



**HeartCore**

ENTERPRISES

HTCR | Nasdaq Listed

# Investor Presentation

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Nasdaq: **HTCR**  
April 2025

# Forward-Looking Statements

Certain information set forth in this presentation contains forward-looking statements within the meaning of Section 27 A of the Securities Act of 1933, as amended, Section 21 E of the Securities Exchange Act of 1934, as amended, or the Private Securities Litigation Reform Act of 1995. Except for statements of historical fact, the information contained herein constitutes forward-looking statements and includes, but is not limited to:

- (i) Projected financial performance of the Company;
- (ii) Completion of, and the use of proceeds from, the sale of the shares being offered hereunder;
- (iii) The expected development of the Company's business, projects, and joint ventures;
- (iv) Execution of the Company's vision and growth strategy, including with respect to future M&A activity and global growth;
- (v) Sources and availability of third-party financing for the Company's projects;
- (vi) Completion of the Company's projects that are currently underway, in development or otherwise under consideration;
- (vii) Renewal of the Company's current customer, supplier and other material agreements; and
- (viii) Future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. These factors, risks, and uncertainties are discussed in HeartCore's filings with the Securities and Exchange Commission.

Although forward-looking statements contained in this presentation are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. The contents of any website referenced in this presentation are not incorporated by reference herein.

## Non-GAAP Financial Measures Disclaimer

This document includes references to adjusted EBITDA, which is a non-GAAP financial measure. For the purposes of this presentation, adjusted EBITDA is calculated by adjusting net loss to exclude depreciation and amortization, impairment of intangible asset, and impairment of goodwill. This measure is presented as supplemental information and is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with U.S. GAAP. Management believes that this adjusted EBITDA provides useful information to investors by highlighting the company's core operational performance, excluding non-cash and non-recurring items. However, non-GAAP financial measures have limitations and should not be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Refer to "Non-GAAP Financial Measures" section in Appendix for related information.

# Who We Are

HeartCore provides enterprise software and consulting services. Its CXM platform includes tools for marketing, sales, service, and content management, helping businesses improve customer experience and engagement. HeartCore also offers digital transformation services, including robotic process automation, process mining, and task mining, to streamline operations. HeartCore's Go IPO<sup>SM</sup> consulting service assists Japan-based growth companies list on a major U.S. exchange.



**982 Clients in Japan**

**26 Clients Overseas**



- 95% CMS Business Customer Retention Rate (2024)
- 9<sup>th</sup> consecutive top market share in sales value in Japan (15.1%)



**14 Go IPO Clients**

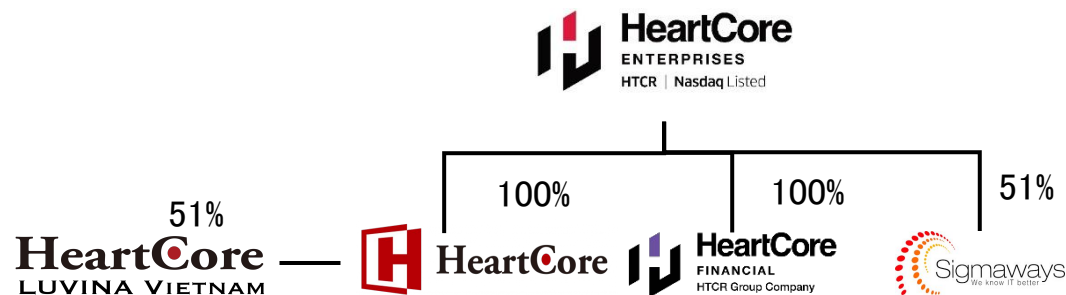
**4 Successful Client Listings**



FY 2024 Revenues: **\$30.4M**

# HeartCore's History

<p><b>ESTABLISHED</b> <b>June 2009</b></p>  <p><b>62</b> <b>EMPLOYEES</b></p>	<p><b>US OFFICE</b> Silicon Valley, CA</p> <p><b>JAPAN HEADQUARTERS</b> Shinagawa-ku, Tokyo</p> <p><b>OKINAWA BRANCH</b> Naha City, Okinawa</p>
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**JUNE 2009**  
Content Management System (CMS)



**JANUARY 2018**  
Robotic Automaton Process (RPA)



**DECEMBER 2019**  
TaskMining



**February 2023**  
HeartCore Financial



**February 2024**  
HeartCore Luvina Vietnam



**May 2024**  
HeartCore Financial Japan Branch



**APRIL 2015**  
Customer Experience Management (CXM)



**APRIL 2019**  
ProcessMining



**APRIL 2022**  
Go IPO<sup>SM</sup> Consulting Service



**February 2023**  
SIGMAWAYS Acquisition



**April 2024**  
Formed Artificial Intelligence (AI) Software Development Division

# Software Related Business

## Content Management System

Our customer experience management platform:

Includes **marketing, sales, service, and content management systems** as well as other tools and integrations that enable companies to attract and engage customers throughout the customer lifecycle.



## Digital Transformation

Provides customers with robotics process automation, process mining and task mining:

Accelerating the **digital transformation** of enterprises across their entire business including **marketing, sales, and customer service**.



## FY2024 Performance

**\$15.6M**

Revenue

**4<sup>th</sup> Consecutive Profitable Quarter**

HeartCore's **software related revenue streams** consist of: (1) *on-premise software*; (2) *maintenance & support services*, (3) *software-as-a-service*, (4) *software development & other miscellaneous services*, and (5) *customized software development & services*.

# Content Management System (CMS)

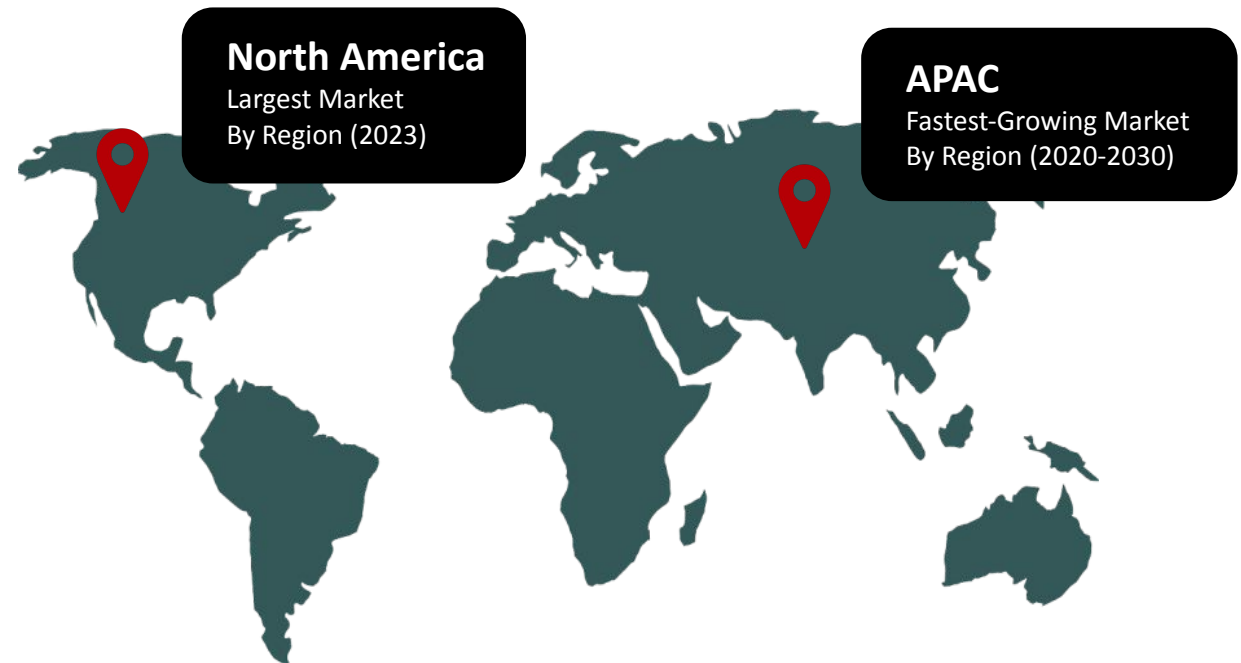
CMS software helps users create, manage, and modify content on websites without the need for specialized technical knowledge.

- HeartCore has heavily invested into sales & marketing and has increased its YoY pipeline growth by 102%
- 700 legacy customers will be automatically upsold to HeartCore Version 12, the newest platform
- HeartCore aims to increase its market share from 15% to 25% - 40% by incorporating all functions related to content management

**Content Management Market**

**\$22.3B**  
Projected Global Market Size (2024)

**5.2%**  
Market Growth Rate (2024-2028)



# Why We Win



Website & Digital  
Transformation  
Services



Leading digital  
transformation with  
the latest marketing  
technology



Secure systems  
trusted by leaders  
in the financial  
industry



Integrated  
high-quality site  
search engine



AI-driven content  
generator and auto  
design function



Personalization  
without third-party  
cookies\*

*\*Our software is already in compliance with the EU's GDPR, Japan's Personal Information Protection Act, California's CCPA, and we will continue to comply with other state federal, and international privacy regulation and laws. We offer a solution that allows personalization without the need for third party cookies.*

## COMPETITIVE ANALYSIS

# Content Management System (CMS)

## ANALYSIS OF MAJOR COMPETITORS\*

CMS	HeartCore	AdobeEM	Sitecore	Acquia
Basic Functionality	✓	✓	✓	✓
Performance	✓		✓	✓
Security	✓	✓	✓	
Search Function	✓			
Digital Marketing	✓	✓	✓	✓
Ease Development	✓		✓	✓
Price	✓			✓

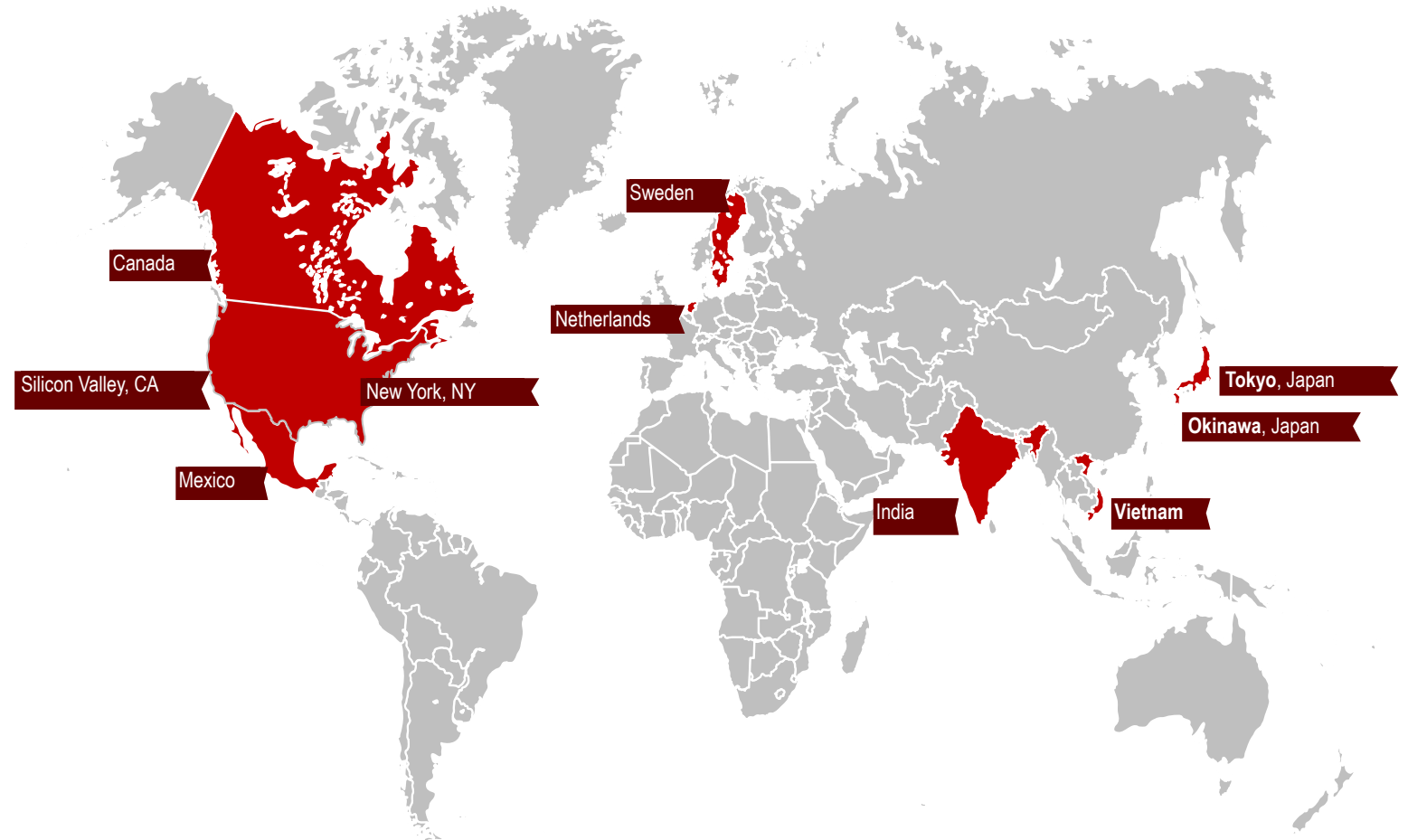
\*Analysis by AJS: <https://www.ajs.co.jp>



10 LOCATIONS WORLDWIDE

# Where We Serve

Servicing **1008 clients**  
across **10 locations**  
worldwide through our  
enterprise suite of  
software solutions



## GROWTH STRATEGIES

# Proactive M&A Strategy

## Primary Growth Strategy

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- HeartCore made advancements in its software business model aimed at driving sustainable and predictable revenue growth, improving margins, and enhancing its ability to effectively cross-sell and upsell to its 1,000+ enterprise customers.
- Strategic software acquisitions will be critical to further activate the software business model advancements, maintaining market leadership in Japan, and sustaining its >90% CMS customer retention rate.
- Acquisition strategy will focus on deepening wallet share with HeartCore's well-established customer base built over the years.

## M&A Criteria

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HeartCore is targeting to acquire software companies that meet the following criteria:

- ✓ Strong and stable revenue performance
- ✓ Companies with exceptional and synergistic technology
- ✓ Software products that can be upsold to HeartCore's existing 1000+ clients
- ✓ Effective use of artificial intelligence (AI)

# HeartCore Acquisition of Sigmaways



Sigmaways generated approximately \$7.8 million revenue for the year ended December 31, 2024



Acquisition expands the operational footprint in the U.S. and adds significant revenue to HeartCore's top line



Provides complementary cross-sell and upsell opportunities for both companies



Reduces HeartCore's production costs, transitioning from outsourcing resources to leveraging Sigmaways' team



Shared corporate philosophy of putting the customers first

# Sigmaways Key Clients and Affiliates

## KEY CLIENTS



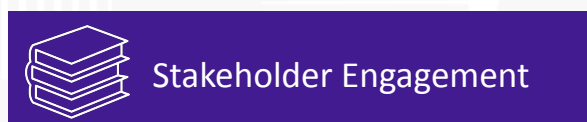
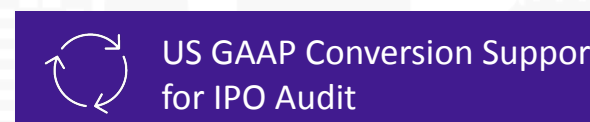
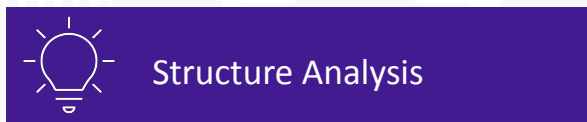
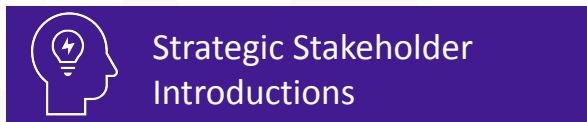
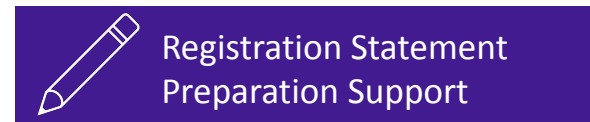
## AFFILIATIONS



# Go IPO Business

HeartCore's Go IPO consulting business provides Japanese companies with comprehensive consultation support, including pre-IPO consulting, regulatory guidance, financial preparation, and operational readiness to help businesses navigate the complexities of a successful U.S. listing.

HeartCore's goal is to streamline the entire listing process for Japanese companies to provide a seamless transition into the U.S. public markets.



## Go IPO Client Criteria

- Dominant Market Position
- More than \$750K in Net Income for Two Consecutive Years
- Ability to pay \$2M in IPO Costs

# Financial Performance

<b>FY2024 Financial Results</b>	<b>\$14.7M</b> Total Revenues	<b>137%</b> YoY Growth	<b>4</b> Successful IPOs	<b>14</b> Signed Clients
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## Building a Diverse Portfolio of Japan-Based Growth Companies

- \$14.7 Million 2024 Revenue – fees + warrants/stocks acquisition rights/ordinary shares from rights revenue recognition
- Expect Q-to-Q Volatility – change in asset value is recognized as revenue
- Warrants/Stock Acquisition Rights/Ordinary Shares strengthen HeartCore’s financial results
- 3 New Contract Wins in 2024

# Revenue Recognition Model

## Go IPO Fee Structure

HeartCore's Go IPO business engages Japanese growth companies who view U.S. listings as a highly appealing alternative for raising capital and liquidity events.

HeartCore is entitled to receive from each customer company a **consulting fee that ranges from \$380,000 to \$900,000** and **warrants/stock acquisition rights to purchase 1% - 4% of the fully-diluted share capital** of such customer company.

## Consulting Fee

The cash consideration is paid in installment payments and is recognized as revenues over the period of the contract, based on progress toward the complete satisfaction of the performance obligation.

## Warrant/Stock Acquisition Rights

- Warrants/Stock Acquisition Rights are earned and vested on the contract signing date.
- Warrants/Stock Acquisition Rights cannot be exercised until the customer company successfully lists on an U.S. exchange.
- Warrants/Stock acquisition Rights of customer companies are recognized in revenues upon the successful listing of customer companies.

Go IPO Business

# SBC Medical Group Holdings Inc.

## Client Target

SBC Medical Group Holdings Inc., through its subsidiaries, provides operational management and consulting services for franchised clinics.

SBC pursues strategic market penetration of beauty clinics in the U.S. and APAC region. A NASDAQ listing lets them develop global brand awareness, improve corporate governance, and ramp up fundraising efforts for operation expansion.

HeartCore's Go IPO business was hired to provide strategic counsel to support SBC Medical Group's successful listing process.

## Go IPO Services

HeartCore spearheaded the entire listing process and supported the successful listing of SBC Medical Group Holdings, Inc. (NASDAQ: SBC) in September 2024.

HeartCore coordinated numerous stakeholder introductions (i.e. attorney, auditor, SPAC management, etc.) and facilitated a seamless engagement and listing process between all parties throughout this SPAC deal.

Supported extensive auditing process and led the preparation of a consolidated financial statement that incorporated over 10 group companies. The accounting treatment of medical corporations is subject to the legal constraints of Japanese Medical Industry.



Go IPO Business

# South Korea Expansion

## CBA Partnership

Launched sales and marketing initiative across the broader Asia Pacific region

Established a referral program with Thomas Yi from Cross Border Association (CBA)

Engaged in active discussion with other firms across South Korea and the Asia Pacific region who view U.S. listings as an alternative for raising capital and liquidity events

Expansion into new regions beyond Japan is expected to create additional deal flow for the Go IPO business

Planned South Korea IPO seminar in partnership with Thomas and CBA in 2025



# Growth Strategies



## M&A Strategy

Exploring opportunities to create synergistic effects through the acquisition of companies in Japan, Vietnam, and the United States, thereby enhancing the portfolio of software solutions and bolstering fundraising capabilities in key global markets.



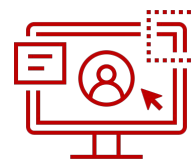
## AI Utilization

Maximizing the potential of HeartCore's in-house AI division to enhance its competitive edge, seamlessly integrate AI into new and existing solutions, and expand market share to drive accelerated business growth.



## Go IPO Regional Expansion

Expanding the Go IPO consulting business across South Korea and the broader APAC region to increase client acquisition and enhance ability to support capital raising efforts for clients.



## Development of New Solutions

Upgrade HeartCore CMS' capabilities, develop new CMS platforms and applications, launch innovative products, and pursue strategic acquisition to strengthen our product lineup.

# Income Statement

For the Years Ended December 31,

	2024	2023	2022
Revenue	\$ 30,407 <small>(39.2% increase)</small>	\$21,846 <small>(148% increase)</small>	\$8,818
Software	\$15,670	\$15,634 <small>(112% increase)</small>	\$ 7,370
Go IPO	\$14,737 <small>(135% increase)</small>	\$ 6,212 <small>(329% increase)</small>	\$ 1,448
Income (Loss) <sup>1</sup>	\$(1,481)	\$(4,190)	\$(6,677)
Adjusted EBITDA <sup>2</sup>	\$7,304	\$(3,645)	\$(6,619)
EPS <sup>3</sup>	\$(0.07)	\$(0.21)	\$(0.37)

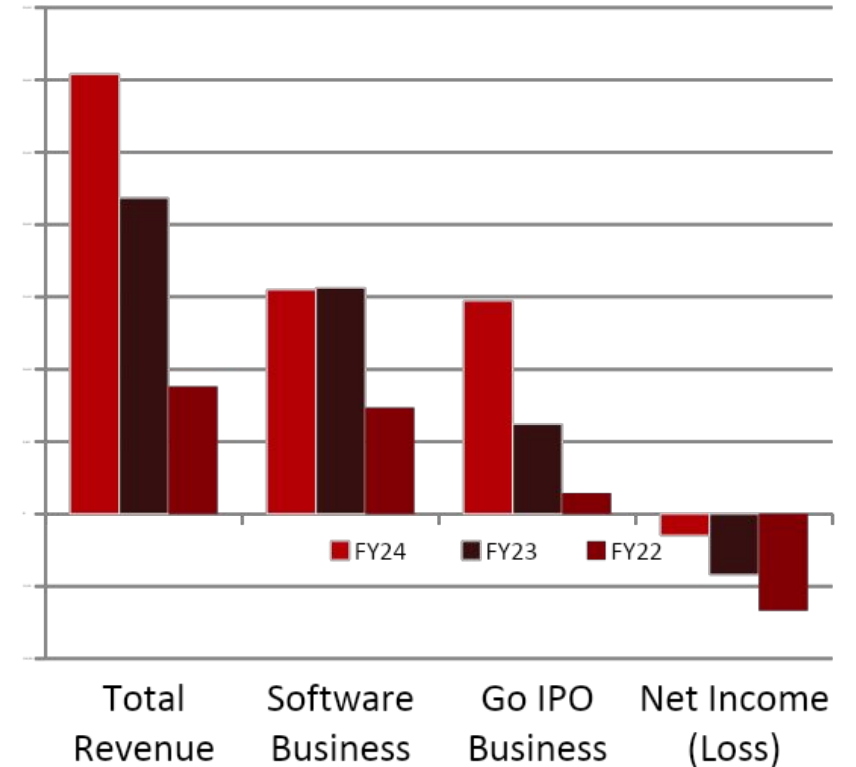
<sup>1</sup>Net income (loss) attributable to HeartCore Enterprises, Inc.

<sup>2</sup>Refer to “Non-GAAP Financial Measures” section in Appendix for related information

<sup>3</sup>Net income (loss) per common share attributable to HeartCore Enterprises, Inc.

Note: amounts are rounded in \$thousand

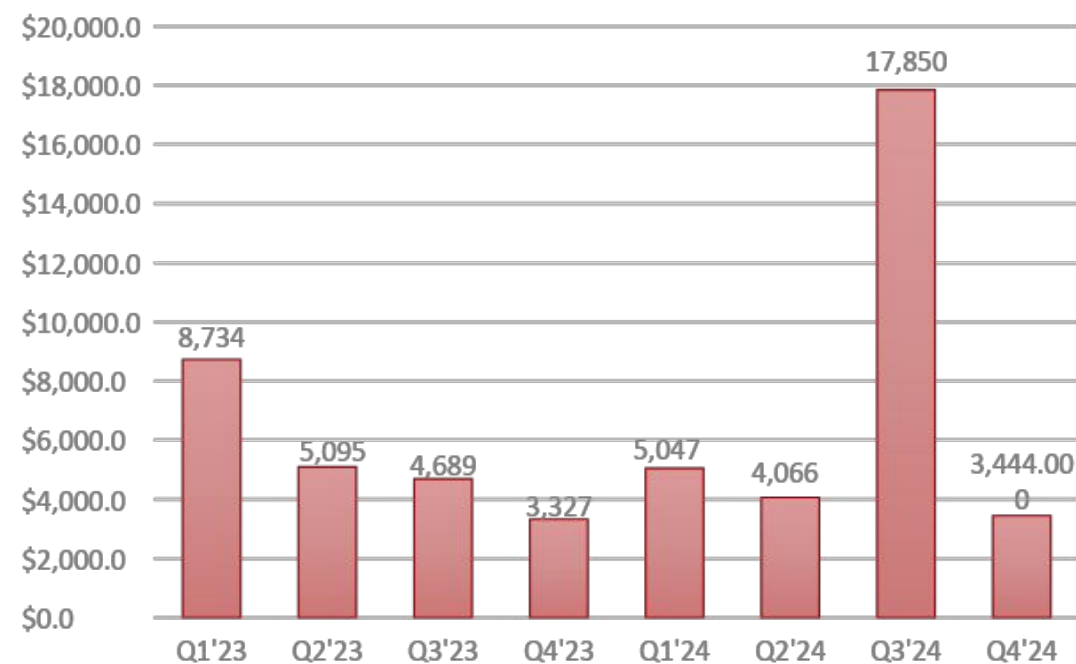
Comparison of FY24, FY23, FY22



# Overview of Key Financials

Cash (as of December 31, 2024)	\$2.1M
Market Cap (as of March 31, 2025)	\$15.7M
Shares Outstanding (as of March 31, 2025)	20.93M
Warrants (as of December 31, 2024)	1.5M
Insider Holdings (as of March 31, 2025)	75.47%
Free Floating Shares (as of March 31, 2025)	5.14M

## Revenue (in thousands)



# About Management Team



## ***Sumitaka Kanno Yamamoto***

*Chairman of Board, Chief Executive Officer, President and Director*

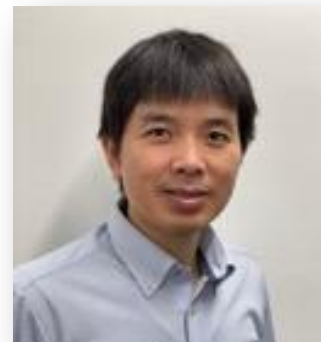
After graduating from the Kansai Gaidai University in Japan, Kanno joined the Japan Air Force and became a pilot. He then founded his own company, popularized snowboarding in Japan, and created a huge boom in the sport. He later worked at BroadVision in Japan, a global software vendor and former NASDAQ company. With over 20 years of experience in information technology and website engineering, he developed the solutions that enterprises rely on everyday throughout their organizations.



## ***Kimio Hosaka***

*Chief Operating Officer & Director*

Mr. Hosaka joined HeartCore in 2009 and has been the COO since 2015. He graduated from Chuo University in Tokyo with a bachelor's degree in physics. Mr. Hosaka brings 20 years of experience in technology as an engineer and manager at All Nippon Airways Systems, Electronic Data Systems, and HeartCore.



## ***Qizhi Gao***

*Chief Financial Officer*

Mr. Gao has been involved in finance and accounting for a total of 16 years. He was previously a group leader in finance and accounting at Marubishi Corporation in Tokyo, Japan. He worked there for 10 years. He joined HeartCore in 2017 and has extensive experience in accounting and finance.

# About Management Team



## ***Rika Hozumi***

*Chief Human Resource Officer*

After graduating, Ms. Hozumi worked as a semiconductor engineer at a global semiconductor manufacturer, where she was involved in developing various products. She later became interested in organizational human resource development and worked as a human resources manager at a strategy consulting firm and a media platform company before joining HeartCore in 2021. She is currently responsible for human resources, labor relations, and public relations, leading HR functions including recruitment, employee development, and HR analytics.



## ***Prakash Sadasivam***

*Chief Strategy Officer & Director*

Mr. Sadasivam has served as our Chief Strategy Officer and been a member of our Board of Directors since February 1, 2023. Mr. Sadasivam is a technology entrepreneur and the founder of Sigmaways. Under his leadership, Sigmaways has grown into a global organization with a diverse team of experts in various technology fields. Mr. Sadasivam completed his undergraduate studies in Computer Science and Engineering from Vellore Institute of Technology in India. He has also completed Management Development for Entrepreneurs from UCLA, Anderson School of Management. He has also been official member of Forbes Technology Council since 2020.



## **INVESTOR RELATIONS**

### **Gateway Group, Inc.**

Matt Glover and John Yi  
HTCR@gateway-grp.com  
(949) 574-3860

## **WEBSITE**

<https://heartcore-enterprises.com/>



# **APPENDIX**



# Revenue Breakdown

	For the Year Ended December 31,	
	2024	2023
Revenues from on-premise software	\$ 2,700,769	\$ 1,586,218
Revenues from maintenance and support services	2,625,992	2,646,148
Revenues from software as a service ("SaaS")	564,292	635,927
Revenues from software development and other miscellaneous services	1,925,117	1,980,979
Revenues from customized software development and services	7,854,285	8,784,239
Revenues from consulting services	14,736,774	6,212,319
<b>Total revenues</b>	<b>\$ 30,407,229</b>	<b>\$ 21,845,830</b>

# Non-GAAP Financial Measure

	For the Year Ended December 31,		
	2024	2023	2022
Net Loss	\$ (5,212,900)	\$ (4,876,700)	\$ (6,677,466)
(+) Depreciation	112,139	\$98,644	83,333
(+) Impairment loss on goodwill	3,276,441	-	-
(+) Impairment loss on intangible assets	3,878,125	-	-
(+) Changes in fair value of investments in marketable securities	2,412,385	615,520	-
(+) Changes in fair value of investment in warrants	(1,657,699)	501,445	-
(+) Loss on sale of warrants	3,970,628	-	-
(+) Impairment of investment in equity securities	300,000	-	-
(+) Loss on forgiveness of note receivable	100,000	-	-
(+) Interest Income	(18,835)	(70,624)	(66,963)
(+) Interest expenses	144,033	162,968	41,800
(+) Government grants	-	(76,612)	-
<b>Adjusted EBITDA</b>	<b>\$ 7,304,317</b>	<b>\$ (3,645,359)</b>	<b>\$ (6,619,296)</b>

# Software Customer Snapshot



IDOM Inc.



RICOH



LECIEN

TOIREX

JapanKnowledge



MBL

