



Heeros Q4/2023 Result Briefing

1 February 2024

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Certain statements in this presentation are forecasts and are based on the views of Heeros and company management at the time of their issuance. For this reason, they involve risks and uncertainties. Forecasts may also change if there are significant changes in the general financial situation or the company's operating environment.

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

Heeros speakers

Niklas Lahti



- ✓ Heeros CEO
- ✓ Background from leading B2B IT and tech companies, as well as in finance, investments and M&A
- ✓ M&A Director at Digia
CEO/Entrepreneur at Nord Software, Analyst at Rite Ventures

Juho Pakkanen



- ✓ Heeros CFO
- ✓ Versatile work experience in financial management and Business Control
- ✓ Sita Finland, FCG
Finnish Consulting Group, Fonecta and ThreeFiveEight

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Q4 commentary

"As expected, positive profitability development during the last quarter of the year"

Outlook 2024

Committed to profitable growth

Key figures Q4 2023

1,000 EUR	Q4 2023	Q4 2022	Change, %	H2 2023	H2 2022	Change, %	Year 2023	Year 2022	Change, %
Rule of 40, % (adj.) ¹	26 %	38 %		33 %	39 %		25 %	39 %	
Revenue	2,810	2,893	-3 %	5,630	5,534	2 %	11,296	11,083	2 %
Recurring revenue ²	2,712	2,625	3 %	5,407	5,208	4 %	10,774	10,332	4 %
Contract revenue	2,171	2,001	9 %	4,342	3,971	9 %	8,578	7,854	9 %
EBITDA	781	651	20 %	1,653	1,282	29 %	2,478	1,997	24 %
EBITDA, % of revenue	28 %	23 %		29 %	23 %		22 %	18 %	
EBITDA (adjusted) ³	799	651	23 %	1,772	1,298	37 %	2,654	2,061	29 %
EBITDA (adj.), % of revenue	28 %	23 %		31 %	23 %		23 %	19 %	
Profit for the period	222	29	662 %	500	59	743 %	177	-405	
Operational cash flow				1,164	923	26 %	2,063	1,642	26 %
Return on Equity (ROE), %							3 %	-9 %	

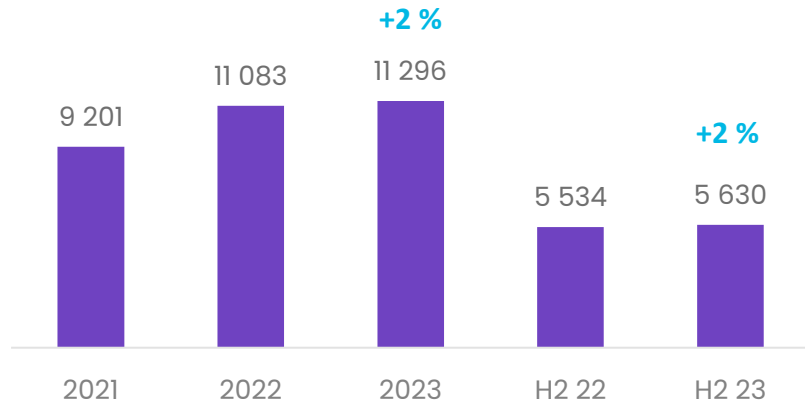
1) The revenue growth rate for 2022 includes the inorganic growth derived from the Taimer Ltd acquisition. The adjusted figures for 2023 include an adjustment of EUR 176 thousand for non-recurring restructuring costs.

2) Recurring revenue is divided into two parts: contract revenue (fixed usage fees and service agreements) and transaction revenue.

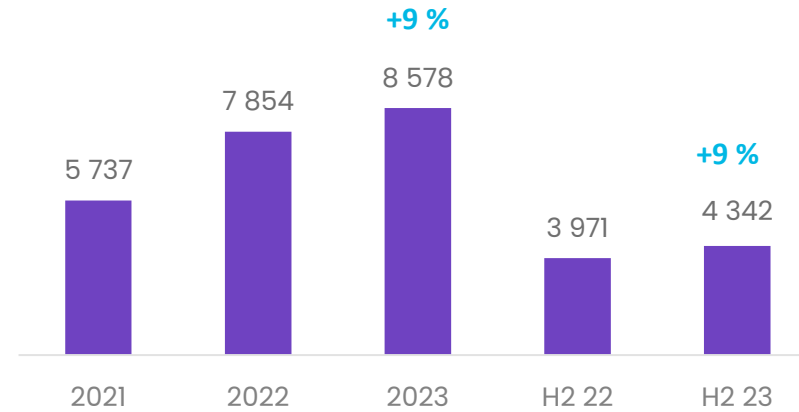
3) The adjusted figures for 2023 include an adjustment of EUR 176 thousand for non-recurring restructuring costs.

Revenue & profitability development

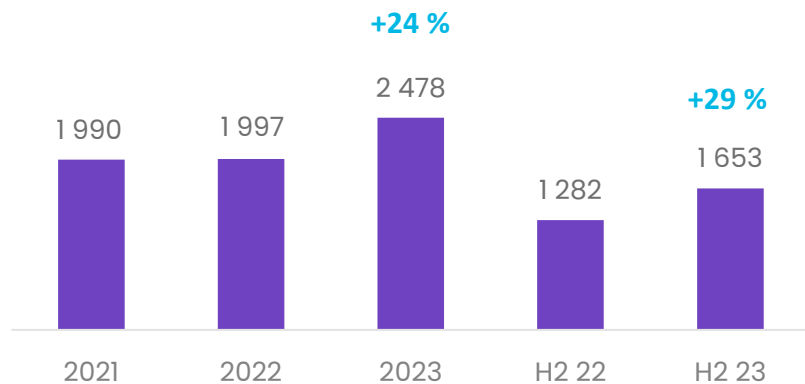
Revenue, EUR 1,000



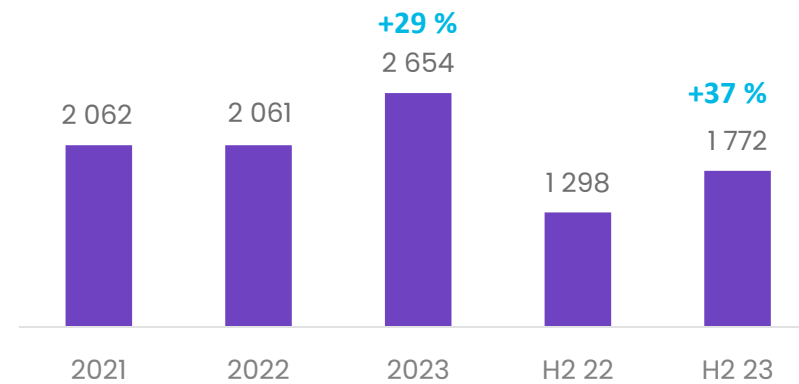
Contract Revenue, EUR 1,000



EBITDA, EUR 1,000



EBITDA (adjusted), EUR 1,000



SaaS-metrics

Net revenue retention (NRR)

Q4/23: 106 % (Q4/22: 109 %)

ARPA, End customer

1-12/23: 52 € (1-12/22: 51 €, +2 %)

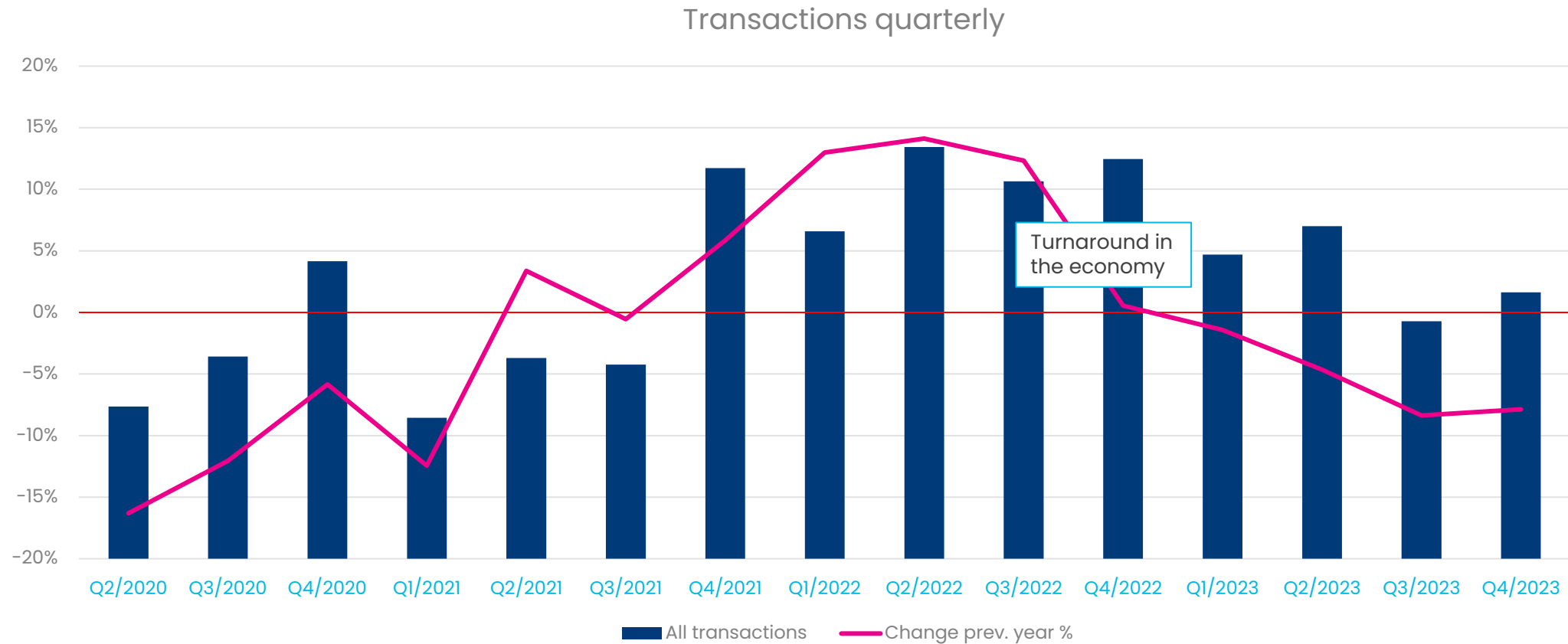
Order intake, ARR

H2/23: 240k EUR (H2/22: 410k EUR)



Macroeconomic uncertainty

Transactions trend



Key message of Q4/23

- In general, steady quarter with few surprises
 - EBITDA (adjusted) grew by 23% compared to Q4 22, contract revenue grew by 9%
 - Good net revenue retention at 106%, low churn
- Constant increases in profitability throughout the year
 - Headcount reduced by 10 FTEs (to 83 at end of year) with negligible operational impact, OPEX base clearly lower
 - Happy to see Heeros reach profitability on net result level for FY2023
- Challenging environment for new sales with many decisions pushed to 2024
 - Financials look a bit worse than they actually are, comparable Q4/22 had a lot of one-off revenue
 - New ARR intake too low given S&M spend – changes implemented already and continued during Q1/24
- Positive developments in automating Invoice-to-Cash
 - Good momentum in clarifying story of Heeros – both internally and externally – reflected in sales wins as well
- Year of changes for Heeros: New owners, new CEO, new ways of working
 - Change negotiations and cost reductions during year
 - Re-prioritization of R&D efforts to Accounts Payable and Accounts Receivable

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Outlook for 2024

- Commitment to profitable growth continues
 - Traditionally Q1 coming up is cyclically lowest quarter, we expect profitability to increase gradually during 2024
- Even after cost cuts, still investing strongly in forward-looking R&D: ~2 MEUR of investments projected in 2024
 - Key focus of investments made during 2024 in Accounts Payable (AP) and Accounts Receivable (AR) automation, with products Heeros Sales Invoices and Heeros Purchase Invoices
 - Expectation to activate ~1.1-1.4 MEUR during 2024, overall activations in 2024 lower than 2022 or 2023
 - Investments made via own R&D/Products personnel, not via outside consultants
- We believe the changing mid-market ERP space presents a growing opportunity for Heeros
 - Rising demand for ERP upgrades positions Heeros strategically well for the future
 - Heeros solutions enable companies to postpone risky and costly ERP upgrades through simple standard integrations to e.g. Odoo, Microsoft NAV, Epicor and many others
 - Focus of sales efforts in Finland and Finnish headquartered companies throughout 2024

Financial outlook 2024

Heeros expects that both revenue and EBITDA for 2024 financial period improve from the 2023 financial period.

Q&A

Thank you!

Heeros

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www.heeros.com

The company's shares are listed on Nasdaq First North Growth Market Finland, under the trading ID HEEROS