

The background of the slide is a photograph of a smiling man in a light blue sweater standing in a modern office with large windows and green plants. A dark blue horizontal bar is overlaid on the left side of the image.

## CEO review 2022

***Heeros***

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- ② Share price development
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# Key figures Q4 and Financial year 2022

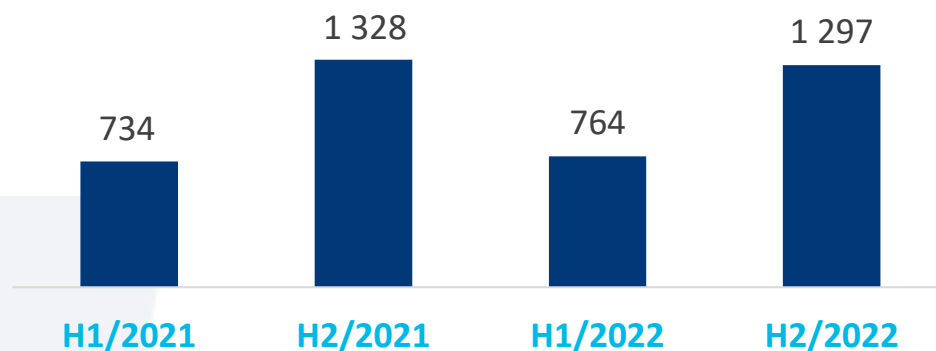
EUR thousand	Q4/ 2022	Q4/ 2021	Change, %	Year 2022	Year 2021	Change, %
Rule of 40, % (adjusted)	38.4	35.2 %		39.1	27.5 %	
Recurring revenue	2 625	2 277	15 %	10 332	8 626	20 %
Contract revenue	2 001	1 574	27 %	7 854	5 737	37 %
EBITDA	651	612	6 %	1 997	1 990	0 %
EBITDA, % of revenue	22.5 %	24.5 %		18.0 %	21.6 %	
Adjusted EBITDA	651	644	1 %	2 061	2 062	0 %
Adjusted EBITDA, % of revenue	22.5 %	25.8 %		18.6 %	22.4 %	
Profit for the period	29	192	-85 %	-405	499	
Profit for the period, % of revenue	1.0 %	7.7 %			5 %	
Profit for the period excluding goodwill depreciations	165	192	-14 %	151	499	-70 %
Operational cash flow (adjusted)				1 637	1 695	-3 %

- Profitability increased towards the end of the year - Rule of 40 ended up at 39,1 %
- Recurring revenue grew by 20 % and in Q4 by 15 %
- Contract revenue grew by 37 % and in Q4 by 27 %
- EBITDA (adjusted) was EUR 2.1 million, same as last year
- Positive Profit for the period excluding goodwill depreciations

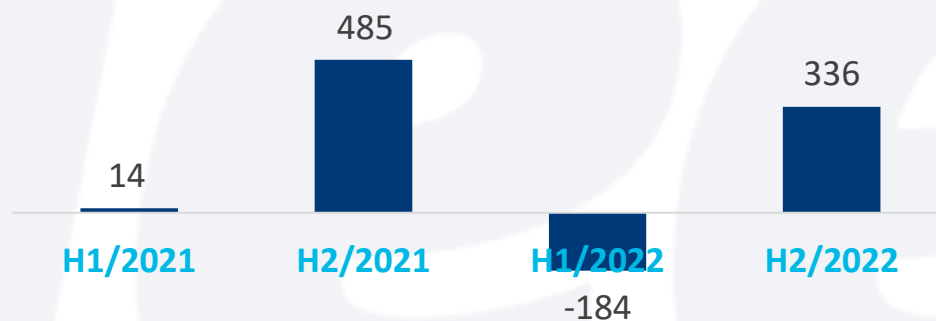


# Heeros 2022 profitability development

EBITDA (adj.), 1 000 eur



Net result without goodwill depreciations,  
1 000 eur



# Key message of 2022

- **Slower revenue growth, but improved profitability towards the end of the year**
  - Our growth slowed during the second half of the year and in November we had to revise our financial guidance for 2022.
  - In particular, the slowdown was reflected in the development of the order intake (Annual Recurring Revenue), which was 22% lower than in the previous year. Improving the order intake is one of our priorities for 2023.
  - EBITDA (adjusted) full year at 19% (22%), but scalable Q4 at 23% (26%)
- **New solutions strengthened our position as a provider of business-critical software**
  - The acquisition of Taimer Ltd was completed on 1 January 2022, we rapidly integrated 20 people into the Heeros organisation.
  - We launched new solutions for HR management, PSA and Small Business that were well received by our customers.
  - Our business-critical solutions are needed in good as well as the bad times and our scalable and profitable business model has shown its resilience in different kinds of market conditions.
- **New active SaaS focused major owners to sparr with management**

# SaaS-metrics 2022

## Net revenue retention (NRR)

Q4/22: 109 % (Q4/21: 104 %)

## ARPA, End customer

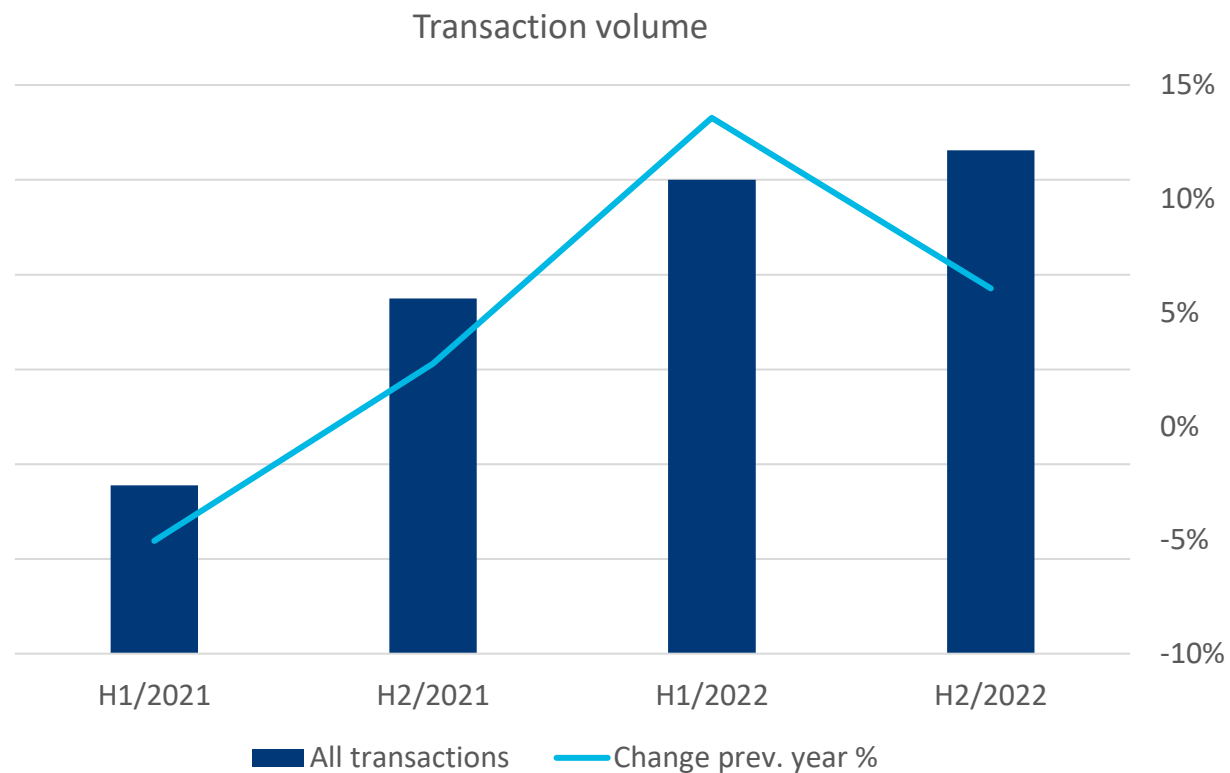
Q4/22: 51 € (+16 % YoY)

## No of End Customers

Q4/22: 18.100 companies, same as year ago

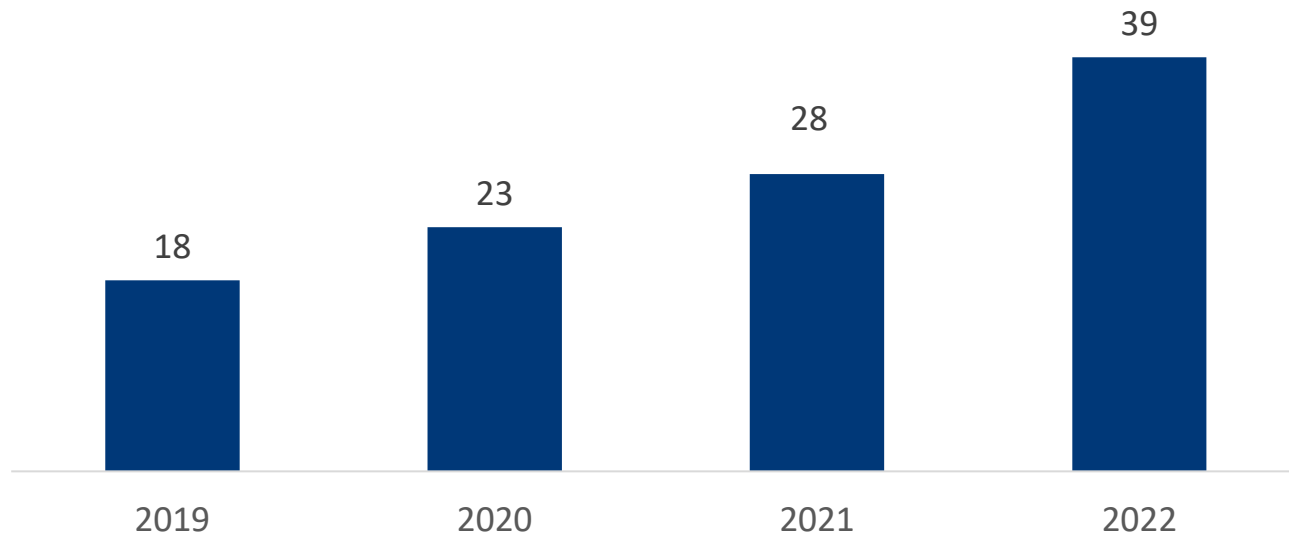
## Annual Recurring Revenue, ARR

1-12/22: 940k Eur



# 2022 Financial performance

Rule of 40 (adj.), % \*



\* Sum of EBITDA, %: and revenue growth %

A woman with blonde hair, wearing a blue sweater, is smiling and looking at a laptop. A man with dark hair, wearing a light blue shirt, is also smiling and looking at the laptop. They are in a modern office with glass partitions and a large potted plant in the background. The laptop screen shows a dashboard with several green bars and charts. The overall scene is brightly lit with a blue tint.

## Heeros share price development in 2022



# Heeros share development in 2022

	H2/ 2022	H2/ 2021	Year 2022	Year 2021
Total volume	2 355 408	596 400	2 932 757	1 304 918
Turnover, eur	10 714 711	3 534 895	13 318 691	8 501 847
High price	6,46	6,68	6,46	7,75
Low price	3,00	5,28	3,00	4,93
Average price	4,55	5,93	4,54	6,52
Closing price	6,14	5,30	6,14	5,30
Market Cap, eur	32 093 762	23 701 987	32 093 762	23 701 987
Number of shareholders, closing	1 135	1 276	1 135	1 276
Number of shares, closing	5 226 997	4 472 073	5 226 997	4 472 073
Number of shares, average	5 226 274	4 464 373	5 222 929	4 462 186
Earnings per share, eur	0,01	0,11	-0,08	0,11
Diluted Earnings per share	0,01	0,10	-0,07	0,11



# Heeros development interests investors

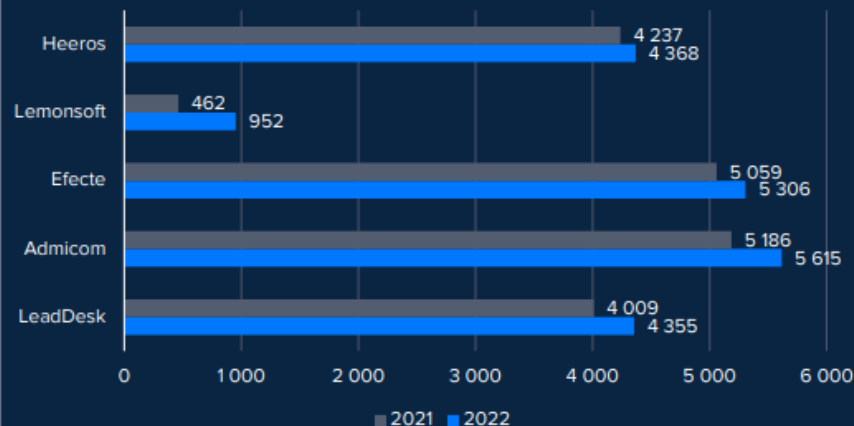
## Heeros at inderes.fi in 2022



### Followers

4 368

131 new followers



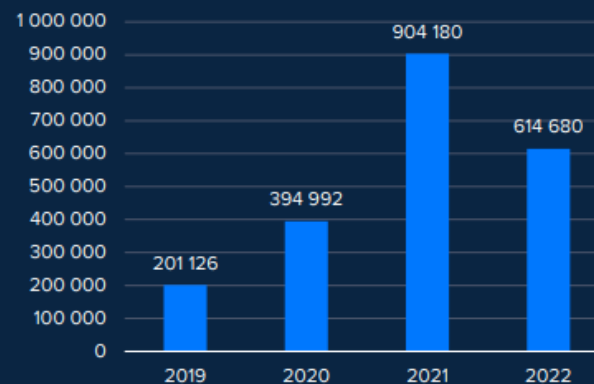
### Content views

41 Published contents

Analyst comments: 19

Videos: 15

Company reports: 6



A woman with blonde hair, wearing a blue sweater, is smiling and looking at a laptop screen. A man with dark hair, wearing a light blue shirt, is also smiling and looking at the same screen. They are in a modern office environment with glass partitions, a potted plant, and other office equipment in the background. The laptop screen displays a dashboard with various charts and graphs. A large blue banner is at the bottom of the image.

Board



# Heeros Board in 2022

- Marko Kauppi, Chairman of the Board ; shareholding in Heeros 1,770 shares
- Keijo Karjalainen ; shareholding in Heeros 1,085 shares
- Juho Nikkola ; shareholding in Heeros 31,485 shares
- Samuli Saviala ; shareholding in Heeros 885 shares
- Taru Mäkinen ; shareholding in Heeros 80 shares





A photograph of four people in a modern office environment. On the left, a man in a light blue shirt is seen in profile, looking towards the center. In the center, a woman with dark curly hair and glasses, wearing a light pink sweater, is smiling at the camera. Behind her, a man with glasses and a dark jacket is also smiling. On the right, a woman with blonde hair, wearing a blue sweater, is smiling and looking towards the camera. They are all standing in a bright, contemporary office space with large windows and blue-tinted lighting in the background.

# Strategy 2021-2023

## OUR VISION:

Our business management cloud gives every single SMB the power to grow.

### FINANCIAL TARGET:

**Rule of 40** - The total sum of EBITDA margin (% of net sales) and net sales growth annually will be over 40%. Heeros will actively seek inorganic growth opportunities and impact of those are not included in the long-term financial target.

### DISTRIBUTION CHANNEL:

Self-Service

Accounting Office Partners

Direct Customers

Strengthening market  
position in Finland

International growth

Best user experience

### PEOPLE AND CULTURE:

Heeros is attractive workplace for the brightest professionals.  
We dare. We evolve. We take ownership. We are driven by customer outcomes.

### STRENGTHS:

Profitability | Recurring SaaS business in a growing market | Growth company ready to scale | Portfolio of sticky business critical services | Extended packaging to support customer digitalization efforts | Best invoicing solution in Finland | ERP Integrations

## OUR MISSION:

We create software that makes running a business easier



# Key investment highlights

1

Well-positioned for the growing European software market

2

Unique one-stop-shop for business-critical process applications

3

Customer centricity boosting upsell and cross-sell opportunities

4

Scalable, cost-effective business and distribution model

5

Clear growth strategy with ambitious targets

6

Solid financial track record enabling investments in growth



A woman with blonde hair, wearing a blue sweater, is sitting at a desk and looking at a laptop. A man with dark hair, wearing a light blue shirt, is standing next to her, also looking at the laptop. They are in a modern office with glass partitions and other desks in the background. The laptop screen shows a dashboard with green bars and charts. A large blue banner is at the bottom of the image.

# Financial guidance 2023



# Starting points going into 2023

- Macroeconomic situation in Finland
  - Economic activity slow down in SME segment since September 2022
- Focus on profitability
  - Scalable growth
- Heeros portfolio cross-sell: NRR & ARPA
  - ERP Cloud ja Heeros HR
  - Product Led Growth
- Sparring with new owners
  - Value creation plan and new strategy in 2023

# Financial Guidance for 2023

- Heeros estimates that its combined EBITDA margin (EBITDA, % of revenue) and revenue growth percentage (Rule of 40) will be **at the level of 30%** during the 2023 financial period.
- We expect the macroeconomic situation to slow down our revenue growth during the first half of the year. However, we estimate that the market will become stronger during the second half of the year and that this will support our revenue growth. In 2023, our focus will be on ensuring profitable growth.



[www.heeros.com](http://www.heeros.com)

Q&A