



Heeros key investment highlights October 2023

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Heeros in Brief

Heeros offers business-critical, cloud based business process management solutions in a growing market

Heeros creates software that makes running a business easier.

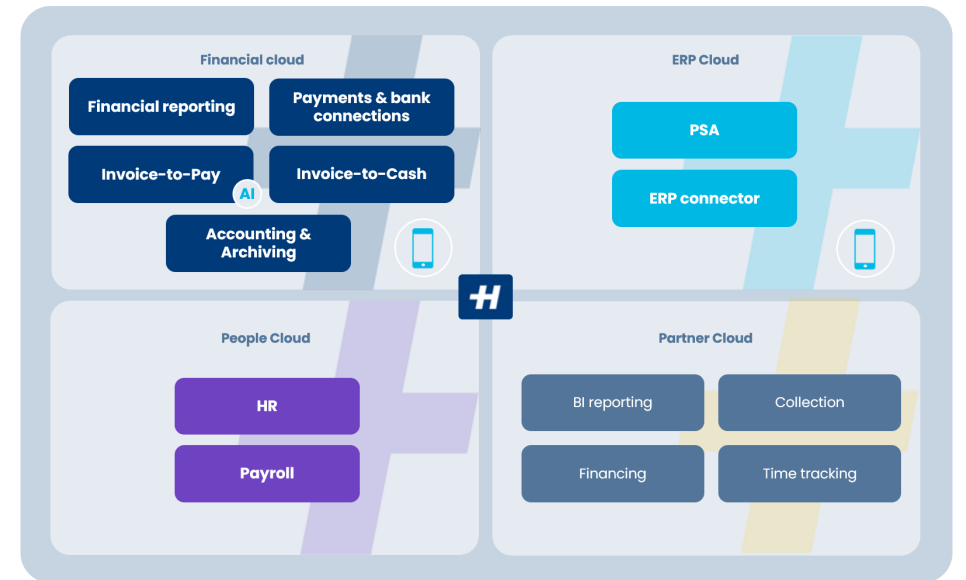
Pioneer in its field. Founded in 2000, based in Helsinki, Finland with an expanding international presence.

Unique one-stop-shop for business-critical process applications aimed at CFO buyer personas

Integrated solutions. Recently renewed business management cloud portfolio focusing on invoice processing, HRM, ERP and accounting.

Clear ambition to grow with solid profitability driven by operational renewal

Listed on the Nasdaq First North Growth Market Finland with ~20 MEUR market cap* and ~1200 shareholders; Two main shareholders [Rite Ventures](#) from Sweden and [Viking Venture](#) from Norway



~18 000
End-
Customers

200
International
customers

11,1 MEUR
Revenue
2022

20 +
of countries we
deliver services to

+20
Years of
experience

95%
Recurring
revenue

18%
EBITDA

~80
Staff

We target especially CFO buyer personas and intend to have a long-term relationship with the CFO office and its changing needs

What we see is that digitalization is fundamentally transforming the traditional roles and responsibilities in the companies, moving CFO/finance departments towards a business role

For CFOs tasks most impacted by digitalization

- Purchase to pay
- Management reporting & analysis
- Order to cash

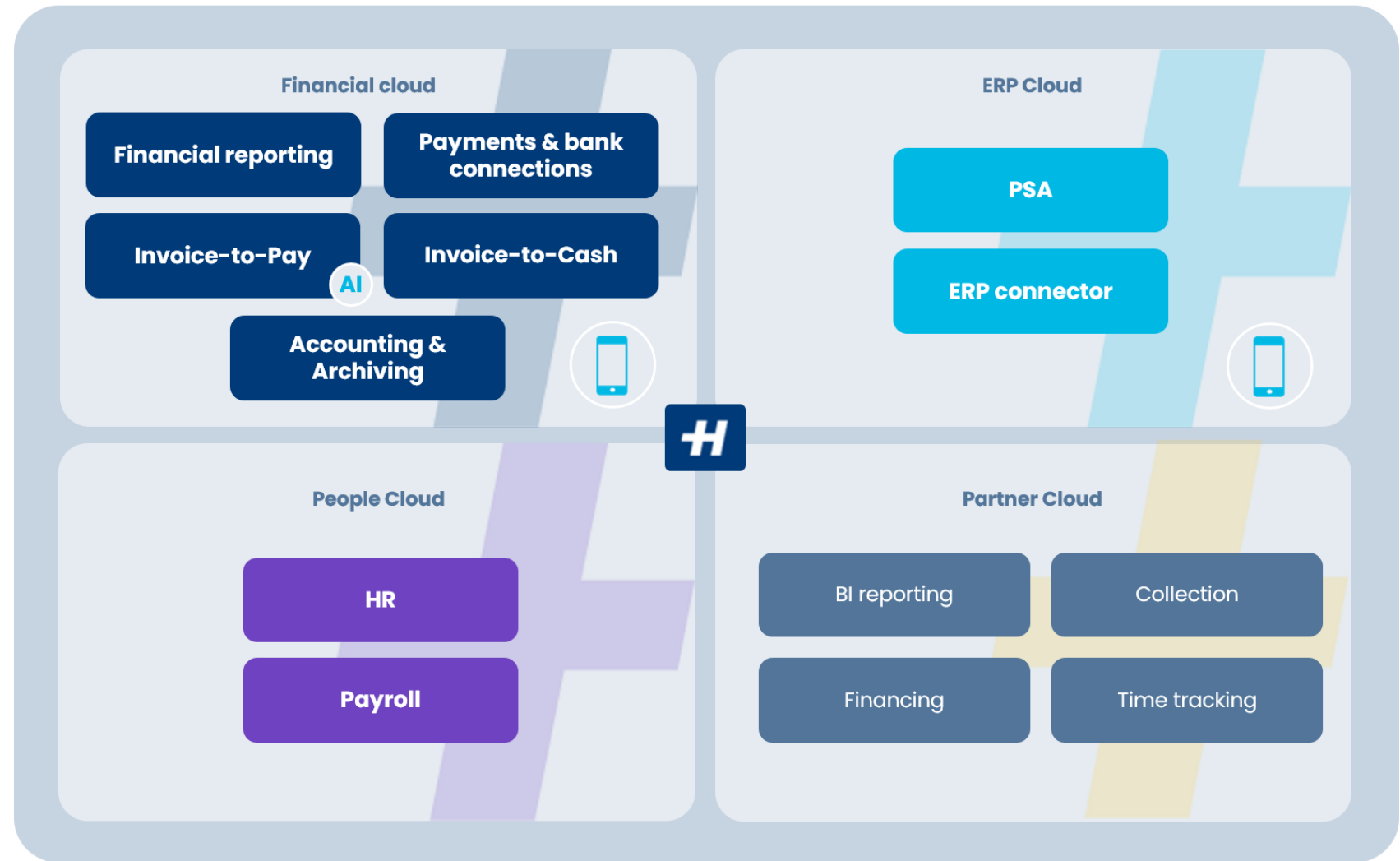
CFOs are looking to invest in an integrated, user-friendly systems used across the organization for

- Enhanced business-decision support
- Better use of high-quality data
- Increased process efficiency, especially in invoicing



Heeros Business Management Cloud

Heeros is expanding
solution offering to meet
changing customer needs



Key investment highlights

Key investment highlights

1

Efficiency
megatrends driving
growth

2

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

3

Scalable, cost-
effective business
and distribution
model

4

Sticky long-term
customer
relationships

5

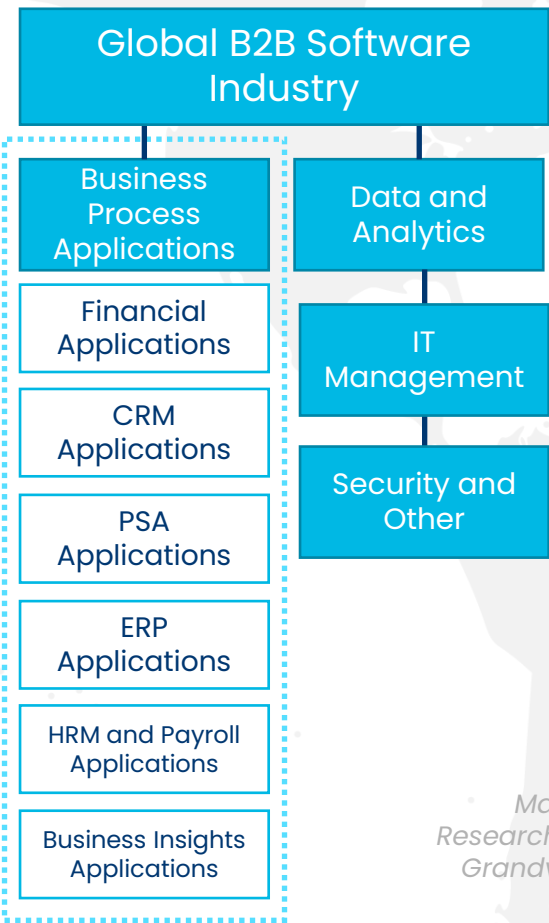
Clear pricing power
and agenda with
limited churn

6

Solid profitability
through sharp focus
on operational
performance

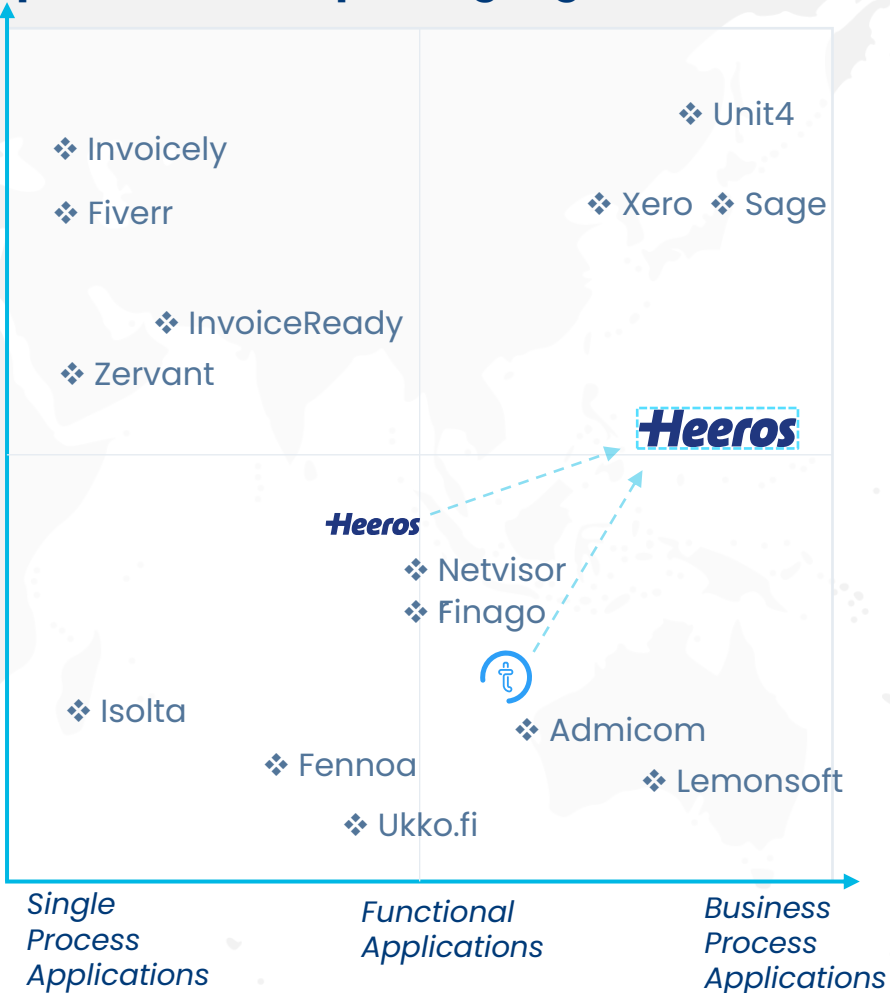
Heeros operates in a growing European software market

Heeros has transformed from functional to business process applications vendor

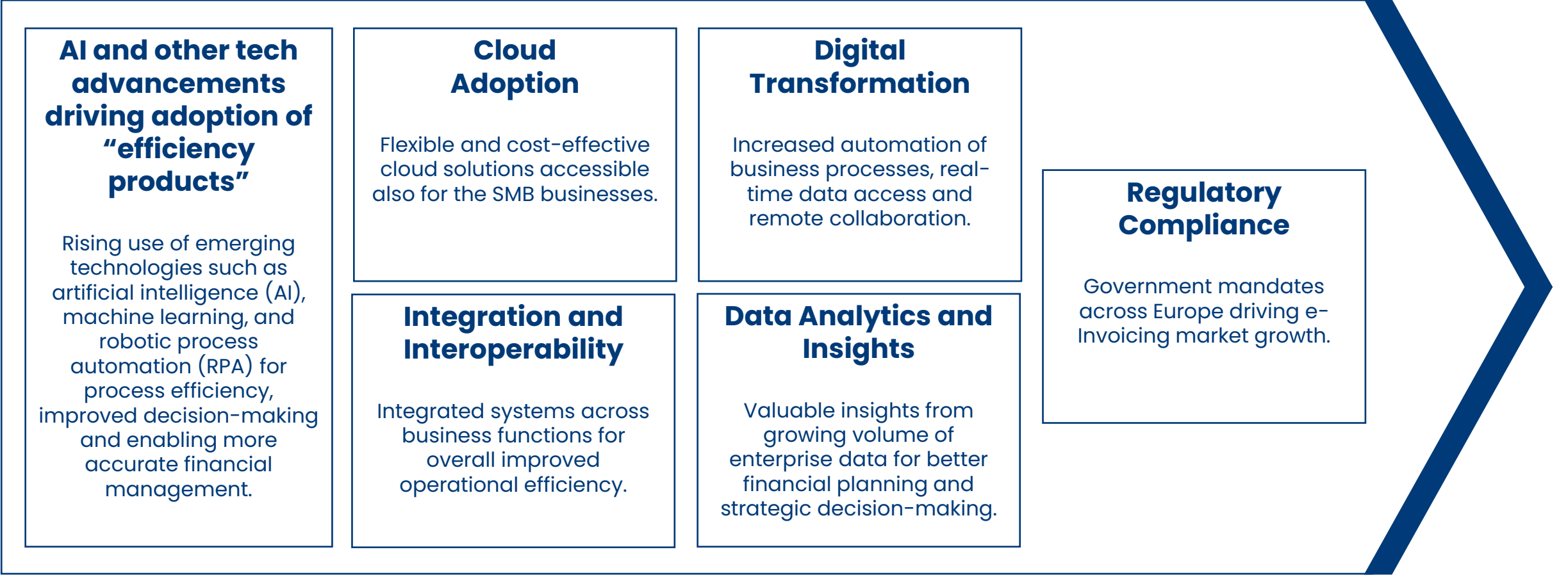


Sources:
Billentis.com;
Marketresearch.com;
Researchandmarkets.com;
Grandviewresearch.com;
Statista.com

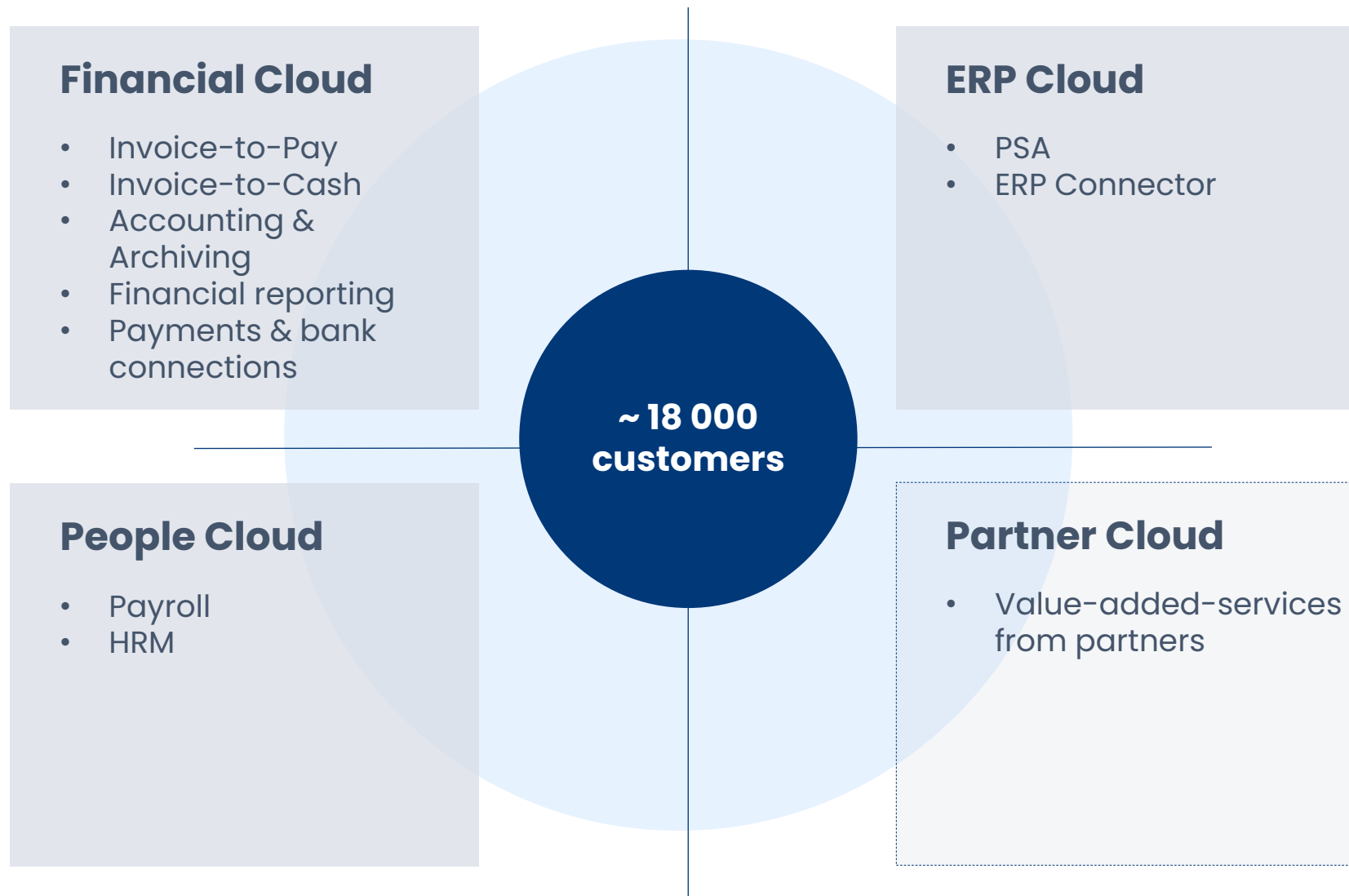
Heeros solutions support critical business processes of companies going international



Efficiency megatrends support Heeros growth



Heeros Business Management Cloud

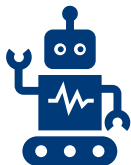
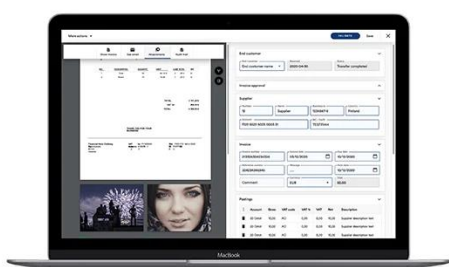


All product clouds are integrated together & ready to scale

Modular or all-in-one approach to fit customers' needs

Multi-country support

Constant gradual renewal of mature product suite



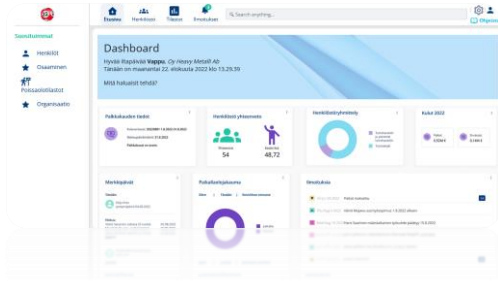
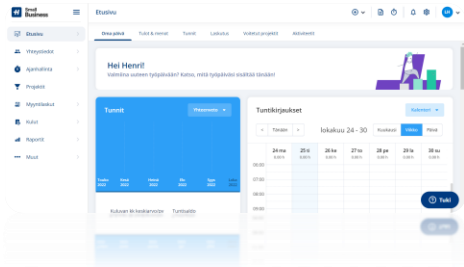
- **New Heeros Purchase Invoices**
- **New Mobile App**
- AI postings
- ERP Connector
- **New Heeros Sales Invoices**

Modern & unified UX

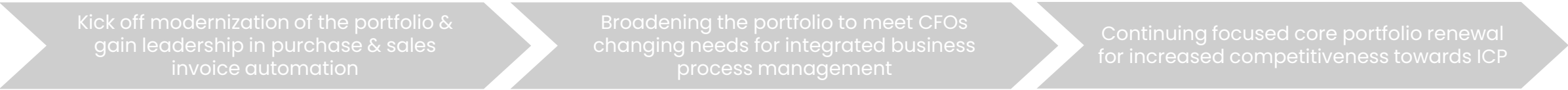


- Fast & easy customer onboarding
- Improved APIs
- **Financial Cloud + PSA integrated**
- **New Heeros HR**

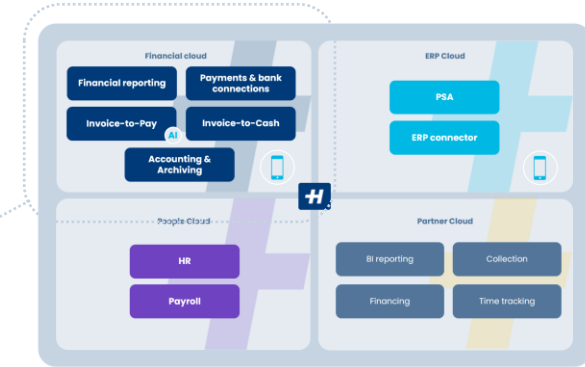
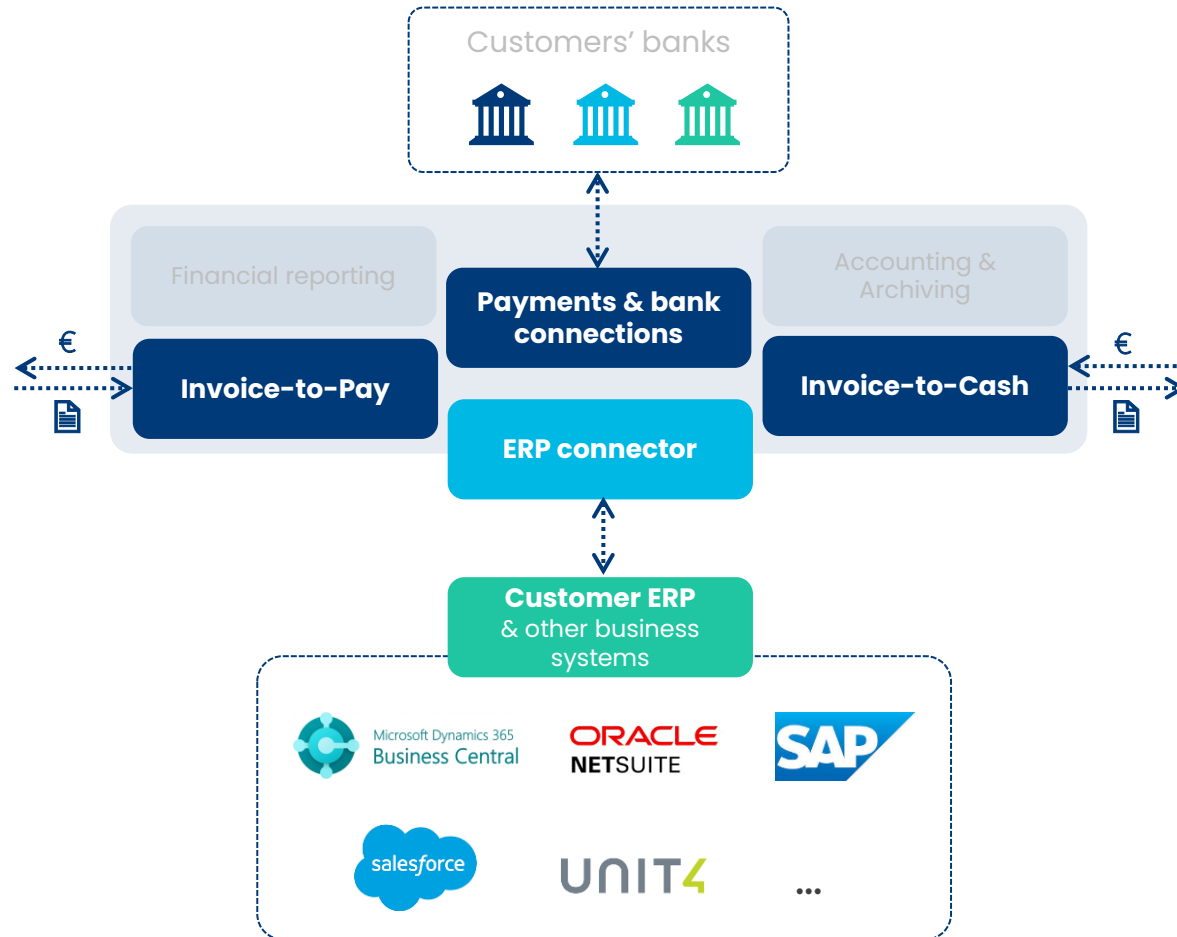
Scalability



KEY THEMES:

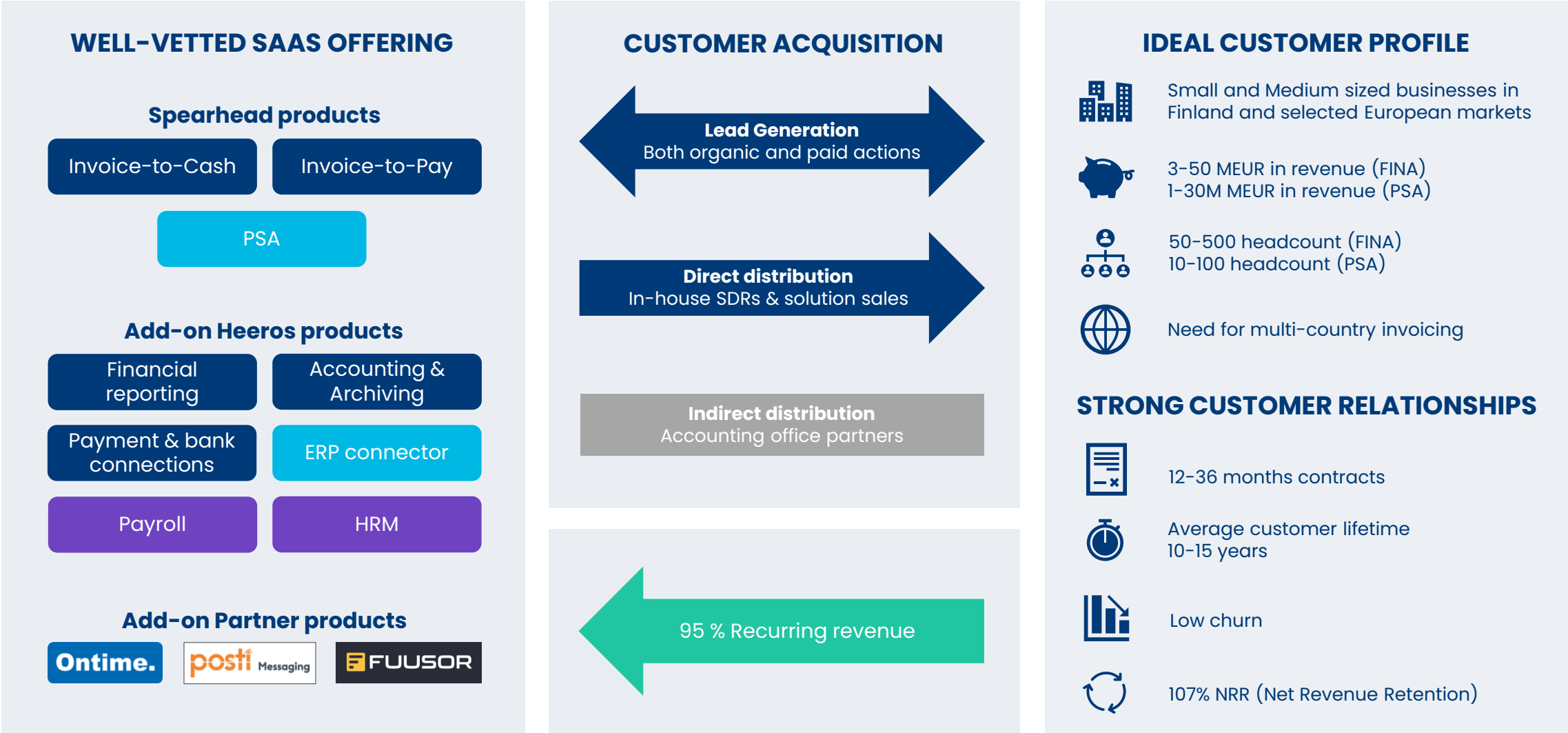


Choose exactly the product you need from the modular portfolio



- Modular portfolio enables customers to choose just the products they need at any point in their digitalization journey.
- Standardized integration services make it easy to seamlessly and cost-effectively integrate Heeros Clouds to customer's existing business processes and applications.

Heeros sales and distribution model



Our key strengths will help us deliver effectively



Best user experience for business management solutions

64% of direct customers and 31% of accounting offices mentioned ease of use as a Heeros key advantage (Seedi competitiveness analysis 2022)



Service + Software combo

Fast implementation and support together with CSMs valued by customers



Strong ERP integrations

4/5 largest deals won at least partly because of our integration capabilities



Ability to serve mid-segment customers in multiple countries

Heeros invoice solutions are used in >20 countries



World-class partnerships for innovative services

Strong partnerships with Opentext and Enable Banking for delivering services across multiple countries

Broad portfolio of customers

~18 000 end-customers

~200 international customers

95% recurring revenue

Low churn

Net revenue retention (NRR)

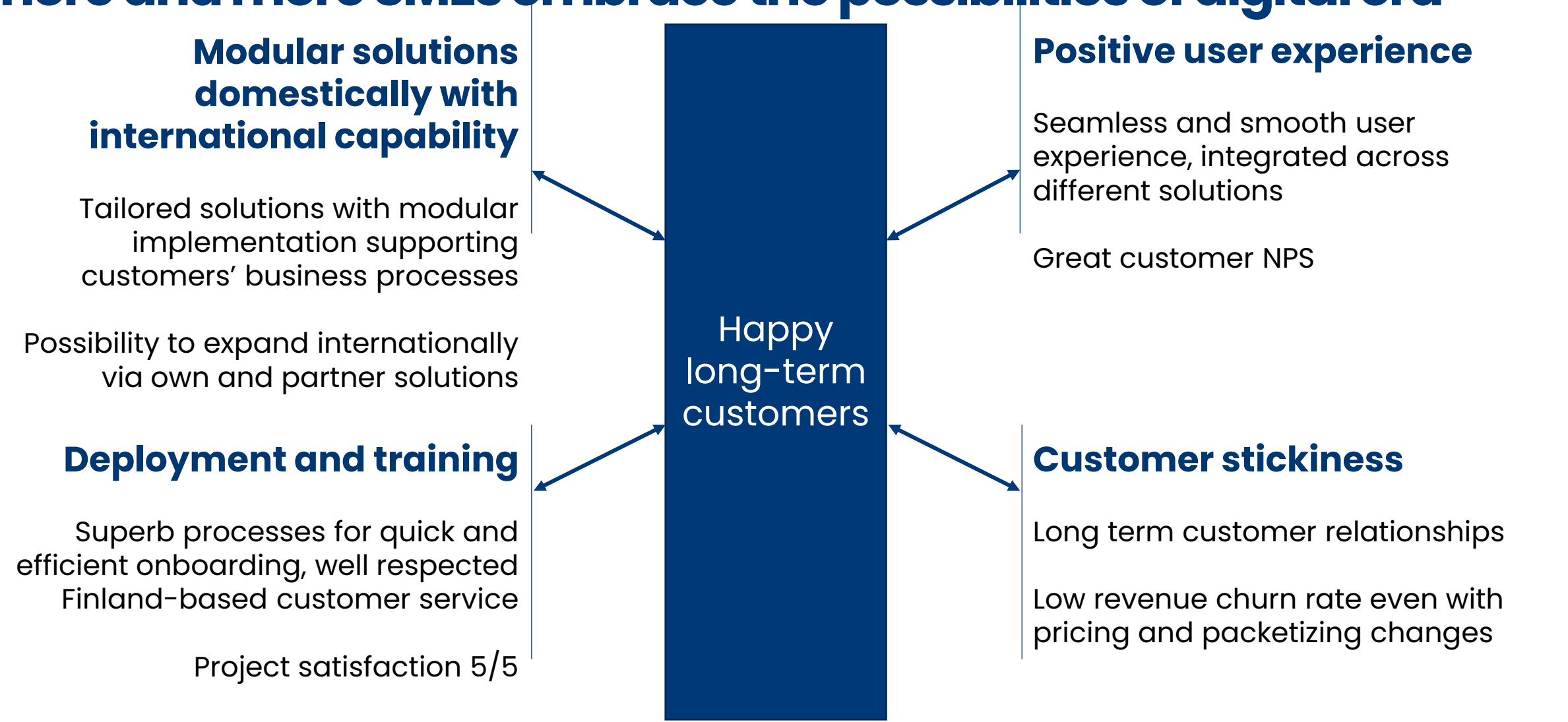
1-9/23: 106 % (1-9/22: 109 %)

ARPA, End customer

1-9/23: 53 € (+9 %)



We expect to have significant potential to grow our business as more and more SMEs embrace the possibilities of digital era



Three types of customers

Direct Financial Cloud Customers



Accounting Offices

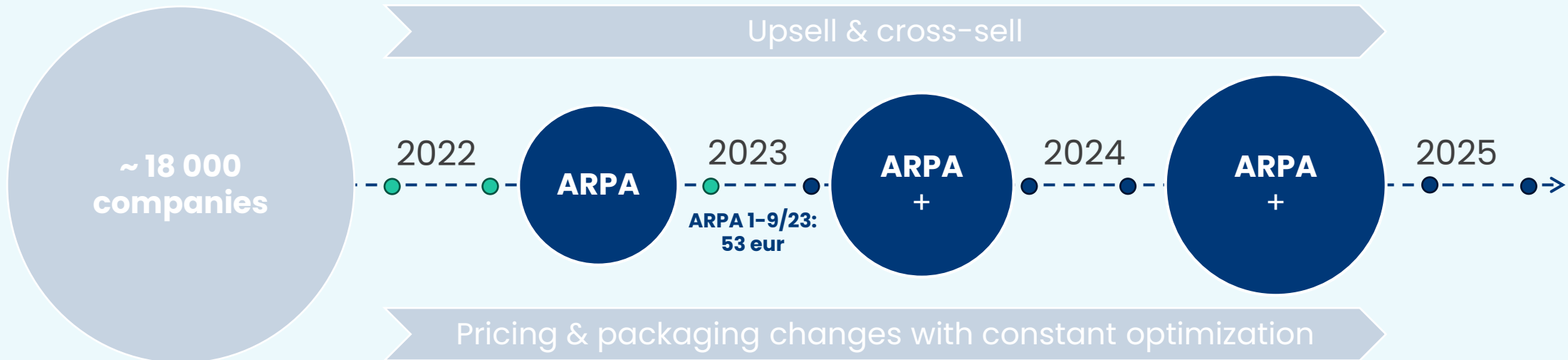


Direct PSA Cloud Customers



Matching pricing & packaging with constantly increasing customer value

- Heeros is a **price leader** in key customer segments, which together with **constantly developing product portfolio** enables price increases to **match customer value**.
- Heeros has a proven track record of pricing & packaging changes from 2022-2023 with small effects to churn.



Transformation of operations nears completion

2019

8,6 M€ revenue, 0,9 M€ EBITDA

2020

8,8 M€ revenue, 1,4 M€ EBITDA
Transformation project starts

2021

9,2 M€ revenue, 2,0 M€ EBITDA

2022

11,1 M€ revenue, 2,0 M€ EBITDA
Taimer acquisition 1.1.2022

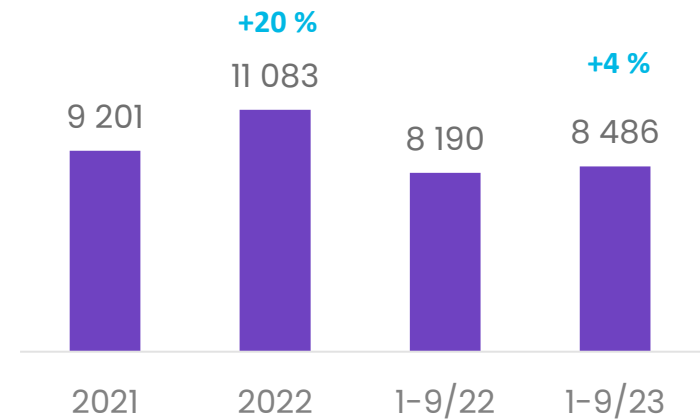
2023 and beyond

Cash-flow positive, self funded
Growing profitably, +32% EBITDA 1-9/23

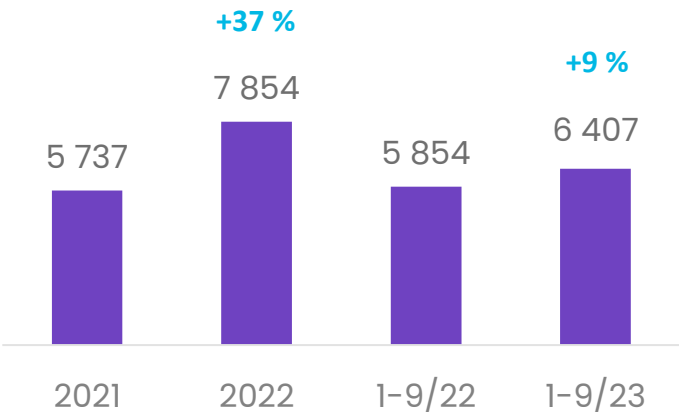
- A large transformation project was started in early 2020. Since then, Heeros has made continuous investments in improving operational performance in multiple ways.
 - This has led to consistently increasing profitability. EBITDA has grown from less than 1 MEUR in 2019 to almost 2 MEUR in 2022.
 - EBITDA dipped in 2022 due to integration of Taimer, acquired in H1 2022
- Heeros' key focus area is increasing profitability, a goal where we have succeeded well in 2023
 - During the first 9 months of the year EBITDA (adj.) grew by 32% y-o-y
- Heeros is now cash flow positive and self funded

Solid financial track record enabling investments in growth

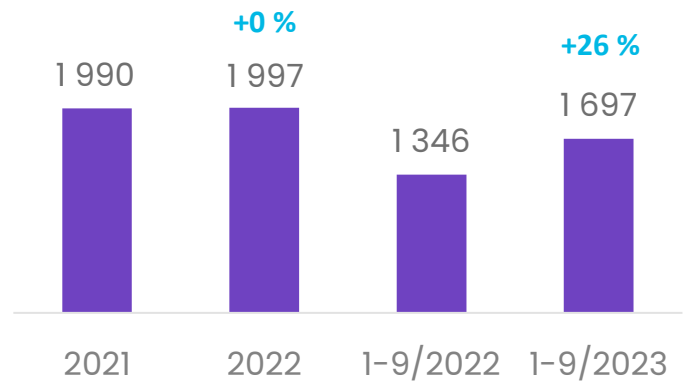
Revenue, EUR 1,000



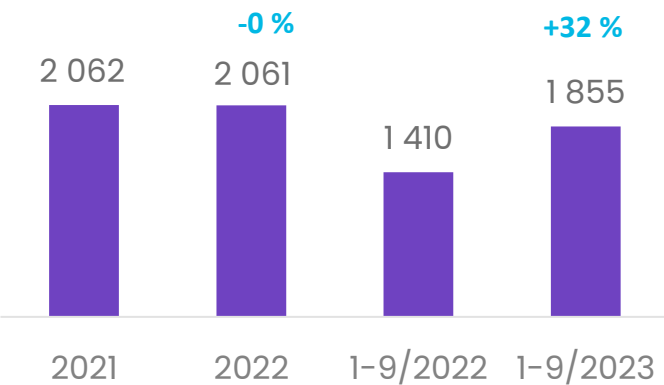
Contract Revenue, EUR 1,000



EBITDA, EUR 1,000



EBITDA (adjusted), EUR 1,000



A man and a woman are smiling and fist-bumping in a modern office setting. The man is wearing a dark blue long-sleeved shirt and light blue jeans. The woman is wearing a rust-colored dress with a matching belt. The background shows office furniture and large windows.

Heeros

Join the growth ride