



Nasdaq First North Tallinn IPO

Investor Presentation (Oct 2021)

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](#).

Financials & KPIs

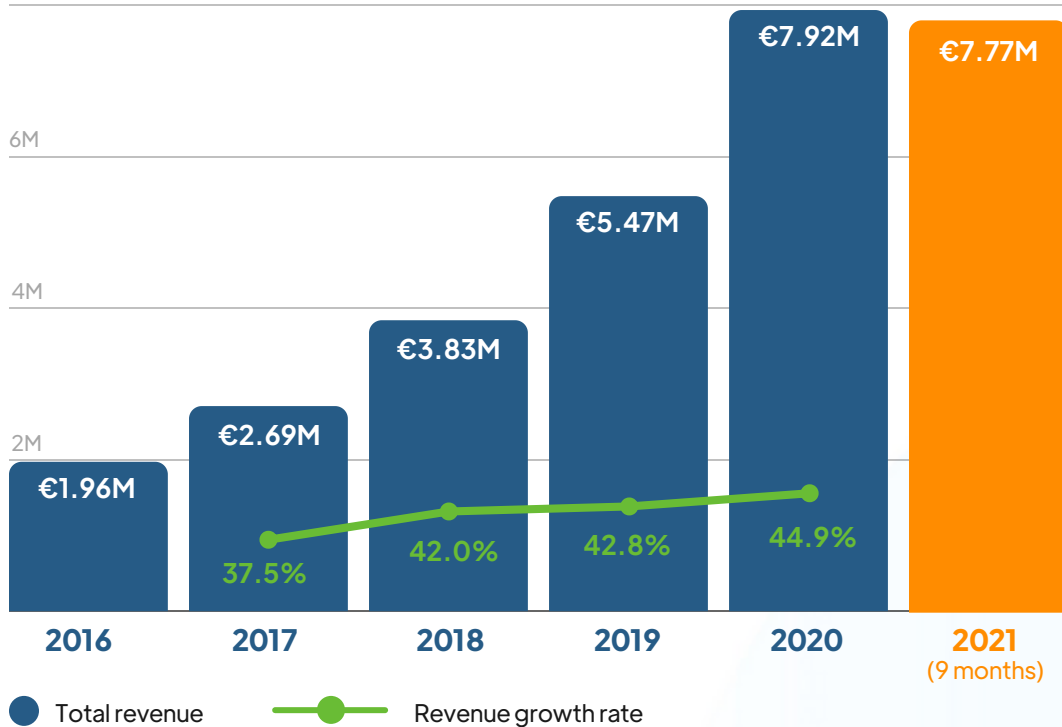
Total Revenue

8M

6M

4M

2M



43.3%

Last 3 years revenue
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](#)

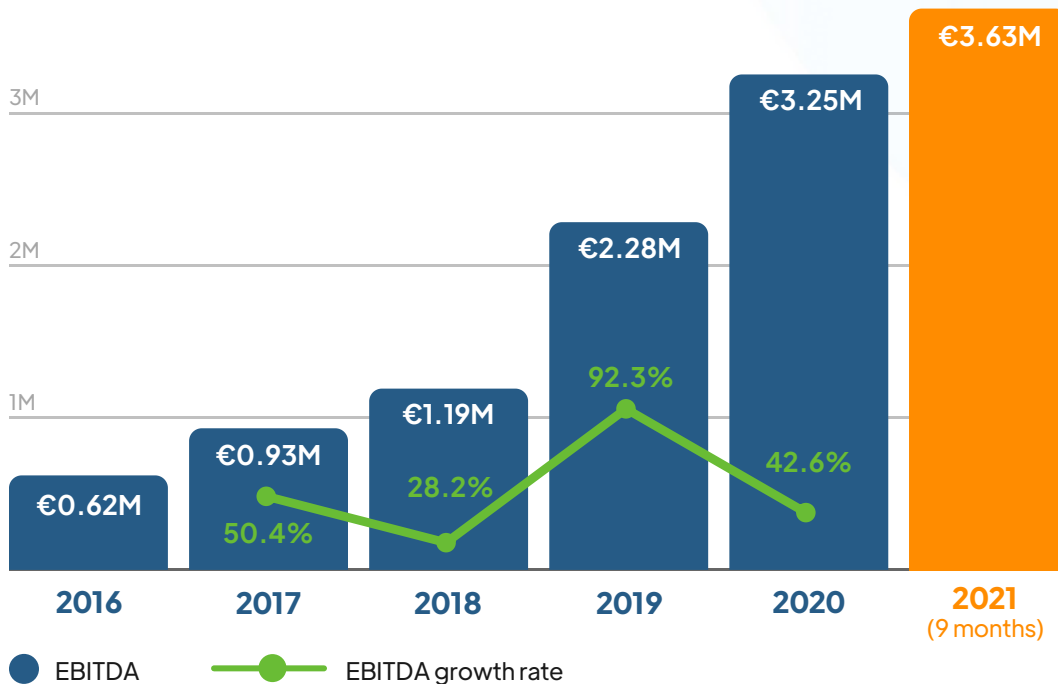
EBITDA

4M

3M

2M

1M

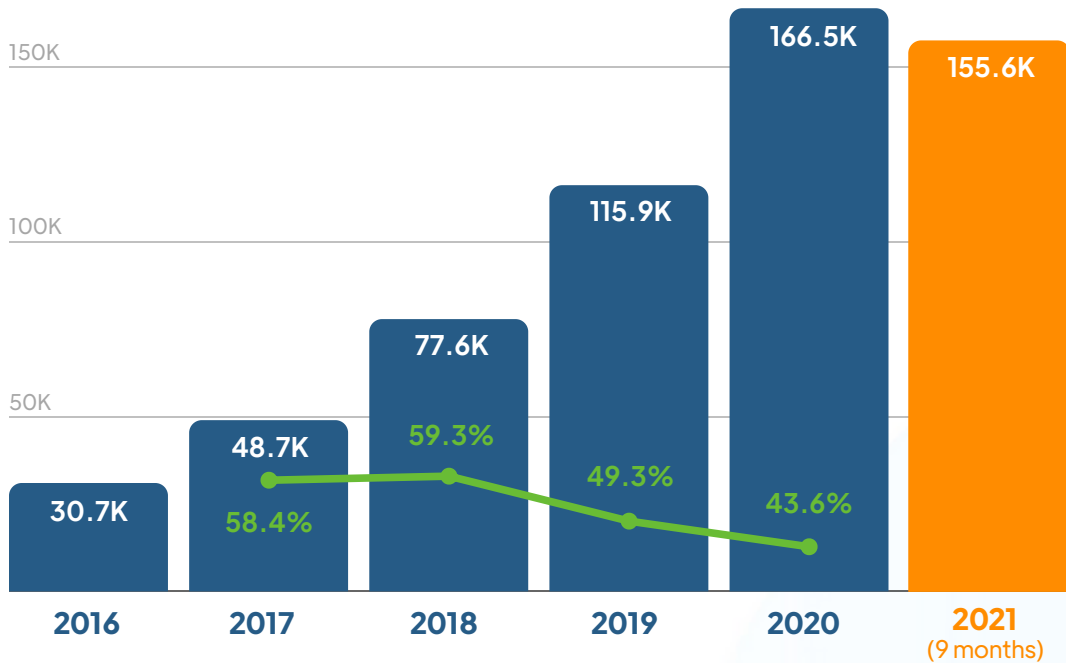


51.8%

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



● Number of payments* ● Growth percentage

* 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](#)

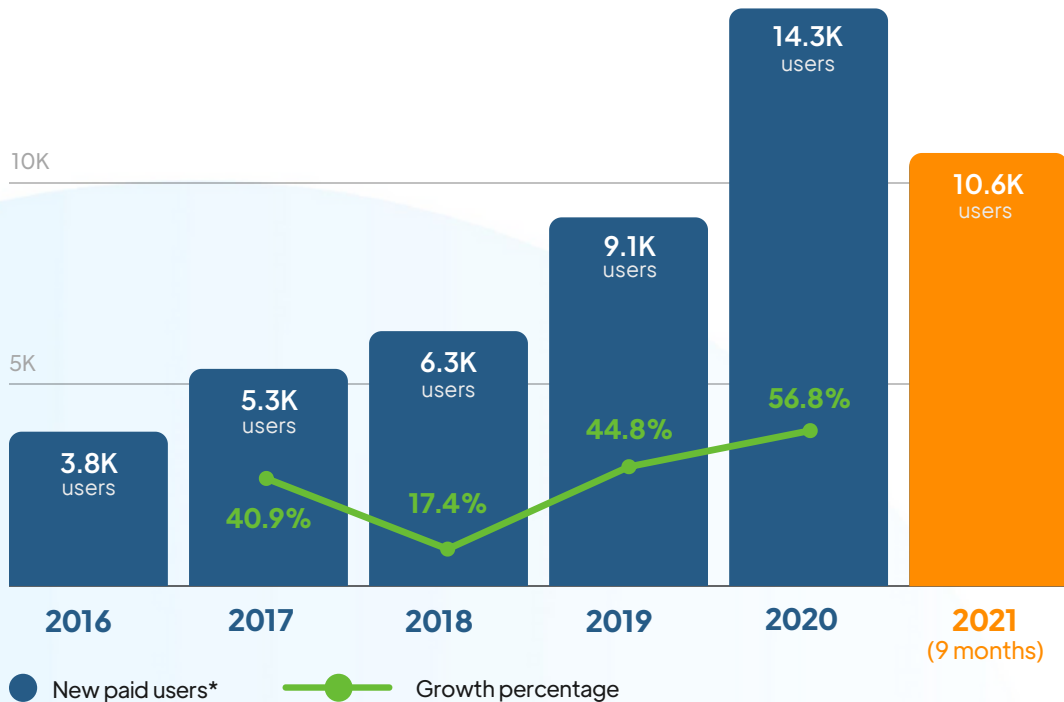
50.7%

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

24,366

Users who have auto-recharge enabled

New Paid Users



39.2%

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

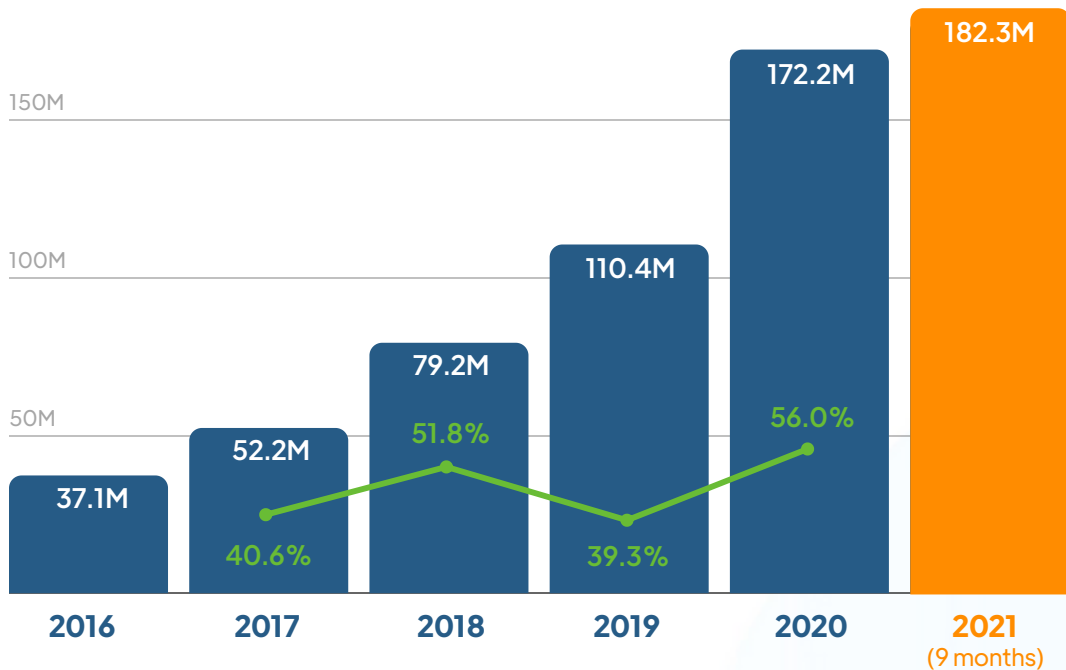
COVID-19 boost

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



● Sent SMS*

—●— Growth percentage

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

** A2P Messaging Market by Component, Application, Deployment Mode, SMS Traffic, End User, and Region - Global Forecast of 2025 - [MarketsAndMarkets.com](https://www.marketsandmarkets.com)

*** 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](#)

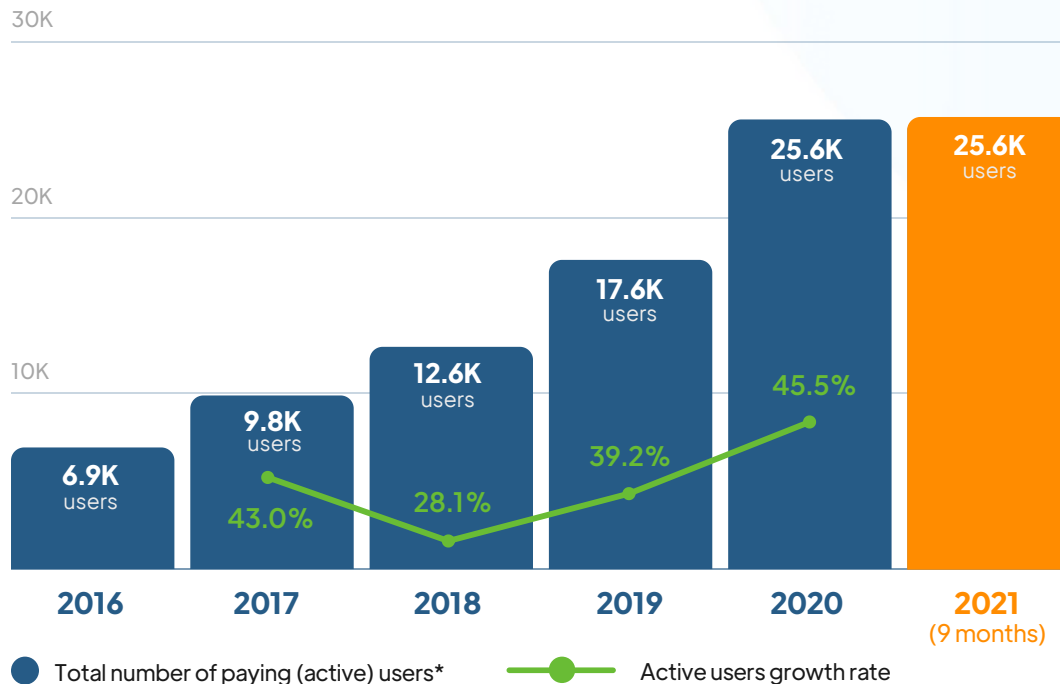
48.9%

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

\$72.8B

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

Active Users



37.5%

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

€360

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

1,588

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

243

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

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

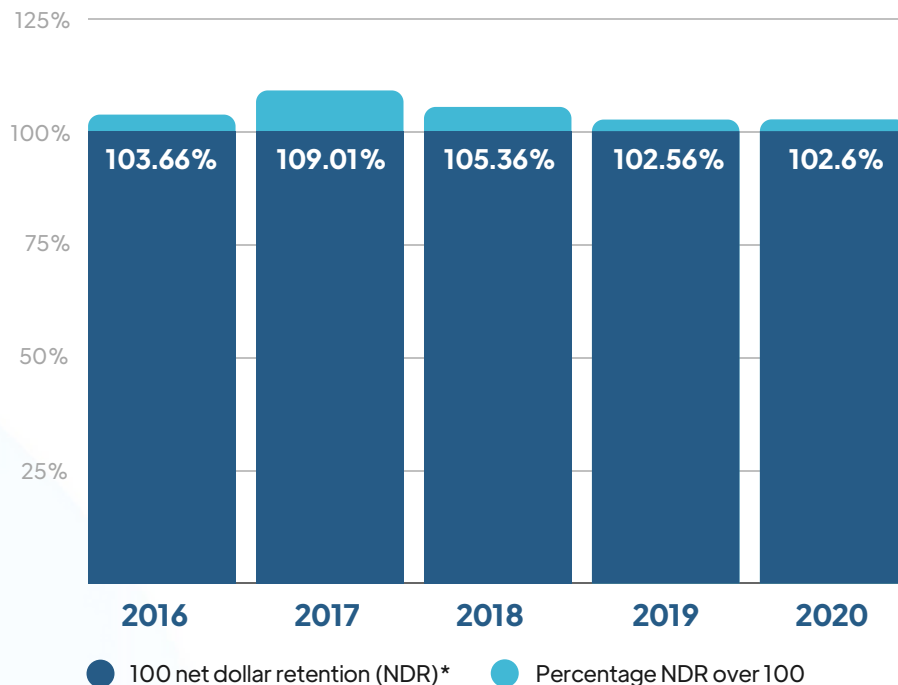
** The compound annual growth rate, or CAGR, is the average rate at which some value grows over a certain period of time assuming the value has been compounding over that time period. [Learn more](#)

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.

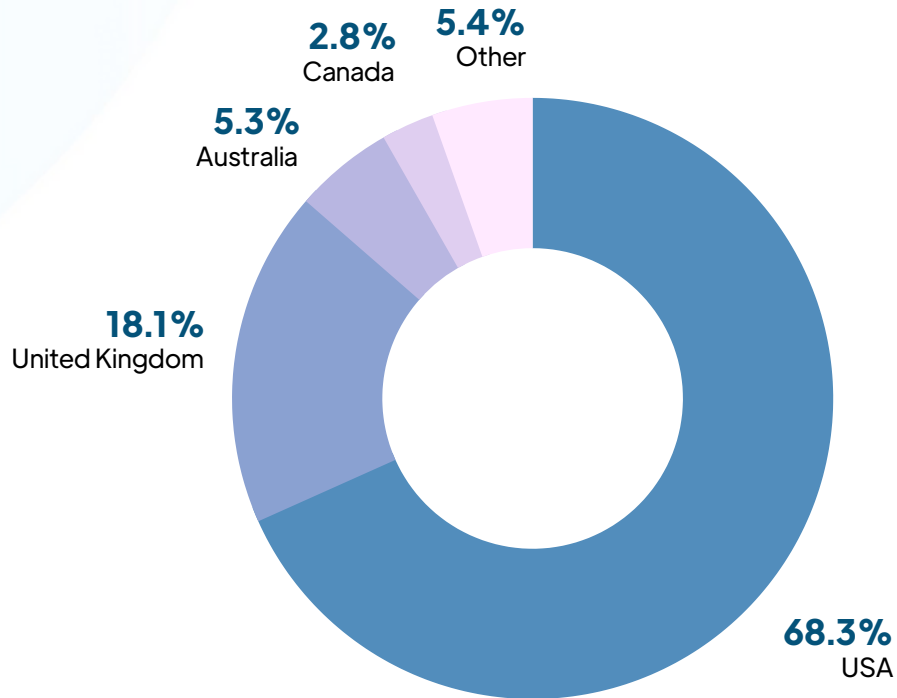


*We calculate dollar-based net expansion rate by dividing the revenue for a given period from customers who remained customers as of the last day of the given period (the "current" period) by the revenue from the same customers for the same period measured one year prior (the "base" period). NDR SaaS industry average is taken from [userguiding.com](https://www.userguiding.com/blog/saas-renewal-rates)

**SaaS Company Renewal/Retention Rates Legend - [Key.com](https://www.key.com)

Revenue Split by Country

- 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.

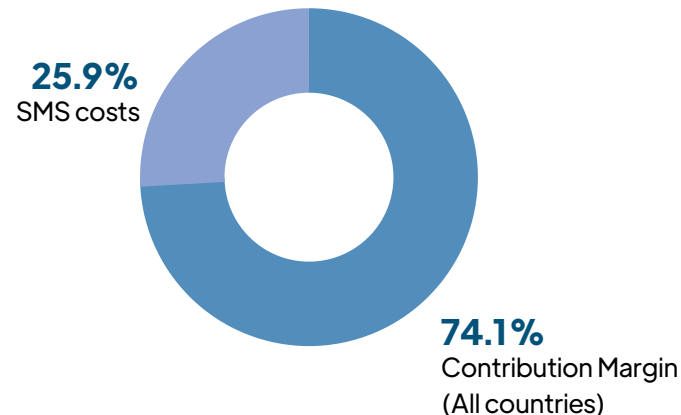
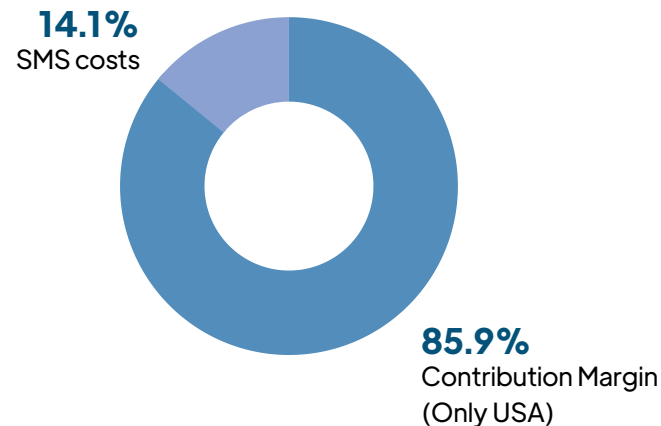
**The average size of orders made by customers during the last 12 months (as of 19 Oct 2021) (EUR to GBP conversion rate 19 Oct 2021 - 1.18).

***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.



Key Financial Ratios

	2021*	2020	2019	2018	2017	2016
Total revenue, kEUR	10,356	7,922	5,466	3,828	2,695	1,960
Revenue growth rate, %	30.7%	44.9%	42.8%	42.0%	37.5%	-
EBITDA, kEUR	4,822	3,253	2,281	1,186	925	615
EBITDA margin, %	46.6%	41.1%	41.7%	31.0%	34.3%	31.4%

*2021 year projection is done based on the 9 months actual.

A2P SMS

Application-to-Person SMS

What is A2P SMS?



SMS

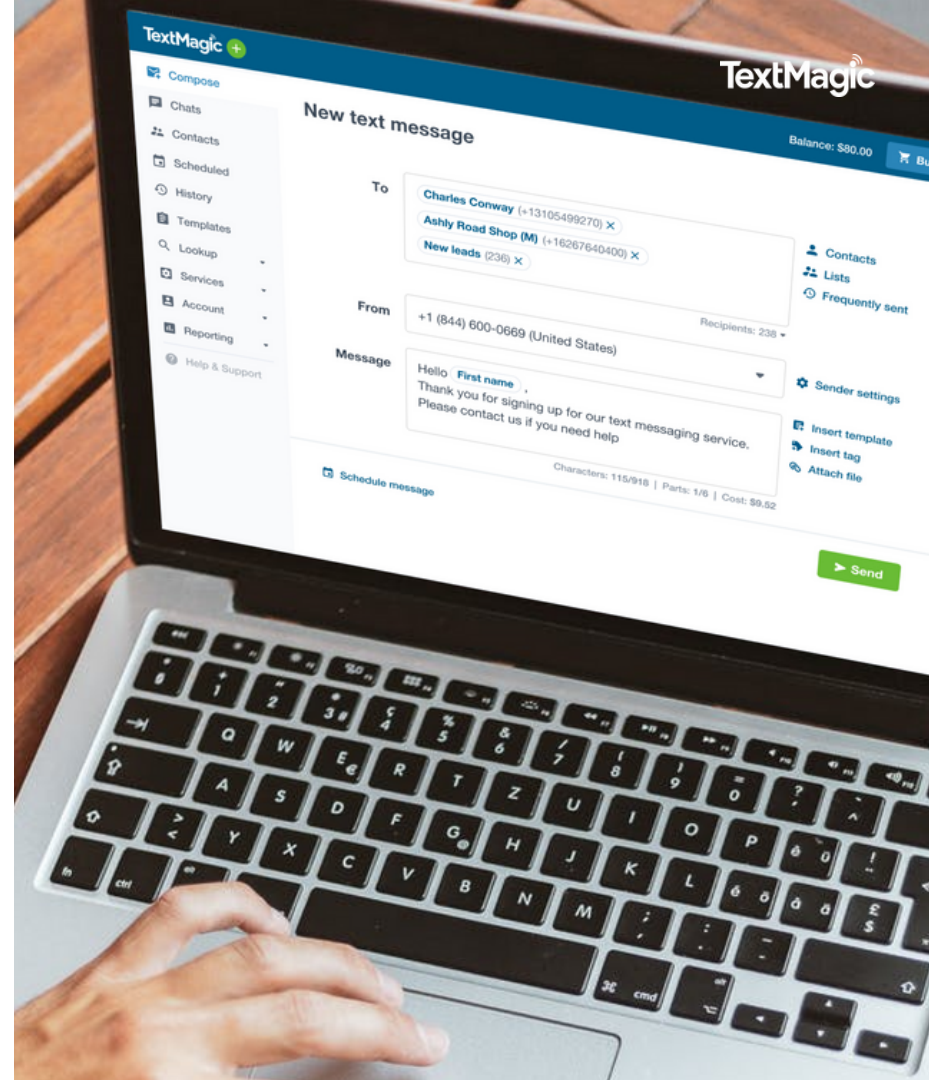
SMS is the text messaging service component of most telephone, internet, and mobile device systems. It uses standardized communication protocols that allow mobile devices to exchange short text messages.



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



Easy

Because of push notifications on the lock screen, most messages can be read and understood quickly.



Focused

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.



Asynchronous

Both parties don't need to be available at the same time. Responses can be sent at any time later.



Connected

One of the most compelling aspects of SMS messaging is the context and continuity of a long-lived conversation.



Informal

No subject lines, intros or signatures are required. Type your message, hit send and you're done.



Convenient

Every phone comes with a messaging app that can process SMS. Convenience always wins when it comes to communication.

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

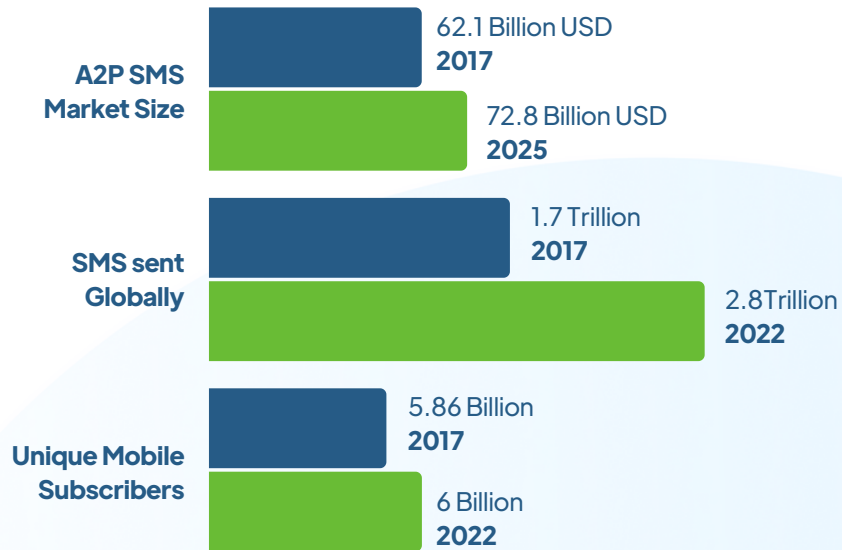
A2P SMS enables businesses to answer customer queries instantly with SMS auto-responders configured on frequently used keywords.

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.

A2P SMS Market Size

- 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](https://www.marketsandmarkets.com)

** Global A2P SMS Traffic to grow from 1.7 trillion to 2.8 trillion messages by 2022 - [MobileSquared.co.uk](https://mobilesquared.co.uk)

*** Global unique mobile subscribers from 2010 to 2025, by Region - [Statista.com](https://www.statista.com)

**** Twilio Is Riding A Strong Secular Tailwind And Disrupting The Communications Industry - [SeekingAlpha.com](https://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****

75%

Shipment tracking

65%

Order status / confirmation

35%

Special offers / sales

46.3%

Scheduling reminders / alerts

98%

SMS open rate

95%

SMS are opened within 3 minutes of being received

75%

YoY popularity increase of SMS among customers**

95%

Of businesses are seeking new ways to engage with their customers***

Sources:

*Tap into the power of SMS, a research by - [Gartner.com](https://www.gartner.com)

**Leading messaging channels used by customers worldwide to contact businesses in 2020, by year-over-year usage growth - [Statista.com](https://www.statista.com)

*** COVID -19 Customer Engagement Report - [Twilio.com](https://www.twilio.com)

**** Text Message Marketing Report - [SimpleTexting](https://www.simpletexting.com) and 45 SMS Marketing Statistics - [G2.com](https://www.g2.com)

TextMagic A2P SMS Product

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](#)

“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

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.



SMS Scheduling



Auto-responders



Contacts



SMS Chats



Zapier Integrations



Virtual Numbers



Mail Merge

*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

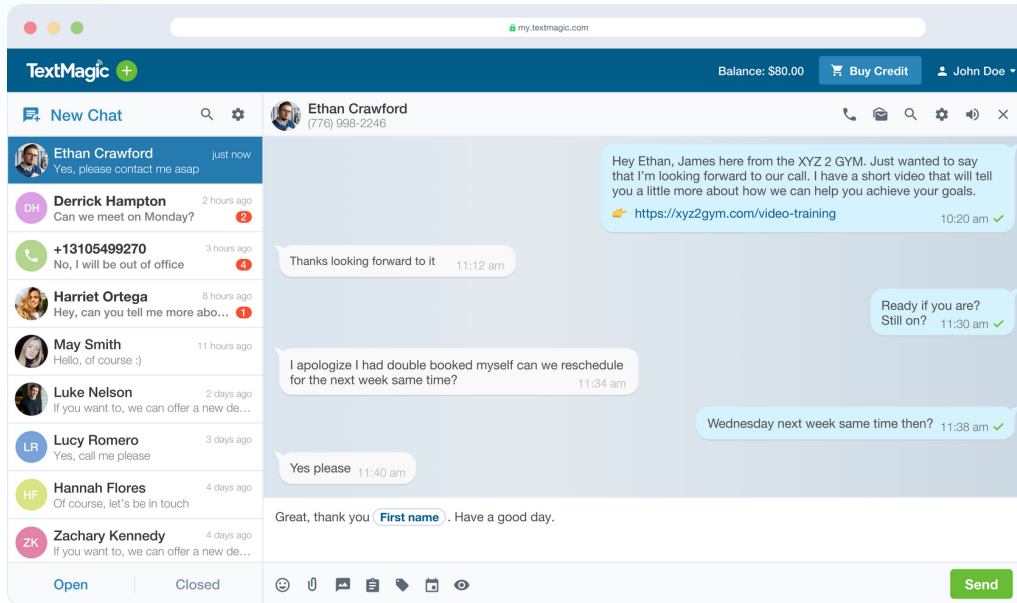
Simple pay-as-you-go billing system and transparent pricing plans.

3

Send & receive SMS

Once account registration is confirmed, businesses can send and receive online texts through the self-service interface.

[Start Free Trial](#)



A Fully-Featured Text Messaging Platform

 Bulk text messaging

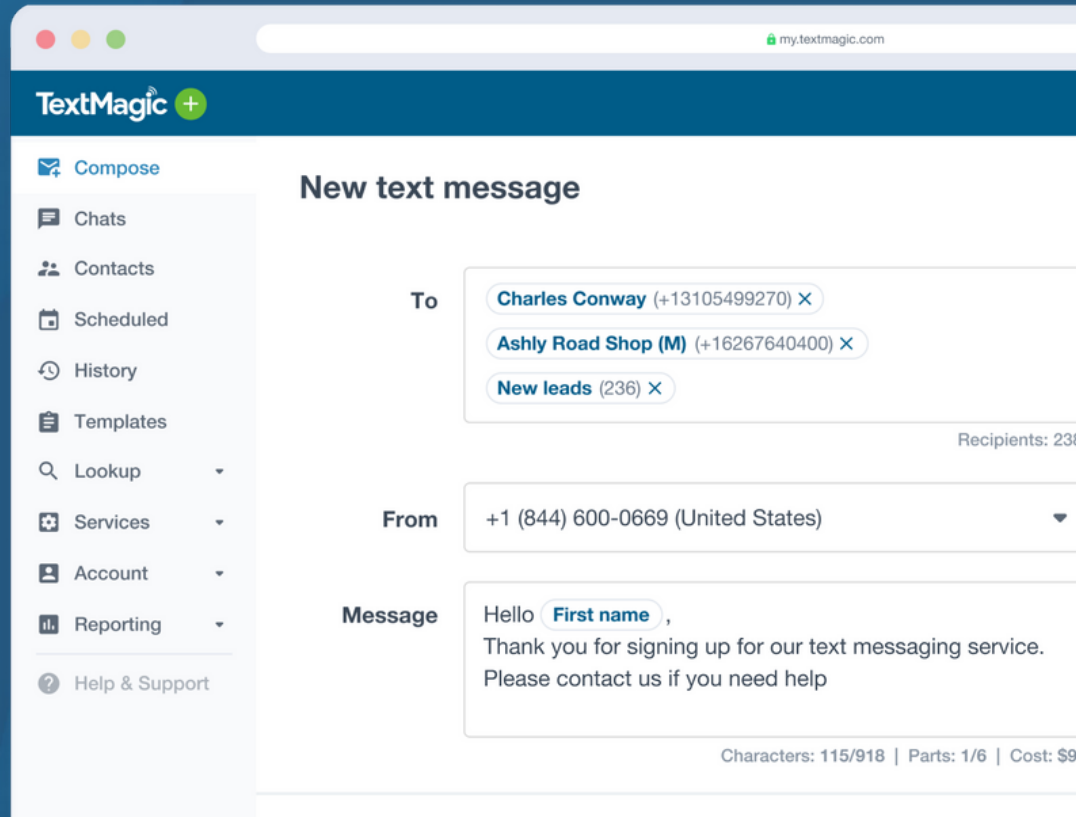
 Two-way SMS chat

 Email to SMS

 Scheduled texts

 Text templates

 SMS API



Two-Way Conversations with SMS Chat

The screenshot displays the TextMagic web interface. At the top, the browser address bar shows 'my.textmagic.com'. The header bar includes the TextMagic logo, a balance of '\$80.00', a 'Buy Credit' button, and a user profile for 'John Doe'. The left sidebar lists several chat conversations:

- Ethan Crawford** (just now): Yes, please contact me asap
- Derrick Hampton** (2 hours ago): Can we meet on Monday? (2 unread messages)
- +13105499270** (3 hours ago): No, I will be out of office (4 unread messages)
- Harriet Ortega** (8 hours ago): Hey, can you tell me more abo... (1 unread message)
- May Smith** (11 hours ago): Hello, of course :)
- Luke Nelson** (2 days ago): If you want to, we can offer a new de...
- Lucy Romero** (3 days ago): Yes, call me please
- Hannah Flores** (4 days ago): Of course, let's be in touch

The main area shows a detailed view of the conversation with **Ethan Crawford** (776) 998-2246. The chat history includes:

- Outgoing message (blue bubble): 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> (10:20 am, read)
- Incoming message (white bubble): Thanks looking forward to it (11:12 am)
- Incoming message (white bubble): I apologize I had double booked myself can we reschedule for the next week same time? (11:34 am)
- Outgoing message (blue bubble): Ready if you are? Still on? (11:30 am, read)
- Outgoing message (blue bubble): Wednesday next week same time then? (11:38 am, read)
- Incoming message (white bubble): Yes please (11:40 am)

At the bottom, a template response is shown: 'Great, thank you **First name**. Have a good day.'

SMS Marketing Lists & Contact Management

TextMagic +

Balance: \$80.00

Buy Credit

John Doe ▾

Compose

Chats

Contacts

Scheduled

History

Templates

Lookup ▾

Services ▾

Account ▾

Reporting ▾

Help & Support

Contacts

Lists 44

All contacts 2,480

Custom fields 32

Import 8

Blocked 12

+ New list

+ New contact

Send SMS

Delete

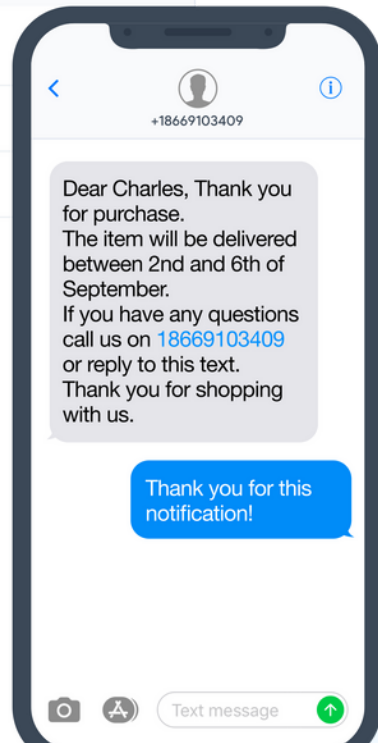
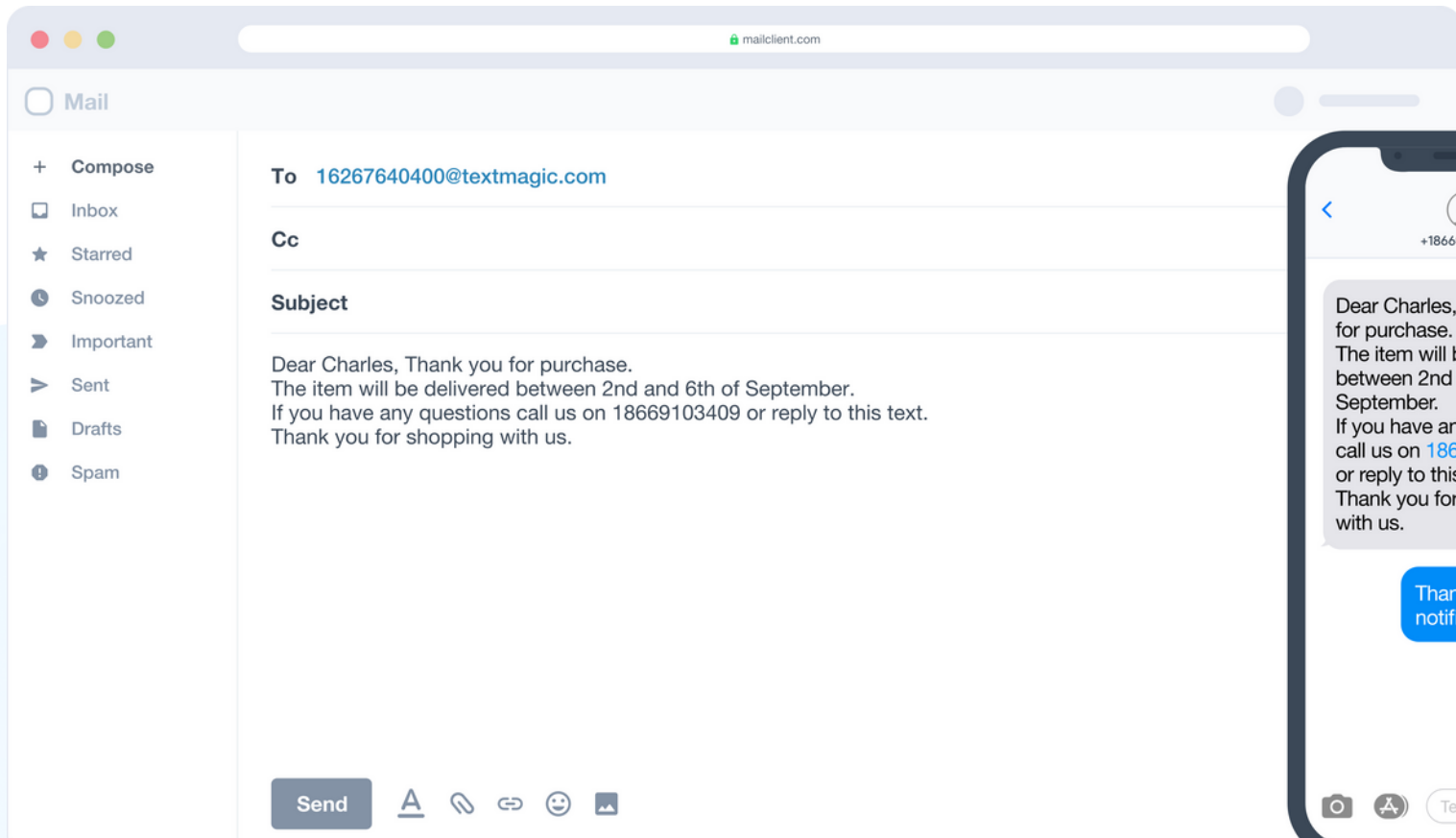
Share

▾

🔍

<input type="checkbox"/>	Name	Contacts	Type	Date created	Actions
<input type="checkbox"/>	★ 👤 Marketing list	44 contacts	PRIVATE	19 Nov 0:03 pm	⚙️
<input type="checkbox"/>	★ 👤 Import-13-07-17	8 contacts	SHARED BY ME	28 Sep 6:06 am	⚙️
<input type="checkbox"/>	★ 👤 My New List	24 contacts	SHARED BY ME	15 Aug 8:41 am	⚙️
<input type="checkbox"/>	★ 👤 VIP Clients	680 contacts	PRIVATE	19 Nov 0:03 pm	⚙️
<input type="checkbox"/>	★ 👤 For Zapier	42 contacts	PRIVATE	19 Nov 0:03 pm	⚙️
<input type="checkbox"/>	★ 👤 New USA leads	84 contacts	PRIVATE	28 Jan 3:18 pm	⚙️

Email to SMS Gateway



SMS Surveys

The image displays the TextMagic SMS Survey builder interface on a desktop browser and a mobile phone showing the resulting survey flow.

Desktop Interface:

- Browser address bar: `my.textmagic.com`
- TextMagic logo with a green plus icon.
- Balance: \$80.00
- Buttons: Buy Credit, John Doe (dropdown)
- Progress bar: 1. Choose template, 2. Build survey flow, 3. Select recipients, 4. Send
- Breadcrumbs: SMS Surveys > Customer feedback survey
- Survey Flow:

 - Question 1:** Hello **First name**, this is **Company name**. Would you like to participate in a short survey? To continue, just reply Yes. (Chars: 34/918 | Parts: 1/6 | Cost: €0.20)
 - YES:** Leads to Question 2.
 - Any other reply:** Leads to End survey.
 - Question 2:** On a scale of 1 to 10, how likely are you to recommend **Company name** to a friend or colleague? Where: 0 = Not likely at all, 10 = Extremely likely. (Chars: 59/918 | Parts: 1/6 | Cost: €0.37)
 - End survey:** Final step.

Mobile Phone Interface:

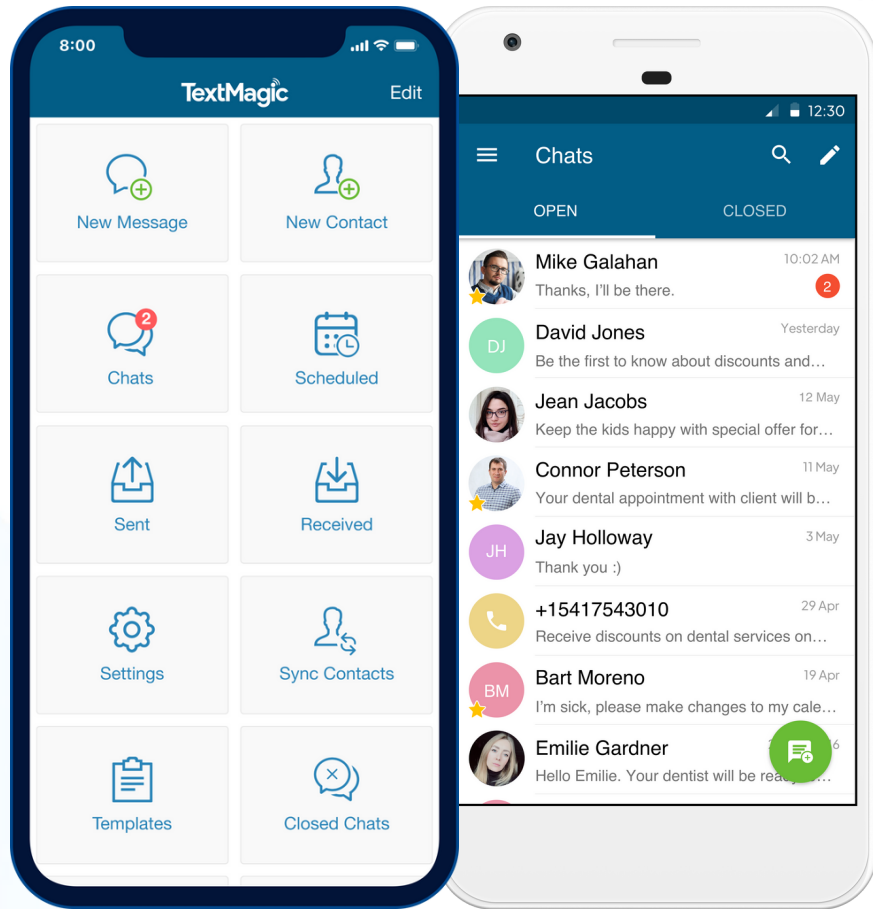
- Phone number: (844) 600-0669
- Message 1 (Grey bubble): Hello Mike, this is TextMagic. Would you like to participate in a short survey? To continue, just reply Yes.
- Response (Blue bubble): Yes
- Message 2 (Grey bubble): On a scale of 1 to 10, how likely are you to recommend TextMagic to a friend or colleague? Where: 0 = Not likely at all, 10 = Extremely likely.
- Page number (Blue bubble): 9

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

TextMagic

Balance: €372.05

Mike Harris ▾

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



Key Partners

CPaaS 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:



Online payment processing for internet businesses. Stripe is a suite of payment APIs that powers commerce for online businesses of all sizes.



PayPal is the fastest, safest way to send money, make an online payment, receive money or set up a merchant account.



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.



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

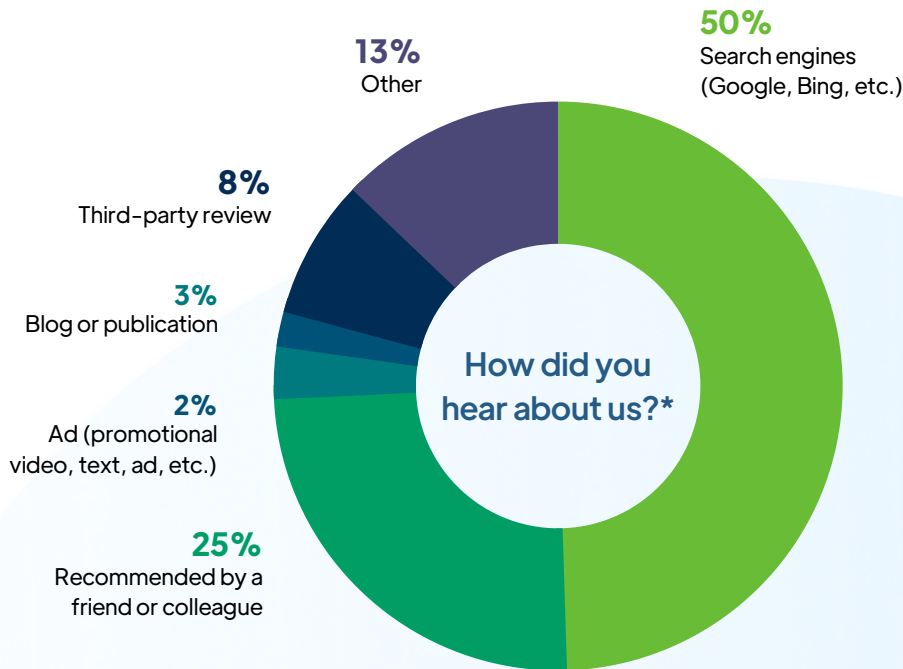
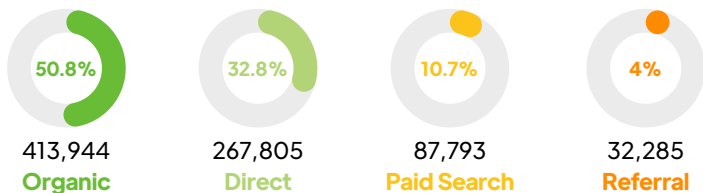
Customer Acquisition Strategy

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)



*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 Customers

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.

[Read case studies](#)

TextMagic

We serve customers from industries such as:



Travel agents
and services



Business
services



ICT, internet, data
analytics, management



Medical sector



Transportation



Real estate



Brick and mortar
shops and stores



Media and
entertainment



E-commerce and
internet businesses



Colleges, schools
and universities



Restaurants
and bars



Telephone service
providers and carriers



Charity organisations
and foundations



Banking
and insurance



Other services (security,
auto repair, delivery)

Customer Feedback

TextMagic enjoys a high level of customer satisfaction.



211 reviews



[Read reviews](#)



166 reviews



[Read reviews](#)



48 reviews



[Read reviews](#)

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

Alan Dasey,
e-commerce business owner

Net Promoter Score (NPS):

67

30 day NPS*



74%

69 promoters



18%

17 passives



8%

7 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:

FastSMS

esendex

text anywhere

Skebbby

smsenvoi

text marketer

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

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](#)

TextMagic Growth

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



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.

[Visit website](#)

“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.

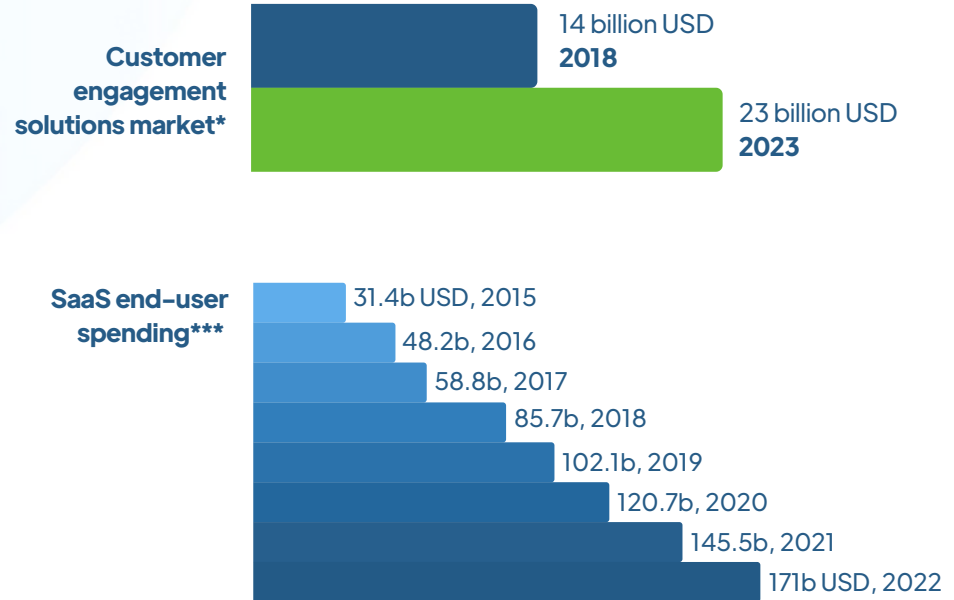
- ✓ Simple one-time setup that takes minutes
- ✓ Few clicks integrations with most business apps
- ✓ Marketing, sales and support departments synced
- ✓ 360-degree contact history view
- ✓ Easy to use app for any person in the company
- ✓ Simple subscription with per-user price

Sources:

*New Report: Most companies have "orphaned" SaaS apps in their stacks - [Martech](#)

Market Size and Opportunity

- 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](https://www.marketsandmarkets.com)

**The State of SaaS in 2022 - Study by [BMC.com](https://www.bmc.com)

***Public cloud application services/software (SaaS) end-user spending worldwide from 2015 to 2022 - [Statista.com](https://www.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](https://www.gartner.com)

Touchpoint Competitors



Public Company

N/A

Yes

Yes

No

Yes

Services

- Contact Management
- Task Management
- Deals and CRM
- SMS, Email, Virtual Call Center
- Reporting & Analytics

- Zendesk for Service
- Zendesk for Sales
- Sunshine Platform
- Marketplace

- Marketing Hub
- Sales Hub
- Service Hub
- CMS Hub
- Operations Hub

Sales Software (CRM)

- Freshservice
- Freshdesk
- Freshsales
- Freshmarketer
- Freshteam

Revenue (2020)

N/A

\$1.03 billion**

\$883.0 million*

\$65 million+***

\$337.8 million***

Revenue Growth

N/A

26%**

31%*

N/A

44.7%

Trial available?

Yes

Yes

Marketing, sales, and service hub are available for free

Yes, 14 days

Yes, in select countries

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

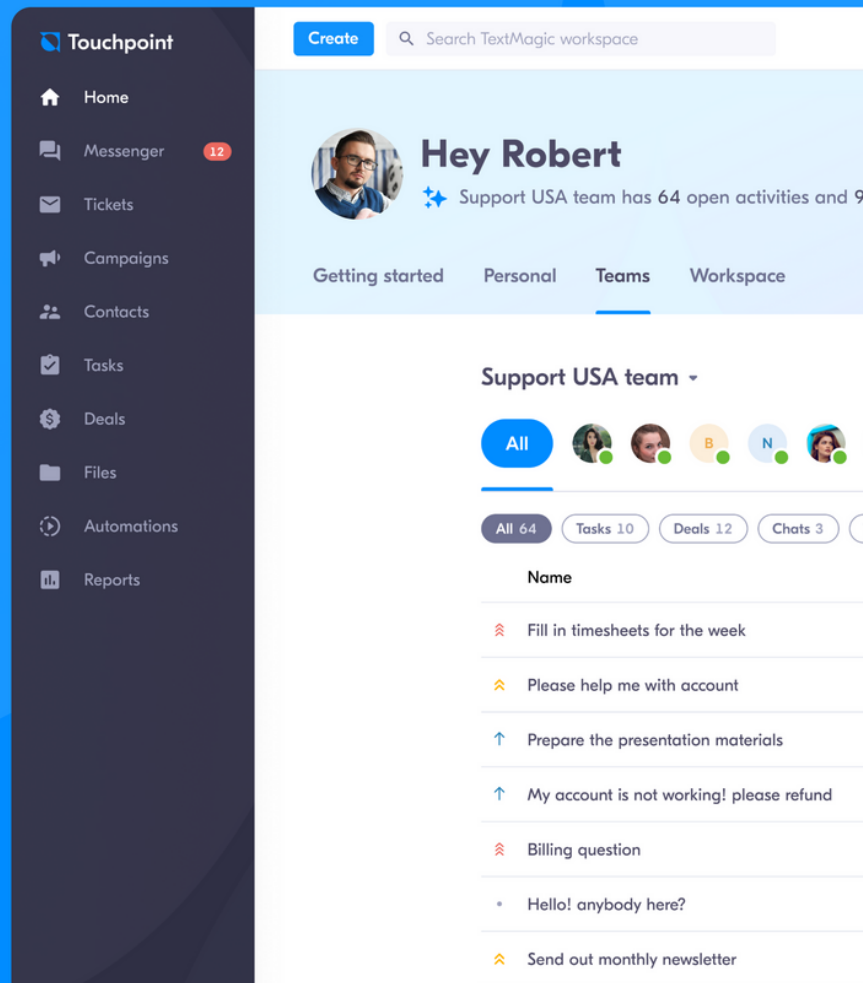
*HubSpot Reports Q4 and Full Year 2020 Results - [Hubspot](#),

**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



Promote

Omnichannel marketing tool that allows business owners to promote their products or services and generate more leads.

- ✓ Email & SMS campaigns
- ✓ A/B testing
- ✓ Scheduling
- ✓ Reporting



Sell

CRM environment for structuring and closing deals based on previous interactions. Allows businesses to schedule activities and assign tasks.

- ✓ Deals & Pipelines
- ✓ Tasks
- ✓ Reminders
- ✓ Goals tracking



Serve

Service module for small and medium-sized businesses that want to manage all customer support interactions from one dashboard.

- ✓ Livechat
- ✓ Call center
- ✓ Helpdesk
- ✓ Contact center

Dashboard View (Personal, Team, Workspace)

Touchpoint

Create Search TextMagic workspace

Online

TextMagic

Hey Robert

Support USA team has 64 open activities and 9 agents are online now.

Dialpad New email New text message

Getting started Personal **Teams** Workspace

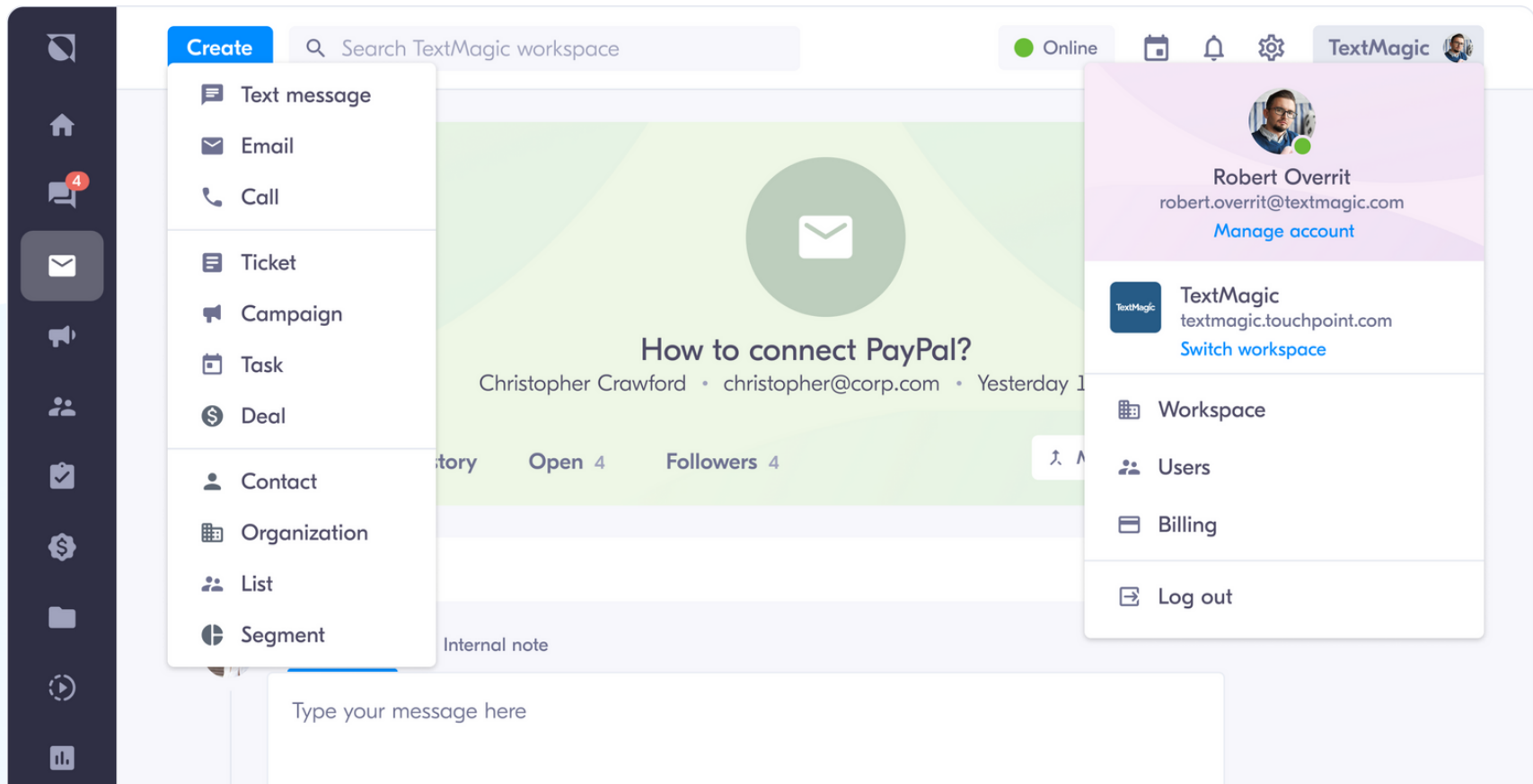
Support USA team

All

All 64 Tasks 10 Deals 12 Chats 3 Tickets 24

Name	Type	Assignee	Status	Due date
Fill in timesheets for the week	Task	Floyd Miles	OPEN	Overdue by 1d
Please help me with account	Ticket	Kristin Watson	NEW	Due today
Prepare the presentation materials	Task	Jerome Bell	OPEN	Wed, 8 Jul
My account is not working! please refund	Ticket	Arlene McCoy	OPEN	Thu, 9 Jul
Billing question	Ticket	Jacob Jones	OPEN	Sun, 12 Jul
Hello! anybody here?	Chat	Ronald Richards	NEW	-
Send out monthly newsletter	Task	Albert Flores	PENDING	-

Quick Access to All Features



Tickets & Helpdesk Solution

Create

Search TextMagic workspace

Online

TextMagic

Tickets

Assigned to me 16

Open 14

Pending 16

Unassigned 12

Solved 10

Closed 44

Shared custom view 12

All tickets 92

Spam 12

Deleted 36

Assigned to me

+ New ticket

Download

Search tickets

ID		Subject	Requester	Status	Assignee	Last updated
558612	⬆	Make a demo call with key cleint	F Floyd Miles	NEW	Assign to me	08 Jul 10:44 am
651535	⬆	Urgent meet Jane from IT department	Arlene McCoy	NEW	Assign to me	04 Jun 07:00 am
487441	⬆	Call to Kelly and discuss how to solve issue...	J Jacob Jones	OPEN	Assign to me	02 Jun 09:12 am
653518	⬆	Meet with Garry and plan next week	Cameron Wills	OPEN	Assign to me	26 May 12:30 am
267400	⬆	Figure out what to do with new version	Robert Fox	OPEN	Bessie Cooper	1 May 02:22 am
267400	⬆	Meet with core team and eexplain current...	S Savannah Nguyen	PENDING	Arlene McCoy	24 Apr 11:05 am
651535	⬆	How to manage new cleint deal?	D Dianne Russell	PENDING	Courtney Henry	16 Apr 09:20 am
449003	⬆	Make a demo call with key cleint	Marvin McKinney	PENDING	Ralph Edwards	18 Apr 04:30 pm
653518	⬆	Call to Kelly and discuss how to solve issue...	Jane Cooper	PENDING	Dianne Russell	10 Apr 01:17 pm
267400	⬆	Figure out what to do with new version	Jenny Wilson	PENDING	Kristin Watson	08 Apr 01:55 am

< > 1-10 from 88 tickets

Show on page 10 rows

Omnichannel Messenger (Calls, LiveChats)

The interface is divided into several sections:

- Top Bar:** Includes a 'Create' button, a search bar for the TextMagic workspace, and status indicators for 'Online', calendar, notifications, settings, and the TextMagic logo.
- Left Sidebar:** Contains navigation icons for home, messages, missed calls, contacts, tasks, settings, folders, history, and analytics.
- Messenger Section:** A sidebar with filters for 'QUEUE' (In the queue: 5, Missed: 5, Take next request), 'OPEN' (My open: 9, All open: 88), and 'HISTORY' (My recent: 480, All recent: 24, With tag VIP: 120, Rated good: 44, Rated bad: 2).
- My open Chats:** A list of active conversations:
 - (847) 873-2234: Inbound call - 01:20, Show button
 - Daisy Moody: Typing...
 - Cody Fisher: Just now, Anybody here?
 - Ronald Richards: 1m, You: I'm checking this now
 - Kenzi Law: 2m, You: No matter how experi...
 - Dianne Russell: Jul 16, Of course, please provide me...
 - Darlene Robertson: Jul 2, Hey, yes, thanks
 - (847) 873-2234: Jul 2, Hey, yes, thanks
- Chat View (Kenzi Law):** Displays the chat history with messages from Kenzi Law (SalesForce) and the user. The chat is dated 23 May 2020.
 - Unread status and 'Mark as closed' button.
 - Message: 'How can I get more info?' (4:11 pm)
 - Response: 'It should cover everything you need to know — from navigating' (4:16 pm)
 - Message: 'Ok, please send me more information here, I need it now.' (4:20 pm)
 - Response: 'If you're an absolute beginner looking for some help getting started, or a Sketch veteran looking for in-depth guides on things like best practice or collaborate, we've listed some of our favourite courses and resources below, for in-depth guides on things like.' (4:28 pm)
 - Response: 'No matter how experienced you are or what you want to achieve, it should cover everything you need to know.' (4:28 pm)
- Right Panel (Chat details):** Provides information about the contact:
 - Kenzi Law, SalesForce
 - Chat details: ID 480408, Chat type Mobile, Channel (823) 861-8832, Status OPEN, Assignee Robert Overit, Associated with Daisy Moody.
 - Tags: account, issue, +

Deals & Pipelines View

Create

Search TextMagic workspace

Online

TextMagic

Deals

Sales pipeline

Assigned to me 16

Open 14

Won 16

Lost 12

More than 3 month... 10

Without follow-up 10

Without close date 16

VIP 22

All deals 92

Assigned to me

+ New deal

Import

More

Lead in

6 deals \$3,980,000

Urgent PC deal

Intel • Harvey Mennens \$400K

Tesla winter 2021 deal

Tesla • Ilon Mask \$1,6M

Overdue task

Urgent HUGO deal

HUGO Ltd • Bill Jones \$500K

Samsung deal

Frank Govards \$800K

Urgent PC deal

Intel • Harvey Mennens \$400K

Nike rebrending deal

Nike • Mike Ferris • Jim Dowson \$280K

No task

Contact made

5 deals \$2,280,000

Nike rebrending deal

Nike • Mike Ferris • Jim Dowson \$280K

No task

Samsung deal

Frank Govards \$800K

Inspiration priority deal

Coca-Cola Inc. \$200K

Task due today

Samsung deal

Frank Govards \$800K

Support4You deal

David Francis \$880K

LOST

Negotiation

4 deals \$2,360,000

Nestle new deal

Nestle • Howard McConnagy \$880K

WON

Urgent HUGO deal

HUGO Ltd • Bill Jones \$500K

Nike rebrending deal

Nike • Mike Ferris • Jim Dowson \$280K

No task

Samsung deal

Frank Govards \$800K

Proposal made

5 deals

Inspiration priority

Coca-Cola Inc. \$200K

Urgent PC deal

Intel • Harvey Menner \$400K

Support4You deal

David Francis \$880K


Samsung deal

Frank Govards \$800K

Urgent HUGO dec

HUGO Ltd • Bill Jones \$500K

SaaS Billing Dashboard

Touchpoint
ADMIN

[Home](#)

[My account](#)

[Settings](#)


[Workspace](#)

[Billing](#)

Create

Search TextMagic admin


[Back to app](#)

TextMagic 

Next invoice estimate

[View statements](#)


SUBSCRIPTION

 **Pro monthly plan**
6 users out of 8 available user seats


\$350
per month

[Change plan](#)

ADDONS


 **Dedicated IP**
2 dedicated IPs >

\$10
per month


 **Dedicated numbers**
5 dedicated numbers >

\$25
per month


METERED USAGE

 **Texting**
5,438 text messages sent >


\$2.89
this month

 **Outbound calls**
680m 40s talk time >

\$10.43
this month

 **Emails**
8,568 emails sent >

\$0
this month


 **Next estimated charge**
Sep 20, 2021

\$1,342.40


Payment methods

[Add new](#)


PRIMARY METHOD

 Visa ending in 4671


02/2022



BACKUP METHOD 1




 MasterCard ending in 4671

09/2024



Invoices

[View all](#)

398444	\$412.76	4 Nov 2021	
251192	\$419.62	4 Oct 2021	
128100	\$392.22	4 Sep 2021	

Billing details

[Edit](#)

Full name
Robert Overit

Company name

Billing address
40 Green str., office 288,
London,
44828

Company

Milestones

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

2013

Management buyout
by Priit Vaikmaa

2014

Annual sales exceed
€1 million

2020

Annual sales exceed €7.92 million;
Development of a new platform begins

2007

Priit Vaikmaa joins
TextMagic as a manager

2014

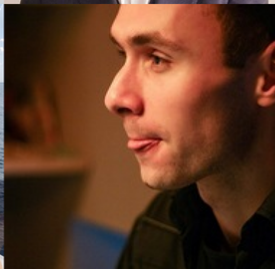
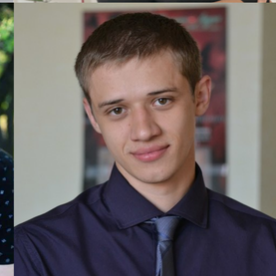
Company expansion to
the U.S. market

2017

Annual sales exceed €2M
Mobile app is launched

2023

New platform is launched
 **Touchpoint**



Management

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



[Visit our careers page](#)

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