TextMagic

2023 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:	SMS marketing service
Commercial registry number:	16211377
Address:	Mõisa 4, 13522 Tallinn
Country of incorporation:	Estonia
Phone:	+372 503 4224
E-mail:	priit.vaikmaa@textmagic.biz
Corporate website:	https://www.textmagic.com/
Financial year:	From January 1, 2023 to December 31, 2023
Interim reporting period:	From January 1, 2023 to June 30, 2023
Auditor:	KPMG Baltics OÜ

TextMagic

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Our B2B software products

TextMagic, an A2P SMS platform, provides an easy-to-use and efficient solution for text messaging based communication.

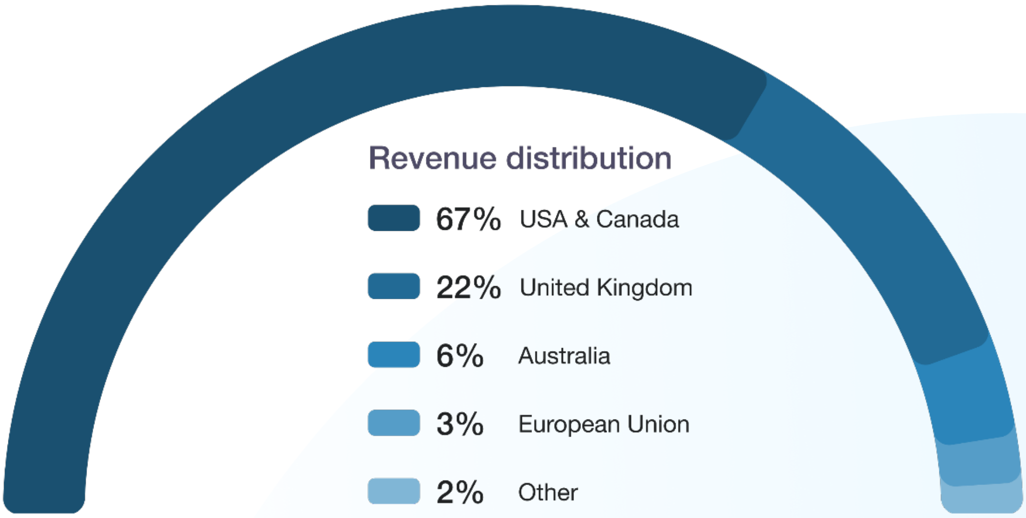
Touchpoint, a customer support platform, enables companies to engage with their customers across multiple channels.

The **Voog** platform provides convenient and intuitive tools for creating and managing aesthetically pleasing websites and online stores.

TextMagic Group in numbers

H1 2023

	H1 2023		
Revenue	€6.78M	↗ 6%	2022 H1: €6.40M
Investments in intangible assets	€3.06M	↗ 85%	2022 H1: €1.65M
EBITDA	€2.57M	↘ 16%	2022 H1: €3.07M
Voog acquisition	€1.10M		June 1, 2023
Team members	111	↗ 66%	June 30, 2022: 67



2023 6 MONTHS OVERVIEW

TextMagic's SMS platform revenue growth rate has slowed significantly in 2023 compared to 2022 due to a combination of factors. Our primary market, the US, is undergoing significant changes to SMS regulations, resulting in restrictions on SMS campaigns. Demand, which increased during the peak of the Covid pandemic, has now come to an end. Rising interest rates, inflation and the impact of the economic environment have had a negative impact on our customer portfolio, resulting in a decline in business volumes.

Group's operational figures H1 2023 and change compared to H1 2022

6.78 M € +6%

Revenue

136.41 M SMS 0%

Number of SMSs sent

2.57 M € -16%

EBITDA

3.06 M € +85%

Capitalized development costs

TextMagic Group has evaluated changing regulations, market dynamics and customer needs in its growth strategies. Investments in software development and product portfolio expansion are necessary to achieve sustainable growth.

In June, we launched a regulatory development on the TextMagic SMS platform to simplify the process for customers to register campaigns and brands. As of July, mobile apps with enhanced functionality and a new logo are available for both Android and iOS users. We plan to launch a version with a new user interface in the third quarter.

At the end of May we changed the price list for the TextMagic SMS platform. The price increase was necessary both to cover inflationary costs and to fund future investments to ensure quality of service and regulatory compliance.

The development of the Touchpoint customer service platform is on schedule and the product will be launched in the fourth quarter of 2023. As a result, we have been proactively engaged in marketing activities. In the first half of the year, much attention was paid to the integration of artificial intelligence (AI) technologies. In the third quarter of 2023, Touchpoint customer support modules will be piloted across the Group, marking an important step in our product development. This will allow us to test and refine product functionality to ensure optimal value and high standards.

The second quarter was an important milestone in TextMagic's strategy to develop, acquire and manage software solutions for business customers. On June 1, Voog, a website and e-commerce management platform, was acquired for EUR 1.1 million. As part of the acquisition, 100% of the shares in Edicy OÜ were acquired from 16 shareholders. To recognize the transaction, it was decided to provisionally value the acquisition at EUR 1 per Estonian and to donate the difference to support Ukraine. The acquisition received positive press coverage in Estonia and abroad.

In addition to the addition of eight Voo employees to the Group, the development and marketing team also grew. In six months, the team grew by 26% to 111 members.

TextMagic AS has been recognized for the best investor relations in 2023 with the 3rd place in the Nasdaq Baltic First North.

FINANCIAL RESULTS

Revenue

The group's unaudited consolidated total revenue increased in the first half year of 2023 by 6% year-over-year to EUR 6,779 thousand (H1 2022: EUR 6,404 thousand). On June 1, 2023, the group acquired a 100% subsidiary Edicy OÜ, the company that manages the Voog website and e-commerce platform. The financial results of the Voog platform have been consolidated from the date of acquisition and the impact on the group's revenues was EUR 60 thousand.

(in thousands of euros)	2023 H1	2022 H1
TextMagic A2P SMS platform	€6,719	€6,404
Voog platform	€60	-
Total revenue	**€6,779**	**€6,404**

TextMagic A2P SMS platform business volumes H1 2023

TextMagic A2P SMS platform's sales revenue in the first half year of 2023 was EUR 6,719 thousand (H1 2022: EUR 6,404 thousand), an increase of 5% compared to 2022.

	2023 H1	2022 H1	Change
Revenue (thousands)	€6,719	€6,404	+5%
Volume of SMS messages (thousands)	136,409	137,029	-0%
Active users*	32,611	30,699	+6%
Average revenue per user (ARPU)**	€206	€209	-1%

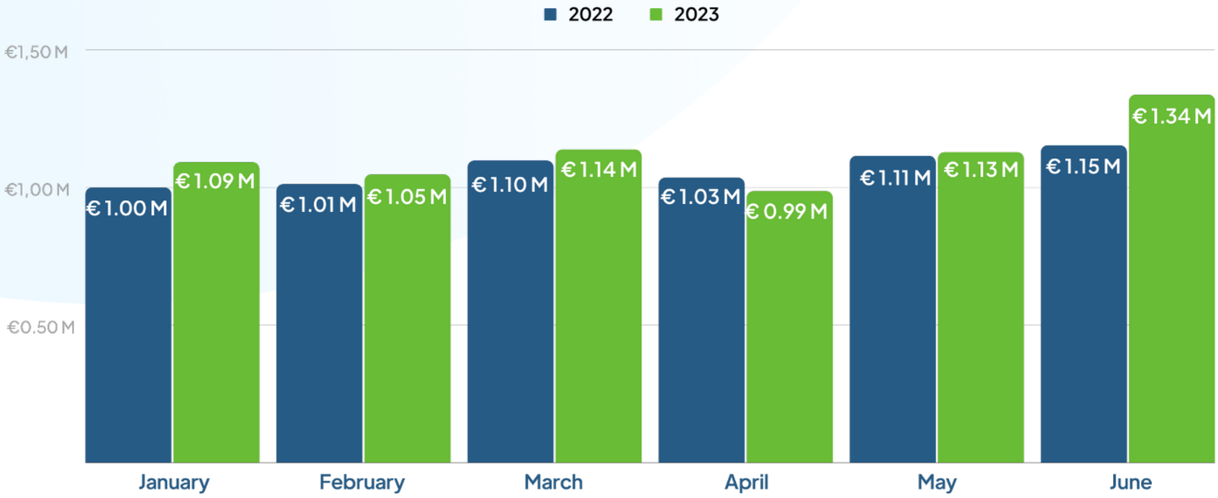
** An active user is any unique paying customer who has used TextMagic SMS platform services during the reporting period.*

***ARPU is calculated as Unaudited revenue / Active users.*

TextMagic's revenue distribution is similar to last year, with small differences in the major regions. The US and Canadian markets together accounted for the majority of revenues at 67% (H1 2022: 70%). The UK share increased to 22% (H1 2022: 18%). The Australian market remained for 6% of sales and the European Union for 3% (H1 2022: 4%). All other regions accounted for the remaining 2% of sales in both periods.

The growth rate of the A2P messaging market is being affected by the general economic environment and the financial situation of users, as well as by changes in US regulations restricting the mass transmission of unregistered campaign messages. These regulations will have a positive impact on SMS marketing by reducing spam and fraudulent messages.

Monthly Revenue



The April result was impacted by the bankruptcy of one of the largest clients in history, as well as the announcement of a future price increase. Previous factors have led to a decline in volumes, but thanks to price increases we were able to maintain revenue growth of 16% in June. In addition, in June we launched new features to simplify and automate the 10DLC (10-digit long code) registration process for our customers.

Direct costs

The results for the first half of 2023 include direct cost of services sold in the amount of EUR 2,231 thousand or 33% of revenues. The direct cost ratio to revenues has remained similar compared to the first half of 2022, when the direct cost of services sold was EUR 2,104 thousand. The ratio of direct costs to revenue remained stable, as direct costs increased in addition to sales prices.

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

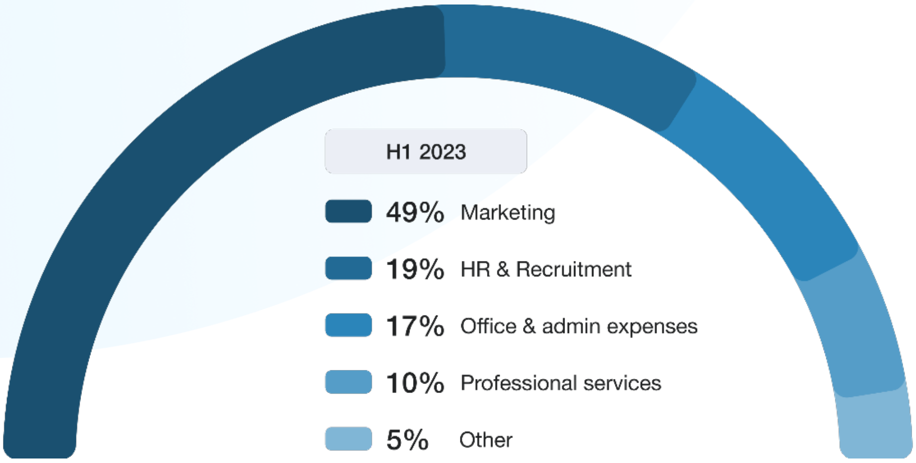
Over the past few years, we have been pleased to see the team grow and diversify rapidly. Our workforce is made up of permanent employees and contractors, all of whom we consider integral members of the team. Since June 30, 2022, our team has grown by an impressive 66% from 67 to 111, which is also a reason for a significant increase in personnel-related costs to EUR 4,123 thousand (H1 2022: EUR 2,407 thousand). The change is primarily the result of a strategic expansion of the development team to accelerate product development, an increase in the marketing team to strengthen marketing capabilities, and the integration of eight employees related to the acquisition of Voog.

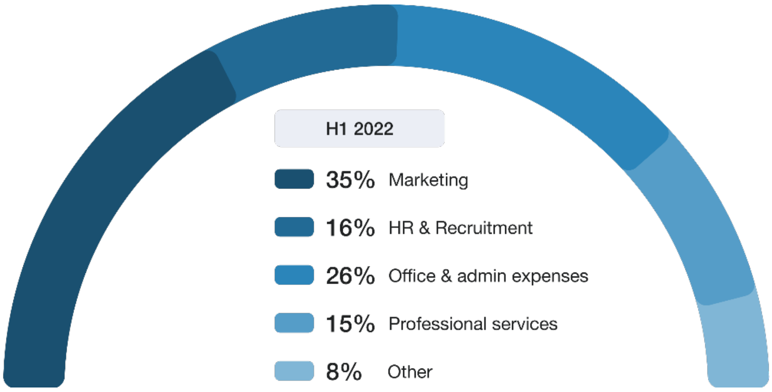
74% of the total staff costs of EUR 3 061 thousand (H1 2022: 69%; EUR 1 653 thousand) were capitalized as they are directly related to product development. Personnel expenses also include the non-monetary impact of three-year option contracts in the amount of EUR 673 thousand (H1 2022: EUR 725 thousand).

Other operating expenses

Operating expenses increased by 26% to EUR 867 thousand (H1 2022: EUR 687 thousand).

Distribution of operating expenses





Marketing costs increased the most, by EUR 192 thousand and accounted for 49% of operating costs (H1 2022: EUR 237 thousand; 35%). The increase in marketing costs is necessary to maintain the customer base and market position in a difficult economic environment, and the launch of Touchpoint's marketing campaigns also contributed to the increase in costs. Recruitment and personnel costs also increased with the expansion of the team by EUR 55 thousand to EUR 164 thousand. Legal and financial services are primarily included in professional services.

Other income and expenses

There was no significant other income and expenses in the first half of 2023. The other operating income of EUR 268 thousand (H1 2023: EUR 40 thousand) recognized in the H1 2022 resulted from the first-time application of the forfeiture of inactive user credits, which had a temporary positive effect but is not of a regular nature.

Other non-operating expenses include one-time legal and transaction advisory fees of EUR 69 thousand related to the acquisition of Voog.

Cash flows

As of June 30, 2023, the TextMagic Group had a cash balance of EUR 5,569 thousand (June 30, 2022: EUR 7,555 thousand). As of December 31, 2022, the cash balance was EUR 9,145 thousand, so the total cash flow for the first half of 2023 was EUR -3,576 thousand.

The TextMagic SMS platform continues to generate a strong positive cash flow, allowing investments in new products and distributions to shareholders.

The Group's cash flow from operating activities includes Touchpoint's management and marketing activities as well as one-off costs related to the acquisition of Voog was EUR 2,709 thousand in H1 2023 (H1 2022: EUR 2,815 thousand). The cash flow from investing activities mainly consists of the cash outflow for intangible assets of EUR 2,643 thousand (H1 2022: EUR 1,192 thousand) and the acquisition of the subsidiary Edicy OÜ of EUR 1,100 thousand. The cash outflow from financing activities in February 2023 amounted to EUR 2 550 thousand, which was paid to the shareholders.

Financial ratios

	H1 2023	H1 2022
Revenue (in thousands of euros)	6,779	6,404
EBITDA (Operating profit plus amortization and depreciation) (in thousands of euros)	2,571	3,069
EBITDA margin (EBITDA / revenue)	37.9%	47.9%
EBIT (Operating profit) (in thousands of euros)	794	1,325
EBIT margin (EBIT / revenue)	11.7%	20.7%
Profit for the period (in thousands of euros)	805	1,319
Profit margin (Profit for the period / revenue)	11.9%	20.6%
Total Assets at the end of the period (in thousands of euros)	60,563	58,899
Equity at the end of the period (in thousands of euros)	57,820	56,756
Return on Equity (ROE) (Profit for the period / Average Equity)	1.4%	2.3%
Return on Assets (ROA) (Profit for the period / Average Total Assets)	1.3%	2.1%
Liquidity ratio (Current assets / Current liabilities)	2.10	3.58
Debt-To-Equity ratio (Total liabilities / Equity)	0.05	0.04
Assets-to-Equity ratio (Total assets / Equity)	1.05	1.04

GROUP'S OBJECTIVES FOR H2 2023

- Re-branding the TextMagic platform and introducing a new user interface.
- Simplify the campaign and number registration process for customers to increase adoption.
- Launch the first modules of Touchpoint in Q4 2023.
- Fully integrate Voog into the Group and launch development and marketing activities in cooperation.
- Design and initial implementation of sustainability principles and metrics.
- Develop an umbrella brand for the Group.
- Due to the changes in the SMS regulations described in the Activity Report and the impact of the general economic environment, we have revised our forecasts for 2023. The revised forecasts include the impact of the Voo platform on the Group's results.
    - The changes in SMS regulations will have a material impact from April 2023. The price increase introduced at the end of May generated a short-term increase in revenues, but the restrictions imposed by the regulations (no messages from unregistered campaigns, mandatory registration of numbers) and the economic situation of customers (customer bankruptcies and price sensitivity) have significantly reduced the volume of SMS sent at the time of filing this report.
    - Additional development and marketing activities to support growth as well as general price increases have impacted the cost base and profitability more than originally expected.
    - As the volume of planned investments increases, the level of depreciation will also increase.
    - The addition of Voog to the portfolio and its additional development and marketing activities will have an impact on profitability.

TextMagic Group's adjusted prognosis for 2023

14.74 M € +6.6%*

Revenue

6.43 M € +45.1%*

Investments (capitalized development costs)

5.28 M € -18.3%*

EBITDA

1.26 M € -53.5%*

Net profit

**Compared to 2022 results*

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, 2003, the Group had three wholly owned subsidiaries. The structure of the Group is shown below:

TextMagic AS
Estonia, 16211377

TextMagic LTD	TM Marketing Ops SRL	Edicy OÜ
United Kingdom, 052686521	Romania, 440999427	Estonia, 12176224
100%	100%	100%

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.

On 1 June 2023, the Group acquired Edicy OÜ, a company that operates the website and e-commerce platform Voog.

THE GROUP'S PRODUCT PORTFOLIO

[TextMagic]

TextMagic is an A2P (application-to-person) SMS platform that enables users to send notifications, alerts, reminders, and order confirmations, as well as run SMS marketing campaigns, surveys, 2-way chat and 2-factor authentication.

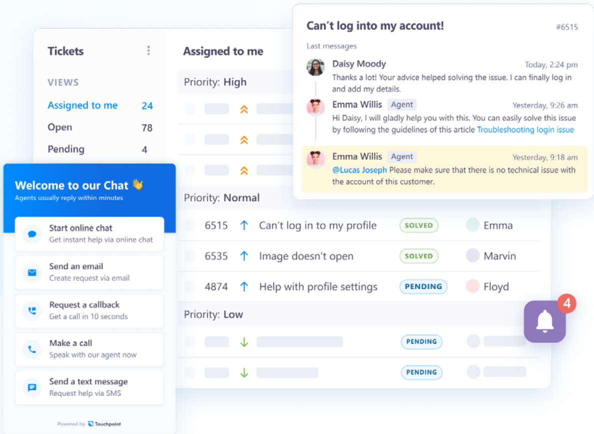
Communication channels other than SMS have lower penetration and response rates. TextMagic's mission is to be a trusted partner in helping our users reach their customers, audiences, and partners in an easy, instant and reliable way.

TextMagic's A2P SMS platform business volume is affected by seasonality. Periods of higher usage activity include March through May and September through November. Less active months are associated with lower levels of customer business activity due to holidays and vacation periods.

Touchpoint

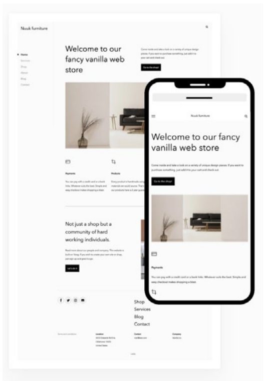
In 2020, we started developing Touchpoint customer service software. The new platform will combine different communication channels and aim to cover more customers' needs and preferences. The launch of the Touchpoint is planned for the end of 2023.

Touchpoint is designed to create a consistent customer experience, regardless of the channel (email, live chat, SMS, voice, etc.) the customer uses to interact. It helps companies better understand their customers' behaviors and needs, thereby improving customer satisfaction, increasing customer loyalty, and ultimately driving revenue.



Voog

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



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

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

The platform is valued for its user-friendly customer service and competitive pricing.

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 management 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, 2023, the management board of TextMagic AS consists of one member, Mr. Priit 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 members of the management board shall decide on transactions of importance to the company involving TextMagic AS and its 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 2022 or in the first half of 2023.

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 30.06.2023, 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.

In addition to the members of the Management Board and Supervisory Board, the extended management of the Group includes the Chief Financial Officer, Getter Grünmann and the Chief Strategy Officer, Kairit Kasepuu, who joined the group in the first half of 2023. Major decisions are made jointly by the Management Board and the management of TextMagic AS in consultation with the Supervisory Board. 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 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

Sustainability is increasingly affecting the decisions of investors, consumers, regulators and employees, which means creating business value necessitates an ESG (Environmental, Social and Governance) focus. These changes in stakeholder decisions create significant opportunities for businesses that have the capabilities to understand ESG concerns and take appropriate action. Although TextMagic AS is not subject to mandatory sustainability reporting requirements as a listed company on the First North alternative market, we strive to demonstrate the same level of commitment to sustainability as Public Interest Entities. Driving sustainability into the heart of business requires holistic change that goes further than just reducing environmental impact. In the first half of 2023, we started to develop the strategy in more depth, and the next period will be dedicated to refining the strategy, validating the metrics, and implementing them.

Environmental responsibility

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

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

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

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

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

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

Social responsibility

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

Mental health is an essential part of a healthy work environment, and we are developing a program to support our employees and help them manage stress.

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. There are currently seven members in total on the Supervisory Board, the Management Board and the extended management team of the Group, three of whom are women.

Data protection and cybersecurity is an essential part of our business. We are committed to the protection of the privacy and security of our employees and customers.

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

The Code of Ethics of the Group is a fundamental guiding principle for a high level of professional conduct in the organization.

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

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

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

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

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

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

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

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

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

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

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

TEXTMAGIC SHARES

The shares of TextMagic AS are listed on the Nasdaq Baltic Alternative Market First North Tallinn as of December 15, 2021. As of June 30, 2023, 8,500,000 shares have been issued with a nominal value of EUR 0.1 per share, resulting in a share capital of EUR 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. There are no known restrictions on the transfer of securities in the shareholders' agreements.

Compared to June 30, 2022, the share price has increased from EUR 7.00 to EUR 7.30. Compared to the initial public offering (IPO) value of EUR 5.00 per share, the price per share has increased by 46%.

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

TextMagic stock	H1 2023	H1 2022
Average price	7,28	7.93
Maximum price	7,74	9.89
Minimum price	6,66	6.71
Closing price at June 30	7,3	7.00
Number of shares at June 30	8,500,000	8,500,000
Number of shareholders at June 30	7,911	9,110
Market value of the company at June 30 (Closing price * number of shares)	62,050,00	59,500,00
Earnings per share (EPS) (Profit / number of shares)	0.09	0.16

Dividend policy

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

In 2022, the shareholders approved a distribution of EUR 2,550 thousand (30 cents per share) from equity, which was paid in February 2023. See Note 9 for a more detailed description.

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	Note	30.06.2023	31.12.2022	30.06.2022
Non-current assets				
Property, plant and equipment	5	172	191	150
Intangible assets and goodwill	6	54,641	51,944	51,085
Total non-current assets		**54,813**	**52,135**	**51,235**
Current assets				
Trade and other receivables		24	1	2
Prepayments		157	130	107
Cash and cash equivalents		5,569	9,145	7,555
Total current assets		**5,750**	**9,276**	**7,664**
TOTAL ASSETS		**60,653**	**61,411**	**58,899**
Liabilities				
Current tax liabilities	11	196	102	151
Trade and other payables	10	810	890	564
Debts to shareholders	9	0	2,550	0
Contract liabilities	12	1,737	1,546	1,428
Total current liabilities		**2,743**	**5,088**	**2,143**
Total liabilities		**2,743**	**5,088**	**2,143**
Equity				
Share capital	9	850	850	850
Share premium	9	51,242	51,242	53,792
Other reserve	9	2,236	1,651	884
Foreign currency translation reserve		(16)	(35)	4
Retained earnings		2,703	1,226	(93)
Profit for the period		805	1,389	1,319
Total equity attributable to owners of the parent		**57,820**	**56,323**	**56,756**
Total equity		**57,820**	**56,323**	**56,756**
TOTAL EQUITY AND LIABILITIES		**60,563**	**61,411**	**58,899**

The Notes presented on pages 21 to 35 form an integral part of the consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(in thousands of euros)	Note	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Revenue	12	6,779	6,404
Other income		40	268
Work performed by the entity and capitalized		3,061	1,653
Goods, raw materials and services	13	(2,231)	(2,104)
Other operating expenses	14	(867)	(687)
Employee expenses	15	(4,123)	(2,407)
Depreciation, amortization and impairment of non-current assets	5, 6	(1,777)	(1,744)
Other expenses		(88)	(58)
Operating profit		**794**	**1,325**
Financial income		16	0
Profit before tax		**810**	**1,325**
Income tax		(5)	(6)
Profit for the period		**805**	**1,319**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(20)	(10)
Other comprehensive income for the period, net of tax		**(20)**	**(10)**
Total comprehensive income for the period		**785**	**1,309**

The Notes presented on pages 21 to 35 form an integral part of the consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Note	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Cash flows from operating activities			
Profit for the period		**805**	**1,319**
Adjustments for:			0
Financial costs		(16)	0
Depreciation and amortization	5, 6	1,777	1,744
Other adjustments		263	275
Total adjustments		**2,024**	**2,019**
Changes in trade and other receivables		(25)	75
Changes in contract liabilities		(18)	(30)
Changes in prepayments		(28)	22
Changes in trade and other payables		(49)	(590)
Net cash from operating activities		**2,709**	**2,815**
Cash flows from investing activities			
Payments for acquisition of subsidiary, net of cash acquired	7	(1,100)	0
Payments for property, plant and equipment	5	(12)	(91)
Payments for software development costs	6	(2,643)	(1,192)
Net cash used in investing activities		**(3,755)**	**(1,283)**
Cash flows from financing activities			
Payments to shareholders	9	(2,550)	0
Net cash from financing activities		**(2,550)**	**0**
TOTAL CASH FLOWS		**(3,596)**	**1,532**
Cash and cash equivalents at the beginning		9,145	6,035
Effect of movements in exchange rates on cash held		20	(12)
Cash and cash equivalents at the end		**5,569**	**7,555**

The Notes presented on pages 21 to 35 form an integral part of the consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Total equity attributable to owners of TextMagic AS					Total equity
	Share capital	Share premium	Other reserve	Foreign currency translation reserve	Retained earnings	
Balance at December 31, 2021	**850**	**53,792**	**153**	**14**	**(94)**	**54,715**
Profit for the period	0	0	0	0	1,319	**1,319**
Other comprehensive income for the period	0	0	0	(10)	0	**(10)**
Other changes in equity	0	0	731	0	1	**732**
Balance at June 30, 2022	**850**	**53,792**	**884**	**4**	**1,226**	**56,756**
Profit for the period	0	0	0	0	1,389	**1,389**
Other comprehensive income for the period	0	0	0	(39)	0	**(39)**
Other changes in equity	0	(2,550)	767	0	0	**(1,783)**
Balance at December 31, 2022	**850**	**51,242**	**1,651**	**(35)**	**2,615**	**56,323**
Profit for the period	0	0	0	0	805	**805**
Other comprehensive income for the period	0	0	0	19	0	**19**
Other changes in equity	0	0	585	0	88	**673**
Balance at June 30, 2023	**850**	**51,242**	**2,236**	**(16)**	**3,508**	**57,820**

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

The Notes presented on pages 21 to 35 form an integral part of the consolidated interim financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

TextMagic AS (also referred to as the ‘Parent’ or the ‘Company’) is a company incorporated and registered in the Republic of Estonia on 21 April 2021. The Company’s registered office is at Mõisa Road 4, Tallinn, 13522. Republic of Estonia. The Group's principal activity during the reporting period is the management and development of software products.

The Group’s financial year is from January 1 to 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, 2022, 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, 2022, 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, 2023 to June 30, 2023. The reference period is January 1, 2022 to June 30, 2022.

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.

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

NOTE 3. CHANGES IN ESTIMATES AND PRESENTATION

Change in management estimate - useful life of software and applicable amortization method

TextMagic AS's 2022 6-month and 12-month interim reports described a significant change in the useful life of software and depreciation method, which was changed in the audited 2022 report. As a result of this change, the figures for the comparative period in the 6-month report 2023 differ from those in the 6-month report 2022.

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 2022 annual report. There have been no significant changes in the policies governing the work of the risk management since the end of last year.

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	Office equipment	Computer equipment	Other tangible assets	Total
Cost at December 31, 2021	17	47	64	**128**
Accumulated depreciation at December 31, 2021	(9)	(16)	(23)	**(48)**
Carrying amounts at December 31, 2021	**8**	**31**	**41**	**80**
Additions	1	73	17	**91**
Acquisitions through business combinations	0	0	0	**0**
Depreciation	(1)	(11)	(9)	**(21)**
Cost at June 30, 2022	18	121	80	**219**
Accumulated depreciation at June 30, 2022	(10)	(27)	(32)	**(69)**
Carrying amounts at June 30, 2022	**8**	**94**	**48**	**150**
Additions	0	101	0	**101**
Acquisitions through business combinations	0	0	0	**0**
Depreciation	0	(28)	(32)	**(60)**
Cost at December 31, 2022	17	221	35	**273**
Accumulated depreciation at December 31, 2022	(9)	(55)	(18)	**(82)**
Carrying amounts at December 31, 2022	**8**	**166**	**17**	**191**
Additions	0	12	0	**12**
Acquisitions through business combinations	0	9	0	**9**
Depreciation	(4)	(36)	0	**(40)**
Cost at June 30, 2023	17	242	35	**294**
Accumulated depreciation at June 30, 2023	(13)	(91)	(18)	**(122)**
Carrying amounts at June 30, 2023	**4**	**151**	**17**	**172**

NOTE 6. INTANGIBLE ASSETS

(in thousands of euros)	Goodwill	Software*	Other intangible assets	Uncomplete software**	Pre-payments	Total
Cost at December 31, 2021	208	31,942	2,530	17,675	0	**52,355**
Accumulated amortization at December 31, 2021	0	(1,136)	(63)	0	0	**(1,199)**
Carrying amounts at December 31, 2021	**208**	**30,806**	**2,467**	**17,675**	**0**	**51,156**
Additions	0	0	0	1,653	0	**1,653**
Acquisitions through business combinations	0	0	0	0	0	**0**
Amortization	0	(1,597)	(126)	0	0	**(1,723)**
Cost at June 30, 2022	208	32,580	2,530	18,690	0	**54,008**
Accumulated amortization at June 30, 2022	0	(2,733)	(190)	0	0	**(2,923)**
Carrying amounts at June 30, 2022	**208**	**29,847**	**2,340**	**18,690**	**0**	**51,085**
Additions	0	0	0	2,571	11	**2,582**
Acquisitions through business combinations	0	0	0	0	0	**0**
Amortization	0	(1,597)	(126)	0	0	**(1,723)**
Cost at December 31, 2022	208	31,942	2,530	21,899	11	**56,590**
Accumulated amortization at December 31, 2022	0	(4,330)	(316)	0	0	**(4,646)**
Carrying amounts at December 31, 2022	**208**	**27,612**	**2,214**	**21,899**	**11**	**51,944**
Additions	0	18	8	3,045	0	**3,071**
Acquisitions through business combinations	48	1,312	0	0	0	**1,360**
Amortization	0	(1,607)	(127)	0	0	**(1,734)**
Cost at June 30, 2023	256	33,272	2,537	24,944	11	**61,021**
Accumulated amortization at June 30, 2023	0	(5,937)	(443)	0	0	**(6,380)**
Carrying amounts at June 30, 2023	**256**	**27,335**	**2,095**	**24,944**	**11**	**54,641**

** Software consists of capitalized development expenses on TextMagic SMS platform software.*

*** Uncompleted software additions consist of capitalized development costs for both TextMagic A2P SMS and Touchpoint software. The first modules of Touchpoint are planned to be deployed in 2023.*

NOTE 7. BUSINESS COMBINATION

On May 29, 2023, an agreement was signed to acquire Voog, a website and e-commerce management platform. The acquisition included 100% purchase of Edicy OÜ's shares from 16 shareholders. TextMagic AS used the free cash flow from its business operations to finance the acquisition. The acquisition was scheduled to be executed on June 1, 2023.

The acquisition of Voog gives us the opportunity to expand TextMagic Group's portfolio of software products for companies in different business areas. With this transaction, TextMagic Group aims to create value for our customers, employees, and shareholders.

Purchase consideration – cash outflow

(in thousands of euros)	Edicy OÜ
Cash consideration	(1,358)
Less: Cash acquired	258
Net outflow of cash	**(1,100)**

Total acquisition costs during the first half of 2023 financial year were EUR 69 thousand. The acquisition costs are reflected under other non-operating expenses. The costs consist of the cost of due diligence, consultancy fees, legal fees, etc.

Purchase analysis

(in thousands of euros)	Edicy OÜ fair value
Plant and equipment	9
Intangible assets	1,312
Trade and other receivables	2
Cash	258
Trade payables	(5)
Other payables	(57)
Contract liabilities	(209)
Net identifiable assets acquired	**1,310**
Goodwill	48
Net assets acquired	**1,358**

This is an initial purchase analysis and the final purchase analysis, including revaluation of assets and liabilities and sensitivity analysis of model inputs, will be completed no later than the annual report. In the initial purchase value analysis Goodwill in amount of EUR 48 thousand was recognized. Goodwill consists of immaterial assets that do not qualify for separate recognition such as long-term experience in website and e-commerce management and customer relationships. Acquisition of companies creates synergy between Group's companies as well as raises the professional know-how and enables cost savings.

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, 2023	Ownership interest at June 30, 2022
TextMagic Ltd	Client-facing entity of the TextMagic SMS platform	United Kingdom	100,00%	100,00%
TM Ops OÜ	Back-Office, Support & Marketing services	Estonia	-*	100,00%
TM Marketing Ops SRL	Marketing services	Romania	100,00%	100,00%
Edicy OÜ	Website and e-commerce management platform	Estonia	100,00%	-

*On June 7, 2022, the shareholders approved the merger agreement between TextMagic AS (the Unifying Company) and TM Ops OÜ (the Merging Company. On July 20, 2022 TM Ops OÜ merged with TextMagic AS and in this connection TM Ops OÜ was deleted from the Commercial Register on the same day.

NOTE 9. CAPITAL AND RESERVES

Share capital and share premium

The share capital as of June 30, 2023 was in the amount of EUR 850 thousand (June 30, 2022: EUR 850 thousand) is divided into 8 500 000 ordinary shares with a nominal value of EUR 0.1 per share. The share capital consists of:

- EUR 25 thousand contributed at establishment;
- EUR 775 thousand contributed as a non-monetary contribution on September 23, 2021;
- EUR 50 thousand contributed as a result of IPO on December 15, 2021;
- On the basis of the decision of June 28, 2022, share capital was increased by EUR 2,550 thousand, increased the book value of the shares from EUR 0.1 to EUR 0.4 as a result of the fund issue at the expense of the share premium;
- Based on the decision of August 5, 2022, the share capital was reduced by EUR 2,550 thousand, which reduced the book value of the shares from EUR 0.4 to EUR 0.1. As of December 31, 2022, the liability to shareholders was thus EUR 2,550 thousand. The payment was made in February 2023.

The share premium is on total of EUR 51,242 thousand and consists of:

- EUR 51,342 thousand which was recognized as a result of a non-monetary contribution on September 23, 2021;
- EUR 2,450 thousand which was recognized as a result of IPO on December 15, 2021;
- Based on the decision of June 28, 2022, share capital was increased by EUR 2,550 thousand, which increased the book value of the shares from EUR 0.1 to EUR 0.4 as a result of the fund issue at the expense of the share premium.

Nature and purpose of reserves

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. Foreign currency translation reserve recognized for period January 1, 2023 to June 30, 2023 was in total of EUR 16 thousand (January 1, 2022 to June 30, 2022: EUR 35 thousand).

Other reserves

Other reserves comprise the share-based payments reserve which is used to recognize options issued to employees and other service providers but not exercised.

The total number of options granted but not exercised as of June 30, 2023, was 609 700 (June 30, 2022: 563 000). The exercise price per share is EUR 0.1 per share.

Reserves for options granted were recognized it total of EUR 2,236 thousand as of June 30, 2023 (June 30, 2022: EUR 884 thousand). The expected costs of previous periods were reduced in the first half of 2023 by EUR 88 thousand, the effect of which was reflected in the retained earnings of the previous periods.

NOTE 10. TRADE AND OTHER PAYABLES

(in thousands of euros)	Note	30.06.2023	30.06.2022
Trade payables		464	37
Payables to related parties	19	0	0
Total trade payables		**464**	**37**
Payables to employees		175	100
Other accrued liabilities		171	427
Total other payables		**346**	**527**
Total		**810**	**564**
Non-current		0	0
Current		810	564
Total		**810**	**564**

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

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

NOTE 11. INCOME TAX AND TAX LIABILITIES

Amounts recognized in profit or loss

(in thousands of euros)	30.06.2023	30.06.2022
Current tax for the year	5	6
Income tax for the year	**5**	**6**
Profit (loss) before tax	**810**	**1,325**
Tax using the Company's domestic tax rate	0	0
Effect of tax rates in foreign jurisdictions	5	6
Income tax for the year	**5**	**6**
Effective tax	0%	0%

Tax liabilities

(in thousands of euros)	30.06.2023	30.06.2022
Value-added tax	38	3
Personal income tax	47	28
Corporate income tax	12	63
Social security tax	90	52
Funded pension contributions	4	2
Unemployment insurance contributions	5	3
Other tax payables	0	0
Total	**196**	**151**
Non-current	0	0
Current	196	151
Total	**196**	**151**

NOTE 12. REVENUE

(in thousands of euros)	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Sales to countries other than the European Union		
United States	4,086	3,982
United Kingdom	1,476	1,263
Australia	382	376
Canada	430	346
Other countries	137	173
Total sales to countries other than the European Union	**6,511**	**6,140**
Sales to countries of the European Union		
Countries of the European Union	268	264
Total sales to European Union countries	**268**	**264**
Total revenue	**6,779**	**6,404**
Major products/service lines		
Text-messaging services	5,440	5,402
Virtual mobile number services	1,148	786
Other TextMagic platform services	131	216
Other	60	0
Total revenue	**6,779**	**6,404**
Timing of revenue recognition		
At a point in time	0	0
Over time	6,779	6,404
Total revenue from contracts with customers	**6,779**	**6,404**

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)	Note	30.06.2023	30.06.2022
Contract liabilities		1,737	1,428
Total		**1,737**	**1,428**

No information is provided about remaining performance obligations at June 30, 2023 that have an original expected duration of one year or less, as allowed by IFRS 15.

NOTE 13. GOODS, RAW MATERIALS AND SERVICES

(in thousands of euros)	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Payment processing fees	(213)	(214)
Purchased services	(1,820)	(1,749)
Other software expense	(198)	(141)
Total	**(2,231)**	**(2,104)**

NOTE 14. OTHER OPERATING EXPENSES

(in thousands of euros)	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Office expenses	(64)	(63)
Administrative expenses	(16)	(65)
Software expenses	(66)	(54)
Legal and other professional service costs	(39)	(49)
Accounting and audit expenses	(44)	(56)
Marketing expenses	(429)	(237)
Recruitment and other personnel expenses	(164)	(109)
Exchange rate variance and foreign currency gains and losses	(17)	(9)
Other operating expenses	(28)	(45)
Total	**(867)**	**(687)**

NOTE 15. EMPLOYEE EXPENSES

(in thousands of euros)	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Salary expenses	(711)	(475)
Share option expense*	(427)	(443)
Social security charges	(194)	(179)
Total	**(1,332)**	**(1,097)**
Average number of personnel converted to full-time equivalent	24	17
Average number of staff by employment relationship:		
Personnel working under employment contracts	23	16
Personnel working under board member contracts	1	1

* *Estimated expense from option agreements with employees.*

(in thousands of euros)	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Cost of contract developers	(2,545)	(1,028)
Option expense**	(246)	(282)
Total subcontractors' expense	**(2,791)**	**(1,310)**

** *Estimated expense from option agreements with contracting developers.*

(in thousands of euros)	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Total employee expense	(1,332)	(1,097)
Total subcontractors' expense	(2,791)	(1,310)
Total employee expenses	**(4,123)**	**(2,407)**

NOTE 16. SEGMENT REPORTING

The segments of the Group are defined on the basis of reports that are monitored and analyzed by the management of the parent company. The parent company's management monitors revenue by software product and by geographic area and capitalized development costs by software product. The other financial indicators are monitored from a Group perspective as a single operating segment and are not disaggregated by software product. The Management board primarily uses a measure of revenue and EBITDA and the growth of those measures to assess the performance of the operating segment.

(in thousands of euros)	TextMagic A2P SMS platvorm	
	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Revenue	6,779	6,404
Other income	40	268
Work performed by the entity and capitalized	3 061	1 653
Goods, raw materials and services	(2,231)	(2,104)
Other operating expenses	(867)	(687)
Employee expenses	(4,12)	(2,407)
Depreciation, amortization and impairment of non-current assets	(1,777)	(1,744)
Other expenses	(88)	(58)
Operating profit (loss)	**794**	**1,325**
EBITDA	**2,571**	**3,609**

Revenue by software product and geographic region

(in thousands of euros)	TextMagic platform		Voog platform	
	01.01.2023-30.06.2023	01.01.2022-30.06.2022	01.01.2023-30.06.2023	01.01.2022-30.06.2022
United States	4,085	3,982	1	-*
United Kingdom	1,475	1,263	1	-*
Australia	382	376	0	-*
Canada	430	346	0	-*
European Union	211	264	57	-*
Other	136	173	1	-*
Total Revenue	**6,719**	**6,404**	**60**	**-***

The financial results of the Voog are consolidated from the date of acquisition, i.e. from June 1, 2023.

Capitalized development costs by software product

(in thousands of euros)	01.01.2023-30.06.2023	01.01.2022-30.06.2022
TextMagic	1,041	638
Touchpoint	2,002	1,015
Voog	18	0
Total capitalized expenses	**3,061**	**1,653**

NOTE 17. RELATED PARTY DISCLOSURES

Parent and ultimate controlling party

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

Ultimate controlling party is Priit Vaikmaa, the sole owner of Monday Media OÜ (the parent company of TextMagic AS), which as of June 30, 2023 held 87,8% (June 30, 2022: 86,8%) on TextMagic AS shares.

Shares of management and supervisory board

As of June 30, 2023, members of the board and the supervisory board and the companies under their control held the following amount of TextMagic AS shares:

Priit Vaikmaa (personally and as a representative of Monday Media OÜ) – 7,463,181

Kärtu Vaikmaa (representative of Merkatiko OÜ) – 312,050

Eduard Tark (Edly OÜ representative) – 253,373

Siim Vips (representative of Bosel OÜ) – 6,000

Transactions with key management personnel

As of June 30, 2023, the Group has option agreements with the members of the management board and the supervisory board for a total of 176,000 shares (June 30, 2022: 186,000).

On February 28, one member resigned from the management board with a severance payment of EUR 7 thousand.

(in thousands of euros)	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Management and supervisory board		
Salary expenses	(209)	(198)

Other related party transactions

Transactions of shareholders with a controlling interest

(in thousands of euros)	Transaction values for the year ended		Balance outstanding at			
			30.06.2023		30.06.2022	
	30.06.2023	30.06.2022	Receivables	Payables	Receivables	Payables
Other transactions	0	0	0	0	2	0
Additions through a business combination	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**2**	**0**

Transactions of supervisory board and companies under their controlling interest

(in thousands of euros)	Transaction values for the year ended		Balance outstanding at			
			30.06.2023		30.06.2022	
	30.06.2023	30.06.2022	Receivables	Payables	Receivables	Payables
Purchase of development services	0	52	0	0	0	0
Other	0	0	0	0	0	0
Total	**0**	**52**	**0**	**0**	**0**	**0**

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

MANAGEMENT BOARD CONFIRMATION TO THE GROUP'S INTERIM REPORT

The Management Board has prepared the consolidated interim report of TextMagic AS, which covers the period ending on June 30, 2023.

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

Priit Vaikmaa
Chairman of the Management Board, CEO