Textmagic

2026 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:	B2B Software Development and Management
Commercial registry code:	16211377
Address:	A. H. Tammsaare 56, 11316 Tallinn
Country:	Estonia
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E-mail:	investor@textmagic.biz
Website:	https://www.textmagic.com/
Financial year:	From January 1, 2026 to December 31, 2026
Reporting period:	From January 1, 2026 to June 30, 2026
Auditor:	KPMG Baltics OÜ

Textmagic

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TextMagic Group

2026 H1

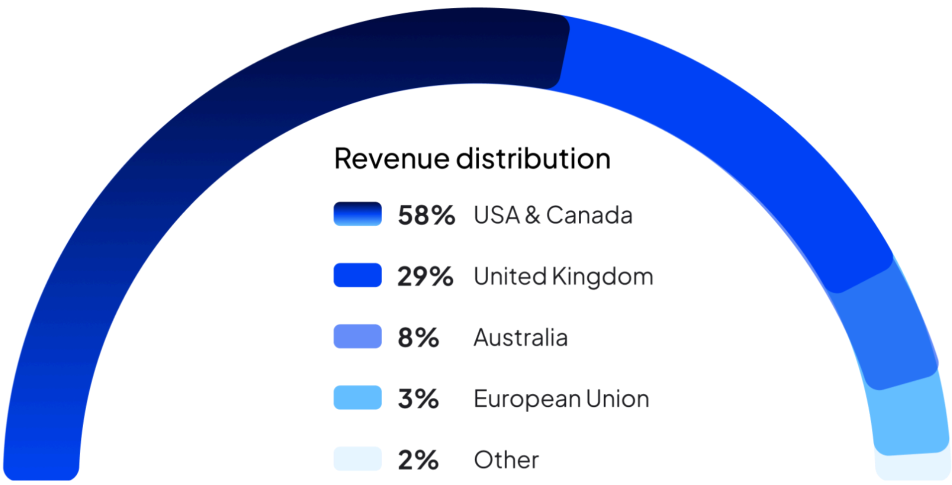
Textmagic
a multichannel business communication platform for efficient and compliant SMS and email interactions with automated workflows.

Touchpoint by Textmagic
an AI-powered tool for easily creating professional and visually high-quality newsletters and marketing campaigns.

€6.85M	€2.10M	€2.14M
Revenue	EBITDA	Operating Cash Flows
2025 H1: €6.80M	2025 H1: €2.51M	2025 H1: €2.10M

Textmagic business communication platform

146.28M	20,103	€0.36M
Sent SMS	Active users	Development costs
2025 H1: 125.91M	2025 H1: 21,307	2025 H1: €1.17M



MANAGEMENT REPORT

Business results

The priority for 2026 is to improve cash flow and increase profitability by focusing on revenue growth and cost efficiency. In the first half of the year, revenue returned to growth and cash flow indicators improved compared with the same period in 2025.

TextMagic Group's revenue amounted to €6,849 thousand in the first half of 2026, increasing by 1% compared with the first half of 2025 (H1 2025: €6,804 thousand). Revenue is affected by fluctuations in the exchange rates of the US dollar and the British pound. Had exchange rates remained at their 2025 levels, revenue for the first half of 2026 would have amounted to €7,154 thousand, representing growth of 5%.

The Group recorded an operating loss of €756 thousand (H1 2025: operating profit of €32 thousand). The result was mainly affected by an increase of €377 thousand in depreciation, amortization and impairment expenses to €2,855 thousand (H1 2025: €2,478 thousand), which had no cash impact during the reporting period. Direct costs also increased by €313 thousand to €2,823 thousand (H1 2025: €2,510 thousand) due to higher input prices and changes in the customer segments.

In 2025, the team was significantly reduced, resulting in a decrease in personnel expenses to €1,590 thousand in the first half of 2026 (H1 2025: €2,330 thousand). The impact on profit indicators was more limited, as the Group focused on smaller enhancements and improvements to existing solutions rather than major development projects in 2026, resulting in a lower capitalization rate for development costs. In the first half of 2026, capitalized development costs amounted to €355 thousand (H1 2025: €1,173 thousand).

Management primarily assesses the Group's performance based on EBITDA and its ability to generate operating cash flow. EBITDA amounted to €2,099 thousand (H1 2025: €2,510 thousand), with an EBITDA margin of 31% (H1 2025: 37%). EBITDA after capitalized development costs* amounted to €1,744 thousand (H1 2025: €1,337 thousand).

Revenue	Operating profit/loss	EBITDA
€6.85M	**-€0.76M**	**€2.10M**
2025 H1: **€6.80M**	2025 H1: **€0.03M**	2025 H1: **€2.51M**

Cash flow from operating activities from continuing operations amounted to €2,139 thousand (H1 2025: €2,099 thousand), confirming that the TextMagic Group's business continues to generate strong cash flows, enabling both investments and distributions to investors. Cash outflows from investing activities decreased by €1,203 thousand to -€196 thousand mainly due to the lower level of development activities (H1 2025: -€1,399 thousand).

In the second quarter, following a proposal by the Management Board, the shareholders resolved to distribute dividends totaling €1,205 thousand (€0.14 per share). The dividends were paid in April. Dividend income tax expense amounted to €340 thousand.

In the second half of 2026, we will continue on the same course, focusing on revenue growth through marketing activities and improving cost efficiency.

**EBITDA after capitalized development costs:*
Operating profit + Depreciation, amortization and impairment of non-current assets – Work performed by the entity and capitalized.

Product development

Textmagic's software is designed to provide businesses with a comprehensive business messaging platform that enables them to send consent-based SMS and email campaigns, automate notifications, and manage two-way customer communication in a shared inbox. The platform brings communication and contact history into a single environment, improves team collaboration, and reduces repetitive manual work.

Textmagic's vision is to make communication between businesses, customers, and employees simple, secure, and easy to manage. To achieve this, we focus on automating operational messaging, ensuring regulatory compliance, and preventing spam and fraud.

In the first half of 2026, Textmagic expanded its automation capabilities, enabling customers to personalize their communication, schedule recurring activities, and respond promptly to contact behavior. The new solutions help reduce manual work, save time, and ensure that messages reach customers at the right time.

Integration capabilities were also enhanced to automate data exchange between software applications and make business communication more efficient. Direct integrations with Shopify and WooCommerce were added, and the capabilities of the Zapier integration were expanded.

The development of automation and integration capabilities will continue in the second half of 2026.

FINANCIAL RESULTS

Textmagic platform's revenue and business volumes

Textmagic's unaudited consolidated revenue for the first six months of 2026 increased by 1% year over year to €6,849 thousand (first six months of 2025: €6,804 thousand). Had exchange rates remained at their 2025 levels, revenue for the first half of 2026 would have totaled €7,154 thousand, representing growth of 5%.

A positive indication for sales performance is the increase in platform usage, reflected in the higher number of SMS messages sent. In the first half of 2026, a total of 146,279 thousand messages were sent through the Textmagic platform, 16% more than in the first half of 2025. In the second quarter, usage volume was 21% higher than in the same period of the previous year. The increase in usage, together with improved customer satisfaction indicators, suggests that the platform's development is aligned with user expectations.

Revenue	Sent SMS	Active users
€6.85M	146.28M	20,103
2025 H1: **€6.80M**	2025 H1: **125.91M**	2025 H1: **21,307**

The decline in the number of active users continued to be driven by regulatory changes in the United States that restrict the sending of unregistered campaigns. The new requirements have the greatest impact on lower-volume and more price-sensitive customers, for whom the registration process may be disproportionately time-consuming. Requirements are also being gradually tightened in other regions to reduce fraud and misuse. These regulations help improve market standards, reduce spam and fraudulent messages, and enhance the quality and reliability of SMS marketing. Preventing fraud is also an important part of the Textmagic team's daily work in supporting reliable, transparent, and meaningful business communication.

Performance varied by geography: in the first half of 2026, the number of active users increased in the United Kingdom, remained stable in Australia, and declined in the United States as customers continued to adapt to regulatory requirements.

The US and Canadian markets together accounted for 58% of revenue (2025 H1: 61%). The share of revenue from the United Kingdom increased to 29% (2025 H1: 27%). Australia accounted for 8% of revenue (2025 H1: 7%), while the European Union represented 3% (2025 H1: 3%). All other regions accounted for the remaining 2% of revenue (2025 H1: 2%).

Textmagic platform usage volumes continue to be influenced by seasonality, with higher activity periods from March to May and from September to November, while lower usage levels occur during holiday and vacation periods.

Direct costs

In the first half year of 2026, the direct costs of sold services in continuing business segments amounted to €2,823 thousand, representing 41% of revenue (2025 H1: €2,510 thousand; 37%). Direct costs increased due to higher input prices, and changes in the customer segments.

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, verification and fraud detection services.

Staff costs

Our team consists of both employees and contractors, all of whom we consider integral members of our team. A significant portion of personnel expenses relates to the development team.

During 2025, the size of both the development and marketing teams was reduced. As a result, the Textmagic team consisted of 42 people as of June 30, 2026 (June 30, 2025: 58).

Personnel expenses from continuing operations amounted to €1,590 thousand in the first half of 2026 (H1 2025: €2,330 thousand). Of this amount, 22%, or €355 thousand, was capitalized as development costs (H1 2025: 50%; €1,173 thousand). In 2026, the focus is on smaller projects and improvements to existing solutions rather than major development projects, and therefore the capitalization rate for development costs is lower.

Personnel expenses also include the non-cash impact of three-year option agreements in the amount of €14 thousand (2025 H1: €42 thousand).

Other operating expenses

Operating expenses in continuing operations increased by 13% to €772 thousand (2025 H1: €681 thousand).

Of the operating expenses of continuing operations, 68% consisted of marketing expenses, which amounted to €527 thousand in the first half year of 2026 (2025 H1: €280 thousand; 41%). These expenses include various advertising costs, social media expenses, marketing consultancy fees, as well as costs of tools and software. Marketing expenses have increased because advances in artificial intelligence have changed how marketing channels operate, while intense competition and information overload have made it increasingly difficult to capture customers' attention.

Professional services include legal, accounting, audit and other professional advisory services. In the first half year of 2026, these expenses in continuing operations totaled €88 thousand, representing 11% of operating expenses (2025 H1: €114 thousand; 17%).

Recruitment and personnel-related expenses in continuing operations decreased compared to the same period in 2025 and amounted to €61 thousand (2025 H1: €78 thousand), reflecting the reduction in team size.

Office and administrative expenses in continuing operations totaled €83 thousand (2025 H1: €107 thousand).

Foreign exchange losses and other expenses in continuing operations decreased to €13 thousand (2025 H1: €102 thousand), due to volatile exchange rates.

The expense breakdown presented in the management report relates only to continuing operations. The comparative figures for individual expense categories presented in the notes also include expenses attributable to discontinued operations. These expenses are excluded from the totals in a separate line item and presented in aggregate in the statement of profit or loss as the result of discontinued operations.

Profitability

The business environment in TextMagic Group's industry remains highly competitive and is increasingly shaped by the need to balance growth with profitability and strong cash generation. Leading market participants continue to emphasize cost and operational efficiency, and higher-value services, while telecommunication operators' charges, changes in customer segment, and pricing continue to place pressure on margins. At the same time, the market is evolving from basic messaging toward more automated, interactive, and AI-enabled customer communication, with SMS remaining an important channel alongside email, integrations, and automated workflows.

These developments also increase the importance of secure infrastructure, reliable message delivery, fraud prevention, and regulatory compliance. They affect both the operations and financial results of TextMagic Group, which continues to focus on improving operational efficiency and profitability while developing automation, integrations, and trusted business messaging solutions that support customers' changing communication needs.

Gross profit, defined as revenue less direct costs, amounted to €4,026 thousand in the first half year of 2026 (2025 H1: €4,294 thousand). Gross profit decreased due to higher direct costs resulting from increased input prices and changes in customer segments.

The Group recorded an operating loss of €756 thousand (H1 2025: operating profit of €32 thousand). In addition to higher direct costs, the result was affected by a €377 thousand increase in depreciation, amortization and impairment expenses to €2,855 thousand (H1 2025: €2,478 thousand), which had no cash impact during the reporting period.

Gross profit	Operating profit/loss	EBITDA
€4.03M	-€0.76M	€2.10M
2025 H1: **€4.29M**	2025 H1: **€0.03M**	2025 H1: **€2.51M**

In 2025, the size of the team was significantly reduced, resulting in personnel expenses being €740 thousand lower in the first half of 2026 than in the same period of the previous year. However, the impact on profit indicators was more limited, as the focus in 2026 is on smaller enhancements and improvements to existing solutions rather than major development projects, resulting in a lower capitalization rate for development costs. Capitalized personnel expenses decreased by €818 thousand in the first half of 2026 compared with the same period in 2025.

EBITDA, which eliminates the impact of depreciation and amortization, amounted to €2,099 thousand (2025 H1: €2,510 thousand) and the EBITDA margin was 31% (2025 H1: 37%). EBITDA after capitalized development costs amounted to €1,744 thousand, with a margin of 25% (H1 2025: €1,337 thousand; 20%).

Cash flows

As of June 30, 2026, the TextMagic Group had a cash balance of €4,256 thousand (June 30, 2025: €4,060 thousand).

The Textmagic platform continues to generate a strong positive cash flow, allowing investments in product development and distributions to shareholders.

The Group's cash flow from operating activities of continuing operations in the first half year of 2026 amounted to €2,139 thousand (2025 H1: €2,099 thousand).

Cash flows from investing activities of continuing operations consisted mainly of expenditures on intangible assets amounting to €-355 thousand (H1 2025: €-1,442 thousand). Total cash flows from investing activities amounted to €-196 thousand (H1 2025: €-1,399 thousand).

As a financing activity, a distribution to shareholders of €1,205 thousand was made in April 2026 (2025 H1: €0), to which income tax expense of €340 thousand was added (2025 H1: €0).

Textmagic

Financial ratios

	2026 H1	2025 H1
Revenue (in thousands of euros)	6,849	6,804
EBITDA (in thousands of euros)	2,099	2,510
EBITDA margin (EBITDA / revenue)	30.6%	36.9%
EBIT (in thousands of euros)	(756)	32
EBIT margin (EBIT / revenue)	(11.0%)	0.5%
Net Profit (loss) for the period (in thousands of euros)	(1,061)	(93)
Net Profit (loss) margin (Profit for the period / revenue)	(15.5%)	(1.4%)
Total Assets at the end of the period (in thousands of euros)	30,653	36,688
Equity at the end of the period (in thousands of euros)	28,175	33,530
Liquidity ratio (Current assets / Current liabilities)	1.99	1.47
Debt-To-Equity ratio (Total liabilities / Equity)	0.09	0.09
Assets-to-Equity ratio (Total assets / Equity)	1.09	1.09

GROUP’S OBJECTIVES FOR 2026

In 2026, the priority is to improve cash flow and increase profitability, building on the existing product value proposition and focusing on revenue growth and cost efficiency.

In 2026, a key focus is the transformation of the Textmagic platform’s marketing strategy and its consistent execution. Marketing messages and platform positioning are changed and refreshed, placing stronger emphasis on operational messaging and consent-based business communication. The core value drivers are time savings, workflow efficiency, and ensuring regulatory compliance. The objective is to more clearly address priority customer segments, improve marketing performance, and strengthen the platform’s visibility and competitiveness. Enhancing user experience and applying a data-driven decision-making approach will play an important role in increasing the effectiveness of marketing activities and supporting customer satisfaction.

Textmagic's mission is to be a reliable software solution that helps companies reach their customers, target groups, and partners in a fast, effective, and secure way.

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, 2026, the Group had two 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.

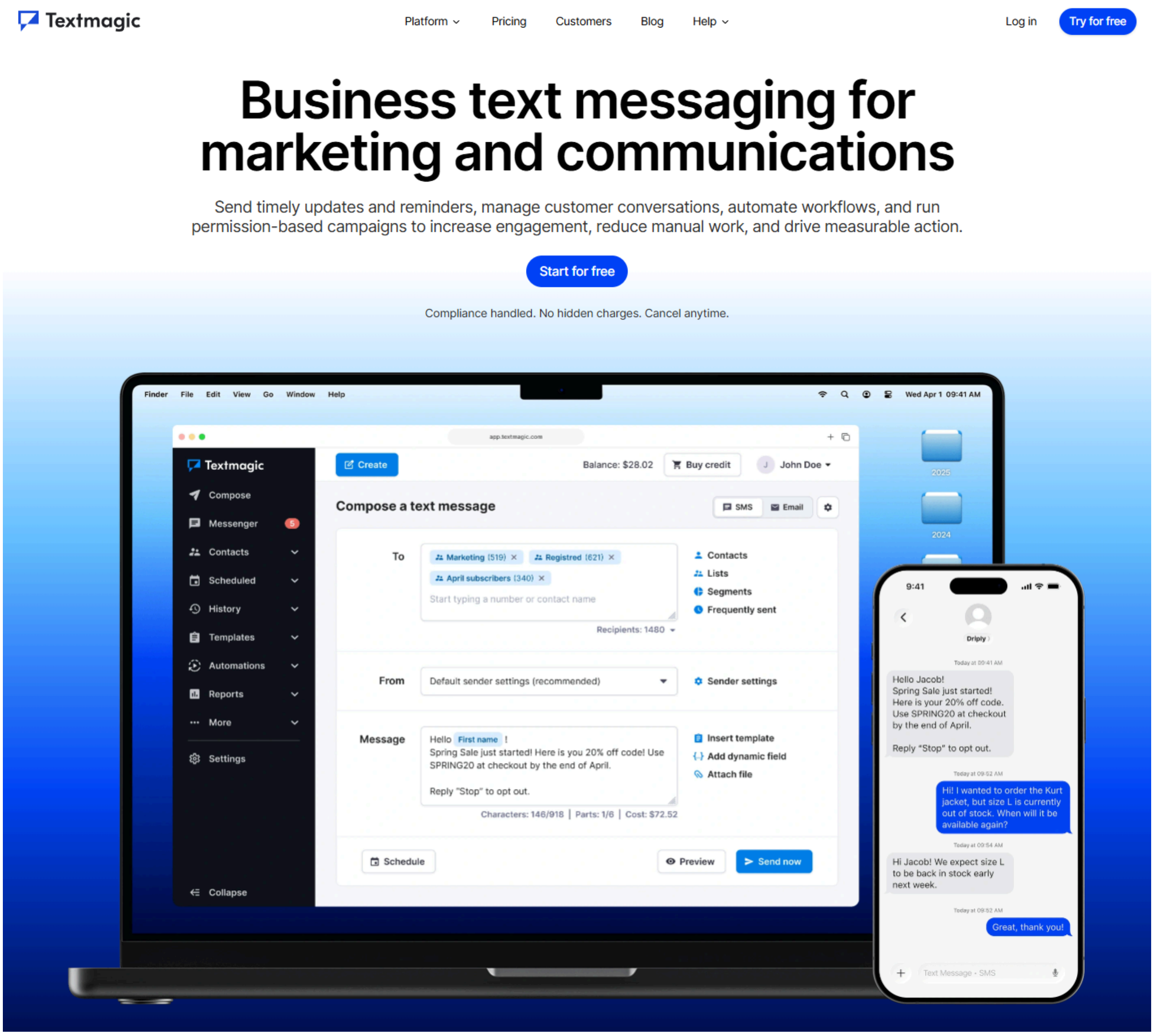
TextMagic Ltd is the sales unit of the Group and TM Marketing Ops SRL is the marketing unit of the Group.

In November 2025, the management of TextMagic AS resolved to discontinue the operations of TM Marketing Ops SRL. The liquidation will take place during 2026.

THE GROUP'S PRODUCT PORTFOLIO

Textmagic

Textmagic is a B2B business communication software platform that helps companies manage and automate their day-to-day business communications. The platform enables two-way messaging and the sending of order confirmations, reminders, notifications, and marketing campaigns. The shared inbox solution allows teams to manage customer inquiries collaboratively and gain a better overview of communication history. Integrations connect the Textmagic SMS platform with other business software, making data exchange and messaging more efficient.



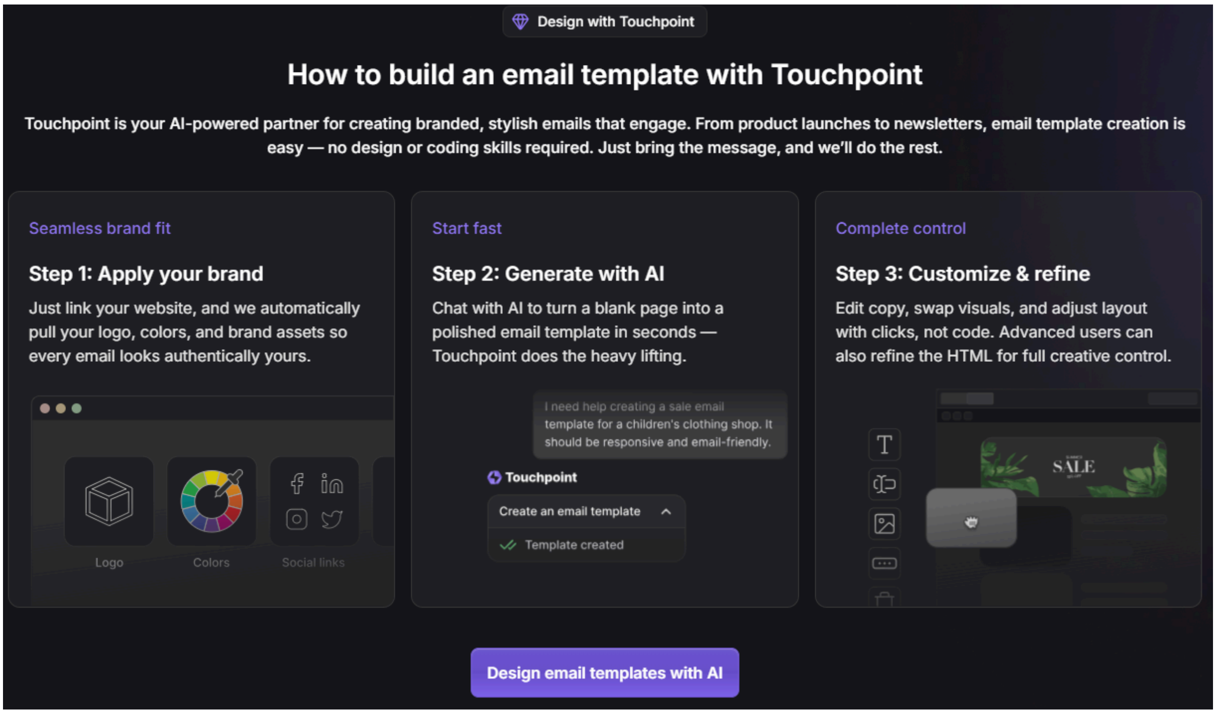
The Automations functionality enables the creation of automated messaging flows and workflows that are triggered by customer actions or predefined conditions. This allows businesses to send timely notifications, reminders, and marketing messages without manual intervention, reducing time spent and the risk of human error. Automation supports consistent customer communication, increases contact engagement, and enables businesses to scale their communications without a corresponding increase in personnel expenses.

The purpose of the Textmagic SMS platform is to provide businesses with reliable and efficient business communication software. Additional communication channels, the shared inbox solution, automated workflows, and integrations help customers save time and manage their day-to-day business communications more effectively.

Touchpoint

Touchpoint.com is an artificial intelligence–based email creation and design platform that enables the rapid development of professional and visually high-quality marketing and newsletter campaigns. The platform is targeted at small and medium-sized businesses, marketing teams and agencies seeking to accelerate campaign creation while ensuring consistently professional results without dedicated design resources.

The objective of the Touchpoint software is to make professional email marketing accessible to every business, regardless of size or technical expertise, enabling companies to create more personalized, effective and meaningful customer communication.



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.

The day-to-day business of TextMagic AS is represented and 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, 2026, the management board of TextMagic AS consisted of two members, Mr. Priit Vaikmaa and Ms. Getter Grünmann. The Group’s extended management team also includes business operations manager Kärtu Vaikmaa.

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 of importance to the company 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 2025 or the first half year of 2026.

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, 2026, 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 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 important and integral part of the Group's governance. The primary objective of the Group's risk management is to achieve an optimal balance between potential losses or reduced profits and the resources required to mitigate those risks. The Group's strategy focuses primarily on preventing risks rather than responding to them. In this context, risk is defined as any possible future event or circumstance that could hinder the achievement of the Group's or its business objectives. The Group's ability to identify, quantify, and manage various risks has a significant impact on profitability. The risk management process consists of identifying, assessing, prioritizing, and mitigating risks.

We assess and prioritize risks based on their potential impact and likelihood. During the current period, the Group's most significant business risks include technological risks arising from the continuously evolving technology landscape; regulatory and compliance risks resulting from increased oversight and changing regulations worldwide; strategic risks, including macroeconomic developments and investments in new products; and reputational risk associated with being a public company.

The Company's operations are exposed to several financial risks. TextMagic Group is currently not exposed to material liquidity, credit, or interest rate risk, as the Group has no interest-bearing liabilities and maintains a strong cash position. To mitigate foreign exchange risk, the Group conducts its business in multiple currencies and seeks to match significant revenues and expenses in the same currencies, although material exchange rate fluctuations may affect revenue and profitability.

TextMagic Group is also exposed to operational risks specific to its business. Messaging-related regulations may become more stringent and expand into additional regions. The Group operates in a highly competitive communications platform market, and the provision of its services depends partly on cooperation with partners, including telecommunications operators, cloud service providers, and other technology partners.

SUSTAINABILITY

Sustainable and responsible operations are an integral part of the TextMagic Group's long-term value creation. In our governance and day-to-day decision-making, we consider environmental impact, employee well-being, and thoughtful and responsible management practices to support stable development and trustworthy relationships with customers, employees and partners. This approach helps maintain competitiveness and enables balanced decision-making in a changing business environment.

Our objective is to develop an operating model that supports long-term sustainability, clear areas of responsibility and prudent use of resources, integrating these principles into the company's processes and management practices.

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 have moved 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-labeled 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 decrease our carbon footprint, but also increase 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, encouraging reasonable working hours, and respecting personal time. Work-life balance is a critical component of our employee well-being strategy. 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 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.

Data protection and cybersecurity are essential parts 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

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, 2026, 8,610,000 shares have been issued with a book value of €0.1 per share, resulting in a share capital of €861,000. (June 30, 2025: 8,610,000 shares; share capital €861,000). 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. Also, there are no known restrictions on the transfer of securities established by shareholders' agreements.

In 2025, TextMagic AS received recognition at the Nasdaq Baltic Awards, achieving 2nd place in the First North share list for best investor relations.

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	2026 H1	2025 H1
Average price	1.73	3.29
Maximum price	2.07	4.00
Minimum price	1.62	2.22
Closing price at June 30	1.66	2.70
Number of shares at June 30	8,610,000	8,610,000
Number of shareholders at June 30	5,357	5,915
Market value of the company at June 30 (Closing price * number of shares)	14,292,600	23,247,000
Earnings per share (EPS) (Profit / number of shares)	(0.12)	(0.01)

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 April 2026, the shareholders resolved to distribute dividends in the amount of €1,205 thousand, corresponding to €0.14 per share.

Since the initial public offering (IPO), TextMagic AS has distributed a total of €10,062 thousand to shareholders, corresponding to €1.18 per share.

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	Getter Grünmann
CEO, TextMagic AS	CFO, TextMagic AS

CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	Note	30.06. 2026	31.12. 2025	30.06. 2025	31.12. 2024
Non-current assets					
Property, plant and equipment	6	375	329	483	581
Intangible assets and goodwill	7	25,746	28,165	31,941	32,972
Total non-current assets		**26,121**	**28,494**	**32,424**	**33,553**
Current assets					
Trade and other receivables		161	281	20	22
Prepayments		115	123	184	165
Cash and cash equivalents		4,256	3,914	4,060	3,432
Total current assets		**4,532**	**4,318**	**4,264**	**3,619**
TOTAL ASSETS		**30,653**	**32,812**	**36,688**	**37,172**
Current Liabilities					
Current tax liabilities	11	160	173	215	270
Trade and other payables	10	750	666	734	913
Lease liabilities	12	95	106	115	107
Contract liabilities	15	1,269	1,235	1,506	1,669
Other provisions	13	0	0	338	384
Total current liabilities		**2,274**	**2,180**	**2,908**	**3,343**
Long-Term Liabilities					
Lease liabilities	12	204	144	250	309
Total long-term liabilities		**204**	**144**	**250**	**309**
Total liabilities		**2,478**	**2,324**	**3,158**	**3,652**
Equity					
Share capital	9	861	861	861	850
Share premium	9	141	141	141	141
Reserve capital	9	86	85	85	85
Voluntary reserve	9	27,710	27,710	27,710	27,710
Other reserve	9	71	398	376	1,235
Foreign currency translation reserve		17	16	(27)	(35)
Retained earnings		350	3,227	4,477	1,481
Profit / Loss		(1,061)	(1,950)	(93)	2,053
Equity attributable to owners of the parent		**28,175**	**30,488**	**33,530**	**33,520**
Total equity		**28,175**	**30,488**	**33,530**	**33,520**
TOTAL EQUITY AND LIABILITIES		**30,653**	**32,812**	**36,688**	**37,172**

The Notes presented on pages 23 to 39 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	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Revenue	15	6,849	6,804
Other income		80	54
Goods, raw materials and services	16	(2,823)	(2,510)
Other operating expenses	17	(772)	(681)
Work performed by the entity and capitalized		355	1,173
Employee expenses	18	(1,590)	(2,330)
Depreciation, amortization and impairment of non-current assets	6, 7	(2,855)	(2,478)
Operating profit (loss)		**(756)**	**32**
Discontinued Operations	19	0	(164)
Financial income and expense		37	47
Profit (loss) before tax		**(719)**	**(85)**
Income tax	11	(342)	(8)
Profit (loss) for the period		**(1,061)**	**(93)**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		1	8
Other comprehensive income for the period		**1**	**8**
Total comprehensive income for the period		**(1,060)**	**(85)**

The Notes presented on pages 23 to 39 form an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Note	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Cash flows from operating activities			
Profit (loss) for the period - continuing operations		**(1,061)**	**70**
Adjustments for:			
Depreciation and amortization	6, 7	2,855	2,478
Financial Income		(37)	(47)
Income tax on dividends		340	0
Other adjustments		(71)	68
Total adjustments		**3,087**	**2,499**
Changes in trade and other receivables		0	10
Changes in contract liabilities		34	(163)
Changes in prepayments		8	(18)
Changes in trade and other payables		71	(299)
Cash flows from operating activities – continuing operations		**2,139**	**2,099**
Cash flows from operating activities – discontinued operations		0	99
Cash flows from operating activities		**2,139**	**2,198**
Cash flows from investing activities			
Subsidiary sale proceeds		120	0
Interest received		45	47
Acquisition of property, plant and equipment	6	(6)	(4)
Development expenditure	7	(355)	(1,442)
Cash flows from investing activities – continuing operations		**(196)**	**(1,399)**
Cash flows from investing activities – discontinued operations		0	(124)
Cash flows from investing activities		**(196)**	**(1,523)**
Cash flows from financing activities			
Repayment of lease liabilities	12	(57)	(56)
Issued shares		0	11
Income tax on dividends		(340)	0
Payouts to shareholders	9	(1,205)	0
Cash flows from financing activities – continuing operations		**(1,602)**	**(45)**
Cash flows from financing activities – discontinued operations		0	(10)
Cash flows from financing activities		**(1,602)**	**(55)**
TOTAL CASH FLOWS		**341**	**620**
Cash and cash equivalents at the beginning		3,914	3,432
Effect of movements in exchange rates on cash held		1	8
Cash and cash equivalents at the end		**4,256**	**4,060**

The Notes presented on pages 23 to 39 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Total equity attributable to owners of TextMagic AS (Note 9)							
	Share Capital	Share premium	Reserve capital	Voluntary reserve	Other reserve	FX translation reserve	Retained earnings	Total equity
Balance at December 31, 2024	**850**	**141**	**85**	**27,710**	**1,235**	**(35)**	**3,534**	**33,520**
Loss for the period	0	0	0	0	0	0	(93)	**(93)**
Other comprehensive income	0	0	0	0	0	8	0	**8**
Transactions with shareholders	11	0	0	0	0	0	0	**11**
Other changes in equity	0	0	0	0	(859)	0	943	**84**
Balance at June 30, 2025	**861**	**141**	**85**	**27,710**	**376**	**(27)**	**4,384**	**33,530**
Loss for the period	0	0	0	0	0	0	(1,857)	**(1,857)**
Other comprehensive income	0	0	0	0	0	43	0	**43**
Transactions with shareholders	0	0	0	0	0	0	(1,292)	**(1,292)**
Other changes in equity	0	0	0	0	22	0	42	**64**
Balance at December 31, 2025	**861**	**141**	**85**	**27,710**	**398**	**16**	**1,277**	**30,488**
Loss for the period	0	0	0	0	0	0	(1,061)	**(1,061)**
Other comprehensive income	0	0	0	0	0	1	0	**1**
Transactions with shareholders	0	0	0	0	0	0	(1,205)	**(1,205)**
Other changes in equity	0	0	1	0	(327)	0	278	**(48)**
Balance at June 30, 2026	**861**	**141**	**86**	**27,710**	**71**	**17**	**(711)**	**28,175**

The Notes presented on pages 23 to 39 form an integral part of the consolidated 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, 2026 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, 2025, 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, 2025, which has been prepared in accordance with the IFRS EU.

The applicable accounting policies have not changed compared to the previous financial year. The period of this report is January 1, 2026 to June 30, 2026. The reference period is January 1, 2025 to June 30, 2025.

This consolidated interim report has not been audited or otherwise reviewed 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 both business and 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 2025 annual report. There have been no significant changes in the policies governing the work of risk management since the end of last year.

NOTE 5. CHANGES IN ESTIMATES AND PRESENTATION

Changes in presentation

TextMagic AS's 2025 Annual Report states that, due to the sale of Edicy OÜ and the discontinuation of the related operations, the activities of Edicy OÜ and the platforms managed by it are presented as discontinued operations in accordance with IFRS. Therefore, the results presented in the six-month interim report for 2025 differ from the comparative-period figures presented in this interim report. For further information, see Note 19.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	Lease assets	Office equipment	Computer equipment	Other tangible assets	Total
Cost at December 31, 2024	458	32	189	143	**822**
Accumulated depreciation at December 31, 2024	(56)	(13)	(142)	(30)	**(241)**
Carrying amounts at December 31, 2024	**402**	**19**	**47**	**113**	**581**
Additions	0	0	2	2	**4**
Depreciation	(57)	(4)	(23)	(18)	**(102)**
Cost at June 30, 2025	458	30	134	124	**746**
Accumulated depreciation at June 30, 2025	(113)	(15)	(108)	(27)	**(263)**
Carrying amounts at June 30, 2025	**345**	**15**	**26**	**97**	**483**
Additions	0	0	17	3	**20**
Depreciation	(44)	(6)	(10)	(14)	**(74)**
Discontinued operations	(75)	0	(5)	(20)	**(100)**
Cost at December 31, 2025	377	29	59	99	**564**
Accumulated depreciation at December 31, 2025	(151)	(20)	(31)	(33)	**(235)**
Carrying amounts at December 31, 2025	**226**	**9**	**28**	**66**	**329**
Additions	306	0	6	0	**312**
Depreciation	(51)	(3)	(13)	(15)	**(82)**
Lease terminations	(184)	0	0	0	**(184)**
Cost at June 30, 2026	306	16	43	99	**464**
Accumulated depreciation at June 30, 2026	(9)	(10)	(22)	(48)	**(89)**
Carrying amounts at June 30, 2026	**297**	**6**	**21**	**51**	**375**

NOTE 7. INTANGIBLE ASSETS

(in thousands of euros)	Goodwill	Software*	Other intangibles	Incomplete software**	Pre-payments	Total
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)**
Carrying amounts at December 31, 2024	**256**	**30,444**	**1,738**	**534**	**0**	**32,972**
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	**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)**
Carrying amounts at June 30, 2025	**256**	**29,816**	**1,609**	**260**	**0**	**31,941**
Additions	0	0	0	690	145	**835**
Amortization	0	(2,211)	(129)	0	0	**(2,340)**
Reclassification from prepayments	0	950	0	(950)	0	**0**
Impairment losses	0	(306)	0	0	0	**(306)**
Disposal	0	(94)	0	0	0	**(94)**
Discontinued operations	(48)	(1,818)	(5)	0	0	**(1,871)**
Cost at December 31, 2025	208	42,612	2,563	0	145	**45,528**
Accum. amortization at December 31, 2025	0	(16,275)	(1,088)	0	0	**(17,363)**
Carrying amounts at December 31, 2025	**208**	**26,337**	**1,475**	**0**	**145**	**28,165**
Additions	0	0	0	355	0	**355**
Amortization	0	(2,475)	(130)	0	0	**(2,605)**
Reclassification from prepayments	0	500	0	(355)	(145)	**0**
Impairment losses	0	(169)	0	0	0	**(169)**
Cost at June 30, 2026	208	43,113	2,563	0	0	**45,884**
Accum. amortization at June 30, 2026	0	(18,920)	(1,218)	0	0	**(20,138)**
Carrying amounts at June 30, 2026	**208**	**24,193**	**1,345**	**0**	**0**	**25,746**

* Software acquisitions and improvements consist of capitalized development costs for the Textmagic and Touchpoint platforms' software.

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

NOTE 8. 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 June 30, 2026	Ownership interest at June 30, 2025
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	Management of Voog.com and Edicy.com	Estonia	-	100.00%

In November 2025, the management of TextMagic AS resolved to close the operations of TM Marketing Ops SRL. The liquidation will take place during 2026.

Edicy OÜ was sold in September 2025, and the related operations are presented in this report as discontinued operations (Note 19).

NOTE 9. CAPITAL AND RESERVES

Share capital and share premium

The share capital as of June 30, 2026, was in the amount of €861 thousand (June 30, 2025: €861 thousand), which is divided into 8,610,000 ordinary shares with a book value of €0.1 per share (June 30, 2025: 8,610,000 ordinary shares). 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 €0.1 to €0.4 as a result of the bonus issue at the expense of the share premium;
- On the basis of the decision of August 5, 2022, the share capital was reduced by €2,550 thousand, which reduced the book value of the shares from €0.4 to €0.1.
- On the basis of the decision of April 19, 2024, share capital was increased by €32,725 thousand, 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;
- 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 €0.1.
- Increase of share capital by €11 thousand through cash contributions based on the resolution dated November 25, 2024.

The share premium amounts to €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

In accordance with the Parent Company's Articles of Association, a statutory reserve is established to cover potential losses and increase share capital, amounting to one-tenth of the share capital. As of June 30, 2026, the statutory reserve amounted to €86 thousand (June 30, 2025: €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 as of June 30, 2026 was €17 thousand (June 30, 2025: -€27 thousand).

Other reserves

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

As of June 30, 2026, the total number of granted but not yet exercised options was 11,000 (June 30, 2025: 93,200). The exercise price per share is €0.10.

The reserve for granted but not yet exercised options was recognized in the amount of €71 thousand as of June 30, 2026 (June 30, 2025: €376 thousand).

The expected expenses from previous periods were reduced by €279 thousand in the first half year of 2026, and the impact was recognized through retained earnings from prior periods.

NOTE 10. TRADE AND OTHER PAYABLES

(in thousands of euros)	30.06.2026	30.06.2025
Trade payables	230	218
Total trade payables	**230**	**218**
Payables to employees	106	141
Other accrued liabilities	414	375
Total other payables	**520**	**516**
Total	**750**	**734**
Non-current	0	0
Current	750	734
Total	**750**	**734**

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.

Textmagic

NOTE 11. INCOME TAX AND TAX LIABILITIES

Amounts recognized in profit or loss

(in thousands of euros)	30.06.2026	30.06.2025
Current tax for the year	342	8
Income tax for the year	**342**	**8**
Profit (loss) before tax	**(719)**	**(85)**
Income tax on dividends	340	0
Tax using the Company's domestic tax rate	0	0
Effect of tax rates in foreign jurisdictions	2	8
Income tax for the year	**342**	**8**

Tax liabilities

(in thousands of euros)	30.06.2026	30.06.2025
Value-added tax	26	27
Personal income tax	37	53
Corporate income tax	7	11
Social security tax	63	93
Funded pension contributions	3	5
Unemployment insurance contributions	3	5
Global tax liabilities	21	20
Other tax payables	0	1
Total	**160**	**215**
Non-current	0	0
Current	160	215
Total	**160**	**215**

NOTE 12. LEASE LIABILITIES

TextMagic leases office premises, which are recognized as a right-of-use asset and a corresponding liability.

(in thousands of euros)	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Lease liabilities at the beginning of the period	**250**	**416**
Lease additions	306	0
Lease terminations	(208)	0
Cash flow	(57)	(55)
Interest	8	12
Discontinued operations	0	(8)
Lease liabilities at the end of the period	**299**	**365**
incl. current lease liabilities	95	115
incl. long-term lease liabilities	204	250

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

(in thousands of euros)	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Finance costs: Interest	8	12
Other operating expenses: Short-term and low-value leases	(5)	(72)

NOTE 13. OTHER PROVISIONS

In the second half of 2025, the provision related to global business operations was reversed, as management assessed that, at the reporting date, it was no longer probable that the corresponding obligation would arise. As at 30 June 2025, the provision amounted to €338 thousand. The potential obligation is disclosed as a contingent liability in Note 14.

NOTE 14. CONTINGENT LIABILITY

As at the reporting date, there is a possible obligation related to global business operations for which the previously recognized provision was reversed, as management considers it unlikely that the obligation will materialize. Since the existence and potential impact of the obligation depend on future events, it has not been recognized as a liability but is instead disclosed as a contingent liability.

(in thousands euros)	30.06.2026	30.06.2025
Liability of global business operations	318	0
Total contingent liabilities	**318**	**0**

NOTE 15. REVENUE

(in thousands of euros)	01.01.2026 - 30.06.2026	01.01.2025 - 30.06.2025
Sales to countries other than the European Union		
United States	3,597	3,799
United Kingdom	1,987	1,828
Australia	570	476
Canada	340	318
Other countries	124	172
Discontinued operations	0	(10)
Total sales to countries other than the European Union	**6,618**	**6,583**
Sales to countries of the European Union		
Countries of the European Union	231	522
Discontinued operations	0	(301)
Total sales to European Union countries	**231**	**221**
Total revenue	**6,849**	**6,804**
Major products/service lines		
Text-messaging services	5,565	5,366
Virtual mobile number services	1,192	1,341
Other Textmagic platform services	92	97
Voog.com platform	0	311
Discontinued operations	0	(311)
Total revenue	**6,849**	**6,804**
Timing of revenue recognition		
At a point in time	6,849	6,804
Over time	0	311
Discontinued operations	0	(311)
Total revenue from contracts with customers	**6,849**	**6,804**

Contract liabilities primarily relate to advance consideration received from customers, with the related revenue recognized at the point in time when the service is used. 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)	30.06.2026	30.06.2025
Receivables, which are included in 'trade and other receivables	0	20
Contract liabilities	(1,269)	(1,506)
Total	**(1,269)**	**(1,486)**

No information is provided about remaining performance obligations as of June 30, 2026 that have an original expected duration of one year or less, as allowed by IFRS 15.

NOTE 16. GOODS, RAW MATERIALS AND SERVICES

(in thousands of euros)	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Payment processing fees	(314)	(267)
Purchased services	(2,302)	(2,027)
Other software expense	(207)	(242)
Other	0	(8)
Discontinued operations	0	34
Total	**(2,823)**	**(2,510)**

NOTE 17. OTHER OPERATING EXPENSES

(in thousands of euros)	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Office expenses	(21)	(41)
Administrative expenses	(4)	(20)
Software expenses	(58)	(65)
Legal and other professional service costs	(25)	(44)
Accounting and audit expenses	(63)	(70)
Marketing expenses	(527)	(292)
Recruitment and other personnel expenses	(61)	(80)
Exchange rate variance and foreign currency gains and losses	28	(87)
Other operating expenses	(41)	(16)
Discontinued operations	0	34
Total	**(772)**	**(681)**

NOTE 18. STAFF EXPENSES

(in thousands of euros)	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Salary expenses	(556)	(1,022)
Share option expense*	(14)	(86)
Social security charges	(182)	(260)
Discontinued operations	0	319
Total employee expenses	**(752)**	**(1,049)**
Average number of personnel converted to full-time equivalent	13	31
Average number of staff by employment relationship:		
Personnel working under employment contracts	11	30
Personnel working under board member contracts	2	1

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

(in thousands of euros)	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Cost of contract developers	(838)	(1,281)
Option expense	0	0
Discontinued operations	0	0
Total subcontractors' expense	**(838)**	**(1,281)**

(in thousands of euros)	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Total employee expense	(752)	(1,368)
Total subcontractors' expense	(838)	(1,281)
Total discontinued operations	0	319
Total staff expenses	**(1,590)**	**(2,330)**

NOTE 19. DISCONTINUED OPERATIONS

In September 2025, the subsidiary Edicy OÜ, together with the web platforms operated by it, Voog.com and Edicy.com, was sold. The operations of Edicy OÜ constituted a separate cash-generating unit, the principal activity of which was the development and provision of website and content management solutions.

The sale of Edicy OÜ resulted from the Group's strategic decision to focus its operations on the Textmagic platform. As a result of the transaction, the Group lost control over Edicy OÜ, and the operation of the Voog.com and Edicy.com platforms by the TextMagic Group ceased.

As a result of the sale of Edicy OÜ and the discontinuation of the related operations, the activities of Edicy OÜ and the platforms operated by it are presented as discontinued operations in accordance with IFRS. The results of the discontinued operations are presented separately in the financial statements and are not included in continuing operations.

The comparative figures for the prior year in the consolidated statement of profit or loss and the consolidated statement of cash flows have been restated in accordance with IFRS 5 to present discontinued operations separately from continuing operations.

Impact on profit or loss

(in thousands of euros)	Software products Voog and Edicy	
	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Revenue	0	311
Other income	0	9
Goods, raw materials and services	0	(34)
Other operating expenses	0	(34)
Work performed by the entity and capitalized	0	138
Employee expenses	0	(319)
Depreciation, amortization and impairment of non-current assets	0	(226)
Operating loss	**0**	**(155)**
Financial expense	0	(9)
Loss for the period	**0**	**(164)**

Impact on cash flows

(in thousands of euros)	01.01.2026 - 30.06.2026	01.01.2025 - 30.06.2025
Cash flow from operating activities		
Cash flow from operating activities - discontinued operations	0	99
Cash flows from operating activities	**0**	**99**
Cash flow from investing activities		
Cash flow from investing activities - discontinued operations	0	(124)
Cash flows from investing activities	**0**	**(124)**
Cash flow from financing activities		
Cash flow from financing activities - discontinued operations	0	(10)
Cash flows from financing activities	**0**	**(10)**
TOTAL CASH FLOWS	**0**	**(35)**

NOTE 20. SEGMENT REPORTING

The business segments have been defined by management based on reports reviewed by the board of TextMagic AS. The Management Board considers the Group's entire business to constitute a single operating segment. The Management Board primarily uses the measures 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 software products	
	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Revenue	6,849	6,804
Other income	80	54
Goods, raw materials and services	(2,823)	(2,510)
Other operating expenses	(772)	(681)
Work performed by the entity and capitalized	355	1,173
Employee expenses	(1,590)	(2,330)
Depreciation, amortization, and impairment of non-current assets	(2,855)	(2,478)
Operating profit (loss)	**(756)**	**32**
EBITDA	**2,099**	**2,510**

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

(in thousands of euros)	Textmagic platform 01.01.2026-30.06.2026	Textmagic platform 01.01.2025-30.06.2025
United States	3,597	3,797
United Kingdom	1,987	1,825
Australia	570	476
Canada	340	318
European Union	231	221
Other	124	167
Total revenue	**6,849**	**6,804**

NOTE 21. TRANSACTIONS WITH RELATED PARTIES

Parent and ultimate controlling party

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

The ultimate controlling party is Priit Vaikmaa, the sole owner of Monday Media OÜ (the parent company of TextMagic AS), which held 85.4% of the shares in TextMagic AS as of June 30, 2026 (June 30, 2025: 85.5%).

Shares of management and supervisory board

As of June 30, 2026, members of the Management Board and Supervisory Board, together with entities under their control, held the following shares in TextMagic AS:

Priit Vaikmaa (representative of Monday Media OÜ) – 7,355,527

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

Eduard Tark (Edly OÜ representative) – 341,373

Getter Grünmann – 10,039

Transactions with key management personnel

Salary expenses recognized for members of Management Board and Supervisory Board for the period from January 1 to June 30, 2026 totaled €345 thousand (January 1 to June 30, 2025: €256 thousand).

(in thousands of euros)	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Management and supervisory board		
Salary expenses	(345)	(256)

Other related party transactions

Transactions of shareholders with a controlling interest

During the reporting period, other transactions with shareholders holding a controlling interest were recognized, and as at June 30, 2026, a receivable of €1 thousand was outstanding from them (June 30, 2025: €0 thousand).

Transactions with the Management Board, the Supervisory Board and entities under their control

During the reporting period, there were no transactions with the Management Board, the Supervisory Board or entities under their control, and as at the reporting date there were no related receivables or liabilities.

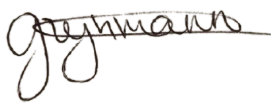
The Group considers a party to be a related party if one party has control over, or significant influence on, the business decisions of the other party. Related party transactions include transactions with shareholders, executive and senior management, their close family members, and entities under the control or significant influence of any of the aforementioned persons.

MANAGEMENT BOARD'S SIGNATURES ON THE CONSOLIDATED INTERIM REPORT

The Management Board has prepared the management report and the consolidated interim financial statements of TextMagic AS for the six-month period ended June 30, 2026.

The members of the Management Board confirm that, to the best of their knowledge, the management report and the consolidated interim financial statements give a true and fair view of the significant events and developments in the business activities of TextMagic AS and the entities included in the consolidation as a whole during the reporting period, and their impact on the financial position, financial performance and cash flows; include a description of the principal risks and uncertainties; and disclose material transactions with related parties.

Management Board



Priit Vaikmaa

Chairman of the Management Board, CEO

Getter Grünmann

Member of the management board, CFO