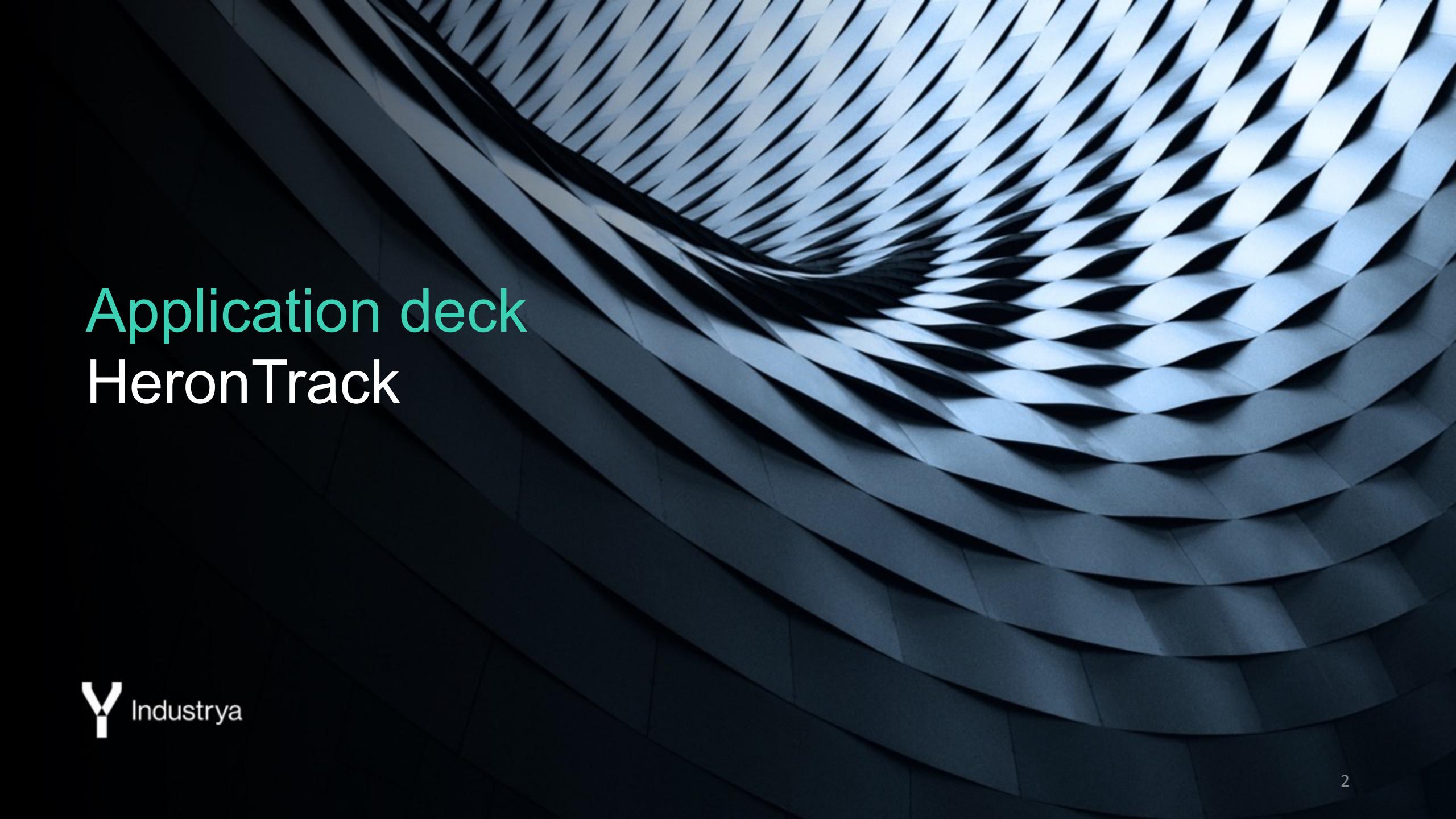




Industria

X



# Application deck

## HeronTrack

# This is a standardised presentation template for your presentation

- Use your own layout
- All of the points covered in this presentation template must be included in your presentation (except the points that would not concern you).
- You can change the order of the slides
- Your presentation should not exceed 30 slides (optimum: 20-25 slides)
- Your presentation will be sent to a selection jury (jury made up of entrepreneurs and partners subject to a confidentiality agreement), make sure it is understandable
- And don't forget that it is always more pleasant to read well-presented documents

## Company identity card

Insert your LOGO



HeronTrack srl  
Quai Paul Verlaine 2, 6000 CHARLEROI  
<https://www.herontrack.com>

Creation date : 22/02/2019  
Legal structure : srl  
Workforce: **8 people**  
Share capital: 61% founder 16% co-founder

- Company value proposition (20 to 30 words): Tracking and Automatic inventory solution for tools in discrete manufacturing, rental and construction industries
- Providing precise location and status of equipment and tools (theft, lost, sharing, forget to return).
- Increases profitability, decreasing risk, allowing Predictive Inspection & Maintenance of Equipment tools, automatic reservation for better planning.

Key figures:

	2022			2023			2024			2025			2026		
	k€	% N	% N-1	k€	% N	% N-1	k€	% N	% N-1	k€	% N	% N-1	k€	% N	% N-1
<b>1 REVENUES</b>	<b>1 122</b>	<b>100</b>	<b>476</b>	<b>3 573</b>	<b>100</b>	<b>218</b>	<b>6 952</b>	<b>100</b>	<b>95</b>	<b>11 248</b>	<b>100</b>	<b>62</b>	<b>16 958</b>	<b>100</b>	<b>51</b>
<b>1 DIRECT</b>	<b>990</b>	<b>88</b>	<b>408</b>	<b>2 561</b>	<b>72</b>	<b>159</b>	<b>4 196</b>	<b>60</b>	<b>64</b>	<b>6 410</b>	<b>57</b>	<b>53</b>	<b>9 033</b>	<b>53</b>	<b>41</b>
1 Hardware	673	60	479	1 536	43	128	2 011	29	31	2 756	25	37	3 436	20	25
2 Subscriptions	299	27	310	992	28	231	2 145	31	116	3 600	32	68	5 528	33	54
3 Setup	18	2	227	33	1	83	40	1	20	54	0	38	68	0	25
<b>2 INDIRECT</b>	<b>132</b>	<b>12</b>		<b>1 012</b>	<b>28</b>	<b>665</b>	<b>2 757</b>	<b>40</b>	<b>173</b>	<b>4 837</b>	<b>43</b>	<b>75</b>	<b>7 925</b>	<b>47</b>	<b>64</b>
1 Hardware	110	10		720	20	557	1 621	23	125	2 270	20	40	3 509	21	55
2 Subscriptions	23	2		291	8	1 189	1 136	16	290	2 567	23	126	4 416	26	72
<b>2 EXPENSES</b>	<b>1 220</b>	<b>100</b>	<b>116</b>	<b>2 737</b>	<b>77</b>	<b>124</b>	<b>4 244</b>	<b>100</b>	<b>55</b>	<b>5 570</b>	<b>50</b>	<b>31</b>	<b>7 236</b>	<b>43</b>	<b>30</b>
<b>1 COGS</b>	<b>376</b>	<b>31</b>	<b>346</b>	<b>1 184</b>	<b>43</b>	<b>443</b>	<b>2 003</b>	<b>47</b>	<b>229</b>	<b>2 793</b>	<b>50</b>	<b>171</b>	<b>3 979</b>	<b>55</b>	<b>207</b>
<b>2 STAFF</b>	<b>661</b>	<b>59</b>	<b>59</b>	<b>1 196</b>	<b>33</b>	<b>81</b>	<b>1 780</b>	<b>26</b>	<b>49</b>	<b>2 205</b>	<b>20</b>	<b>24</b>	<b>2 541</b>	<b>15</b>	<b>15</b>
1 General & Administration	170	15	9	262	7	54	296	4	13	318	3	8	318	2	0
2 Sales & Marketing	180	16	756	393	11	119	588	8	50	663	6	13	793	5	20
3 Development	198	18	18	315	9	59	475	7	51	609	5	28	637	4	5
4 Customer Support	114	10	58	226	6	98	420	6	86	614	5	46	793	5	29
<b>3 OPEX</b>	<b>182</b>	<b>15</b>	<b>96</b>	<b>357</b>	<b>13</b>	<b>96</b>	<b>461</b>	<b>11</b>	<b>29</b>	<b>572</b>	<b>10</b>	<b>24</b>	<b>715</b>	<b>10</b>	<b>25</b>
<b>3 EBITDA</b>	-98	-9	-74	835	23	-957	2 709	39	224	5 678	50	110	9 722	57	71

Market :  
European Discrete Manufacturing, Rental and Construction Market

Definition  
Millions of companies, equipments and tools

Trend :  
Connectivity anytime anywhere  
Inventory problems + lost & stolen tools

# Product / Company value proposition



**Team:** A mixture of expertise in Sales, Business Development, Telematics, Telecom and software development



**Sebastien De Grauwe, 47 yo**  
Founder | CEO | 61% of shares

- ▶ In a nutshell: **SALES<sup>3</sup>**
- ▶ Previously **Sales Director** for *Emixis (ViasatGroup)* for 6 years and **Sales Manager** at *Mobile Token* for 10 years (editor of mobile SaaS solutions for fleet management and Workforce automation)
- ▶ Bachelor degree Marketing & BA & Management at *Leuven*
- ▶ Fluent in Dutch, French, German, English; practical in Spanish and Slovak.
- ▶ Former WT champion and coach.



**Luc F. Jacobs, 55 yo**  
Co-Founder | COO | 16% of shares

- ▶ In a nutshell: **BUS DEV 2.0**
- ▶ Senior associate in charge of **Telecom** practise at *MCE. CEO* at *Nixxis* (call center **SaaS solutions**). Previously **Bus Dev EMEA** for *Nokia Ventures* and account director at *Nokia Networks* for *Vodafone*
- ▶ Engineer in Micro-electronics from *Ecole Centrale des Arts et Métiers*. Management from the *Solvay Brussels School of Economics*
- ▶ Fluent in English, French and Dutch.



**Benoit Hofbauer, 32 yo**  
CTO | Stock Options

- ▶ In a nutshell: **TECH DEV. & BIG DATA**
- ▶ Developing the dotnet architecture at Herontrack. Previously IT consultant for 6 years at *Hermes Engineering* and IT consultancy specializing in Business Intelligence, Big Data, Data Science and IT developments
- ▶ Msc Computing from *University of Mons* and exchange with *Manchester University*
- ▶ Fluent in English and French

**IDENTIFIED PROBLEM (S): Equipment & tools stolen or lost** cost companies a fortune in **asset loss** and **operational efficiency**. Risks are penalties for delays, non-compliance and accidents.

## Value of equipment stolen or lost per year \*1



Number of  
Construction companies \*2

- ▶ STOLEN OR LOST
- ▶ BAD PLANNING/INVENTORY
- ▶ BROKEN BECAUSE POOR MAINTENANCE



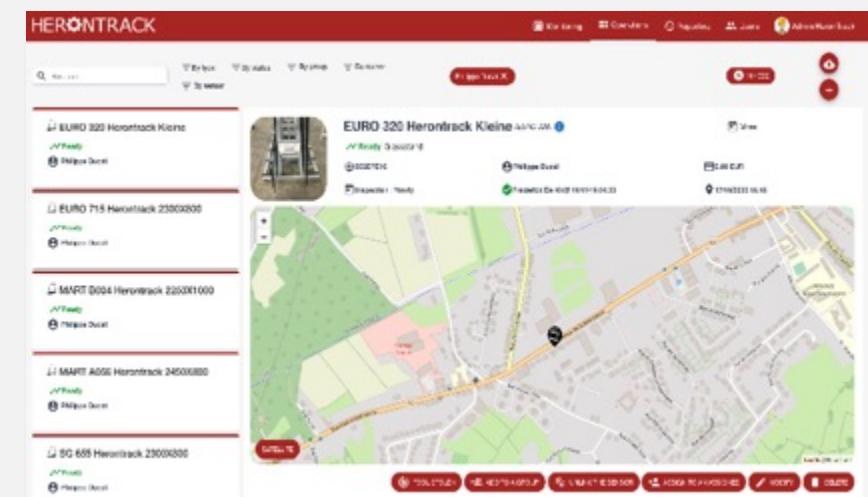
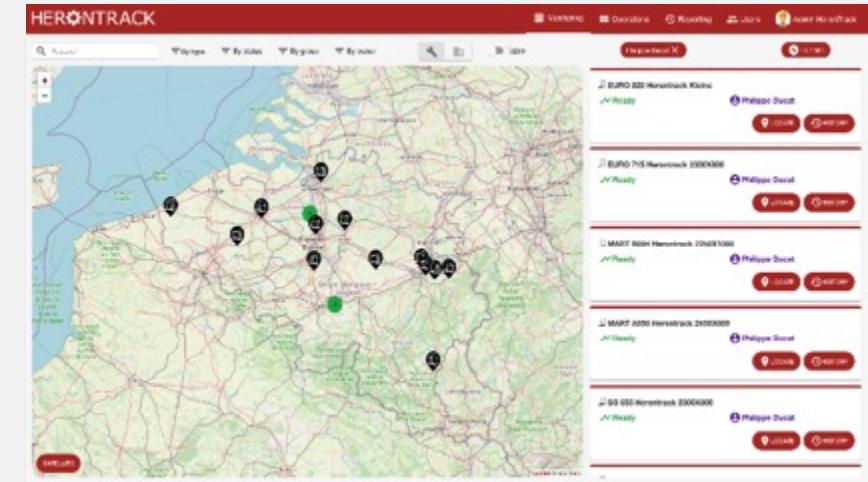
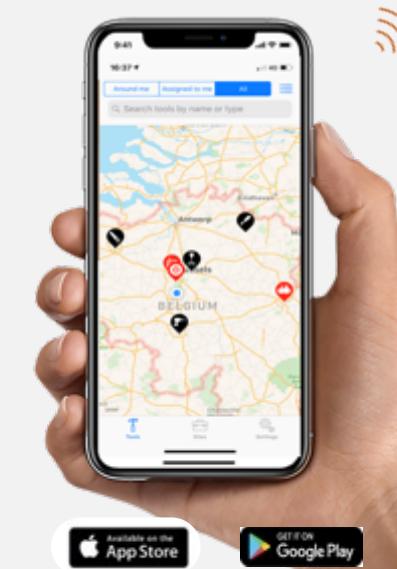
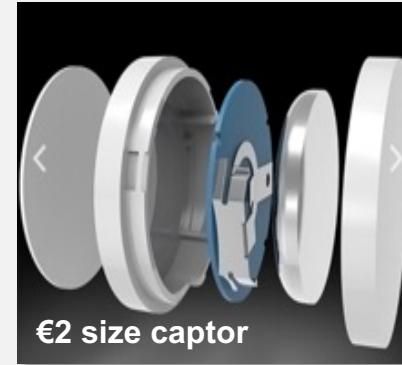
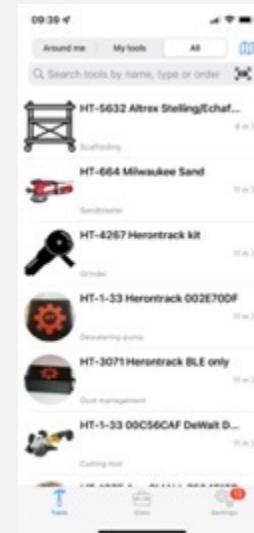
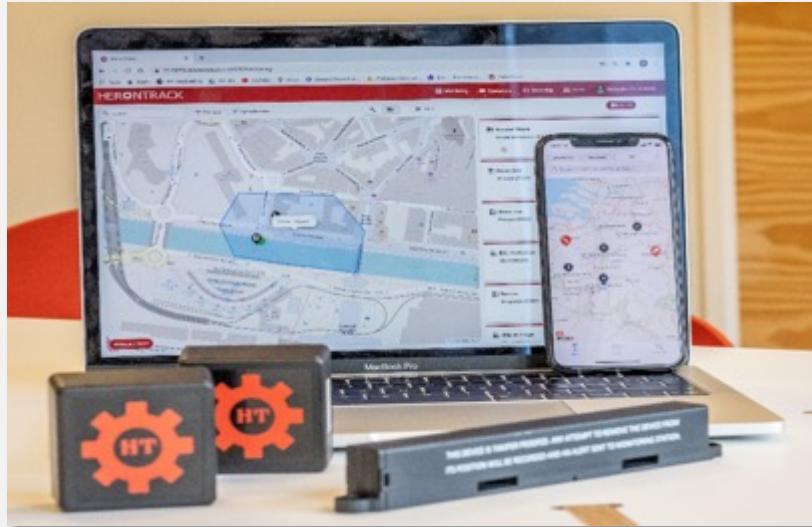
Small tools &  
equipment used daily \*3

*“The construction sector is fragile with low margins and high risks, it needs to adapt to survive” \*4*

**SOLUTION** – Snapshot of what our IoT SaaS solution enables. Practically a disruption on & off field.



**SOLUTION:** Our platform enables tracking but also predictive maintenance, automated tools inventory, cost management



## Product description

- **Standards:** combining short range BLE protocol with long range Sigfox / NB-IoT / LTE guarantees high location precision both indoor & outdoor
- **Performance:** up to 8 y durability according to tracker & usage
- **Price:** between €12 and €60 p.unit
- **Size:** variable from €2 coin-size to 5,5cm square
- **ROI:** irresistible for prospects. Next slide



## OFFER - INNOVATIVE PRODUCT: A robust architecture to track equipments & tools anytime anywhere, with a fully automated back office

Tags on tools



Field App



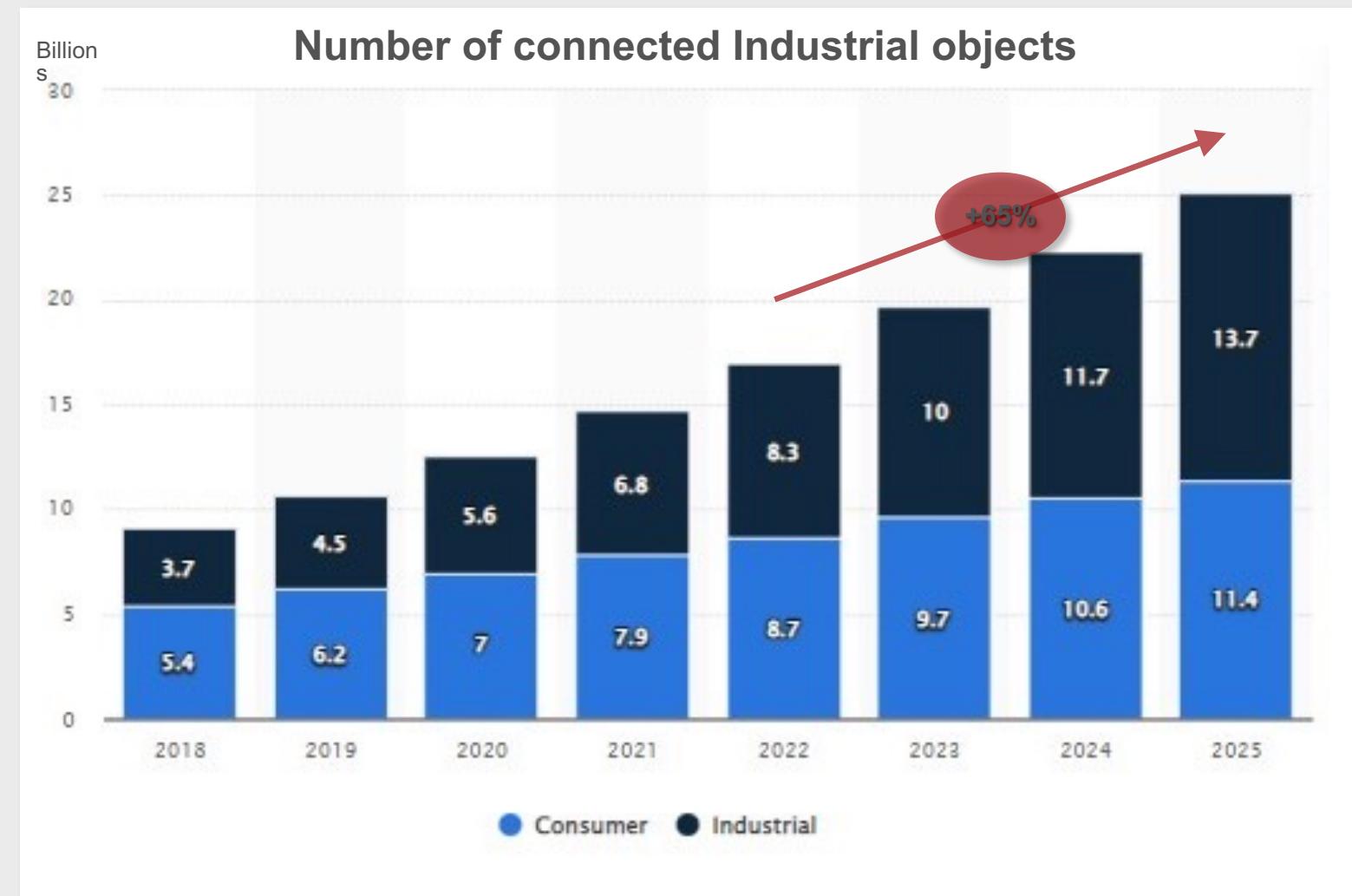
Only 3 App users on a single construction site can ensure coverage +95%

3G,  
WiFi

SigFox/LoRa  
NB-IoT



**MARKET:** Industrial IoT represents several tens of billions of connected objects, machines and equipments



## MARKET: Equipment Manufacturers & Equipment Rental markets: a large and fragmented market with considerable IoT needs

### Market Concentration<sup>\*1</sup>

**Consolidated** - Market dominated by 1-5 major players



← Europe Construction Machinery Rental Market

**Fragmented** - Highly competitive market without dominant players

Global Revenue of the equipment rental market 2014-2019 <sup>\*3</sup> \$B



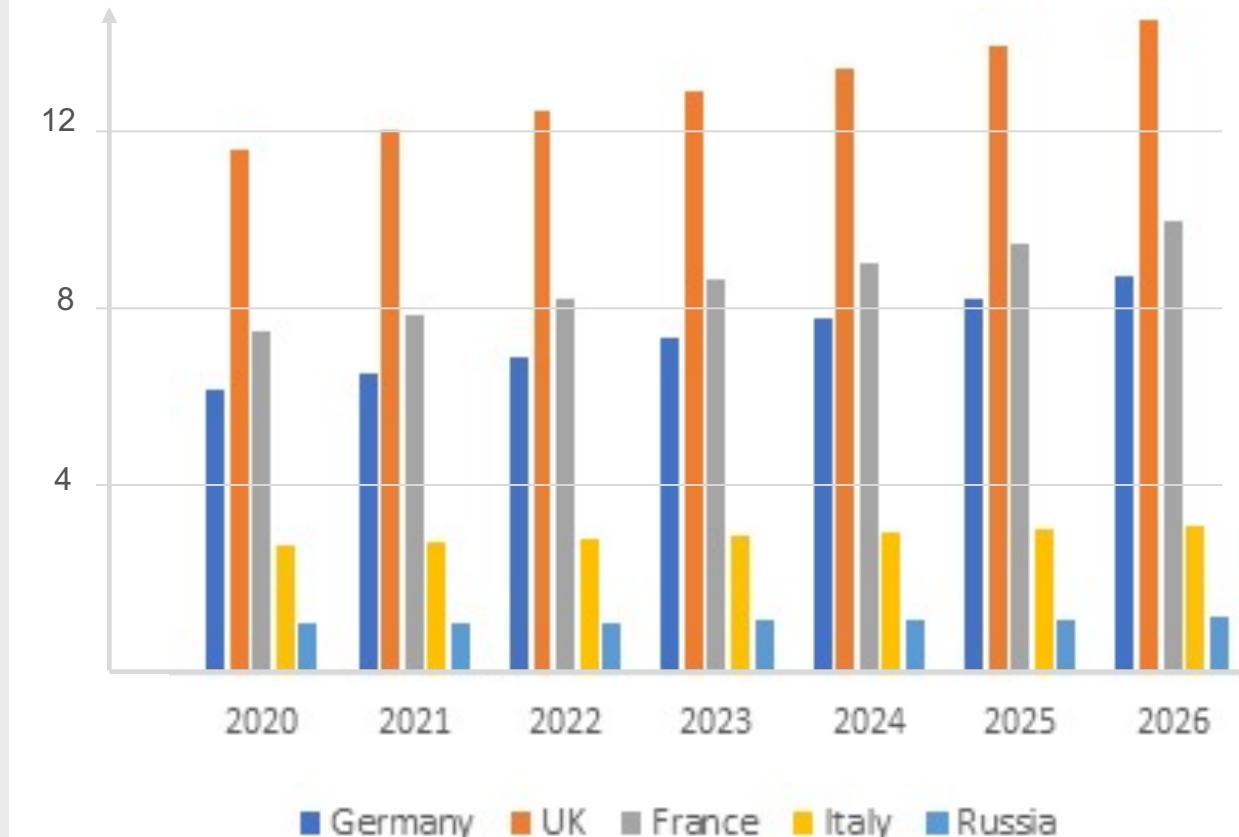
### International players (Manufacturers and pure rental players):

- Deere (\$44B)
- Caterpillar (\$42B Rev.)
- Komatsu (\$25B)
- Kobelco (\$23B)
- Volvo CE (\$2.3B)
- Loxam (\$2.3B, European Leader in pure rental)

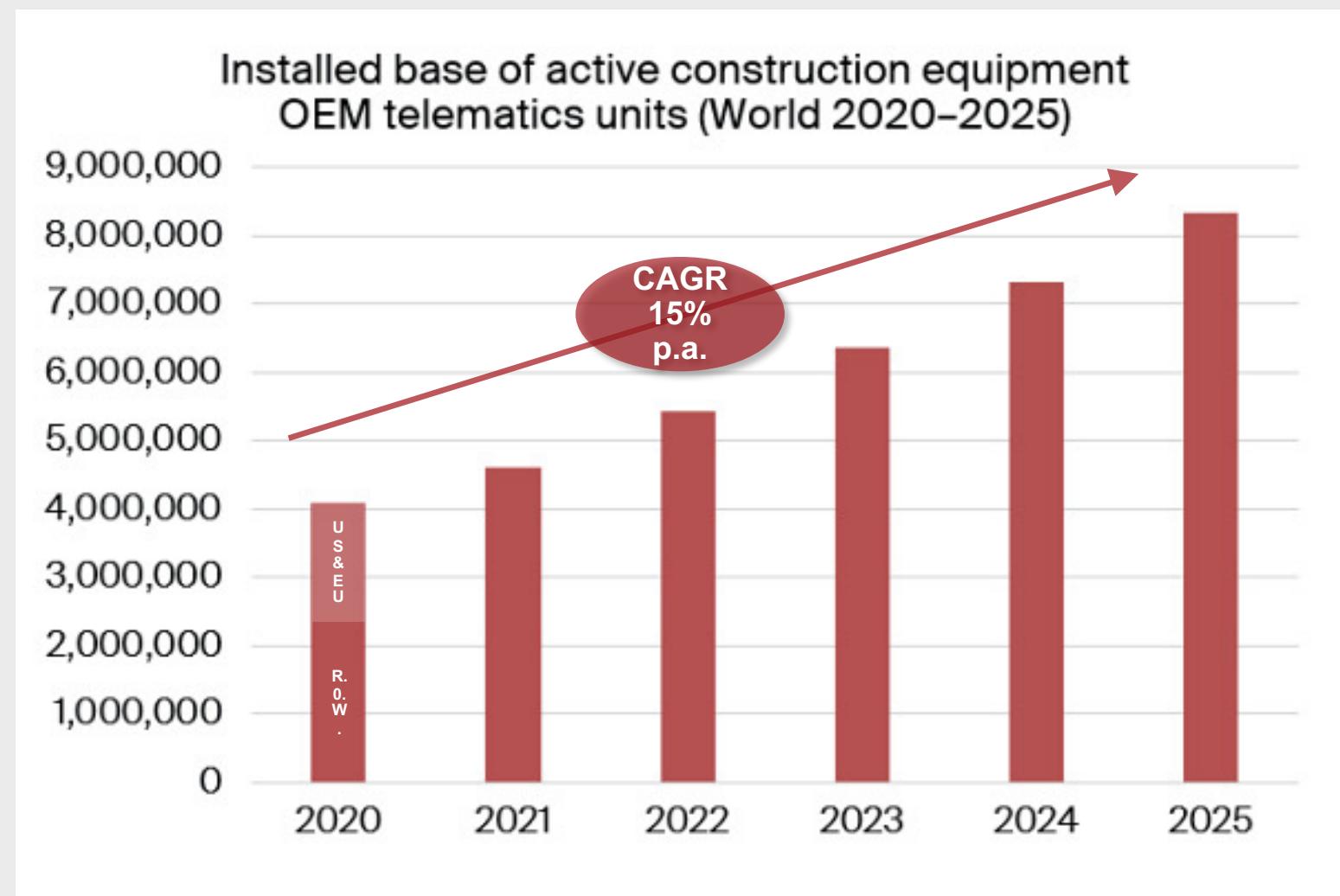
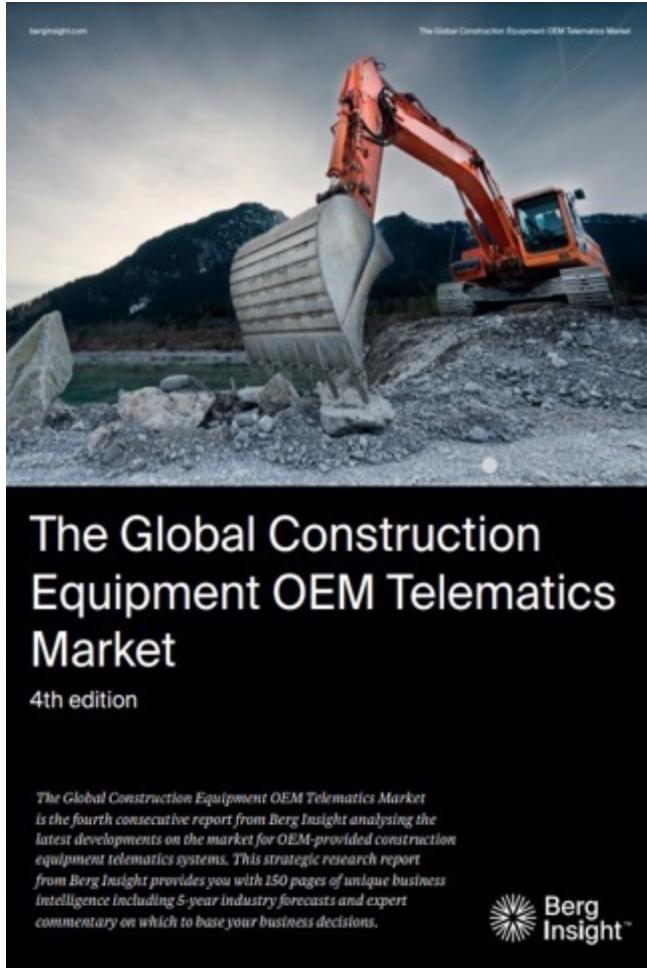
\$4.5B Tool & Equipment Rental in the US Market Size in 2022 <sup>\*2</sup>

### European Construction Equipment Rental Market

\$B



**MARKET: +3 million objects** will get connected on construction fields in the world in the next 4 years (~20% in Europe)



## SEGMENTATION - POSITIONING

### Construction – Tools



- ▶ Location (Site, Van, Warehouse)
- ▶ Lost / Stolen
- ▶ Usage / Defects

*"Holy Grail = Automated tracking of Men and Tools and small equipment"*

### Equipment / Tool Rental



- ▶ Stock Management
- ▶ Rented Parts / Tools List
- ▶ Returned material List

*"Holy Grail = Automated Rental Management"*

### Discrete Manufacturing



- ▶ Tracking of the Production Process
- ▶ Tracking of Each Part
- ▶ Logistics control

*"Holy Grail = Automated Quality Control"*

**COMPETITION** are either generalists with a focus on their own clients either smaller niche players

	 Managing tools as it should be	Manufacturers			Software companies				TRACK & TRACE COMPANIES
		HILTI	Milwaukee	DEWALT	GEOtracer	VILOC	TOOLTRACK		
Country of origin		Liechtenstein	USA	USA	Belgium	Belgium	France	several	
<b>Customer challenges</b>									
Anti-theft	✓	-	-	-	✓	✓	-	✓	
Inventory	✓	✓	✓	✓	✓	✓	✓	✓	✓
Inspections	✓	✓	✓	✓	-	-	✓	✓	
Cost control	✓	-	-	-	-	-	-	-	
Company size (staff)	10	25 000	5 400	19 000	12	16	8	23	
Technology	BLE / Sigfox / NB-IoT / LTE	BLE	BLE	BLE	LoRa/RFID	LoRa/RFID	Sigfox / Zebra	M2M/RFID	
Positionning	Tool	Service for tools			Asset management				
Market segments	Construction & Manufacturing	Construction			Generalist				
USP	No Human Interaction	Solution for their equipment			All sorts of assets and people				
Pricing	€3 / month	Included in the service for tools			€5/ month	€4 / month	Project based	€5-€8 / month	

## ECONOMIC MODEL: a monthly subscription enabling access to our IoT SaaS solution



### Average customer deal

- **# tools:** 50 workers with an average of 10 tools – 500 tools
- **HW cost:** Average of €20/tracker - € 10.000 one shot
- **Subscription:** Average €16/tracker/year - € 8.000 per year
- **Total revenue on 5Y:** € 50.000 means € 100/tool
- **ROI:** irresistible for prospects of **137%** for small equipment (average value of € 400/tool) or **242%** for a mixture between small and larger equipment (average of € 600/tool). With a break-even reached in the first year.

### Success comes from



- **Standards:** combining short range BLE protocol with long range Sigfox / NB-IoT / LTE guarantees high location precision both indoor & outdoor
- **Performance:** 100% compatible with all smartphones/tablets
- **HW-Price:** between €12 and €60 per unit
- **Subscription:** between €1 and €3 per month per tool



## INDUSTRIALIZATION

- Our industrial strategy is outsourcing as we can and if not develop internally and industrialize with a partner. Today we have 6 types of hardware:
  - 3 are purchased in Asian Manufacturing plans with our firmware embedded on production level
  - 3 are assembled in Belgium managed by our Hardware engineer (**SensIoT**)
- In Asia we work with **SeongJi** (South Korean), **Minew** and **Moko Technologies** (Chinees)
  - L/T SeongJi: 16 weeks @ \$27 per tracker (sold between €50 - €60)
  - L/T Moko: 4-6 weeks @ \$5,12 per tracker (sold between €10 - €12)
  - L/T Minew: 4-6 weeks @ \$58 per gateway (sold @ € 250) + semi-conductors  
NrF (12 weeks L/T)
- To fully industrialize, we started a project with **Fox EMS** that will build our 3 homemade sensors



## MARKETING / COMMUNICATION - ACQUISITION STRATEGY

MARKETING STRATEGY INVOLVES WHO WE WILL GO AFTER AND WHAT IT WILL OFFER THEM. BUT WILL HAVE TO SPECIALLY FOCUS ON HOW WE WILL MAKE IT HAPPEN

- **Freemium**
- Today we generate leads via 3 channels:
  - **Website** with newsletters written by a copywriter (<https://herontrack.com/gps-trackers-actualites/>)
  - **Call-center** (4 to 6 days a month with 4 to 6 meetings per call-day)
  - **Digital marketing** via agency on LinkedIn and Facebook with retargeting



## MARKETING / COMMUNICATION – The freemium customer journey



## SALES CHANNELS

2 types of partner models

- Sales agent: 15% on all revenues
- VAR: 33% on hardware and 25% on subscription revenues



## SALES CHANNELS

Direct Field Sales Force Cost - 2021			
(all numbers are annual)	Sales	CSM	Callcenter
Team composition	1,2	1	0,5
On target earnings	€ 84.000,00	€ 60.000,00	€ 36.000,00
Salary Cost	€ 100.800,00	€ 60.000,00	€ 18.000,00
Overhead multiplier	1,20	1,20	1,20
Salary + Overhead	€ 120.960,00	€ 72.000,00	€ 21.600,00
Total Team Cost	€ 214.560,00		
Avg. team failure rate	20%		
Adjusted team cost	€ 268.200,00		
No. of Marketing people	0		
Avg cost per person	€ 60.000,00		
Marketing programs spend	€ 5.500,00		
Total Marketing costs	€ 5.500,00		
Total Sales & Marketing spend	€ 273.700,00		
No of deals per team per year	36		
Cost of Customer Acquisition	€ 7.602,78		

AVERAGE CUSTOMER - DIRECT			
# YEAR	5	# TOOLS	500
	UNITPRICE	CONTRACT	
Sales HW	€ 25,00	€ 12.500,00	
Service	€ 1.000,00	€ 1.000,00	
ABO ACV	€ 18,00	€ 45.000,00	
<b>Total Contract Value</b>		<b>€ 58.500,00</b>	
Cost HW	€ 10,00	€ 5.000,00	
Cost Service	€ 400,00	€ 400,00	
ABO ACC	€ 4,00	€ 10.000,00	
<b>Total Contract Cost</b>		<b>€ 15.400,00</b>	
<b>LTV</b>		<b>€ 43.100,00</b>	

LTV/CAC Direct = 5,67

AVERAGE CUSTOMER E-COMMERCE			
# YEAR	5	# TOOLS	70
	UNITPRICE	CONTRACT	
Sales HW	€ 16,80	€ 1.176,00	
Service	€ 100,00	€ 100,00	
ABO ACV	€ 1.200,00	€ 6.000,00	
<b>Total Contract Value</b>		<b>€ 7.276,00</b>	
Cost HW	€ 6,00	€ 420,00	
Cost Service	€ 50,00	€ 50,00	
ABO ACC	€ 3,60	€ 1.260,00	
<b>Total Contract Cost</b>		<b>€ 1.730,00</b>	
<b>LTV</b>		<b>€ 5.546,00</b>	

LTV/CAC E-COMMERCE = 11,09

## COMMERCIAL: 100% renewal over a wide panel of international customers signed up over the past two years.

### HeronTrack

WOODSTOXX

DEVAGRO  
INFRA AFBRAAK GRONDVERZET

Kleptika

Dubai – GlassTrack &amp; HeronTrack

RIETVELD

Netherlands

INFRABEL  
Revenues €1B, railways maintenance in Belgium

### GlassTrack

System Flex

Netherlands



SPRIMOGLASS

Revenues €50m



Argentina &amp; Chile



SAFETYGLASS

IGP INDUSTRIAL GLASS PROCESSING

EUROVER



Revenues €15m



Timmerman

Revenues €17m



## COMMERCIAL: An average client returns 327% ROI \* with our solution owned over 5 years - fully paid back the first year

A tools park's value is a goldmine whose tracking can offer very significant gains by increasing lifetime, operational efficiency and safety:

### Hypothesis:

- ▶ Average cost of a tool: €650
- ▶ Average number of tools: 500
  - Average number of workers: 50
  - Average number of tools per worker: 10
- ▶ Average lifetime per tool: 3 years
- ▶ Cost for the solution:
  - Tracker price per tool: €18
  - Yearly subscription per tool: €13,3
- ▶ Operational gains after HeronTrack:
  - Purchasing costs: -30%
  - Tool's lifetime: +50%
  - Stock reduction: -30%
  - Workforce cost, in charge of tools purchase, management, lost time seeking tools: -25%
- ▶ Total cost: €38,000 to track 500 tools over 5 years, total worth (tools) €541,000

### Gains over 5 years:



The tool will last between +20 and 50% longer because of less “loss and stolen” but also in consequence of the psychological effect of tracking

**€124,260 ⇔ 327% R.O.I.**

**OPERATIONAL  
EFFICIENCY**

Less time lost in searching tools, in making inventories or purchasing

**SAFETY AT  
WORK**

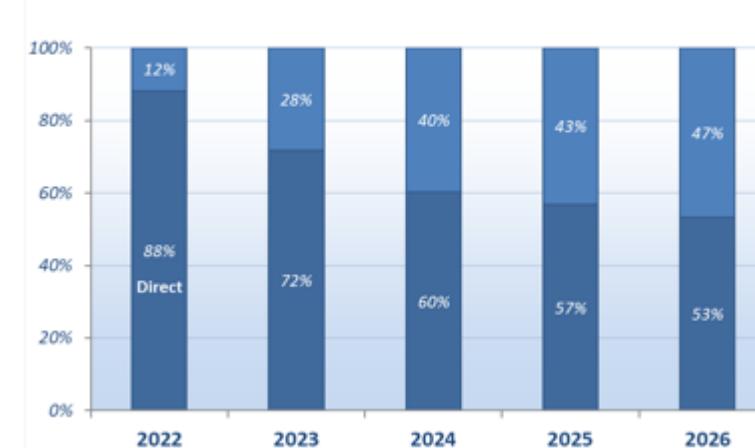
Security control of the tools based on real time data & inspection obligation

## FINANCIAL INFORMATION: Growing internal and external resources will support our growth acceleration

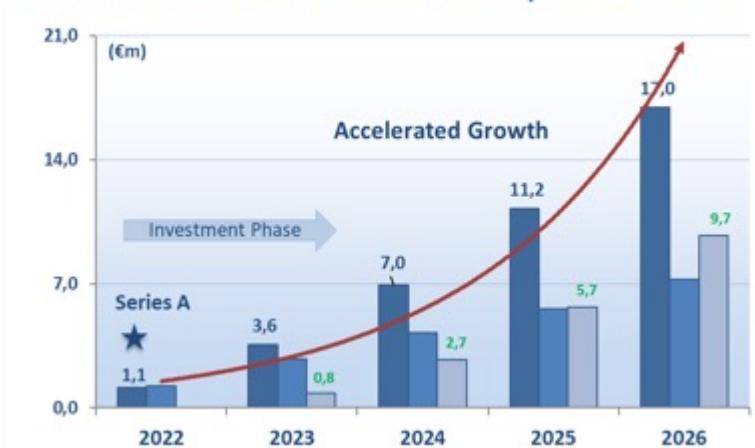
### HERONTRACK 2022-2026 Staff



### HERONTRACK 2022-2026 Direct vs Indirect Revenues



### HERONTRACK 2022-2026 Revenues - Expenses - EBITDA



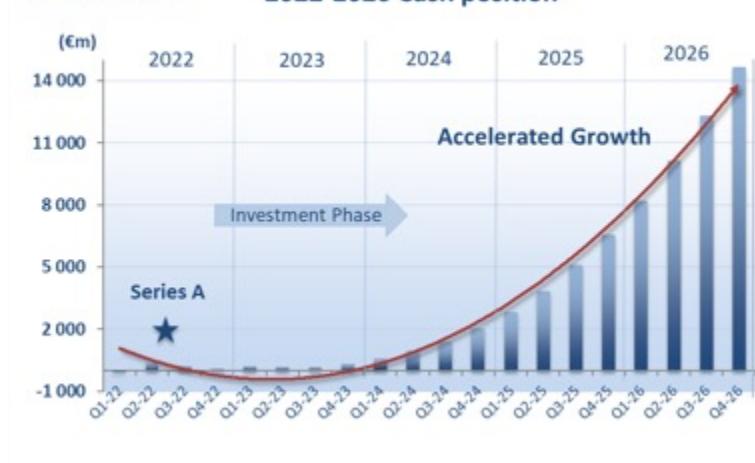
### HERONTRACK 2022-2026 direct and undirect clients



### HERONTRACK 2022-2026 Number of objects



### HERONTRACK 2022-2026 Cash position



## FUNDING

- We are looking for **1M€ funding** round partially in equity (70% and 30% loan) covering minimum 18 months enabling us to focus on operations. The fundings will be used on 3 axes:
  - **Boost technical sales and marketing teams:** hiring in relation with the growth of 7 people (2022) – 7 people (2023)
  - **Invest in online marketing** to support our Freemium version of the app
  - **Conquer new markets:** opening Germany (2022) and France (2023) partially with direct sales and partner channel
- Regarding the structure of the funding round, we are heading towards an initial **syndication** of minimum **two co-investors in Q2-2022**. We are open to **adjust dilution between 15% and 25-30%** depending on the amount raised, the mix of Equity, venture loan and subsidies, the mix of private and public (Sambrinvest for example)

# CONCLUSION

- ▶ Give the vision of your business in the medium / long term

Become the standard track & trace solutions  
in discrete manufacturing, construction  
and rental industries

Gain competitive ground and the lion's market share  
by remaining at the forefront of technology and innovation

- ▶ Why do you want to join Industrya?

Industrya perfectly fits within our strategy  
There is a part of the hardware that we produce ourselves  
Industrya has expertise in both hardware and services  
And we feel a good fit with Thibaud, which is essential and a priority criteria for us

# PROTECTION OF INNOVATION - INTELLECTUAL PROPERTY

Have you implemented a strategy to protect your innovation?  
Do you plan to set one up?

We raise funding precisely to conquer market share FAST  
and become a de facto standard

Once we sign a customer, it generates high ROI and customer satisfaction,  
at relatively low cost. The probability to switch for a competitive solution  
are extremely low, which is proven by our total absence of the least churn.

Part of our strategy consists of remaining  
at the forefront of technology and innovation  
in our vertical fields, not addressed by horizontal players

We plan to protect our brand and we keep analysing the potential IP protection  
that could be possible between hardware-IoT solution and our SaaS