



**2025 12 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
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Website:	https://www.textmagic.com/
Reporting period:	From January 1, 2025 to December 31, 2025
Auditor:	KPMG Baltics OÜ

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TextMagic Grupp

2025

 **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.

€13.55M

Revenue

2024: €14.53M

€4.90M

EBITDA

2024: €5.94M

€4.09M

Operating Cash Flows

2024: €5.76M

Textmagic business communication platform

261.93M

Sent SMS

2024: 249.23M

23,922

Active users

2024: 26 431

€2.01M

Development costs

2024: €3.54M

Revenue distribution

-  **60%** USA & Canada
-  **27%** United Kingdom
-  **7%** Australia
-  **4%** European Union
-  **2%** Other

2025 MANAGEMENT REPORT

Business results

In 2025, the TextMagic Group was characterised by strategic decisions aimed at improving future performance and operational efficiency. Structural changes were initiated during the year, including the sale of a business line and starting the liquidation of a subsidiary, also optimizing development activities and the cost base.

In 2025, the TextMagic Group generated revenue of €13,549 thousand, representing a 7% decrease compared to 2024 (2024: €14,533 thousand). The decline in revenue was significantly affected by the unfavourable exchange rates of the US dollar and the British pound. If exchange rates had remained at the 2024 level, revenue in 2025 would have totalled €14,015 thousand, representing a decrease of 4%.

The Group recorded an operating loss of €611 thousand (2024: operating profit of €1,844 thousand). The loss was mainly due to an increase in depreciation and amortization expense and impairment of assets of €1,418 thousand to €5,513 thousand (2024: €4,095 thousand), which had no cash impact during the reporting period.

Management primarily assesses the Group's performance based on EBITDA and its ability to generate operating cash flow. EBITDA amounted to €4,902 thousand (2024: €5,939 thousand), with an EBITDA margin of 36% (2024: 41%).

Cash flow from operating activities from continuing operations amounted to €4,085 thousand (2024: €5,761 thousand), confirming that the TextMagic Group's business continues to generate strong cash flows, enabling both investments and distributions to investors.

In the third quarter, upon the proposal of the Management Board, the shareholders resolved to distribute dividends in the total amount of €1,292 thousand (€0.15 per share). The dividend payment was made in October.



Edicy OÜ, which operates the Voog website and e-commerce platform as well as the Edicy campaign page creation tool, was sold in September 2025 and is presented in this report as a discontinued operation.

In November, management decided to cease the operations of the Romanian subsidiary TM Marketing Ops SRL, which operated as the Group's marketing unit. Going forward, the Group's marketing activities will be carried out from the Estonian headquarters. The decision aimed to reduce the administrative and operational costs of a separate legal entity and to improve the efficiency and effectiveness of marketing activities.

In 2025, a strategic decision was made to reduce the scale of development activities and the size of the development team. The Textmagic business communication platform has been significantly developed in recent years. The next focus will be on making improvements based on customer feedback to ensure a reliable platform and improved user experience. The objective for the coming periods is to place greater emphasis on marketing the value created and to more effectively highlight existing functionalities in the market.

Product development

The purpose of the Textmagic software is to provide a multichannel business communication platform that enables companies to consolidate various customer interactions into one environment and shared inbox, automate business communications, save time, and reduce the administrative workload.

Textmagic's vision is to be a trusted partner for compliant and efficient business communication. We support operational and permission-based business messaging to accelerate information exchange and simplify daily business processes. Ensuring security means not only protecting data, but also preventing and blocking spam and fraud.



In the first quarter of 2025, new communication channels were added to the Textmagic platform, including Business Instagram and Facebook Messenger, enabling users to manage various customer inquiries and interactions within a single environment.

In June, email campaign functionality was launched to provide customers with a more comprehensive solution for marketing and customer communications alongside SMS.

In December, automation functionality was introduced to the Textmagic platform, enabling the creation of automated messaging workflows. This allows messages to be delivered at the right time, saves time, and increases customer engagement. The new solution enables the sending of predefined campaigns and notifications via SMS and email. Automated communication is triggered based on customer responses and actions. The objective of this development is to enhance the efficiency of Textmagic customers' business communications by enabling advance planning and automation of activities, resulting in significant time savings.

In the fourth quarter, Touchpoint.com was launched - a platform that uses artificial intelligence to create professional and high-quality email designs. Touchpoint enables users to quickly create personalized newsletters and design them through simple prompts in line with their brand style. The platform has been developed as a standalone product to serve a broad customer base, while also providing value to Textmagic platform customers by helping them create visually appealing campaigns.

FINANCIAL RESULTS

Textmagic platform's revenue and business volumes

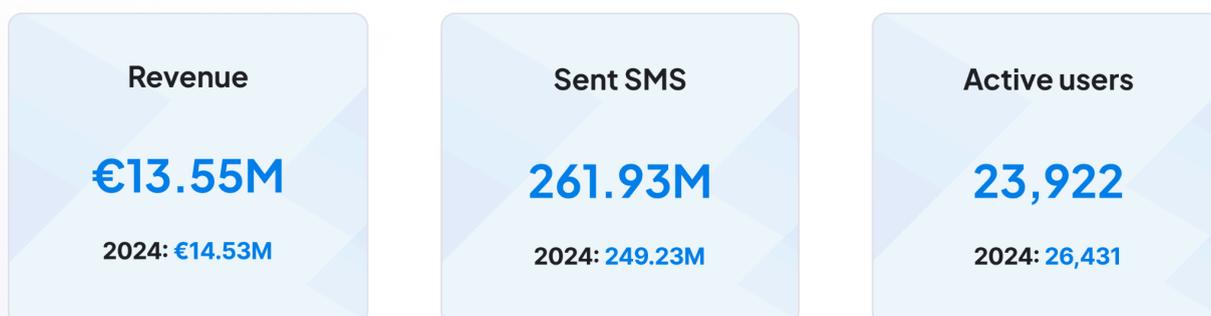
The unaudited consolidated revenue of the Textmagic business communication platform for the 12 months of 2025 decreased by 7% compared to the previous year and amounted to a total of €13,549 thousand (12 months 2024: €14,533 thousand). If exchange rates had remained at the 2024 level, revenue in 2025 would have totalled €14,015 thousand, representing a decrease of 4%.



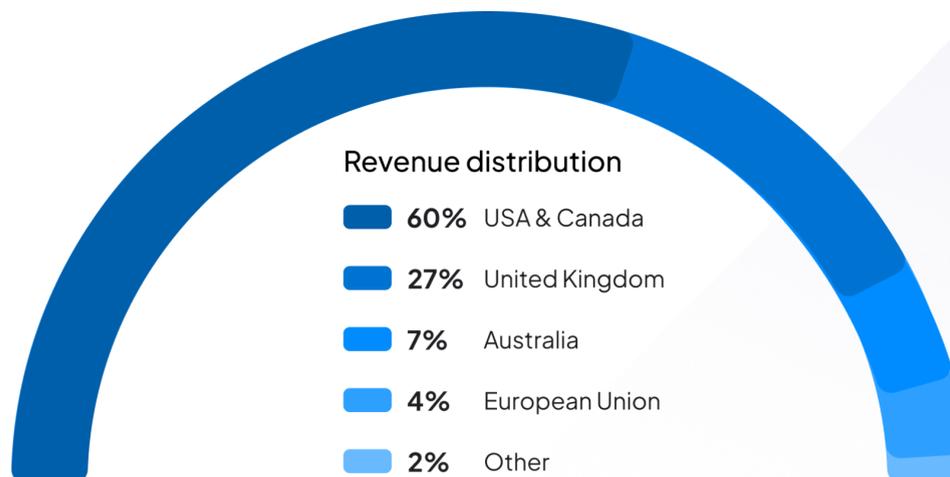
In 2025, revenue was negatively affected by more competitive pricing packages introduced to strengthen competitiveness, as well as by fluctuations in the exchange rates of the US dollar and the British pound. Sales performance improved gradually over the year, and excluding the impact of exchange rates, revenue increased by approximately 5% in the fourth quarter, indicating stabilisation of operations and a positive trend in the second half of the year.

A positive indicator for sales performance is the growth in platform usage volumes, reflected in an increase in the number of SMS messages sent. In 2025, a total of 261,931 thousand messages were sent via the Textmagic platform, representing a 5% increase compared to 2024. In the fourth quarter, usage volumes were 14% higher compared to the same period of the previous year. The increase in usage volumes, together with improved customer satisfaction metrics, indicates that the platform's development direction aligns with user expectations.

The main reason for the decline in the number of active users continued to be regulatory changes in the United States restricting the sending of unregistered campaigns. While these regulations have affected user numbers, in the longer term they support market strengthening and improvements in the quality of SMS marketing by reducing spam and fraudulent messages and increasing trust. By year-end, stabilisation in the number of active users was observed.



Geographically, developments varied: during 2025, the number of active users increased in the United Kingdom, remained stable in Australia, and continued to adjust to the regulatory environment in the US market.



The distribution of Textmagic platform revenue is similar to the previous year, with the main markets — the US, Canada and the United Kingdom — continuing to account for nearly 90% of total revenue. The US and Canadian markets together accounted for 60% of revenue (2024: 64%). The share of revenue from the United Kingdom increased to 27% (2024: 25%). Australia accounted for 7% of revenue (2024: 6%), while the European Union represented 4% (2024: 3%). All other regions accounted for the remaining 2% of revenue (2024: 3%).

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 2025, the direct costs of sold services in continuing business segments amounted to €4,888 thousand, representing 36% of revenue (2024: €4,687 thousand; 32%). Direct costs increased due to higher input prices, and the direct cost ratio also rose as a result of more favorably priced Textmagic platform packages.

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

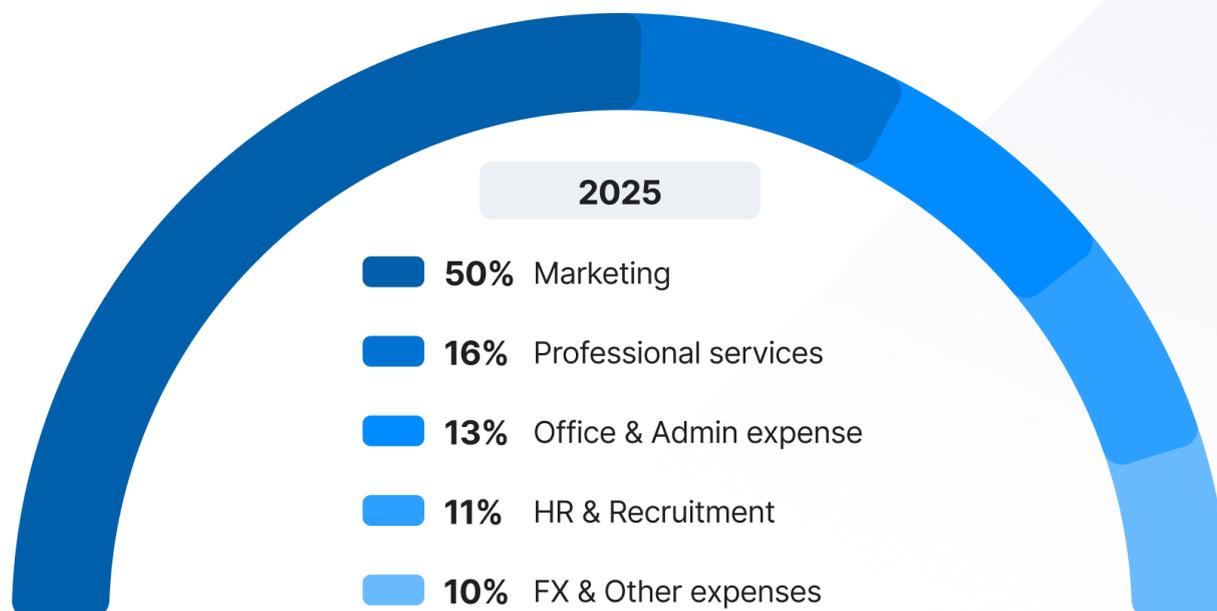
Our team consists of both employees and contractors, all of whom we consider integral members of our team. A significant portion of personnel expenses relates to the development team. In the first quarter of 2025, the pace of development slowed, and during the year a strategic decision was made to optimize development activities and improve cost efficiency.

During 2025, both the development and marketing teams were reduced. As at 31 December 2025, the Textmagic team consisted of 43 people (31 December 2024: 79). A substantial part of the headcount reduction took place at the end of the year; therefore, the full impact of personnel cost savings will be effective in the following period.

Personnel expenses from continuing operations amounted to €4,496 thousand in 2025 (2024: €6,077 thousand). Of this, 45%, totalling €2,006 thousand (2024: 63%; €3,816 thousand), was capitalised as it relates directly to the development of software products. Personnel expenses also include the non-cash impact of three-year option agreements in the amount of €109 thousand (2024: €539 thousand).

Other operating expenses

Operating expenses in continuing operations decreased by 22% to €1,389 thousand (2024: €1,780 thousand).



Of the operating expenses of continuing operations, 50% consisted of marketing expenses, which amounted to €691 thousand in 2025 (2024: €837 thousand; 47%). These expenses include various advertising costs, social media expenses, marketing consultancy fees, as well as costs of tools and software.

Professional services include legal, accounting, audit and other professional advisory services. In 2025, these expenses in continuing operations totalled €217 thousand, representing 16% of operating expenses (2024: €444 thousand; 25%). The higher expense in the comparative period was mainly related to one-off costs to ensure regulatory compliance and increased audit fees resulting from expanded reporting obligations of subsidiaries.

Recruitment and personnel-related expenses in continuing operations decreased compared to 2024 and amounted to €152 thousand (2024: €161 thousand), reflecting the reduction in team size.

Office and administrative expenses in continuing operations decreased by 40% and totalled €183 thousand (2024: €304 thousand).

Foreign exchange losses and other expenses in continuing operations increased to €145 thousand (2024: €34 thousand), due to volatile exchange rates.

Profitability

Gross profit, defined as revenue less direct costs, amounted to €8,661 thousand in 2025 (2024: €9,846 thousand). Gross profit declined due to lower revenue resulting from unfavourable exchange rates and more favorable customer pricing, as well as an increase in direct costs driven by higher input prices.

The operating loss for 2025 amounted to €611 thousand (2024: operating profit of €1,844 thousand), decreasing compared to 2024 mainly due to higher amortisation of intangible assets. The increase in amortisation of €1,418 thousand was attributable to the growth in capitalised development costs in recent years. The increase in direct costs and the decline in revenue also contributed to the result.



EBITDA, which eliminates the impact of depreciation and amortisation, amounted to €4,902 thousand in 2025, decreasing by €1,037 thousand compared to 2024 (2024: €5,939 thousand). The EBITDA margin was 36% (2024: 41%), confirming that the company's operating cash flow remains strong.

As a result of the discontinued operation, the net loss for 2025 amounted to €1,950 thousand (2024: net profit of €2,053 thousand).

Cash flows

As of December 31, 2025, the TextMagic Group had a cash balance of €3,914 thousand (December 31, 2024: €3,432 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 2025 amounted to €4,085 thousand (2024: €5,761 thousand).

The cash flow from investing activities of continuing operations was mainly composed of the expenditure on intangible assets of €2,402 thousand (2024: €3,540 thousand). In 2024, the term deposit agreement, which was opened at the end of 2023 in the amount of €2,500 thousand, reached its maturity.

As a financing activity, a distribution to shareholders of €1,292 thousand was made in October 2025 (2024: €5,015 thousand), to which income tax expense of €363 thousand was added (2024: €0 thousand).

Financial ratios

	2025	2024
Revenue (in thousands of euros)	13,549	14,533
EBITDA (in thousands of euros)	4,902	5,939
EBITDA margin (EBITDA / revenue)	36.2%	40.9%
EBIT (in thousands of euros)	(611)	1,844
EBIT margin (EBIT / revenue)	(4.5%)	12.7%
Net Profit (loss) for the period (in thousands of euros)	(1,950)	2,053
Net Profit (loss) margin (Profit for the period / revenue)	(14.4%)	14.1%
Total Assets at the end of the period (in thousands of euros)	32,812	37,172
Equity at the end of the period (in thousands of euros)	30,488	33,520
Liquidity ratio (Current assets / Current liabilities)	1.98	1.08
Debt-To-Equity ratio (Total liabilities / Equity)	0.08	0.11
Assets-to-Equity ratio (Total assets / Equity)	1.08	1.11

GROUP'S OBJECTIVES FOR 2026

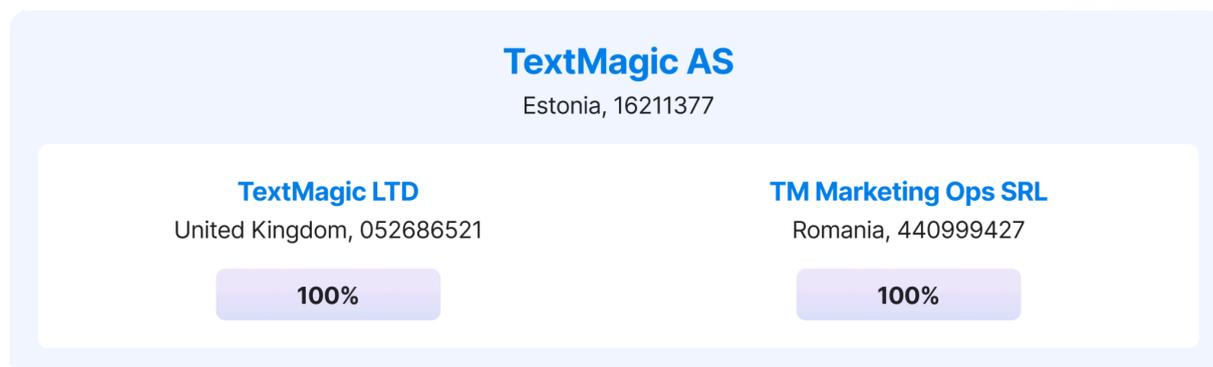
In 2026, the priority is to improve cash flow and increase profitability, building on the existing product value proposition and focusing on revenue growth and cost efficiency.

In 2026, a key focus is the transformation of the TextMagic platform's marketing strategy and its consistent execution. Marketing messages and platform positioning will be 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 December 31, 2025, 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.

Edicy OÜ was sold in September 2025, and the related operations are presented in this report as a discontinued operation.

THE GROUP'S PRODUCT PORTFOLIO

Textmagic

Textmagic is a comprehensive B2B business communication software solution that helps businesses manage and automate business interactions across multiple channels. The platform enables two-way messaging, order confirmations, reminders, notifications and marketing campaigns. In addition, Textmagic supports two-factor authentication and improves the efficiency of customer support and sales teams. The platform now also includes email communication, automated messaging workflows and a shared inbox solution, enabling teams to collaboratively manage customer inquiries.

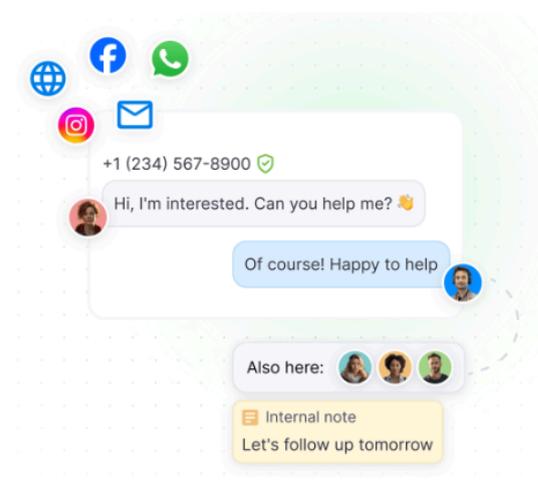


The shared inbox solution enables company teams to manage all customer inquiries collaboratively within a single environment, regardless of the communication channel. It ensures greater transparency, clear accountability and faster response times, as conversations are not tied to an individual employee's personal inbox or phone number. The system allows conversations to be routed, assigned to responsible team members, and stored with a unified communication history, thereby improving both customer experience and internal workflow.

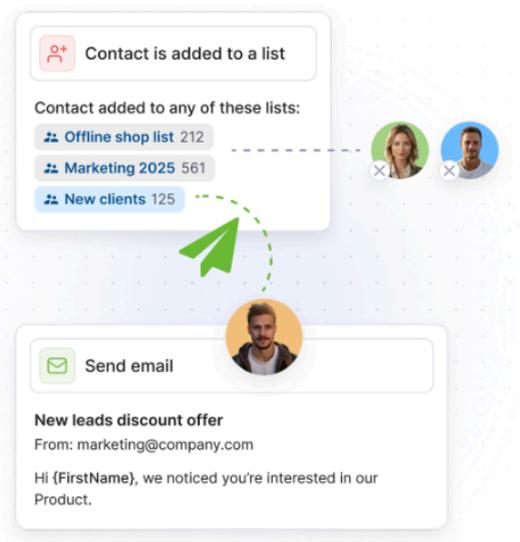
Your whole team, **one inbox**

Reach more people from one platform. SMS via 10DLC or toll-free numbers. Email with full compliance built in.

- ✓ **Two-way conversations**
Customers reply. Messages appear in one shared inbox.
- ✓ **Multi-channel inbox**
SMS, email, WhatsApp, Facebook, Instagram, and more.
- ✓ **Fully compliant from day one**
Email & SMS verification, list clean-up, opt-out management.
- ✓ **Team collaboration tools**
Assign conversations. Add notes. See everything.



The Automations functionality enables the creation of automated messaging flows and workflows that are triggered by customer actions or predefined conditions. It helps businesses deliver timely notifications, reminders and marketing messages without manual intervention, reducing time spent and human error. Automation supports consistent customer communication, increases engagement, and allows companies to scale their communications without an increase in labour costs.



Build once, run forever

See how your automation actually works. Build it visually, let it run 24/7.

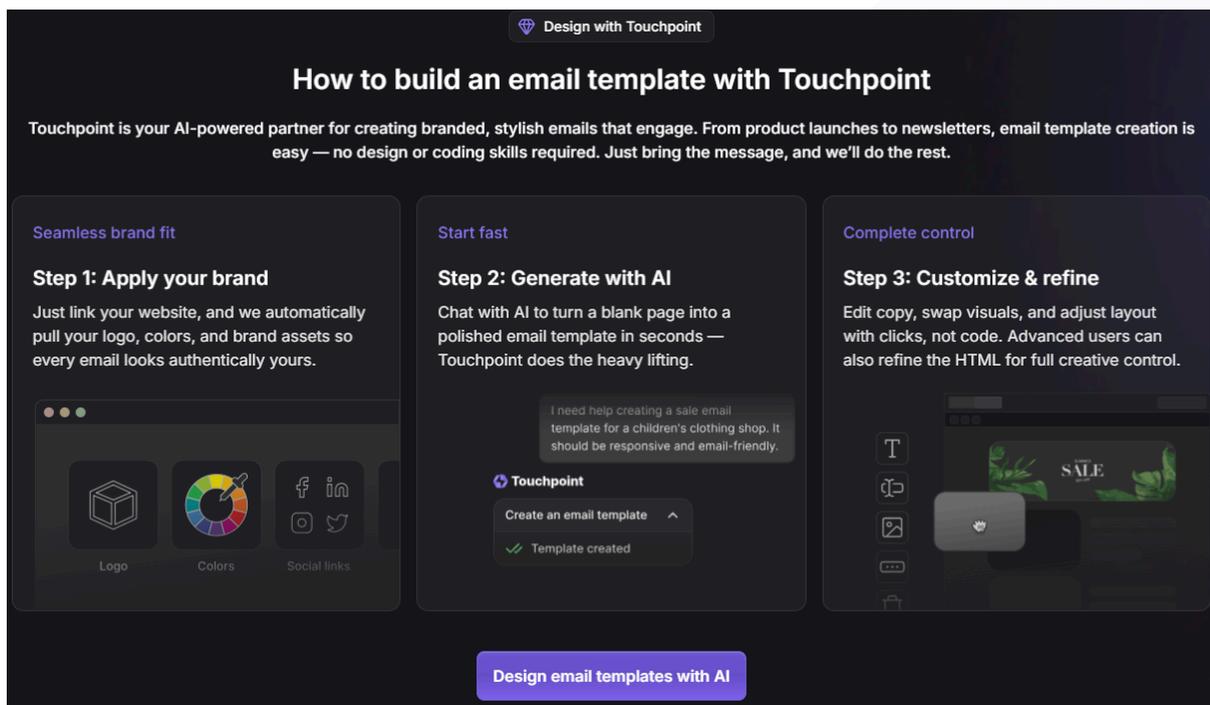
- ✓ **Intuitive drag-and-drop builder**
Build workflows easily – no coding needed.
- ✓ **Flexible triggers**
Start flows from events, dates, or actions.
- ✓ **Smart timing & scheduling**
Add delays or schedules to send at the right moment.
- ✓ **Recurring workflows**
Emails resend to non-openers. Reminders repeat.

The objective of the Textmagic business communication software is to develop the product into a multichannel business communication platform that enables companies to consolidate customer interactions via SMS, email and social media channels into a single environment and manage them more efficiently, including through automated workflows.

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.



The screenshot displays the Touchpoint website interface with a dark theme. At the top, it says "Design with Touchpoint". The main heading is "How to build an email template with Touchpoint". Below this, a sub-heading states: "Touchpoint is your AI-powered partner for creating branded, stylish emails that engage. From product launches to newsletters, email template creation is easy — no design or coding skills required. Just bring the message, and we'll do the rest."

The interface is divided into three main steps:

- Step 1: Apply your brand** (under the heading "Seamless brand fit"): "Just link your website, and we automatically pull your logo, colors, and brand assets so every email looks authentically yours." It shows icons for "Logo", "Colors", and "Social links".
- Step 2: Generate with AI** (under the heading "Start fast"): "Chat with AI to turn a blank page into a polished email template in seconds — Touchpoint does the heavy lifting." It shows a chat input field with the text: "I need help creating a sale email template for a children's clothing shop. It should be responsive and email-friendly." Below the chat is a "Touchpoint" button and a "Create an email template" dropdown menu with a "Template created" confirmation message.
- Step 3: Customize & refine** (under the heading "Complete control"): "Edit copy, swap visuals, and adjust layout with clicks, not code. Advanced users can also refine the HTML for full creative control." It shows a preview of an email template with a "SALE" banner and various editing tools like text, image, and layout icons.

At the bottom of the page, there is a prominent purple button that says "Design email templates with AI".

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 December 31, 2025, the management board of TextMagic AS consisted of one member, Mr. Priit Vaikmaa. On January 7, 2026, the supervisory board of TextMagic AS appointed the financial manager Getter Grünmann as a second member of the management board. As a member of the management board, Getter Grünmann is responsible for the financial management of TextMagic AS. The Group's extended management team also includes administrative 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 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 December 31, 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 essential and integral part of the management of the Group. The main 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 these risks. The strategy focuses on risk prevention rather than risk response. In this context, risk is defined as any possible future event or situation that could prevent the Group or its business from achieving its objectives. The Group's ability to identify, quantify and manage the various risks has a significant impact on profitability. The risk management process consists of identifying, assessing, prioritizing, and mitigating risks.

We evaluate and prioritize our risks based on their potential impact and likelihood. In the current period, the Group's most significant business risks include technology risks (due to the constantly evolving technology landscape), regulatory and compliance risks (due to increasing scrutiny and changing regulations worldwide) and strategic risks (macro-economic, investments in new products) and, as a public company, reputational risk.

A company's activities may involve several financial risks. The TextMagic Group is not currently exposed to liquidity, credit or interest rate risk as the Group has no interest-bearing debt and has a strong cash position. To mitigate currency risk, the Group conducts its business in different currencies by keeping the largest revenues and expenses in the same currency.

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-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 decrease 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 in the office.

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. We want to help our employees cope with stress and are consciously working to create a balanced and caring work environment.

Work-life balance is a critical component of our employee well-being strategy. We encourage reasonable working hours, respect personal time, and offer flexible work arrangements.

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. We will develop training programs that focus not only on job-specific skills, but also on soft skills such as communication, leadership, and emotional intelligence.

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.

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 December 31, 2025, 8,610,000 shares have been issued with a nominal value of €0.1 per share, resulting in a share capital of €861,000. (31.12.2024: 8,500,000 shares; share capital €850,000). 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	2025	2024
Average price	2.67	4.14
Maximum price	4.00	6.66
Minimum price	1.65	3.30
Closing price at December 31	1.72	3.78
Number of shares at December 31	8,610,000	8,500,000
Number of shareholders at December 31	5,634	6,215
Market value of the company at December 31 (Closing price * number of shares)	14,809,200	32,130,000
Earnings per share (EPS) (Profit / number of shares)	(0.23)	0.24
Price to Sales ratio (P/S)	1.09	2.21

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 May 2024, the shareholders resolved, through a bonus issue and a reduction of share capital, to make a distribution from equity in the amount of €5,015 thousand, corresponding to €0.59 per share. The payment was made in December 2024.

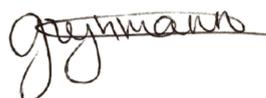
In September 2025, the shareholders resolved to distribute dividends in the amount of €1,292 thousand, corresponding to €0.15 per share. The payment was made in October 2025.

Since the initial public offering (IPO), TextMagic AS has distributed a total of €8,857 thousand to shareholders, corresponding to EUR 1.04 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. A 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



Getter Grünmann
CFO, TextMagic AS

CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	Note	31.12. 2025	30.06. 2025	31.12. 2024	30.06. 2024
Non-current assets					
Property, plant and equipment	6	329	483	581	102
Intangible assets and goodwill	7	28,165	31,941	32,972	32,921
Total non-current assets		28,494	32,424	33,553	33,023
Current assets					
Trade and other receivables		281	20	22	90
Prepayments		123	184	165	200
Financial Investments		0	0	0	3,500
Cash and cash equivalents		3,914	4,060	3,432	4,229
Total current assets		4,318	4,264	3,619	8,019
TOTAL ASSETS		32,812	36,688	37,172	41,042
Current Liabilities					
Current tax liabilities	11	173	215	270	411
Trade and other payables	10	666	734	913	882
Lease liabilities	12	106	115	107	0
Contract liabilities	15	1,235	1,506	1,669	1,668
Other provisions	13	0	338	384	679
Total current liabilities		2,180	2,908	3,343	3,640
Long-Term Liabilities					
Lease liabilities	12	144	250	309	0
Total long-term liabilities		144	250	309	0
Total liabilities		2,324	3,158	3,652	3,640
Equity					
Share capital	9	861	861	850	33,575
Share premium	9	141	141	141	141
Reserve capital	9	85	85	85	85
Voluntary reserve	9	27,710	27,710	27,710	0
Other reserve	9	398	376	1 235	2,360
Foreign currency translation reserve		16	(27)	(35)	(13)
Retained earnings		3,227	4,477	1,481	0
Profit / Loss		(1,950)	(93)	2,053	1,254
Equity attributable to owners of the parent		30,488	33,530	33,520	37,402
Total equity		30,488	33,530	33,520	37,402
TOTAL EQUITY AND LIABILITIES		32,812	36,688	37,172	41,042

The Notes presented on pages 25 to 42 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 - 31.12.2025	01.07.2025- 31.12.2025	01.01.2024 - 31.12.2024	01.07.2024- 31.12.2024
Revenue	15	13,549	6,745	14,533	7,043
Other income		144	90	144	107
Goods, raw materials and services	16	(4,888)	(2,378)	(4,687)	(2,329)
Other operating expenses	17	(1,389)	(708)	(1,780)	(788)
Work performed by the entity and capitalized		2,006	833	3,816	1,998
Employee expenses	18	(4,496)	(2,166)	(6,077)	(3,189)
Depreciation, amortization and impairment of non-current assets	6, 7	(5,513)	(3,035)	(4,095)	(2,154)
Other expenses		(24)	(24)	(10)	0
Operating profit (loss)		(611)	(643)	1,844	688
Discontinued Operations	19	(1,055)	(891)	(48)	11
Financial Income		89	42	265	113
Profit (loss) before tax		(1,577)	(1,492)	2,061	812
Income tax	11	(373)	(365)	(8)	(4)
Profit (loss) for the period		(1,950)	(1,857)	2,053	808

Other comprehensive income

Items that are or may be reclassified subsequently to profit or loss

Foreign currency translation differences		51	43	(14)	(22)
Other comprehensive income for the period		51	43	(14)	(22)
Total comprehensive income for the period		(1,899)	(1,814)	2,039	786

The Notes presented on pages 25 to 42 form an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousand euros)	Note	01.01.2025- 31.12.2025	01.07.2025- 31.12.2025	01.01.2024- 31.12.2024	01.07.2024- 31.12.2024
Cash flows from operating activities					
Profit (loss) for the period - continuing operations		(896)	(966)	2,101	797
<i>Adjustments for:</i>					
Depreciation and amortization	6, 7	5,513	3,035	4,095	2,154
Financial Income		(89)	(42)	(265)	(113)
Income tax on dividends		363	363	0	0
Other adjustments		90	22	323	149
Total adjustments		5,877	3,378	4,153	2,190
Changes in trade and other receivables		(281)	(291)	(1)	66
Changes in contract liabilities		(35)	128	10	1
Changes in prepayments		41	59	66	32
Changes in trade and other payables		(621)	(322)	(568)	(385)
Cash flows from operating activities – continuing operations		4,085	1,986	5,761	2,701
Cash flows from operating activities – discontinued operations		138	39	199	135
Cash flows from operating activities		4,223	2,025	5,960	2,836
Cash flows from investing activities					
Business combinations		520	520	0	0
Interest received		89	42	258	113
Fixed-term deposits		0	0	2,500	3,500
Acquisition of property, plant and equipment	6	(23)	(19)	(118)	(110)
Development expenditure	7	(2,402)	(960)	(3,540)	(1,777)
Cash flows from investing activities – continuing operations		(1,816)	(417)	(901)	(1,726)
Cash flows from investing activities – discontinued operations		(145)	(21)	(443)	(267)
Cash flows from investing activities		(1,961)	(438)	(1 344)	1,459
Cash flows from financing activities					
Repayment of lease liabilities	12	(113)	(57)	(49)	(48)
Issued shares		11	0	0	0
Income tax on dividends		(363)	(363)	0	0
Payouts to shareholders	9	(1,292)	(1,292)	(5,015)	(5,015)
Cash flows from financing activities – continuing operations		(1,777)	(1,712)	(5,070)	(5,063)
Cash flows from financing activities – discontinued operations		(13)	(3)	(6)	(6)
Cash flows from financing activities		(1,770)	(1,715)	(5,070)	(5,070)
TOTAL CASH FLOWS		492	(128)	(454)	(775)
Cash and cash equivalents at the beginning		3,432	4,060	3,900	4,229
Effect of movements in exchange rates on cash held		(10)	(18)	(14)	(22)
Cash and cash equivalents at the end		3,914	3,914	3,432	3,432

The Notes presented on pages 25 to 42 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, 2023	850	51,242	85	0	2,035	(21)	(18,376)	35,815
Profit for the period	0	0	0	0	0	0	1,245	1,245
Other comprehensive income	0	0	0	0	0	8	0	8
Covering loss	0	(18,376)	0	0	0	0	18,376	0
Other changes in equity	32,725	(32,725)	0	0	325	0	9	334
Balance at June 30, 2024	33,575	141	85	0	2,360	(13)	1,254	37,402
Profit for the period	0	0	0	0	0	0	808	808
Other comprehensive income	0	0	0	0	0	(22)	0	(22)
Transactions with shareholders	(5,015)	0	0	0	0	0	0	(5,015)
Other changes in equity	(27,710)	0	0	27,710	(1,125)	0	1,472	347
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

The Notes presented on pages 25 to 42 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 12 months ended 31.12.2025 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 December 31, 2025. The reference period is January 1, 2024 to December 31, 2024.

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

NOTE 3. FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in euro, which is the Company's functional currency. All amounts disclosed in the 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 risk management since the end of last year.

NOTE 5. CHANGES IN ESTIMATES AND PRESENTATION

Changes in presentation

As a result of 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. Further information is disclosed in Note 19.

(in thousands euros)	01.01.2024 - 31.12.2024 (2024 report)	Change	01.01.2024 - 31.12.2024 (2025 report)
Revenue	15,175	(642)	14,533
Other income	175	(31)	144
Goods, raw materials and services	(4,764)	77	(4,687)
Other operating expenses	(1,887)	107	(1,780)
Work performed by the entity and capitalized	4,327	(511)	3,816
Employee expenses	(6,871)	794	(6,077)
Depreciation, amortization and impairment of non-current assets	(4,342)	247	(4,095)
Financial income	258	7	265
Discontinued operations	0	(48)	(48)

NOTE 6. 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	231
Accumulated depreciation at December 31, 2023	0	(12)	(97)	(17)	(126)
Carrying amounts at December 31, 2023	0	5	95	5	105
Additions	458	17	5	118	598
Depreciation	(56)	(3)	(53)	(10)	(122)
Cost at December 31, 2024	458	32	189	143	822
Accumulated depreciation at 31 December, 2024	(56)	(13)	(142)	(30)	(241)
Carrying amounts at December 31, 2024	402	19	47	113	581
Additions	0	0	19	5	24
Depreciation	(101)	(10)	(33)	(32)	(176)
Discontinued operations	(75)	0	(5)	(20)	(100)
Cost at December 31, 2025	377	29	59	99	564
Accumulated depreciation at 31 December, 2025	(151)	(20)	(31)	(33)	(235)
Carrying amounts at December 31, 2025	226	9	28	66	329

NOTE 7. INTANGIBLE ASSETS

(in thousands of euros)	Goodwill	Software*	Other intangible assets	Incomplete software**	Pre-payments	Total
Cost at December 31, 2023	256	36,399	2,557	1,865	8	41,084
Accum. amortization at December 31, 2023	0	(7,659)	(572)	0	0	(8,231)
Carrying amounts at December 31, 2023	256	28,740	1,985	1,865	8	32,854
Additions	0	0	6	4,327	5	4,338
Amortization	0	(3,954)	(258)	0	0	(4,212)
Reclassification from prepayments	0	5,658	5	(5,658)	(5)	0
Disposal	0	0	0	0	(8)	(8)
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	2,260	145	2,405
Amortization	0	(4,683)	(258)	0	0	(4,941)
Reclassification from prepayments	0	2,794	0	(2,794)	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

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

** 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 31 Dec 2025	Ownership interest at 31 Dec 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 and Edicy.com platforms	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. The costs related to the discontinuation were recognised in the statement of profit or loss for the reporting period and did not have a material impact on the Group's financial results. The discontinuation did not affect the business model of the Group's continuing operations or its liquidity position. The impact of the decision on the financial result for the reporting period amounted to EUR 71 thousand.

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 December 31, 2025, was in the amount of €861 thousand (December 31, 2024: €850 thousand), which is divided into 8,610,000 ordinary shares with a nominal value of €0.1 per share (31.12.2024: 8,500,000 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 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 December 31, 2025 (December 31, 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 as of December 31, 2025 was €16 thousand (December 31, 2024: -€35 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 December 31, 2025, the total number of granted but not yet exercised options was 58,400 (December 31, 2024: 192,200). The exercise price per share is €0.10.

The reserve for granted but not yet exercised options was recognized in the amount of €398 thousand as of December 31, 2025 (December 31, 2024: €1,235 thousand).

In November 2024, two employees exercised their option agreements, which had different terms compared to the standard option program. These options were granted from the shares of Monday Media OÜ, and therefore, no new shares were issued. The reserve for exercised options amounted to €1,461 thousand.

The expected expenses from previous periods were reduced by €43 thousand in 2025, and the impact was recognized through retained losses from previous periods.

NOTE 10. TRADE AND OTHER PAYABLES

(in thousands of euros)	Note	31.12.2025	31.12.2024
Trade payables		210	448
Payables to related parties	21	0	0
Total trade payables		210	448
Payables to employees		105	158
Other accrued liabilities		351	307
Total other payables		456	465
Total		666	913
Non-current		0	0
Current		666	913
Total		666	913

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)	31.12.2025	31.12.2024
Current tax for the year	373	8
Income tax for the year	373	8
Profit (loss) before tax	(1,577)	2,061
Income tax on dividends	363	0
Tax using the Company's domestic tax rate	0	0
Effect of tax rates in foreign jurisdictions	10	8
Income tax for the year	373	8

Tax liabilities

(in thousands of euros)	31.12.2025	31.12.2024
Value-added tax	7	32
Personal income tax	42	63
Corporate income tax	5	6
Social security tax	87	116
Funded pension contributions	4	5
Unemployment insurance contributions	5	6
Global tax liabilities	22	40
Other tax payables	1	2
Total	173	270
Non-current	0	0
Current	173	270
Total	173	270

NOTE 12. LEASE LIABILITIES

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

(in thousands euros)	31.12.2025	31.12.2024
Lease liabilities added	0	459
Cash flow	(113)	(55)
Interest	22	12
Discontinued operations	(75)	0
Total lease liabilities	250	416
incl. current lease liabilities	106	107
incl. long-term lease liabilities	144	309

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

(in thousands euros)	31.12.2025	31.12.2024
Finance costs: Interest	22	12
Other operating expenses: Short-term and low-value leases	(30)	(72)

NOTE 13. OTHER PROVISIONS

During the reporting period, the provision for global business operations was reversed, as management assessed that, as at the reporting date, it is not probable that the related obligation will arise. The possible obligation is disclosed as a contingent liability in Note 14.

(in thousands euros)	Liability of global business operations	Total Other provision
Balance as of December 31, 2024	384	384
Unrealised provisions	(384)	(384)
Balance as of December 31, 2025	0	0

NOTE 14. CONTINGENT LIABILITY

As at the reporting date, there are possible obligations, including those related to the potential distribution of dividends in accordance with Estonian income tax regulations and the global business operations obligation for which a previously recognised provision was reversed, as management assessed that its realisation is not probable. As the existence and potential impact of these obligations depend on future events, they have not been recognised as liabilities and are disclosed as contingent liabilities.

(in thousands euros)	31.12.2025	31.12.2024
Liability of global business operations	318	0
Income tax liability on potential dividends	372	997
Total contingent liabilities	690	997

NOTE 15. REVENUE

(in thousands of euros)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<i>Sales to countries other than the European Union</i>		
United States	7,597	8,569
United Kingdom	3,637	3,553
Australia	943	918
Canada	577	706
Other countries	290	306
Discontinued operations	(14)	(25)
Total sales to countries other than the European Union	13,030	14,027
<i>Sales to countries of the European Union</i>		
Countries of the European Union	924	1,123
Discontinued operations	(405)	(617)
Total sales to European Union countries	519	506
Total revenue	13,549	14,533
Major products/service lines		
Text-messaging services	10,765	11,189
Virtual mobile number services	2,551	3,069
Other TextMagic platform services	233	275
Voog.com platform	419	642
Discontinued operations	(419)	(642)
Total revenue	13,549	14,533
Timing of revenue recognition		
At a point in time	13,549	14,533
Over time	419	642
Discontinued operations	(419)	(642)
Total revenue from contracts with customers	13,549	14,533

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)	31.12.2025	31.12.2024
Receivables, which are included in 'trade and other receivables	0	0
Contract liabilities	1,235	1,669
Total	1,235	1,669

No information is provided about remaining performance obligations as of December 31, 2025, 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)	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Payment processing fees	(536)	(531)
Purchased services	(4,216)	(3,817)
Other software expense	(519)	(325)
Other	341	(91)
Discontinued operations	42	77
Total	(4,888)	(4,687)

NOTE 17. OTHER OPERATING EXPENSES

(in thousands of euros)	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Office expenses	(70)	(144)
Administrative expenses	(15)	(45)
Software expenses	(120)	(176)
Legal and other professional service costs	(82)	(243)
Accounting and audit expenses	(135)	(201)
Marketing expenses	(707)	(867)
Recruitment and other personnel expenses	(155)	(176)
Exchange rate variance and foreign currency gains and losses	(107)	10
Other operating expenses	(41)	(45)
Discontinued operations	43	107
Total	(1,389)	(1,780)

NOTE 18. STAFF EXPENSES

(in thousands of euros)	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Salary expenses	(1,913)	(2,202)
Share option expense*	(154)	(575)
Social security charges	(475)	(577)
Discontinued operations	351	794
Total employee expenses	(2,191)	(2,560)
Average number of personnel converted to full-time equivalent	25	37
Average number of staff by employment relationship:		
Personnel working under employment contracts	24	36
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- 31.12.2025	01.01.2024- 31.12.2024
Cost of contract developers	(2,305)	(3,411)
Option expense	0	(106)
Discontinued operations	0	0
Total subcontractors' expense	(2,305)	(3,517)

(in thousands of euros)	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Total employee expense	(2,542)	(3,354)
Total subcontractors' expense	(2,305)	(3,517)
Total discontinued operations	351	794
Total staff expenses	(4,496)	(6,077)

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 thousand euros)	Software products Voog and Edicy	
	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Revenue	419	642
Other income	12	31
Goods, raw materials and services	(42)	(77)
Other operating expenses	(43)	(107)
Work performed by the entity and capitalized	159	511
Employee expenses	(351)	(794)
Depreciation, amortization and impairment of non-current assets	(1,200)	(247)
Operating loss	(1,046)	(41)
Financial expense	(9)	(7)
Loss for the period	(1,055)	(48)

Impact on cash flows

(in thousands euros)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Cash flow from operating activities		
Cash flow from operating activities - discontinued operations	138	199
Cash flows from operating activities	138	199
Cash flow from investing activities		
Cash flow from investing activities - discontinued operations	(145)	(443)
Cash flows from investing activities	(145)	(443)
Cash flow from financing activities		
Cash flow from financing activities - discontinued operations	(13)	(6)
Cash flows from financing activities	(13)	(6)
TOTAL CASH FLOWS	(20)	(250)

NOTE 20. SEGMENT REPORTING

The business segments have been defined by management based on reports reviewed by the board of TextMagic AS. The 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	
	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
Revenue	13,549	14,533
Other income	144	144
Goods, raw materials and services	(4,888)	(4,687)
Other operating expenses	(1,389)	(1,780)
Work performed by the entity and capitalized	2,006	3,816
Employee expenses	(4,496)	(6,077)
Depreciation, amortization, and disposal of non-current assets	(5,513)	(4,095)
Other expenses	(24)	(10)
Operating profit (loss)	(611)	1,844
EBITDA	4,902	5,939

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

(in thousands of euros)	Textmagic platform	
	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
United States	7,593	8,562
United Kingdom	3,634	3,549
Australia	943	918
Canada	577	706
European Union	519	506
Other	283	292
Total revenue	13,549	14,533

NOTE 21. 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 December 31, 2025, held 85,6% (December 31, 2024: 86,6%) on TextMagic AS shares.

Shares of management and supervisory board

As of December 31, 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 December 31, 2025, was in total of €512 thousand (January 1, 2024, to December 31, 2024: €477 thousand).

As of December 31, 2025, the Group has no outstanding stock option agreements with the members of the Management Board and the Supervisory Board (December 31, 2024: 0). 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- 31.12.2025	01.01.2024- 31.12.2024
<i>Management and supervisory board</i>		
Salary expenses	(512)	(477)

Other related party transactions

Transactions of shareholders with a controlling interest

During the reporting period, other transactions with shareholders holding a controlling interest were recognised, and as at December 31, 2025, a receivable of €1 thousand was outstanding from them (December 31, 2024: €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; in the comparative period, transactions with these parties related to the rental of premises and utility expenses amounting to EUR €57 thousand were recognised.

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'S SIGNATURES ON THE CONSOLIDATED INTERIM REPORT

The management has prepared the consolidated interim report for TextMagic AS for the 12-month period ending on December 31, 2025.

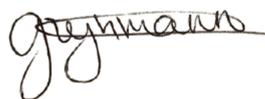
The management confirms that, to the best of their knowledge, the accounting interim report prepared in accordance with applicable accounting standards provides a true and fair view of the assets, liabilities, financial position, and profit or loss of TextMagic AS and the entities included in the consolidation as a whole. Additionally, the management report provides a true and fair view of the development, results, and financial position of the business, as well as includes a description of the main risks.

Management Board



Priit Vaikmaa

Chairman of the Management Board, CEO



Getter Grünmann

Member of the management board, CFO