Disclaimer

This investors’ presentation has been prepared in connection with the admission to trading of new shares issued by TextMagic AS (a public limited company registered in Estonia under the registry code 16211377, “TextMagic”, depending on the context TextMagic or TextMagic Group can also refer to Textmagic together with its subsidiaries or to a specific subsidiary of TextMagic, or the “Issuer”) and of all shares of the Issuer on the First North MFT operated by Nasdaq Tallinn AS.

The purpose of this presentation is to provide a general overview of the activity and plans of TextMagic. This presentation may not be used for any other purpose without prior permission from TextMagic.

This presentation contains certain forward-looking statements related to TextMagic and the business sector of TextMagic that are based on the beliefs of TextMagic’s management as well as assumptions made by and information currently available to TextMagic’s management from the sources the management considers trustworthy. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may”, “can”, “will”, “would”, “should”, “expects”, “plans”, “anticipates”, “could”, “intends”, “target”, “projects”, “contemplates”, “believes”, “estimates”, “predicts”, “forecasts”, “potential” or “continue”, or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions.

You should not rely upon forward-looking statements as predictions of future events. The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause TextMagic’s actual results, performance, or achievements to differ materially from those described in the forward-looking statements, including, among other things: adverse changes in general economic or market conditions; changes in the market for communications; the impact of COVID-19 on TextMagic and its customers and partners; TextMagic’s ability to adapt its products to meet evolving market and customer demands and rapid technological change; TextMagic’s ability to comply with modified or new industry standards, laws and regulations applying to its business; TextMagic’s ability to generate sufficient revenues to achieve or sustain profitability; TextMagic’s ability to retain customers and attract new customers; TextMagic’s ability to effectively manage its growth; TextMagic’s ability to compete effectively in an intensely competitive market; etc.

The forward-looking statements contained in this presentation are also subject to additional risks, uncertainties, and factors, including those more fully described in TextMagic’s company description. Forward-looking statements represent TextMagic’s management’s beliefs and assumptions only as at the date such statements are made. TextMagic undertakes no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law.

This presentation does not attempt to provide full overview of all aspects and risks which are or might be relevant while deciding whether to subscribe for or invest in the shares of the Issuer and before making any investment decisions, the prospective investors are advised to read TextMagic’s company description prepared by the Issuer available here.
Total Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue (€M)</th>
<th>Revenue Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.96</td>
<td>37.5%</td>
</tr>
<tr>
<td>2017</td>
<td>2.69</td>
<td>42.0%</td>
</tr>
<tr>
<td>2018</td>
<td>3.83</td>
<td>42.8%</td>
</tr>
<tr>
<td>2019</td>
<td>5.47</td>
<td>44.9%</td>
</tr>
<tr>
<td>2020</td>
<td>7.92</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>7.77</td>
<td></td>
</tr>
</tbody>
</table>

*The compound annual growth rate, or CAGR, is the average rate at which some value grows over a certain period of time assuming the value has been compounding over that time period. Learn more*
EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
<th>EBITDA Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>€0.62M</td>
<td>50.4%</td>
</tr>
<tr>
<td>2017</td>
<td>€0.93M</td>
<td>28.2%</td>
</tr>
<tr>
<td>2018</td>
<td>€1.19M</td>
<td>92.3%</td>
</tr>
<tr>
<td>2019</td>
<td>€2.28M</td>
<td>42.6%</td>
</tr>
<tr>
<td>2020</td>
<td>€3.25M</td>
<td></td>
</tr>
<tr>
<td>2021 (9 months)</td>
<td>€3.63M</td>
<td></td>
</tr>
</tbody>
</table>

51.8%

Last 3 years EBITDA compound annual growth rate (CAGR)

* The compound annual growth rate, or CAGR, is the average rate at which some value grows over a certain period of time assuming the value has been compounding over that time period. Learn more
**Number of Payments**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Payments</th>
<th>Growth Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>30.7K</td>
<td>58.4%</td>
</tr>
<tr>
<td>2017</td>
<td>48.7K</td>
<td>59.3%</td>
</tr>
<tr>
<td>2018</td>
<td>59.3K</td>
<td>49.3%</td>
</tr>
<tr>
<td>2019</td>
<td>166.5K</td>
<td>43.6%</td>
</tr>
<tr>
<td>2020</td>
<td>155.6K</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>(9 months)</td>
<td></td>
</tr>
</tbody>
</table>

- **50.7%**
  - Last 3 years number of payments compound annual growth rate (CAGR)**

- **24,366**
  - Users who have auto-recharge enabled

---

*The total number of payments / top-ups made by users in a specific year.

**The compound annual growth rate, or CAGR, is the average rate at which some value grows over a certain period of time assuming the value has been compounding over that time period. Learn more*
New Paid Users

The COVID-19 pandemic increased the number of sign-ups in 2020 due to the urgent need to send texts. We aim to match 2020’s numbers in 2021.

39.2%

Last 3 years new paid users compound annual growth rate (CAGR)**

COVID-19 boost

The COVID-19 pandemic increased the number of sign-ups in 2020 due to the urgent need to send texts. We aim to match 2020’s numbers in 2021.

* The total number of new users who created an account and made their first purchase in a specific year.

** The compound annual growth rate, or CAGR, is the average rate at which some value grows over a certain period of time assuming the value has been compounding over that time period. Learn more
**Sent SMS Volumes**

- **2016**: 37.1M, 40.6%
- **2017**: 52.2M, 51.8%
- **2018**: 79.2M, 39.3%
- **2019**: 110.4M, 56.0%
- **2020**: 172.2M
- **2021 (9 months)**: 182.3M

### Last 3 years sent SMS compound annual growth rate (CAGR)***

- **2016-2018**: 56.0%
- **2017-2019**: 51.8%
- **2018-2020**: 40.6%

### The expected A2P SMS market size by 2025 (3.2% CAGR)**

- **$72.8B**

---

*The total number of text messages sent by TextMagic users in a specific year.*


***The compound annual growth rate, or CAGR, is the average rate at which some value grows over a certain period of time assuming the value has been compounding over that time period. [Learn more](http://Learn more)**
Active Users

- **Total number of paying users** refers to the customers of TextMagic who have made at least 1 payment in a specific year.

### Timeline

- **2016**: 6.9K users, 43.0% growth
- **2017**: 9.8K users, 28.1% growth
- **2018**: 12.6K users, 39.2% growth
- **2019**: 17.6K users, 45.5% growth
- **2020**: 25.6K users
- **2021**: 25.6K users (9 months)

**Active users growth rate**

- **37.5%**: Last 3 years active users compound annual growth rate (CAGR)**

**Average revenue per user (ARPU)** (Last 12 months)

- **€360**

**Users with ARPU over €1,000** (Last 12 months)

- **1,588**

**Users with ARPU over €5,000** (Last 12 months)

- **243**

---

*The total number of paying users refers to the customers of TextMagic who have made at least 1 payment in a specific year.

**The compound annual growth rate, or CAGR, is the average rate at which some value grows over a certain period of time assuming the value has been compounding over that time period. Learn more*
Dollar-Based Net Expansion

106%  SaaS industry median for net dollar retention (NDR)**

- Unlike competitors with subscription-based services, our pay-as-you-go pricing system makes it easy for clients to cancel or reduce their spending, explaining our low NDR. We also serve mostly SMBs.

- Since September 2021, our team has been working on a strategy to reduce churn and improve net dollar retention.

- Churn and NDR will be addressed with personalized email sequences, nurturing/re-activation flows, and in-app improvements.

*We calculate dollar-based net expansion rate by dividing the revenue for a given period from customers who remained customers as of the last day of the given period (the “current” period) by the revenue from the same customers for the same period measured one year prior (the “base” period). NDR SaaS industry average is taken from userguiding.com

**SaaS Company Renewal/Retention Rates Legend - Key.com
In recent years, the United States has become the dominant market. The US and the UK together represent around 88% of the SMS volume.

The business is easily scalable to take advantage of the size of the market.

There is an opportunity to enter new markets in industries in which TextMagic has been successful.

*The numbers on this slide are calculated based on the last 12 months revenue as of 30 September 2021*
Customer Metrics (Jan – Sep, 2021)

- **Customer lifetime value (LTV)**: €620
- **Average customer order size**: €52.9
- **Customer acquisition cost (CAC)**: €41.8
- **New trial accounts**: 32,503
- **New paid customers**: 10,660
- **Trial to paid conversion**: 32.48%

---

*Lifetime values of all active customers are taken and the average is calculated. Lifetime value is the sum of all of these customers’ orders.*

**The average size of orders made by customers during the last 12 months (as of 19 Oct 2021) (EUR to GBP conversion rate 19 Oct 2021 - 1.18).**

***Total marketing costs 1 Jan-30 Sep 2021 divided by the total number of new paid users during the same period.***

****Number of users who have converted to paid divided by the number of users who have created a trial account) during the last 12 months (as of 19 Oct 2021)
Unit Economics of A2P SMS

- In September 2021 our SMS messaging business profitability measured by contribution margin ratio was 74.0%, while in the USA it was 85.9%.

- Contribution margin was calculated on the basis of revenue and variable costs.

- Contribution margin represents the incremental money generated for each SMS / text message sold after deducting the variable portion of the firm's costs.

*How to calculate unit economics for your business - [Masterclass.com](https://www.masterclass.com)
## Key Financial Ratios

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenue, kEUR</strong></td>
<td>10,356</td>
<td>7,922</td>
<td>5,466</td>
<td>3,828</td>
<td>2,695</td>
<td>1,960</td>
</tr>
<tr>
<td><strong>Revenue growth rate, %</strong></td>
<td>30.7%</td>
<td>44.9%</td>
<td>42.8%</td>
<td>42.0%</td>
<td>37.5%</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBITDA, kEUR</strong></td>
<td>4,822</td>
<td>3,253</td>
<td>2,281</td>
<td>1,186</td>
<td>925</td>
<td>615</td>
</tr>
<tr>
<td><strong>EBITDA margin, %</strong></td>
<td>46.6%</td>
<td>41.1%</td>
<td>41.7%</td>
<td>31.0%</td>
<td>34.3%</td>
<td>31.4%</td>
</tr>
</tbody>
</table>

*2021 year projection is done based on the 9 months actual.*
A2P SMS
Application-to-Person SMS
What is A2P SMS?

SMS

SMS is the text messaging service component of most telephone, internet, and mobile device systems. It uses standardized communication protocols that allow mobile devices to exchange short text messages.

A2P SMS

A2P messaging (application-to-person messaging) is the process of sending SMS messages from a business application to a mobile user. These messages are also known as professional or enterprise messages.

A2P has become the go-to-market strategy for businesses, especially since the beginning of the COVID-19 pandemic.
### A2P SMS Benefits

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focused</strong></td>
<td>Because of push notifications on the lock screen, most messages can be read and understood quickly.</td>
</tr>
<tr>
<td></td>
<td>The last message sent (or received) is the one people are most likely to read or return to, because it's always at the top.</td>
</tr>
<tr>
<td><strong>Easy</strong></td>
<td>Because of push notifications on the lock screen, most messages can be read and understood quickly.</td>
</tr>
<tr>
<td><strong>Asyncronous</strong></td>
<td>Both parties don’t need to be available at the same time. Responses can be sent at any time later.</td>
</tr>
<tr>
<td></td>
<td>No subject lines, intros or signatures are required. Type your message, hit send and you're done.</td>
</tr>
<tr>
<td><strong>Informal</strong></td>
<td>No subject lines, intros or signatures are required. Type your message, hit send and you're done.</td>
</tr>
<tr>
<td><strong>Connected</strong></td>
<td>One of the most compelling aspects of SMS messaging is the context and continuity of a long-lived conversation.</td>
</tr>
<tr>
<td><strong>Convenient</strong></td>
<td>Every phone comes with a messaging app that can process SMS. Convenience always wins when it comes to communication.</td>
</tr>
</tbody>
</table>
A2P SMS Use-Cases for Business

**Appointment reminders**
Appointment reminder texts give busy clients a friendly reminder, significantly increasing their chances of showing up on time.

**SMS marketing campaigns**
A2P SMS apps allow businesses to automate their text marketing campaigns with the help of features like bulk texting, SMS scheduling, and more.

**Feedback and reviews**
With A2P SMS solutions, businesses can have two-way communication with their customers to request feedback via SMS polls or reviews once an action is completed.

**Urgent notifications**
SMS notifications inform recipients about an event such as an order update or service alert. They can be scheduled through an A2P SMS app or triggered by other services.

**Customer support 24/7**
A2P SMS enables businesses to answer customer queries instantly with SMS auto-responders configured on frequently used keywords.

**Internal team communication**
Create separate contact lists within an A2P SMS app to communicate with staff members or collaborators in real time using two-way SMS.
The A2P SMS market is expected to reach over 72.8 billion USD by 2025, from 62.1 billion USD in 2017.*

The number of enterprise messages is expected to increase from 1.7 trillion in 2017 to 2.8 trillion in 2022.**

Over five billion unique mobile subscribers currently, which is expected to reach 5.86 billion by 2025.***

Companies like Twilio**** are riding a strong secular tailwind in a market that is growing at a CAGR of 3.2%.

Sources:
* A2P Messaging Market by Component, Application, Deployment Mode, SMS Traffic, End User, and Region - Global Forecast to 2025 - MarketsAndMarkets.com
** Global A2P SMS Traffic to grow from 1.7 trillion to 2.8 trillion messages by 2022 - MobileSquared.co.uk
*** Global unique mobile subscribers from 2010 to 2025, by Region - Statista.com
**** Twilio Is Riding A Strong Secular Tailwind And Disrupting The Communications Industry - SeekingAlpha.com
A2P SMS Engagement Metrics

SMS has the best engagement rates of all communication mediums. Gartner research* discovered that SMS has an open rate of 98% and a response rate of 45%. Also, 45% of potential clients would choose a product or brand after receiving an SMS.

**Consumers want to receive texts about****

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Text Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>Shipment tracking</td>
</tr>
<tr>
<td>65%</td>
<td>Order status / confirmation</td>
</tr>
<tr>
<td>35%</td>
<td>Special offers / sales</td>
</tr>
<tr>
<td>46.3%</td>
<td>Scheduling reminders / alerts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Metric Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>98%</td>
<td>SMS open rate</td>
</tr>
<tr>
<td>95%</td>
<td>SMS are opened within 3 minutes of being received</td>
</tr>
<tr>
<td>75%</td>
<td>YoY popularity increase of SMS among customers**</td>
</tr>
<tr>
<td>95%</td>
<td>Of businesses are seeking new ways to engage with their customers***</td>
</tr>
</tbody>
</table>

Sources:
* Tap into the power of SMS, a research by - Gartner.com
** Leading messaging channels used by customers worldwide to contact businesses in 2020, by year-over-year usage growth - Statista.com
*** COVID-19 Customer Engagement Report - Twilio.com
**** Text Message Marketing Report - SimpleTexting and 45 SMS Marketing Statistics - G2.com
TextMagic A2P SMS Product
The market for mobile messaging platforms is highly fragmented, and only SMS offers a universal and reliable solution that can reach everyone. Most of our clients are small- to medium-sized companies in the US and UK. They range from car repair shops that notify their customers of bookings to hospitals that use text messages to coordinate their staffs. Our business texting software solution enables large numbers of messages to be sent simultaneously. This gives TextMagic customers an opportunity to sell, market, and communicate via text messages.

Priit Vaikmaa
CEO

What is TextMagic?

Text Message Marketing Software for Business

TextMagic is an international business text messaging company that helps small businesses engage their customers. It operates mainly in the US, the UK, Canada and Australia.

TextMagic enables customers to transform customer experiences with an easy-to-use text messaging marketing software for sending notifications, alerts, reminders, confirmations, and SMS marketing campaigns anytime, anywhere.

Visit website
**Product Led Growth (PLG)**

**Free trial**
Unlocks all product features and bonus-free credit.

**Low-touch model**
Free trial before paid account, in-product onboarding, self-serve experience.

**SMS replies**
TextMagic also enables clients to manage SMS replies through email to SMS, call forwarding, or communications management.

**Pay-as-you-go system***
Customers can add and spend credit as they choose.

**Prepayments**
All TextMagic services can be used by means of prepayments made by the client.

**Integration tools**
Hundreds of integration tools and the SMS API make it easy to integrate TextMagic with other software.

---

*Fees for certain services are calculated considering the standardized price lists. TextMagic has no proprietary network of telecommunications service providers and buys the bulk SMS service from external cooperation partners, such as Vonage (formerly Nexmo).*
Getting Started with TextMagic is Easy

Text enabling businesses in three steps
TextMagic makes it easy for small and medium-sized companies to get started with business texting.

1. **Create a free account**
   New users can sign up for a free account to test all our features. No credit card required.

2. **Load prepaid credit**
   Simple pay-as-you-go billing system and transparent pricing plans.

3. **Send & receive SMS**
   Once account registration is confirmed, businesses can send and receive online texts through the self-service interface.
A Fully-Featured Text Messaging Platform

- Bulk text messaging
- Two-way SMS chat
- Email to SMS
- Scheduled texts
- Text templates
- SMS API
Two-Way Conversations with SMS Chat

Hey Ethan, James here from the XYZ 2 GYM. Just wanted to say that I’m looking forward to our call. I have a short video that will tell you a little more about how we can help you achieve your goals.

https://xyz2gym.com/video-training

Thanks looking forward to it

I apologize I had double booked myself can we reschedule for the next week same time?

Wednesday next week same time then?

Yes please

Great, thank you (First name). Have a good day.
Email to SMS Gateway

To 16267640400@textmagic.com

Subject

Dear Charles, Thank you for purchase. The item will be delivered between 2nd and 6th of September. If you have any questions call us on 18669103409 or reply to this text. Thank you for shopping with us.
Hello Mike, this is TextMagic. Would you like to participate in a short survey? To continue, just reply Yes.

On a scale of 1 to 10, how likely are you to recommend TextMagic to a friend or colleague? Where: 0 = Not likely at all, 10 = Extremely likely.
Mobile Apps

TextMagic Apps

TextMagic's mobile apps are fully synched with the web dashboard. Customers can use the apps to quickly send and receive SMS texts, save contacts, create lists and manage campaigns on the go.
Simple and Clean Payments

Buy TextMagic Credit

Credit never expires. We will refund all unused credit on request.

Credit amount:  €20

How much credit do I need? Check with our pricing calculator

Choose your payment method

This is a secure 128-bit SSL encrypted payment page.

- Credit Card  

[Visa, Mastercard, American Express]
Key Partners
Rather than building our own communications infrastructure from scratch, we use cloud-based APIs from Communications Platform as a Service (CPaaS) vendors to add real-time communications into TextMagic. Communications built on a cloud communications platform are available without the burdens of capacity planning, carrier contracts, telecom hardware integration, and fragmented security.

TextMagic collaborates with the following CPaaS providers to add voice and messaging capabilities to its platform:

- **Vonage** offers flexible and scalable voice, messaging, video and data capabilities across Unified Communications, Contact Centers and Communications APIs. Vonage enables communication without compromising privacy.

- **Bandwidth Inc.** operates as a CPaaS provider in the United States, giving enterprises and product builders the power to communicate, with a cloud platform that solves communications complexities globally and at scale.

- **Twilio** is a cloud communication platform, which provides building blocks used in our platform. Cloud communications platforms like Twilio bring the world of communications to every web and mobile developer in the programming languages they already use.
Payments & Fraud Prevention Partners

TextMagic customers can load credit to their account instantly via credit/debit card or PayPal. All payment data is securely stored by a third-party PCI-compliant payment gateway. All payments from customers are automatically processed in order to prevent fraud. TextMagic also performs a manual fraud detection review of its users where the sum of the payment is USD 100 or higher.

Our platform partners with the following payment processing and fraud detection services to provide secure payment options to customers:

- **Stripe**: Online payment processing for internet businesses. Stripe is a suite of payment APIs that powers commerce for online businesses of all sizes.
- **PayPal**: The fastest, safest way to send money, make an online payment, receive money or set up a merchant account.
- **Wise**: You can hold, receive, send, and spend money using a Wise multi-currency account. You can hold more than 50 currencies and convert between them.
- **Veriff**: For onboarding, TextMagic uses a third-party service provider, Veriff, which is an automated online identity verification platform that permits the performance of compliance and KYC functions.
Customers
Customer Acquisition Strategy

Most new paying customers discover TextMagic through organic search or word-of-mouth.

Main marketing activities

- Search engine optimization;
- Affiliate marketing;
- Content marketing;
- Creation and promotion of free tools;
- PPC, retargeting campaigns and other types of ad campaigns on Google, Bing, LinkedIn, Facebook, Twitter and Quora.

Traffic sources by channel for Q3 2021 (visits)

- **Organic**: 413,944 (50.8%)
- **Direct**: 267,805 (32.8%)
- **Paid Search**: 87,793 (10.7%)
- **Referral**: 32,285 (4%)

*Hotjar survey responses from new paying customers that completed their first purchase. Results from 240+ responses between November 1, 2020 and January 30, 2021.*
TextMagic predominantly serves small and medium-sized businesses. Clients also include the public sector, NGOs, and the education industry. TextMagic customers:

- want to communicate with their target audience;
- want to have their messages read and reacted to;
- prefer strong customer support with fast reaction time;
- want to use a comprehensive communication management platform.

We serve customers from industries such as:

- Medical sector
- Brick and mortar shops and stores
- Colleges, schools and universities
- Charity organisations and foundations
- ICT, internet, data analytics, management
- Business services
- Transportation
- Media and entertainment
- E-commerce and internet businesses
- Real estate
- Restaurants and bars
- Banking and insurance
- Other services (security, auto repair, delivery)

Read case studies
TextMagic has become a key part of our business offering, enabling us to interact effectively with our clients who prefer to communicate via text.

"TextMagic enjoys a high level of customer satisfaction."

Alan Dasey, e-commerce business owner

*Net Promoter Score (NPS): 67%

- 74% promoters
- 18% passives
- 8% detractors

*NPS feedback was collected using the Delighted.com service from users after they have made a payment with TextMagic. TextMagic uses the Delighted software to collect NPS surveys from paying customers. The value represented above refers to the average NPS score of TextMagic between September 01 - September 30, 2021.
Competition
## Our Competitors

Strategic competitor acquisitions of A2P SMS companies similar to TextMagic, as well as their volumes of SMS sent per year:

- **MessageMedia** acquired by Sinch to expand its total addressable market (TAM) and position Sinch for growth with small and medium-sized businesses.*

- Some of the A2P SMS brands operated under Commify:

<table>
<thead>
<tr>
<th></th>
<th>TextMagic</th>
<th>MessageMedia</th>
<th>Zipwhip</th>
<th>Commify</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pricing model</strong></td>
<td>Pay-as-you-go $0.04/SMS</td>
<td>Subscription from $39/month</td>
<td>Subscription from $25/month</td>
<td>Unique for each SMS brand under Commify</td>
</tr>
<tr>
<td><strong>SMS Sent in 2021</strong></td>
<td>200 million</td>
<td>5 billion</td>
<td>1 billion</td>
<td>3.5 billion</td>
</tr>
<tr>
<td><strong>Active clients</strong></td>
<td>20,000+</td>
<td>60,000</td>
<td>30,000+</td>
<td>Not available</td>
</tr>
<tr>
<td><strong>Estimated ARR</strong></td>
<td>€12.2 million</td>
<td>$151 million</td>
<td>$21.5M</td>
<td>Over €100 million</td>
</tr>
<tr>
<td><strong>Team size</strong></td>
<td>40</td>
<td>218</td>
<td>275</td>
<td>246</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>IPO planned for November 2021</td>
<td>Acquired by Sinch for $1.3b*</td>
<td>Acquired by Twilio for $850m**</td>
<td>Owns 12 business SMS brands</td>
</tr>
</tbody>
</table>

Sources:

*Sinch to acquire MessageMedia, accelerating growth with small and medium-sized businesses. - Sinch

**Twilio Completes Acquisition of Zipwhip, a Leading Provider of Toll-Free Messaging in the United States - Twilio

Other company information and revenue numbers are taken directly from the company websites or official reports, SeekingAlpha.com, or GetLatka.com
Growth Strategy

1. Grow from 200 million SMS sent per year to 1 billion per year.
   - Develop new platform features requested by customers to increase product usage;
   - Introduce monthly subscription packages alongside the pay-as-you-go pricing system;
   - Grow our affiliate channel and find industry leaders to promote our product;
   - Increase ARPU (average revenue per user) by educating existing clients on TextMagic features that are valuable to them.

2. Maintain annual revenue growth rates at 30–40%.
   - Increase usage of active marketing, such as paid advertising, which TextMagic has so far not done to a considerable extent;
   - Make further use of SEO optimization, focusing on the conversion rate of new clients;
   - Implement strategies for churn-rate reduction and old user re-activation;
   - Become a known brand in the A2P SMS market segment.
New Product Investments
COMING IN 2023

Touchpoint

The all-in-one customer engagement platform to help you focus on your customers and growing your business.

Join our waiting list

www.touchpoint.com
What is Touchpoint?

Customer Engagement Platform

According to Wikipedia a touchpoint can be defined as any way a consumer can interact with a business, whether it be person-to-person, through a website, through an app or any form of communication like SMS, e-mails, voice calls and messaging apps.

Touchpoint is the all-in-one platform to help small and medium-sized businesses focus on their customers and growing their business.

“Touchpoint is a significant enhancement of our current product. It is customer engagement software for sales, marketing, and customer support. By using it, companies can integrate various communication channels (SMS, email, text applications, and calls) into one environment.

It will combine the engagement and communication channels required to find customers, close deals, and provide customer support. It will also offer user-friendly reporting, analytics, and collaboration capabilities. The launch of Touchpoint is planned for 2023.”

Priit Vaikmaa
CEO
The Problem

The average company with 200 to 500 employees uses about 120+ SaaS applications these days.*

- Extra costs for multiple apps
- The complexity of apps setup and onboarding
- Poorly synced tools
- Dev power is required to sync business tools
- Rapidly changing stacks
- Unused subscriptions

The Solution

A software platform that brings messaging products for sales, marketing, and customer support together.

- Simple one-time setup that takes minutes
- Few clicks integrations with most business apps
- Marketing, sales and support departments synced
- 360-degree contact history view
- Easy to use app for any person in the company
- Simple subscription with per-user price

Sources:
*New Report: Most companies have "orphaned" SaaS apps in their stacks - Martech
The customer engagement solutions market is projected to grow at a CAGR of 10.5% between 2018 and 2023.*

The SaaS market is growing by 18% each year**

70% of CIOs claim that agility and scalability are two of the top motivators for using SaaS applications**

By the end of 2021, 99% of organizations will be using one or more SaaS solutions. Small businesses are the main driver of mobile SaaS growth.**

In 2021, the software as a service (SaaS) market is estimated to be worth approximately 145.5 billion USD.***

---

*Customer Engagement Solutions Market by Component, Organization Size, Vertical, and Region – Forecast for 2023 - MarketsandMarkets.com
**The State of SaaS in 2022 - Study by BMC.com
***Public cloud application services/software (SaaS) end-user spending worldwide from 2015 to 2022 - Statista.com
Gartner forecast for the public cloud services industry. By 2026, Gartner predicts public cloud spending will exceed 45% of all enterprise IT spending. - Gartner.com
## Touchpoint Competitors

<table>
<thead>
<tr>
<th>Public Company</th>
<th>Touchpoint</th>
<th>Zendesk</th>
<th>HubSpot</th>
<th>pipedrive</th>
<th>Freshworks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Services</strong></td>
<td>N/A</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>• Contact Management</td>
<td>• Zendesk for Service</td>
<td>• Marketing Hub</td>
<td>• Freshservice</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Task Management</td>
<td>• Zendesk for Sales</td>
<td>• Sales Hub</td>
<td>• Freshdesk</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Deals and CRM</td>
<td>• Sunshine Platform</td>
<td>• Service Hub</td>
<td>• Freshsales</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• SMS, Email, Virtual Call Center</td>
<td>• Marketplace</td>
<td>• CMS Hub</td>
<td>• Freshsales</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Reporting &amp; Analytics</td>
<td></td>
<td>• Operations Hub</td>
<td>• Freshmarketer</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Freshteam</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue (2020)</strong></td>
<td>N/A</td>
<td>$1.03 billion**</td>
<td>$883.0 million*</td>
<td>$65 million***</td>
<td>$337.8 million***</td>
</tr>
<tr>
<td><strong>Revenue Growth</strong></td>
<td>N/A</td>
<td>26%**</td>
<td>31%*</td>
<td>N/A</td>
<td>44.7%</td>
</tr>
<tr>
<td><strong>Trial available?</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>Marketing, sales, and service hub are available for free</td>
<td>Yes, 14 days</td>
<td>Yes, in select countries</td>
</tr>
</tbody>
</table>

Company information and revenue numbers taken directly from the company websites, Google Finance, or official reports, SeekingAlpha.com, or GetLatka.com

*HubSpot Reports Q4 and Full Year 2020 Results - [Hubspot](#)  
**Zendesk Announces Fourth Quarter and Fiscal Year 2020 Results - [Zendesk](#)  
***FreshWorks Revenue - [GetLatka.com](#), Pipedrive Revenue - [GetLatka.com](#) (unconfirmed revenue)
Subscription-Based SaaS Model

- Simple and all-inclusive "per-user" pricing
- SaaS market growing rapidly
- More predictable recurring revenue
- Low-touch and highly profitable
- Higher Average Customer Lifetime Value (CLTV)
- Better net dollar retention
- Cross-selling to large TextMagic customer base
## Touchpoint Main Features

<table>
<thead>
<tr>
<th>Promote</th>
<th>Sell</th>
<th>Serve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Omnichannel marketing tool that allows business owners to promote their products or services and generate more leads.</td>
<td>CRM environment for structuring and closing deals based on previous interactions. Allows businesses to schedule activities and assign tasks.</td>
<td>Service module for small and medium-sized businesses that want to manage all customer support interactions from one dashboard.</td>
</tr>
<tr>
<td>✔ Email &amp; SMS campaigns</td>
<td>✔ Deals &amp; Pipelines</td>
<td>✔ Livechat</td>
</tr>
<tr>
<td>✔ A/B testing</td>
<td>✔ Tasks</td>
<td>✔ Call center</td>
</tr>
<tr>
<td>✔ Scheduling</td>
<td>✔ Reminders</td>
<td>✔ Helpdesk</td>
</tr>
<tr>
<td>✔ Reporting</td>
<td>✔ Goals tracking</td>
<td>✔ Contact center</td>
</tr>
</tbody>
</table>
Dashboard View (Personal, Team, Workspace)
Quick Access to All Features
### Tickets & Helpdesk Solution

<table>
<thead>
<tr>
<th>ID</th>
<th>Subject</th>
<th>Requester</th>
<th>Status</th>
<th>Assignee</th>
<th>Last updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>558612</td>
<td>Make a demo call with key client</td>
<td>Floyd Miles</td>
<td>NEW</td>
<td>Assign to me</td>
<td>08 Jul 10:44 am</td>
</tr>
<tr>
<td>651535</td>
<td>Urgent meet lane from IT department</td>
<td>Arlene McCoy</td>
<td>NEW</td>
<td>Assign to me</td>
<td>04 Jun 07:00 am</td>
</tr>
<tr>
<td>487441</td>
<td>Call to Kelly and discuss how to solve issue...</td>
<td>Jacob Jones</td>
<td>OPEN</td>
<td>Assign to me</td>
<td>02 Jun 09:12 am</td>
</tr>
<tr>
<td>653518</td>
<td>Meet with Garry and plan next week</td>
<td>Cameron Wills</td>
<td>OPEN</td>
<td>Assign to me</td>
<td>26 May 12:30 am</td>
</tr>
<tr>
<td>267400</td>
<td>Figure out what to do with new version</td>
<td>Robert Fox</td>
<td>OPEN</td>
<td>Bessie Cooper</td>
<td>01 May 02:22 am</td>
</tr>
<tr>
<td>267400</td>
<td>Meet with core team and explain current...</td>
<td>Savannah Nguyen</td>
<td>PENDING</td>
<td>Arlene McCoy</td>
<td>24 Apr 11:05 am</td>
</tr>
<tr>
<td>651535</td>
<td>How to manage new client deal?</td>
<td>Dianne Russell</td>
<td>PENDING</td>
<td>Courtney Henry</td>
<td>16 Apr 09:20 am</td>
</tr>
<tr>
<td>449003</td>
<td>Make a demo call with key client</td>
<td>Marvin McKinney</td>
<td>PENDING</td>
<td>Ralph Edwards</td>
<td>18 Apr 04:30 pm</td>
</tr>
<tr>
<td>653518</td>
<td>Call to Kelly and discuss how to solve issue...</td>
<td>Jane Cooper</td>
<td>PENDING</td>
<td>Dianne Russell</td>
<td>10 Apr 01:17 pm</td>
</tr>
<tr>
<td>267400</td>
<td>Figure out what to do with new version</td>
<td>Jenny Wilson</td>
<td>PENDING</td>
<td>Kristin Watson</td>
<td>08 Apr 08:55 am</td>
</tr>
</tbody>
</table>
The operations of what is now the TextMagic Group commenced in 2001 with the establishment of TextMagic Ltd in the United Kingdom.

- **2001**: Founding of TextMagic by Dan Houghton
- **2007**: Priit Vaikmaa joins TextMagic as a manager
- **2013**: Management buyout by Priit Vaikmaa
- **2014**: Company expansion to the U.S. market
- **2014**: Annual sales exceed €1 million
- **2020**: Annual sales exceed €7.92 million; Development of a new platform begins
- **2023**: New platform is launched
Our team
Priit Vaikmaa
CEO of TextMagic

Priit joined TextMagic in 2007 and has been actively engaged in the management and development of its services since then. Dan Houghton (our founder) handed over management of the company to him shortly after he joined in 2007.

Priit oversees the overall development of TextMagic and sets the direction and strategy. He is also actively engaged in and leads the development of the new platform. Priit has over 20 years of experience in digital services and in starting, running and growing online businesses. He graduated from the Estonian Business School in 2007 with a bachelor’s degree in business administration and management.
Management

TextMagic is a lean and effective company with an international team. Our team employs or has contracted with around 40 people from Estonia, Russia, Ukraine and Romania.

Kärtu Vaikmaa
Chief Operating Officer
Kärtu joined TextMagic in 2018 and started working as a director in TextMagic Ltd. She holds a master's degree in international business administration from the Estonian Business School.

Eduard Tark
Chief Product Officer
Eduard joined TextMagic in 2013. Since then, he has risen through the ranks to the position of Chief Product Officer. He is responsible for the daily management of TextMagic.

Ioana Sima
Chief Marketing Officer
Ioana has a master's degree in architecture and ten years of experience in digital marketing. She worked with hundreds of companies to improve their digital strategy before joining the TextMagic team.

Dmitry Stanulevich
VP of Engineering
With the new product a new challenge has arrived, and Dmitry has moved to the position of VP of engineering to build a bridge between the product team and developers.
Our Value Proposition

The Problem:
- Small and medium-sized businesses have a hard time engaging their clients.
- Other communication channels have lower penetration and response rates.

The Solution:
- Our low-complexity and reliable A2P SMS solution helps businesses across the globe engage with their clients and transform customer experiences.

Our Mission:
- Be a reliable cooperation partner, helping customers to reach their clients, leads and partners in an easy, immediate, and reliable manner.

Business communications made easy for everyone, anywhere, anytime.
Recruitment Plans
Our Team is Growing

We are actively hiring experts to join our teams in Estonia, Ukraine, Russia and Romania. Our headcount is expected to double by the end of 2022.

Marketing Team
Bucharest Office
- SEO & CRO specialists
- Email marketing specialists
- SaaS copywriters
- Marketing managers

Development Team
Novosibirsk Office
- QA engineers
- Front-end developers
- Back-end developers

TextMagic Product
Tallinn Office
- Product managers
- VP of product

Touchpoint Product
Russia and remote
- Product managers
- VP of product
IPO

Subscription period to be announced
Use of IPO Proceeds

TextMagic will conduct the initial public offering (IPO) of its shares this year on First North Tallinn, an alternative market within Nasdaq Baltic. Share issue up to €2.5M.

The IPO proceeds will be used to:

- Scale TextMagic to a known brand in the A2P SMS market;
- Recruit more team members to support the growth of TextMagic and develop our new product, Touchpoint;
- Invest in the development of Touchpoint;
- Develop new features that TextMagic users need;
- Further corporate purposes and establish a working capital buffer.
Thank you! Questions?
priit.vaikmaa@textmagic.biz