



# Investor Presentation

---

Nasdaq: HTCR

january 2024



# Forward-Looking Statements

Certain information set forth in this presentation contains “forward-looking information”, including “future-oriented financial information” and “financial outlook”, under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, the information contained herein constitutes forward-looking statements and includes, but is not limited to, the

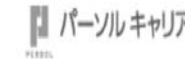
- (i) Projected financial performance of the Company;
- (ii) Completion of, and the use of proceeds from, the sale of the shares being offered hereunder;
- (iii) The expected development of the Company’s business, projects, and joint ventures;
- (iv) Execution of the Company’s vision and growth strategy, 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.

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.

# HeartCore Enterprises, Inc.

- Leading Enterprise Software Development & Consulting Company, Headquartered in Tokyo
- We provide content management (CMS) and digital transformation solutions to our enterprise customers and have a major market share with well-known Japanese companies.
- Global enterprise customers now 916, up 105% YOY
- **CMS business customer retention rate was 92% in 2022**
- Our Go IPO<sup>SM</sup> consulting service helps Japanese-based companies go public in the U.S.
- YTD Revenue ended September 30, 2023, up 150% to \$18.5M



# HeartCore History



**937 clients**  
in Japan

**24 clients**  
overseas

**ESTABLISHED**  
June 2009



**EMPLOYEES**  
49

**US OFFICE**  
Silicon Valley, CA

**JAPAN HEADQUARTERS**  
Shinagawa-ku, Tokyo

**OKINAWA BRANCH**  
Naha City, Okinawa



**JUNE 2009**

Content Management  
System (CMS)



**JANUARY 2018**

Robotic Automaton  
Process (RPA)



**DECEMBER 2019**

TaskMining



**APRIL 2023**

10<sup>th</sup> Go IPO<sup>SM</sup>  
Client Signed



**September 2023**

Hired Sabatini Global Sales  
and Marketing Team



**APRIL 2015**

Customer Experience  
Management (CXM)



**APRIL 2019**

ProcessMining



**APRIL 2022**

Go IPO<sup>SM</sup>  
Consulting Service



**February 2023**

SIGMAWAYS  
Acquisition

# What We Do

## 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**.





# Content Management System (CMS)

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

- Invest funds in marketing and increase the number of business negotiations to three times that of previous years
- 680 legacy customers will be able to upgrade to HeartCore Ver. 12 which will be proactively upsold to the newest platform.
- Company aims to increase its market share from the current 25% to 40% by incorporating all functions related to content management.

## Content Management Market

**\$6,074.1M**

2022 Market Size

**36.3%**

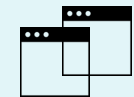
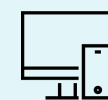
Market Growth Rate (2023-2027)

## North America

Largest Market By Region (2019)

## APAC

Fastest-Growing Market By Region (2020-2030)



# Go IPO<sup>SM</sup> Consulting Service

“We have just scratched the tip of the iceberg with our Go IPO business line,” Sumitaka Kanno, CEO

## Building a Diverse Portfolio of Japan-based Growth Companies

- YTD Revenue of \$5 Million - fees + revenue recognition
- Expect Q-to-Q volatility - change in asset value is recognized as revenue
- Warrants strengthen the balance sheet
- Two deals closed in first-half 2023; Zero deals closed in Q2 2023
- Expect six additional deals in 2023; revenue recognition of nearly \$3.6 million
- Exceptional long-term value creation potential
- Seminar recently held in Japan - over 100 attendees
- Launched [HeartCore Capital Advisors](#) in Q2 2023

# Our Go IPO<sup>SM</sup> Business Model

Sumitaka Kanno, Founder and CEO of HeartCore Enterprises, LLC authored *How to Go IPO*, a popular book in Japan

Target companies must meet the following criteria

1. Sales of more than \$6M for three consecutive years
2. Robust and compelling technology
3. Dominant market position
4. Annual growth rate of over 30%
5. Ability to pay \$2M in IPO costs
6. Robust and attractive technology
7. Major specific market share



***Companies in the pipeline expect market capitalization of \$10 million to over \$100 million***



# HeartCore Acquisition of Sigmaways



Sigmaways generated approximately \$12.5 million revenue (unaudited) for the year ended December 31, 2022



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



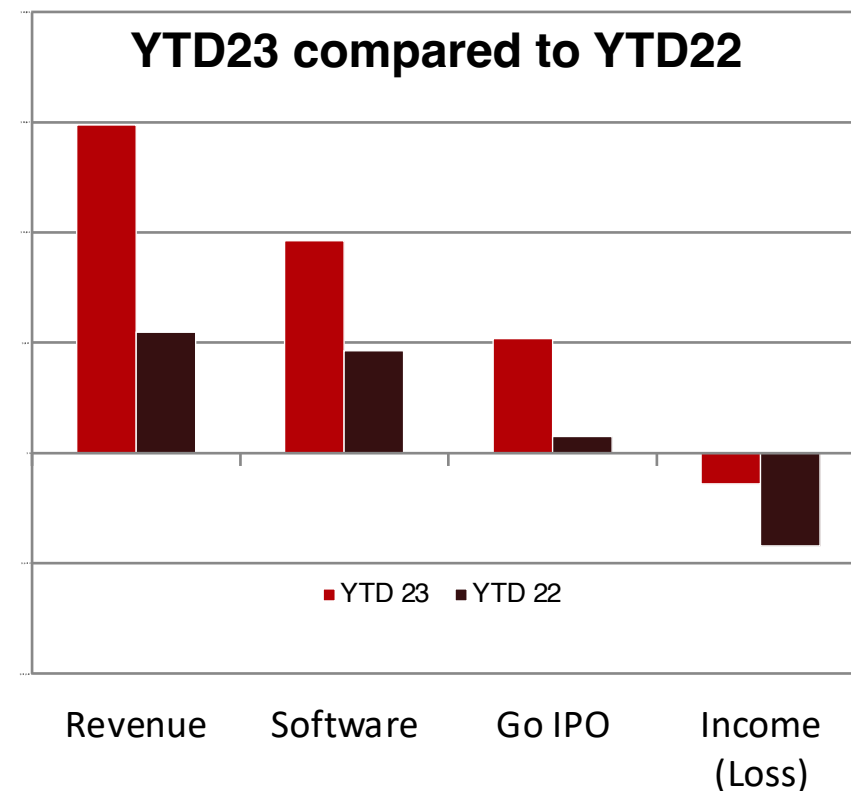
# Third Quarter and Year-to-Date 2023 Comparisons

	<u>Q3 2023</u>	<u>Q3 2022</u>	<u>YTD23</u>	<u>YTD22</u>
Revenue	\$4,689 (150% increase)	\$1,872	\$18,518 (172% increase)	\$6,819
Software	\$4,077 (191% increase)	\$1,399	\$12,076 (105% increase)	\$5,897
GO IPO	\$612 (29% increase)	\$474	\$6,442 (599% increase)	\$922
Other	\$34	\$23	\$108	\$117
Income(Loss)*	\$(2,522)	\$(1,971)	\$(1,756)	\$(5,253)
EPS**	\$(0.11)	\$(0.11)	\$(0.07)	\$(0.29)

\*Comprehensive income (loss) attributable to HeartCore Enterprises, Inc.

\*\*Net income (loss) attributable to HeartCore Enterprises, Inc.

Note: amounts are rounded in \$Millions



# Outlook 2024

## **Expect continued growth from enterprise software business**

- Growth through new customers
- Growth through new technologies, such as digital transformation
- Growth through recent acquisition of Sigmaways

## **Building a diversified portfolio of Japan-based growth companies through GO IPO<sup>SM</sup>**

- Closed 2 deals in 2023
- Currently estimate revenue recognition of approximately \$23 million in 2023

**2024 is expected to be the strongest year in HeartCore's history**

# Long-term Outlook

## Transformational Period

Growing enterprise software company building a portfolio of Japan-based growth companies that strengthens HeartCore's balance sheet.

### Enterprise Software

- Established strong market position in Japan
- Growth through new customers
- Growth through acquisitions
- Growth expected in US and India

### Go IPO<sup>SM</sup> Consulting

- Building a portfolio of Japan-based growth companies
- Long-term asset with faster-than-market growth potential
- Benefits the balance sheet
- Potential source of cash



# Investment Highlights

92%

CMS Customer  
Retention Rate, 2022

40%

Anticipated Market  
Share (up from 25%)

250%

Anticipated Revenue  
Growth Y/Y

200%

Anticipated EBIDTA  
Growth Y/Y

15%

Anticipated Customer  
Growth Y/Y



## Aggressive M&A

Synergistic target companies  
will improve earnings



## Human Resources Investments

Focus on securing and training  
the best talent in the industry

937

Japanese  
Clients

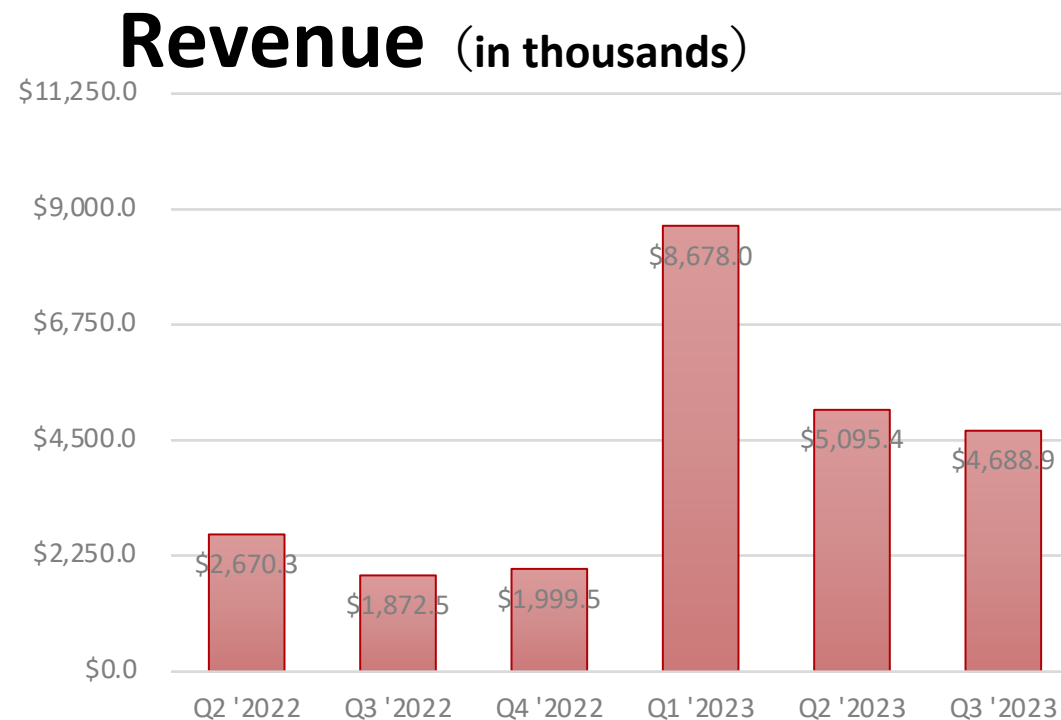
24

Overseas  
Clients

# APPENDIX

# Overview of Key Financials

Cash (as of Sep 30, 2023)	\$2.2M
Market Cap (as of Dec 6, 2023)	\$12.11M
Shares Outstanding (as of November 12, 2023)	20.84M
Warrants (as of Dec 31, 2022)	1.5M
Insider Holdings (as of Dec 6, 2023)	75.45%
Free Floating Shares (as of Dec 6, 2023)	5.12M



# About Management Team



CEO

• Sumitaka Kanno (Yamamoto)



COO

• Kimio Hosaka



CFO

• Qizhi Gao

*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.



#### INVESTOR RELATIONS

#### Gateway Group, Inc.

Matt Glover and John Yi

[HTCR@gateway-grp.com](mailto:HTCR@gateway-grp.com)

(949) 574-3860

#### WEBSITE

[www.heartcore.co.jp](http://www.heartcore.co.jp)