Textmagic

2024 6 MONTHS CONSOLIDATED UNAUDITED INTERIM REPORT

(Translation of the Estonian original)

Textmagic

GENERAL INFORMATION

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

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

Business name:	TextMagic AS
Main activity:	Software product development and management
Commercial registry code:	16211377
Address:	Mõisa 4, 13522 Tallinn
Country:	Estonia
Phone:	+372 503 4224
E-mail:	priit.vaikmaa@textmagic.biz
Website:	https://www.textmagic.com/
Financial year:	From January 1, 2024 to December 31, 2024
Reporting period:	From January 1, 2024 to June 30, 2024
Auditor:	KPMG Baltics OÜ

Textmagic

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MANAGEMENT REPORT

Our B2B software products

Textmagic

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

VOOG

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

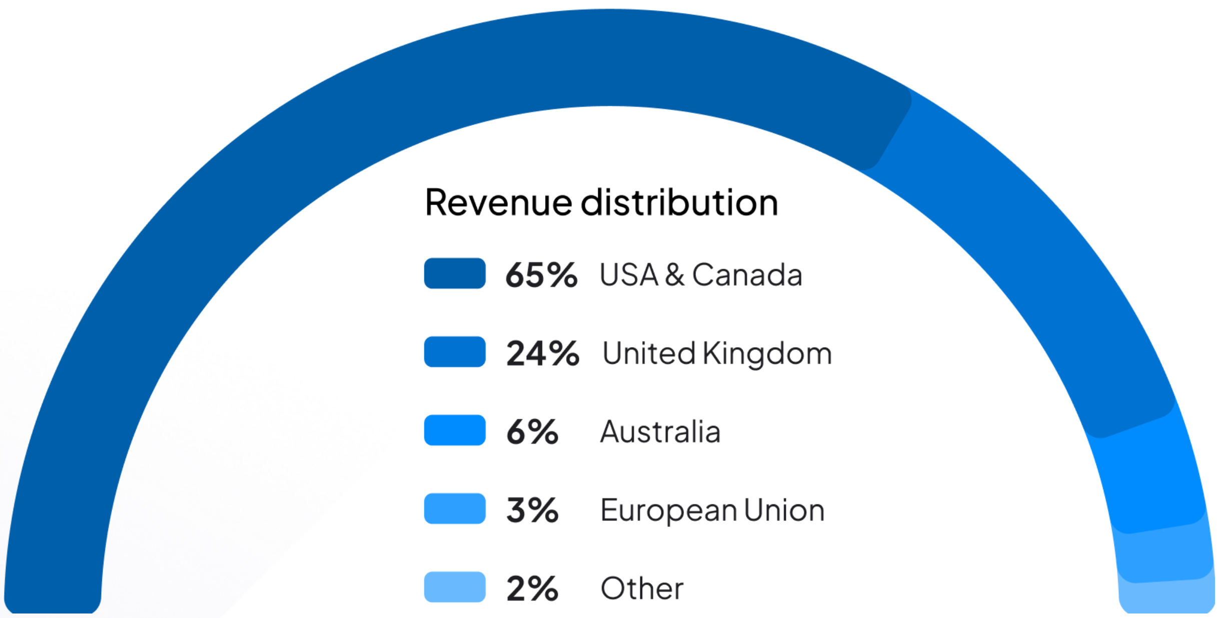
TextMagic Group in numbers

H1 2024

€7.81M ↗15%	€3.15M ↗19%	€1.14M ↗28%
Revenue	EBITDA*	Operating profit*
H1 2023 : €6.78M	H1 2023: €2.64M	H1 2023: €0.89M

* Continuing operations

Textmagic platform geographic distribution



2024 6 MONTHS OVERVIEW

In the first half year of 2024, the TextMagic Group's operating profit increased by 28% to €1,139 thousand compared to the same period in 2023 (H1 2023: €887 thousand). The net profit amounted to €1,287 (H1 2023: €757 thousand). The Group's day-to-day operations will continue along the roadmap set at the end of 2023, with the main objective of developing and expanding the Textmagic platform and restoring the growth rate.

Group’s operational figures for H1 2024 and change compared to 2023

7.81 M € +15%

Revenue

128.37 M SMS -6%

Number of SMS sent on Textmagic platform

3.15 M € +19%

EBITDA

1.14 M € +28%

Operating profit from continuing operations

TextMagic Group has assessed the evolving regulatory environment, market trends, competitive landscape and customer needs in order to develop strategic growth plans. To achieve sustainable growth, we are committed to continued investment in software development, which is why we have expanded our product development teams.

As of June 30, 2024, the team consisted of 91 individuals (111 as of June 30, 2023), of whom 48 (27 as of June 30, 2023) were part of the Textmagic platform development team. The Voog.com platform development team comprises 6 members as of the end of June 2024 (3 as of June 30, 2023). In addition to this core team, the group also includes a marketing department, user support, a finance team, and management.

In today's competitive market, it is increasingly challenging to drive growth with SMS-only product offerings. To enhance the appeal of our Textmagic platform to new audiences, we have identified the need to extend the value proposition of the product in 2024.

In March 2024, a BYOC (Bring Your Own CPaaS) solution was launched for high-volume customers who prefer the convenience of the Textmagic platform but wish to remain with their current communications provider.

Textmagic platforms’s communication channel functionality (Chat AI), checklists, as well as user and task management have been enhanced. Additional communication channels (Email, Messenger, Live Chat, WhatsApp) and functionalities (Tickets, Deals, CRM) are in development. The added functionalities, along with the projects under development will provide an opportunity to increase the value proposition and customer base of the product in the future.

At the second quarter meeting, the shareholders approved an equity distribution of €5,015 thousand (€0.59 per share). The distribution will be made at the end of 2024, in accordance with the deadlines set forth in the Commercial Code.

FINANCIAL RESULTS

Revenue

The Group's consolidated total revenue increased by 15% year-on-year to €7,809 thousand in the first half year of 2024 (H1 2023 : €6 779 thousand). On June 1, 2023, the Group acquired a 100% subsidiary Edicy OÜ, which manages the Voog website and e-commerce platform. The financial results of the Voog platform have been consolidated from the date of acquisition.

(in thousands of euros)	H1 2024	H1 2023
Textmagic A2P SMS platform	€7,490	€6,719
Voog platform	€319	€60
Total revenue	**€7,809**	**€6,779**

Textmagic A2P SMS platform business volumes H1 2024

Textmagic A2P SMS platform's sales revenue for the first half year of 2024 amounted to €7,490 thousand (H1 2023: €6,719 thousand), representing a 11% increase compared to H1 2023.

	H1 2024	H1 2023	Change
Revenue (thousands)	€7,490	€6,719	+11%
Volume of SMS messages (thousands)	128,365	136,409	-6%
Active users*	23,499	32,611	-28%
Average revenue per user (ARPU)**	€319	€206	+55%

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

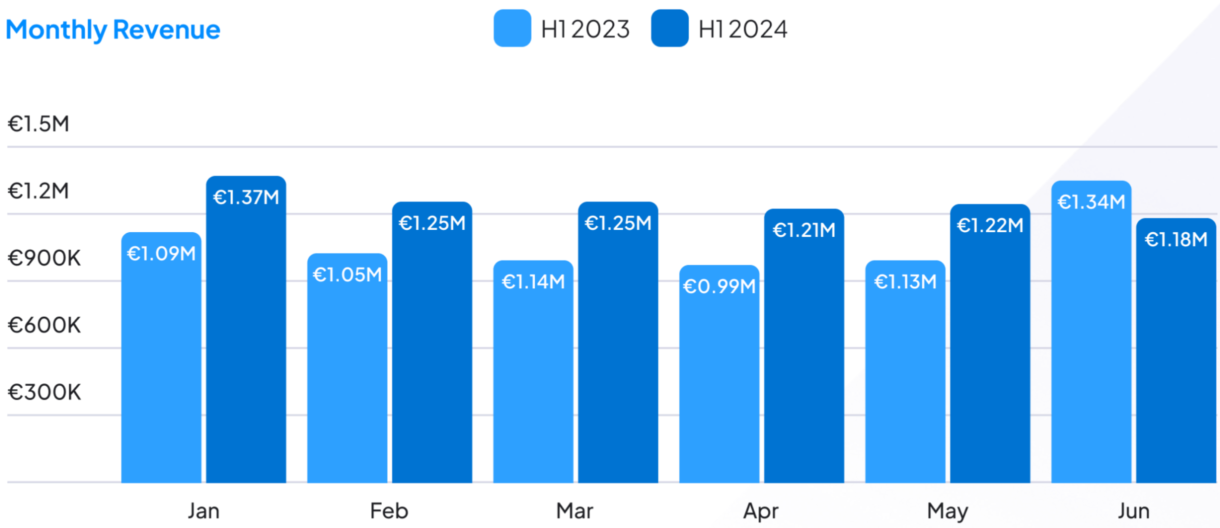
***ARPU is calculated as Revenue / Active users.*

Textmagic's SMS platform experienced a slowdown in revenue growth due to similar factors as in the previous period. The main reasons for the decline continue to be US regulations restricting the sending of bulk SMS messages from unregistered advertising campaigns, as well as the financial situation and price sensitivity of customers.

The average revenue per user (ARPU) increased 55% in the first half of 2024 compared to the same period in 2023. The increase in ARPU was driven by a price increase in May and the closure of low-volume customer accounts impacted by US regulatory restrictions and price sensitivity. As the number of active users declined, the quality of the customer portfolio improved, which is reflected in the ARPU growth. We estimate that the price increases implemented in May 2023 will not have a significant impact in subsequent periods.

Textmagic platform's revenue distribution is similar to last year, with minor variations across major regions. The US and Canadian markets collectively represent the majority of revenues at 65% (H1 2023: 67%). The UK market has grown to account for 24% (H1 2023: 22%). The Australian market has remained consistent at 6% of sales, while the European Union accounts for 3%. All other regions contribute the remaining 2% of sales in both periods.

Monthly Revenue



The decline in revenue in June 2024 compared to 2023 is due to a time lag in the reaction of customers by closing accounts to the price increase and the introduction of a fixed fee for user accounts. There were more active users during the reference period.

Direct costs

The results for H1 2024 include direct costs of services sold from continuing operations in the amount of €2,396 thousand, representing 31% of revenues (H1 2023: 32%; €2,285 thousand).

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

Staff costs

Our team comprises employees and contractors, all of whom we consider to be invaluable members of the Group. The expansion of the Textmagic and Voog platform development teams has also led to an increase in personnel expenses of continued operations, which amounted to €3,346 thousand in H1 2024 (H1 2023: €1,992 thousand).

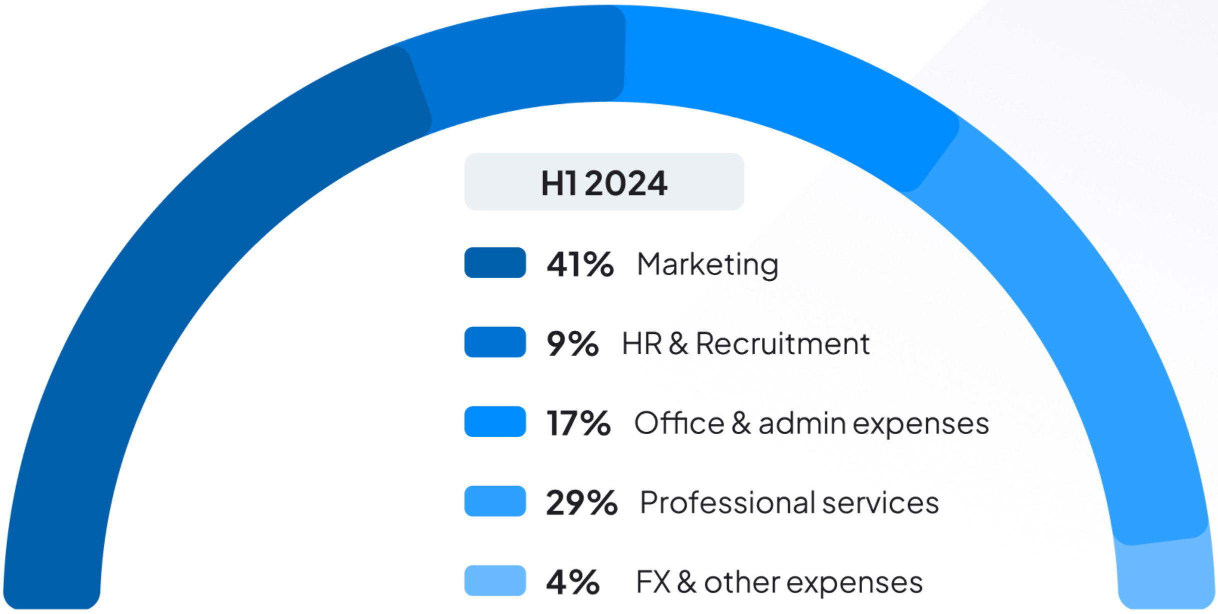
Of the personnel expenses related to continuing operations, 62% (€2,083 thousand) were capitalized (H1 2023: 54%; €1,084 thousand), as they are directly related to product development. Personnel expenses also include the non-monetary impact of option contracts with a term of three years in the amount of €334 thousand (H1 2023: €497 thousand). The first option contracts will be exercised at the end of 2024.

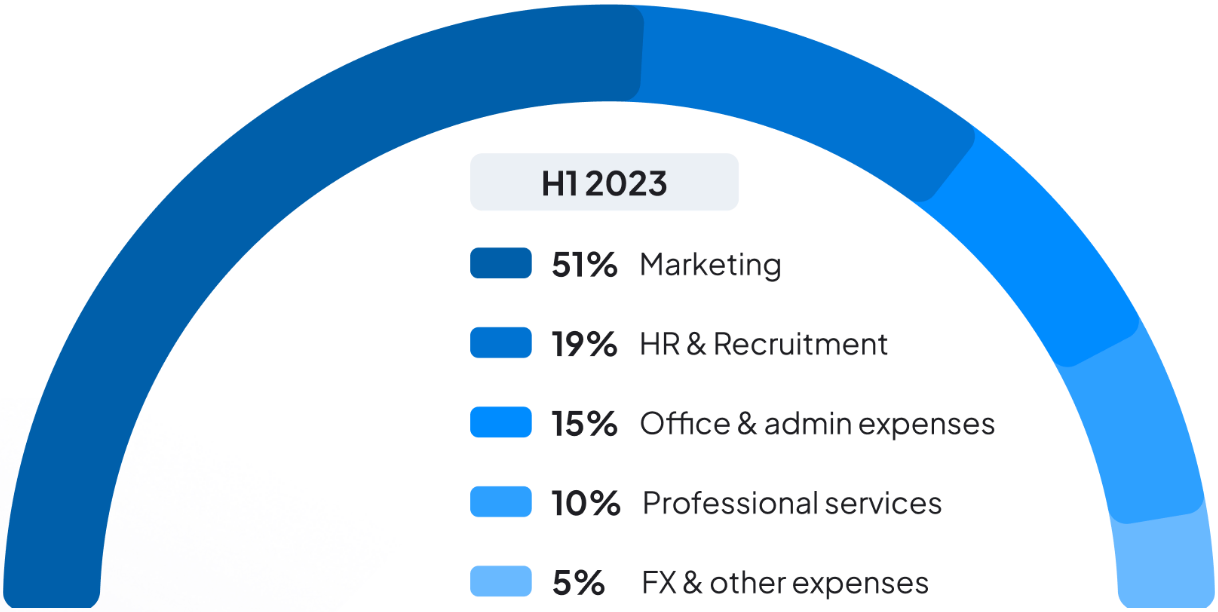
Textmagic

Other operating expenses

The total operating expenses for the continuing operations increased by 23% to €1,050 thousand (H1 2023: €851 thousand).

Distribution of operating expenses





Marketing expenses accounted for 41% of total operating costs, amounting to €427 thousand in the first half of 2024 (H1 2023: €429 thousand; 51%). These costs include a range of advertising expenses, social media costs, marketing consultancy fees, and expenditures on tools and software.

Professional services include legal, accounting, audit, and other professional advisory services. In the first half of 2024, these costs represented 29% of operating expenditure (H1 2023: 10%).

The cost of legal and other professional advisory services increased by €160 thousand, reaching €199 thousand (H1 2023: €39 thousand). The majority of this expense was attributed to one-off legal and advisory costs related to global business activities and regulatory compliance, amounting to €174 thousand.

Accounting and auditing expenses increased by €64 thousand to €108 thousand (H1 2023: 44 thousand euros). The increase in costs is related to both accounting and tax software costs and additional audit obligations for the Group.

Recruiting and staffing costs decreased by €73 thousand to €91 thousand (H1 2023: €164 thousand) as a result of the conclusion of the accelerated hiring phase.

Other income and expenses

In the first half year of 2024, other operating income amounted to €70 thousand (H1 2023: €40 thousand). The other operating income comes mainly from the expiration of inactive user credits.

Other operating expenses in H1 2024 amounted to €21 thousand (H1 2023: €131 thousand). In H1 2023, other operating expenses included one-time legal and transaction advisory fees of €69 thousand related to the acquisition of Voog.

Cash flows

As of June 30, 2024, the TextMagic Group had cash and cash equivalents of €4,229 thousand (H1 2023: €5,608 thousand). Additionally, at the end of June, there were term deposits of €3,500 thousand maturing in November 2024 (30.06.2023: €0).

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

The Group's cash flow from operating activities of continuing operations amounted to €3,124 thousand in H1 2024 (H1 2023: €3,105 thousand).

The cash flow from investing activities of the continuing operations mainly consisted of payments for intangible assets in the amount of €1,925 thousand (H1 2023: €783 thousand). Additionally, a term deposit of €1,000 thousand was opened (H1 2023: €0).

There were no movements in cash flow from financing activities in the first half of 2024 (H1 2023: €2,550 thousand).

Financial ratios

	H1 2024	H1 2023
Revenue (in thousands of euros)	7,809	6,779
EBITDA (in thousands of euros)	3,149	2,644
EBITDA margin (EBITDA / revenue)	40,3%	39,0%
EBIT (in thousands of euros)	1,139	887
EBIT margin (EBIT / revenue)	14.6%	13.1%
Net Profit (loss) for the period (in thousands of euros)	1,287	757
Net Profit (loss) margin (Profit for the period / revenue)	16.5%	11.2%
Total Assets at the end of the period (in thousands of euros)	41,084	60,457
Equity at the end of the period (in thousands of euros)	37,444	56,735
Liquidity ratio (Current assets / Current liabilities)	2.20	1.56
Debt-To-Equity ratio (Total liabilities / Equity)	0.10	0.07
Assets-to-Equity ratio (Total assets / Equity)	1.10	1.07

GROUP'S OBJECTIVES FOR 2024

In 2024, the TextMagic Group will focus primarily on the development and marketing of the Textmagic SMS platform. The goal is to restore the platform's growth rate, which has slowed over the past year. The Textmagic team is committed to improving the platform's functionality and user experience to enhance the product's value proposition and strengthen its market position.

In addition, the development of the Voog.com websites and e-commerce platform will be focused on improving functionality. We aim to expand our customer base internationally in order to increase sales in foreign markets.

Management is focused on maximizing the well-being of employees and shareholders. Management focuses on incentive systems, improving shareholder returns, effective investor relations, also strategic planning, and risk management.

According to the 2024 financial outlook, revenue and EBITDA are expected to grow by nearly 11%. Net income from continuing operations is expected to decrease compared to 2023 due to the amortization of intangible assets.

TextMagic Group's prognosis for 2024

16.6 M € +10.9%*
Revenue

5.02 M € +96.7%*
Cash payout to shareholders

6.9 M € +10.8%*
EBITDA

2.1 M € -18.0%*
Operating profit from continuing operations

**Compared to 2023 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, 2024, 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%

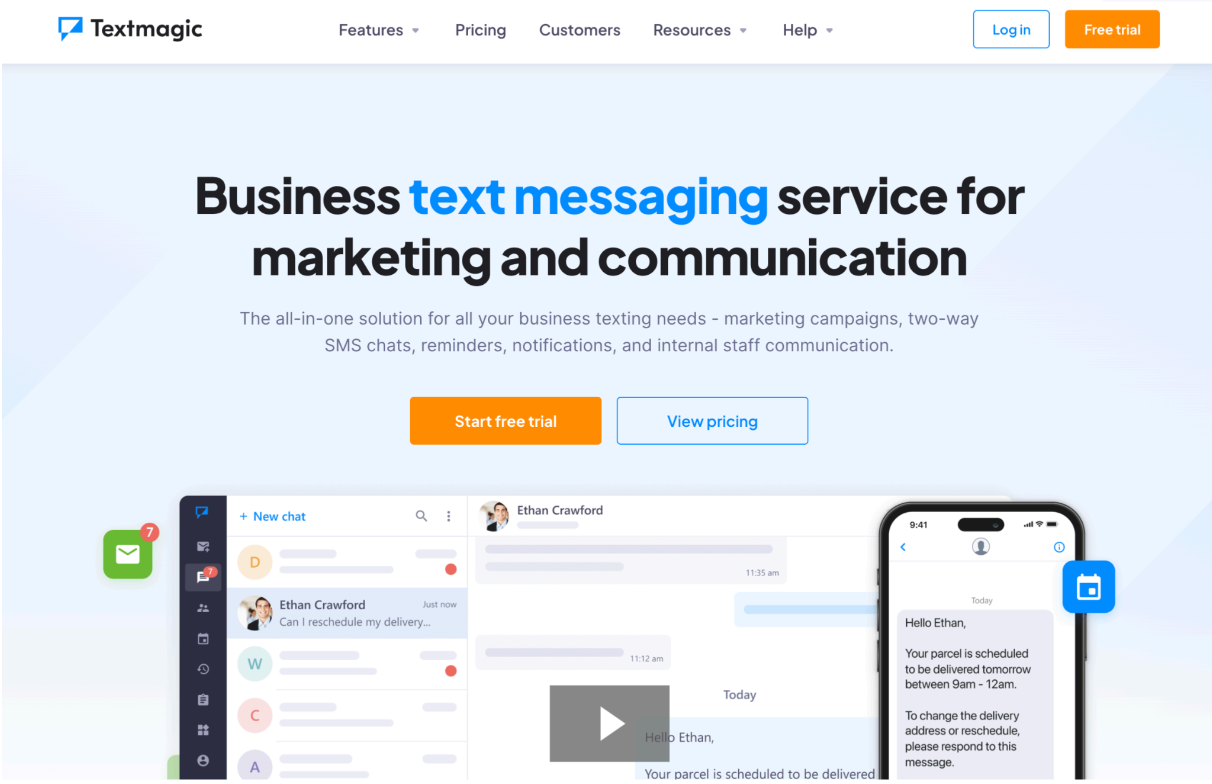
TextMagic AS organizes the management and development of intellectual property and manages the day-to-day business of the Group.

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

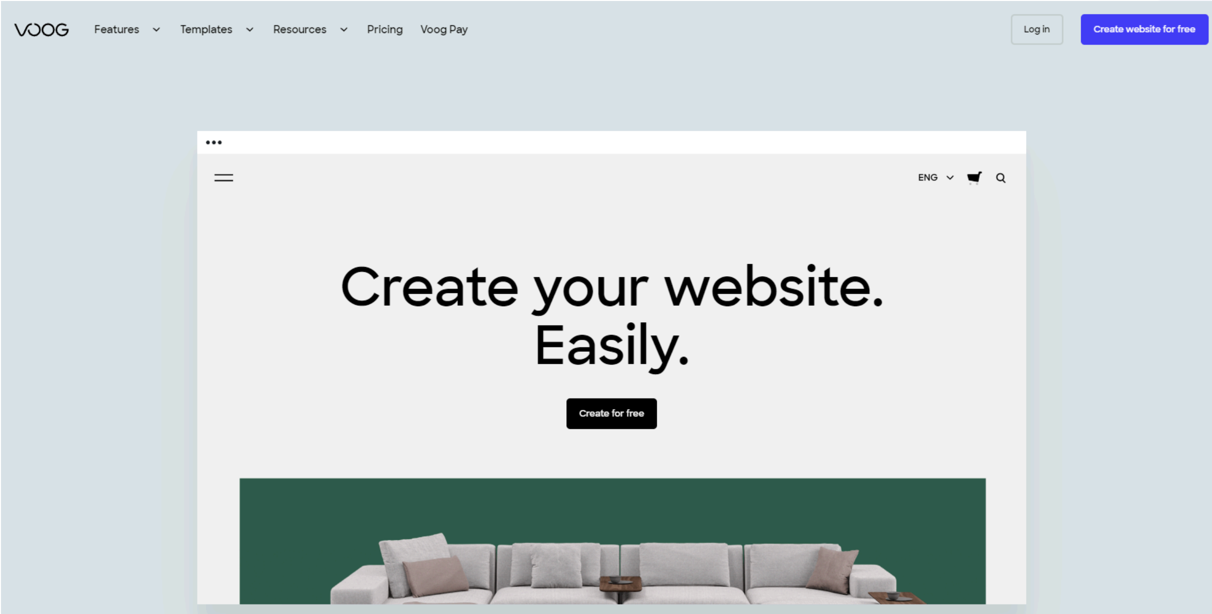


Textmagic is an A2P (application-to-person) SMS platform that enables users to send notifications, alerts, reminders, and order confirmations, as well as run SMS marketing campaigns, surveys, 2-way chat and 2-factor authentication.

Compared to other communication channels (e.g. e-mail, phone calls, etc.), SMS has a higher penetration and response rate. 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.

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.

Customer feedback shows that the platform is highly valued for its easy-to-use 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 supervisory board, appointing the auditor, approving the annual report, distributing profits and deciding on other matters prescribed by the articles of association and by law.

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

TextMagic AS is represented and its day-to-day business in 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, 2024, the management board of TextMagic AS consists of one member, Mr. Priit Vaikmaa. The Group’s extended management team also includes financial manager Getter Grünmann, who joined the Group in the first half of 2023. The board of TextMagic AS consults with the financial manager on important decisions.

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

A member of the management board of TextMagic AS may not solicit or accept money or other benefits from third parties in connection with his or her work for personal purposes, nor may he or she make unlawful or unjustified inducements to third parties on behalf of the issuer. There were no cases of conflict of interest or corruption in H1 2024 or 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 June 30, 2024, 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

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 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. As of the end of June 2024, there were six members in total on the supervisory board, the management board, and the extended management team of the Group, two of whom were women.

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

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

Governance responsibility

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

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

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

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

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

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

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

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

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

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

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

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

TEXTMAGIC SHARES

The shares of TextMagic AS are listed on the Nasdaq Baltic Alternative Market First North Tallinn as of December 15, 2021. As of June 30, 2024, 8,500,000 shares have been issued. All shares are of the same class and there are no restrictions on ownership. The Articles of Association of the Company do not impose any restrictions on the transfer of shares. There are no known restrictions on the transfer of securities in the shareholders' agreements.

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

TextMagic stock	H1 2024	H1 2023
Average price	4.27	7.28
Maximum price	6.66	9.74
Minimum price	3.30	6.66
Closing price at June 30	4.25	7.30
Number of shares at June 30	8,500,000	8,500,000
Number of shareholders at June 30	6,560	7,911
Market value of the company at June 30 (Closing price * number of shares)	36,125,000	62,050,000
Earnings per share (EPS) (Profit / number of shares)	0.15	0.09

Dividend policy

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

In 2022, the shareholders approved a distribution of €2,550 thousand (€0.30 per share) from equity, which was paid in February 2023. In May 2024, as a result of the bonus issue and the share capital reduction, the shareholders decided to pay out €5,015 thousand (€0.59 per share) from equity, which will be paid out at the end of 2024 in accordance with the deadlines set in the Commercial Code. See Note 13 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. The company ensures that the payment of dividends or other equity distributions does not jeopardize its financial stability or its ability to meet its long-term obligations.

Priit Vaikmaa

CEO, TextMagic AS

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)	Note	30.06. 2024	31.12. 2023	30.06. 2023	31.12. 2022
Non-current assets					
Property, plant and equipment	7	102	105	172	191
Intangible assets and goodwill	8	32,963	32,854	54,496	51,944
Total non-current assets		**33,065**	**32,959**	**54,668**	**52,135**
Current assets					
Trade and other receivables		90	24	24	1
Prepayments		200	231	157	130
Financial Investments	11	3,500	2,500	0	0
Cash and cash equivalents		4,229	3,900	5,608	9,145
Total current assets		**8,019**	**6,655**	**5,789**	**9,276**
TOTAL ASSETS		**41,084**	**39,614**	**60,457**	**61,411**
Liabilities					
Current tax liabilities	15	411	232	196	102
Trade and other payables	14	882	791	875	988
Debts to shareholders	13	0	0	0	2,550
Contract liabilities	17	1,668	1,659	1,737	1,546
Other provisions	16	679	1,117	914	739
Total current liabilities		**3,640**	**3,799**	**3,722**	**5,925**
Total liabilities		**3,640**	**3,799**	**3,722**	**5,925**
Equity					
Share capital	12	33,575	850	850	850
Share premium	12	141	51,242	51,242	51,242
Reserve capital	12	85	85	85	0
Other reserve	12	2,360	2,035	1,659	1,651
Foreign currency translation reserve		(13)	(21)	(21)	(41)
Retained earnings		1,296	(18,376)	2,920	1,784
Equity attributable to owners of the parent		**37,444**	**35,815**	**56,735**	**55,486**
Total equity		**37,444**	**35,815**	**56,735**	**55,486**
TOTAL EQUITY AND LIABILITIES		**41,084**	**39,614**	**60,457**	**61,411**

The Notes presented on pages 25 to 43 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	01.01.2024-30.06.2024	01.01.2023-30.06.2023
Revenue	17	7,809	6,779
Other income		70	40
Goods, raw materials and services	18	(2,396)	(2,285)
Other operating expenses	19	(1,050)	(851)
Work performed by the entity and capitalized		2,083	1,084
Employee expenses	20	(3,346)	(1,992)
Depreciation, amortization and impairment of non-current assets	7, 8	(2,010)	(1,757)
Other expenses		(21)	(131)
Operating profit (loss)		**1,139**	**887**
Discontinued Operations	21	0	(181)
Financial Income		152	56
Profit (loss) before tax		**1,291**	**762**
Income tax	15	(4)	(5)
Profit (loss) for the period		**1,287**	**757**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		8	20
Other comprehensive income for the period, net of tax		**1,295**	**20**
Total comprehensive income for the period		**1,295**	**777**

The Notes presented on pages 25 to 43 form an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousand euros)	Note	01.01.2024 - 30.06.2024	01.01.2023 – 30.06.2023
Cash flows from operating activities			
Profit (loss) for the period - continuing operations		**1,287**	**938**
Adjustments for:			
Depreciation and amortization	7, 8	2,010	1,757
Financial Income		(152)	(56)
Other adjustments		169	211
Total adjustments		**2,027**	**1,912**
Changes in trade and other receivables		(66)	(25)
Changes in contract liabilities		9	(18)
Changes in prepayments		34	(27)
Changes in trade and other payables		(167)	325
Net cash from operating activities – continuing operations		**3,124**	**3,105**
Net cash from operating activities – discontinued operations		0	(413)
Net cash from operating activities		**3,124**	**2,692**
Cash flows from investing activities			
Net cash flows from business combinations	9	0	(1,100)
Interest received		152	56
Fixed-term deposits	11	(1,000)	0
Acquisition of property, plant and equipment	7	(30)	(12)
Development expenditure	8	(1,925)	(783)
Net cash used in investing activities – continuing operations		**(2,803)**	**(1,839)**
Net cash used in investing activities – discontinued operations		0	(1,859)
Net cash used in investing activities		**(2,803)**	**(3,698)**

Cash flows from financing activities			
Payouts to shareholders	13	0	(2,550)
Net cash from financing activities – continuing operations		**0**	**(2,550)**
Net cash from financing activities – discontinued operations		0	0
Net cash from financing activities		**0**	**(2,550)**

TOTAL CASH FLOWS	**321**	**(3,556)**
Cash and cash equivalents at the beginning	3,900	9,145
Effect of movements in exchange rates on cash held	8	19
Cash and cash equivalents at the end	**4,229**	**5,608**

The Notes presented on pages 25 to 43 form an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Total equity attributable to owners of TextMagic AS						
	Share Capital	Share premium	Reserve capital	Other reserve	Foreign currency translation reserve	Retained earnings	Total equity
Balance at December 31, 2022	**850**	**51,242**	**0**	**1,651**	**(41)**	**1,784**	**55,486**
Profit (loss) for the period	0	0	0	0	0	757	**757**
Other comprehensive income	0	0	0	0	20	0	**20**
Other changes in equity	0	0	85	8	0	379	**472**
Balance at June 30, 2023	**850**	**51,242**	**85**	**1,659**	**(21)**	**2,920**	**56,735**
Profit (loss) for the period	0	0	0	0	0	(21,414)	**(21,414)**
Other comprehensive income	0	0	0	0	0	0	**0**
Other changes in equity	0	0	0	376	0	118	**494**
Balance at December 31, 2023	**850**	**51,242**	**85**	**2,035**	**(21)**	**(18,376)**	**35,815**
Profit (loss) for the period	0	0	0	0	0	1,287	**1,287**
Other comprehensive income	0	0	0	0	8	0	**8**
Coverage of losses	0	(18,376)	0	0	0	18,376	**0**
Other changes in equity	32,725	(32,725)	0	325	0	9	**334**
Balance at June 30, 2024	**33,575**	**141**	**85**	**2,360**	**(13)**	**1,296**	**37,444**

More detailed information on the Group's equity items is provided in Note 12.

The Notes presented on pages 25 to 43 form an integral part of the consolidated interim financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

TextMagic AS (hereinafter also referred to as the Parent Company or the Company) is a company incorporated in the Republic of Estonia on April 21, 2021. The registered address of the Company is Mõisa 4, 13522 Tallinn, Republic of Estonia. The consolidated interim financial statements of TextMagic AS for the 6 months ended June 30, 2024 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, 2023, 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, 2023, 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, 2024 to June 30, 2024. The reference period is January 1, 2023 to June 30, 2023.

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

NOTE 3. FUNCTIONAL AND PRESENTATION CURRENCY

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

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NOTE 4. CHANGES IN ESTIMATES AND PRESENTATION

Changes in presentation

TextMagic AS' 2023 annual report describes a change in presentation related to the termination of Touchpoint software development, as a result of which the results presented in the 2023 6 months interim report differ from the comparative period of 2024 6 months interim report. Further details in Note 21.

NOTE 5. CORRECTION OF ERRORS

Corrections for prior periods

TextMagic AS's 2023 annual report describes the correction of errors related to the probable additional tax liability identified in the global business, as a result of which the results presented in the 2023 6 months interim report differ from the comparative period of 2024 6 months interim report.

NOTE 6. FINANCIAL INSTRUMENTS – FAIR VALUES AND 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 2023 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 7. PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)	Office equipment	Computer equipment	Other tangible assets	Total
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	(2)	(36)	(2)	**(40)**
Cost at June 30, 2023	17	242	35	**294**
Accumulated depreciation at June 30, 2023	(11)	(91	(20)	**(122)**
Carrying amounts at June 30, 2023	**6**	**151**	**15**	**172**
Additions	0	8	1	**9**
Disposal and other changes	0	(26)	(5)	**(31)**
Depreciation	(1)	(37)	(7)	**(45)**
Cost at December 31, 2023	17	192	22	**231**
Accumulated depreciation at December 31, 2023	(12)	(97)	(17)	**(126)**
Carrying amounts at December 31, 2023	**5**	**95**	**5**	**105**
Additions	5	2	23	**30**
Depreciation	(1)	(28)	(4)	**(33)**
Cost at June 30, 2024	22	194	45	**261**
Accumulated depreciation at June 30, 2024	(13)	(125)	(21)	**(159)**
Carrying amounts at June 30, 2024	**9**	**69**	**24**	**102**

NOTE 8. INTANGIBLE ASSETS

(in thousands of euros)	Goodwill	Software*	Other intangible assets	Uncomplete software**	Pre-payments	Total
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	0	8	2,841	0	**2,849**
Amortization	0	(1,607)	(127)	0	0	**(1,734)**
Acquisitions through business combinations	48	1,312	0	77	0	**1,437**
Cost at June 30, 2023	256	33,254	2,538	24,817	11	**60,876**
Accumulated amortization at June 30, 2023	0	(5,937)	(443)	0	0	**(6,380)**
Carrying amounts at June 30, 2023	**256**	**27,317**	**2,095**	**24,817**	**11**	**54,496**
Additions	0	0	1	2,939	15	**2,955**
Amortization	0	(1,722)	(129)	0	0	**(1,851)**
Reclassification from prepayments	0	3,145	18	(3,145)	(18)	**0**
Disposal	0	0	0	(22,746)	0	**(22,746)**
Cost at December 31, 2023	256	36,399	2,557	1,865	8	**41,085**
Accumulated 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	0	2,083	3	**2,086**
Amortization	0	(1,840)	(129)	0	0	**(1,969)**
Reclassification from prepayments	0	1,889	0	(1,889)	0	**0**
Disposal	0	0	0	0	(8)	**(8)**
Cost at June 30, 2024	256	38,288	2,557	2,059	3	**43,163**
Accumulated amortization at June 30, 2024	0	(9,499)	(701)	0	0	**(10,200)**
Carrying amounts at June 30, 2024	**256**	**28,789**	**1,856**	**2,059**	**3**	**32,963**

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

** Uncompleted software additions consist of capitalized development costs for both Textmagic A2P SMS and Touchpoint software. The development of Touchpoint software was terminated in the second half year of 2023.

NOTE 9. 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 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)**

The total acquisition cost was €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**

In the purchase value analysis Goodwill in the amount of €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 10. INVESTMENTS IN SUBSIDIARIES

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

Subsidiary	Core business	Domicile	Ownership interest at 30 Jun 2024	Ownership interest at 30 Jun 2023
TextMagic Ltd	Client-facing entity of the TextMagic SMS platform	United Kingdom	100.00%	100.00%
TM Marketing Ops SRL	Marketing services	Romania	100.00%	100.00%
Edicy OÜ	Development and management of Voog.com platform	Estonia	100.00%	100.00%

NOTE 11. FINANCIAL INVESTMENTS

(in thousands of euros)	30.06.2024	30.06.2023
Fixed-term deposits	3,500	0
Total	**3,500**	**0**

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

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

NOTE 12. CAPITAL AND RESERVES

Share capital and share premium

The share capital as of June 30, 2024, was in the amount of €33,575 thousand (June 30, 2023: €850 thousand), which is divided into 8,500,000 ordinary shares with a nominal value of €3.95 per share (30.06.2023: €0.1 per share). The share capital consists of:

- €25 thousand contributed at establishment;
- €775 thousand contributed as a non-monetary contribution on September 23, 2021;
- €50 thousand contributed as a result of the IPO on December 15, 2021.
- On the basis of the decision of June 28, 2022, share capital was increased by €2,550 thousand, increased the book value of the shares from €0.1 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, increasing 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.

As of June 30, 2024, the share capital reduction process is ongoing. Based on the resolution of May 22, 2024, the share capital will be reduced by €32,725 thousand, which will reduce the book value of each share from €3.95 to €0.1. Of the reduced amount, €27,710 thousand will be transferred to the voluntary reserve and €5,015 thousand will be paid out to shareholders. The reduction of the share capital will be registered in the Commercial Register after 3 months. The payout will be made at the earliest 3 months after the entry in the Commercial Register.

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

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

Nature and purpose of reserves

Reserve capital

According to the Articles of Association of the Parent Company, a reserve capital of 1/10 of the share capital is created to cover possible losses and to increase the share capital. The reserve capital was created from the profit for 2022 and amounts to €85 thousand as of June 30, 2024 (June 30, 2023: €85 thousand).

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. Foreign currency translation reserve recognized as of June 30, 2024 was in total of -€13 thousand (June 30, 2023: -€21 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, 2024, was 370,200 (June 30, 2023: 364,700). The exercise price per share is €0,1 per share.

Reserves for options granted were recognized in total of €2,360 thousand as of June 30, 2024 (June 30, 2023: €1,659 thousand). The expected costs of previous periods were reduced in the first half year of 2024 by €9 thousand, the effect of which was reflected in the retained earnings of the previous periods.

NOTE 13. PAYABLES TO SHAREHOLDERS

On August 5, 2022, the shareholders decided to reduce the share capital by €2,550 thousand, which reduced the book value of the shares from €0.4 to €0.1. Payments are made to the shareholders of TextMagic AS on the terms stipulated by law. The payment was made in February 2023.

On the basis of the resolution dated May 22, 2024, the share capital will be reduced by €32,725 thousand, which will reduce the book value of each share from €3.95 to €0.1, of which €5,015 thousand (€0.59 per share) will be paid out to the shareholders as an equity payment. The capital reduction will be registered in the Commercial Register after 3 months. The payout will be made at the earliest 3 months after the entry in the Commercial Register.

NOTE 14. TRADE AND OTHER PAYABLES

(in thousands of euros)	30.06.2024	30.06.2023
Trade payables	251	464
Total trade payables	**251**	**464**
Payables to employees	185	175
Other accrued liabilities	446	236
Total other payables	**631**	**411**
Total	**882**	**875**
Non-current	0	0
Current	882	875
Total	**882**	**875**

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 15. INCOME TAX AND TAX LIABILITIES

Amounts recognized in profit or loss

(in thousands of euros)	30.06.2024	30.06.2023
Current tax for the year	4	5
Income tax for the year	**4**	**5**
Profit (loss) before tax	**1,287**	**762**
Tax using the Company's domestic tax rate	0	0
Effect of tax rates in foreign jurisdictions	4	5
Income tax for the year	**4**	**5**
Effective tax	0%	0%

Tax liabilities

(in thousands of euros)	30.06.2024	30.06.2023
Value-added tax	30	38
Global tax liabilities	192	0
Personal income tax	58	47
Corporate income tax	11	12
Social security tax	109	90
Funded pension contributions	4	4
Unemployment insurance contributions	6	5
Other tax payables	1	0
Total	**411**	**196**
Non-current	0	0
Current	411	196
Total	**411**	**196**

NOTE 16. OTHER PROVISIONS

Management has identified a probable additional tax liability, for which a provision has been recorded, related to global operations. A sales tax liability has been identified in the US and, as of the date of these financial statements, the Group is in the process of adjusting prior periods, preparing for the settlement of the liability and collecting the sales tax. As this process is ongoing, the amount of the liability is estimated and therefore recognized as a provision. The exact amount is expected to be known by the end of the fourth quarter of 2024.

(in thousands euros)	30.06.2024	30.06.2023
Estimate of global business operations liability	679	914
Total Other provisions	**679**	**914**

NOTE 17. REVENUE

(in thousands of euros)	01.01.2024-30.06.2024	01.01.2023 – 30.06.2023
Sales to countries other than the European Union		
United States	4,467	4,086
United Kingdom	1,789	1,476
Australia	433	382
Canada	388	430
Other countries	162	137
Total sales to countries other than the European Union	**7,239**	**6,511**
Sales to countries of the European Union		
Countries of the European Union	570	268
Total sales to European Union countries	**570**	**268**
Total revenue	**7,809**	**6,779**
Major products/service lines		
Text-messaging services	5,720	5,440
Virtual mobile number services	1,613	1,148
Other TextMagic A2P SMS platform services	157	131
Voog.com platform	319	60
Total revenue	**7,809**	**6,779**
Timing of revenue recognition		
At a point in time	7,490	6,719
Over time	319	60
Total revenue from contracts with customers	**7,809**	**6,779**

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

Contract balances

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

(in thousands of euros)	30.06.2024	30.06.2023
Receivables, which are included in 'trade and other receivables	24	19
Contract liabilities	(1,668)	(1,737)
Total	**(1,644)**	**(1,718)**

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

NOTE 18. GOODS, RAW MATERIALS AND SERVICES

(in thousands of euros)	01.01.2024-30.06.2024	01.01.2023-30.06.2023
Payment processing fees	(251)	(213)
Purchased services	(1,933)	(1,750)
Other software expense	(212)	(345)
Discontinued operations	0	23
Total	**(2,396)**	**(2,285)**

NOTE 19. OTHER OPERATING EXPENSES

(in thousands of euros)	01.01.2024-30.06.2024	01.01.2023-30.06.2023
Office expenses	(75)	(64)
Administrative expenses	(20)	(16)
Software expenses	(85)	(66)
Legal and other professional service costs	(199)	(39)
Accounting and audit expenses	(108)	(44)
Marketing expenses	(427)	(429)
Recruitment and other personnel expenses	(91)	(164)
Exchange rate variance and foreign currency gains and losses	12	(17)
Other operating expenses	(57)	(28)
Discontinued operations	0	16
Total	**(1,050)**	**(851)**

NOTE 20. STAFF EXPENSES

(in thousands of euros)	01.01.2024-30.06.2024	01.01.2023-30.06.2023
Salary expenses	(1,091)	(711)
Share option expense*	(334)	(497)
Social security charges	(283)	(194)
Discontinued operations	0	291
Total employee expenses	**(1,708)**	**(1,111)**
Average number of personnel converted to full-time equivalent	36	24
Average number of staff by employment relationship:		
Personnel working under employment contracts	35	23
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)	01.01.2024-30.06.2024	01.01.2023-30.06.2023
Cost of contract developers	(1,638)	(2,545)
Discontinued operations	0	1,664
Total subcontractors' expense	**(1,638)**	**(881)**

(in thousands of euros)	01.01.2024-30.06.2024	01.01.2023-30.06.2023
Total employee expense	(1,708)	(1,402)
Total subcontractors' expense	(1,638)	(2,545)
Total discontinued operations	0	1,955
Total staff expenses	**(3,346)**	**(1,992)**

NOTE 21. DISCONTINUED OPERATIONS

In November 2023, management decided to discontinue development of Touchpoint's customer service software. The product, which had been developed to a beta version, was a separate cash-generating unit. In assessing the status of development against the original development plan and the pace of development by competitors, it became clear that the software was not meeting financial expectations and targets. As of Q4 2023 the maturity of the product would have allowed for a lower than expected fee and the expected growth rate was significantly slower than projected.

This was due to higher-than-expected development costs and the extension of the project's development period, which significantly reduced the project's ability to achieve the desired financial results.

As a result of the decision, the Touchpoint software project has been accounted for as a discontinued operation and has been classified as a derecognized asset since the date of the decision.

The Touchpoint trademark and domain will be retained and developed for possible future applications and projects. The related assets and expenses are not treated as discontinued operations.

The prior year figures in the consolidated income statement and the consolidated cash flow statement have been restated in accordance with IFRS 5 to present discontinued operations separately from continuing operations.

Income statement impact of Touchpoint customer service software

(in thousands of euros)	Touchpoint software	
	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Revenue	0	0
Other income	0	0
Goods, raw materials and services	0	(23)
Other operating expenses	0	(16)
Work performed by the entity and capitalized	0	1,832
Employee expenses	0	(1,955)
Depreciation, amortization and disposal of non-current assets	0	(19)
Other expenses	0	0
Operating loss	**0**	**(181)**

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Assets and liabilities related to Touchpoint customer service software

(in thousands of euros)	30.06.2024	30.06.2023
Non-currents assets		
Property, plant and equipment	0	43
Intangible assets and goodwill	0	22,188
Total non-current assets	**0**	**22,231**

Liabilities		
Tax liabilities	0	12
Trade and other payables	0	439
Total liabilities	**0**	**451**

NOTE 22. SEGMENT REPORTING

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

(in thousands of euros)	Software products Textmagic ja Voog development and management	
	01.01.2024-30.06.2024	01.01.2023-30.06.2023
Revenue	7,809	6,779
Other income	70	40
Goods, raw materials and services	(2,396)	(2,285)
Other operating expenses	(1,050)	(851)
Work performed by the entity and capitalized	2,083	1,084
Employee expenses	(3,346)	(1,992)
Depreciation, amortization, and disposal of non-current assets	(2,010)	(1,757)
Other expenses	(21)	(131)
Operating profit	**1,139**	**887**
EBITDA	**3,149**	**2,644**

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

(in thousands of euros)	Textmagic platform 01.01.2024-30.06.2024	Textmagic platform 01.01.2023-30.06.2023	Voog platform 01.01.2024-30.06.2024	Voog platform 01.01.2023-30.06.2023
United States	4,461	4,085	0	0
United Kingdom	1,788	1,475	0	0
Australia	432	382	0	0
Canada	388	430	0	0
European Union	268	211	308	57
Other	153	136	11	3
Total revenue	**7,490**	**6,719**	**319**	**60**

The board also monitors capitalized development costs by product segment.

(in thousands of euros)	01.01.2024-30.06.2024	01.01.2023-30.06.2023
Textmagic SMS-platform	1,818	1,066
Voog.com platform	265	18
Total capitalized development costs – continuing operations	**2,083**	**1,084**
Total capitalized development costs – discontinued operations	0	1,832
Total capitalized development costs	**2,083**	**2,916**

NOTE 23. TRANSACTIONS WITH RELATED PARTIES

Parent and ultimate controlling party

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

Ultimate controlling party is Priit Vaikmaa, the sole owner of Monday Media OÜ (the parent company of TextMagic AS), which as of June 30, 2024, held 88,6% (June 30, 2023: 87,8%) on TextMagic AS shares.

Shares of management and supervisory board

As of June 30, 2024, 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) – 7,530,783

Kärtu Vaikmaa (representative of Merkatiko OÜ) – 312,100

Eduard Tark (Edly OÜ representative) – 253,373

Transactions with key management personnel

The salary expense recognized to the members of management and supervisory board for January 1, 2024, to June 30, 2024, was in total of €211 thousand (January 1, 2023, to June 30, 2023: €209 thousand).

As of June 30, 2024, 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, 2023: 176,000), including Kärtu Vaikmaa 88,000 (June 30, 2023: 88,000), Eduard Tark 88,000 (June 30, 2023: 88,000) share options.

(in thousands of euros)	01.01.2024- 30.06.2024	01.01.2023 – 30.06.2023
Management and supervisory board		
Salary expenses	(211)	(209)

Other related party transactions

A party is considered a related party if one party has control or significant influence over the other party in making operational decisions. Related party transactions include transactions with shareholders, directors and senior management, their close relatives and any entity controlled or significantly influenced by any of the above. The Group had no related party transactions in the first half of 2024 or in the comparative period.

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, 2024.

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

Management Board

Priit Vaikmaa
Chairman of the Management Board, CEO