HeartCore

Investor Presentation

September 2022

Nasdaq: **HTCR**

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

Who We Are

We are an experienced software provider with a mission to provide happiness to our customers through our technology.

836 clients in Japan | **23** clients overseas

Our CMS business customer retention rate is very high at **96%** in **2021** and **95%** in **2020.**

20%+ Annual Sales Growth

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About HeartCore, Inc.

ESTABLISHED

June 2009

Cash

$12.5 million USD

(06/30/2022)

EMPLOYEES

47*

PRESIDENT & CEO

Sumitaka Yamamoto

US OFFICE
Silicon Valley, CA

JAPAN HEAQUARTERS
Shinagawa-ku, Tokyo

OKINAWA BRANCH
Naha City, Okinawa

HeartCore CXM

APRIL 2015
Customer Experience
Management (CXM)

HeartCore CMS

JUNE 2009
Content Management
System (CMS)

HeartCore Robo

JANUARY 2018
Robotic Automaton
Process (RPA)

myInvenio

APRIL 2019
ProcessMining

Controlio

DECEMBER 2019
TaskMining

apromore

JUNE 2021
ProcessMining

HeartCore

*As of September 2021

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.

HeartCore CMS

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.**

Process Mining

HeartCore Robo   **C**ONTROLIO

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Content Management System (CMS)

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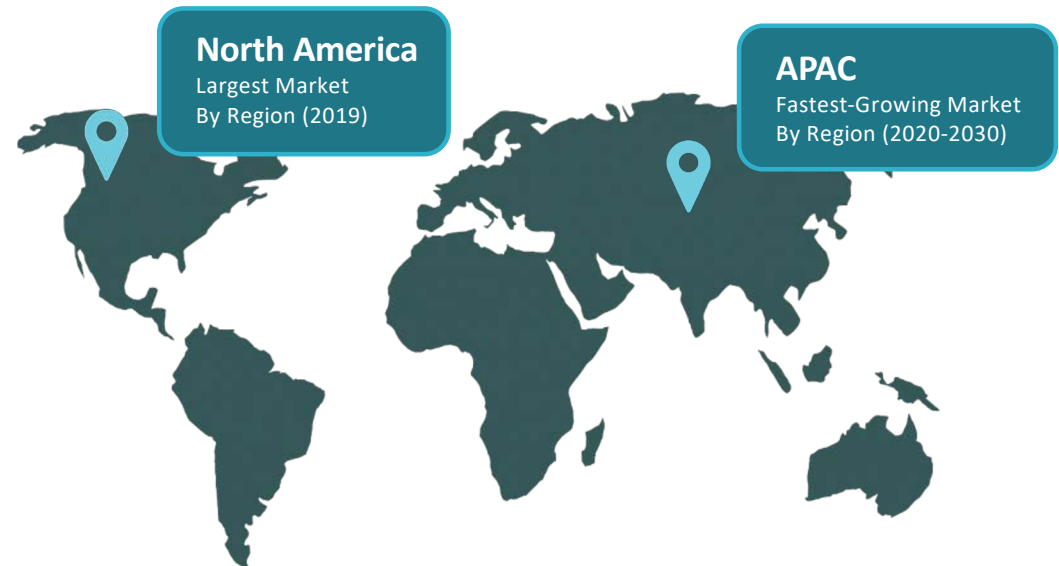
The benefits include:

- ✓ User-friendliness
- ✓ Quick deployment
- ✓ Ease of maintenance including updates
- ✓ Extendable functionality
- ✓ SEO (Search Engine Optimization) friendly features

Content Management Market

$5,894.8M
2019 Market Size

18.4%
Market Growth Rate (2020-2030)

North America
Largest Market By Region (2019)

APAC
Fastest-Growing Market By Region (2020-2030)

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CMS Features

HeartCore streamlines website operations

Easy-to-use EDITOR
- Create and update web pages as easily as entering text into a Microsoft Word document.
- Import data as simply as copying and pasting the information you wish to enter.

Secure PUBLISHING SETTINGS
- View private information on the website before it gets publicly disclosed
- We believe HeartCore is the only CMS in the world that can publish tens of thousands of pages simultaneously, and thousands of PDF files at the same time.

Granular ACCESS RIGHTS and Workflows
- Set up detailed access permissions and flexible workflows.
- Reduce the production and operation time and ensure the accuracy of information.

Extensive PREVIEW FUNCTIONS
- Preview across screen sizes and device types.
- Preview registered content from two or three generations ahead with a future date on the same page.

Multilingual Support

Accessibility Check Function

Multi-Device Support

Multiple Site Management

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Content Management System (CMS)

CMS Product Innovation

o Launch highly differentiated HeartCore Ver. 12 in FY22

o New standard features include:

   o PIM (product information management)

   o DAM (digital asset management)

   o Marketing automation

   o SEO analysis tools

o HeartCore Ver. 12 expands content management beyond browsers serving as an omnichannel content hub

Sales & Marketing

o Invest funds in marketing and increase the number of business negotiations to three times that of previous years

o 650 legacy customers will be able to upgrade to HeartCore Ver. 12 will be proactively upsold to the newest platform.

o Company aims to increase its market share from the current 25% to 40% by incorporating all functions related to content management.

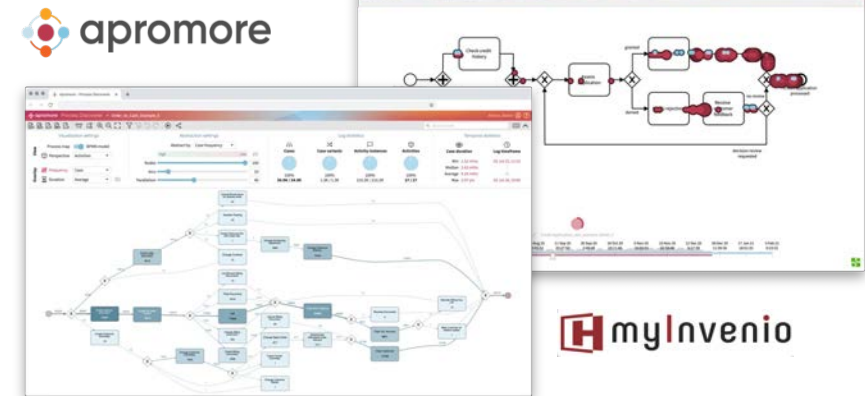HeartCore

Process Mining & Task Mining
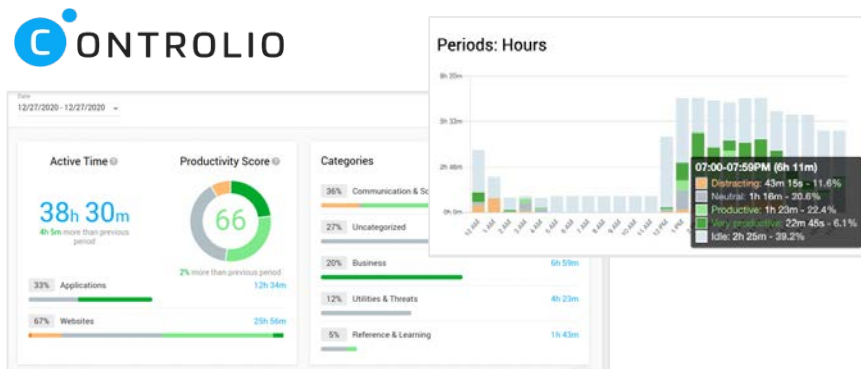
Task Mining

- Employee computer activity monitoring
- Track user behavior
- Monitor productivity
- Manage risk

Process Mining

- Automate business process discovery and analysis
- Uncover operational friction
- Optimize and monitor business processes

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Robotic Process Automation (RPA)

☑ **RPAs enable automation of all business applications:**
- Business packaged software
- Self-developed applications
- Web Applications
- Mobile Applications

☑ **RPAs work in a variety of environments:**
- Multi-platform
- Remote desktop and virtual environment
- All OS versions
- All browsers

☑ **Quick start available**
- Operating conditions are JAVA only
- Minimum cost required for installation
- No module installation in the execution environment is required

☑ **Stable operation that never stops**
- Building unstoppable robots utilizing scripted scenarios
- Advanced error handling
- Execution of pure JAVA code
- Implementation of JAVA plug-ins

☑ **Large-scale robot operations are possible**
- Management portal for robots
- Orchestration features
- Centralized scenario management
- Execution history trace

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Robotic Process Automation (RPA)

High-speed image matching

- High-speed identification of operation targets on the screen using a proprietary image analysis engine
- Highly versatile, independent of the operating application platform
- Color detection

Browser auto-operation

- Automatic operation by specifying HTML elements in a Web page
- Automatic data acquisition within a page

OCR

- Loading scanned documents and converting to digital data
- Input to business applications
- Diverse OCR engines
- Font registration

Back-end operation

- Fast Excel data loading
- No need to install Excel on the executing terminal

Via OS commands

- Utilization of Windows/Unix-based OS commands
- Reliable file operations are possible. (e.g., getting a list of files in a folder, creating a new file or folder, copying, moving, etc.)

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Digital Transformation

Process Mining & Task Mining

PRODUCTS
- Continue developing new features
- Integrate with BPMS
- Integrate with other DX solution

ALLIANCE
- Make stronger alliance with IBM
- Expand alliance with Consulting firm
- Expand alliance with ERP Package vendor
- Expand alliance with DB solution vendor

MARKETING
- Enhance the marketing activity
- Expand target customer globally

ORGANIZATION
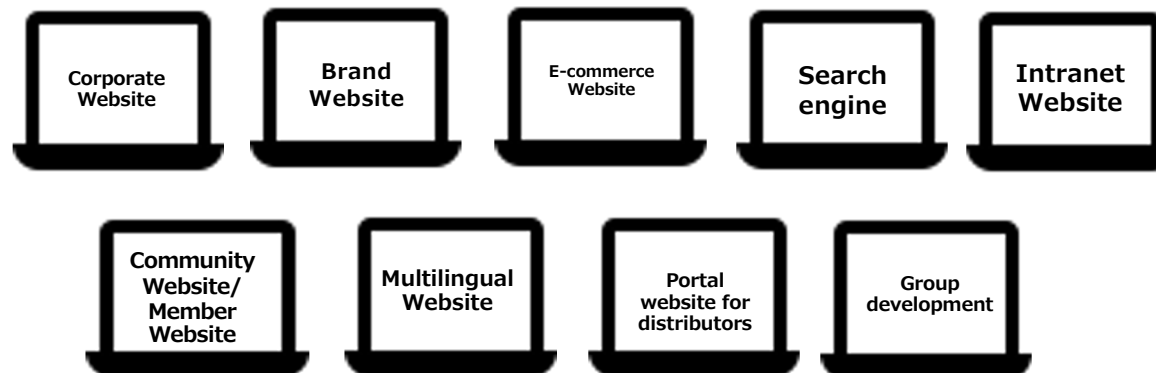- Strengthen our sales organization in Japan and US

IPO Consulting

Grow the Go IPO consulting initiative for Japanese companies which want to list on the Nasdaq market.

M&A

Acquire a middle range consulting firm, IT solution vendor etc.

HeartCore

667 Elite Cross-Sector Customers

Our Business Model

Content Management System

OUR CUSTOMERS
o Sales exceed $100 million/year
o Companies that want to use the web to license customers and engagement

GO-TO-MARKET STRATEGY
o Exhibitions, seminars
o Partner sales
o Recurring business from existing customers

PRICING STRUCTURE
o On-premise $26,000/server +18% from license
o Price annual maintenance fee
o or Cloud $1,000/month fee

HeartCore CMS

Digital Transformation

OUR CUSTOMERS
o Sales exceed $1 billion/year
o Companies that want to improve their operations and efficiency of their work processes

GO-TO-MARKET STRATEGY
o Exhibitions, seminars
o Partner sales

PRICING STRUCTURE
o **Process mining**: $50,000/year for license
o **Task mining**: $250/year/Unit as a subscription
o **RPA**: $5,000 subscription fee per year

Process Mining   **C**ONTROLIO   **HeartCore Robo**

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Organic Growth Initiative

Go-IPO Consulting Service

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Go IPO Consultation Service

GO IPO is for Japanese Companies interested in listing on the Nasdaq Stock Market

Launched at the end of Q1 '22, our Nasdaq consulting services are based on our experience and achievements

HeartCore's deep expertise in navigating the Japanese and U.S. markets gives us the competitive edge in servicing our clients

【Japan】

- Auditor Audit attestation for two years (progression basis)
- Examination by the Underwriter
- Tokyo Stock Exchange Examination

【U.S.A.】

- Auditor Audit attestation for two years (audited in 3 months for the past 2 years)
- Review by the Underwriter, Underwriter counsel, the audit firm and the company's attorney
- SEC Confirmation

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Our GO IPO Consultation

1. Competitive cost

The cost of going pubilc without assistance and the cost of going public with our consulting services are almost the same from a cost perspective. We provide the consulting services at a low cost and save clients an immense amount time and money.

2. Complete migration of accounting data and negotiation with audit firms

We will perform the most difficult conversion of Japanese accounting data to IFRS and US GAAP, and will also be responsible for subsequent negotiations with the client's audit firm. HeartCore handles all of this extremely time-consuming and arduous phase of the process.

4. Very wide array of companies

The market cap of companies we service range from $10 billion to over $100 billion. Depending on the market cap, underwriters and auditing firms are brought in accordingly. No matter the size of the company, HeartCore is committed to offering a full-service, white-glove approach for clients.

3. Swift and efficient

We can perform a listing in as little as 5 months, instead of the 10 months it normally takes when accounting data migration is included. We understand that time is money, and our goal is aligned with our clients to get them public in an efficient manner.

Four advantages

01   02   04   03

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Our GO IPO Business Model

"How to IPO on NASDAQ" Book

- Authored by Sumitaka Kanno
- #1 selling book on Amazon Japan
- Advertised across newspapers, train ads, and in bookstores to attract a large clientele
- Target companies must meet the following requirements:

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

Recent GO IPO Customer Win

AERWINS Technologies Inc., an air mobility platform company, announces signing of a definitive agreement for going public via a business combination with Pono Capital Corp., a NASDAQ listed company, to become a public company.

https://www.nasdaq.com/press-release/aerwins-technologies-inc.-an-air-mobility-platform-company-announces-signing-of-a

- The transaction values AERWINS at $600 million, which is expected to result in a combined pro forma equity value of approximately $750 million, assuming no redemptions in the business combination.

- Achieving a public listing milestone is expected to enable AERWINS to promote the expansion of its air mobility platform business globally, increase production capacity, new product research and development and make AERWINS a recognized leader in air mobility.

HeartCore has 1% of the issued warrants of AERWINS. HeartCore to receive 6M shares of stock after listing NASDAQ.
Expected to have a significant impact on HeartCore's profits, which are expected to be very profitable in the current fiscal year!

Inorganic Growth Strategy

Complimentary Acquisitions

HeartCore to Acquire Sigmaways

Sigmaways
We know IT better

CEO AND FOUNDER
PRAKASH SADASIVAM

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Sigmaways generated approximately $8.7 million revenue (unaudited) for the year ended December 31, 2021

Acquisition would expand the operational footprint in the U.S., expected to add significant revenue to HeartCore's top line

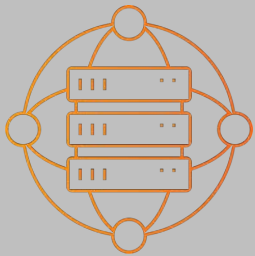Anticipated to provide complementary cross-sell and upsell opportunities for both companies

Following closing, HeartCore expects to reduce production costs, transitioning from outsourcing to leveraging Sigmaways' team

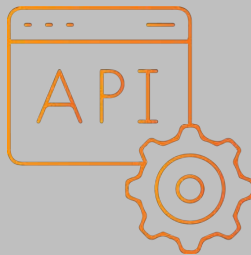Shared corporate philosophy of putting the customers first

Sigmaways Business
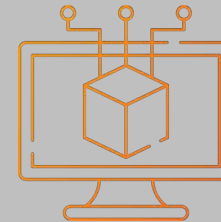
SI development for existing 800 customers

BIG DATA & CLOUD SERVICES

With cloud and advanced data architecture, we solve enterprise data challenges, optimizing storage, management, and utilization.

API MANAGEMENT

Platform agnostic and customized applications development, realized through API gateways, custom portals, and internal systems.

MICROSERVICES ARCHITECTURE

A robust development architecture that streamlines application development leveraging a host of coupled services.

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Sigmaways Key Clients and Affiliates

KEY CLIENTS

- MasterCard
- OPORTUN
- BAYER
- Roche
- BANK OF THE WEST
- NXP
- Google
- @WalmartLabs
- LIVE NATION
- GUARDANT
- SUNPOWER
- SAMSUNG SDS
- FEDERAL RESERVE BANK OF SAN FRANCISCO
- ALLDATA AUTOMOTIVE INTELLIGENCE
- IKEA
- EA

AFFILIATIONS

- BART ba
- STANFORD BUSINESS GRADUATE SCHOOL OF
- DGS CALIFORNIA DEPARTMENT OF GENERAL SERVICES
- COUNTY OF ALAMEDA CALIFORNIA
- Western Regional Minority Supplier Development Council
- Joint Venture SILICON VALLEY

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Sigmaways Revenues (Unaudited)
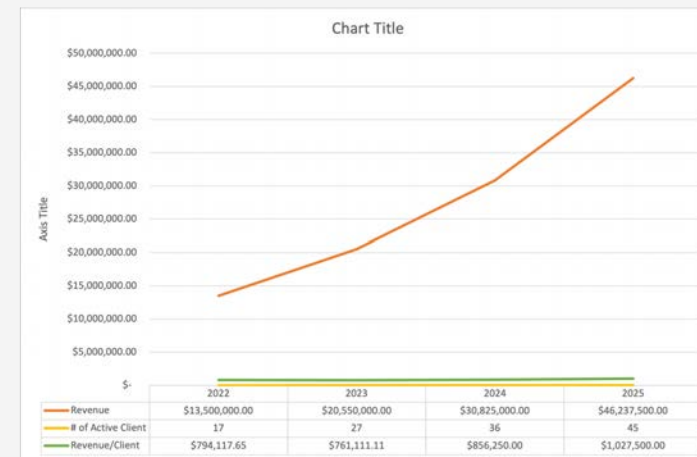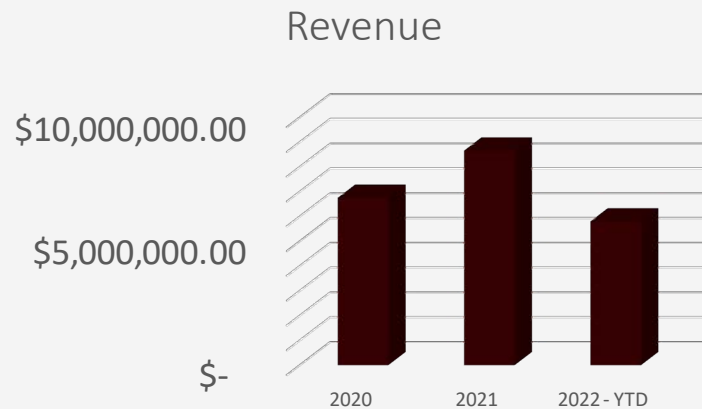
Year	Revenue	# of Active Client	Revenue/Client
2020	$6,750,800	13	$519,292
2021	$8,653,918	15	$576,928
2022 - As of June	$5,800,067	17	$764,706

HeartCore 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.

Why We Win

Streamline customer web operations

Leading digital transformation with the latest marketing technology

Secure systems trusted by leaders in the financial industry

Integrated high-quality site search engine

Top-notch customer support

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.

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Overview of Key Financials

Cash (as of Jun 30, 2022)	$ 12.5M
Market Cap (as of Sep 9, 2022)	$ 35.58M
Stock Price (as of Sep 9, 2022)	$ 2.00
Shares Outstanding (as of Aug 16, 2022)	17.72M
Warrants (as of Jun 30, 2022)	1.5M
Insider Holdings (as of Sep 9, 2022)	76.1%
Free Floating Shares (as of Sep 9, 2022)	4.2M

Revenue （in thousands）

Quarter	Revenue
Q2 '2021	$2,865.2
Q3 '2021	$3,750.2
Q4 '2021	$2,376.5
Q1 '2022	$2,276.0
Q2 '2022	$2,670.3

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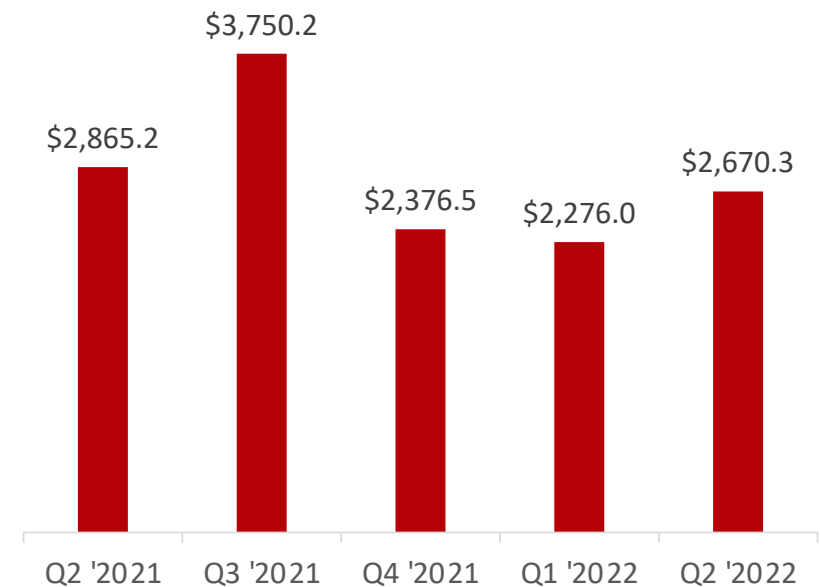
Investment Highlights

95%
CMS Customer Retention Rate, 2020

40%
Anticipated Market Share (up from 25%)

20%
Annual Sales Growth

✔ **Aggressive M&A**

Synergistic target companies will improve earnings

✔ **Human Resources Investments**

Focus on securing and training the best talent in the industry

836
Japanese Clients

23
Overseas Clients

HeartCore

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INVESTOR RELATIONS

Gateway Group, Inc.
Matt Glover and John Yi
HTCR@gatewayir.com
(949) 574-3860

WEBSITE

www.heartcore.co.jp

APPENDIX

Overview of Key Financials in Q2 （for the Six Months ended June 30, 2022）

Net sales (in yen currency basis, unit: yen)

Business Segment	6/30/2022	6/30/2021	Amount	% of
CX	450,553,217	445,824,780	4,728,437	1%
CMS	433,991,378	427,298,887	-53,749,639	2%
CXM	7,041,835	4,891,935	1,457,928	44%
VR360	9,520,005	13,633,958	-6,042,499	-30%
DX	102,603,813	90,235,698	12,368,115	14%
Process Mining	47,323,688	43,707,748	-2,566,593	8%
RPA	30,427,343	32,240,980	-6,374,176	-6%
Task Mining	22,804,796	14,286,970	6,496,910	60%
Others	2,047,986	0	2,047,986	-
IPO Consulting	55,138,698	0	55,138,698	-
Total	608,295,728	536,060,478	72,235,250	13%

Net sales (in U.S. dollar currency, unit: U.S. dollars)

122.98JPY/$ 107.74JPY/$

Business Segment	6/30/2022	6/30/2021	Amount	% of
CX	3,663,630	4,137,969	-474,339	-11%
CMS	3,528,959	3,966,019	-437,060	-11%
CXM	57,260	45,405	11,855	26%
VR360	77,411	126,545	-49,134	-39%
DX	834,313	837,532	-3,219	0%
Process Mining	384,808	405,678	-20,870	-5%
RPA	247,417	299,248	-51,831	-17%
Task Mining	185,435	132,606	52,829	40%
Others	16,653	0	16,653	-
IPO Consulting	448,355	0	448,355	-
Total	4,946,298	4,975,501	-29,203	-1%

Net sales increased 13% in yen terms to 608 million yen this fiscal year, compared to 536 million yen in the same period last year. However, due to the significant depreciation of the yen, revenue was down -1% YoY when converted to dollars.

Gross profit increased by $161,164, or 6.7%, to $2,553,646 for the six months ended June 30, 2022 from $2,392,482 for the six months ended June 30, 2021. Gross margin increased by 3.5%, rising from 48.1% to 51.6%.

EBITDA, a non-GAAP measure, decreased to -$3.1 million, compared to an EBITDA of $384,000 in the same period last year.

As of June 30, 2022, the Company had a cash balance of $12.4 million compared to $2.6 million in the same period last year.

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Seibu Railway Co.,LTD.

CHALLENGES

The previous CMS was selected as a static CMS in consideration of security, but in terms of actual operation, it took several hours to reconfigure the site after maintenance, and the railroad company was having difficulty updating important operation information and news releases in real time.

> "There are about 100 people in charge of the Web within the company. Replacing our static CMS has enabled us to display the information we need as a railroad company in real time."
>
> **- SEIBU RAILWAY**

THE RESULTS

o HeartCore has been able to achieve both security and real-time updating by devising an infrastructure structure.

o The support center in Japan notifies Seibu of security patches and minor version upgrades on a case-by-case basis, which Seibu finds especially reassuring.

o Seibu reports that they've had no security problems they started using the system.

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Tokyu Department Store Co.,Ltd.

CHALLENGES

The main advertising medium for department stores is newspaper inserts, but when promoting on a website, it is necessary to constantly enrich the fixed information. For this reason, they needed a tool that was easy to maintain.

There were many problems such as having to upload to FTP according to the publication date and time, pages having broken links, and forgetting to delete content that had been published for a period of time that had ended.

THE RESULTS

o The store introduced the content database, a standard feature of HeartCore, and created a management and input screen specifically designed for the scope of daily operations.

o This enabled the store to operate more efficiently and increase the amount of information provided to their clients. By organizing, standardizing, and simplifying operations that had previously been cumbersome, they are now able to provide even the most detailed information about the store in a timely manner.

o Information on each Tokyu Department Store store could be automatically linked not only to the Tokyu Department Store website, but also to the websites and smartphone applications of group companies.

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A.L.I. Technology.

CHALLENGES

A.L.I. is the only company that has already commercialized and marketed a flying bike. Although its intended use is for leisure and government applications, orders have already been placed, making it the only product available for purchase at this time.

The company was aiming to list on the Japanese stock market but decided to list on NASDAQ in order to gain global recognition and expand its addressable market internationally.

NEXT STEPS

o HeartCore will provide consulting services and aim to help A.L.I. list on the NASDAQ by the end of 2022.

o Similar to all Go IPO clients, we will assist the client throughout the audit and legal firm hiring process, translate requested documents into English, provide general support services, assist in the preparation of the S-1 or F-1 filing, and more.

o As compensation for our services, we expect to generate an aggregate of $400,000 in initial fees.

o In addition, HeartCore has received warrants to acquire 1% of A.L.I. Technologies Inc.'s common stock, on a fully diluted basis.

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

PATENT

We have applied for a patent in Japan:

- For a solution that <u>enables personalization and user tracking without the use of cookies</u>, which can be used in increasingly stringent privacy protection situations.

COMPETITIVE ANALYSIS
Process Mining

FEATURES	myInvenio	Celonis	Signavio	Apromore	UiPath
On Premise	✓			✓	
Process Analysis	✓	✓	✓	✓	✓
Performance Analysis, Variant Analysis	✓	✓	✓	✓	✓
Process Discovery	✓	✓	✓	✓	✓
Conformance Checking	✓	✓	✓	✓	
BPMN	✓	✓	✓	✓	✓
Real Time Analysis	✓	✓	✓	✓	
Process animation	✓	✓	✓	✓	✓
RPA connecting	✓	✓	✓	✓	
Activity map	✓			✓	
Social net	✓	✓	✓	✓	
Predictive analytics	✓	✓	✓	✓	✓
Customize Platform	✓	✓	✓	✓	
Simulation	✓		✓	Planned	
Module for process analysis	✓			✓	
Decision rule mining	✓			Planned	
Multi level process mining	✓			Planned	
ETL connecting	✓	✓		✓	✓

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COMPETITIVE ANALYSIS
Task Mining

FEATURES	Contlorio	Skysea	Lanscope	Meecap
Dashboard	✓		✓	✓
Reports	✓	✓	✓	✓
Activities	✓	✓	✓	✓
Attendance	✓	✓	✓	✓
Categories	✓	✓		
Detailed	✓	✓		
CSV download	✓	✓	✓	✓
Productivity score	✓			✓
Online session	✓	✓		

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