<b>EBIT margin</b> (EBIT / revenue)	-1.7%	14.0%
<b>Net Profit (loss) for the period</b> (in thousands of euros)	(93)	1,245
<b>Net Profit (loss) margin</b> (Profit for the period / revenue)	-1.3%	15.9%
<b>Total Assets at the end of the period</b> (in thousands of euros)	36,688	41,042
<b>Equity at the end of the period</b> (in thousands of euros)	33,530	37,402
<b>Liquidity ratio</b> (Current assets / Current liabilities)	1.47	2.20
<b>Debt-To-Equity ratio</b> (Total liabilities / Equity)	0.09	0.10
<b>Assets-to-Equity ratio</b> (Total assets / Equity)	1.09	1.10
<b>Return-On-Equity ratio (ROE)</b> (Profit for the period / Equity)	-0.3%	3.3%
<b>Return-On-Assets ratio (ROA)</b> (Profit for the period / Total assets)	-0.3%	3.0%

## GROUP'S OBJECTIVES FOR 2025

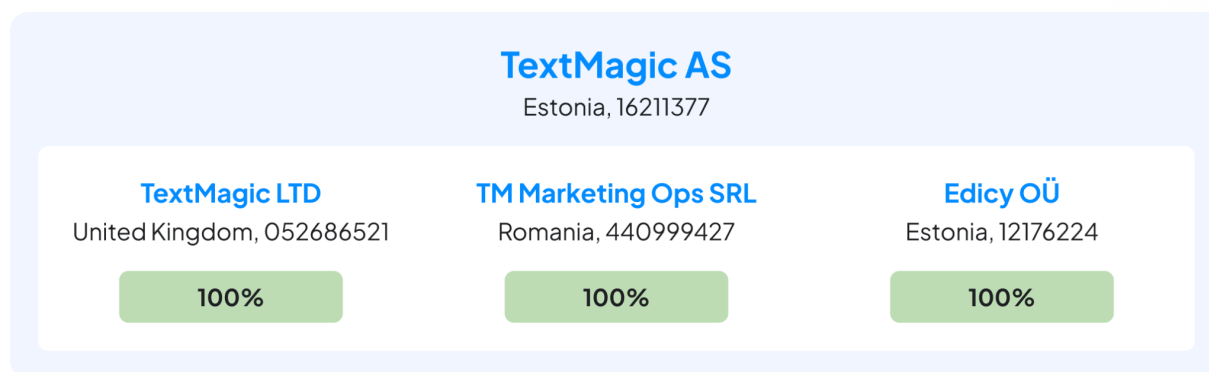
In 2025, the Group's focus is primarily on marketing the enhanced functionality of the Textmagic platform and expanding its customer base in order to restore sales revenue growth. The team is committed to improving the user experience and strengthening the platform's market position based on data-driven decision-making and increased efficiency. At the same time, it is important to ensure the satisfaction of existing customers, supporting sustainable growth.

In early 2025, development optimization was initiated to reduce development costs. The rapid development phase has ended and the focus is shifting to cost efficiency. The goal is to grow both sales revenue and profit by offering companies modern solutions for marketing and customer communication.

TextMagic's mission is to be a trusted partner that helps companies reach their customers, target audiences, and partners quickly, efficiently, and conveniently.

## TEXTMAGIC GROUP

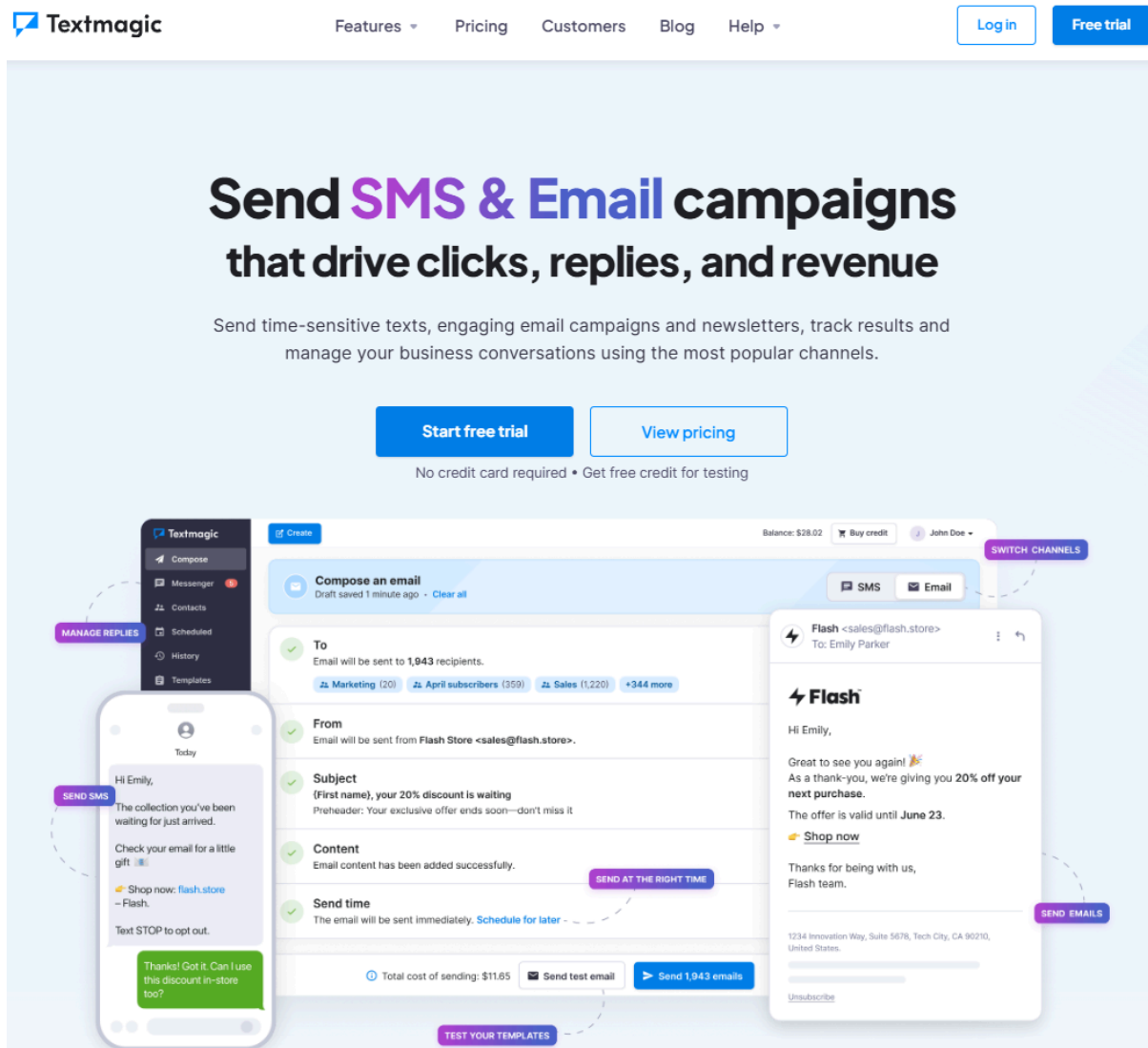
TextMagic AS is the parent company of the Group, which maintains a portfolio of B2B (business-to-business) software products. As of June 30, 2025, the Group had three wholly owned subsidiaries. The structure of the Group is shown below:



TextMagic AS organizes the management and development of intellectual property and manages the day-to-day business of the Group.

TextMagic Ltd. is the sales unit of the Group and TM Marketing Ops Srl is the marketing unit of the Group.

Edicy OÜ, which manages the website and e-commerce platform Voog and the marketing software Edicy, launched at the end of 2024.



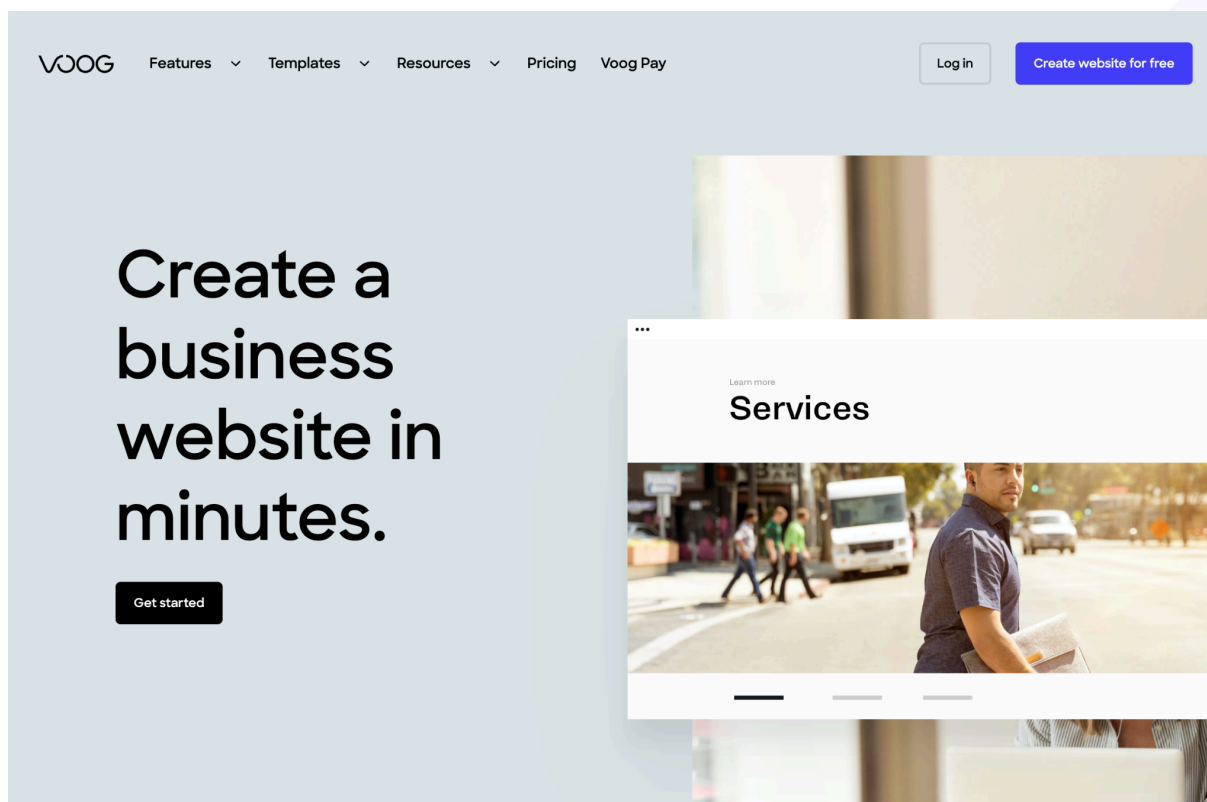
The image shows the Textmagic website landing page. At the top, there is a navigation bar with the Textmagic logo, links for Features, Pricing, Customers, Blog, and Help, and buttons for Log in and Free trial. The main headline reads "Send SMS & Email campaigns that drive clicks, replies, and revenue". Below this, a sub-headline states: "Send time-sensitive texts, engaging email campaigns and newsletters, track results and manage your business conversations using the most popular channels." Two buttons, "Start free trial" and "View pricing", are prominently displayed. A note below them says "No credit card required • Get free credit for testing". The central part of the page features a collage of three devices: a smartphone on the left showing a text conversation, a laptop in the center displaying the "Compose an email" interface with fields for To, From, Subject, Content, and Send time, and a tablet on the right showing a completed email campaign for "Flash" with a preview of the email content and a "Send 1,943 emails" button. Various callout boxes with labels like "MANAGE REPLIES", "SEND SMS", "SEND AT THE RIGHT TIME", "TEST YOUR TEMPLATES", and "SEND EMAILS" are overlaid on the devices.

At Textmagic, our goal is to simplify everyday business for our customers. We strive to offer easy-to-use and necessary features at a transparent pricing compared to our competitors. The Textmagic platform is a simple, scalable, and usage-based tool that is suitable for the entire team and includes important business communication channels: SMS, email, WhatsApp, voice calls, and much more. Fast information exchange is key to business success.

The platform enables two-way messaging, order confirmations, reminders, alerts, and SMS and email marketing campaigns. In addition, Textmagic supports two-factor authentication and improves the efficiency of customer service and sales teams.

Textmagic's customer base is diverse, ranging from healthcare and education to retail, technology, and real estate, reflecting the platform's suitability for the needs of a wide variety of business sectors.

Textmagic's platform business volume is affected by seasonality. Periods of higher usage activity include March through May and September through November. Less active months are associated with lower levels of customer business activity due to holidays and vacation periods.



1

### Choose theme

With Voog you can make beautiful websites from scratch on your own.

2

### Upload images

With Voog you can make beautiful websites from scratch on your own.

3

### Publish website

With Voog you can make beautiful websites from scratch on your own.

Voog is a flexible and user-friendly website creation platform designed for beginners and experts in web development. Its outstanding features include a highly intuitive drag-and-drop interface and multilingual capabilities.

Voog offers a range of beautifully designed templates that users can customize to match their brand's aesthetic, functionality, and message.

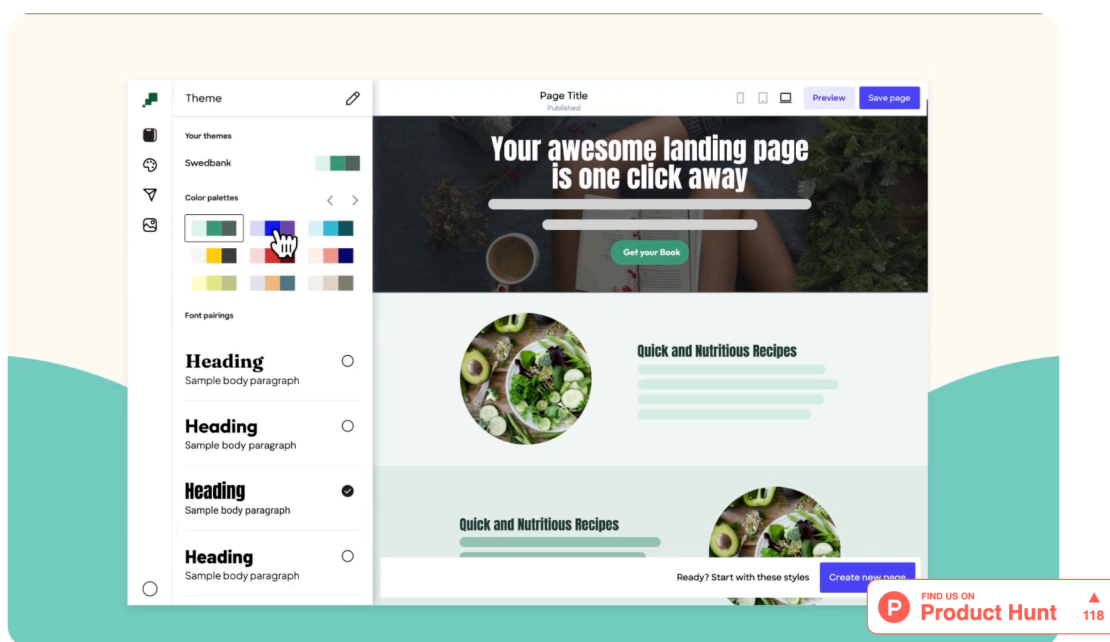
In addition to its aesthetic capabilities, Voog also supports the creation of online stores with integrated e-commerce features and SEO tools to help businesses increase their web visibility.

Customer feedback shows that the platform is highly valued for its easy-to-use customer service and competitive pricing.

# Get leads with no-code landing pages

Create high-converting landing pages without a developer. Perfect for startups, small businesses, and early-stage marketing projects.

Start creating today



Edicy is a landing page creation tool primarily designed for marketing and sales campaigns. The platform offers a variety of design templates, language versions, and tools suitable for both businesses and hobbyists to quickly launch and manage their websites. The free beta version was launched in October 2024, with the paid version released in the first quarter of 2025.

In addition to campaign pages, Edicy enables the creation of registration forms and product pages, which can be integrated with various marketing and analytics tools. The platform supports SEO optimization and provides easy integration with email marketing and social media channels. Thanks to its intuitive user interface and mobile-friendly design, Edicy is a convenient solution for both one-time campaigns and long-term marketing strategies.



## **CORPORATE GOVERNANCE**

The highest governing body of TextMagic AS is the general meeting of shareholders. The general meeting of shareholders is responsible for amending the articles of association and the share capital, electing, removing and compensating the members of the supervisory board, appointing the auditor, approving the annual report, distributing profits and deciding on other matters prescribed by the articles of association and by law.

Every shareholder has the right to attend the general meeting, to speak on the items on the agenda and to ask reasoned questions and make proposals. Each share in TextMagic AS carries equal voting and dividend rights. All shareholders are equal and there are no restrictions or agreements regarding separate voting rights. To the best of our knowledge, there are no agreements between shareholders concerning the coordinated exercise of shareholders' rights.

TextMagic AS is represented and its day-to-day business is managed by the management board. According to the articles of association, the management board may consist of one to three members elected for a term of three years. As of June 30, 2025, the management board of TextMagic AS consists of one member, Mr. Priit Vaikmaa. The extended management team also includes Kärtu Vaikmaa, Chief Operations Officer, and Getter Grünmann, Chief Financial Officer. The management board of TextMagic AS consults with the extended management team on important decisions.

The management board is obliged to act in the most economical manner and to make day-to-day management decisions independently, based on the best interests of TextMagic AS and its shareholders, excluding personal interests. The members of the management board shall avoid conflicts of interest and observe non-competition clauses. The supervisory board shall decide on transactions involving TextMagic AS and its management board members or persons closely associated or related to them and shall determine the terms and conditions of such transactions.

A member of the management board of TextMagic AS may not solicit or accept money or other benefits from third parties in connection with his or her work for personal purposes, nor may he or she make unlawful or unjustified inducements to third parties on behalf of the issuer. There were no cases of conflict of interest or corruption in H1 2025 or 2024.

The Supervisory Board is responsible for planning the company's activities, organizing the management, and supervising the activities of the Management Board. According to the articles of association, the supervisory board of TextMagic AS consists of three to five members elected for a term of five years. As of June 30, 2025, the supervisory board of TextMagic AS consists of four members: Kärtu Vaikmaa, Eduard Tark, Pavel Karagjaur and Siim Vips. Two members of the Supervisory Board, who concurrently serve as employees, have an insider's perspective on the company, complemented by the unbiased viewpoints of two independent external board members.

The management of the TextMagic AS is closely intertwined with the management of its subsidiaries and business units. This governance framework is designed to best protect shareholder interests and ensure the longevity of the company.



## **RISK MANAGEMENT**

Risk management is an integral part of the Group's management, aimed at ensuring the achievement of strategic and operational objectives in a changing environment. The main objective of the Group's risk management is to find a balance between potential losses (or reduction in profits) and the resources needed to mitigate those risks. The risk management strategy focuses on prevention rather than reaction – the aim is to identify threats early and reduce their impact before they materialize.

In this context, the Group considers risk to be any future event or condition that may prevent the company or its entities from achieving their objectives. The Group's ability to systematically identify, quantify and manage risks has a significant impact on its profitability, sustainability and reliability. The risk management process includes identifying, assessing, prioritizing, and implementing measures to mitigate risks. Risks are assessed based on their potential impact and likelihood of occurrence.

Currently, the most significant risks for the Group are technological risks arising from rapid technological developments, increasing competitive pressure, the possibility of system failures, cyber security incidents and data breaches. These risks may affect the company's ability to ensure the continuity and quality of its services, as well as customer confidence.

In addition, there are significant regulatory and compliance risks arising from increasing supervisory mechanisms and frequently changing legislation in different jurisdictions. The regulatory environment, particularly in the areas of data protection and communications, is becoming increasingly complex, and failure to comply with it may result in significant legal and financial consequences.

Strategic risks relate to maintaining and strengthening market position, investment decisions and macroeconomic changes. Poor timing or loss of focus in product development or expansion may affect the company's competitiveness and growth potential.

Operational risks are also considered a significant risk category, the sources of which include human error, process failures, inadequate internal controls, supplier reliability, and personnel-related issues, including the departure of key personnel. As the company's operations are largely based on digital workflows, even a minor operational disruption can affect customer service and satisfaction.

The company's operations also involve a number of financial risks, primarily currency risk. TextMagic Group is not currently exposed to significant liquidity, credit or interest rate risks, as the Group has no interest obligations and its cash position is strong. To hedge currency risk, business activities are conducted in different currencies, with an effort to keep major revenues and expenses in the same currencies to reduce the impact of exchange rate fluctuations.

## **SUSTAINABILITY**

Sustainability increasingly influences the decisions of investors, consumers, regulatory authorities and employees, which is why ESG (Environment, Social and Governance) is central to creating long-term value for companies. Companies that take ESG principles into account are better able to adapt to changing expectations and take advantage of new opportunities to increase their competitive advantage.

Although TextMagic AS, as a company listed on the First North alternative market, is not required to prepare sustainability reports and we do not have established ESG reporting processes, we have nevertheless defined sustainability factors and metrics that are important to the company. In our daily activities, we consciously adhere to the principles of environmental sustainability, responsible management, and social balance. We want to make decisions that support equality and well-being both for individuals and in the broader social and environmental context.

## Environmental responsibility

Environmental sustainability permeates every aspect of our business. We have identified key areas of focus, with key principles emphasizing the promotion of environmentally responsible behaviors and the establishment of practices aimed at minimizing digital waste.

We prioritize energy efficiency by choosing appliances and equipment that limit energy consumption and by promoting habits that help save energy. We aim to use electricity from renewable sources whenever possible.

We are committed to reducing waste in our operations. We encourage employees to reduce, reuse and recycle. As part of our waste reduction initiatives, we are moving towards paperless operations to reduce unnecessary waste. Most of our operations are already paperless, i.e. we have digitized accounting, management and operational procedures. Our software products are designed to enable paperless operations for us and our customers.

We are in the process of developing an electronic waste management system that will provide a sustainable solution for the disposal of obsolete or broken hardware. For digital waste, we will implement a policy to reduce the storage of unnecessary data.

Our procurement process is guided by our environmental goals. We look for suppliers with a track record of sustainability and prioritize environmentally friendly office supplies. We give preference to certified eco-labelled products, reinforcing our commitment to sustainability throughout our supply chain.

The group's approach to travel also reflects our commitment to environmental sustainability. We use video conferencing and remote collaboration tools to reduce the frequency of business travel. Digital resources not only limit our carbon footprint, but also increase our flexibility and responsiveness. Where travel is essential, we encourage employees to make sustainable choices.

## Social responsibility

We focus on providing a healthy work environment for both traditional office and remote environments. This includes cleanliness, safety, ergonomic furniture and equipment, and natural lighting where possible. As part of our health promotion, fresh fruit is available daily.

Mental health and work-life balance are integral parts of a healthy work environment. We support the well-being of our employees by offering reimbursement for sports and health expenses, flexible work arrangements, encouraging reasonable working hours, and respecting personal time. We want to help our employees cope with stress and are consciously working to create a balanced and caring work environment.

Competitive compensation and benefits are part of our commitment to our employees. We strive to provide packages that meet or exceed industry standards and reflect the value and contributions of each individual.

Our approach to employee training and development prioritizes digital programs to reduce our environmental footprint. We strive to ensure equal access to training and development opportunities for all employees.

Ethics are at the heart of our development programs and business operations. It is essential that our employees understand and adhere to our ethical standards, thereby maintaining a strong and fair organizational culture.

Respect for cultural diversity is promoted throughout the organization. This includes recognizing different cultural events and holidays and encouraging compliance with local norms and rules when employees travel. Diversity also extends to our leadership team. We strive to

promote diversity at all levels of the organization, particularly in decision-making roles. As of the end of June 2025, there were six members in total on the supervisory board, the management board, and the extended management team, two of whom were women.

Data protection and cybersecurity is an essential part of our business. We are committed to the protection of the privacy and security of our employees and customers. The Textmagic platform is SOC 2-certified for technical compliance and is audited annually.

We believe that it is important to make a contribution to societal good. We express this through charitable donations or grants that align with our company's values. Our charitable giving strategy is to participate in initiatives that promote environmental sustainability, the education of young people and the well-being of children.

## **Governance responsibility**

Ensuring the ethical and professional conduct of the organization is an important part of the management of the Group.

First, honesty and integrity must be respected at all levels. It is essential that all employees act honestly and transparently and provide accurate information in all communications. This includes avoiding fraudulent or misleading practices and maintaining a high level of personal integrity and accountability.

Second, we value respect for all people. The company fosters an environment of equality and non-discrimination in which employees treat all people with respect, regardless of race, age, gender, religion or nationality. This includes creating a harassment-free workplace where employees are protected from bullying and intimidating behavior.

The importance of confidentiality and sensitive information cannot be overstated. Employees have a duty to maintain the confidentiality of sensitive company and customer information and to respect all intellectual property.

The Conflict of Interest Policy requires employees to avoid such conflicts and to disclose them when they arise. Accepting or offering bribes or inappropriate gifts that could influence business decisions is strictly prohibited.

Good governance ensures that the company operates in a transparent, honest and accountable manner.

Management accountability is at the heart of our governance principles, whereby company leaders are accountable for their actions and decisions and act in the best interests of the company, its employees, customers, and shareholders.

Adherence to industry standards, including software development, privacy, and customer service, is mandatory.

Transparency and disclosure are a priority. The management promotes a culture of open communication, both internally and externally, and reports regularly and accurately on its financial and operational performance.

Stakeholder engagement, including respect for shareholders' rights and regular dialog with all stakeholders, is an integral part of the company's activities.

Risk management, which includes the regular identification, assessment, and mitigation of potential risks, is an important aspect of our governance.

We believe it is important for the management to be balanced and independent, with a diversity of skills, experience, gender, race and age. Diversity in the composition of the management reflects a range of perspectives to effectively address changing needs and represent the best interests of shareholders.

## TEXTMAGIC SHARES

The shares of TextMagic AS are listed on the Nasdaq Baltic Alternative Market First North Tallinn as of December 15, 2021. As of June 30, 2025, 8,610,000 shares have been issued (30.06.2024: 8,500,000 shares). All shares are of the same class and there are no restrictions on ownership. The Articles of Association of the Company do not impose any restrictions on the transfer of shares. There are no known restrictions on the transfer of securities in the shareholders' agreements.



Only Priit Vaikmaa, the company's CEO and a member of the board, has a significant shareholding (more than 5%) through the holding company Monday Media OÜ.

TextMagic stock	H1 2025	H1 2024
<b>Average price</b>	3.29	4.27
<b>Maximum price</b>	4.00	6.66
<b>Minimum price</b>	2.22	3.30
<b>Closing price at June 30</b>	2.70	4.25
<b>Number of shares at June 30</b>	8,610,000	8,500,000
<b>Number of shareholders at June 30</b>	5,915	6,560
<b>Market value of the company at June 30</b> (Closing price * number of shares)	23,247,000	36,125,000
<b>Earnings per share (EPS)</b> (Profit / number of shares)	(0.01)	0.15

## Dividend policy

The Group's objective is to provide shareholders with a return that is commensurate with the Group's performance and financial position. The realization of distributions is a priority for the Group but will always depend on the Group's growth potential and the availability of financial resources.

In 2022, the shareholders approved a distribution of €2,550 thousand (€0.30 per share) from equity, which was paid in February 2023. In May 2024, as a result of the bonus issue and the share capital reduction, the shareholders decided to pay out €5,015 thousand (€0.59 per share) from equity, which was paid in December 2024.

The management of TextMagic AS also plans to propose future distributions to the shareholders, either in the form of dividends or other equity distributions, subject to the possibilities and limitations imposed by law. The realization of such distributions will depend on the financial strength and liquidity of the Group. The company ensures that the payment of dividends or other equity distributions does not jeopardize its financial stability or its ability to meet its long-term obligations.

Priit Vaikmaa

CEO, TextMagic AS





## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	Note	30.06. 2025	31.12. 2024	30.06. 2024	31.12. 2023
<b>Non-current assets</b>					
Property, plant and equipment	5	483	581	102	105
Intangible assets and goodwill	6	31,941	32,972	32,921	32,854
<b>Total non-current assets</b>		<b>32,424</b>	<b>33,553</b>	<b>33 023</b>	<b>32 959</b>
<b>Current assets</b>					
Trade and other receivables		20	22	90	24
Prepayments		184	165	200	231
Financial Investments	8	0	0	3,500	2,500
Cash and cash equivalents		4,060	3,432	4,229	3,900
<b>Total current assets</b>		<b>4,264</b>	<b>3,619</b>	<b>8,019</b>	<b>6,655</b>
<b>TOTAL ASSETS</b>		<b>36,688</b>	<b>37,172</b>	<b>41,042</b>	<b>39,614</b>
<b>Current Liabilities</b>					
Current tax liabilities	11	215	270	411	232
Trade and other payables	10	734	913	882	791
Lease liabilities	12	115	107	0	0
Contract liabilities	14	1,506	1,669	1,668	1,659
Other provisions	13	338	384	679	1,117
<b>Total current liabilities</b>		<b>2,908</b>	<b>3,343</b>	<b>3,640</b>	<b>3,799</b>
<b>Long-Term Liabilities</b>					
Lease liabilities	12	250	309	0	0
<b>Total long-term liabilities</b>		<b>250</b>	<b>309</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>		<b>3,158</b>	<b>3,652</b>	<b>3,640</b>	<b>3,799</b>
<b>Equity</b>					
Share capital	9	861	850	33,575	850
Share premium	9	141	141	141	51,242
Reserve capital	9	85	85	85	85
Voluntary reserve	9	27,710	27,710	0	0
Other reserve	9	376	1,235	2,360	2,035
Foreign currency reserve	9	(27)	(35)	(13)	(21)
Retained earnings		4,384	3,534	1,254	(18,376)
<b>Equity attributable to owners of the parent</b>		<b>33,530</b>	<b>33,520</b>	<b>37,402</b>	<b>35,815</b>
<b>Total equity</b>		<b>33,530</b>	<b>33,520</b>	<b>37,402</b>	<b>35,815</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,688</b>	<b>37,172</b>	<b>41,042</b>	<b>39,614</b>

The Notes presented on pages 24 to 36 form an integral part of the consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(in thousands of euros)	Note	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
Revenue	14	7,115	7,809
Other income		63	59
Goods, raw materials and services	15	(2,544)	(2,396)
Other operating expenses	16	(715)	(1,050)
Work performed by the entity and capitalized		1,311	2,083
Employee expenses	17	(2,649)	(3,346)
Depreciation, amortization and impairment of non-current assets	5, 6	(2,704)	(2,052)
Other expenses		0	(10)
<b>Operating profit (loss)</b>		<b>(123)</b>	<b>1,097</b>
Financial Income		38	152
<b>Profit (loss) before tax</b>		<b>(85)</b>	<b>1,249</b>
Income tax	11	(8)	(4)
<b>Profit (loss) for the period</b>		<b>(93)</b>	<b>1,245</b>
<b>Other comprehensive income</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences		8	8
<b>Other comprehensive income for the period, net of tax</b>		<b>(85)</b>	<b>1,253</b>
<b>Total comprehensive income for the period</b>		<b>(85)</b>	<b>1,253</b>

The Notes presented on pages 24 to 36 form an integral part of the consolidated interim financial statements.



## CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousand euros)	Note	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
<b>Cash flows from operating activities</b>			
<b>Profit (loss) for the period</b>		<b>(93)</b>	<b>1,245</b>
<i>Adjustments for:</i>			
Depreciation and amortization	5, 6	2,704	2,052
Financial Income		(38)	(152)
Other adjustments		84	169
<b>Total adjustments</b>		<b>2,750</b>	<b>2,069</b>
Changes in trade and other receivables		2	(66)
Changes in contract liabilities		(163)	9
Changes in prepayments		(18)	34
Changes in trade and other payables		(280)	(167)
<b>Net cash from operating activities</b>		<b>2,198</b>	<b>3,124</b>
<b>Cash flows from investing activities</b>			
Interest received		38	152
Fixed-term deposits	8	0	(1,000)
Acquisition of property, plant and equipment	5	(4)	(30)
Development expenditure	6	(1,557)	(1,925)
<b>Net cash used in investing activities</b>		<b>(1,523)</b>	<b>(2,803)</b>
<b>Cash flows from financing activities</b>			
Lease liability principal repayments		(66)	0
Contribution to the share capital		11	0
<b>Net cash from financing activities</b>		<b>(55)</b>	<b>0</b>
<b>TOTAL CASH FLOWS</b>		<b>620</b>	<b>321</b>
Cash and cash equivalents at the beginning		3,432	3,900
Effect of movements in exchange rates on cash held		8	8
<b>Cash and cash equivalents at the end</b>		<b>4,060</b>	<b>4,229</b>

The Notes presented on pages 24 to 36 form an integral part of the consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Total equity attributable to owners of TextMagic AS							
	Share Capital	Share premium	Reserve capital	Voluntary reserve	Other reserve	FX translation reserve	Retained earnings	Total equity
<b>Balance at December 31, 2023</b>	<b>850</b>	<b>51,242</b>	<b>85</b>	<b>0</b>	<b>2,035</b>	<b>(21)</b>	<b>(18,376)</b>	<b>35,815</b>
Profit (loss) for the period	0	0	0	0	0	0	1,245	<b>1,245</b>
Other comprehensive income	0	0	0	0	0	8	0	<b>8</b>
Coverage of losses	0	(18,376)	0	0	0	0	18,376	<b>0</b>
Other changes in equity	32,725	(32,725)	0	0	325	0	9	<b>334</b>
<b>Balance at June 30, 2024</b>	<b>33,575</b>	<b>141</b>	<b>85</b>	<b>0</b>	<b>2,360</b>	<b>(13)</b>	<b>1,254</b>	<b>37,402</b>
Profit (loss) for the period	0	0	0	0	0	0	808	<b>808</b>
Other comprehensive income	0	0	0	0	0	(22)	0	<b>(22)</b>
Transactions with shareholders	(5,015)	0	0	0	0	0	0	<b>(5,015)</b>
Other changes in equity	(27,710)	0	0	27,710	(1,125)	0	1,472	<b>347</b>
<b>Balance at December 31, 2024</b>	<b>850</b>	<b>141</b>	<b>85</b>	<b>27,710</b>	<b>1,235</b>	<b>(35)</b>	<b>3,534</b>	<b>33,520</b>
Profit (loss) for the period	0	0	0	0	0	0	(93)	<b>(93)</b>
Other comprehensive income	0	0	0	0	0	8	0	<b>8</b>
Transactions with shareholders	11	0	0	0	0	0	0	<b>11</b>
Other changes in equity	0	0	0	0	(859)	0	943	<b>84</b>
<b>Balance at June 30, 2025</b>	<b>861</b>	<b>141</b>	<b>85</b>	<b>27,710</b>	<b>376</b>	<b>(27)</b>	<b>4,384</b>	<b>33,530</b>

More detailed information on the Group's equity items is provided in Note 9.

The Notes presented on pages 24 to 36 form an integral part of the consolidated interim financial statements.

## **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **NOTE 1. GENERAL INFORMATION**

TextMagic AS (hereinafter also referred to as the Parent Company or the Company) is a company incorporated in the Republic of Estonia on April 21, 2021. The registered address of the Company is A. H. Tammsaare 56, 11316 Tallinn, Republic of Estonia. The consolidated interim financial statements of TextMagic AS for the 6 months ended June 30, 2025 include the Parent Company and its subsidiaries (hereinafter collectively referred to as the "Group"). The Group's principal activity is the management and development of software products.

The Group's financial year begins on January 1 and ends on December 31.

### **NOTE 2. BASIS OF ACCOUNTING**

The condensed consolidated interim financial statements have been prepared in accordance with the international financial reporting standard IAS 34 "Interim Financial Reporting", as adopted by the European Union, and consists of condensed consolidated financial statements and selected explanatory notes.

The accounting policies and methods of computation used in the preparation of the interim report are the same as the accounting policies and methods of computation used in the annual report for the year ended December 31, 2024, which comply with the International Financial Reporting Standards, as adopted by the European Union (IFRS EU).

These condensed consolidated interim financial statements have not been audited and do not contain the entire range of information required for the preparation of complete financial statements. The condensed consolidated interim financial statements should be read in conjunction with the Annual Report prepared for the year ended December 31, 2024, which has been prepared in accordance with the International Financial Reporting Standards (IFRS EU).

The applicable accounting policies have not changed compared to the previous financial year.

The period of this report is January 1, 2025 to June 30, 2025. The reference period is January 1, 2024 to June 30, 2024.

This consolidated interim report has not been audited or otherwise checked by auditors.

### **NOTE 3. FUNCTIONAL AND PRESENTATION CURRENCY**

These consolidated interim financial statements are presented in euro, which is the Company's functional currency. All amounts disclosed in the interim financial statements have been rounded to the nearest thousand unless referred to otherwise.

### **NOTE 4. RISK MANAGEMENT**

In its daily operations, the Group is exposed to several financial risks - credit risk, liquidity risk, market risk, currency risk, interest rate risk. The interim financial statements do not cover the entire financial risk management as required in the annual reports; this information can be found in the Group's 2024 annual report. There have been no significant changes in the policies governing the work of the risk management since the end of last year.

## NOTE 5. PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	Lease Assets	Office equipment	Computer equipment	Other tangible assets	Total
Cost at December 31, 2023	0	17	192	22	<b>231</b>
Accumulated depreciation at December 31, 2023	0	(12)	(97)	(17)	<b>(126)</b>
<b>Carrying amounts at Dec 31, 2023</b>	<b>0</b>	<b>5</b>	<b>95</b>	<b>5</b>	<b>105</b>
Additions	0	5	2	23	<b>30</b>
Depreciation	0	(1)	(28)	(4)	<b>(33)</b>
Cost at June 30, 2024	0	22	194	45	<b>261</b>
Accumulated depreciation at June 30, 2024	0	(13)	(125)	(21)	<b>(159)</b>
<b>Carrying amounts at June 30, 2024</b>	<b>0</b>	<b>9</b>	<b>69</b>	<b>24</b>	<b>102</b>
Additions	458	12	3	95	<b>9</b>
Depreciation	(56)	(2)	(25)	(6)	<b>(45)</b>
Cost at December 31, 2024	458	32	189	143	<b>822</b>
Accumulated depreciation at December 31, 2024	(56)	(13)	(142)	(30)	<b>(241)</b>
<b>Carrying amounts at Dec 31, 2024</b>	<b>402</b>	<b>19</b>	<b>47</b>	<b>113</b>	<b>581</b>
Additions	0	0	2	2	<b>4</b>
Depreciation	(57)	(3)	(22)	(23)	<b>(106)</b>
Cost at June 30, 2025	458	30	134	124	<b>746</b>
Accumulated depreciation at June 30, 2025	(113)	(15)	(108)	(27)	<b>(263)</b>
<b>Carrying amounts at June 30, 2025</b>	<b>345</b>	<b>15</b>	<b>26</b>	<b>97</b>	<b>483</b>

## NOTE 6. INTANGIBLE ASSETS

(in thousands of euros)	Goodwill	Software*	Other intangible assets	Uncompleted software**	Pre-payments	Total
Cost at December 31, 2023	256	36,399	2,557	1,865	8	41,085
Accum. amortization at December 31, 2023	0	(7,659)	(572)	0	0	(8,231)
<b>Carrying amounts at December 31, 2023</b>	<b>256</b>	<b>28,740</b>	<b>1,985</b>	<b>1,865</b>	<b>8</b>	<b>32,854</b>
Additions	0	0	0	2,083	3	2,086
Amortization	0	(1,882)	(129)	0	0	(1,969)
Reclassification from prepayments	0	1 889	0	(1,889)	0	0
Disposal	0	0	0	0	(8)	(8)
Cost at June 30, 2024	256	38,288	2,557	2,059	3	43,163
Accum. amortization at June 30, 2024	0	(9,541)	(701)	0	0	(10,200)
<b>Carrying amounts at June 30, 2024</b>	<b>256</b>	<b>28,747</b>	<b>1,856</b>	<b>2,059</b>	<b>3</b>	<b>32,921</b>
Additions	0	0	6	2,244	2	2,252
Amortization	0	(2,072)	(132)	0		(1,851)
Reclassification from prepayments	0	3,769	5	(3,769)	(5)	0
Cost at December 31, 2024	256	42,057	2,568	534	0	45,415
Accum. amortization at December 31, 2024	0	(11,613)	(830)	0	0	(12,443)
<b>Carrying amounts at December 31, 2024</b>	<b>256</b>	<b>30,444</b>	<b>1,738</b>	<b>534</b>	<b>0</b>	<b>32,972</b>
Additions	0	0	0	1,570	0	1,570
Amortization	0	(2,472)	(129)	0	0	(2,601)
Reclassification from prepayments	0	1,844	0	(1,844)		0
Cost at June 30, 2025	256	43,901	2,568	260	0	46,985
Accum. amortization at June 30, 2025	0	(14,085)	(959)	0	0	(15,044)
<b>Carrying amounts at June 30, 2025</b>	<b>256</b>	<b>29,816</b>	<b>1,609</b>	<b>260</b>	<b>0</b>	<b>31,941</b>

\* Software additions consist of capitalized development expenses on Textmagic SMS platform software, also Voog and Edicy platform software.

\*\* Uncompleted software additions consist of capitalized development costs for both Textmagic SMS platform and Touchpoint software.

## NOTE 7. INVESTMENTS IN SUBSIDIARIES

Investments of the Group's Parent Company in subsidiaries as of the end of the reporting period:

Subsidiary	Core business	Domicile	Ownership interest at 30 Jun 2025	Ownership interest at 30 Jun 2024
TextMagic Ltd	Client-facing entity of the TextMagic SMS platform	United Kingdom	100.00%	100.00%
TM Marketing Ops SRL	Marketing services	Romania	100.00%	100.00%
Edicy OÜ	Development and management of Voog.com platform	Estonia	100.00%	100.00%

## NOTE 8. FINANCIAL INVESTMENTS

(in thousands of euros)	30.06.2025	30.06.2024
Fixed-term deposits	0	3,500
<b>Total</b>	<b>0</b>	<b>3,500</b>

In December 2023, term deposit agreements were signed for a total amount of €2,500 thousand with a maturity of 11 months and an annual interest rate of 4.50%.

In May 2024, term deposit agreements were signed for a total amount of €1,000 thousand with a maturity of 6 months and an annual interest rate of 3.90%.



## NOTE 9. CAPITAL AND RESERVES

### Share capital and share premium

The share capital as of June 30, 2025, was in the amount of €861 thousand (June 30, 2024: €33,575 thousand), which is divided into 8,610,000 ordinary shares with a nominal value of €0.10 per share (30.06.2024: 8,500,000 shares; €3.95 per share). The share capital consists of:

- €25 thousand contributed at establishment;
- €775 thousand contributed as a non-monetary contribution on September 23, 2021;
- €50 thousand contributed as a result of the IPO on December 15, 2021.
- On the basis of the decision of June 28, 2022, share capital was increased by €2,550 thousand, increased the book value of the shares from €0.10 to €0.40 as a result of the bonus issue at the expense of the share premium;
- On the basis of the decision of August 5, 2022, the share capital was reduced by €2,550 thousand, which reduced the book value of the shares from €0.40 to €0.10.
- On the basis of the decision of April 19, 2024, share capital was increased by €32,725 thousand, increasing the book value of the shares from €0.10 to €3.95 as a result of the bonus issue at the expense of the share premium.
- On the basis of the decision of May 22, 2024, the share capital was reduced by €32,725 thousand, which reduced the book value of the shares from €3.95 to €0.10.
- On the basis of the decision of November 25, 2024, the share capital was increased by €11 thousand through cash contributions.

The share premium is on total of €141 thousand and consists of:

- €51,342 thousand which was recognized as a result of a non-monetary contribution on September 23, 2021;
- €2,450 thousand which was recognized as a result of IPO on December 15, 2021;
- On the basis of the decision of June 28, 2022, share capital was increased by €2,550 thousand, which increased the book value of the shares from €0.1 to €0.4 as a result of the bonus issue at the expense of the share premium.
- On the basis of the decision of April 19, 2024, covering loss in total of €18,376 thousand.
- On the basis of the decision of April 19, 2024, share capital was increased by €32,725 thousand, which increased the book value of the shares from €0.1 to €3.95 as a result of the bonus issue at the expense of the share premium.

### Nature and purpose of reserves

#### Reserve capital

According to the Articles of Association of the Parent Company, a reserve capital of 1/10 of the share capital is created to cover possible losses and to increase the share capital. The reserve capital was created from the profit for 2022 and amounts to €85 thousand as of June 30, 2025 (June 30, 2024: €85 thousand).

#### Voluntary reserve

According to the Articles of Association of the Parent Company, a voluntary reserve capital has been established to ensure compliance with net assets requirements and to cover business-related risks and needs. The voluntary reserve capital was formed in 2024 through a share capital reduction in the amount of €27,710 thousand and may be used for ensuring net assets compliance, covering losses, distributing profits, or issuing bonus shares. The use and



modification of the reserve are decided by the shareholders in accordance with the procedures set out in the Commercial Code.

#### **Foreign currency translation reserve**

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. Foreign currency translation reserve recognized as of June 30, 2025 was in total of -€27 thousand (June 30, 2024: -€13 thousand).

#### **Other reserves**

Other reserves include the share-based payment reserve, which is used to recognize granted but unexercised options issued to employees and other service providers.

The total number of granted but unexercised options as of June 30, 2025 was 93,200 (June 30, 2024: 370,200). The exercise price per share is €0.10.

The reserve for granted but unexercised options was recognized at €376 thousand as of June 30, 2025 (June 30, 2024: €2,360 thousand).

In November 2024, two employees exercised their option agreements, which had different terms compared to the standard option program. Their options were issued from Monday Media OÜ's shareholding, meaning no new shares were issued. The exercise of options totaling €1,461 thousand was recorded through retained earnings from prior periods.

The expected expenses from previous periods were reduced by €26 thousand in the first half year of 2025, and the impact was recognized through retained earnings from prior periods.

## **NOTE 10. TRADE AND OTHER PAYABLES**

(in thousands of euros)	30.06.2025	30.06.2024
Trade payables	218	251
<b>Total trade payables</b>	<b>218</b>	<b>251</b>
Payables to employees	141	185
Other accrued liabilities	375	446
<b>Total other payables</b>	<b>516</b>	<b>631</b>
<b>Total</b>	<b>734</b>	<b>882</b>
Non-current	0	0
Current	734	882
<b>Total</b>	<b>734</b>	<b>882</b>

Trade payables are unsecured and are usually paid within 30 days of recognition.

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

## NOTE 11. INCOME TAX AND TAX LIABILITIES

Amounts recognized in profit or loss

(in thousands of euros)	30.06.2025	30.06.2024
Current tax for the year	8	4
<b>Income tax for the year</b>	<b>8</b>	<b>4</b>
Profit (loss) before tax	<b>(87)</b>	<b>1,249</b>
Tax using the Company's domestic tax rate	0	0
Effect of tax rates in foreign jurisdictions	8	4
<b>Income tax for the year</b>	<b>8</b>	<b>4</b>
Effective tax	0%	0%

### Tax liabilities

(in thousands of euros)	30.06.2025	30.06.2024
Value-added tax	27	30
Global tax liabilities	20	192
Personal income tax	53	58
Corporate income tax	11	11
Social security tax	93	109
Funded pension contributions	5	4
Unemployment insurance contributions	5	6
Other tax payables	1	1
<b>Total</b>	<b>215</b>	<b>411</b>
Non-current	0	0
Current	215	411
<b>Total</b>	<b>215</b>	<b>411</b>

## NOTE 12. LEASE LIABILITIES

The Group leases office space, which is recognized as a right-of-use asset and a liability.

(in thousands euros)	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Lease liabilities at the beginning of the period	<b>416</b>	<b>0</b>
Cash flow	(66)	0
Interest	15	0
<b>Total lease liabilities</b>	<b>365</b>	<b>0</b>
incl. current lease liabilities	115	0
incl. long-term lease liabilities	250	0

The following amounts related to lease agreements have been recognized in the consolidated statement of comprehensive income.

(in thousands euros)	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Finance costs: Interest	15	0
Other operating expenses: Short-term and low-value leases	(17)	(58)

## NOTE 13. OTHER PROVISIONS

Management has identified a probable additional tax liability, for which a provision has been recorded, related to global operations.

(in thousands euros)	30.06.2025	30.06.2024
Estimate of global business operations liability	338	679
<b>Total Other provisions</b>	<b>338</b>	<b>679</b>

## NOTE 14. REVENUE

(in thousands of euros)	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
<i>Sales to countries other than the European Union</i>		
United States	3,799	4,467
United Kingdom	1,828	1,789
Australia	476	433
Canada	318	388
Other countries	172	162
<b>Total sales to countries other than the EU</b>	<b>6,593</b>	<b>7,239</b>
<i>Sales to countries of the European Union</i>		
Countries of the European Union	522	570
<b>Total sales to European Union countries</b>	<b>522</b>	<b>570</b>
<b>Total revenue</b>	<b>7,115</b>	<b>7,809</b>
<b>Major products/service lines</b>		
Text-messaging services	5,366	5,720
Virtual mobile number services	1,341	1,613
Other TextMagic platform services	97	157
Voog.com platform	311	319
<b>Total revenue</b>	<b>7,115</b>	<b>7,809</b>
<b>Timing of revenue recognition</b>		
At a point in time	6,804	7,490
Over time	311	319
<b>Total revenue from contracts with customers</b>	<b>7,115</b>	<b>7,809</b>

The contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognized over time. Contract liabilities will be recognized as revenue when services have been provided to customers.

### Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(in thousands of euros)	30.06.2025	30.06.2024
Receivables, which are included in 'trade and other receivables	20	24
Contract liabilities	(1,506)	(1,668)
<b>Total</b>	<b>(1,486)</b>	<b>(1,644)</b>

No information is provided about remaining performance obligations as of June 30, 2024, that have an original expected duration of one year or less, as allowed by IFRS 15.

## NOTE 15. GOODS, RAW MATERIALS AND SERVICES

(in thousands of euros)	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
Payment processing fees	(267)	(251)
Purchased services	(2 027)	(1,933)
Other software expense	(250)	(212)
<b>Total</b>	<b>(2 544)</b>	<b>(2,396)</b>

## NOTE 16. OTHER OPERATING EXPENSES

(in thousands of euros)	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
Office expenses	(41)	(75)
Administrative expenses	(20)	(20)
Software expenses	(65)	(85)
Legal and other professional service costs	(44)	(199)
Accounting and audit expenses	(70)	(108)
Marketing expenses	(292)	(427)
Recruitment and other personnel expenses	(80)	(91)
Exchange rate variance and foreign currency gains and losses	(87)	12
Other operating expenses	(16)	(57)
<b>Total</b>	<b>(715)</b>	<b>(1,050)</b>

## NOTE 17. STAFF EXPENSES

(in thousands of euros)	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
Salary expenses	(1,022)	(1,091)
Share option expense*	(86)	(334)
Social security charges	(260)	(283)
<b>Total employee expenses</b>	<b>(1,368)</b>	<b>(1,708)</b>
Average number of personnel converted to full-time equivalent	31	36

### Average number of staff by employment relationship:

Personnel working under employment contracts	30	35
Personnel working under board member contracts	1	1

\* Estimated expense from option agreements with employees. Options are issued from December 2021.

(in thousands of euros)	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
Cost of contract developers	(1,281)	(1,638)
<b>Total subcontractors' expense</b>	<b>(1,281)</b>	<b>(1,638)</b>

(in thousands of euros)	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
Total employee expense	(1,368)	(1,708)
Total subcontractors' expense	(1,281)	(1,638)
<b>Total staff expenses</b>	<b>(2,649)</b>	<b>(3,346)</b>

## NOTE 18. SEGMENT REPORTING

The business segments have been defined by management based on reports reviewed by the board of TextMagic AS. The Board of Directors considers all business activities as one business segment for the Group. The Board of Directors primarily uses the measures of revenue and EBITDA and the growth of these measures to assess the performance of the business segment.

(in thousands of euros)	Development and management of Textmagic platform		Development and management of Voog and Edicy platforms	
	01.01.2025-30.06.2025	01.01.2024-30.06.2024	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Revenue	6,804	7,490	311	319
Other income	54	37	9	22
Goods, raw materials and services	(2,510)	(2,358)	(34)	(38)
Other operating expenses	(681)	(992)	(34)	(58)
Work performed by the entity and capitalized	1,173	1,818	138	265
Employee expenses	(2,330)	(2,888)	(319)	(458)
Depreciation, amortization, and disposal of non-current assets	(2,478)	(1,941)	(226)	(111)
Other expenses	0	(10)	0	0
<b>Operating profit</b>	<b>32</b>	<b>1,156</b>	<b>(155)</b>	<b>(59)</b>
<b>EBITDA</b>	<b>2,510</b>	<b>3,097</b>	<b>71</b>	<b>52</b>

The Board monitors the geographic segmentation of revenue by software product.

(in thousands of euros)	Textmagic platform		Voog platform	
	01.01.2025-30.06.2025	01.01.2024-30.06.2024	01.01.2025-30.06.2025	01.01.2024-30.06.2024
United States	3,797	4,461	0	0
United Kingdom	1,825	1,788	0	0
Australia	476	432	0	0
Canada	318	388	0	0
European Union	221	268	301	308
Other	167	153	10	11
<b>Total revenue</b>	<b>6,804</b>	<b>7,490</b>	<b>311</b>	<b>319</b>



## NOTE 19. TRANSACTIONS WITH RELATED PARTIES

### Parent and ultimate controlling party

The Group's parent company is TextMagic AS, which is registered in Estonia.

Ultimate controlling party is Priit Vaikmaa, the sole owner of Monday Media OÜ (the parent company of TextMagic AS), which as of June 30, 2025, held 85,5% (June 30, 2024: 88,6%) on TextMagic AS shares.

### Shares of management and supervisory board

As of June 30, 2025, members of the board and the supervisory board and the companies under their control held the following amount of TextMagic AS shares:

Priit Vaikmaa (representative of Monday Media OÜ) – 7,365,527

Kärtu Vaikmaa (representative of Merkatiko OÜ) – 400,100

Eduard Tark (Edly OÜ representative) – 341,373

### Transactions with key management personnel

The salary expense recognized to the members of management and supervisory board for January 1, 2025, to June 30, 2025, was in total of €256 thousand (January 1, 2024, to June 30, 2024: €211 thousand). Salary expenses consist mainly of monthly salaries; no performance-based bonus systems have been established for members of the management board and supervisory board.

As of June 30, 2025, the Group has no outstanding stock option agreements with the members of the Management Board and the Supervisory Board (June 30, 2024: 186,000). In November 2024, Kärtu Vaikmaa and Eduard Tark exercised their stock options, each for 88,000 shares, which were transferred from Monday Media OÜ's ownership.

(in thousands of euros)	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024
<i>Management and supervisory board</i>		
Salary expenses	(256)	(211)

## Other related party transactions

### Transactions with members of the management board, the supervisory board and companies under their control

(in thousands of euros)	Transactions during the reporting period		Balance as of			
	30.06. 2025	30.06. 2024	30.06.2025		30.06.2024	
			Receivables	Liabilities	Receivables	Liabilities
Office rent and utilities	0	35	0	0	0	2
<b>Total</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

The Group considers a party to be related if one party has control over the other party or significant influence over the other party's business decisions. Related party transactions include transactions with shareholders, executive and senior management, their close relatives and companies under the control or significant influence of all the above.

## **MANAGEMENT BOARD CONFIRMATION TO THE GROUP'S INTERIM REPORT**

The Management Board has prepared the consolidated interim report of TextMagic AS, which covers the period ending on June 30, 2025.

The Management Board confirms that, to the best of their knowledge, the management report and consolidated interim report of TextMagic AS and the companies included in the consolidation as a whole present a true and fair view of the key events and business developments during the reporting period and their impact on the financial position, results and cash flows, and they include a description of major risks and reflects significant transactions with related parties.

### **Management Board**

Priit Vaikmaa  
Chairman of the Management Board, CEO

