



# Heeros key investment highlights September 2023

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The information in the presentation is not intended as investment advice, offers or solicitation to trade in Heeros investment products or services.

# Heeros in Brief



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

**Heeros creates software** that makes running a business easier.

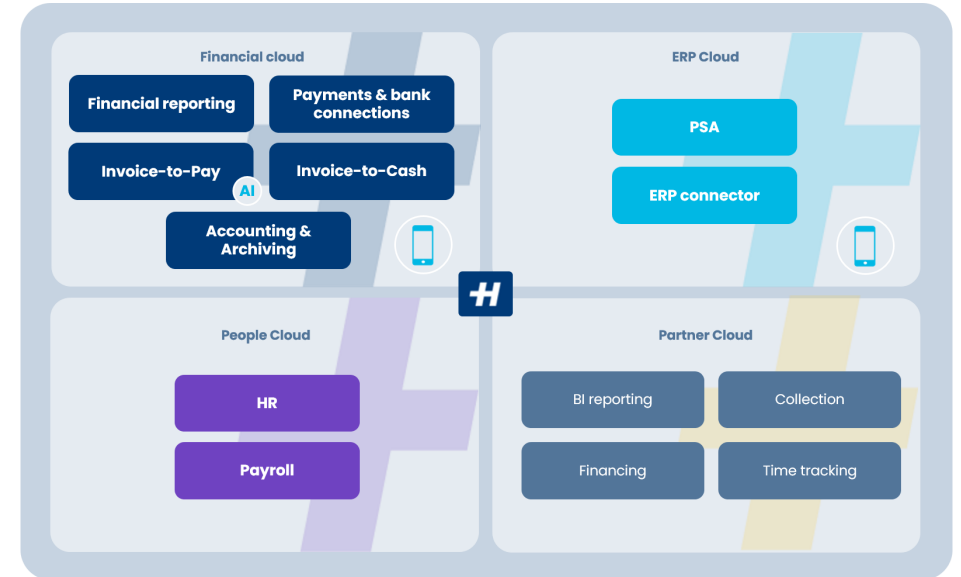
**Pioneer in its field.** Founded in 2000, based in Helsinki, Finland with an expanding international presence.

**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

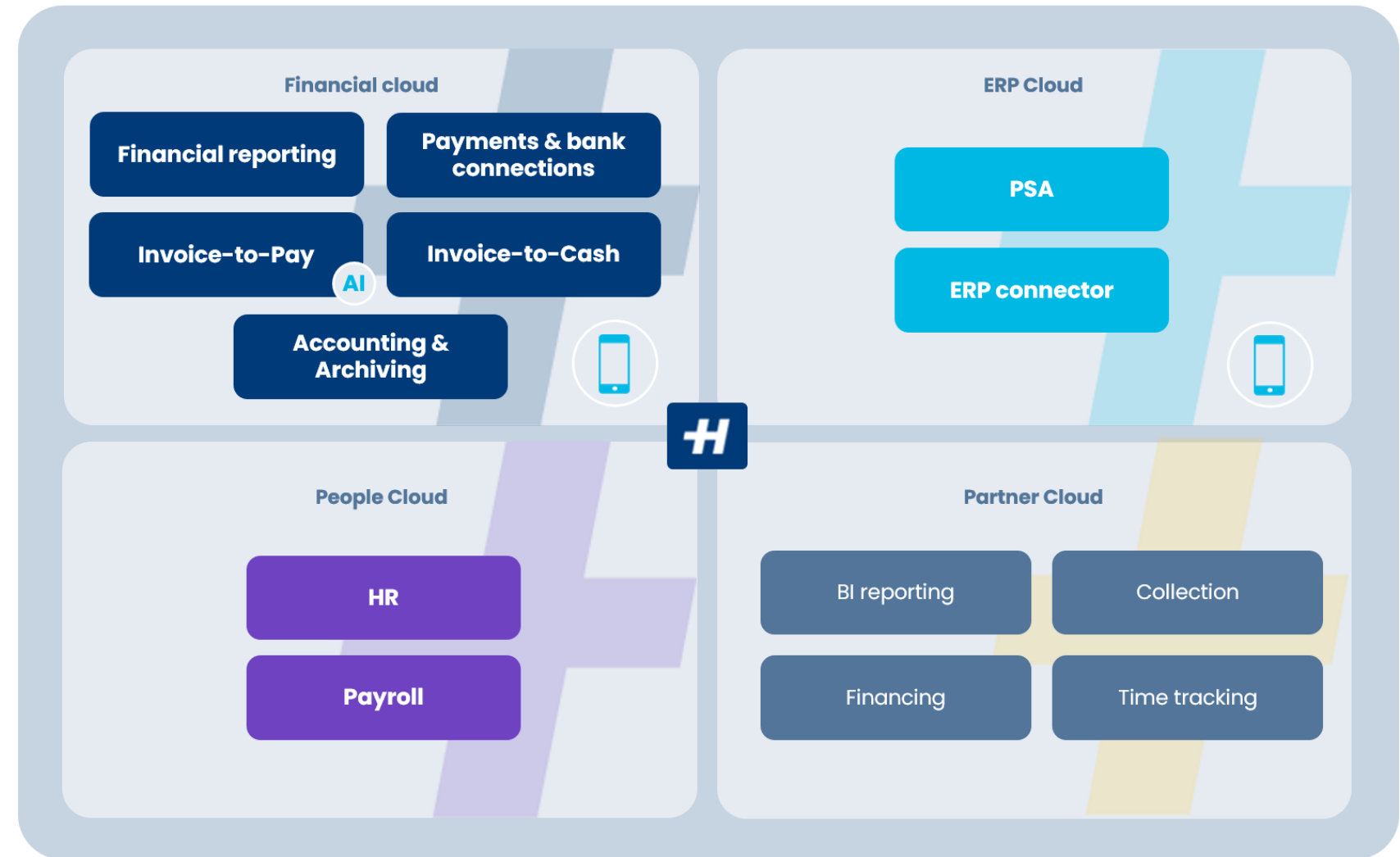
## CFOs are looking to invest in an integrated, user-friendly systems used across the organization for

- 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

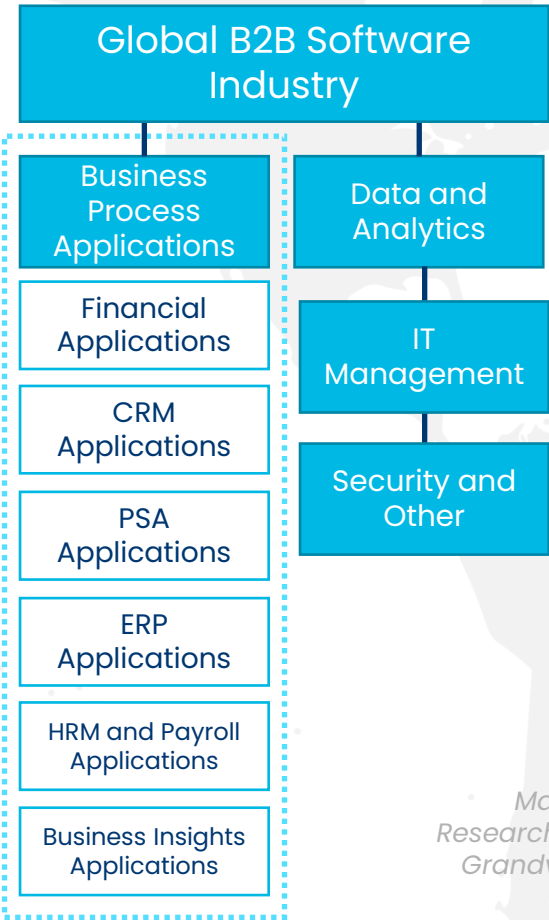
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Solid profitability  
through sharp focus  
on operational  
performance



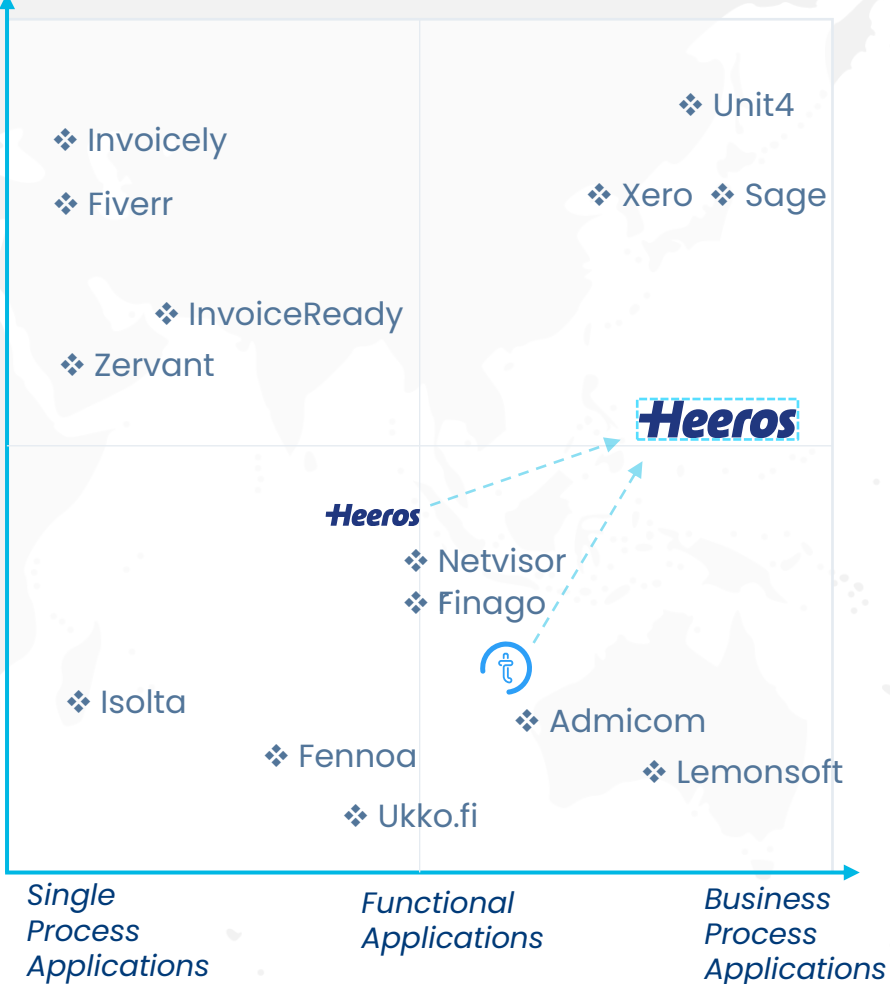
# Heeros operates in a growing European software market

Heeros has transformed from functional to business process applications vendor

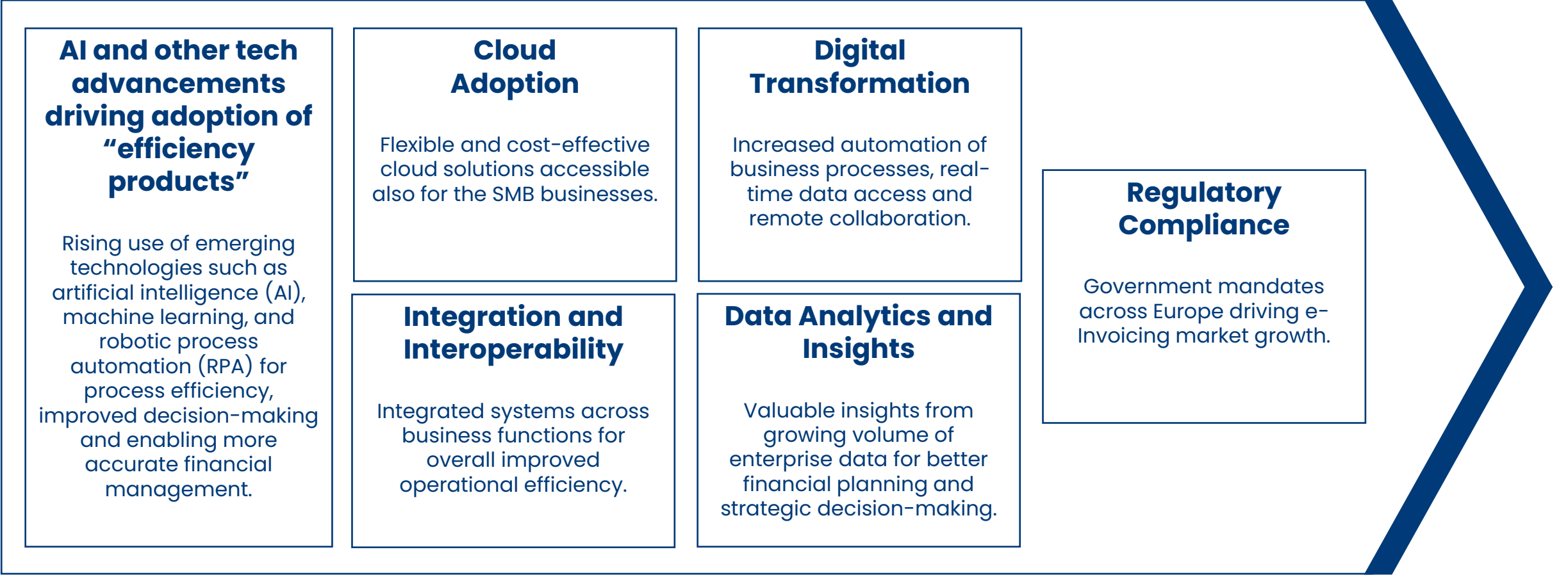


Sources:  
Billentis.com;  
Marketresearch.com;  
Researchandmarkets.com;  
Grandviewresearch.com;  
Statista.com

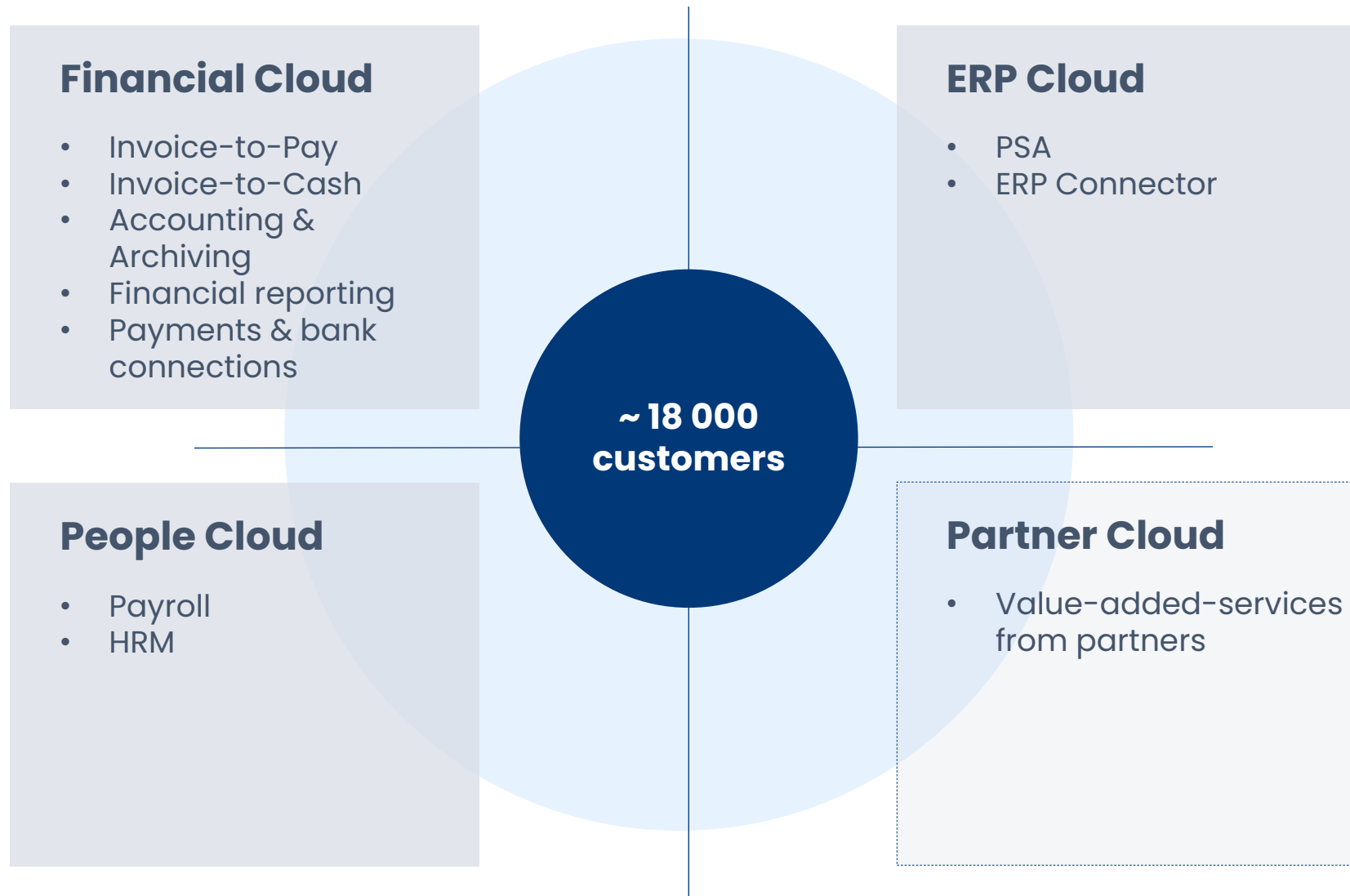
Heeros solutions support critical business processes of companies going international



# Efficiency megatrends support Heeros growth



# Heeros Business Management Cloud



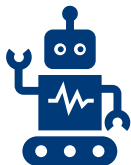
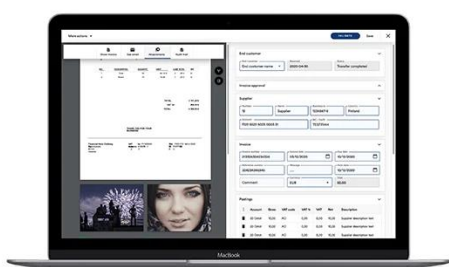
**All product clouds are integrated together & ready to scale**

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

**Multi-country support**



# Constant gradual renewal of mature product suite



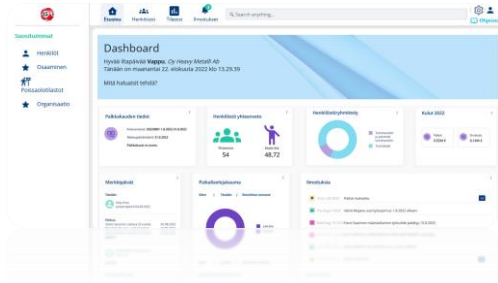
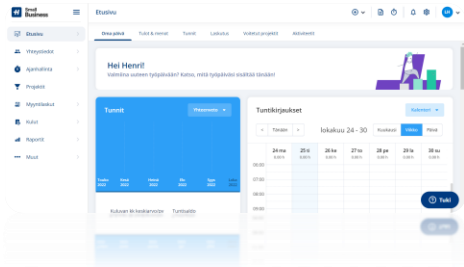
- **New Heeros Purchase Invoices**
- **New Mobile App**
- AI postings
- ERP Connector
- **New Heeros Sales Invoices**

Modern & unified UX

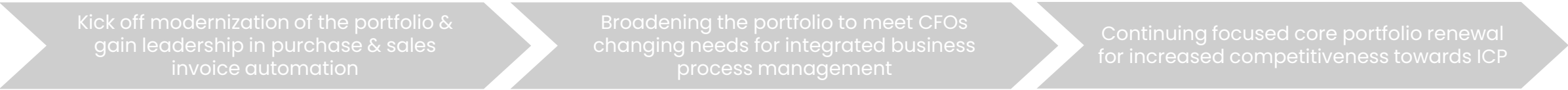


- Fast & easy customer onboarding
- Improved APIs
- **Financial Cloud + PSA integrated**
- **New Heeros HR**

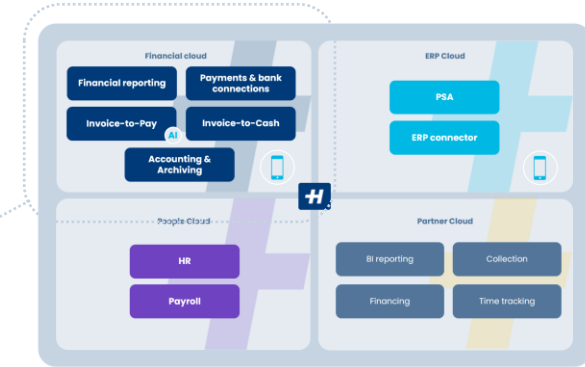
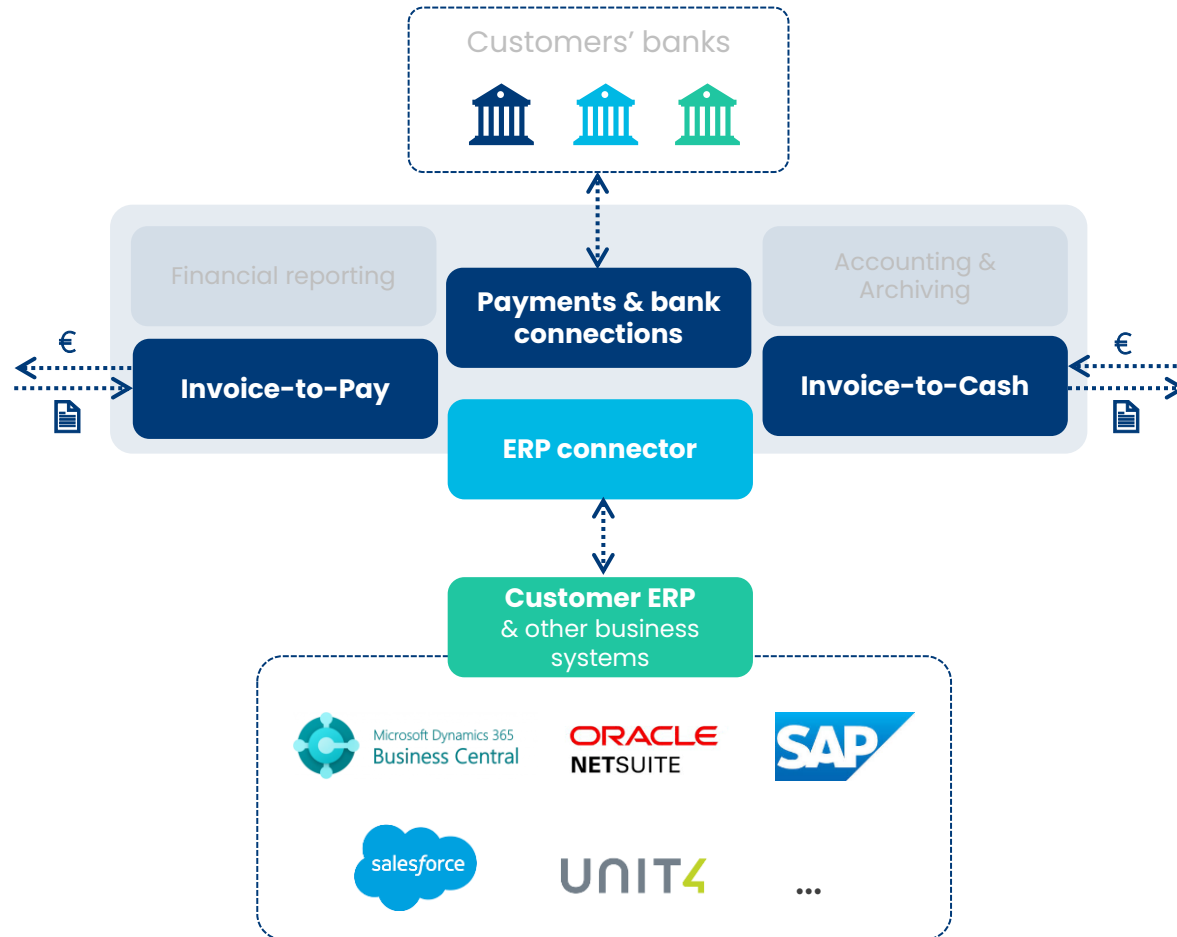
Scalability



KEY THEMES:

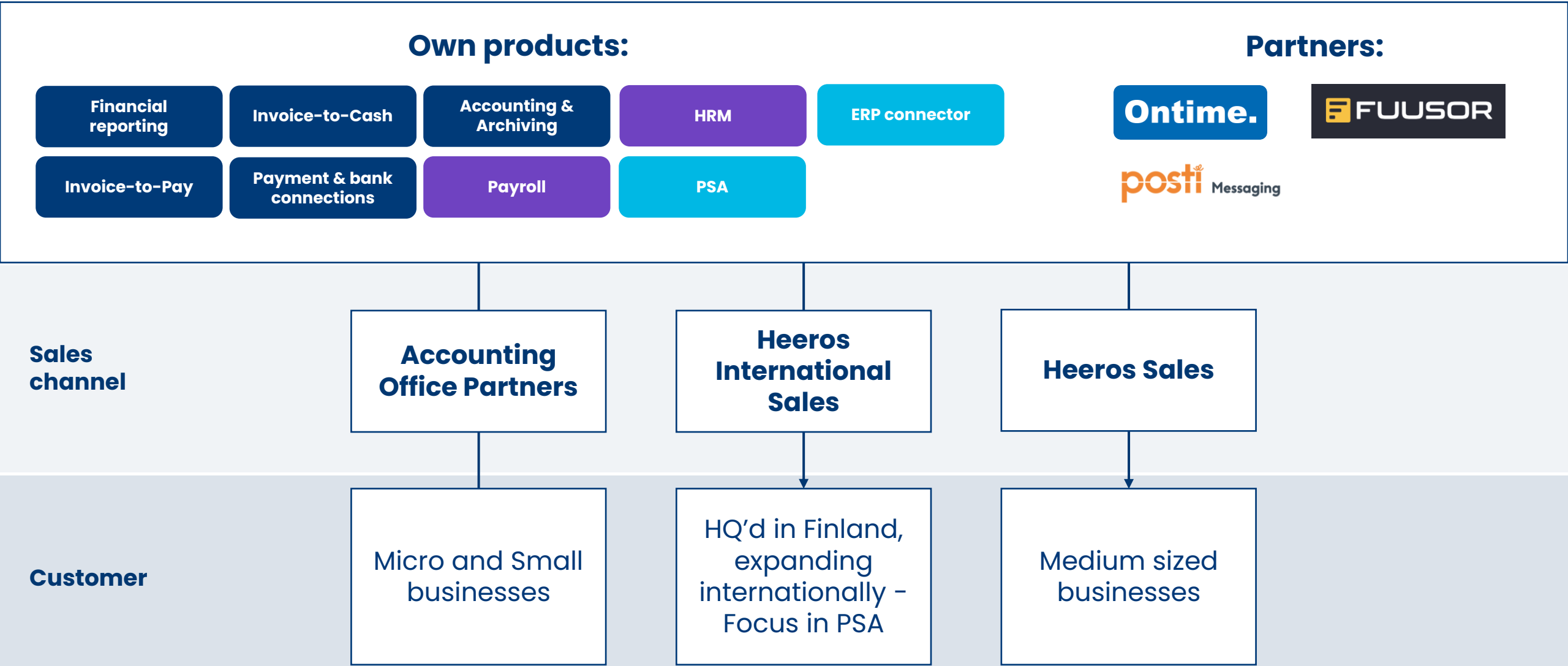


# Choose exactly the product you need from the modular portfolio



- 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

31% of accounting offices and 64% of direct customers 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)**

H1/23: 107 % (H1/23: 109 %)

**ARPA, End customer**

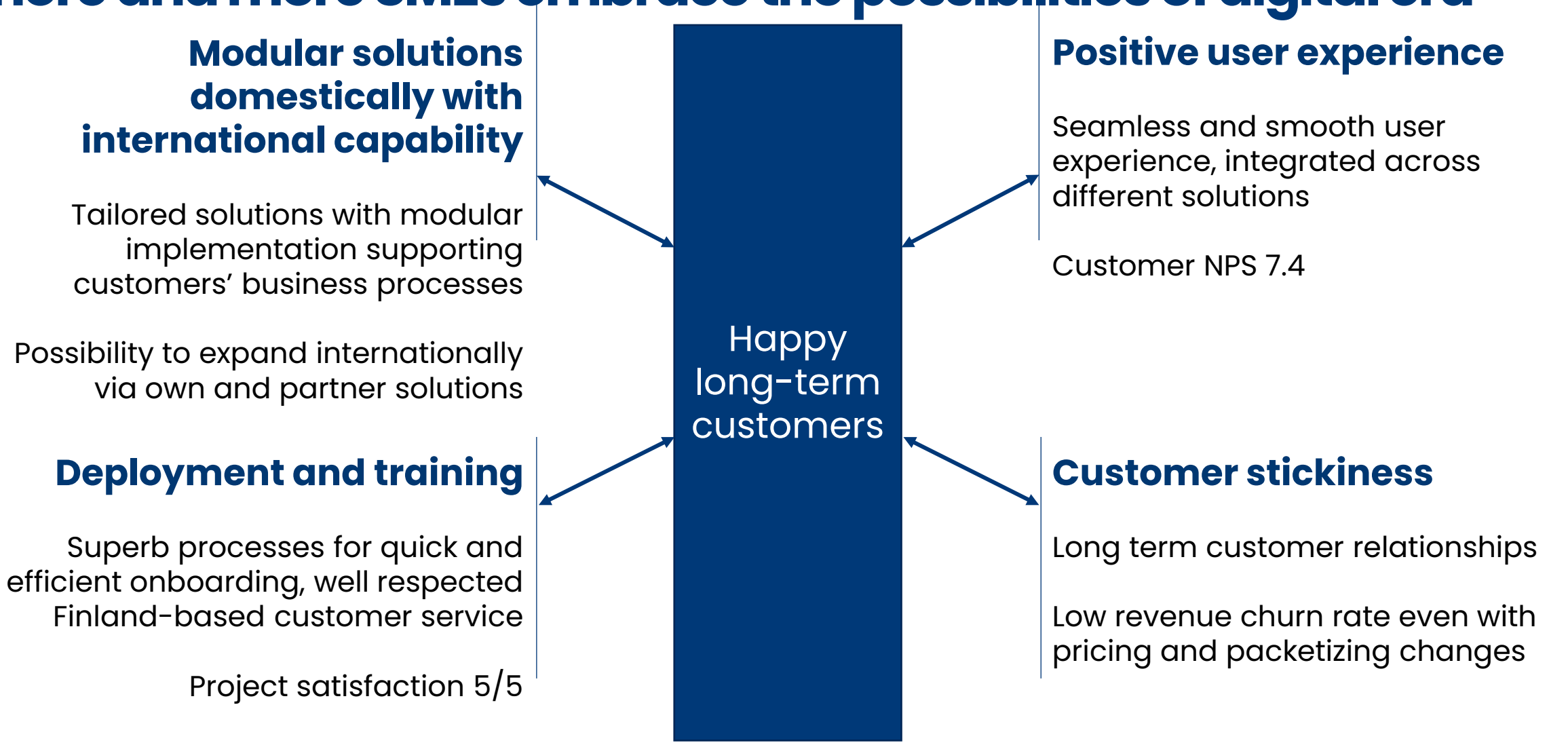
H1/23: 54 € (+10 %)

**Order intake, ARR**

H1/23: 360k EUR (530k EUR)



# 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

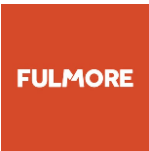
## Direct Financial Cloud Customers



## Accounting Offices

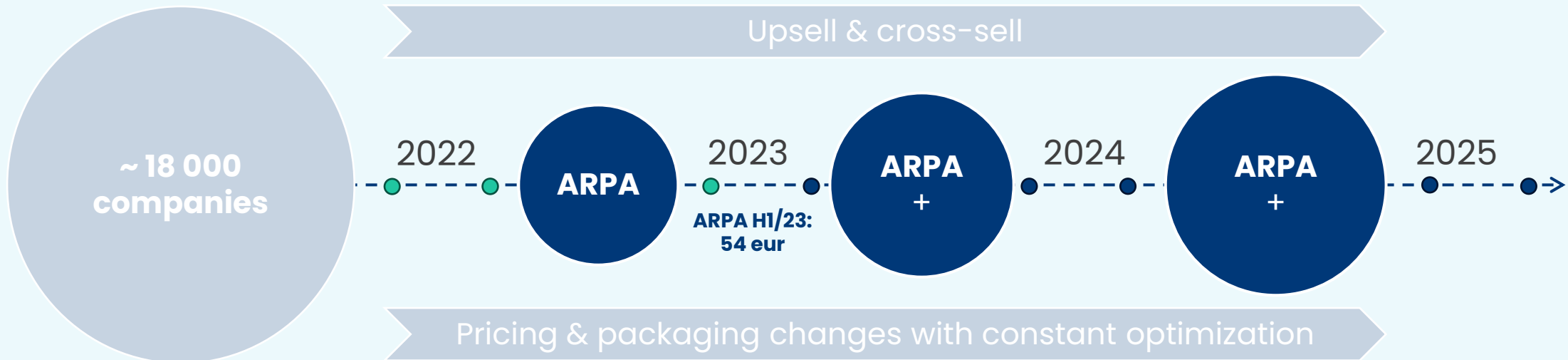


## Direct PSA Cloud Customers



# 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

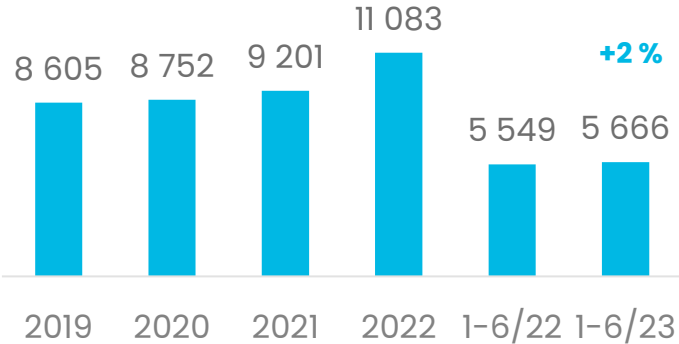
Cash-flow positive, self funded  
Growing profitably, + 15% EBITDA H2 23

- 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
  - Clear growth expected in 2023 as well – in H1 EBITDA grew by 15% y-o-y
- Heeros is now cash flow positive and self funded

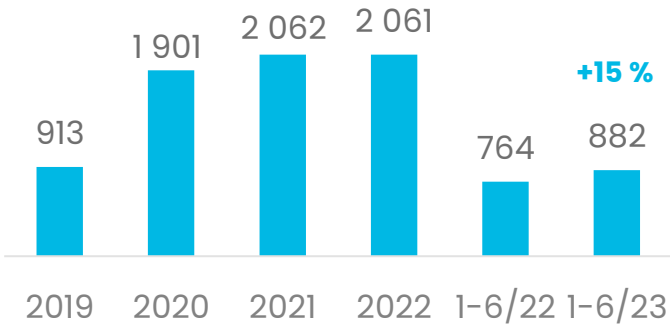


# Solid financial track record enabling investments in growth

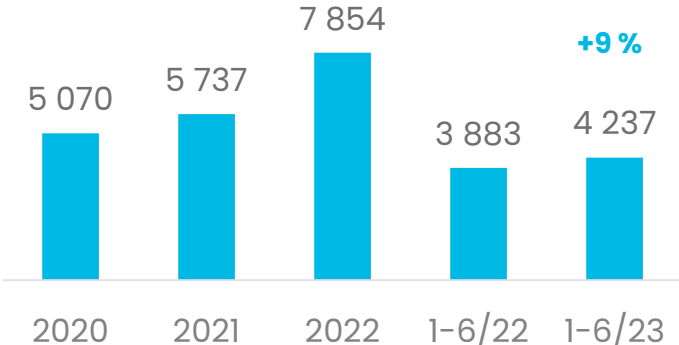
Revenue, 1000 eur



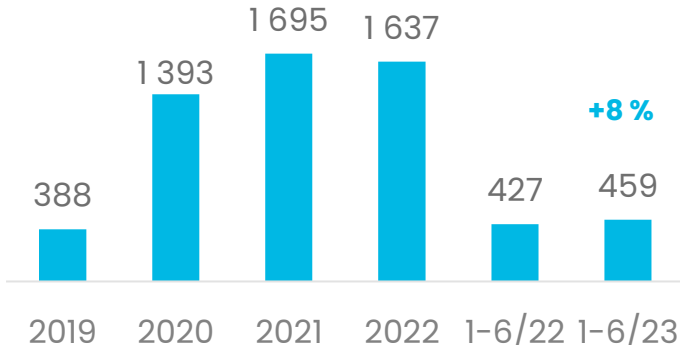
Adjusted EBITDA, 1000 eur



Contract revenue, 1000 eur



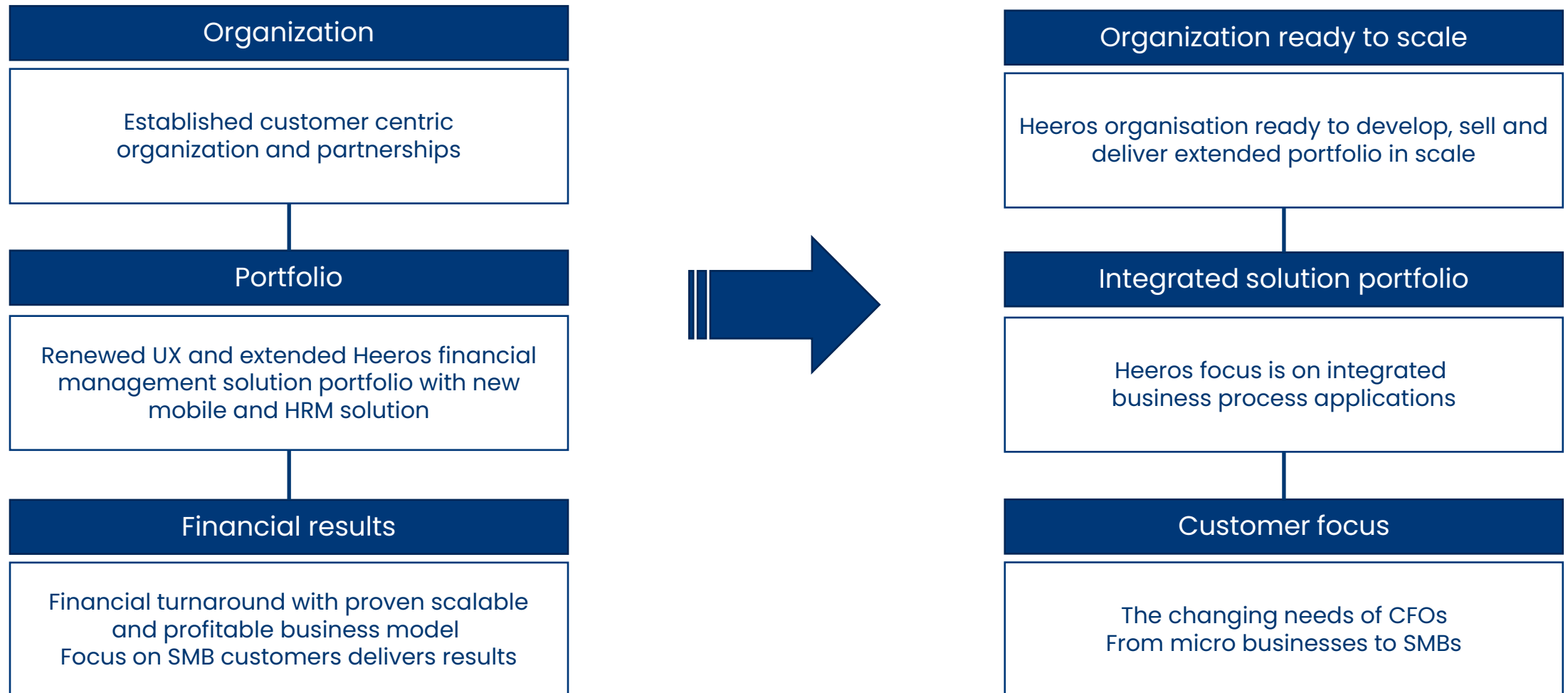
Operational cashflow (adj.), 1000 eur



# **Strategy summary**

# Heeros strategy 2021–2023

## What have we done and where are we heading?



## OUR VISION:

Our business management cloud gives every single medium-sized business 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.

### Sales Channel:

**Accounting Office Partners**

**Heeros International Sales**

**Heeros Sales**

### Profitable Growth

New sales towards direct mid-size segment

Upsell and cross-sell towards existing customers – both direct and AOs – with most potential for growth

International growth through Finnish HQed companies

Nurture smaller/non-ICP customers through tech touch

### Build and Monetize Best User Experience

Strengthen product-market-fit for the refined core ICP (mid-segment) especially in Financial cloud & ERP cloud

Increase pricing and optimize packaging towards all

### Operational Excellence

Improve SaaS ways of working and enhance profitable performance culture

A man and a woman are smiling and fist-bumping in a modern office environment. 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