

Textmunication Holdings, Inc.

Ticker: **TXHD** (OTC:PINK)

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Corporate Profile

as of September 10, 2018

Textmunication Holdings, Inc. (the “Company” or “Textmunication”) is a cloud-based mobile Short Message Service (SMS) [texting] market platform provider, which is based in Pleasant Hill, California. The Company leverages its dynamic SMS software platform delivering robust Application Programming Interfaces (APIs) and integrated mobile marketing solutions in sectors such as health and fitness, beauty salons, sporting events, hospitality, entertainment and digital marketing. Textmunication is an online mobile marketing platform service that connects merchants with their customers and allows them to drive loyalty and repeat business in a non-intrusive, value added platform. For merchants the Company provides a mobile marketing platform where they can establish marketing campaigns. Consumers can access special deals and promotions that merchants choose to distribute through the Textmunication software by opting in to keywords designated to the merchant’s set keywords. Textmunication Holdings, Inc. is a fully-reporting company trading on the OTC:PINK market. The Company is considering the possibility of up-listing to the OTCQB later this year. Textmunication incorporated in California in 2010 and the holding company incorporated in Nevada in 2013.

Textmunication offers a new software SMS platform, named “Smart Automated Messaging” (SAM) which will provide a powerful engagement tool capable of delivering more than one billion SMS per month to its users. The Company was named in CIOReview’s “20 Most Promising Digital Marketing Solution Providers 2018” article. Textmunication also offers new technology product solutions such as Rich Communication Services (RCS) which, for example, would combine platforms such as Facebook’s Messenger, Apple’s iMessage and WhatsApp into one platform. RCS is the new product that is set to enhance SMS. According to TheVerge.com, “In (April) 2018, Google announced it had been working with every major cellphone carrier in the world to adopt the RCS protocol”. Google’s Android platform has been lacking in messaging options thus far thus Google’s developers are now working with RCS. (Source: TheVerge.com - Exclusive: Chat is Google’s Next Big Fix For Android’s Messaging Mess). The addition of RCS will differentiate Textmunication in the rapidly growing mobile marketing sector and offer businesses new robust offerings such as: APIs, Integrated APIs, Non-integrated SMS, White Label and RCS.

The leading company in the SMS mobile marketing sector for TXHD is Twilio, Inc. (NYSE:TWLO) [8.1 billion market cap]. Both Textmunication and Twilio offer developer platforms for communications. If you have used Lyft, Airbnb, or Netflix, you have probably used software made by Twilio. Twilio’s products are used in various communications in over 40,000 businesses around the world. Software teams use Twilio APIs to add capabilities like voice, video, and messaging to their applications allowing their customers to provide various communication options. Textmunication is in line to become a player in the global \$80 Billion dollar SMS market as Textmunication has a broader SMS offering than many competitors and looks to compete using a variety of verticals. Another competitor is Vonage who recently acquired Nexmo, Inc, the worlds second largest Communications Platform as a Service, for \$230 Million. Textmunication, has released four new software integrations which should increase revenue opportunities and better position the Company for competition in the SMS markets.

Textmunication is led by Chief Executive Officer and Chairman, Wais Asefi. Mr. Asefi founded two companies prior to starting Textmunication Holdings, Inc. Mr. Asefi holds a degree with a focus in Aerospace and Aeronautical Engineering from San Jose State University. David Thielen serves as COO, and has more than 30 years of sales and executive experience in Healthcare and IT services. Mr. Thielen is a graduate of Iowa State University and has an Executive Leadership certification from the University of Virginia – Darden School of Business. Nick Miniello is Vice President of Sales of and is responsible for the sales effort in the health and fitness, beauty salons, hospitality and entertainment verticals and is also responsible for building a team of sales agents to promote the Textmunication SMS and RCS mobile marketing solutions. The Company’s management recently added Thomas DiBenedetto and Joseph Griffin as advisors and investors to the team. Mr. DiBenedetto serving as lead advisor, is a partner in the Fenway Sports Group, LLC (Owner of Boston Red Sox and Liverpool



Sector: Technology
 Industry: Software - Application
 Website: www.textmunication.com

Key Statistics

Price 9/10/2018	\$0.65
52 Week High	\$1.00
52 Week Low	\$0.07
Avg. Vol (30day)	43,781
Market Cap (M)	\$2.59
Common Shares Out (M)*	3.98
Conv. Pref. Stock Out (M)*	1.77
EPS(6months)	0.04
Price/Sales (ttm)	2.72

* adjusted for reverse split

Source: OTC Markets / Yahoo

Recent 2018 Highlights

- September 6, 2018, The Company announced development of a white label solution for EZFacility, a leading sports and fitness club management software provider. EZFacility will brand the SMS solution globally and has sales offices in the US, Canada and the UK.
- August 16, 2018, The Company released its Q2 2018 report with revenues reaching \$491,124 for the six months ended June 30, 2018. Textmunication is projecting a run-rate of \$1.4 million by year end.
- August 6, 2018, The Company announced it has expanded its API offering to include the Health and Fitness Sector. These APIs will have access to more than 10,000 health and fitness clubs across North America with an average monthly SMS subscription model ranging from \$150 to \$499 monthly per location. Textmunication has set its goal of reaching a 25% penetration rate on the 10,000 clubs, or 2500 new clubs.
- July 17, 2018, The Company announced the appointment of two strategic investors to its advisory board. Thomas DiBenedetto and Joseph Griffen both have had impressive careers on Wall Street. Textmunication has secured an equity investment of \$100,000 through these investors with the options to invest additional capital within 18 months.
- July 9, 2018, The Company concluded a share structure reorganization by reducing its Outstanding Share count to 3,975,519 by way of a 1:1000 reverse split. The Company retired a significant amount of its convertible notes.
- June 21, 2018, The Company announced it has doubled its revenue in 2017. Textmunication reported \$943,739 in 2017 revenue, an increase from \$458,271 in 2016. Textmunication continues to execute on its blueprint by increasing revenues, building technology infrastructure, adding strategic partnerships and reducing historical debt.

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Soccer Club) and has led acquisitions of major global football clubs. Mr. Griffin serves as a financial investment advisor. Mr. Griffen worked as an advisor overseeing two firms totaling over \$7 Billion in assets over his career. Mr. Griffen will advise the Company on strategic investments, and oversee investment execution.

The Company acquired a 49% equity interest in Aspire Consulting Group, LLC in January of 2016. Aspire Consulting's shares are valued at \$451,000 dollars as a long term equity investment on the Company's balance sheet. Aspire is a Service Disability Veteran Owned Small Business Company (SD-VOSBC) which offers IT services to commercial, state and federal entities.

The Company currently derives a substantial majority of its revenue from fees associated with its subscription services, which generally include mobile marketing platform services. Customers are billed for the subscription on a monthly basis. For all of the Company's customers, regardless of the method, the Company uses to bill them, subscription revenue is recorded as deferred revenue in the accompanying consolidated balance sheets. As services are performed, the Company recognizes subscription revenue on a monthly basis over the applicable service period. Professional services revenues are generated from SMS and RCS packages where client logs into a cloud based application to send targeted SMS messages to their subscribers base. Textmunication's custom web application SMS/RCS platform is typically billed on a fixed-price based on the number of SMS/RCS allocated for each package which the client purchases. Generally, revenue for SMS/RCS services is recognized immediately as their clients have instant access to their web-based application to send out messages, the number of SMS/RCS messages allocated to a client expires at the end of each month and renews beginning of each month.

The Company significantly improved its financial position with the announcement of elimination of its convertible debt to note-holders, in exchange for shares, and with the reverse split of 1 for 1,000 on July 9, 2018, to bring its outstanding shares to 3.98 million. It also announced an equity investment of \$100,000 in mid- July, from two strategic investors, enabling the company to better position its growth platform to more verticals and additional product launches. There are also 1.77 million shares of convertible preferred stock outstanding, adjusted for the July 9th reverse split, which if converted, would add significantly to the shares outstanding.

The Company also has a significant "off balance sheet" asset of value, by way of its \$12.3 million loss carry-forward, which will enable it to reduce its federal taxes once it becomes profitable, and this asset could add value in the event of an eventual sale of the company to a larger company down the road. Its equity investment in Aspire Consulting Group, LLC could possibly lead to improved income for the company as that entity continues to grow and add significant contracts. The Company has given guidance of improved revenue and anticipates ramping up to \$1.4 million in revenues by year end, at which point it could be profitable. It is currently focused on a number of growth initiatives to achieve this interim goal, thus Textmunication is well positioned for potential rapid growth in the near future.



Corporate Contacts

Textmunication Holdings, Inc.

Mr. Wais Asefi - Chairman, Pres, CEO & CFO

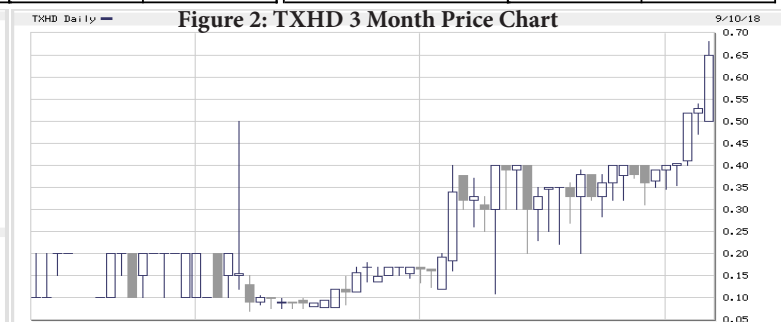
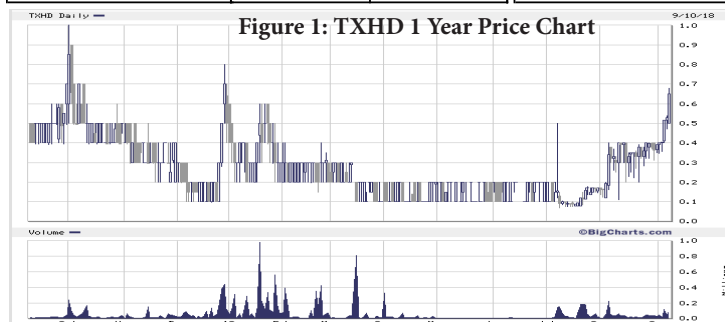
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Table with 9 columns: Income Statement, Six Months Ended, Year Ending, Balance Sheet, Six Months Ended, As of, Cash Flow Statement, Six Months Ended, Year Ending. Rows include Total Revenue, Gross Profit, Operating Loss, Net Income / Loss, Cash, Total Assets, Total Liabilities, Total Stockholder's Equity, Operating Cash Flow, Investing Cash Flow, Financing Cash Flow, Cash at End of Period.



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