FINEOS

FINEOS Corporation Holdings plc
ARBN 633 278 430

PROSPECTUS

INITIAL PUBLIC OFFER

FINEOS Corporation Holdings plc is an Irish company registered under the Companies Act 2014 as a public limited company (639640). It is registered under the *Corporations Act 2001* (Cth), Australian Registered Body Number 633 278 430

Joint Lead Managers and Underwriters
MACQUARIE
MOELIS AUSTRALIA

Co-Manager
ORD MINNETT

Australian Legal Adviser
CLAYTON UTZ

Irish Legal Adviser
WILLIAM FRY

Important Notices

Offer of CDIs

This Prospectus is issued by FINEOS Corporation Holdings plc (Irish Company Registration - 639640) (ARBN 633 278 430) (FINEOS or the Company), FINEOS SaleCo Limited (**Saleco**) and Jacquel First Limited (the **Offerors**) for the purposes of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**). The Offer contained in this Prospectus is an initial public offering to acquire fully paid CHESS Depository Interests (**CDIs**) over ordinary shares (**Shares**) in the Company (the **Offer**). Refer to Section 7 for further information.

In this Prospectus, for simplicity references to numbers of CDIs assumes that one CDI is issued for each Share on issue at the relevant time.

Lodgement and listing

This Prospectus is dated 26 July 2019 (**Prospectus Date**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

FINEOS will apply to the Australian Securities Exchange (**ASX**) within seven days after the Prospectus Date, for admission of the Company to the Official List of ASX and quotation of its CDIs on ASX.

None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

As set out in Section 7.2, it is expected that the CDIs will be quoted on ASX, and CDIs will trade initially on a deferred settlement basis.

The Offerors, the Registry, and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade CDIs before receiving their holding statements.

Expiry Date

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**). No CDIs will be issued on the basis of this Prospectus after the Expiry Date.

Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in full before deciding whether to invest in FINEOS.

In particular, you should consider the assumptions underlying the Financial Information (as defined in section 4.1) and the risk factors (refer to Section 5) that could affect the business, financial condition and financial performance of FINEOS. You should carefully consider these risks in light of your personal investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest in CDIs. There may be risks in addition to these that should be considered in light of your personal circumstances.

This Prospectus includes information regarding the past performance of FINEOS. Investors should be aware that past performance is not indicative of future performance.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of FINEOS, the repayment of capital by FINEOS or any return on investment in CDIs made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Offerors, the Joint Lead Managers or any other person in connection with the Offer. You should rely only on information in this Prospectus.

Exposure Period

The Corporations Act prohibits the Offerors from processing applications for securities in the seven-day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in CDIs issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application Form once it has been accepted.

Obtaining a copy of this Prospectus

During the Exposure Period, an electronic version of this Prospectus (without an Application Form) will be available in electronic form at www.fineos.com/investors to persons who are Australian residents only. Application Forms will not be made available until after the Exposure Period has expired.

During the Offer Period, this Prospectus is available in electronic form at www.fineos.com/investors. The Offer constituted by this Prospectus in electronic form is available only to persons within Australia. It is not available to persons in any other jurisdiction (including the US) without the prior approval of the Company and the Joint Lead Managers. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety. This Prospectus is also available in electronic form at the Offer website www.fineos.com/investors to certain other persons who have received an invitation from the Company to participate in the Chairman's List Offer. The Offer constituted by this Prospectus in electronic form is available only to persons downloading or printing it within Australia or other persons specifically invited to participate in the Chairman's List Offer by the Company.

You may, before the Closing Date, obtain a paper copy of this Prospectus (free of charge) by telephoning the FINEOS Offer Information Line on 1300 737 760 (within Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday.

Applications for CDIs may only be made during the Offer Period on an Application Form attached to or accompanying this Prospectus.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus. Refer to Section 7 for further information.

Statements of past performance

This Prospectus includes information regarding the past performance of FINEOS. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Financial Information

Section 4 sets out in detail the Financial Information referred to in this Prospectus and the basis of preparation of that Financial Information.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the International Financial Reporting Standards (**IFRS**) as adopted by the European Union (EU) and the Irish Companies Act 2014, except where otherwise stated. There are no material differences between the application of IFRS under Australian Accounting Standards and the application of IFRS under EU directives as applied by FINEOS. Refer to Section 4.

The Financial Information is presented on both an actual and pro forma basis (as described in Section 4.1). This Prospectus also includes Forecast Financial Information for FY19F and FY20F. The basis of preparation and presentation of the Forecast Financial Information is consistent with the basis of preparation and presentation for the Historical Financial Information. The Forecast Financial Information presented in this Prospectus is presented on both a statutory and pro forma basis and is unaudited.

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Sections 4 and 5.

All financial amounts contained in this Prospectus are expressed in Euros (EUR or €), unless otherwise stated. Any discrepancies between totals and sums of components in tables, figures and components contained in this Prospectus are due to rounding.

All of the Historical Financial Information in this Prospectus is expressed in Euros, unless otherwise stated. All other amounts are expressed in Australian Dollars (AUD or $), unless otherwise stated. Any discrepancies between totals and sums of components in figures and tables contained in this Prospectus are due to rounding.

Forward looking statements

This Prospectus may contain forward-looking statements concerning FINEOS' business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. This Prospectus contains forward looking statements which are identified by words such as "may", "aim", "intend", "anticipate", "assume", "aim", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties. The Forecast Financial Information included in Section 4 is an example of forward looking statements. These forward-looking statements speak only as of the Prospectus Date, and the Offerors do not undertake to, and do not intend to, update or revise any forward looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Any forward-looking statements are subject to various risks that could cause FINEOS' actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, the risk factors as set out in Section 5, the general and specific assumptions as set out in Sections 4.8.1 and 4.8.2 and the sensitivity analysis as set out in Section 4.9 and other information in this Prospectus. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the control of the Offerors, and their respective directors. The Offerors, their respective directors and the Joint Lead Managers cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Industry and market data

This Prospectus, including the Industry Overview in Section 2 and the Company Overview in Section 3, contains statistics, data and other information (including forecasts and projections) relating to markets, market sizes, market shares, market segments, market positions and other industry data pertaining to FINEOS' business and markets. FINEOS has obtained significant portions of this information from sources prepared by third parties.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the forecasts or projections in the surveys, reports and surveys of any third party that are referred to in this Prospectus will be achieved. The Offerors have not independently verified and cannot give any assurances to the accuracy or completeness of this market and industry data or the underlying assumptions used in generating this market and industry data. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 5.

Selling restrictions

This Prospectus does not constitute an offer or invitation to apply for CDIs in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

It does not comprise a prospectus for the purposes of the EU Prospectus Regulations. It has not been submitted to or reviewed or approved by the Central Bank of Ireland or any other European regulatory authority. This Prospectus does not constitute an offer of transferable securities to the public in Ireland or elsewhere in the European Economic Area (EEA) and no action has been taken to permit such an offer.

The CDIs will not be offered, sold or delivered directly or indirectly (A) in Ireland except to "Qualified Investors" as defined in Schedule 2 of the European Union (Markets in Financial Instruments) Regulations 2017 (MiFID II) (as amended) and to any other persons to whom such CDIs may otherwise be lawfully offered, sold or delivered under the EU Prospectus Regulations, and (B) in any other Member State of the EEA, except to any persons to whom such CDIs may otherwise be lawfully offered, sold or delivered under the legislation of that Member State implementing EC Directive 2003/71/EC (as amended).

No action has been taken to register or qualify the CDIs or the Offer, or to otherwise permit a public offering of securities, or possession or distribution of this Prospectus in any jurisdiction outside Australia, where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

The taxation treatment of the CDIs may not be the same as those for securities in jurisdictions other than Australia.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, persons in the United States. The CDIs have not been, and will not be, registered under the United States Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state of the United States, and may not be offered or sold in the United States, except in a transaction exempt from, or not subject to, registration under the United States Securities Act and applicable US state securities laws.

Defined terms and time

Defined terms and abbreviations used in this Prospectus have the meanings defined in the Glossary or are defined in the context in which they appear. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney time.

Rounding

Any discrepancies between totals and the sum of components in tables contained in this Prospectus are due to rounding. References to minimum application amounts, and similar amounts may vary slightly compared to actual amounts due to rounding.

Currency conversions

Where an amount is expressed in this Prospectus in Australian Dollars and Euros, the conversion is based on an Australian Dollar/Euro exchange rate of 1.59. The amount when expressed in Australian Dollars or Euros may change as a result of fluctuations in the exchange rate between those currencies.

Privacy

If you complete and submit an Application Form, the Offerors and the Registry will collect and process your personal data. The Offerors and the Registry will do so in accordance with the "Shareholder Data Protection Notice" which may be updated from time to time, a copy of which is available at Appendix C to the Prospectus and at: https://www.fineos.com/investors/shareholder-privacy/.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by FINEOS. Diagrams and maps used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date. This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations. Unless indicated, the Offerors do not purport to own this property.

Company website

Any references to documents included on a FINEOS website are for convenience only, and none of the documents or other information available on a FINEOS website is incorporated into this Prospectus by reference.

Applications

Applications may be made only during the Offer period on the appropriate Application Form attached to, or accompanying, this Prospectus in its paper copy form, or in its electronic form which must be downloaded in its entirety from www.fineos.com/investors. By making an application, you represent and warrant that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

Disclaimer

Macquarie Capital (Australia) Limited and Moelis Australia Advisory Pty Ltd are jointly managing and underwriting the Offer. Neither Macquarie Capital (Australia) Limited nor Moelis Australia Advisory Pty Ltd have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by either of them or by any of their respective affiliates, officers or employees. To the maximum extent permitted by law, the Joint Lead Managers and each of their respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their respective names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Third Party Reports

Any statements, data or other contents referenced or attributed to reports by a third party (each a **Third Party Report**) in this Prospectus represent research opinions or viewpoints only of that third party, and are in no way to be construed as statements of fact. While the views, opinions, forecasts and information contained in a Third Party Report is based on information believed by the third party author in good faith to be reliable, that third party author is not able to make any representation or guarantee as to the accuracy or completeness of any information upon which a view, opinion or forecast or information contained in any Third Party Report is based. Any views, opinions or predictions contained in a Third Party Report is subject to inherent risks and uncertainties, and third parties do not accept responsibility for actual results or future events. Any statement made in a Third Party Report is made as at the date of that Third Party Report and any forecasts or expressions of opinion are subject to future change without notice by any respective third party author of such reports. As such, investors are cautioned not to place undue reliance on such information. A third party is not obliged to, and will not, update or revise any content of a Third Party Report, other than where required by law, irrespective of any changes, events, conditions, availability of new information or other factors which may occur subsequent to the date of that Third Party Report. The Third Party Reports do not represent investment advice nor do they provide an opinion regarding the merits of the Offer.

Consent not sought for certain statements

Unless specifically noted in Section 9.11, statements made by, attributed to or based on statements by third parties have not been consented to for the purpose of section 729 of the Corporations Act and are included in this Prospectus by the Offerors on the basis of ASIC Corporations (Consents to Statements) Instrument 2016/72 relief from the Corporations Act for statements used from books, journals or comparable publications.

Independent Limited Assurance Report

The provider of the Independent Limited Assurance Report is required to provide Australian retail investors with a financial services guide in relation to the review under the Corporations Act (Financial Services Guides). The Independent Limited Assurance Report and accompanying Financial Services Guide is provided in Section 8.

Regulation of FINEOS

As the Company is not established in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by Irish company law (including the Irish Companies Act 2014) and applicable Irish law. Refer to Section 9 for further information.

Website

The Company maintains a website at www.fineos.com. Any references to documents included on the Company's website are for convenience only, and information contained in or otherwise accessible through this or a related website is not a part of this Prospectus.

Questions

If you have any questions about how to apply for CDIs, call your Broker or the FINEOS Offer Information Line on 1300 737 760 (within Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday. Instructions on how to apply for CDIs are set out in Section 7 of this Prospectus and on the back of the Application Form.

If you have any questions about whether to invest in FINEOS, you should seek professional advice from your accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest in CDIs.

This document is important and should be read in its entirety.

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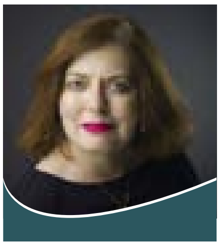
Chairman's Letter



Dear investor,

On behalf of the Directors, I am pleased to offer you the opportunity to become an investor in FINEOS Corporation Holdings plc (**FINEOS**).

Incorporated in Ireland, FINEOS is a leading provider of core software systems to the global life, accident and health (**LA&H**) insurance industry. The FINEOS Platform has been designed to support group, voluntary and individual insurance on a single, integrated cloud-based platform across three key product categories:

- FINEOS AdminSuite for core process administration;
- FINEOS Engage for digital engagement capabilities; and
- FINEOS Insight for data analytics, intelligence and insights.

Globally, insurance carriers face a number of challenges, particularly in keeping pace with the technological, regulatory and customer preference changes. In this dynamic environment, many insurance carriers are looking to modern core software solutions to overcome legacy IT issues and realise a number of cost, compliance, process and customer service efficiencies.

Founded by our CEO Michael Kelly, FINEOS assists our clients, being some of the world's largest LA&H insurance carriers, to transform core processes and operations through our cloud-based FINEOS Platform. FINEOS established itself in the global market for claims management software through our flagship product, FINEOS Claims. It was launched in 2004 and forms part of the FINEOS AdminSuite, providing clients with an end-to-end software solution that manages insurance claims from initial intake through to closure.

Anticipating the challenges faced by our clients, FINEOS continued to develop a module-based software suite that addresses a broad range of LA&H core administrative processes. Today, the FINEOS Platform includes six core modules in FINEOS AdminSuite: FINEOS Claims, FINEOS Payments, FINEOS Provider, FINEOS Absence, FINEOS Policy and FINEOS Billing. Its offering is also enriched by a growing range of data analytics and digital engagement capabilities through its FINEOS Insight and FINEOS Engage products.

FINEOS is proud that our software is used by 48 clients in eight countries, which includes six of the ten largest group LA&H insurers in the US, six of the ten largest LA&H insurers in Australia and processes 100% of all accident claims in New Zealand.

FINEOS' growth is expected to be driven by increased adoption of current modules and cross-selling new modules within the existing client base, new client acquisition and expanding its presence into key strategic markets.

Working with our founder Michael, FINEOS has a strong management team, with significant commercial and technical experience across the insurance, technology and financial services industries and is strongly aligned to FINEOS' growth strategy. On listing Michael will hold approximately 62.9% of FINEOS' quoted securities, known as CDIs. On a fully diluted basis, Michael and the other members of the senior management team will collectively hold approximately 67.3% of FINEOS through CDIs and options.

The key purpose of the Offer is to provide expansion capital to increase sales, marketing and product delivery capabilities along with funding ongoing R&D to continue to enhance the FINEOS Platform and enable expansion into adjacent insurance lines including medical, dental and vision. The Offer will also enable the repayment of an existing loan facility, allow for some of the existing shareholders to realise part or all of their investment and provide a liquid market for FINEOS' CDIs.

This Prospectus contains important information in relation to the Offer, the historical and forecast financial results of FINEOS, the operations, management team and future plans of FINEOS. The key risks associated with an investment in FINEOS, including a failure to retain existing clients and attract new clients, risks associated with the launch of new products, reliance on its flagship product FINEOS Claims, and failure to realise benefits from product development, are contained in Section 5 of this Prospectus, which should be considered in detail. I encourage you to read the Prospectus carefully before making any investment decision and to consult with your independent professional adviser in connection with the Offer.

On behalf of my fellow Directors, I look forward to welcoming you as a CDI holder of FINEOS.

Yours sincerely,

Anne O'Driscoll
Chairman

Founder and CEO's Letter

Dear investor,

I am excited about the opportunity to introduce you to FINEOS, a company I founded in 1993. At FINEOS we are deeply passionate about technology, product innovation and client service. Our purpose is to help our insurance clients care for the people they serve by providing them with superior technology. We have built a modern core platform for the LA&H insurance industry and with this platform we strive to become the global market leader in core systems for group, voluntary and individual insurance.

FINEOS began as a consulting and services business, working with LA&H insurance clients who were looking to introduce a greater focus on their customer in the emerging era of the internet in the 1990s and early 2000s. Following a decade of working with LA&H insurance clients, in 2003 we identified claims management as an important area within LA&H insurance that required a modern core technology solution. Pivoting at this time to focus on a software business model, FINEOS Claims has grown to be our flagship product and today FINEOS is a global market leader for external claims core technology solutions for the LA&H insurance industry.

On the back of this success in claims software, and already having strong revenues and being cash flow positive, we decided to embark on a significant investment program to expand the FINEOS Platform with additional modules to provide a more comprehensive solution for our clients. This investment program saw FINEOS invest approximately €90 million during the past five years on R&D, meaning I personally was investing substantially as I could see the opportunity to position FINEOS to potentially become the global market leader of group, voluntary and individual core software solutions to the LA&H insurance industry.

The return on our R&D investment is beginning to deliver strong business growth and has helped us to secure large and very significant multinational clients in the United States during FY19. This follows our collaboration with our largest FINEOS Claims client in the US, who agreed in 2016 to assist FINEOS develop and implement the FINEOS AdminSuite. That client now using all of the FINEOS AdminSuite product modules in production, which we consider provides strong validation of our product. With 48 clients using FINEOS Claims today, we believe we are well positioned to sell additional FINEOS products to our existing clients, whilst continuing to win and grow new clients.

Several years ago, we developed our FINEOS Playbook which clearly defines our vision, purpose, values and mission. This continues to serve as the compass we use to guide our strategy and behaviour, both as individuals and as a company. Our growth strategy is defined by our company mission and supported by principal objectives under five pillars of market, client, product, people and financial.

OUR MISSION

To be the global market leader in core systems for group and individual life, accident and health on a single technology platform.

PRINCIPAL OBJECTIVES

MARKET	CUSTOMER	PRODUCT	PEOPLE	FINANCIAL
Grow leadership in FINEOS Claims and enable fast adoption of the FINEOS Platform	Create customer success to drive loyalty, advocacy and investment	Create the leading person-centric core product suite to give our clients a competitive advantage	Drive organisational health to gain competitive advantage and create a great place to work	Achive superior and sustainable growth

Our Playbook gives us clarity and alignment and has supported our strong levels of employee engagement and retention. FINEOS has a workforce comprised of over 650 people across eight different countries, has grown its total workforce by well over 50% since 2016 and is proud of maintaining a very high staff retention rate. We continually provide our people with clarity on our strategy and opportunities for them to grow and develop as professionals in their career, which we are convinced is key to maintaining our competitive advantage. Ultimately, we seek to surround ourselves with the best in the industry and we enjoy a healthy culture, something we are all very passionate about maintaining.

We believe the time is right to raise new funds via this IPO to invest in accelerating our growth strategy. FINEOS considered various sources of funding to execute on our growth strategy and accelerate our journey. We believe our growth opportunity is best served by an IPO of CDIs on the ASX due to the strong alignment of our business with Australia. We have established a market leadership position in Australia, serving six of the ten largest LA&H insurance carriers, as well as 100% of the New Zealand accident claims market. Over 40% of our revenue is from the Asia Pacific region and we have over 130 employees between Australia and New Zealand.

We are excited about the opportunities ahead and look forward welcoming you as a CDI holder.

Yours sincerely,

Michael Kelly

Michael Kelly
Chief Executive Officer

Key Offer Details

Important Dates

Lodgement of Prospectus with ASIC	26 July 2019
Offer opens (Broker Firm Offer and Chairman's List Offer)	5 August 2019
Offer closes (Broker Firm Offer and Chairman's List Offer)	9 August 2019
Settlement of the Offer	15 August 2019
Completion. Issue and transfer of CDIs and expected commencement of trading on ASX on a deferred settlement basis	16 August 2019
Expected dispatch of holding statements	19 August 2019
Expected commencement of trading on ASX on a normal settlement basis	20 August 2019

Note:
This timetable is indicative only and may change. Unless otherwise indicated, all times are stated in AEST. The Company, in consultation with the Joint Lead Managers, reserve the right to vary any and all of the above dates and times without notice (including, subject to ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as early as possible after the Offer opens.

Key Offer Details (continued)

Key Offer Statistics

Ratio of CDIs[1] per Share	**1 for 1**
Total number of CDIs available under the Offer	**84.4 million**
Offer Price	**$2.50 per CDI**
Gross proceeds from the Offer	**A$211.0 million**
Total number of CDIs to be held by existing shareholders at Completion	**180.1 million**
Total number of CDIs on issue at Completion (undiluted)[2,3]	**264.4 million**
Total number of CDIs on issue at Completion (fully diluted)[2,3]	**284.9 million**
Indicative market capitalisation at Completion (undiluted)[4]	**$661.0 million**
Indicative market capitalisation at Completion (fully diluted)[4]	**$712.3 million**
Pro forma net cash (as at 31 December 2018)[5]	**$58.3 million**
Enterprise value[6]	**$654.0 million**
Enterprise value/pro forma FY19 forecast revenue[6,7]	**6.68x**
Enterprise value/pro forma FY20 forecast revenue[6,7]	**5.55x**

Notes:

1. CDIs are CHESS Depository Interests over underlying Shares. Refer to Section 7.2 for further information on CDIs.
2. Undiluted refers to the number of CDIs on issue, and fully diluted refers to the number of CDIs and options (each over one Share) on issue, which are exercisable from 6 months after Listing.
3. Includes 16,000 CDIs agreed to be issued on or by Completion to non-executive directors (refer to Section 6.3.2.5)
4. Market capitalisation at the Offer Price is defined as the Offer Price multiplied by the total number of Shares on issue at Completion of the Offer.
5. Pro forma net cash as at 31 December 2018 is calculated as actual cash and cash equivalents as at 31 December 2018, plus the cash proceeds raised under the Offer, less the costs of the Offer and the repayment of the EIB Loan including accrued interest. Pro Forma net cash at Completion is expected to be €34.4 million (A$55.0 million). See Section 4.6 for further details.
6. Enterprise value at the Offer Price is defined as market capitalisation at the Offer Price, less pro forma net cash of $58.3 million as at 31 December 2018.
7. As detailed in Section 4, pro forma forecast revenue in FY19F and FY20F is expected to equal the statutory forecast revenue in each corresponding period.

How to Invest

Applications for CDIs can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus.

Instructions on how to apply for CDIs are set out in Section 7.3 of this Prospectus and on the back of the Application Form.

1 Investment Overview

1. Investment Overview

1.1 Introduction

TOPIC	SUMMARY
Who is FINEOS?	FINEOS is a leading vendor of core software to the life, accident & health (**LA&H**) insurance industry. ***For further information, see Section 3.1***
What industry does FINEOS operate in?	FINEOS' clients operate within the LA&H insurance industry. FINEOS considers the LA&H insurance industry to incorporate: • the life insurance market, including term life, income protection and disability insurance products, which provide the beneficiaries with payments upon death or permanent disability of the claimant; and • the accident and health insurance market, a subset of the life insurance market in most instances and jurisdictions, which includes accident insurance and critical illness insurance products, that provides insurance cover for out-of-pocket expenses associated with unanticipated health-related events. The key participants in the provision of LA&H insurance to the insured customer include insurers, distributors and third-party administrators. Insurers include monoline (specific risk category) and multi-line (multiple risk categories) insurers, banks, mutuals and government bodies. Collectively, the global life insurance industry represented US$2.7 trillion in premiums in 2017.[1] FINEOS operates within the core systems market of the LA&H insurance industry, providing critical core software used in the administration of insurance businesses, including systems for claims management, policy administration and billing. FINEOS estimates that external core systems software spend by life insurers globally is approximately US$10 billion annually. ***For further information, see Sections 2.2 & 2.3***
What are the key challenges experienced by FINEOS' clients?	FINEOS has observed a number of factors that are driving change in the insurance industry, including the LA&H insurance industry. In particular, a number of these changes has been underpinned by software and technology developments, including: • Shifting customer expectations towards digital and self-service engagement models; • Benefits of digitisation; • Pressure on costs; • Increased compliance and regulatory focus; • Threats posed by new technology-enabled business models; • Future evolution of insurance providers; and • Benefits of externally provided solutions including SaaS (software-as-a-service) based cloud solutions. ***For further information, see Section 2.4.2***

1. Swiss Re Institute sigma No3/2018, "World insurance in 2017: solid, but mature life markets weigh on growth" (2018)

1. Investment Overview (continued)

TOPIC	SUMMARY
What is FINEOS' history?	FINEOS was founded by Chief Executive Officer, Michael Kelly, and commenced operations in 1993 providing key customer-focused services to LA&H insurers. Claims management was identified as a core strength of the business and FINEOS believed the industry was underserviced by existing solutions. FINEOS commenced R&D to build its claims management product in 2003 and FINEOS Claims was launched in 2004. In 2013, FINEOS began investing in R&D to build a module-based solution and expand the FINEOS Platform to address a broader range of core systems processes. Today, all core products on the FINEOS Platform are live with an installed client base, and all software is offered as cloud-based SaaS products only (albeit that only some existing clients have migrated to cloud-based solutions to date). ***For further information, see Section 3.1.2***
What geographies does FINEOS operate in?	FINEOS is headquartered in Dublin, Ireland, where it undertakes product and technology R&D. FINEOS has clients, as well as sales, service, product development and support offices in Australia, New Zealand, Sweden, the Netherlands, Spain, Poland, Ireland, the United Kingdom (**UK**), Canada, the United States (**US**) and Hong Kong. ***For further information, see Section 3.1.1***
Who are FINEOS' key competitors?	FINEOS broadly competes against insurer's in-house IT departments and a range of core system software vendors in the LA&H insurance industry, including: • Vendors targeting a single individual core system (for example claims, policy or billing) in the LA&H insurance industry; • Vendors of core systems for multiple forms of insurance (for example, providing software to LA&H, property & casualty (**P&C**) insurers and/or retirement/pensions); and • Vendors offering a suite of core systems exclusively in the LA&H insurance market. ***For further information, see Section 2.5***

1.2 Key features of FINEOS' business model

TOPIC	SUMMARY
What is the FINEOS Platform and what are the key products on the FINEOS Platform?	The FINEOS Platform is FINEOS' end-to-end, module-based core system solution, designed and delivered via the cloud as a SaaS solution. The FINEOS Platform comprises FINEOS AdminSuite, FINEOS Engage and FINEOS Insight: • **FINEOS AdminSuite:** designed to support an insurer's core administrative processes. The modules within FINEOS AdminSuite can be deployed separately or as a complete solution across the following products: – FINEOS Claims: End-to-end solution managing the entire claims process from intake to closure – FINEOS Payments: Automated and accurate benefit payments solution that manages timely payments, supporting both one-off and recurring payments – FINEOS Provider: Solution for management of healthcare providers, including facilitating payments to those providers – FINEOS Absence: Absence (i.e. employee leave) management solution from initial absence request through to return to work, facilitating both paid and unpaid leave – FINEOS Policy: Centralised reference point for policy administration – focusing on speed and flexibility – FINEOS Billing: Billing and reconciliation management solution supporting multiple product types and billing models • **FINEOS Engage:** Assists insurers to connect digitally in real time with customers, businesses and technology partners outside of their organisation • **FINEOS Insight:** Data analytics capabilities allowing clients to assess and present data in more useful ways ***For further information, see Section 3.3***
How have FINEOS developed its products over time?	FINEOS has dedicated significant resources and financial investment to transition from a vendor of a single claims management software to a core systems vendor with a broad suite of software products in the form of modules accessible on the FINEOS Platform. Since FY15, FINEOS has invested approximately €90 million into the FINEOS Platform, with the majority of this investment focusing on the development of modules other than FINEOS Claims. ***For further information, see Section 3.3.2***
Who are FINEOS' clients?	As a leader in global claims management software and a vendor of a comprehensive module-based core software solution, FINEOS has built a strong client base, which includes: • six of the ten largest LA&H insurers in Australia; • six of the ten largest group LA&H insurers in the US; • a number of large multi-line insurers in Ireland, the UK and Northern Europe; and • 100% of the New Zealand accident claims market. FINEOS currently provides its software to 48 clients, covering 29,210 users across eight countries in Asia Pacific (**APAC**), North America and Europe. ***For further information, see Section 3.2***

1. Investment Overview (continued)

TOPIC	SUMMARY
How does FINEOS generate revenue?	FINEOS generates revenue through the provision of its software products for fees (referred to as Software revenue) and the provision of professional services in relation to those products (referred to as Services revenue). The split of revenue in FY18 was 41% Software revenue and 59% Services revenue. In FY19, 21% of revenue is expected to be generated from cloud-based products and associated product services (up from 15% in FY18), with this proportion forecast to grow to 44% in FY20.[2] Software revenue is generated from annual subscription fees for the cloud-based SaaS product and annual licensing fees for the on-premise version of the software. FINEOS' existing on-premise software is provided to clients through payment of an up-front initial licensing fee (**ILF**) based on the number of users and initial services (particularly implementation, configuration and client training), and further annual license fees (**ALFs**) (being only a proportion of the ILF) which are paid over the term of the contract. As part of its existing upgrade program, FINEOS is seeking to move existing on-premise clients to FINEOS' cloud-based SaaS products over the medium-term. FINEOS earns services revenue from professional services fees which are charged in addition to the fees referred to above for various product implementation services such as training (for client staff and transformation/SI partners), configuration and integration requirements. Contact with clients while services are being provided assists FINEOS to maintain and strengthen its relationships with clients and identify opportunities for FINEOS to assist those clients in the future and generate further revenues. ***For further information, see Section 3.4***
How does FINEOS sell its products?	FINEOS generates client leads via a number of sales channels, including: • **Direct marketing:** direct marketing activities (such as webinars and industry events), combined with FINEOS' reputation from its leading FINEOS Claims software, generates client leads and opportunities for FINEOS to participate in tender processes; and • **Direct sales:** FINEOS has a global internal sales team (seven FTEs as at 30 April 2019) responsible for identifying potential opportunities to participate in tenders for global LA&H insurers considering or currently undergoing technology or process transformations. FINEOS has also begun building additional strategic partnerships with global consulting firms who can provide complementary delivery and market expansion capabilities. ***For further information, see Section 3.4.2***

2 Refer to Section 3.4.4 and Section 5 (Risks).

TOPIC	SUMMARY
What are FINEOS' competitive strengths?	The core systems market requires software vendors to compete on product functionality, flexibility, implementation capability, time-to-market, client service and cost. Over its long history in the LA&H insurance industry, FINEOS has accumulated substantial knowledge regarding the practical challenges faced by insurers and the limitations of legacy solutions, which has informed the development of its purpose-built software suite. This has provided an understanding of the complexities of clients' administration processes which has informed the development of FINEOS' purpose-built software suite. In particular, management believes that FINEOS has a number of core competitive strengths, including: • Existing leadership in claims management software; • Track record and experience; • Group and individual capabilities on a single platform; • Vendor of claims, absence, policy & billing on a single platform; • Sophisticated platform; • Platform is built for scale and accessibility; • Market reputation and client relationships; and • All products are now available as cloud-based solutions. ***For further information, see Section 3.2.5***
What is FINEOS' growth strategy?	FINEOS' growth strategy is to increase its market share by leveraging its comprehensive FINEOS Platform and the strong reputation of the FINEOS Claims product. This will assist FINEOS to drive up-sell and cross-sell opportunities with its existing clients and attract new clients in both existing and new geographic markets. FINEOS also intends to use proceeds of the Offer to invest further in R&D to grow FINEOS' product footprint and develop new business lines, and invest in additional sales, marketing and client account management capabilities, to support this strategy. Key areas of FINEOS' growth strategy include: • Target up-sell and cross-sell opportunities within the existing client base; • Technology leadership and continued product innovation; • Expand sales, marketing and product delivery capabilities; • Grow subscription revenue base and expand margins; • Expand strategic partnerships; and • Expand and increase penetration in adjacent verticals. ***For further information, see Section 3.5***

1.3 Business highlights and key strengths

TOPIC	SUMMARY
Large addressable LA&H core systems software market with favourable structural trends	Globally, IT spending by life insurance companies totalled US$99.1 billion in 2017. Spend on core software solutions forms a significant portion of the estimated US$45 billion in IT spend relating to external services and external software. FINEOS estimates that the total annual spend on external core systems software by LA&H insurers is approximately US$10 billion. Previously, many insurers built their core systems in-house, rather than using third-party software vendors. A shift away from legacy systems towards increased use of externally provided core systems solutions are supported by trends identified by Celent in the insurance industry including.[3] • reducing reliance on legacy systems to meet the demands of faster, cheaper and better sales and service, with continued rollout of next-generation core systems; • rationalisation of IT with a view towards simplification and operational efficiency; • greater adoption of SaaS and cloud delivery models for core systems; • new technology partners in the areas of sales, enrolment, billing and service for group and voluntary employee benefits; • combination of cloud and robotic process automation to reduce costs, including automation in new business, policy service, billing and collection and claims; • increasing use of predictive analytics to answer questions around profitability, customer segmentation and fraud; and • identifying and responding to the implications of implemented and potential regulatory change (such as Europe's General Data Protection Regulation (EU) 2016/679 (**GDPR**)). FINEOS believes there is a significant opportunity to utilise its leading FINEOS Platform products to capitalise on these key structural trends in the industry. ***For further information, see Sections 2.3 and 2.4***
Existing leadership in claims management software	Understanding insurers' core processes and critical pain points provides a number of advantages in delivering client-focused software solutions. FINEOS has established a leading position in the global market for claims management software, with a strong presence in the North America, APAC and European markets. FINEOS therefore has deep knowledge and expertise in servicing complex insurance organisations which can be utilised to further enhance its leading FINEOS Platform. This will assist FINEOS to better service insurers, many of whom are multi-functional, multi-jurisdictional organisations with complex system requirements. ***For further information, see Section 3.2.5***

3. Celent, IT Spending in Insurance – A Global Perspective (2017)

TOPIC	SUMMARY
Blue chip client base with minimal churn and significant up-sell and cross-sell opportunities	FINEOS has built a strong client base, which includes a number of large tier 1 multinational insurers with operations across multiple geographies. For many of these clients, FINEOS is currently only providing software to support operations in a single geographic market. With the launch of the broader FINEOS Platform modules made available for sale at the end of 2018, the potential to expand use of the FINEOS Platform across multiple jurisdictions as well as additional business divisions within existing clients represents a significant growth opportunity. Many of FINEOS' relationships with insurance clients, particularly the larger clients by revenue, have extended over the long-term (up to 15 years) with minimal client attrition across the broader client base. FINEOS attributes its relationships with clients to: • the nature of its software that support its clients' core business activities and is embedded within organisational processes; • its insurance business and technical expertise built over many years of product development; • its commitment to take innovative approaches and actively continue to develop new products; and • its willingness to work collaboratively with its clients to provide client-focused solutions and build long-term partnerships. ***For further information, see Section 3.2***
Growing subscription revenues with the transition to a cloud-based SaaS model	All products have either been transitioned to, or specifically developed for, the cloud and all new sales of FINEOS' products are made under a cloud-based SaaS pricing model. The cloud-based model is intended to generate at least the same total revenue over its target initial contract term (typically five years), with the potential to generate higher revenues than the equivalent on-premise model with those clients who continue beyond the initial term. Subscription-based contracts also benefit FINEOS as they provide an ongoing revenue stream from clients and enhanced visibility over future revenue generation along with smaller variation in quarterly revenues. Subscription fees have experienced strong growth since FY17, supported by existing clients migrating to cloud-based products and new client contracts. FINEOS will seek to continue to grow subscription fees, which can be particularly favourable due to the limited incremental hosting and customer support costs required to service that revenue. ***For further information, see Section 3.4.1***
Integrated and scalable platform	The FINEOS Platform has the capacity to support group, voluntary and individual insurance on a single platform, which represents a significant value-add for insurers and a competitive advantage in acquiring new clients. FINEOS' software provides an integrated core software solution that is consistent across geographic, functional and insurer type and assists to differentiate FINEOS from competitors. Clients benefit from the suite of products by unlocking potential process synergies, lowering the cost of ownership, utilising greater functionality and gaining a more seamless user experience. Multiple adoption paths exist to attract new clients e.g. a new client can initially use a single module, then be attracted to the benefits of additional modules. ***For further information, see Section 3.2.5***

1. Investment Overview (continued)

TOPIC	SUMMARY
Founder-led business with deep insurance and technology capabilities	Led by CEO and founder Michael Kelly, the FINEOS management team bring substantial software and insurance industry expertise along with a deep understanding of FINEOS' products and clients. The current management team have successfully overseen the transition of FINEOS from a provider of customer-focused consulting services to a vendor of a leading claims management product along with a broad suite of core systems software products designed specifically for the LA&H insurance industry. The management team has guided the growth of FINEOS from a workforce of 498 in FY17 to over 650 (as at 30 April 2019). The management team is supported by FINEOS' highly qualified and experienced Board. ***For further information, see Section 3.1.2***

1.4 Key financial information

TOPIC	SUMMARY
What is FINEOS' pro forma and statutory historical and forecast financial performance?	A condensed version of FINEOS' Pro Forma and Statutory Historical and Pro Forma and Statutory Forecast Annual Income Statements are set out below. The information presented below contains non-IFRS financial measures and should be read in conjunction with the more detailed discussion of the Financial Information set out in Section 4, including the assumptions, management discussion and analysis and sensitivity analysis, as well as the key risks set out in Section 5. The pro forma and historical and forecast financial information and the statutory historical and forecast financial information included in this Prospectus have been prepared on the basis described in Section 4 of this Prospectus. A reconciliation of the Pro Forma Historical and Forecast Annual Income Statements to the Statutory Historical and Forecast Annual Income Statements is provided in Section 4.3.5.

	Pro forma historical		Pro forma forecast	
€ millions	FY17	FY18	FY19F	FY20F
Software	17.8	22.0	23.0	30.1
Services	23.3	31.6	38.4	43.9
Total revenue	41.1	53.7	61.5	74.0
EBITDA	1.4	7.7	7.1	8.7
EBIT	(3.1)	2.3	(1.1)	(2.0)
Net profit/(loss) after tax	(3.5)	0.6	(1.9)	(2.3)

TOPIC	SUMMARY
	(table below)

	Statutory historical		Statutory forecast	
€ millions	FY17	FY18	FY19F	FY20F
Software	17.8	22.0	23.0	30.1
Services	23.3	31.6	38.4	43.9
Total revenue	41.1	53.7	61.5	74.0
EBITDA	2.4	9.7	6.9	2.4
EBIT	(1.9)	3.6	(1.3)	(8.3)
Net profit/(loss) after tax	(2.5)	1.3	(2.8)	(8.7)

For further information, see Section 4

TOPIC	SUMMARY
What is FINEOS' dividend policy?	Given the strong growth opportunity FINEOS has identified for FINEOS AdminSuite, FINEOS does not have any present plan to pay dividends. The payment of a dividend by FINEOS, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of FINEOS and its directors and management, and are not reliably predictable), including the operating results, the general business environment, cash flows and the financial condition of FINEOS, future funding requirements, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by FINEOS, and any other factors the Directors may consider relevant. ***For further information, see Section 4.15***

1.5 Key risks

TOPIC	SUMMARY
Failure to retain existing clients and attract new clients	FINEOS' current financial performance depends on the ability to retain existing clients and its growth depends on the ability of FINEOS to attract further business from existing clients and to attract new clients. If FINEOS is unable to attract new clients, or attract new clients at the rate, over the time frames or with the pricing, revenues and costs it currently expects (and is not able to off-set this with additional revenue from existing clients), this may have a material adverse impact on the financial performance of FINEOS. ***For further information, see Section 5.1.1***
Launch of new products	The development schedule for new products or the adoption of the existing products may take longer than expected, delaying the development of new revenue streams. New third-party technologies could prove more advanced and be developed in less time than FINEOS' new products. FINEOS expects that over time, revenue from new products will contribute to FINEOS' total revenue. There is a risk that FINEOS' new products may not be well received by its clients or FINEOS may not be able to generate sufficient adoption of its new products. ***For further information, see Section 5.1.2***

1. Investment Overview (continued)

TOPIC	SUMMARY
Reliance on flagship product and failure to adequately maintain and develop it	FINEOS' business model depends on its ability to continue to ensure that clients are satisfied with the FINEOS Platform. There is a risk that FINEOS may fail to maintain the FINEOS Platform adequately, or that updates may introduce errors and performance issues, causing clients' satisfaction in the FINEOS Platform to fall. If client satisfaction were to fall for any reason, this may result in reduced sales and usage, loss of clients, damage to reputation, an inability to attract new clients and potentially claims for compensation. The failure to successfully develop new product features and modules may materially adversely impact FINEOS' future operations and financial performance. ***For further information, see Section 5.1.3***
Failure to realise benefits from product development	FINEOS believes that it must continue to dedicate resources to innovation efforts to develop product offerings in order to maintain FINEOS' competitive position. FINEOS may not, however, receive significant revenues from these investments for several years, or may not realise such benefits at all. Further, as discussed in Section 4.12.5, FINEOS currently capitalises research and development costs, which are amortised over time, in accordance with IFRS 38. Any decrease in the percentage of capitalisation available to FINEOS over time may directly impact its operating costs and EBITDA and will have an adverse impact on the financial performance of FINEOS. ***For further information, see Section 5.1.4***
FINEOS operates in a competitive industry	FINEOS' operating performance is influenced by a number of competitive factors including the success and awareness of its brand, its sophisticated technology, and its commitment to ongoing product innovation. FINEOS competes with a number of software vendors providing core systems software to the LA&H insurance industry. Any change in the foregoing competitive factors, or others, may impact FINEOS' ability to retain existing clients and attract new clients. ***For further information, see Section 5.1.5***
Reliance on key clients	A significant proportion of FINEOS' revenue is currently derived from FINEOS' largest two clients, which together represented 39% of revenue in FY18. FINEOS expects that the overall revenue contribution of FINEOS' largest two clients will decrease to approximately 34% in FY20F due to anticipated growth in sales of FINEOS Platform solutions and expansion of geographic sales focus. As FINEOS relies on its top two clients for a significant portion of its revenue, failure to attract or retain these clients may have an adverse impact on the business, its financial performance and operations. Further, while FINEOS has clients across a number of jurisdictions, 35% of its revenue was generated from clients in the US and Canada and 53% of its revenue was generated in Australia and New Zealand in FY18. This may increase FINEOS' exposure to any economic downturn, changes in government policies, laws and regulations, and catastrophic events in those jurisdictions. Any such events may adversely impact FINEOS' business, growth strategy and financial performance. ***For further information, see Section 5.1.6***

TOPIC	SUMMARY
Disruption or failure of technology systems and data security breaches	There is a risk that FINEOS' software solutions become the subject of a system failure, virus, cyber-attack or other negative event which could compromise or even breach the technology rendering the products unavailable for a period of time while the software is restored or result in the loss, theft or corruption of sensitive data. The effect of any such event could extend to reputational damage, regulatory scrutiny and fines, which could negatively impact upon FINEOS' business, financial performance and operations. FINEOS cannot control, or guarantee, the security of the customer data that third parties may hold in relation to the delivery of FINEOS' software products. ***For further information, see Section 5.1.7***
Ability to retain or attract key personnel	FINEOS is reliant on the talent, effort, expertise, industry experience and contacts, and leadership of its management. Whilst FINEOS has entered into employment contracts with all senior management, their retention cannot be guaranteed, and the loss of any senior members of management and the inability to recruit suitable replacements represents a material risk to FINEOS, which may negatively impact its business, financial performance and operations. A risk also exists that, as FINEOS continues to grow, it cannot attract and retain personnel with the necessary industry experience, expertise and ability to execute its strategy, such that its future growth may be restricted and the quality of its services reduced, with a corresponding adverse impact on its business, financial performance and operations. ***For further information, see Section 5.1.8***
Inability to protect intellectual property	FINEOS relies on its intellectual property rights and there is a risk that FINEOS may fail to adequately protect its rights for a number of reasons. There is also a risk that certain on-premise product source code may be obtained by third parties, for example through certain breaches of agreements by FINEOS, fraud or theft by third parties, or purchased in a certain circumstance on a change of control of FINEOS. If FINEOS fails to adequately protect its intellectual property rights, competitors may gain access to its technology which would in turn harm its business, financial performance and operations. ***For further information, see Section 5.1.9***
Breach of third party intellectual property rights	A risk exists that third parties may allege that FINEOS' products use intellectual property derived from such third parties or from their products without their consent or permission. FINEOS may be the subject of claims which could result in disputes or litigation, which could result in the payment of monetary damages, cause delays and increase costs, which in turn could have an adverse impact on FINEOS' operations, reputation and financial performance. Typically under its client contracts, any limits to FINEOS' liability do not apply to any breaches of third party intellectual property rights by FINEOS. ***For further information, see Section 5.1.10***

TOPIC	SUMMARY
Failure to execute on proposed business and pricing model changes	Core to the success of FINEOS' business model is the delivery of its software products through a cloud-based, SaaS model, as the historical on-premise method of delivery is gradually phased out. FINEOS believes a cloud-based, SaaS model is the more appropriate method of delivery and pricing for its products into the future given the various efficiency, operational and security benefits and attractiveness of revenue visibility and regularity that this model can provide. However, such a significant transition in business model requires a significant investment in resources to facilitate this transition. In addition to monetary investment, this transition will also require a significant time investment from various employees in multiple divisions across FINEOS, including developers, sales, financial and legal. FINEOS cannot guarantee that it will deliver this transition within its targeted timeframe, that this transition will occur in its entirety and that it will be adopted by all existing clients, and that it will ultimately generate greater revenues for FINEOS than the on-premise model. In conjunction with its move to cloud-based, SaaS products, FINEOS has changed its pricing model with new clients only offered cloud-based products under this pricing model and with FINEOS seeking to transition existing clients to this pricing model over time (refer to Section 3.4.1). While FINEOS has contracted with a number of clients under this new pricing model recently, there is no guarantee that this strategy will be successful and generate greater revenues than under the previous on-premise ILF/ALF pricing model. FINEOS has a relatively small number of larger contracts (rather than multiple smaller contracts) which typically take a number of months from commencement of discussions to signing and the commencement of revenue generation. As a result, delays in contract commencement and revenue generation across an end of financial period may lead to a reduction in expected revenue in the earlier financial period (which could include FY19 and FY20) and have an adverse impact on the financial performance and position for that earlier financial period. ***For further information, see Section 5.1.11***
FINEOS may be exposed to other risks	More detail on these risks are outlined in Section 5.1, including: • inability to execute on growth strategy • significant unanticipated costs or delays might arise in relation to FINEOS' business; • influence of significant holding; • risk of litigation, claims, disputes and regulatory investigations; • failure to keep ahead of changes in political, compliance and regulatory environments; • country/region specific risk in new and/or unfamiliar markets; • provisions of FINEOS' Constitution and Irish company law; • future government regulations and local requirements; and • foreign exchange risk. In addition, Section 5.2 outlines some general investment risks. ***For further information, see Sections 5.1 and 5.2***

1.6 Board and management

TOPIC	SUMMARY
Who are the Directors of the Company?	***The Directors of the Company are:*** • Anne O'Driscoll; • Michael Kelly; • Gilles Biscay. • Dr Martin Fahy; • Peter Le Beau; and • Tom Wall. ***For further information, see Section 6.1***
Who are the senior management team of the Company?	The senior management team includes: • Michael Kelly (Founder and Chief Executive Officer); • Ian Lynagh (Chief Commercial Officer); • Joanne McMullan (Chief People Officer); • John Brennan (Chief Operating Officer); • Jonathan Boylan (Chief Technology Officer); and • Tom Wall (Chief Financial Officer). ***For further information, see Section 6.2***

1.7 Significant interest of key people and related party transactions

TOPIC	SUMMARY
Who are the existing shareholders and what will be their interest in FINEOS at Completion?	See table below

	Immediately prior to the Offer (undiluted)		Immediately following the Offer (undiluted)[1]		Immediately following the Offer (fully diluted)[1]	
	Shares	%	CDIs	%	CDIs	%
Michael Kelly	182,333,430[2]	81.3%	166,418,041[4]	62.9%	166,418,041[4]	58.4%
Enterprise Ireland	21,672,060	9.7%	–	–	–	–
Jonathan Boylan	8,009,040[3]	3.6%	3,924,429[5]	1.5%	3,924,429[5]	1.4%
Other shareholders	10,998,320	4.9%	8,651,826	3.3%	8,651,826	3.0%
Other Board, management & employees	1,388,740	0.6%	1,093,401	0.4%	21,584,041	7.6%
Investors in the Offer	–	–	84,329,893	31.9%	84,329,893	29.6%
Total	**224,401,590**	**100.0%**	**264,471,590**	**100.0%**	**284,908,230**	**100.0%**

1. Undiluted refers to the number of CDIs on issue, and fully diluted refers to the number of CDIs and options (each over one Share) on issue, which are exercisable from 6 months after Listing.
2. Refers to Shares held by Jacquel Investments Limited (a company held by Michael and his wife Jacqueline Kelly in equal proportions) and by Jacquel First Limited, a company owned by Jacquel Investments Limited (an Offeror under the Offer).
3. Refers to Shares held by a company associated with Jonathan Boylan (CTO), Carmen Investments Limited. Michael Kelly (through Jacquel Investments Limited) has agreed to acquire 51% of the shares in that company on or prior to Completion. See Section 6.3.2.8 for further information.
4. Refers to CDIs held by Jacquel Investments Limited and 51% of the CDIs held by Carmen Investments Limited (and excludes interests in Shares held by Jacquel First Limited at the Prospectus Date which will sold through the Offer). The total number of CDIs expected to be held by Jacquel Investments Limited and Carmen Investments Limited on Completion is 170.3 million ((64%)%).
5. Includes 49% of the CDIs held by Carmen Investments Limited on Completion.

For further information, see Section 6.4

TOPIC	SUMMARY
What significant benefits and interests are payable to Directors and other persons connected with FINEOS or the Offer?	Directors and senior management are entitled to remuneration and fees on commercial terms as disclosed in Section 6.3. On Completion, the Directors will hold interests as follows:

Director	Interest in Shares at the Prospectus Date	Shares to be sold under the Offer	Interest in CDIs at Completion (undiluted)[1,7]	Interest in CDIs at Completion (fully diluted)[1,7]
Michael Kelly	182,333,430[2]	20,000,000[3]	166,418,041[4]	166,418,041[4]
Anne O'Driscoll	–	–	68,000[5]	68,000[5]
Martin Fahy	–	–	8,000[6]	8,000[6]
Gilles Biscay	–	–	–	–
Peter Le Beau	–	–	–	–
Tom Wall	–	–	–	2,775,640
Total	182,333,430	20,000,000	166,494,041	169,269,681

1. Undiluted refers to the number of CDIs on issue, and fully diluted refers to the number of CDIs and options (each over one Share) on issue, which are exercisable from 6 months after Listing.
2. Through investment companies, Jacquel Investments Limited and Jacquel First Limited, which are ultimately held by Michael Kelly and with his wife Jacqueline Kelly in equal proportions
3. Represents Shares to be sold through Jacquel First Limited.
4. Includes CDIs to be held through 51% interest in Carmen Investments Limited, a company with Jonathan Boylan as the other shareholder, on Completion.
5. Includes 8,000 CDIs issued to Anne O'Driscoll by or on Completion and 60,000 CDIs expected to be acquired by Anne under the Offer at the Offer Price (see section 6.3.2.5 for further information).
6. Includes 8,000 CDIs issued to Martin Fahy by or on Completion (see section 6.3.2.5 for further information).
7. Directors may apply for additional CDIs under the Offer. Final Directors' shareholdings will be notified to ASX following Listing.

For further information, see Section 6.3.2.8

TOPIC	SUMMARY
Will any Shares be subject to restrictions on disposal following Completion?	Yes. Subject to certain customary exceptions referred to in Section 6.5, all of the CDIs referred to below will be escrowed under voluntary escrow deeds until FINEOS releases its financial results for FY20 to ASX, and 50% of those CDIs will be escrowed until FINEOS releases its financial results for FY21 to ASX.

Name	Number of CDIs held on Completion	Percentage of CDIs escrowed
Michael Kelly[1]	166,418,041	100%
Jonathan Boylan[2]	3,924,429	100%

1. Refers to CDIs held by Jacquel Investments Limited and 51% of the CDIs held by Carmen Investments Limited (and excludes interests in Shares held by Jacquel First Limited at the Prospectus Date which will sold through the Offer).
2. Refers to 49% of the CDIs held by Carmen Investments Limited on Completion.

For further information, see Section 6.5

TOPIC	SUMMARY
Are there any other related party transactions?	FINEOS Corporation Limited (a wholly-owned subsidiary of FINEOS) is party to a lease agreement with a company controlled by Michael Kelly. The lease is for the building in Block D, EastPoint Business Park, Dublin which houses FINEOS' principal Irish offices. Its term extends until 12 June 2029 with no express options for renewal in favour of either party. The lease provides for a rent review on 13 June 2024 at market rates. Rent payable by FINEOS is currently €780,000 per annum (excluding taxes). ***For further information, see Section 6.7***

1.8 Proposed use of funds and key terms and conditions of the Offer

TOPIC	SUMMARY
Who is the issuer of this Prospectus	FINEOS, SaleCo and Jacquel First Limited (collectively, the **Offerors**).
What is SaleCo and Jacquel First Limited	SaleCo is a special purpose vehicle, established to enable Selling Shareholders (other than Jacquel First Limited) to sell part of their investment in FINEOS in connection with the IPO. Jacquel First Limited is a wholly-owned subsidiary of Jacquel Investments Limited, which is an entity controlled by Michael Kelly and his wife Jacqueline Kelly. Jacquel First Limited will sell its interests in FINEOS in connection with the IPO (although Michael will retain significant interests in FINEOS through Jacquel Investments Limited as described above).
What is the Offer	The Offer comprises an offer of the issue of 40.0 million Shares by FINEOS, and the sale of 24.4 million Shares by SaleCo and 20.0 million Shares by Jacquel First Limited, through the Broker Firm Offer, Institutional Offer and Chairman's List Offer.
What is the proposed use of funds raised under the Offer?	Funds raised from the issue and transfer of Shares under the Offer (totaling approximately €132.6 million) will be applied as follows:

Uses	€m	A$m	%
FINEOS			
Repayment of EIB Loan	16.6	26.4	13%
Payment of the costs of the Offer	10.7	17.0	8%
Fund investment and working capital	35.5	56.6	27%
Other Offerors			
Proceeds to SaleCo and Jacquel First Limited	69.7	111.0	53%
Total	132.6	211.0	100%

For further information, see Section 7.1.3

TOPIC	SUMMARY
Will the Shares be quoted on the ASX?	FINEOS will apply within 7 days of the Prospectus Date to the ASX for admission to the Official List and quotation of Shares on the ASX under the code FCL. Completion is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all application monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. ***For further information, see Section 7.2***
How is the Offer structured?	The Offer comprises: • the Broker Firm Offer, which is open to Australian retail clients of Brokers who have received a firm allocation from their Broker; • the Chairman's List Offer, which is only open to investors nominated by the Company; and • the Institutional Offer, which consists of an offer to Institutional Investors in Australia. ***For further information, see Section 7.1.1***
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Joint Lead Managers. ***For further information, see Section 7.1.2***
What is the allocation policy?	The allocation of CDIs between the Broker Firm Offer, the Chairman's List Offer and the Institutional Offer was determined by the Joint Lead Managers in consultation with the Company and the Offerors having regard to the allocation policies outlined in Sections 7.3.6, 7.4.6 and 7.5.2. For Broker Firm Offer Applicants, the relevant Broker will decide how they allocate CDIs among their retail clients. The Joint Lead Managers, the Company and the Offerors have absolute discretion regarding the allocation of CDIs to Applicants under the Offer and may reject an Application, or allocate a lesser number of CDIs than applied for. The Joint Lead Managers, the Company and the Offerors also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person. ***For further information, see Sections 7.3.6, 7.4.6 and 7.5.2***
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisitions of CDIs under the Offer. ***For further information, see Section 7.2***
What are the tax implications of investing in the CDIs?	You may be subject to Australian income tax or Irish withholding tax on any future dividends paid. The tax consequences of any investment in CDIs will depend upon your particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest. ***For further information, see Section 7.11***

TOPIC	SUMMARY
What is the minimum and maximum application size under the offer?	The minimum Application size for investors in the Broker Firm Offer, Institutional Offer and the Chairman's List Offer is $2,000 worth of CDIs. There is no maximum value of CDIs that may be applied for under the Offer. ***For further information, see Section 7.2***
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 19 August 2019. Refunds (without interest) to applicants who make an Application and receive an allocation of CDIs, the value of which is smaller than the amount of the application monies, will be made as soon as practicable after Completion of the Offer. ***For further information, see Section 7.2***
How can I apply for CDIs?	**Broker Firm Offer:** If you have received an allocation of CDIs from your Broker and wish to apply for those CDIs under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions. **Chairman's List Offer:** If you have received a personalised invitation to apply for CDIs under the Chairman's List Offer and you wish to apply for CDIs, you should follow the instructions on your personalised invitation to complete and lodge your Application. To the extent permitted by law, an Application under the Offer is irrevocable. ***For further information, see Section 7.3 and 7.4***
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue of CDIs to successful Applicants. If the Offer does not proceed, application monies will be refunded to Applicants. No interest will be paid on any application monies refunded as a result of the withdrawal of the Offer. ***For further information, see Section 7.2***
When can I sell my CDIs on ASX?	It is expected that the dispatch of the holding statements will occur on 19 August 2019 and trading of the CDIs on ASX will commence on or about 16 August 2019 (on a deferred settlement basis). It is the responsibility of each Applicant to confirm their holding before trading in CDIs. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. ***For further information, see Section 7.2***
Where can I find more information about this Prospectus or the Offer?	Please call the FINEOS Offer Information Line on 1300 737 760 (toll free within Australia) from 8.30am until 5.30pm (AEST) Monday to Friday. If you are unclear about any matter or are uncertain as to whether FINEOS is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest. ***For further information, see Section 7.2***

2 Industry Overview

2. Industry Overview

2.1 Introduction

FINEOS provides core software solutions that include the management and administration of policies and claims to the life, accident & health ("**LA&H**") insurance industry, which forms a part of the broader insurance industry.

The LA&H insurance industry includes the following markets relevant to FINEOS:

- the life insurance market, including term life, income protection and disability insurance products, which provide the beneficiaries with payments upon death or disability of the claimant; and
- the accident and health insurance market, a subset of the life insurance market in many instances and jurisdictions, which includes accident insurance and critical illness insurance products that provide insurance cover for out-of-pocket expenses associated with unanticipated health-related events.

2.2 Global LA&H insurance industry

2.2.1 Role of participants in the global LA&H insurance industry

LA&H insurance is a global industry with LA&H insurance products sold to individuals or groups (for example employees and employers) around the world. LA&H insurance provides protection to the insured, in the form of cash payments, for events that cause injury, illness or loss. Premiums are paid to the insurer, usually in the form of periodic payments. The insurer pays disbursements, operating costs, and holds appropriate reserves to cover expected claims costs and ongoing operating costs. When an insured claims on an LA&H insurance policy, if verified, the insurer provides payments to the claimant, either as a lump sum or a fixed or variable income stream.

Key activities included in the provision of L&AH insurance products are outlined below. FINEOS' core software solutions help insurers and other participants in the management and administration of policies.

Figure 1: Key activities in the provision of LA&H insurance products

Product design	Marketing and distribution	Underwriting	Management/ Administration
• Product specifications • Rate calculations • Target market identification • Simple vs complex products	• Direct vs agent based distribution • Product launch • Customer acquisition cost management	• Risk selection • Reserving • Reinsurance management • Capital allocation and management	• Customer management • Billing and collections • Financial reporting • Claims management

The key participants in the provision of LA&H insurance to the insured customer include insurers, distributors and third-party administrators.

Insurers include monoline (specific risk category) and multi-line (multiple risk categories) insurers, banks, mutuals and government bodies. These entities are typically required to hold insurance licences and hold capital underpinning their insurance products. The scale, offering and structure of insurers varies significantly. Some insurers are large-scale, multinational businesses with long operating histories. Other insurers may be smaller scale, often faster growing, concentrating on a particular specialisation or competitive advantage.

Distributors of LA&H insurance can be the insurers themselves, when operating a direct distribution model, or a third-party agent, when distributing through an intermediated channel. Distribution of LA&H insurance can also differ depending on whether policies are sold as an individual insurance product or a group insurance product. Individual and group insurance products can differ in the way policies are managed.

Insurers may choose to outsource key activities in the provision of LA&H insurance. For example, management of policies is an activity that insurers may outsource to third party administrators.

In the management of insurance policies, insurers, or their selected third party administrators, may operate in-house software and IT infrastructure or outsource their software and IT infrastructure requirements to specialist software solutions providers such as FINEOS (or employ both strategies depending on the business requirement).

2.2.2 Overview of the global industry

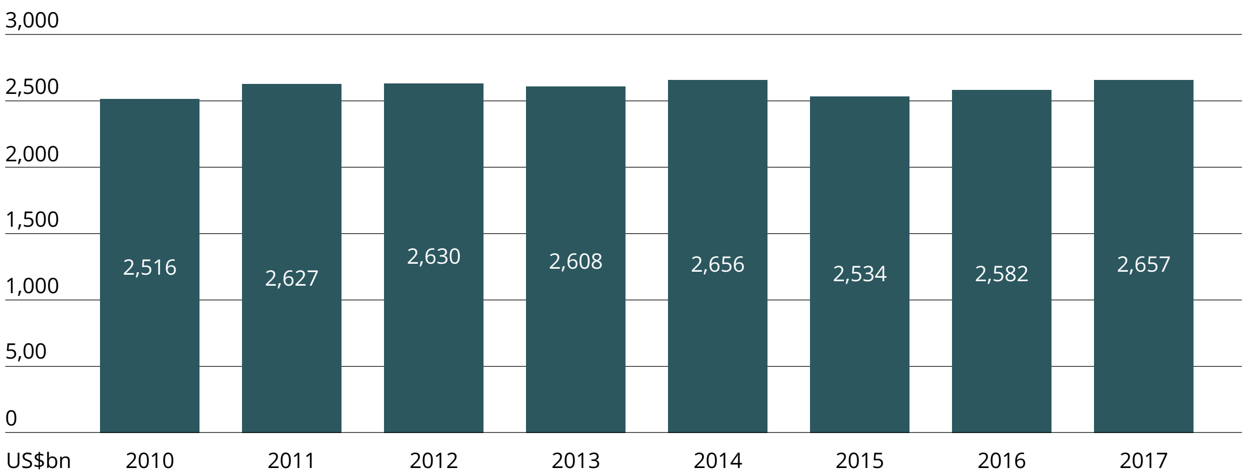
As described in Section 2.1 above, LA&H insurance includes life insurance, and accident and health insurance (which in many jurisdictions is simply a subset of life insurance). Available industry analysis reports primarily on the life insurance industry. In this context, industry figures and expenditure on IT in the remainder of this section refer to the life insurance industry to assist investors in understanding the key aspects of the industry in which FINEOS and its clients operate.

2.2.3 Global life insurance industry

The life insurance industry is relatively mature and stable, with global premiums of approximately US$2.7 trillion in 2017.

Figure 2: Global life insurance premiums[1]

7-year CAGR: 0.8%



The industry comprises "Advanced" markets (including North America, Western Europe, parts of Asia and Oceania) and "Emerging" markets (including China, Latin America, Africa, Central & Eastern Europe, Middle East and Central Asia). Advanced markets accounted for approximately 78% of global insurance premiums in 2017, whilst Emerging markets accounted for the remaining 22% (with China representing 12% of global premiums). Emerging markets growth has outpaced Advanced markets growth driven primarily by growth of the market in China. A relatively small number of countries dominated the overall pool of insurance premiums, with 20 countries generating approximately 90% of premiums in 2017, as detailed in Table 1 below.

FINEOS predominantly assists clients operating in Advanced markets, including clients operating in five of the 20 largest countries listed below (with those countries accounting for 26.8%, or US$713 billion, of annual premiums in 2017).

1. Swiss Re Institute sigma No3/2018, "World insurance in 2017: solid, but mature life markets weigh on growth" (2018)

Table 1: Largest 20 countries by life insurance premiums in 2017[2]

Country	2017 premiums (US$m)	% of global total premiums
US*	546,800	20.6%
PR China	317,570	12.0%
Japan	307,232	11.6%
UK	189,833	7.1%
France	153,520	5.8%
Italy	113,947	4.3%
South Korea	102,839	3.9%
Taiwan	98,602	3.7%
Germany	96,973	3.6%
India	73,240	2.8%
Ireland*	55,680	2.1%
Canada*	51,592	1.9%
Hong Kong	49,808	1.9%
Brazil	46,874	1.8%
South Africa	38,286	1.4%
Spain	33,216	1.3%
Australia*	32,169	1.2%
Switzerland	29,944	1.1%
Sweden*	26,836	1.0%
Luxembourg	26,549	1.0%

*Highlighted rows indicate countries where FINEOS has LA&H insurance clients operating FINEOS software or services

2.3 Software and systems within the life insurance industry

2.3.1 Role of software and systems in the life insurance industry

Insurers rely on core software and information technology system infrastructure to carry out functions of their business. Insurers, their customers, suppliers, internal stakeholders and regulators can place significant importance on a stable and accurate system for storing records, co-ordinating user activity and processing transactions.

Core software systems that are used in the administration of insurance businesses include:

- Claims management systems;
- Policy administration systems; and
- Billing systems.

FINEOS observed that many LA&H insurers relied on separate, often “legacy” third party or in-house developed solutions to support these core functions and that there was no clear market-leading product providing a modern, integrated software solution across all aspects of their core systems. The FINEOS AdminSuite has been built by FINEOS with the aim of meeting this need.

2. Swiss Re Institute sigma No3/2018, “World insurance in 2017: solid, but mature life markets weigh on growth” (2018)

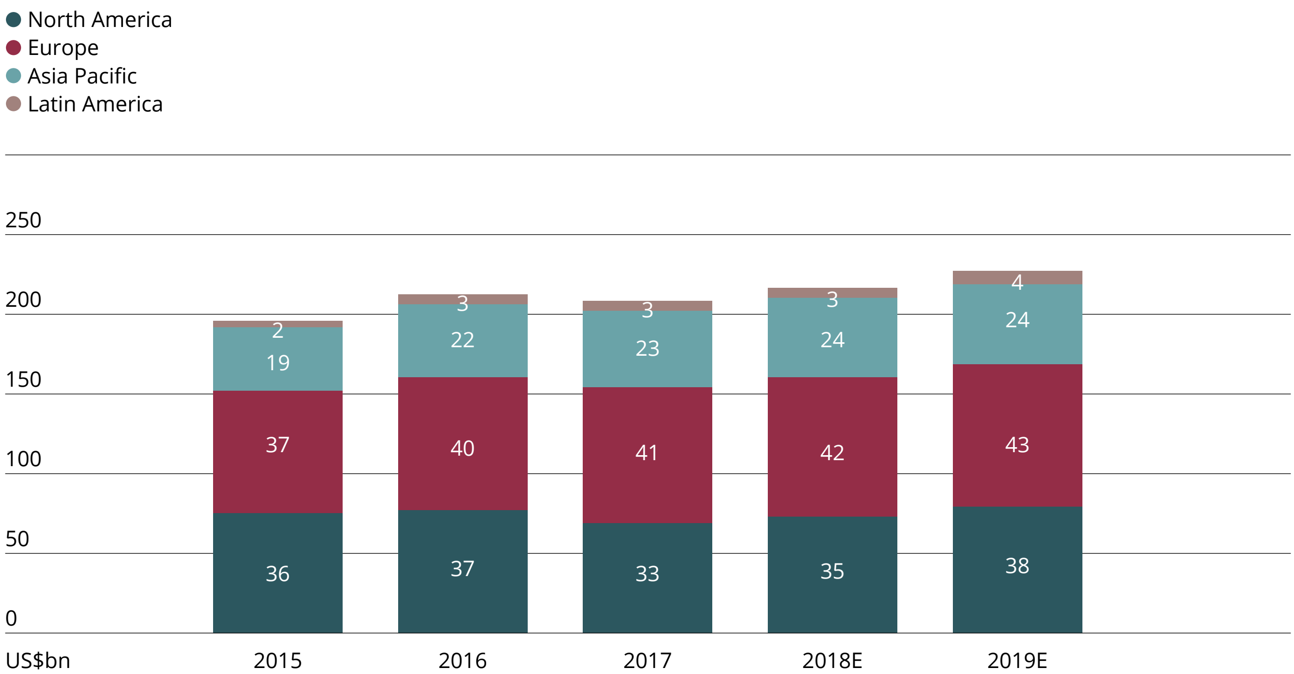
2.3.2 IT expenditure in the life insurance industry

2.3.2.1 IT expenditure by life insurance companies

Celent, a division of Oliver Wyman, estimated that, in 2017, global IT spending by life insurance companies totalled US$99.1 billion, representing approximately 3.7% of the total global US$2.7 trillion life insurance premiums.[3] The vast majority of FINEOS' clients are life insurance companies operating within the FINEOS defined LA&H insurance market and use FINEOS' services and software as part of an external third party outsourcing solution for certain management and administrative functions.

IT spending includes expenses for both internal and external technology activities, including spending related to the management and operation of data centres, hardware and software development, third party licensing fees, professional fees to contractors and vendor-supplied technology experts, internal staff and their management, fees paid to outsourcers, and any other expenditure on information technology or IT management.

Figure 3: Global estimated IT spend by region by life insurers



Celent, IT Spending in Insurance – A Global Perspective - 2017

Total IT expenditure in the North American life insurance industry fell in 2017 to US$33 billion (consistent with an estimated 3.5% contraction in premiums), as a period of low interest rates and weak sales impacted the insurance market. However, Celent expected this to recover and grow at a compound annual growth rate (**CAGR**) of 8.3% between 2017 and 2019 to a total value of approximately US$38 billion.

Total IT expenditure in the European life insurance industry increased to US$41 billion in 2017. This was expected by Celent to continue growing at a CAGR of 1.6% between 2017 and 2019 to a total value of approximately US$43 billion.

IT expenditure in the APAC life insurance industry increased to US$23 billion in 2017. This was expected by Celent to continue growing at a CAGR of 4.1% between 2017 and 2019 to a total value of approximately US$24 billion.

3. IT spend figures in this Section 2 estimated by Celent (a research, advisory and consulting firm focused on financial services technology). Celent, IT Spending in Insurance – A Global Perspective – 2017. Insurance premiums figures sourced from Swiss Re Institute sigma No3/2018, "World insurance in 2017: solid, but mature life markets weigh on growth" (2018)

2.3.2.2 IT expenditure by life insurance companies on external services and external software

Of Celent's estimated US$99.1 billion global IT spending by life insurance companies in 2017, a subset of approximately US$45 billion is estimated by FINEOS to be spent on external services and external software providers, as opposed to IT spend internally within an insurer. This subset represents approximately 1.7% of US$2.7 trillion total, global life insurance premiums and is consistent with the estimation by Celent that total IT spending on external services and external software by all insurance companies (life and non-life) was US$81.6 billion in 2017 out of a total US$4.9 trillion. FINEOS believes that this subset of total industry spend is a relevant reference point to it as its revenues are likely to fall within the categories of external services and external software of insurers.

2.3.3 FINEOS' assessment of its market opportunity

FINEOS estimates that spend on core software solutions comprises at least US$10 billion of US$45 billion spent on IT relating to external services and external software by life insurers globally (with other expenditure including internal spend on staff, on-premise servers etc.) with growth in this addressable market potentially derived from:

- growth in annual life insurance premiums and associated increased revenues, assisting insurers to increase their IT spend;
- growth in the allocation of funds towards IT services and software spend, particularly on core system modernisation; and
- growth in insurer preference for engaging external service and software providers.

2.4 Market factors driving insurer behavioural change

2.4.1 Factors driving change

FINEOS has observed a number of factors in the insurance industry, including the LA&H insurance industry driving change, in particular change that has been driven by (or can be responded to with) software and technology developments, including those described in the table below.

FACTORS DRIVING CHANGE	**Shift in customer expectations**	**Benefits of digitisation**	**Pressure on costs**
Increasing compliance and regulatory focus	**Threat posed by new tech-enabled business models**	**Future evolution of insurance providers**	**Benefits of externally provided solutions including SaaS based cloud solutions**

Table 2: Factors driving change in the insurance industry

Factor	Description
Shift in customer expectations towards digital and self-service	• Increased competition in most markets • Many customers are expecting "digital service" (e.g. online service), "self-service" (e.g. the ability to obtain information or make updates themselves online), and high-quality communications aligned to their personal preferences • Insurers may seek to position their brands and products more favourably with customers through digital engagement (e.g. through software based online platforms) • Increasing preference for buyers of insurance to tailor their own insurance
Benefits of digitisation	• Digitisation of core systems is providing insurers with opportunities to improve customer experience and gain greater insights into customer behaviour and preferences • Digital processes and offerings with modern interfaces can attract younger generation customers as well as employees • Adopting fully digitised core systems which interface with customers (rather than using manual systems, or only partially digitalised systems which, for example simply use web forms to replace paper-based workflows but still rely on other manual processes) can provide insurers and customers with information in "real time" • Enables the harnessing of data analytics, artificial intelligence and smart work flow processes to be adopted to derive benefits in efficiency, accuracy and predictability
Pressure on costs	• Extended claim durations arising from complicated claims • Pressure from customers to reduce premiums without compromising on service quality or reducing benefits • Operating environments (particularly with low interest rates) are placing pressures on returns for insurers, with industry returns on equity remaining below pre-GFC (Global Financial Crisis) levels[4]
Increasing compliance and regulatory focus	• Where insurers are facing increased complexity and focus on compliance, pressure is being placed on insurer cost bases, with technology solutions presenting a potential contribution to effective management of those costs • There is increasing recognition by regulators of the growing usage of outsourcing shared computing services by regulated entities such as insurers – The Australian Prudential Regulation Authority (APRA) observed in a 2018 Information Paper that there had been a "growing usage of cloud computing services by APRA-regulated entities, an increasing appetite for higher inherent risk activities" but that "service providers have strengthened their control environments, increased transparency regarding the nature of the controls in place, and improved their customers' ability to monitor their environments."[5]
Threats posed by new tech-enabled business models	• Traditional methods of providing insurances, including LA&H insurance, are open to disruption by new tech-enabled business models with the capacity to grow in scale quickly • This disruption may arise through the leveraging of expertise in partnerships between established technology leaders and insurers

4. Swiss Re Institute sigma No3/2018, "World insurance in 2017: solid, but mature life markets weigh on growth" (2018)
5. APRA, 'Outsourcing involving cloud computing services' (September 2018)

Factor	Description
Future evolution of insurance providers	• Insurers may wish to offer a broader range of services, beyond the more traditional pure risk or wealth management products. This could include, in the case of employee benefits, wellness programmes and (in North America) total absence management • Insurance companies are potentially well placed to increase the breadth of their services or improve and enhance current services by using and analysing the significant amount of data they have captured as part of their traditional activities.
Benefits of externally provided solutions including SaaS based cloud solutions	• Many insurers are observing the benefits that may be available with software solutions provided by external providers, including cloud-based, SaaS (software-as-a-service) solutions (see Section 2.4.3 below)

Novarica (a US research firm specialising in the insurance industry) identified core system trends for insurers in the life insurance market,[6] including:

- shifting from capital expenditure to operating expenditure
- preference for a "product suite solution" as opposed to buying each module individually from separate vendors;
- implementation focusing on "speed to market" and "modern capabilities";
- shift to business subject matter experts for configuration (i.e. using subject-knowledge specialists to configure systems, as opposed to IT experts);
- compliance and regulatory capabilities; and
- interest in application programming interfaces (**APIs**) which allow separate applications to communicate with each other.

2.4.2 From in-house legacy IT core systems to externally provided solutions

Previously, many insurers built core systems in-house, rather than using third-party software vendors. As a result, a large proportion of insurers run "legacy" core systems. For example, a 2016 study by Eastbridge Consulting surveying 26 large companies in the US LA&H insurance industry suggested that more than 50% used a "homegrown" or "proprietary" administrative system.[7] Such systems, together with older generation systems purchased, and subsequently customised by the client, are referred to in this document as legacy systems.

Celent has identified a trend towards increased use of externally provided core systems solutions supported by trends identified by Celent in the insurance industry including:[8]

- reducing reliance on legacy systems to meet the demands of faster, cheaper and better sales and service, with continued rollout of next-generation core systems;
- rationalisation of IT with a view towards simplification and operational efficiency;
- greater adoption of SaaS and cloud delivery models for core systems;
- new technology partners in the areas of sales, enrolment, billing and service for group and voluntary employee benefits;
- combination of cloud and robotic process automation to reduce costs, including automation in new business, policy service, billing and collection and claims;
- increasing use of predictive analytics to answer questions around profitability, customer segmentation and fraud; and
- identifying and responding to the implications of implemented and potential regulatory change (such as Europe's General Data Protection Regulation (EU) 2016/679 (**GDPR**)).

Specialised software solutions are typically developed and licenced to multiple clients, enabling the software provider to scale products, investment and distribution to derive a return on their R&D investment across a

6. Novarica, Inc., Novarica Insurance Technology Webinar: Core Systems (March 2019)
7. Eastbridge Consulting Group, Inc., Administrative Practices of Voluntary Carriers (August 2016)
8. Celent, IT Spending in Insurance – A Global Perspective (2017)

broader client base. In particular the benefits (and costs) of R&D can be made available to (and passed on to) many clients. Insurers who are adopting an "in-house" solution must individually manage their software and bear the costs of and responsibility for software development, ongoing maintenance, programming and upgrading of their software. This may be an expensive and complex exercise, with negative ramifications if a solution is unable to provide a reliable experience to customers or is not flexible or timely enough to respond to industry developments and customer demands in a cost-effective manner.

Many of the above trends reflect the desire for more sophisticated and flexible, yet cost effective, software solutions, providing an opportunity for external, specialist, software providers to address changes in the industry and meet the demand of insurers and their users. FINEOS anticipates in the future that insurers will seek to address broader customer bases (e.g. both employers and employees) by offering group, voluntary and individual products with greater features and ease of consumption, including leveraging data insights and analytics. This may lead to a further desire for specialised software solutions that adopt "best in class" or industry-accepted standards.

2.4.3 Potential benefits for the insurer to adopt a cloud-based software solution

FINEOS' services and software solutions for its clients support both on-premise and cloud-based software consumption models. However, FINEOS expects insurers to increasingly utilise cloud-based software solutions for core systems, consistent with Deloitte's 2019 Insurance Outlook, in relation to insurer outsourcing, that "more and more core business capabilities" are "more likely to move into the cloud as carriers continue to pursue legacy system modernisation".[9]

With cloud-based solutions, the software is hosted centrally (i.e. "off-site") by or on behalf of the software provider and accessed by clients from a variety of different devices and locations over the internet. This is to be distinguished from more traditional "on-premises" installations where each instance of the core software product is installed on IT infrastructure operated by or on behalf of each client. Cloud based solutions may be offered as a SaaS model where the software is regarded as a service to the client, available on an "as needed" basis, updated frequently and typically paid for by the client through regular subscription payments rather than a one-off licence fee.

In addition to the factors driving the shift towards using external software vendors for core systems discussed above in Section 2.4.2, benefits to insurers in adopting a cloud-based software solution may include the following:

Table 3: Potential benefits of using cloud-based software solutions for insurers

Benefits	Description
Efficiency	• Lower IT infrastructure costs and internal maintenance requirements • Opportunities for variable subscription-based cost structures rather than fixed IT expenditure depending on the pricing model adopted • Potential that the combination of a subscription-based variable pricing model, combined with the reduced need for a significant upfront investment in infrastructure, provides an overall smoother operational cost profile • Increased speed to market for product upgrades and enhancements
Risk management	• Through automation and rules-based applications, cloud-based software can provide: – effective data protection with up-to-date security features through regular ability to update modules; – automated escalation and flagging of issues through ability to update rules-based identification of possible areas of risk; and – business continuity planning and disaster recovery benefits through real-time or near real-time multiple back-ups.

9. Deloitte, Deloitte 2019 Insurance Outlook: Growing economy bolsters insurers, but longer-term trends may require transformation (2019)

Benefits	Description
Better customer and employer experience	• Cloud products can be made available to employees and customers at any time from any location with an internet connection from any devices supported by the product • Digital interfaces and service APIs allow insurers to connect to customers at a time and location convenient to customers • The rolling out of updates and new modules can typically be controlled centrally or more easily by the software provider, placing fewer demands on the insurers and potentially lower interruptions to the platform for users • Allows vendors to be readily able to provide remote support for clients

2.5 Competitive landscape

2.5.1 Overview of the competitive landscape

Providers of core system software in the LA&H insurance industry include:

- **Insurers' in-house IT departments:** Refer to Section 2.4.2 above;
- **Vendors targeting a single individual core system (for example claims, policy or billing) in the LA&H insurance industry:** These participants specialise in a single niche offering within the LA&H insurance industry. Insurers use these products alongside those provided by other software vendors or in-house developed solutions;
- **Vendors of core systems for multiple forms of insurance (for example, providing software to LA&H, property & casualty, and/or retirement / pensions):** Often these solutions have been designed to cover many different types of insurance; and
- **Vendors offering a suite of core systems exclusively in the LA&H insurance market:** These vendors offer software across more than one core application (i.e. a combination of claims, policy and/or billing) exclusively in the LA&H insurance market. FINEOS sits within this category.

Within these four broad categories of providers, excluding in-house IT departments, the nature of vendors can be broadly classified into the following categories:

- Large scale, global, generalist software providers with a broad product and service offering, often providing insurance core systems solutions in conjunction with other technology services or products;
- Large global and localised providers of more specialised core system software solutions generally focused on a single insurance sector or an individual aspect of the provision of insurance products; and
- Newer, often small scale providers with a short operating history seeking to capitalise on industry willingness to explore financial technology solutions.

Therefore FINEOS operates in a globally competitive market of externally sourced insurance core systems providers. Examples of competitors offering core system software (or a single module) in the LA&H insurance industry include:

- EIS Group;
- vitech;
- Majesco;
- FAST;
- Oracle;
- DXC Technology; and
- Claim Vantage.

2.5.2 Competitive dynamics

Competitors offering core systems software compete on factors including:

- product functionality
- product flexibility
- implementation capability
- time-to-market
- client service
- cost/value
- experience, track record, cross-selling ability

There are a number of challenging evaluation criteria and barriers to entry in the market for core system software that impact on new and existing market participants. These include:

- **Strong reputation:** given the importance of core systems to LA&H insurers, reputation and proven capability are important factors for insurers when choosing a software supplier;
- **Regulator approvals and/or consultation:** Insurers, as regulated entities, can be required to seek regulator approval for certain outsourcing arrangements. For instance, for arrangements with heightened risk such as those involving critical and/or sensitive IT assets that result in either an increased likelihood of a disruption or where a disruption would result in a significant impact to business operations;
- **Threshold effect:** core system software undertakes multiple functions requiring a significant capital outlay in development by the vendor, often over many years;
- **Significant investment and R&D:** LA&H products must be adaptable to regulatory and customer demands, and able to meet client demands for software that is up to date and compliant. This requires significant resources and ongoing investment in R&D;
- **Sector expertise:** a deep level of expertise and industry knowledge is required to produce and maintain a market-leading product, particularly given the complexities in the industry and diverse requirements across each individual jurisdiction;
- **Diversity of customer need:** the needs of particular insurers can vary across the industry, with product tailoring often required for their customers. Accommodating this diversity, while at the same time, maintaining the scalability and relevance (the "repeatability") of the core product to all clients requires significant expertise; and
- **Switching costs:** the cost of switching between software providers can be significant as a result of the upfront investment required to integrate core system software into existing IT infrastructure, as well as the cost and risk associated with transitioning data to a new platform.

2.6 Industry regulation

As a software vendor, FINEOS itself is not subject to specific, material software law or regulation, although it must operate within the general legal framework common to companies and software vendors including for example, intellectual property, data protection, privacy and proper business practices. However, FINEOS' clients, being insurers, are subject to specific legal and regulatory requirements in their respective jurisdictions. These include governing prudential supervision and conduct standards concerning insurance products as well as areas such as data protection, privacy, business continuity management and risk management (refer to Table 4 below). This may involve relevant supervisory authorities which are discussed briefly below.

Table 4: Examples of potential regulatory factors in the life insurance industry

Category	Potential regulatory focus
Licensing	Insurers, and certain intermediaries and relevant service providers, are required to be authorised, registered or licensed, and carry-out ongoing activities in accordance with the laws applicable to their relevant jurisdiction
Financial solvency	Insurers in certain jurisdictions may be subject to monitoring and ongoing maintenance of financial solvency and the holding of requisite capital and assets to support its business
Products/ distribution	Regulation regarding the terms contained in insurance policies and how such products are designed and sold
Market conduct	Regulation concerning market conduct of insurers and the appropriate treatment of their customers, including the fitness and probity of staff
Outsourcing	Processes for assessing the suitability and ongoing monitoring of services providers
Data protection and privacy	Preservation of the quality and security of critical or sensitive data, particularly personally identifiable information (**PII**) data subject to stringent privacy restrictions
Business continuity	Expectation that regulated insurers will continue to be able to meet obligations regardless of disruptions resulting from a failure of technology, people, process or service providers For example, regulations or regulators may focus on insurers maintaining recovery capabilities, setting clear roles and responsibilities of the outsourced cloud services provided in the event of disruption and implementing adequate testing regimes
Risk management	Consideration of such areas as organisational capability, nature and effectiveness of controls, oversight management and audit and assurance processes

Each jurisdiction differs in the level of regulation applied to insurers and the outsourcing arrangements insurers choose to undertake. For example, many insurers in the US are subject to the Health Insurance Portability and Accountability (**HIPA**) Act of 1996, which provides data privacy and security provisions for safeguarding medical information. In Europe, regulation exists under the Solvency II regime and in the form of the GDPR, relating to data protection and privacy for individuals. Further, APRA in Australia includes cloud-specific sections in their frameworks for general outsourcing and for governance, risk management and information security.

For its products to be attractive to insurers, vendors such as FINEOS, in many instances, offer solutions and functionality to assist its insurer clients in demonstrating their compliance with their legal and regulatory obligations. Further, insurers often take into account a service vendor's adherence to international IT standards set by regulators of diversified financial institutions. Authorities expect their regulated institutions to retain full responsibility and accountability of outsourced services with Board and senior management held accountable.

3 Company Overview

3. Company Overview

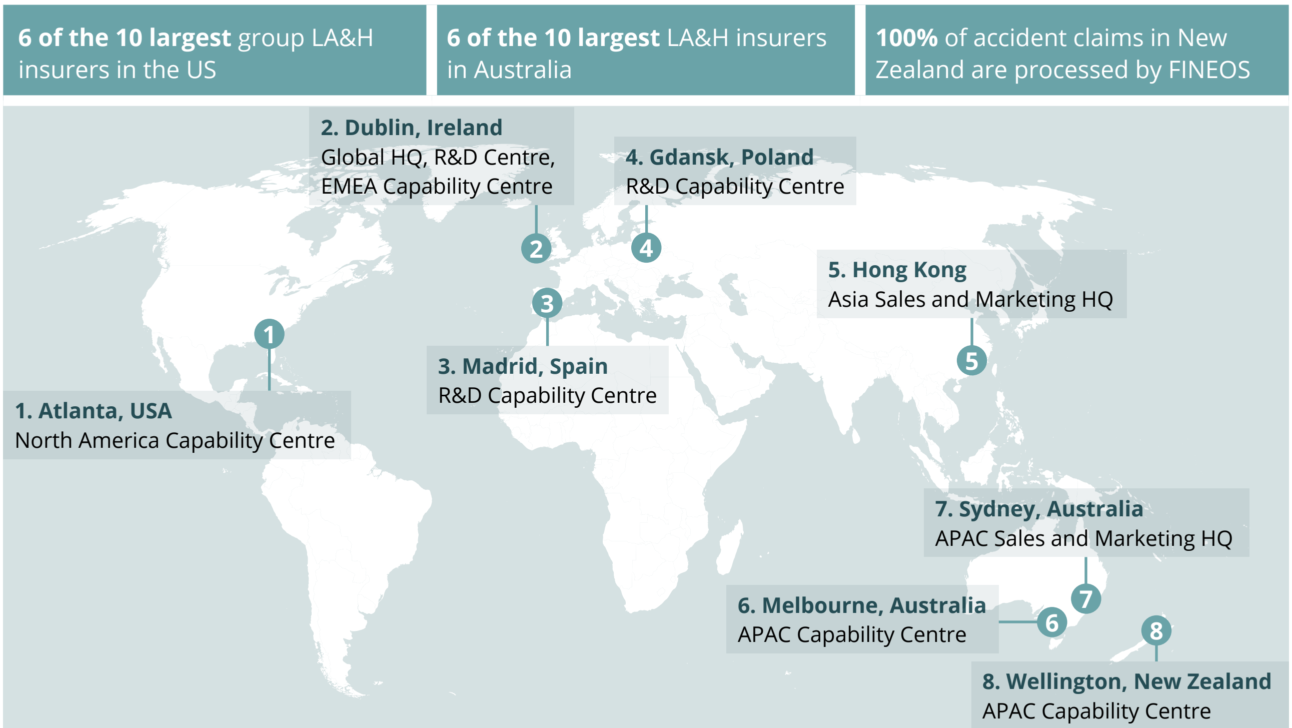
3.1 Overview of FINEOS

3.1.1 Overview

FINEOS is a leading global vendor of core system software to the LA&H insurance industry. FINEOS' workforce is comprised of over 650 people and is headquartered in Dublin, Ireland, where it undertakes product and technology R&D. FINEOS has clients, as well as sales, client service, product development and support offices across Australia, New Zealand, Sweden, the Netherlands, Spain, Poland, Ireland, the UK, Canada, the US and Hong Kong.

FINEOS' flagship product, FINEOS Claims, provides clients with an end-to-end software solution that manages insurance claims from initial intake through to closure. Launched in 2004, FINEOS Claims is a feature-rich software solution used by 48 clients in eight countries, including six of the ten largest group LA&H insurers in the US,[1] six of the ten largest LA&H insurers in Australia,[2] as well as government accident compensation organisations. FINEOS Claims is one of six modules in the broader FINEOS AdminSuite which, along with FINEOS Engage and FINEOS Insight, comprises the software products currently offered as the FINEOS Platform.

Figure 4: FINEOS' global sales, support and service network



3.1.2 Company history

FINEOS was founded by Chief Executive Officer, Michael Kelly, and commenced operations in 1993 as a consulting and services business focused on LA&H insurers.

In 2003, FINEOS identified the opportunity to design and develop a client centric, modern, core system software solution for claims management in the LA&H insurance industry. Claims management was identified as a core strength of the business and FINEOS believed the industry was underserviced by existing solutions. It commenced R&D to build its claims management product in 2003 and FINEOS Claims was launched in 2004.

1. Based on written premiums, according to data by A.M. Best Company Inc., "Best's Key Rating Guide for Life/Health in U.S and Canada" (2018)
2. Based on written premiums, as reported by Strategic Insight , " Life Insurance Risk Premium Inflows and Sales for year ended September 2018" (January 2019)

More recently, FINEOS observed that a combination of technological change, industry regulation and customer service preferences was driving change in the requirements for core system software. In particular, FINEOS identified a desire from insurers to provide an online, digital experience to better service their customers, and a greater capacity to manage regulatory risks than legacy core systems may have provided.

In 2013 FINEOS began expanding its core software platform to include FINEOS AdminSuite, a new end-to-end, module-based core system solution, designed and delivered via the cloud as a SaaS solution (refer to Section 3.3.3). FINEOS AdminSuite comprises six modules: FINEOS Claims, FINEOS Payments and FINEOS Provider (which were first released between 2004 and 2005), along with the newer modules FINEOS Absence, FINEOS Billing and FINEOS Policy, which were released to the market in 2018. To enrich its platform further, FINEOS has also developed FINEOS Engage and FINEOS Insight which assist clients with data analytics and digital engagement with their customers and various third-party software. FINEOS has invested significantly in the FINEOS Platform (approximately €90 million over five years since FY15).

All of FINEOS' software modules are now being used by one or more existing clients, and available for sale, implementation and use across the existing client base and by new clients. Modules can be sold and used as an integrated SaaS product suite, or as individual stand-alone solutions. Product capabilities have been developed in collaboration with clients and can be used by both large and small insurers.

Today, all FINEOS Platform modules are offered over the cloud as SaaS products. FINEOS Claims, FINEOS Payments and FINEOS Provider products, which were originally developed as traditional "on-premise" products, have been upgraded to cloud-based, SaaS products, and FINEOS is seeking to transition clients currently using earlier on-premise versions to its cloud-based solutions. In FY19, 21% of software revenue is expected to be generated from cloud-based products (up from 15% in FY18), with this proportion forecast to grow to 44% in FY20.[3] FINEOS has a cloud migration function to assist clients transition to FINEOS' cloud-based products once they have decided to make this transition. Refer further to Section 3.4.4.

Further information on the FINEOS Platform is contained in Section 3.3.

Figure 5: Company history and key achievements

Year	Operational achievements	Industry recognition
1993	FINEOS founded	
2001	Industry Award	Michael Kelly wins the EY Technology Entrepreneur of the Year award
2002	US market strategy commenced and office opened in Boston	FINEOS wins the Irish Software Association Company of the Year award
2003	R&D investment to build FINEOS Claims software commenced	
2004	FINEOS Claims and FINEOS Payments launched FINEOS wins first "tier 1" insurance clients in North America and APAC	FINEOS wins the Irish Exporters Association Software Exporter of the Year award
2005	FINEOS Provider launched Melbourne capability centre opened Sydney sales office opened	FINEOS wins the ICT Industry Vendor of the Year award
2008	Wellington, New Zealand capability centre opened	FINEOS wins the ICT Excellence Awards IT Company of the Year award

3. Refer to Section 3.4.4 and Section 5 (Risks)

3. Company Overview (continued)

Year	Operational achievements	Industry recognition
2009	London, UK service and support office opened. Gdansk software service centre opened	FINEOS named in Celent's Model Carrier Report
2013	FINEOS moves into headquarters at FINEOS House, East Point, Dublin	
2014	R&D investment to build FINEOS AdminSuite commenced First client goes live on FINEOS Insight	FINEOS nominated a finalist in the NSAI/CIPD Excellence in People Development Awards
2015	FINEOS Platform goes live in the cloud for select European clients	FINOES nominated a finalist in the Employee Engagement Awards FINEOS wins the HR Leadership & Management Awards – Most Effective Employee Engagement Strategy award FINEOS wins the Irish Software Association award for Excellence in Talent Development FINEOS is listed in the Insurance CIO Outlook Top Ten Core System Solution Providers
2016	First client goes live on FINEOS Engage	
2017	First client goes live on FINEOS Absence Cloud-based FINEOS Platform modules are made available for general sale	FINEOS is listed in the Insurance CIO Outlook Top Ten Claims Processing & Management Solution Providers
2018	First client goes live on FINEOS Policy and FINEOS Billing Atlanta capability centre opened	
2019	R&D centre in Madrid opened	

3.2 Clients

3.2.1 Client profile

The FINEOS Platform has been built for insurers (including insurance related service providers) of all sizes who provide LA&H insurance coverage, with a specific focus on insurers across North America, APAC and Europe.

As a leader in global claims management software and a vendor of a comprehensive module-based core software solution, FINEOS has built a strong client base, which includes:

- six of the ten largest LA&H insurers in Australia;[4]
- six of the ten largest group LA&H insurers in the US;[5]
- a number of large multi-line insurers in Ireland, the UK and Northern Europe; and
- 100% of the New Zealand accident claims market.

4. Based on written premiums, as reported by Strategic Insight in the release Life Insurance Risk Premium Inflows & Sales (January 2019)
5. *Based on written premiums, according to data by A.M. Best Company Inc., "Best's Key Rating Guide for Life/Health in U.S and Canada". (2018)*

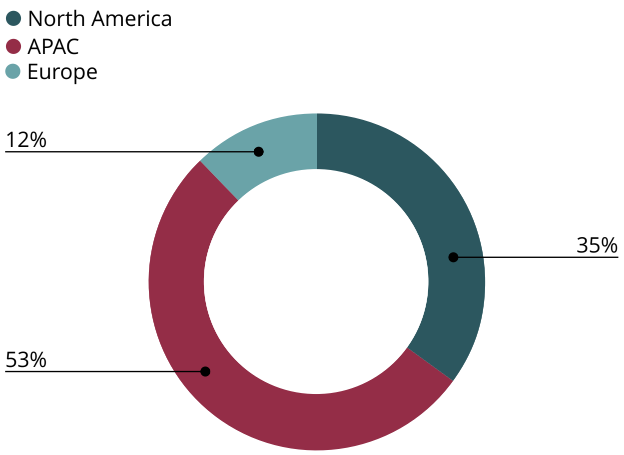
As at the Prospectus Date, FINEOS provides its software to 48 clients, covering over 29,210 licensed users across eight countries.

A sample of FINEOS' clients includes:

- ACC (Accident Compensation Corporation)
- AFBA (Armed Forces Benefit Assoc.)
- ASEBP (Alberta Schools Employee Benefits Plan)
- Canada Life Europe
- Comminsure
- FBD Insurance
- Gallagher Bassett
- iCare
- LaCapitale
- Manitoba Public Insurance
- Manitoba Teachers Society
- McLarens
- Mutual of Omaha
- National Nederlanden
- NZDF (New Zealand Defence Force)
- One America
- Principal Financial Group
- Qinsure
- Sun Life Financial
- TAC (Transport Accident Commission)
- TAL (part of Dai-ichi Life Group)
- The Co-operative Bank
- WCB Saskatchewan
- Whitehorse Insurance

FINEOS actively invests in product development for new markets, and to accommodate changes in existing markets. For example, developments may cater for new or changing insurance market product needs, such as local regulatory requirements and language or currency needs.

Figure 6: FY18 revenue by region

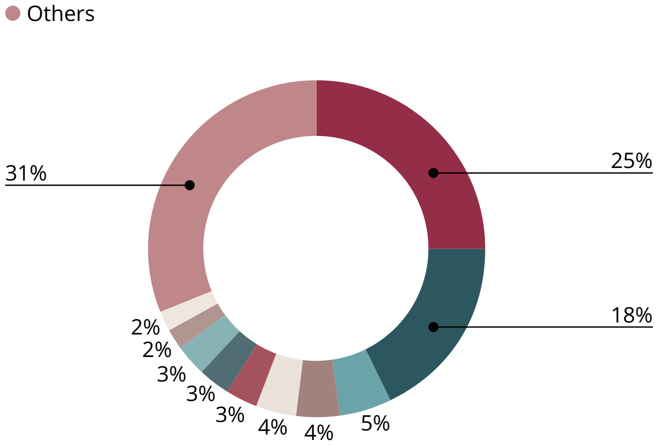


To date, FINEOS has deliberately targeted its sales efforts towards the largest insurers in the LA&H insurance industry, measured by size of written premiums, and currently has 19 such "tier 1" insurers as clients.[6] This includes two recent contract wins of large multinational insurers, as well as a contract to significantly expand use with an existing tier 1 client, under FINEOS' new cloud-based SaaS model. The addition of these tier 1 clients also provides substantial cross-sell opportunities to expand their use to additional FINEOS modules.

A number of FINEOS' "tier 1" clients are multinational insurers with operations across multiple geographies, and, for many of these clients, FINEOS is currently only providing software for operations in a single geographic market. The potential to expand use of the FINEOS Platform across multiple jurisdictions with existing multinational clients represents a significant growth opportunity for FINEOS with a particular focus on those clients with operations in Europe and APAC. FINEOS also has 29 small and middle-market insurers as clients and intends to target a broader range of these insurers following Listing.

6. Measured by FINEOS as insurers with written premiums over A$2 billion

Figure 7: FY19F client concentration by revenue (%)



Note: Each percentage represents one client, except "Others" which represents all remaining clients

3.2.2 Strong client relationships

FINEOS' relationships with its clients, particularly its largest clients by revenue, are generally long term in nature with some relationships extending up to 15 years (refer to Table 5 below) and FINEOS experiencing very low client attrition. Nine of the ten largest clients (by FY18 revenue) have been contracted with FINEOS for seven or more years and FINEOS also experiences very low annual revenue churn (2% in FY18 and 0.3% in FY19F)[7].

FINEOS attributes its strong client relationships to a number of factors including:

- the "mission critical" nature of its software that support its clients' core business activities, becoming embedded within organisational processes and procedures;
- its insurance business and technical expertise built over many years of product development;
- its willingness to take innovative approaches and actively continue to develop products to assist with new industry challenges and to expand into new markets; and
- its commitment to work collaboratively with its clients to provide client-focused solutions and build long-term partnerships.

Table 5: Contract and relationship snapshot of FINEOS' largest clients (by FY18 revenue)

Client	Length of relationship	% of FY18 revenue	% of FY19F revenue
Client 1	15 years	27%	25%
Client 2	8 years	12%	18%
Client 3	11 years	5%	5%
Client 4	14 years	5%	4%
Client 5	7 years	5%	4%

Historically, annual revenue generated from each client has generally increased over time. As clients experience the benefits of the products, new modules are licensed and additional lines of client business are moved onto the FINEOS Platform. FINEOS will continue to seek up-sell and cross-sell opportunities from its client base as a core part of its ongoing growth strategy and revenue model as described in Section 3.5. Since all modules in the FINEOS AdminSuite were made available to clients in FY19 there has been a gradual growth in the uptake of additional modules by existing clients, and one of FINEOS' largest clients is now contracted to six of the modules on the FINEOS Platform.

7. Annual revenue churn for FY18 is the revenue from clients in FY17 who ceased to be a client of FINEOS in FY18, divided by the total revenue for FY18

3.2.3 Client collaborations

FINEOS collaborates with its clients, seeking their feedback in the design and development of future products and functionality. This includes hosting working groups and events and maintaining active client dialogue, which help inform product direction, promote standardisation and best practice, improve the likelihood that FINEOS products are well received in the market and further strengthen the relationships with existing clients.

For example, FINEOS Absence, FINEOS Policy and FINEOS Billing released in 2018 were built in collaboration with one of FINEOS' largest clients, who delivered valuable product feedback during product development along with early validation of the module's efficacy.

3.2.4 Client value proposition

The FINEOS Platform is designed to address the challenges of, and provide benefits to, multiple key stakeholders within the client's organisation as follows:

Table 6: Potential benefits of the FINEOS Platform

Key insurance personnel	Benefits the FINEOS Platform is designed to provide
Chief executive officer	• A catalyst to overcome "departmentalism" (i.e. segmented core process groups who do not work collaboratively) and focus on customer-centricity • Lower costs and/or enhanced value of ownership • Support digital-transformation (from manual or legacy processes) to realise a number of cost, process and service efficiencies
Chief information officer	• Simplified technology platform • Single-vendor with an end-to-end solution • Enhanced capabilities through technology and product features
Chief operations officer	• A single, unified platform for all relevant lines of business • Enhance staff agility and ability to build and evolve more dynamic team structures and processes around a common software platform • A "single source of truth" for information and real-time customer data to assist decision making • Streamline processes, such as single-system on-boarding of new policyholders - often a major "pain-point" for insurers
Chief marketing officer	• Potential to reduce time to market for product enhancements and new products
Customer service manager	• Online and digital interactions with customers may improve ability to deliver superior service and improve overall customer satisfaction • Efficiencies through a single, integrated, user interface for all customer interactions

3.2.5 Competitive strengths

As described in Section 2.5.2, core systems software participants compete on a number of factors including product functionality, product flexibility, implementation capability, time-to-market, client service and cost/value.

Over its long history in the LA&H insurance industry, FINEOS has accumulated substantial knowledge regarding the practical challenges faced by insurers and the limitations of legacy solutions, which has informed the development of its purpose-built software suite. Management believes that FINEOS has a number of core competitive strengths in the delivery of software to LA&H insurers which are summarised in the table below.

Table 7: FINEOS' competitive strengths

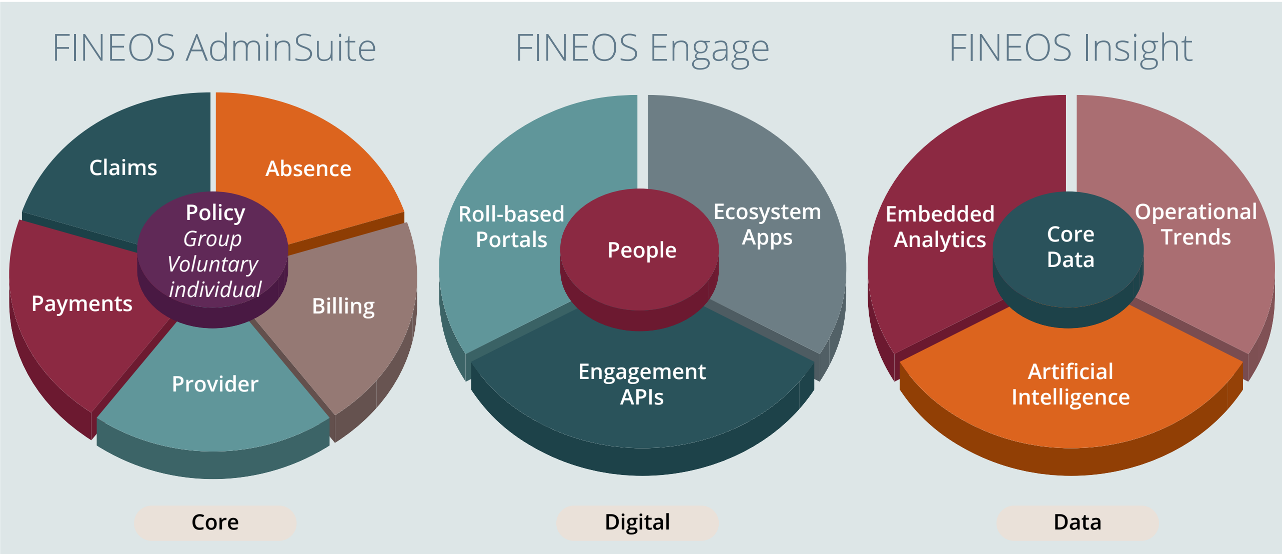
Competitive strength	Description
An existing leader in claims management software	• FINEOS has established a leading position in the global market for claims management software. FINEOS utilises its deep industry knowledge and experience to develop and enhance its leading FINEOS Platform in servicing insurers, many of whom are multi-functional, multi-jurisdictional organisations • Additionally, FINEOS is able to leverage its strong relationships with its FINEOS Claims client base to create significant up-sell and cross-sell opportunities and drive adoption of other solutions in the broader FINEOS Platform
Track record and experience	• Through its 26 year operating history, FINEOS has developed deep knowledge and expertise in servicing complex insurance organisations • Understanding of insurers' core processes and critical pain points provides advantages in delivering software solutions
Group, voluntary and individual capabilities on a single platform	• FINEOS' capacity to support group, voluntary and individual insurance on a single platform represents a significant value-add for insurers
Vendor of claims, absence, policy & billing products on a single platform	• The ability to provide an integrated core software solution which is consistent across geographic, functional and insurer type assists to differentiate FINEOS from competitors • Client benefits from the suite of products to unlock potential process synergies, lower cost of ownership, greater functionality and a more seamless user experience • Multiple adoption paths to attract new clients (i.e. a new client can initially use a single module, then be attracted to the benefits of additional modules)
Sophisticated platform	• After more than ten years of R&D and extensive consultation and collaboration with clients, FINEOS has built a sophisticated software platform equipped with the capability to manage highly complex processes faced by the modern insurer and the regulatory environments in which they operate • FINEOS actively invests in product development for new markets, and to accommodate changes in existing markets, for example new or changing regulatory, language or currency environments with release of new updates currently twice a year • Potential benefits for multinational insurers using the same platform in a number of countries, providing consistency of information while also supporting the requirements of the individual jurisdictions • FINEOS' past and ongoing development provides it with significant advantages over less developed or new entrants facing substantial investment of time and specialist resources as well as risks involved in developing new products or unifying functionality from legacy software products without disrupting the client experience

Competitive strength	Description
Built for scale and accessibility	• The FINEOS Platform has been designed for insurers of all sizes, with the ability to scale to thousands of users per client • Capacity to handle a large number of transactions and be accessible by a large number of users simultaneously, in real time and with client support offered on a 24/7 basis
Market reputation and client relationships	• FINEOS has a proven ability to work with large insurers, and with or without systems implementation (**SI**) partners • Selected clients work collaboratively with FINEOS in strategic development of new products and functionality, providing industry expertise and funding
All products live in the cloud	• All new and existing products have been transitioned to or specifically developed for the cloud with all new sales being cloud-based, SaaS products • Foundation to accelerate sales and marketing efforts globally

3.3 The FINEOS Platform

3.3.1 Overview

FINEOS has developed a platform, known as the FINEOS Platform, comprising the FINEOS AdminSuite, FINEOS Engage and FINEOS Insight.



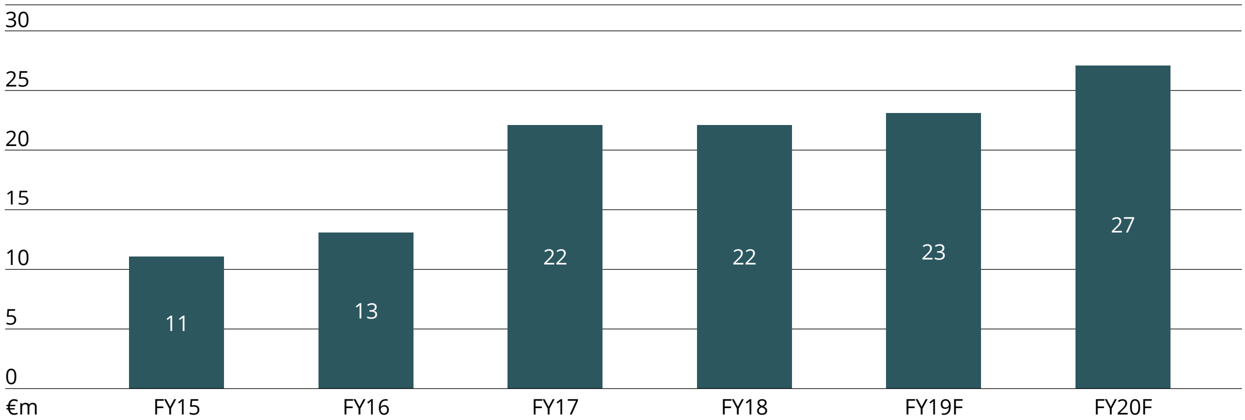
The FINEOS Platform includes seamless integration across the various modules within FINEOS AdminSuite, FINEOS Engage and FINEOS Insight to create a modern integrated solution for the LA&H insurance industry.

3.3.2 R&D Investment

FINEOS has dedicated significant resources and financial investment to transition from a vendor of a single claims management software to a core systems vendor with a broad suite of software products in the form of modules accessible on the FINEOS Platform. Since FY15, FINEOS has invested approximately €90 million into the FINEOS Platform, with the majority of this investment focusing on the development of modules other than FINEOS Claims (see Figure 8 below). FINEOS' investment in these modules has been made in advance of actual revenues from them and, while FINEOS is seeking to grow substantially the revenue contribution of these modules in the future, current annual investment is still expected to exceed their revenue contribution in FY19 and FY20. FINEOS also intends to continue to invest in FINEOS Claims to further enhance product capabilities.

3. Company Overview (continued)

Figure 8: R&D investment since FY15



FINEOS is committed to ongoing investment in product development that expands the capabilities of the existing FINEOS Platform, including expanding into adjacent insurance lines (such as medical and dental) as well as exploring the potential for extended artificial intelligence (**AI**) and analytics to enrich existing software capabilities. FINEOS intends to expand its R&D capabilities with the hiring of additional product engineers and agile product teams to accelerate product development, with a particular focus on:

- improving automation capabilities of its products;
- enhancing of existing solutions based on user research and further process standardisation;
- ongoing investment in compliance; and
- continuing to develop the range of digital and data analytics capabilities, including AI.

3.3.3 FINEOS AdminSuite

The FINEOS AdminSuite is a core system solution designed specifically for the LA&H insurance industry. It is a comprehensive suite that includes software for claims, payments and provider management, absence, policy and billing (as explained below). FINEOS AdminSuite is built with robust capabilities and designed to connect to various third-party technology and digital platforms used by insurers and their partners.

Figure 9: FINEOS AdminSuite

Claims: End-to-end solution that manages the insurance claims process from intake to closure

Payments: Automated and accurate benefit payments solution that manages timely payments, supporting both one-off and recurring payments

Provider: Solution for management of healthcare providers, including facilitating payments to those providers

Absence: Absence (i.e. employee leave) management solution from initial absence request through to return to work, facilitating both paid and unpaid leave

Policy: Centralised reference point for policy administration – focusing on speed and flexibility

Billing: Billing and reconciliation management solution supporting multiple product types and billing models.

The FINEOS AdminSuite represents the culmination of over ten years of internal, market led and client supported R&D including approximately €90 million of investment since FY15.

FINEOS AdminSuite is designed to support group, voluntary and individual insurance on a single end-to-end platform capable of being deployed by insurers of all sizes. As a vendor of a suite of software that supports the range of core functions on a single integrated platform, FINEOS AdminSuite helps clients to achieve a variety of synergies and process efficiencies that may be more difficult or costly to achieve using fragmented software products. As at the Prospectus Date, the FINEOS Policy and FINEOS Billing modules support group insurance, with ongoing investment to incorporate individual insurance capabilities.

3.3.3.1 FINEOS Claims

Claims management is a critical part of any insurer's operations. It is a major service moment for their customers and can represent the largest share of their financial outgoings. An insurer can incur unnecessary expenses from a mishandled claim, and no two claims are identical.

Used by 48 clients, FINEOS Claims is a customer-centric, web-based claims management solution. The product seeks to improve operational performance at every stage of the claims lifecycle, from intake through assessment, payment and claimant rehabilitation.

FINEOS Claims aims to increase the control, governance and automation of key processes, coordinating the collection of the inputs required for claim adjudication and reducing claims durations through rehabilitation planning capabilities.

An illustration of the claims management process and the role of FINEOS Claims is contained in Figure 10 below.

Figure 10: Example of the claims management process

Register	Assess	Pay	Support	Close
• Claim is notified to the insurer	• Assess the claim on the basis of various inputs such as incident information, medical codes and policy eligibility • Claims segmented on the basis of complexity/ severity • Approve or deny claim • Formation of support strategy	• Calculation of base entitlement and various adjustments/ offsets such as tax and interest • Automated payment to claimants • payment reconciliation and adjustments for over/ underpayments	• Manage ongoing support of claimant throughout return-to-work process • Facilitate enquiries, track external and internal medical referrals and appeals/ disputes • Coordinate medical provider activity • Ongoing claims audit • Consistent evaluation to assist compliance with policy provisions	• Claim closure • Final claim record is archived and accessible for future reference

3.3.3.2 FINEOS Payments

FINEOS Payments is a benefit calculation and disbursement payment module that integrates with FINEOS Claims, FINEOS Absence and FINEOS Provider to help ensure accuracy and completeness in payments and reduce an insurer's administrative costs.

FINEOS Payments processes a wide range of payment types, from simple one-off payments (e.g. to beneficiaries on death claims) to complex, long-tail payments that change over time (e.g. disability / income protection claims). The product has automated procedures for dealing with offsets, deductions, tax, interest, over-payments and under-payments and it generates detailed audit trails of all financial payments.

FINEOS Payments is designed to provide a seamless approach to payments, a critical process for clients, making it a valuable module in the FINEOS AdminSuite.

3.3.3.3 FINEOS Provider

FINEOS Provider helps insurers manage their claim interactions with medical and other healthcare providers, including tracking credentials and agreed service fees.

The software module helps insurers to track and co-ordinate provider collaboration at case level, to efficiently capture, approve and pay provider invoices and to monitor provider performance. It can assist insurers:

- register and manage healthcare provider records (including credentials, services and fees and payment preferences);
- capture and automatically review and pay invoices;
- assist with customer rehabilitation planning; and
- reduce manual processing times and cost.

3.3.3.4 FINEOS Absence

In the US, employee absence management is highly regulated, with regulation varying across individual states and municipalities. This complexity, and the associated risk of compliance exposure, often leads to employers outsourcing absence management to insurers who, in turn, may seek sophisticated software solutions to manage high volumes of leave requests.

FINEOS Absence manages the end-to-end employee absence management process from leave requests, through to payments and return-to-work. In combination with FINEOS Claims, it can provide clients with a competitive advantage in acquiring new business and improved control of the overall service experience through its integrated employee-centric solution across intake, correspondence and any associated payments.

FINEOS Absence includes support for all significant federal and state laws and auto-adjudicates leave requests at high volume, simplifying the assessment process and reducing the risk of failures in compliance. FINEOS Absence integrates with FINEOS Payments, providing automated payments capabilities and enabling insurers to assist their employer customers in managing their regulatory obligations.

As at the Prospectus Date, FINEOS Absence is currently in use by clients to support absence management in a small subset of US states. The product functionality currently supports all US states and is targeted to be in use by clients for additional states in early 2020.

An illustration of the absence management process is contained in Figure 11 below.

Figure 11: Example of the absence management process

Leave request	Adjudication	Time tracking & payments	Close
• Employee submits leave/absence request through online portal	• Eligibility determined based on the tenure and hours worked • Applicable leave laws/ company plans determined based on employer/ employee circumstances • Availability of remaining leave days calculated	• Calculation of applicable payments • Regular absence payments made • Coordination with disability claims • Ongoing time tracking and monitoring to assist compliance with regulations • Extensions/transitions of absence requests	• Return-to-work • closure of absence case

3.3.3.5 FINEOS Policy

Policy administration is the fundamental requirement for insurers and a key component of their ability to provide high-quality customer service.

Through FINEOS Policy, insurers can manage books of record for:

- insurance products;
- group plans; and
- individual coverage elections.

Many insurers still manage their policy administration using legacy systems. FINEOS assessed that these systems may not be able to meet the demands of the modern insurer and developed FINEOS Policy to enable insurers to deliver a smooth and accurate on-boarding experience for customers and provide a centralised reference point to support the entire policy lifecycle.

FINEOS Policy is designed to enable insurers to quickly adapt to support new products, customers and business processes.

FINEOS Policy currently supports group insurance policy administration and FINEOS is in the process of developing capabilities to support individual insurance policy administration.

Figure 12: Example of the policy administration process

Onboard Group

- Employee submits Sold plan setup (products/contracts)
- Employer structure setup (affiliates, administrative units, classes, billing groups)
- Provision of online cases
- Triggers contract generation

Onboard Members

- Initial census data entered – employee demographics, eligibility and coverage elections pulled from employer and/or third party systems
- Triggers certificate generation

Ongoing maintenance

- Policy management throughout the policy lifecycle
- Group policy alterations, member alterations, enrolment events and plan updates
- Account servicing at a group and individual level
- Policy renewals

Billing

- Calculate and present bills
- Collect payment

3.3.3.6 FINEOS Billing

The ability to provide accurate and timely bills is critical to insurers' ability to provide high quality customer service and to reduce leakage of insurance premiums.

FINEOS Billing is a billing and reconciliation management solution, designed to support group, voluntary and individual LA&H insurance.

FINEOS determined that billing groups and individuals was historically an area in which insurers underperformed, but was being increasingly recognised as a key service moment influencing overall customer satisfaction. For example, FINEOS' observation was that some insurers struggled to efficiently manage the impact of retrospective changes on completed payments. FINEOS Billing was therefore designed to provide for more streamlined billing processes through automation, and as a consequence improve revenue management.

FINEOS Billing currently addresses group insurance billing processes and FINEOS is in the process of developing capabilities to support individual insurance billing.

Figure 13: Example of the billing process

Calculation

- Automatic calculation of monthly bills based on lives and volumes (e.g. total remuneration) or individualised elections and premium rates

Present

- Invoice is generated and presented to the employer along with any outstanding dues
- Payroll deduction report produced for voluntary benefits
- Receivables are created and updated

Payment

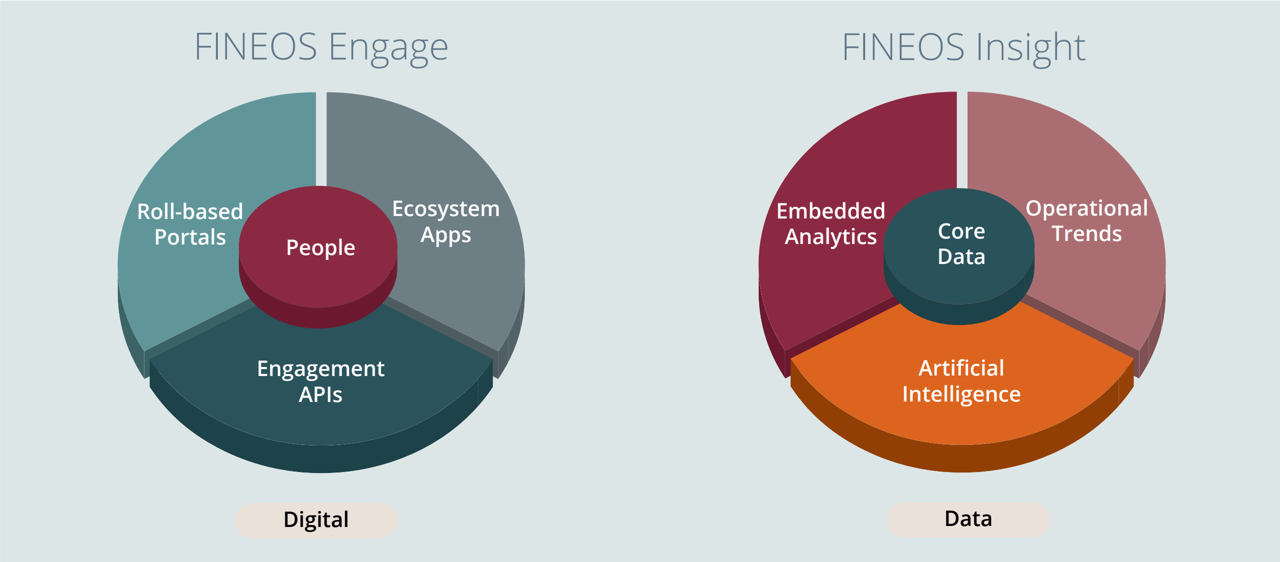
- Employer reconciles and adjusts bill
- Invoiced payment to be paid online
- Remittance support to assist automated cash application
- Final amounts automatically reviewed against invoice
- Automatic trigger of commission payments to borkers or agents

Audit and review

- Calculate and present bills
- Collect payment

3.3.4 FINEOS Engage and FINEOS Insight - platform engagement and analytics capabilities

The FINEOS Platform is enriched by engagement and strong data analytics capabilities delivered through FINEOS Engage and FINEOS Insight. Certain modules and features within FINEOS Engage and FINEOS Insight are still in development and FINEOS is actively investing to develop these product capabilities.



3.3.4.1 FINEOS Engage

FINEOS Engage is comprised of three modules which are focused on helping insurers connect digitally in real time with customers and business and technology partners outside of an insurer's core insurance systems (such as human capital management (**HCM**) and customer relationship management software (**CRM**) providers) to provide improvements in service and administration costs:

- **Role-based Portals:** turnkey portal solutions designed specifically to provide customers of LA&H insurers with online access to information and an integrated customer experience across all areas of service, and provide insurers with the potential for faster release of products and updates;
- **Engagement APIs:** a library of APIs designed to ensure that FINEOS Engage supports existing and new service channels for the customers of LA&H insurers including web portals, as well as mobile, messaging and voice interfaces. APIs allow insurers to connect to their own enterprise portal, digital communication channels and third-party platforms used by the insurers; and
- **Ecosystem Apps:** applications built on third-party software platforms that are used within the insurance industry ecosystem (e.g. CRM and HCM software) which access and connect to FINEOS Platform capabilities. FINEOS is currently actively investing in the development of the Ecosystem Apps which has not yet been released to the market.

3.3.4.2 FINEOS Insight

FINEOS Insight is designed to assess and present data in more useful ways to assist LA&H insurers make decisions and improve processes. FINEOS Insight has three modules:

- **Embedded Analytics:** real-time dashboards directly accessible by insurer staff, designed to assist in management of workload to improve utilisation of resources and meet service levels. The module also assists in case assessment as soon as each case is captured, segmenting the workload to identify automation opportunities and to prioritise effective case interventions;
- **Operational Trends:** provides key analytics and trends to assist managers enhance operations, for example by focusing on improving risk pricing, identification of claims patterns, and resource bottlenecks; and
- **Artificial Intelligence:** capabilities are currently being researched in collaboration with clients and technology partners to improve the platform's ability to make decisions and reduce routine human workload. The objective will be to leverage FINEOS' potentially significant dataset to develop LA&H insurance-specific AI intelligence models that can make useful predictions and decisions.

3.3.5 Product development, onboarding, upgrade and support

3.3.5.1 Product development

FINEOS designs, develops and maintains its software in-house, with only certain functionality outsourced to specialist external developers (e.g. for portal user interface build). FINEOS takes an agile development approach to its software to ensure quality, reduce development risk and allow faster time-to-market for new products. FINEOS generally retains ownership of software it develops as part of client-specific developments (for example as part of an integration or configuration process), however in certain cases the ability to pass this on to other clients may be restricted for a defined period.

3.3.5.2 Onboarding of new clients and addition of modules for existing clients

Prior to the onboarding of a new client, FINEOS will typically undergo a pre-implementation phase and scoping study to ensure its software meets the technical and service requirements of its new client. Once selected, FINEOS agrees statements of work (**SOWs**) with the client for the provision of services, typically running between 5-7 months depending on the size of the client and the complexity of the integration. Under the cloud-based, SaaS pricing model (refer to Section 3.4.1 below), the client begins paying the agreed subscription fee when the implementation work begins, with full software launch usually occurring within 12 months of commencement.

The implementation process for new clients involves an integration into other systems such as financial systems and their broader software infrastructure, with FINEOS' APIs helping to connect with other software systems as required. While FINEOS' cloud-based modules are standardised, onboarding FINEOS' software typically requires services work to configure the operation of the module for specific client requirements.

Upgrades and new modules sold to existing clients may require shorter implementation periods than new client sales, as the majority of the core product integration is complete and the technology platform has been vetted.

3.3.5.3 Product upgrade process

New software versions are currently made available to clients twice a year, which typically include new software functionality and feature enhancements. All clients using FINEOS' products are entitled to receive these upgrades. FINEOS' cloud-based products are standardised with only certain configurations required depending on the client. This provides FINEOS with strong control over the quality and functioning of its cloud-based products and facilitates easier upgrading to new releases. The process for updating the older, on-premise versions of FINEOS software is often more intensive given the products have typically undergone more client-specific customisation during implementation, with certain clients remaining on different versions of the software.

FINEOS encourages its clients that are using on-premise software to move to its cloud-based SaaS products, and limits support provided for on-premise software that is more than two versions old (currently only seven clients).

3.3.5.4 Client support

FINEOS supports all clients, including those using cloud products and those clients on premise, via its delivery and Cloud Operations and Support teams, which provide a number of services including software availability, provisioning of environments, software updates and performance monitoring. Standard support is provided during normal business hours, with clients able to opt in for additional 24/7 client support services. FINEOS also provides training services to clients to support their staff on product capabilities, configuration, integration patterns and other product related features.

3.4 Business model

3.4.1 Overview

FINEOS generates revenue through the provision of its software products for fees (referred to as Software revenue) and the provision of professional services in relation to those products (referred to as Services revenue). Software revenue is generated from annual subscription fees for the cloud-based SaaS product and licensing fees (described further below) for the on-premise version of the software. All new software sales of FINEOS modules to new clients are of its cloud-based SaaS products, with no sales to new clients under the on-premise model. Annual subscription fees under the cloud-based, SaaS pricing model are based on various factors, for example:

- number of licensed users (FINEOS Claims);
- number of employees covered or per employee per month (FINEOS Absence); and
- a percentage of the total value of insurance premiums underwritten by the client (FINEOS Policy and FINEOS Billing).

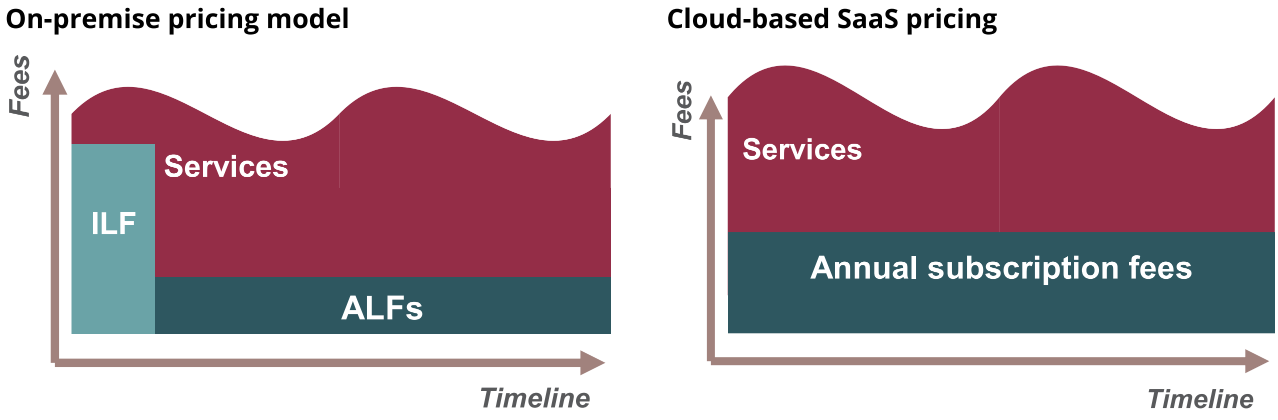
In certain cases, clients may begin paying annual subscription fees for a limited number of users, lives or premiums, which are contracted to grow if additional client business is moved onto the FINEOS Platform. Under this pricing model, clients begin paying the agreed annual subscription fee when implementation work begins, with full software use occurring once implementation is complete (typically within 12 months after the implementation period commences). Annual subscription fees are indexed to increase with an agreed inflation measure.

FINEOS also generates software revenue through its existing on-premise software products through payment of an up-front initial licensing fee (**ILF**) based on the number of users and initial services (particularly implementation, configuration and client training) and further annual licence fees (**ALFs**) (being only a proportion of the ILF) which are paid over the term of the contract. As part of its existing upgrade program, FINEOS is seeking to move existing on-premise clients to FINEOS' cloud-based SaaS products over the medium-term.

Software revenue generated from annual subscription fees and ALFs (i.e. not including ILFs) is referred to as subscription revenue.

FINEOS earns services revenue from professional services fees which are charged in addition to the fees referred to above for various product implementation services such as training (for client staff and transformation/SI partners), configuration and integration requirements. Contact with clients while services are being provided assists FINEOS to maintain and strengthen its relationships with clients and identify opportunities for FINEOS to assist those clients in the future and generate further revenues.

Figure 14: Illustration of common differences between the on-premise and cloud-based SaaS pricing models

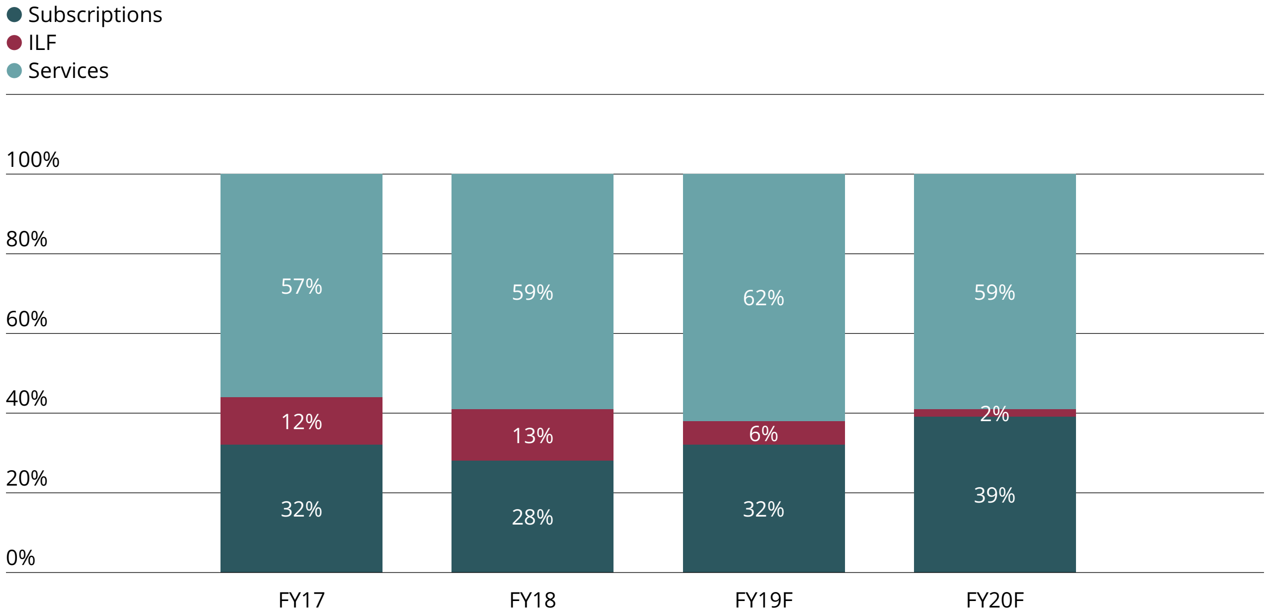


Note: The above figures are provided to illustrate common differences between FINEOS on-premise pricing model and its cloud-based, SaaS pricing model for client contracts. The figures illustrate the ILF/ALF/annual subscription fee revenue profile of a typical contract assuming a fixed number of users. The quantum of these fees will vary from contract to contract and may vary over the life of a contract (for example if the client increases or decreases their use of the FINEOS software). Services fees are agreed on a project by project basis and vary from contract to contract depending on the client's needs. The figures above are not produced to scale.

Further information on its pricing models and Software and Services revenues are set out in Section 4.10.1.

The cloud-based SaaS pricing model has been operating for all cloud-based products since July 2017. As FINEOS has ceased offering on-premise software to new clients in favour of cloud based, SaaS products, the contribution of ILFs to total revenue is expected to decline significantly from 12% in FY17 to a forecasted 2% in FY20F (see Figure 15 below).

Figure 15: Revenue composition



While this transition has impacted the revenue received by FINEOS over this period (in particular through the decline of larger upfront ILFs), FINEOS' model is to generate at least the same total revenue over its target initial contract term (typically five years), with the potential to generate higher revenues than the equivalent on-premise model with clients who continue beyond the initial term.

In its contracts, FINEOS seeks to agree terms, including as to pricing, upfront which can apply over a longer period (e.g. five years), while also allowing clients to terminate contracts with a period of notice (e.g. in the case of cloud-based, SaaS contracts three - six months), for example, if their requirements change. Contracts may set out increased charges that will apply over time if user numbers increase (or increased per-user rates if they do not).

3.4.1.1 Key operating costs

FINEOS' key operating costs relate to:

- **Employees:** expenses relating to the wages, sales commissions and bonuses of FINEOS staff as well as insurance, travel and accommodation, superannuation/pension contributions, leave and recruitment expenses. Employees represent the largest component of operating expenses, with the majority relating to R&D and professional services. See further information on employee contracts at 3.6.2.
- **Third party cost of sales:** costs related to third party technologies include software costs such as Amazon Web Services (**AWS**) cloud hosting and delivery costs including third party contractors.

FINEOS also has other costs including facilities expenses. Please refer to Section 4.12.2 for further information.

3.4.2 Sales process

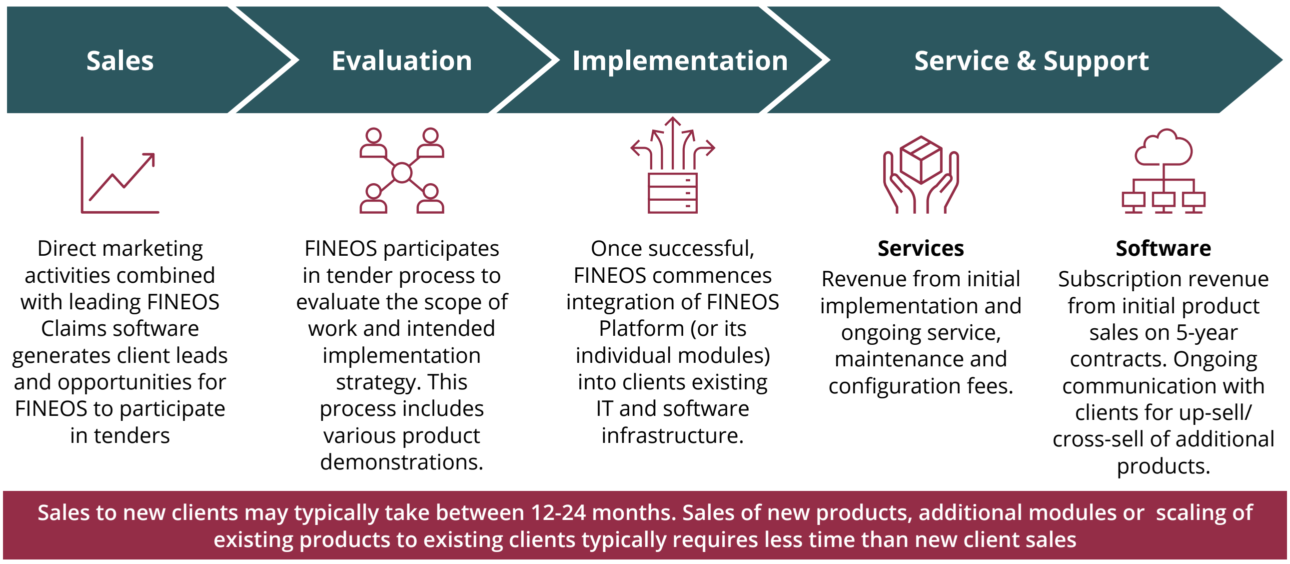
FINEOS generates client leads via a number of sales channels, including:

- **Direct marketing:** direct marketing activities (such as webinars and industry events), combined with FINEOS' reputation from its leading FINEOS Claims software, generates client leads and opportunities for FINEOS to participate in tender processes; and
- **Direct sales:** FINEOS has a global internal sales team (seven FTEs as at 30 April 2019) responsible for identifying potential opportunities to participate in tenders for global LA&H insurers considering or currently undergoing technology or process transformations.

FINEOS has also begun building additional strategic partnerships with global consulting firms who can provide complementary delivery and market expansion capabilities.

FINEOS' sale cycle is typically classified into a number of sequential steps, beginning with initial discussions through to product demonstrations, and progressing to project scoping and planning (discovery). Figure 16 below illustrates an example of a FINEOS sales cycle. During this period, FINEOS works extensively with clients to ascertain their requirements and tailor a solution and pricing structure that is attractive to both FINEOS and its clients.

Figure 16: Example of FINEOS sales cycle



3.4.3 Revenue visibility

ALFs (under the on-premise model) and annual subscription fees (under the cloud based, SaaS pricing model) provide FINEOS with significant visibility of potential revenues over the lifetime of client contracts. Service fees (under both models), while not fixed in advance for the duration of a particular contract, have formed a relatively consistent and significant proportion of FINEOS' total revenue over time (refer to Figure 14 in Section 3.4.1) with the request and planning for many services often involving reasonable lead times.

3.4.4 Cloud transition

As referred to in Section 3.4.1, all FINEOS products are now offered as cloud-based, SaaS products. FINEOS is transitioning clients currently using earlier on-premise versions of these products to its cloud-based, SaaS products with subscription-based payments.

As at the Prospectus Date, five clients are using cloud-based products with a further eight clients either currently in the process of transitioning to the cloud, or commencing preparatory work to enable them to move to the cloud. This transition is supporting expected growth in revenue generated from cloud-based, SaaS products and associated services from 15% in FY18 to 44% in FY20F.

Subscription-based contracts benefit FINEOS as they provide an ongoing revenue stream from clients and enhanced visibility over future revenue generation along with smaller variation in quarterly revenues. While FINEOS receives lower initial revenues using the cloud-based, SaaS model (as the annual subscription fee is less than the ILF charged via the on-premise system), it has the potential to generate higher revenues over the lifetime of a client relationship. In addition, the cloud-based, SaaS model assists clients to budget for the FINEOS' services with greater certainty due to better visibility of their software costs.

3.4.5 Client contracts

FINEOS' core software agreements can be broadly grouped into two categories, being for cloud-based products and on-premise products. These contracts vary in their terms depending on the client, jurisdiction and products offered (services are provided under separate service orders or service agreements and typically adopt the general terms of the related core software agreement, but are tailored for the specific services, agreed pricing and term). FINEOS' pricing models and structure, as summarised above in Section 3.4.1 are contained in the relevant contracts. FINEOS is responsible for delivering the agreed products and services to certain agreed service levels (e.g. ensuring system availability above certain levels and delivering agreed enhancements to the base product in accordance with certain design specifications). There are contractual consequences if FINEOS breaches these relevant obligations. These range from rectification within an agreed time frame to service credits, and potentially, damages and/or termination.

While, as noted above, terms vary between contracts, an example of common terms found in cloud-based and on-premise contracts is illustrated below.

Table 8: Summary of cloud-based software contract terms

Cloud-based core software contracts

Item	Summary of Item
Term	Core software agreements are typically expressed to be for five years in length with options to extend in favour of the client of between one to five years, subject to early termination rights as described below
Early termination/ termination for convenience	Core software agreements typically allow clients to terminate by providing written notice to FINEOS. Notice periods vary between contracts, for example between 30 days and six months. Agreements may require the client to pay a fee for early termination
Change of control	Agreements permit clients to terminate for a change of control in FINEOS (in certain contracts, only when such change results in a detriment to the brand, reputation or image of the client or the quality or service provided by FINEOS)
FINEOS liability	Capped liability, generally as a multiple of the annual subscription licence fee. General exclusions from this liability limit include breach of confidentiality provisions, FINEOS' intellectual property (**IP**) indemnity to the client, unlawful or wilful act/omission, fraud, gross negligence, injury to person or death and loss of or damage to property.
Licensing terms and exclusivity	Agreements contain non-transferable, non-exclusive licences to use the FINEOS base software and, where applicable, customised or developed software. Custom software developed by FINEOS for individual clients may be restricted to use solely by the client for a defined period
IP Ownership	Agreements contain provisions under which FINEOS owns all IP rights in the licensed software and deliverables and any modifications made to them by either party. Distribution of IP configured for individual clients may however be restricted
Escrow	Agreements generally do not provide for the escrow of software, and where they do so this is only for the purpose of transitioning off FINEOS' software

Table 9: Summary of on-premise contract terms

On-premise contracts	
Item	**Summary of Item**
Term	Core software agreements are typically expressed to be for five years in length with options to extend in favour of the client of between one to five years, subject to early termination rights as described below
Early termination/ termination for convenience	Agreements may provide clients with a right to terminate for convenience with varying notice periods. Notice periods vary between contracts, for example between 30 days and six months. Agreements may require the client to pay a fee for early termination
Change of control	Agreements may contain a provision permitting the client to terminate for a change of control in FINEOS, however this is generally in most cases only where the change results in a material disruption or has an adverse effect on FINEOS' capacity to provide contracted services or has an adverse effect on the client's business
FINEOS liability	Typically capped liability but with general exclusions for IP infringement, gross negligence, wilful or intentional misconduct or injury to person or death and loss of or damage to property, but varies across agreements
Licensing terms and exclusivity	Agreements contain non-transferable, non-exclusive licences to use the FINEOS base software and, where applicable, customised or developed software. Custom software developed for individual clients may be restricted to use solely by the client for a defined period
IP Ownership	Agreements contain provisions under which FINEOS owns all IP rights in the licensed software and deliverables and any modifications made to them by either party. Distribution of IP configured with clients may be restricted or client may be granted right to own client-specific IP
Escrow	Agreements generally require FINEOS to deposit source code for licensed software and modifications with an escrow agent

3.4.6 Suppliers and infrastructure

The FINEOS Platform is hosted on AWS across multiple worldwide datacentres (e.g. Dublin, US East coast and Sydney). FINEOS has a high availability architecture to ensure service availability to clients even in the event of a disaster.

The terms and conditions with AWS (and other IT suppliers) are the standard terms and conditions utilised by these suppliers and have not been negotiated with FINEOS.

Given the stature of the suppliers with which FINEOS is contracting, the terms are generally favourable to the IT supplier in question with the supplier seeking to limit its liability to the extent possible and reserving the right to amend its charges.

While the FINEOS Platform is designed and built internally, FINEOS also embeds software from a variety of other suppliers in its solution (e.g. database software and other technology libraries). Some of the relevant third-party software is open source software. FINEOS has policies and procedures in place to ensure that any open source software is incorporated in such a way that it does not breach the terms of the relevant open source licences or give rise to a risk that FINEOS proprietary source code must be disclosed.

3.4.7 Confidentiality and data protection

The GDPR applies to the processing of personal data within the EU. Under the GDPR, an individual or undertaking that processes personal data will do so as a controller or a processor. FINEOS operates as a "processor" in respect of personal data received from clients and as such its primary obligation is to act in accordance with the instructions of the relevant client (the "controller") and to ensure it has in place appropriate technical and organisational measures (some of which are detailed in Table 10 below) to ensure an adequate level of security against potential risks when processing personal data. FINEOS has in place information security policies and procedures to facilitate its compliance with its data security obligations under the GDPR.

Table 10: Confidentiality and data protection

Data protection measures	Description
Risk infrastructure	• Security structure in place overseen by internal "Information Security Council" (chaired by the CFO), managers appointed as Business Information Security Leads, and through key roles including Data Protection Officer and Security and Compliance Manager • Published information security policies • Cybersecurity awareness training program for all staff • Cyber insurance
Data encryption and access restrictions	• Full data encryption with organisation-specific encryption keys • FINEOS staff have no access to end client production data outside of highly controlled "break-glass" diagnostic scenarios • Insurer manages user passwords and permissions
Standards	• Core software hosted on the AWS platform • Holds AWS Financial Service Competency Certification
Monitoring and testing	• FINEOS software is regularly audited by an ethical hacking specialist company

3.5 Growth strategy

FINEOS' growth strategy is to increase its market share by leveraging its comprehensive FINEOS Platform and the strong reputation of the FINEOS Claims product. This will allow FINEOS to drive up-sell and cross-sell opportunities with its existing clients and attract new clients in both existing and new geographic markets. FINEOS also intends to use proceeds of the Offer to invest further in R&D to grow the FINEOS' product footprint and develop new business lines, and invest in additional sales, marketing and client account management capabilities, to support this strategy.

3.5.1 Target up-sell and cross-sell opportunities within existing client base

FINEOS has established a multinational client base through its leading FINEOS Claims product. FINEOS believes that there are significant opportunities within its existing FINEOS Claims client base for up-selling and cross-selling additional FINEOS Platform products to address additional geographies and lines of business. This includes a number of multinational clients who have broader operations across Europe and APAC.

FINEOS believes it has a significant up-sell revenue opportunity from existing clients by targeting additional business divisions and geographies within existing clients, and opportunities for cross-selling the deployment of additional FINEOS modules to those clients.

3.5.2 Technology leadership and continued product innovation

FINEOS' long-term vision is to be the industry leader in core systems software, catering for all core processes across the LA&H insurance industry. As described in Section 3.3.2, FINEOS is committed to invest in product development that expands the capabilities of the existing FINEOS Platform, including exploring the potential for extended artificial intelligence (AI) and analytics integration to enrich existing software capabilities. FINEOS intends to leverage the knowledge it has gained from working extensively with its multi-national client base to continue to address the critical challenges faced by LA&H insurers and continue to enhance its value proposition.

To support this, FINEOS intends to increase its R&D capabilities by hiring additional product engineers and agile product teams that focus on developing and enhancing the software offering.

3.5.3 Expand sales, marketing and product delivery capabilities

While FINEOS has focused on major product development programs to build out the full FINEOS Platform, FINEOS has maintained a small sales and marketing team. To date, the majority of new client growth has been driven by inbound enquiries and direct sales processes.

With the full range of modules within FINEOS AdminSuite now available, FINEOS intends to increase client acquisition and product delivery capabilities in existing and new geographies and with new products (refer to Section 3.5.6). In particular, FINEOS intends to expand its global sales and marketing capabilities by hiring experienced salespeople in key strategic regions. Management has identified significant client acquisition opportunities in Europe, North America, Japan and the broader Asia Pacific region.

3.5.4 Grow subscription revenue base and expand margins

FINEOS will seek to grow its subscription revenues (which have higher margins than services revenue), including through contracts which provide for additional subscription revenues over time (for example in anticipation of or if clients increase user numbers). Margins on incremental revenue of this nature is particularly favourable due to the limited incremental hosting and customer support costs required to service that revenue. For example, in FY20F the EBITDA margin associated with subscription revenues is expected to be approximately 84% after deducting hosting and customer supports costs anticipated to be incurred in FY20F. Services revenue will remain a key part of FINEOS' expansion strategy, however FINEOS expects these revenues will become a smaller proportion of overall revenue as sales of FINEOS' cloud-based SaaS products increase (which have a greater degree of standardisation and lower requirement for services work relating to customisation and client upgrades). A proportionate increase in subscription revenues is expected to provide FINEOS with greater consistency and visibility over total revenues and support continued growth in margins.

3.5.5 Expand strategic partners

FINEOS is beginning to build a network of strategic partners who can provide complementary delivery and market expansion capabilities. The network of strategic partners will include a number of global consulting firms. To date, FINEOS has undertaken the majority of professional services work using its internal resources and contracted professional services teams. Strategic partners will be sought to support new implementations of FINEOS' products to assist FINEOS to scale more effectively its services revenues and accelerate adoption of its products throughout the LA&H insurance industry.

3.5.6 Expand and increase penetration in adjacent verticals

There are a number of adjacent verticals (i.e. insurance lines classified within LA&H) that FINEOS has identified as potential market opportunities, in particular medical, dental and vision. These markets represent a significant portion of the broader LA&H insurance industry and the FINEOS Platform has the capability to effectively service them with efficient deployment of R&D resources to build additional vertical-specific functionality such as the specific adjudication and payment rules.

The medical, dental and vision lines of LA&H insurance provide a significant opportunity for revenue growth at, what FINEOS expects to be, relatively lower marginal cost for research, development and market deployment as a result of FINEOS' existing base of technology and IP developed for existing markets which can be configured to support these new markets.

3.6 Workforce

3.6.1 Overview

Figure 17: Workforce size over time (as at 30 April 2019)

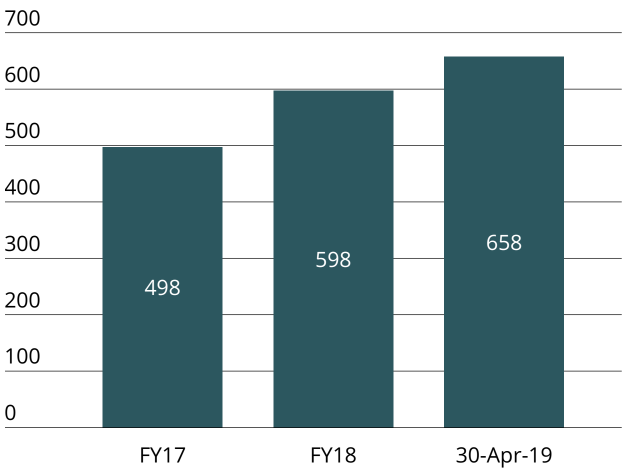
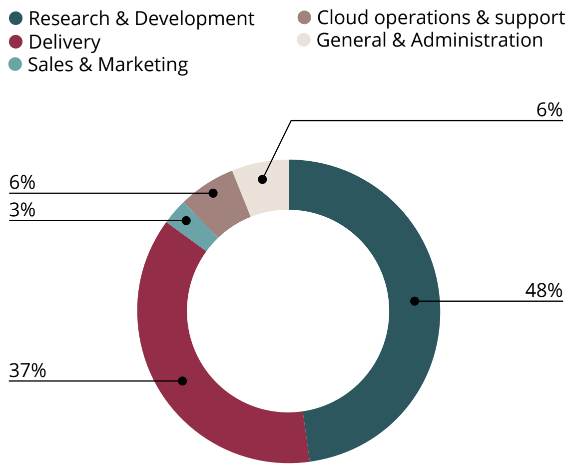


Figure 18: Workforce by function (as at 30 April 2019)



Note: Workforce includes full-time employees as well as third-party consultants and contractors. Third-party labour is primarily used to support delivery of professional services and R&D functions.

FINEOS focuses on promoting an engaging culture and providing opportunities for professional development in what is often a highly competitive market for talent, and has experienced very high employee retention rates. FINEOS believes the length of service of its employee base is a key strength, with many employees having significant experience with the functionality and development of FINEOS' products and the requirements of LA&H insurers, as well as a deep understanding of the business and its culture and FINEOS' strategic vision.

The FINEOS workforce numbers include consultants and third-party contractors who assist with product delivery and professional services and support R&D functions as required, as illustrated in Figure 20 below.

Figure 19: Workforce by geography (as at 30 April 2019)

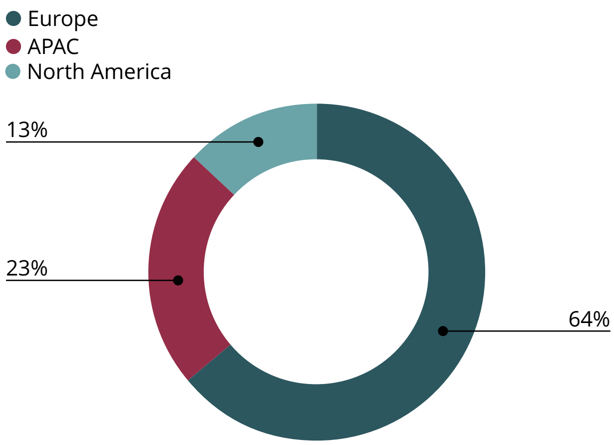
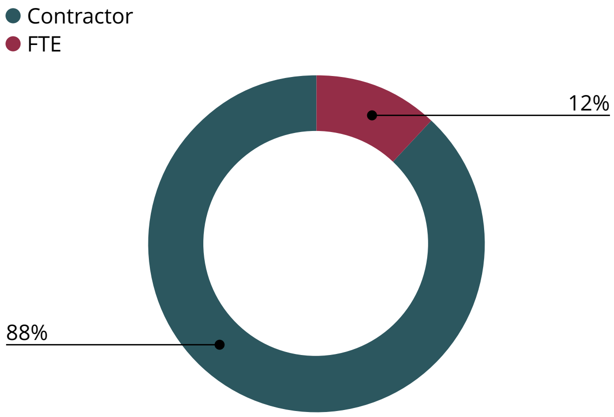


Figure 20: Workforce by type (as at 30 April 2019)



In the short term, FINEOS' growth strategy includes expanding its sales team in the APAC region, given the identification of significant potential clients in that region in particular.

3.6.2 Employee and Contractor/Consultant Contracts

The majority of FINEOS' workforce are employed as either full time or part-time employees on standard form contracts. These contracts differ per jurisdiction according to legal requirements (for example notice or superannuation/pension requirements) however they generally contain provisions assigning IP to the relevant FINEOS group company. These contracts may also contain restraint clauses relating to non-solicitation and non-competition.

Third party consultants and contractors are generally engaged by FINEOS on standard form template contracts, which also contain provisions that all relevant IP shall belong to the relevant FINEOS group company or, where applicable, its clients.

3.6.3 FINEOS Culture

FINEOS strives to provide an exceptional experience to its clients, assisting insurers to accelerate growth and reduce costs. To cultivate a client-centric approach to business, FINEOS has a defined set of core values as discussed further in Section 6.6.2. FINEOS believes the adoption of these values has fostered a culture of productivity and innovation that has laid the platform for FINEOS to deliver a superior core software solution to its clients. FINEOS intends to continue to invest in its employees through a commitment to employee development and a focus on the recruitment process in order to recruit employees that share in FINEOS' vision and values. FINEOS believes that its employees are a critical resource to the business and a key driver of sustained growth.

3.7 Intellectual Property

In addition to proprietary knowledge, FINEOS holds a portfolio of copyright and trademarks to provide protection for its intellectual property. This has predominantly been developed in-house. FINEOS has not relied on acquisitions to build out its IP capabilities. Ownership of IP in software developed by FINEOS is generally maintained solely by FINEOS, including bespoke software developed by FINEOS for client-led projects.

4 Financial Information

4. Financial Information

4.1 Introduction

The financial information of FINEOS contained in Section 4 includes historical financial information for FY17, FY18, 1H18 and 1H19 and forecast financial information for FY19 and FY20 (collectively the **Financial Information**) as summarised in Table 11 below.

Table 11: Overview of FINEOS Financial Information

	Statutory Financial Information	**Pro Forma Financial Information**
Historical Financial Information	**Statutory Historical Financial Information** comprises the: • statutory historical consolidated income statements for FY17 and FY18 (**Statutory Historical Annual Income Statements**) and 1H18 and 1H19 (**Statutory Historical Half Year Income Statements**) (together **Statutory Historical Income Statements**); • statutory historical consolidated cash flows for FY17 and FY18 (**Statutory Historical Annual Cash Flows**) and 1H18 and 1H19 (**Statutory Historical Half Year Cash Flows**) (together **Statutory Historical Cash Flows**); and • statutory historical consolidated statement of financial position as at 31 December 2018 (**Statutory Historical Statement of Financial Position**).	**Pro Forma Historical Financial Information** comprises the: • pro forma historical consolidated income statements for FY17 and FY18 (**Pro Forma Historical Annual Income Statements**) and 1H18 and 1H19 (**Pro Forma Historical Half Year Income Statements**) (together **Pro Forma Historical Income Statements**); • pro forma historical consolidated cash flows for FY17 and FY18 (**Pro Forma Historical Annual Cash Flows**) and 1H18 and 1H19 (**Pro Forma Historical Half Year Cash Flows**) (together **Pro Forma Historical Cash Flows**); and • pro forma historical consolidated statement of financial position as at 31 December 2018 (**Pro Forma Historical Statement of Financial Position**).
Forecast Financial Information	**Statutory Forecast Financial Information** comprises the: • statutory forecast consolidated income statements for FY19F and FY20F (**Statutory Forecast Annual Income Statements**); and • statutory forecast consolidated cash flows for FY19F and FY20F (**Statutory Forecast Annual Cash Flows**).	**Pro Forma Forecast Financial Information** comprises the: • pro forma forecast consolidated income statements for FY19F and FY20F (**Pro Forma Forecast Annual Income Statements**); and • pro forma forecast consolidated cash flows for FY19F and FY20F (**Pro Forma Forecast Annual Cash Flows**).

Also summarised in Section 4 are:

- The basis of preparation and presentation of the Financial Information (refer to Section 4.2);
- Information regarding certain non-IFRS financial measures (refer to Section 4.2.4);
- Summary of key pro forma operating and financial metrics (refer to Section 4.3.4);
- The pro forma adjustments to the Statutory Historical Financial Information and the Statutory Forecast Financial Information, and reconciliations to the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information respectively (refer to Sections 4.3.5, 4.4.2 and 4.5);
- Details of FINEOS' cash and cash equivalents and pro forma cash position at the assumed date of Completion (refer to Section 4.6);
- Information regarding liquidity, capital resources and indebtedness (refer to Section 4.7);
- Information regarding FINEOS' contractual obligations, commitments and contingent liabilities (refer to Section 4.8);
- Qualitative disclosures about market risk (refer to Section 4.9);

- General and specific assumptions underlying the Forecast Financial Information (refer to Section 4.11);
- Management discussion and analysis of the Pro Forma Historical Financial Information and Pro Forma Forecast Financial Information (refer to Section 4.12);
- An analysis of the sensitivity of the Pro Forma Forecast Financial Information to changes in certain key assumptions (refer to Section 4.14); and
- A summary of FINEOS' proposed dividend policy (refer to Section 4.15).

The information in Section 4 should also be read in conjunction with the risk factors set out in Section 5, FINEOS' significant accounting policies as set out in Appendix A, and the other information contained in this Prospectus.

All amounts disclosed in Section 4 and the Appendices are presented in FINEOS' functional currency, Euros, unless otherwise noted, are rounded to the nearest €0.1 million. Some numerical Tables included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in Tables or tables contained in this Prospectus are due to rounding.

4.2 Basis of preparation and presentation of the Financial Information

4.2.1 Overview and preparation and presentation of the Financial Information

The Financial Information included in the Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flow and financial position of FINEOS, together with the Forecast Financial Information for FY19F and FY20F.

FINEOS Corporation Holdings plc ('**FINEOS**') (one of the Offerors and the company seeking admission to ASX) was incorporated on 12 December 2018. Prior to becoming the holding company of the FINEOS group of companies on 24 June 2019 it did not undertake any trading activities. There are no historical consolidated financial statements for FINEOS. The FINEOS group contains FINEOS Corporation Limited (formally FINEOS Corporation U.C.) ('**FINEOS U.C.**'), which is the main operating entity of the FINEOS group and which, itself, holds various subsidiaries that together operate the business for the group. FINEOS U.C. is the entity that has historically prepared consolidated financial statements for the FINEOS group. As discussed in Section 4.2.2 below, the Statutory Historical Financial Information has been derived from the consolidated financial statements of FINEOS U.C., and in this context, references to FINEOS in this Prospectus are references to FINEOS U.C. where the context requires.

The Statutory Financial Information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("**IFRS**") as adopted by the European Union ("**EU**") and the significant accounting policies of FINEOS as summarised in Appendix A. FINEOS presented its results under IFRS for the first time in the financial statements for the year ended 30 June 2018, with comparatives for years ended 30 June 2017 and 30 June 2016. As part of the preparation and presentation of these financial statements, IFRS 9, IFRS 15 and IFRS 16 were early adopted and implemented using the modified retrospective approach. Section 4.2.4 sets out FINEOS' approach to the application of IFRS in its Historical and Forecast Financial information (references to IFRS in this Prospectus in the context of the Financial Information are references to IFRS as adopted by the EU unless the context otherwise requires).

There are no material differences between the application of IFRS under Australian Accounting Standards and the application of IFRS under EU directives as applied by FINEOS in the presentation of the Statutory Financial Information.

The Pro Forma Financial Information has been prepared in accordance with the recognition and measurement principles of IFRS other than it includes certain adjustments which have been prepared in a manner consistent with IFRS in order to illustrate their effect if they had occurred as at 1 July 2016.

The Pro Forma Financial Information has been prepared solely for inclusion in this Prospectus and does not reflect the actual financial results and cash flows of FINEOS for the periods indicated. FINEOS believes that it provides useful information as it permits investors to examine what it considers to be the underlying financial performance and cash flows of the business presented on a consistent basis with the Forecast Financial Information.

This Prospectus includes Forecast Financial Information based on the specific and general assumptions of FINEOS.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information required by IFRS applicable to annual financial reports prepared in accordance with the Irish Companies Act.

In addition to the Financial Information, Section 4 describes certain non-IFRS financial measures that are used to manage and report on FINEOS' business that are not defined under or recognised by Australian Accounting Standards or IFRS.

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information (as defined in Section 4.1) has been reviewed by KPMG Financial Advisory Services (Australia) Pty Limited, in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, as stated in its Independent Limited Assurance Report. Investors should note the scope and limitations of the Independent Limited Assurance Report (contained in Section 8).

4.2.1.1 Segment information

FINEOS manages its operations as a single business operation and there are no parts of the business that qualify as operating segments under IFRS 8 Operating Segments. The Board assesses the financial performance of the Group on an integrated basis only and accordingly, FINEOS is managed on the basis of a single segment. Revenue by region and type has been presented further in this document.

4.2.2 Preparation of Historical Financial Information

As referred to in Section 4.2.1 the Statutory Historical Financial Information has been derived from the consolidated financial statements of FINEOS U.C. for FY18 (which include comparative financial information for FY17) and the half year financial statements for 1H19 (which include comparative financial information for 1H18).

The consolidated financial statements of FINEOS U.C. for FY18 (which include comparative financial information for FY17) were audited by Mazars in accordance with International Standards on Auditing (Ireland). Mazars has issued an unqualified audit opinion on the FY18 financial statements. The half year financial statements for 1H19 (including comparative financial information for 1H18) was reviewed by Mazars in accordance with the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, and Mazars issued an unqualified review report in respect of these financial statements.

The consolidated financial statements of FINEOS U.C. for FY17 and FY18 and the half year condensed consolidated financial statements for 1H19 will be lodged with ASX on Listing and are available at www.fineos.com/investors.

The Pro Forma Historical Financial Information has been prepared solely for inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information adjusted for the effects of the following pro forma adjustments:

- remove finance costs associated with the EIB Loan which will be repaid with Offer proceeds following Completion (assumed to occur on 31 August 2019);
- include incremental costs associated with operating as a listed public company as if they were incurred from 1 July 2016;
- remove the impact of Offer costs and costs associated with historical equity raising processes undertaken by FINEOS;
- the reallocation of facilities and depreciation expenses in line with IFRS 16, which were misallocated between FY17 and FY18 in the historical financial statements;
- exclude the cost associated with the acceleration of share-based payment expenses under the Existing Option Plan resulting from the ability to exercise the options six months after Completion; and
- reflect the tax impact of the above adjustments.

Section 4.3.5, Table 18 and Table 19 sets out the pro forma adjustments made to the Statutory Historical Income Statements and a reconciliation of the Statutory Historical Income Statements to the Pro Forma Historical Income Statements.

Pro forma adjustments were also made to the statutory forecast net cash flows to reflect:

- the cash impact of the pro forma adjustments to the Statutory Historical Cash Flows; and
- the cash impact of costs and proceeds associated with the Offer.

Section 4.4.2, Table 23, Table 24 and Table 25 set out the pro forma adjustments to the Statutory Historical Cash Flows and a reconciliation of the Statutory Historical Cash Flows to the Pro Forma Historical Cash Flows.

Section 4.5, Table 27 sets out the pro forma adjustments to the Statutory Historical Statement of Financial Position, and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position. Pro forma adjustments were made to the Statutory Historical Statement of Financial Position to reflect the impact of the Offer as if it had occurred as at 31 December 2018.

In preparing the Historical Financial Information, FINEOS' accounting policies have been consistently applied throughout the periods presented.

Section 4.2.1 describes the internal restructure to place FINEOS as the holding company of the FINEOS group prior to the Prospectus Date. The Directors elected to account for the restructure as a capital re-organisation rather than a business combination as in the Directors' judgement, the continuation of the existing accounting values is consistent with the accounting that would have occurred if the assets and liabilities had already been in a structure suitable to IPO and most appropriately reflects the substance of the internal restructure.

As such, the consolidated financial statements of FINEOS Corporation Holdings plc have been presented as a continuation of the pre-existing accounting values of assets and liabilities in FINEOS U.C.'s financial statements.

In adopting this approach the Directors note that there is an alternate view that such a restructure could be accounted for as a business combination that follows the legal structure of FINEOS Corporation Holdings plc being the acquirer, which would have consequential impacts on the profit and loss and statement of financial position.

An IASB project on accounting for common control transactions is likely to address such restructures in the future. However, the precise nature of any new requirements and the timing of these are uncertain.

Investors should note that past results are not a guarantee of future performance.

4.2.3 Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared solely for the inclusion in this Prospectus. The Forecast Financial Information is presented on both a statutory and pro forma basis for FY19F and FY20F. The basis of preparation and presentation of the Forecast Financial Information is consistent with the basis of preparation and presentation of the Pro Forma Historical Financial Information.

The Forecast Financial Information has been prepared by FINEOS based on an assessment of current economic and operating conditions and on the general and specific assumptions regarding future events and actions set out in Section 4.11. The disclosure of these assumptions is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and the effect on the Forecast Financial Information if they do not occur, and is not intended to be a representation that the assumptions will occur.

The Statutory Forecast Financial Information represents FINEOS' best estimates of the financial performance and cash flows that it expects to report in its general purpose statutory consolidated financial statements for FY19F and FY20F.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, after adjusting for pro forma adjustments to reflect FINEOS' operating and capital structure following Completion, to eliminate Offer costs, to reflect public company costs, to exclude the cost associated with the acceleration of the Existing Option Plan and to reflect the tax impact of each of the pro forma adjustments.

The Forecast Financial Information is based on various specific and general assumptions for the 12 months ending 30 June 2019 and 30 June 2020, including those set out in Section 4.11 and includes the actual results of FINEOS U.C for the ten months to 30 April 2019 comprising six months reviewed and four months unaudited financial information.

Section 4.3.5, Table 18 sets out a reconciliation of statutory forecast NPAT to pro forma forecast NPAT for FY19F and FY20F. Section 4.4.1, Table 23 and Table 24 set out a reconciliation of statutory forecast free and net cash flow to pro forma forecast free and net cash flow for FY19F and FY20F.

The Forecast Financial Information is subject to the risk factors as set out in Section 5. The disclosure of these assumptions is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and the effect on the Forecast Financial Information if they do not occur, and is not intended to be a representation that the assumptions will occur.

FINEOS believes the general and specific assumptions, when taken as a whole, to be reasonable at the time of preparing the Prospectus. However, the information is not fact, and investors are cautioned not to place undue reliance on the Forecast Financial Information. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on FINEOS actual financial performance, cash flows or financial position. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of the Offerors, and their respective directors and management, and are not reliably predictable. Accordingly, none of the Offerors, their respective directors or management or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Forecast Financial Information should be read in conjunction with the general and specific assumptions set out in Section 4.11, the sensitivity analysis described in Section 4.14, the risk factors described in Section 5, the significant accounting policies set out in Appendix A, and the other information in this Prospectus. FINEOS does not intend to update or revise the Forecast Financial Information or other forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation.

Due to its nature, the Pro Forma Forecast Financial Information does not represent FINEOS' actual or prospective financial performance or cash flows for the respective periods.

4.2.4 Explanation of certain non-IFRS financial measures

FINEOS uses certain measures to manage and report on its business that are not recognised under IFRS (or Australian Accounting Standards). These measures are collectively referred in this Section 4 and under Regulatory Guide 230 *Disclosing Non-IFRS Financial Information* published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **Cost of sales** comprises the wages and salaries of employees, contractors and other third-parties who undertake services and delivery work as part of product implementation and configuration as well as costs associated with web hosting services
- **Gross profit** is revenue less cost of sales
- **Gross profit margin** is gross profit expressed as a percentage of revenue;
- **EBITDA** is earnings or losses before interest (net finance income), taxation, depreciation and amortisation. FINEOS uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. EBITDA margin, which is EBITDA expressed as a percentage of total revenue is also presented. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for, an analysis of the results of FINEOS operations;
- **EBITDA profit margin** is EBITDA expressed as a percentage of revenue;
- **EBIT** is earnings or losses before interest (net finance income) and taxation;
- **Operating cash flow** is EBITDA after the removal of non-cash items in EBITDA (e.g. share-based payment expenses and movements in provisions, changes in working capital and the payments of lease expenses. FINEOS uses operating cash flow as a measure to indicate the level of operating cash flow generated from EBITDA;

- **Free cash flow** is operating cash flow less capitalised development costs and other capital expenditure. FINEOS uses free cash flow as a measure of the net cash FINEOS generates before tax, interest and other investing cash flows;
- **Operating cash flow conversion ratio** is operating cash flow expressed as a percentage of EBITDA;
- **Free cash flow conversion ratio** is free cash flow expressed as a percentage of EBITDA;
- **Working capital** is trade and other receivables and other current assets less trade and other payables, accruals, deferred revenue, R&D tax credit balances and other current liabilities;
- **Net debt** represents total loans and borrowings and bank overdrafts, less cash and cash equivalents;
- **Capital expenditure** is a combination of capitalised development costs and other costs primarily related to property, plant and equipment; and
- **Research and development expense** is product design and development inclusive of product maintenance expenses (excluding depreciation and amortisation)
- **Capitalised development costs** are related to significant enhancements to products that are expected to derive a future benefit to FINEOS and are capitalised in accordance with IFRS 38 *Intangible Assets;* and
- **Total research and development costs (R&D)** is research and development expense plus capitalised development costs, which FINEOS uses as a measure of FINEOS' total R&D investment. Total R&D costs expressed as a percentage of total revenue is a ratio which FINEOS calculates and uses to consider the total investment in R&D relative to the total revenue of the business from period to period and in comparison to other similar businesses.

Although FINEOS believes that these measures provide useful information about the financial performance of the business, they should be considered as supplements to the income statement measures that have been presented in accordance with IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on IFRS (or Australian Accounting Standards), they do not have standard definitions, and the way FINEOS calculates these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

4.3 Pro Forma Historical Income Statements, Pro Forma Forecast Annual Income Statements and Statutory Forecast Annual Income Statements

4.3.1 Pro Forma Historical Annual Income Statements, Pro Forma Forecast Annual Income Statements and Statutory Forecast Annual Income Statements

Table 12 sets out FINEOS' Pro Forma Historical Annual Income Statements, the Pro Forma Forecast Annual Income Statements and the Statutory Forecast Annual Income Statements. The Statutory Historical Annual Income Statements (which are set out in section 4.3.6) and the Statutory Forecast Annual Income Statement are reconciled to the Pro Forma Historical Annual Income Statements and Pro Forma Forecast Annual Income Statement respectively in Section 4.3.5. See Section 4.12.2 for a description of the presentation and composition of the cost and expense categories in Table 31.

Table 12: Pro Forma Historical Annual Income Statements, Pro Forma Forecast Annual Income Statements and Statutory Forecast Annual Income Statements

		Pro forma historical		Pro forma forecast		Statutory forecast	
€ millions	**Notes**	**FY17**	**FY18**	**FY19F**	**FY20F**	**FY19F**	**FY20F**
Software		17.8	22.0	23.0	30.1	23.0	30.1
Services		23.3	31.6	38.4	43.9	38.4	43.9
Total revenue		**41.1**	**53.7**	**61.5**	**74.0**	**61.5**	**74.0**
Cost of sales		(10.7)	(14.3)	(20.5)	(25.8)	(20.5)	(25.8)
Gross profit		**30.4**	**39.4**	**41.0**	**48.2**	**41.0**	**48.2**
Research and development		(10.7)	(10.0)	(10.0)	(11.8)	(10.0)	(11.8)
Sales and marketing		(3.6)	(2.7)	(3.3)	(4.8)	(3.3)	(4.8)
Delivery		(7.5)	(10.3)	(11.8)	(12.5)	(11.8)	(12.5)
Cloud operations and support		(0.2)	(0.3)	(1.0)	(1.9)	(1.0)	(1.9)
General and administration	1	(7.6)	(8.8)	(8.8)	(9.8)	(9.1)	(16.1)
Other income	2	0.6	0.6	1.0	1.3	1.0	1.3
Total operating expenses		**(29.0)**	**(31.6)**	**(33.9)**	**(39.5)**	**(34.1)**	**(45.8)**
EBITDA		**1.4**	**7.7**	**7.1**	**8.7**	**6.9**	**2.4**
Depreciation	3	(0.9)	(0.1)	(0.7)	(0.8)	(0.7)	(0.8)
Amortisation	4	(3.6)	(5.3)	(7.5)	(10.0)	(7.5)	(10.0)
EBIT		**(3.1)**	**2.3**	**(1.1)**	**(2.0)**	**(1.3)**	**(8.3)**
Net finance expense	5	(0.2)	(0.4)	(0.7)	(0.3)	(1.3)	(0.5)
Profit/(loss) before tax		**(3.3)**	**1.9**	**(1.8)**	**(2.4)**	**(2.7)**	**(8.8)**
Income tax expense	6	(0.2)	(1.2)	(0.1)	0.1	(0.2)	0.1
Net profit/(loss) after tax		**(3.5)**	**0.6**	**(1.9)**	**(2.3)**	**(2.8)**	**(8.7)**

Notes:

1. Pro forma general and administration expense includes estimated listed public company costs of €1.3 million in FY17, FY18, FY19 and FY20, an adjustment to exclude estimated Offer costs of €1.0 million in FY19 and €4.7 million in FY20, includes an adjustment to remove the acceleration of share based payment expenses of €0.8 million in FY19 and €1.8 million in FY20 resulting from the vesting of the awards under Existing Option Plan at Completion and an adjustment of €(0.3) million in FY17 and €0.6 million in FY18 to restate facilities costs under IFRS16 in FY17 and FY18. See section 4.3.5 for a reconciliation including the Pro Forma adjustments.
2. Other income relates to a R&D tax credit for qualifying research and development activities. As FINEOS currently do not have a tax liability, FINEOS is entitled to receive a cash payment from the Irish Revenue Commissioner in lieu of a tax offset. This cash receipt, received over a three year period, is recognised on the statement of financial position as a liability and is unwound to the income statement as revenue in line with the amortisation of the associated capitalised development costs.
3. Pro forma depreciation charge relates to right of use property assets recognised under IFRS 16 and other fixed assets comprising computer equipment and fixtures and fittings. This line includes pro forma adjustments of (€0.2) million in FY17 and €0.6 million in FY18 to correctly reflect the amended depreciation charge for the right of use property assets, which were inaccurately apportioned between FY16 and FY18 in the Historical Income Statements.
4. Relates to the value of capitalised internally developed software amortised over the estimated useful life of each product.
5. Reflects interest costs and excludes €0.2 million, €0.7 million and €0.6 million in FY17, FY18 and FY19F respectively associated with the EIB Loan. Statutory forecast net finance expense reflects the position that the EIB Loan will be repaid with Offer proceeds following Completion (assumed to occur on 31 August 2019). Pro forma net finance expense reflects lease interest costs only, under IFRS 16.
6. The benefit of FINEOS' carried forward tax losses and tax offsets (estimated to be €19.6 million as at 30 June 2017) have not been recognised as a deferred tax asset in FINEOS' Statutory Historical Statement of Financial Position. As a result, the statutory income tax expense for FY19 and FY20 is expected to be €0.2 million and €(0.1) million, while the pro forma income tax expense for FY19 and FY20 is expected to be €0.1 million and €(0.1) million.

4.3.2 Pro Forma Historical Half Year Income Statements

Table 13 sets out FINEOS' Pro Forma Historical Half Year Income Statements. The Statutory Historical Half Year Income Statements are set out in Section 4.3.6. The Statutory Historical Half Year Income Statements are reconciled to the Pro Forma Historical Half Year Income Statements in Section 4.3.5.

Table 13: Pro Forma Historical Half Year Income Statements

		Pro forma historical	
€ millions	**Notes**	**1H18**	**1H19**
Software		11.1	10.5
Services		14.9	18.9
Total revenue		**25.9**	**29.4**
Cost of sales		(6.4)	(9.1)
Gross profit		**19.5**	**20.3**
Research and development		(4.6)	(5.4)
Sales and marketing		(1.4)	(1.5)
Delivery		(4.8)	(6.0)
Cloud operations and support		(0.1)	(0.4)
General and administration	1	(4.2)	(4.5)
Other income	2	0.3	0.4
Total operating expenses		**(14.9)**	**(17.3)**
EBITDA		**4.6**	**2.9**
Depreciation	3	(0.1)	(0.4)
Amortisation	4	(2.6)	(3.1)
EBIT		**2.0**	**(0.6)**
Net finance expense	5	(0.3)	(0.4)
Profit/(loss) before tax		**1.7**	**(1.0)**
Income tax expense	6	(0.9)	(0.1)
Net profit/(loss) after tax		**0.8**	**(1.1)**

Notes:
Refer to the notes to Table 12.

4.3.3 Revenue by region

Table 14 and Table 15 summarise FINEOS' historical and forecast revenue by region. Regions are classified by FINEOS by reference to the location of client operations that are serviced by FINEOS products and the currency in which they are billed There are currently no clients that FINEOS classifies in more than one region.

Table 14: Historical and forecast annual revenue by region, FY17 - FY20F

		Historical		Forecast	
€ millions	**Notes**	**FY17**	**FY18**	**FY19F**	**FY20F**
APAC		18.2	28.8	27.1	28.7
North America		17.6	18.8	28.2	39.4
EMEA		5.3	6.1	6.2	5.9
Revenue		**41.1**	**53.7**	**61.5**	**74.0**

Table 15: Historical and forecast half year revenue by region, 1H18 and 1H19

		Historical	
€ millions	**Notes**	**1H18**	**1H19**
APAC		15.0	14.1
North America		7.8	12.1
EMEA		3.1	3.2
Revenue		**25.9**	**29.4**

4.3.4 Key operating and financial metrics

Table 16 summarises FINEOS' key pro forma historical operating and financial metrics for FY17 and FY18 and the key pro forma forecast operating and financial metrics for FY19 and FY20.

Table 16: Key pro forma operating and financial metrics for FY17 to FY20F

		Pro forma historical		Pro forma forecast	
	Notes	**FY17**	**FY18**	**FY19F**	**FY20F**
Key operating metrics					
Headcount (period end)	1	498	598	665	748
Subscription revenue as % of total revenue	2	31.5%	27.8%	31.9%	38.9%
Subscription revenue as % of software revenue	2	72.8%	67.9%	85.2%	95.6%
Key financial metrics					
Software revenue growth (% increase year on year)			24.0%	4.5%	30.7%
Services revenue growth (% increase year on year)			35.6%	21.6%	14.2%
Gross profit growth (% increase year on year)			29.3%	4.2%	17.6%
Gross profit margin		74.0%	73.3%	66.7%	65.1%
Sales and marketing expense (as % of revenue)		8.7%	5.1%	5.4%	6.5%
Research and development expense (€m)	3	9.8	8.8	9.1	10.6
Capitalised development costs (€m)		12.1	13.0	13.5	15.9
Total research and development costs (€m)		21.9	21.8	22.6	26.5
Research and development expense (as % of revenue)		23.9%	16.4%	14.8%	14.3%
Total research and development costs (as % of revenue)		53.2%	40.7%	36.8%	35.8%
Delivery and Cloud operations and support expense (as % of revenue)		0.5%	0.6%	1.6%	2.6%
EBITDA growth (% increase year on year)			459.5%	(7.9%)	23.1%
EBITDA margin		3.4%	14.4%	11.6%	11.8%

Notes:

1. Headcount refers to total full time equivalent (FTE) employees and contractors employed by FINEOS.
2. Subscription revenue represents ALFs and annual subscription fees. Software revenue represents ILFs, ALFs and annual subscription fees. Refer to Section 3.4.1.
3. Relates only to the salary costs associated with research and development and excludes additional facilities and overheads.

Table 17 summarises FINEOS' key pro forma half year operating and financial metrics for 1H18 and 1H19.

Table 17: Key pro forma operating and financial metrics for 1H18 and 1H19

		Pro forma historical	
	Notes	1H18	1H19
Key operating metrics			
Headcount (period end)	1	527	618
Subscription revenue as % of total revenue	2	26.6%	31.2%
Subscription revenue as % of software revenue	2	62.6%	87.0%
Key financial metrics			
Software revenue growth (% increase year on year)		57.2%	(4.8%)
Services revenue growth (% increase year on year)		37.5%	26.9%
Gross profit growth (% increase year on year)		55.9%	3.8%
Gross profit margin		75.3%	69.0%
Sales and marketing expense (as % of revenue)		5.5%	5.2%
Research and development expense (€m)	3	4.1	5.1
Capitalised development costs (€m)		6.3	6.4
Total research and development costs (€m)		10.4	11.5
Research and development expense (as % of revenue)		16.0%	17.2%
Total research and development costs (as % of revenue)		40.2%	39.0%
Delivery and Cloud operations and support expense (as % of revenue)		0.5%	1.2%
EBITDA growth (% increase year on year)		n.m.	(37.0%)
EBITDA margin		17.9%	9.9%

Notes:
1. Refer to the notes to Table 16.
2. Refer to the notes to Table 16.
3. Refer to the notes to Table 16.

4.3.5 Pro forma adjustments to the Statutory Historical Income Statements and Statutory Forecast Annual Income Statements

Table 18 sets out the pro forma adjustments that have been made to the profit/(loss) after tax in the Statutory Historical Annual Income Statements (which are set out in Section 4.3.6) and Statutory Forecast Annual Income Statements. No pro forma adjustments have been made to revenue in these statutory income statements.

Table 18: Pro forma adjustments to the Statutory Historical Annual Income Statements and Statutory Forecast Annual Income Statements

		Historical		Forecast	
€ millions	Notes	FY17	FY18	FY19F	FY20F
Statutory revenue		**41.1**	**53.7**	**61.5**	**74.0**
No adjustments to revenue		–	–	–	–
Pro forma revenue		**41.1**	**53.7**	**61.5**	**74.0**
Statutory profit/(loss) after tax		**(2.5)**	**1.3**	**(2.8)**	**(8.7)**
Incremental public company costs	1	(1.3)	(1.3)	(1.3)	(0.2)
Offer costs	2	–	–	1.0	4.7

€ millions	Notes	Historical FY17	Historical FY18	Forecast FY19F	Forecast FY20F
Net finance expense	3	0.2	0.7	0.6	0.2
Existing Option Plan adjustments	4	–	–	0.6	1.8
Tax impact of pro forma adjustments	5	0.1	0.1	0.1	(0.0)
IFRS 16 adjustment	6	0.0	(0.1)	–	–
Pro forma profit/(loss) after tax		**(3.5)**	**0.6**	**(1.9)**	**(2.3)**

Notes:

1. Reflects FINEOS' estimate of the incremental annual costs that FINEOS will incur as a result of being a listed public company. These costs include Directors' fees, listing fees, share registry costs, audit and legal fees, Directors' and officers' insurance premiums, investor relations costs, annual general meetings costs, annual reports costs and other public company costs. The adjustment for FY20F reflects the inclusion of estimated costs on a pro rata basis for the months before FINEOS expects to be a listed public entity.
2. Total transaction fees related to the Offer are estimated at €10.7 million, of which €5.1 million are directly attributable to the issue of new Shares by FINEOS and will be offset against equity raised in the Offer. The remaining €5.7 million relates to the sale of existing Shares by the Selling Shareholders and is treated as an expense (within general and administration) with €1.0 million expensed in FY19F and €4.7 million expensed in the FY20F Statutory Forecast Annual Income Statements.
3. Adjustment removes the interest paid on the EIB loan during the relevant historical and forecast period.
4. Adjustment removes the cost associated with the acceleration of share based payment expenses resulting from the ability to exercise the awards under the Existing Option Plan six months after Completion. FINEOS has established a New Equity Incentive Plan (refer to Section 6.3.3.5) which provides the framework under which individual grants of equity incentives (awards) to employees are proposed to operate. No grants under the New Equity Incentive Plan will have been made on Completion but may be made after this time. The potential cost in FY20F has been included in the pro forma forecast general & administration expense for FY20F.
5. Reflects the net tax impact of the pro forma adjustments at the relevant tax rates on the deductible amounts.
6. Adjustments to correctly account for the IFRS 16 adjustment that was incorrectly recorded in the statutory accounts in FY17 and FY18. The adjustment involves a restatement of operating costs and depreciation of right of use property assets in FY17 and FY18 and has a negligible impact on NPAT.

Table 19 sets out the pro forma adjustments that have been made to the profit/ (loss) after tax in the Statutory Historical Half Year Income Statements (which are set out in Table 22). No pro forma adjustments have been made to revenue in the Statutory Historical Half Year Income Statements.

Table 19: Pro forma adjustments to the Statutory Historical Half Year Income Statements

€ millions	Notes	Historical 1H18	Historical 1H19
Statutory revenue		**25.9**	**29.4**
No adjustments to revenue		–	–
Pro forma revenue		**25.9**	**29.4**
Statutory profit/(loss) after tax		**1.1**	**(0.7)**
Incremental public company costs	1	(0.7)	(0.7)
Net finance expense	3	0.3	0.3
Existing Option Plan adjustments	4	–	(0.1)
Tax impact of pro forma adjustments	5	0.0	0.0
IFRS 16 adjustment	6	(0.0)	–
Pro forma profit/(loss) after tax		**0.8**	**(1.1)**

Notes:

1. Refer to the notes to Table 18.

4.3.6 Statutory Historical Income Statements

Table 20 sets out the Statutory Historical Income Statements.

Table 20: Statutory Historical Income Statements

€ millions	Notes	Statutory historical FY17	FY18	Statutory historical 1H18	1H19
Software		17.8	22.0	11.1	10.5
Services		23.3	31.6	14.9	18.9
Total revenue		**41.1**	**53.7**	**25.9**	**29.4**
Cost of sales		(10.7)	(14.3)	(6.4)	(9.1)
Gross profit		**30.4**	**39.4**	**19.5**	**20.3**
Research and development		(10.7)	(10.0)	(4.6)	(5.4)
Sales and marketing		(3.6)	(2.7)	(1.4)	(1.5)
Delivery		(7.5)	(10.3)	(4.8)	(6.0)
Cloud operations and support		(0.2)	(0.3)	(0.1)	(0.4)
General and administration		(6.6)	(6.8)	(3.2)	(3.7)
Other income	1	0.6	0.6	0.3	0.4
Total operating expenses		**(28.0)**	**(29.7)**	**(13.9)**	**(16.6)**
EBITDA		**2.4**	**9.7**	**5.6**	**3.7**
Depreciation		(0.7)	(0.7)	(0.3)	(0.4)
Amortisation		(3.6)	(5.3)	(2.6)	(3.1)
EBIT		**(1.9)**	**3.6**	**2.6**	**0.2**
Net finance expense		(0.4)	(1.0)	(0.6)	(0.7)
Profit/(loss) before tax		**(2.2)**	**2.6**	**2.1**	**(0.5)**
Income tax expense		(0.3)	(1.3)	(1.0)	(0.1)
Net profit/(loss) after tax	2	**(2.5)**	**1.3**	**1.1**	**(0.7)**

Notes:

1. Other income relates to a R&D Tax Credit from the Irish Revenue Commissioner for qualifying research and development activities.
2. See tables 18 and 19 for reconciliation of Statutory Historical Income Statements and Pro Forma Historical Income Statements.

4.4 Pro Forma Historical Annual Cash Flows, Pro Forma Forecast Annual Cash Flows and Statutory Forecast Annual Cash Flows

4.4.1 Pro Forma Historical Cash Flows, Pro Forma Forecast Cash Flows and Statutory Forecast Cash Flows

Table 21 sets out FINEOS' Pro Forma Historical Annual Cash Flows, the Pro Forma Forecast Annual Cash Flows, and the Statutory Forecast Annual Cash Flows. The Statutory Historical Annual Cash Flows (which are set out in Section 4.4.3) and the Statutory Forecast Annual Cash Flows are reconciled to the Pro Forma Historical Annual Cash Flows and Pro Forma Forecast Annual Cash Flows respectively in Section 4.4.2.

Table 21: Pro Forma Historical Annual Cash Flows, Pro Forma Forecast Annual Cash Flows and Statutory Forecast Annual Cash Flows

		Pro Forma Historical		Pro Forma Forecast		Statutory Forecast	
€ millions	**Notes**	**FY17**	**FY18**	**FY19F**	**FY20F**	**FY19F**	**FY20F**
EBITDA	**1**	**1.4**	**7.7**	**7.1**	**8.7**	**6.9**	**2.4**
Change in working capital	2	(2.8)	3.0	2.4	5.4	3. 4	4.4
Lease payments	3	(0.9)	(2.0)	(1.5)	(2.0)	(1.5)	(2.0)
Non-cash option plan expense	4	0.2	0.2	0.2	0.6	0.8	2.4
Foreign exchange gains / (losses)		(0.0)	(0.1)	0.1	–	0.1	–
Operating cash flow	**5**	**(2.2)**	**8.8**	**8.2**	**12.7**	**9.6**	**7.2**
Capital expenditure	6	(12.1)	(13.3)	(15.2)	(23.2)	(15.2)	(23.2)
Non-cash capital expenditure	7	(0.7)	(0.4)	0.2	4.7	0.2	4.7
Free cash flow		**(15.0)**	**(4.8)**	**(6.7)**	**(5.8)**	**(5.4)**	**(11.3)**
Gross proceeds from the Offer	8			–	–	–	62.8
EIB Loan repayment	9			–	–	–	(16.6)
Interest paid	10			–	–	(0.5)	(0.2)
Interest received				0.1	0.1	0.1	0.1
Offer Costs	11			–	–	–	(5.1)
Tax	12			(0.2)	0.1	(0.3)	0.1
Net cash flow				**(6.9)**	**(5.6)**	**(6.2)**	**29.9**
Operating cash flow conversion ratio	**13**			**116%**	**145%**	**139%**	**295%**
Free cash flow conversion ratio	**14**			**(95%)**	**(66%)**	**(79%)**	**(460%)**

Notes:

1. Statutory EBITDA includes the costs associated with the Offer of €1.0 million in FY19F and €4.7 million in FY20F expensed in the Statutory Forecast Annual Income Statements. These costs have been adjusted from the pro forma EBITDA in FY19F and FY20F. Pro forma historical and forecast EBITDA includes an adjustment for incremental public company costs of €1.3 million. Statutory FY20F EBITDA includes incremental listed public company costs of €1.2 million which reflects 10.5 months of those costs. Refer to Notes 1 and 2 of Table 18.
2. The key drivers of changes in working capital are timing differences between client invoicing when a receivable is recognised and receipt of annual subscription fees from clients when a deferred revenue liability is recognised. Forecast working capital is also impacted by the change in FINEOS' pricing model to a cloud-based, SaaS model (as described in Section 3.4.1, resulting in a higher proportion of subscription revenue being received earlier during the life of a contract which provides a working capital benefit compared to the on-premise model. Working capital movement between FY19F and FY20F is also impacted by the accrual of Offer Costs incurred in FY19F but paid in FY20F €1.0 million which relate to the sale of existing Shares by the Selling Shareholders.
3. Lease payments reflect payments related to lease commitments not included in EBITDA.
4. Non-cash option plan expenses relate to the impact of share-based payment expenses including those related to the Existing Option Plan and options granted under historical share option plans.
5. Operating cash flow is a non-IFRS term as defined in section 4.2.4.
6. Refer to Section 4.2.4.
7. Other capital expenditure includes a non-cash capex adjustment related to right of use assets capitalised upon commencement of leases in accordance with IFRS 16.
8. Represents the proceeds from the Offer of €62.8 million.
9. Reflects the repayment of the EIB Loan following Completion (assumed to occur on 31 August 2019).
10. Relates to EIB Loan interest and amounts in excess of the net present value of lease payments associated with lease commitments.
11. Relates to capitalised costs attributable to the issue of new Shares under the Offer.
12. Tax is calculated based on the corporate tax rate in relevant jurisdictions and the timing of tax payments in those jurisdictions.
13. Operating cash flow conversion ratio is a non-IFRS term as defined in section 4.2.4.
14. Free cash flow conversion ratio is a non-IFRS term as defined in section 4.2.4.

Table 22 sets out FINEOS' Pro Forma Historical Half Year Cash Flows and Statutory Historical Half Year Cash Flows.

Table 22: Pro Forma Historical Half Year Cash Flows and Statutory Historical Half Year Cash Flows

		Pro Forma Historical		Statutory Historical	
€ millions	Notes	1H18	1H19	1H18	1H19
EBITDA	**1**	**4.6**	**2.9**	**5.6**	**3.7**
Change in working capital		(2.0)	(0.6)	(2.0)	(0.6)
Lease payments		(1.3)	(0.7)	(1.3)	(0.7)
Non-cash option plan expense		0.1	0.1	0.1	–
Foreign exchange gains / (losses)		0.1	(0.1)	0.1	(0.1)
Operating cash flow		**1.5**	**1.6**	**2.4**	**2.2**
Capital expenditure		(6.6)	(6.9)	(6.6)	(6.9)
Non-cash capital expenditure		(0.2)	–	(0.2)	–
Free cash flow		**(5.3)**	**(5.4)**	**(4.4)**	**(4.7)**
Interest paid	2	–	–	(0.2)	(0.2)
Interest received		0.0	0.0	–	0.0
Tax		1.0	(0.4)	1.0	(0.4)
Net cash flow		**(4.3)**	**(5.8)**	**(3.6)**	**(5.4)**
Operating cash flow conversion ratio		**32%**	**54%**	**43%**	**61%**
Free cash flow conversion ratio		**(115%)**	**(184%)**	**(78%)**	**(127%)**

Notes:
1. Pro forma historical EBITDA includes an adjustment for incremental public company costs of €0.7 million in each half year.
2. Pro forma interest paid includes an adjustment to remove EIB Loan interest.

4.4.2 Pro forma adjustments to the Statutory Historical Annual Cash Flows and the Statutory Forecast Annual Cash Flows

Tables 23 and 24 set out the pro forma adjustments that have been made to the Statutory Historical Annual Cash Flows and Statutory Forecast Annual Cash Flows. These adjustments are summarised and explained below.

Table 23: Pro Forma adjustments to the Statutory Historical Annual Cash Flows and Pro Forma Forecast Annual Cash Flows

		Historical		Forecast	
€ millions	Notes	FY17	FY18	FY19F	FY20F
Statutory free cash flow		**(13.9)**	**(2.9)**	**(5.4)**	**(11.3)**
Incremental public company costs	1	(1.3)	(1.3)	(1.3)	(0.2)
Offer costs	2	–	–	–	5.7
IFRS 16 facilities adjustment	3	0.3	(0.6)	–	–
Pro forma free cash flow		**(15.0)**	**(4.8)**	**(6.7)**	**(5.8)**

Notes:
1. Reflects the cash costs related to the incremental costs of being a listed public company as described in note 1, Table 18.
2. Removes the cash impact of the Offer costs of €1.0 million accrued in FY19F but paid in FY20F, and €4.7 million in FY20, which are expensed and relate to the sale of existing Shares by the Selling Shareholders.
3. EBITDA impact of IFRS 16 adjustment to facilities costs as described in note 6, Table 18.

Table 24: Pro forma adjustments to the Statutory Historical Annual Cash Flows and Pro Forma Forecast Annual Cash Flows

		Historical		Forecast	
€ millions	**Notes**	**FY17**	**FY18**	**FY19F**	**FY20F**
Statutory net cash flow		**0.8**	**(3.9)**	**(6.2)**	**29.9**
Incremental public company costs	1	(1.3)	(1.3)	(1.3)	(0.2)
Offer costs	2	–	–	–	5.7
IFRS 16 facilities adjustment	3	0.3	(0.6)	–	–
EIB Loan drawdown/repayment	4	(15.0)	–	–	16.6
EIB Loan interest expense	5	0.0	0.5	0.5	0.2
Gross proceeds from the Offer	6	–	–	–	(62.8)
Capitalised Offer costs	7	–	–	–	5.1
Tax impact of pro forma adjustments	8	0.1	0.1	0.1	(0.0)
Pro forma net cash flow		**(15.1)**	**(5.3)**	**(6.9)**	**(5.6)**

Notes:
1. See note 1 to Table 23.
2. See note 2 to Table 23.
3. See note 3 to Table 23.
4. Represents the repayment of the principal EIB Loan balance and all interest accrued using the proceeds of the Offer.
5. Reflects the cash impact on net finance costs of the repayment of the EIB Loan from Offer proceeds following Completion (assumed to occur on 31 August 2019).
6. Represents the gross proceeds from the Offer.
7. Represents the costs attributable to the issue of new Shares (€5.1 million) under the Offer.
8. Reflects the net tax impact of the pro forma adjustments at the relevant tax rates on the deductible amounts.

Table 25 and 26 set out the pro forma adjustments that have been made to the Statutory Historical Half Year Cash Flows.

Table 25: Pro Forma adjustments to the Statutory Historical Half Year Free Cash Flows

		Historical	
€ millions	**Notes**	**1H18**	**1H19**
Statutory net cash flow		**(3.6)**	**(5.4)**
Incremental public company costs		(0.7)	(0.7)
IFRS 16 facilities adjustment		(0.3)	–
EIB Loan interest expense		0.2	0.2
Tax impact of pro forma adjustments		0.0	0.0
Pro forma net cash flow		**(4.3)**	**(5.8)**

4.4.3 Statutory Historical Cash Flows

Table 26 sets out FINEOS' Statutory Historical Cash Flows.

Table 26: Statutory Historical Cash Flows

€ millions	Notes	Statutory Historical FY17	Statutory Historical FY18
EBITDA		**2.4**	**9.7**
Change in working capital		(2.8)	3.0
Lease payments		(0.9)	(2.0)
Non-cash option plan expense		0.2	0.2
Foreign exchange gains / (losses)		(0.0)	(0.1)
Operating cash flow		**(1.1)**	**10.7**
Capitalised expenditure		(12.1)	(13.3)
Non-cash capital expenditure		(0.7)	(0.4)
Free cash flow		**(13.9)**	**(2.9)**
EIB Loan drawdown	1	15.0	–
Interest paid		(0.1)	(0.5)
Interest received		0.0	0.0
Tax		(0.3)	(0.5)
Net cash flow		**0.8**	**(3.9)**
Operating cash flow conversion ratio		**(46%)**	**111%**
Free cash flow conversion ratio		**(574%)**	**(30%)**

Notes:

1. Loan drawdown relates to the €15.0 million EIB Loan in FY17.
2. Refer to the notes to Table 21.

4.5 Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position

Table 27 sets out the Statutory Historical Statement of Financial Position and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position for FINEOS. These adjustments take into account the effect of the Offer proceeds, transaction costs and the repayment of drawn borrowings under the EIB Loan as if they had occurred as at 31 December 2018. The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of FINEOS' view of its financial position upon Completion or at a future date.

4. Financial Information (continued)

Table 27: Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 31 December 2018

€ millions	Notes	Statutory Historical 31-Dec-18	Pro Forma Adjustments	Pro forma Historical 31-Dec-18
Current assets				
Cash and cash equivalents	1	4.7	36.0	40.7
Trade debtors		15.9	–	15.9
R&D tax credit		4.3	–	4.3
Prepayments		0.9	–	0.9
Other receivables		0.5	–	0.5
Total current assets		**26.4**	**36.0**	**62.4**
Non-current assets				
Fixed assets		0.9	–	0.9
Right of use building		2.6	–	2.6
Software		0.8	–	0.8
Research and development	2	38.7	–	38.7
Investments		0.0	–	0.0
Total non-current assets		**43.0**	**–**	**43.0**
Total assets		**69.4**	**36.0**	**105.5**
Current liabilities				
Creditors		5.0	–	5.0
EIB Loan interest accrual	3,4	1.1	(1.1)	(0.0)
Deferred revenue	5	13.8	–	13.8
Other current liability		0.5	–	0.5
Total current liabilities		**20.4**	**(1.1)**	**19.2**
Non-current liabilities				
EIB Loan	3	15.0	(15.0)	–
Deferred R&D tax credit		7.7	–	7.7
Lease liabilities		3.6	–	3.6
Total non-current liabilities		**26.3**	**(15.0)**	**11.3**
Total liabilities		**46.6**	**(16.1)**	**30.5**
Net assets		**22.8**	**52.2**	**75.0**
Equity				
Contributed equity	6,2	0.3	57.8	58.1
Retained earnings	7	10.7	(8.3)	2.4
Reserves	8	11.8	2.6	14.4
Total equity		**22.8**	**52.2**	**75.0**

Notes:

1. Cash and cash equivalents are expected to increase by €36.0 million as a result of the proceeds of the Offer (€62.8 million), assuming the issue of 40 million CDIs at $2.50 per CDI, offset by the cash impact of Offer costs (€10.7 million) and the repayment of EIB Loan and accrued interest of €16.1 million.
2. Research and development primarily relate to capitalised development costs net of amortisation.
3. Represents the repayment of the EIB loan from the proceeds of the Offer.

4. Statutory forecast net finance expense presented in table 12 represents the position that the EIB Loan will be repaid with Offer proceeds following Completion (assumed to occur on 31 August 2019). The difference between statutory forecast accrued interest at 31 August 2019 (€1.6 million and statutory historical accrued interest at 31 December 2018 (presented in this table) is €0.5 million, being the amount of interest accrued between these dates.
5. Relates to annual subscription fees from clients which are paid annually in advance.
6. Contributed equity is expected to increase by €57.8 million as a result of 40 million new CDIs issued under the Offer, offset by the transaction costs directly attributable to the issue of new CDIs which are applied against shareholders' equity (€5.1 million).
7. Retained earnings are forecast to decrease by €8.3 million, representing €5.7 million of Offer costs not directly attributable to the issue of new Shares and the acceleration of €2.6 million of the Existing Option plan.
8. Relates to the accelerated Existing Option plan held in reserves until they are exercised.

4.6 Cash and cash equivalents

Table 28 sets out the net cash/(debt) position of the Company at 31 December 2018 on a statutory basis (before Completion) and on a pro forma basis adjusted for receipt of the net proceeds of the Offer and repayment of the EIB Loan as if these actions took place as at 31 December 2018.

The pro forma cash and cash equivalents as at 31 December 2018 does not reflect the change in cash position between 31 December 2018 and Completion, which will occur as a result of various anticipated cash requirements of the business over this period. Expected pro forma net cash and cash equivalents as at Completion is €34.4 million. The €2.3 million pro forma adjustment reflects the expected net cash outflow for the trading period from 1 January 2019 to 1 August 2019.

FINEOS U.C. is a party to an unsecured credit facility agreement with the European Investment Bank (**EIB**) dated June 2016 pursuant to which EIB has made available a €15 million credit facility to FINEOS U.C. (**EIB Loan**) which is fully drawn down as at the Prospectus Date. The purpose of this EIB Loan was to assist FINEOS in fulfilling the financing plan relating to its software research and development. Interest is payable on the EIB Loan at an effective fixed rate of 7% (a portion of which is accrued and the remainder is paid in cash). The EIB credit facility contains customary events of default and certain restrictive covenants. A change in control of FINEOS U.C. triggers a prepayment event. FINEOS will repay the EIB Loan from Offer proceeds following Completion (assumed to occur on 31 August 2019).

Table 28: Pro forma net cash/debt

€ millions	Notes	Statutory at 31 December 2018 (pre-Completion)	Pro forma adjustment for Completion	Pro forma at 31 December 2018 (post Completion)	Pro forma adjustment to reflect forecast net cash outflow between 31 Dec and Completion	Pro forma expected net cash at Completion
Cash and Cash Equivalents	1,2	4.7	36.0	40.7	(2.3)	38.4
Short term debt						–
Current loans and borrowings	2	(1.1)	1.1	–	–	–
Long Term Debt						–
Non-current loans and borrowings	2	(15.0)	15.0	–	–	–
Lease liabilities		(4.0)	–	(4.0)	–	(4.0)
Net cash/(debt)		**(15.5)**	**52.1**	**36.6**	**(2.3)**	**34.4**

Notes:

1. Completion is assumed to occur on 1 August 2019 in Table 28 above. Pro forma cash and cash equivalents adjustment reflects expected cash requirements of the business between 31 December 2018 and Completion.
2. Net cash raised from the Offer (€62.8 million) will be used repay the EIB loan (€15.0 million) and related accrued interest (€1.1 million at 31 December 2018) resulting in a net cash position as at the date of the Offer. Refer to Pro Forma Historical Statement of Financial Information for further details (refer to Table 27).

4.7 Liquidity, capital resources and indebtedness

Following Completion, FINEOS' principal sources of funds are expected to be cash on hand. Net cash raised from the offer will be used to repay the EIB loan and related accrued interest, which are expected to be repaid by 31 August 2019.

FINEOS' main use of cash is to fund operations, working capital, capital expenditure and to support FINEOS' growth initiatives. Historical and forecast capital expenditure and working capital trends are described in Sections 4.12.5 and 4.11.3.3. Following Completion, FINEOS expects that it will have sufficient cash to meet its operational and working capital requirements and stated business objectives during the forecast period.

FINEOS' ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond FINEOS' control including general economic, financial and competitive conditions. Over time, FINEOS may seek additional funding from a range of sources to diversify its funding base. Quantitative and qualitative disclosures about market risk sensitive instruments are addressed in Section 4.9.

4.8 Contractual obligations, commitments and contingent liabilities

Table 29 sets out the contractual obligations, commitments and contingent liabilities as at 31 December 2018.

Table 29: Contractual obligations, commitments and contingent liabilities

€ millions	Note	< 1 year	1 - 5 years	> 5 years	Total
Land and buildings		0.9	3.0	0.2	4.1
Software licences		0.6	0.1	–	0.8
Total		**1.5**	**3.1**	**0.2**	**4.9**

Notes:

1. Lease commitments include contracted amounts for office space, computer equipment and software licences under non-cancellable leases. Contractual escalation clauses have been factored into the commitments disclosed.

FINEOS has no material contingent liabilities or other off-balance sheet arrangements as at 31 December 2018 other than those described above.

4.9 Qualitative disclosures about market risk

4.9.1 Interest rate risk

FINEOS is exposed to interest rate risk arising from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instrument. The primary financial instruments impacted by interest rate movements are cash balances. FINEOS monitors and analyses its interest rate exposure. Within the analysis, consideration is given to uses of funds and potential financing options.

4.9.2 Foreign exchange Risk

FINEOS transacts in various currencies other than its functional currency, being the Euro, including the United States dollar, Australian dollar, New Zealand dollar, British Pound and Canadian Dollar. FINEOS has not historically hedged its foreign currency exposure and as a result FINEOS' earnings are exposed to the net impact of movements in foreign exchange rates on its sales, employee expenses and purchases in the foreign currencies in which the transactions occur.

The potential impact on NPAT of movements in foreign currency exchange rates over the forecast period is considered in Table 34 in Section 4.14.

FINEOS has foreign currency bank accounts, receivables and payables that are denominated in a currency other than its functional currency, being the Euro, and FINEOS holds investments in overseas subsidiaries which are not hedged. Any foreign exchange rate movements in respect to the transactional currency in which the net investment in foreign subsidiaries are held, are recognised in the foreign currency translation reserve.

4. Financial Information (continued)

4.10 Overview of revenue categories

As discussed in Section 3.4.1 FINEOS changed its pricing model to generate software and services revenue in FY18.

Prior to FY18, FINEOS only sold the FINEOS Claims module of the FINEOS AdminSuite and billed clients using a licence fee model comprising of three types of revenue:

- Initial licence fee (**ILF**);
- Annual licence fee (**ALF**); and
- services fees.

FINEOS is actively migrating its existing client base to a new cloud-based, SaaS model from an on-premise model.

The new cloud-based, SaaS pricing model differs from the on-premise pricing model in the following ways:

- FINEOS does not charge upfront ILFs for its cloud-based, SaaS products; and
- FINEOS charges annual subscription fees for its cloud-based products (rather than ALFs charged for on-premise products).

FINEOS' model is to generate at least the same total revenue over its target initial contract term (typically five years) under its cloud-based, SaaS contracts as it would have generated over an equivalent on-premise contract, with clients continuing beyond the initial term on cloud-based, SaaS contracts generating annual subscription fees at a higher rate than ALFs under equivalent on-premise arrangements.

Services revenue continues to be generated through services fees, billed and revenue recognised in the same manner under the new cloud-based, SaaS pricing model as the on-premise pricing model.

FINEOS' revenue characterisation by type and recognition treatment of the different revenue types is summarised in Table 30.

Table 30 Summary of revenue recognition treatment of FINEOS' key types of revenue

Revenue category	Revenue type	Pricing model	Revenue recognition
ILF	Software	On premise	– ILFs are billed upfront based on the initial number of users or in phases up to productive usage – Revenue is recognised in the first month(s) of the licence agreement – The impact of this is that a significant proportion of a multi-year contract's licence fees is recognised upfront and this has given rise to "lumpy" ILF revenue in the historical financial periods – In instances where additional users are required, incremental ILFs are charged to the client and recognised as revenue in accordance with the terms of the initial multi-year contract
ALF	Software	On premise	– ALFs are billed either: o annually (or sometimes quarterly) in advance; or o at the same time as an ILF (for basic extension of a licence that does not require extensive project work) or when a product becomes "live" (for more complex upgrades) – ALF revenue is recognised evenly over the course of the licence period – Considered to be the "legacy" subscription revenue to be replaced with new annual subscription fees under the cloud-based, SaaS pricing model

Revenue category	Revenue type	Pricing model	Revenue recognition
Annual subscription fee	Software	Cloud-based, SaaS	– Annual subscription fees are billed based on different drivers for the different modules in FINEOS AdminSuite, in accordance with: o The number of users (FINEOS Claims); o The number of employees covered or per employee per month (FINEOS Absence); or o A percentage of the total value of insurance premiums underwritten by the client (FINEOS Policy and FINEOS Billing) – Annual subscription fees are generally indexed annually and billed yearly in advance with revenue recognised evenly over the course of the year
Services fee	Services	On premise and cloud-based, SaaS	– Each service project is subject to specific Statements of Work ("SOW") which have agreed scope and daily service rates. Service rates are based on local currency rate cards which generally increase annually, based on an agreed relevant index – Services fees are undertaken predominantly on a time and materials basis – Billing for service activities is monthly in arrears with revenue typically recognised as time and materials are incurred. There is one client's billing and revenue recognition that has historically been in line with key project milestones

From FINEOS' perspective, the new cloud-based, SaaS model, compared to the on-premise billing model, is beneficial for a number of reasons:

- Potential to generate greater client revenues, particularly following its initial target contract term (typically 5 years) from the client over an average client relationship tenure; and
- Smoother revenue recognition profile with greater proportion of subscription revenue as the ILF is replaced with more consistent annual subscription fees.

4.11 Forecast Financial Information

The Forecast Financial Information is based on various specific and general assumptions, including those set out in this Section 4.11. In preparing the Forecast Financial Information, FINEOS has undertaken an analysis of historical performance and applied assumptions where appropriate in order to forecast future performance for FY19F and FY20F. The Directors believe that FINEOS has prepared the Forecast Financial Information with due care and attention and considers all assumptions when taken as a whole to be reasonable at the time of preparing the Prospectus. However, actual results are likely to vary from those forecast and any variation may be materially positive or negative.

The assumptions upon which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of the Offerors, and their respective directors and management, and are not reliably predictable. Accordingly, none of the Offerors, or their respective directors or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.14, the risk factors set out in Section 5 and the Independent Limited Assurance Report on Forecast Financial Information set out in Section 8. A reconciliation of the Pro Forma Forecast Annual Income Statements to the Statutory Forecast Annual Income Statements is set out in Section 4.3.5.

4.11.1 General Assumptions

In preparing the Forecast Financial Information, the Directors have adopted the following general assumptions:

- No material change in the competitive environment in which FINEOS operates;
- No significant deviation from current market expectations of economic conditions relevant to the industry in which FINEOS operates, including business confidence, consumer sentiment, economic growth, inflation, fiscal and taxation policies throughout the countries in which FINEOS operates (including, but not limited to, Ireland, Australia, the United States, New Zealand and Canada;
- No significant interruptions, disturbances, disruptions or departures from expectations in relation to FINEOS' platform, or operations or products, including the transitioning of clients to cloud-based products or the ability to deliver those products via the cloud;
- No material industrial actions or other disturbances, litigation legal claims or environmental costs;
- No material changes in key personnel, including key management personnel, and FINEOS is able to continue to recruit and retain personnel which will be required to support future growth of FINEOS;
- No material industry disturbances, disruptions to the continuity of operations of FINEOS or other material changes in its business, including acquisitions, disposals, restructurings or investments or change in FINEOS' corporate or funding structure other than as contemplated by this Prospectus;
- The Offer proceeds in accordance with the timetable set out in the Key Offer Details section of this Prospectus;
- No material change in applicable IFRS, the Irish Companies Act or other mandatory professional reporting requirements which have a material effect on FINEOS financial performance or cash flows, financial position, accounting policies, or financial reporting or disclosures other than those set out in Section 4;
- No material changes in government regulation and policy that impact FINEOS; and
- None of the key risks listed in Section 5 occur, or if they do, none of them has a material adverse impact on FINEOS operations, financial position or performance.

4.11.2 Specific Assumptions

The Forecast Financial Information is based on various best estimate assumptions, including those set out below. In preparing the Forecast Financial Information, FINEOS has analysed historical performance including the current rates of revenue and expenses and applied assumptions, where appropriate, across the business. The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.14, the risk factors set out in Section 5, the Independent Limited Assurance Report set out in Section 8 and other information contained in this Prospectus.

4.11.2.1 Group

- No loss or material amendment to any material agreement or arrangement relating to FINEOS business and retention of current clients at current user levels with assumed user growth consistent with growth trends during the period of the Historical Financial Information and contracted annual price increases as outlined in each individual customer contract; and
- Foreign currency exchanges rates to the Euro across the geographies that FINEOS operates are assumed to remain constant with the key rates being 1.12 US dollar, 1.59 Australian dollar, 1.68 New Zealand dollar, 1.51 Canadian dollar and 0.86 British pound to one Euro.

4.11.2.2 Revenue Assumptions

FINEOS classifies potential revenue into three categories: Orderbook, Closing Deals and Orderfill.

- **Order Book** represents software revenue and services revenue expected to be generated from fees (ILFs, ALFs, annual subscription fees and services fees) under existing contracts (including SOWs). Order Book may derive from existing clients or new clients and is assessed by reference to customer signed contractual deliverables e.g. Cloud Services Orders or Statements of Work attached to agreed contractual terms. Where relevant, Order

Book revenue includes expected price increases as outlined in each contract. FINEOS has high levels of visibility over Order Book revenue, although some variability in actual revenue achieved may still exist, for example if these expectations do not eventuate or if driven by timing considerations (which affects which financial period the revenue is ultimately able to be recognised in) or altered by scope changes.

- **Closing Deals** represents software revenue and services revenue expected to be generated from fees (ILFs, ALFs, annual subscription fees and services fees) where FINEOS has been named preferred vendor, the client has budget allocation for the project and mobilisation activities are currently underway or FINEOS otherwise has a high degree of confidence over the revenue having regard to the relevant circumstances, but in each case does not have an existing contract over those fees. Closing Deals may derive from new projects or services for existing clients or from new clients and is assessed by reference to the factors described above, expected project requirements, the nature of the project (e.g. is it an upgrade or modification to an existing product, is it an additional module for an existing client, is it a cloud migration, has work already commenced etc), the timing of those requirements and historical experience. Variability may exist in actual revenue achieved depending on factors like the ability to finalise the contract, its ultimate terms and timing work is ultimately carried out.
- **Order Fill:** FINEOS uses a cloud-based customer relationship management platform (CRM) to actively track and manage the list of potential projects which are being pursued by its sales and account managers. The full pipeline of opportunities is assessed and qualified by FINEOS management in order to estimate an Order Fill based on a broad range of factors including the expected size and scope of the project and estimated close date, fees and total contract value, the current status of engagement with the client, nature of the client (including whether they are an existing client), alignment to FINEOS strategic objectives, prospects of winning, timing of revenue generation in any given financial year and historical experience (particularly FINEOS' experience of Order Fill wins and revenue generation). Sales opportunities and the Order Fill are regularly reviewed by senior management. Historically, FINEOS has generated significant revenue from the conversion of Order Fill at the commencement of a financial year to Order Book within that financial year, although not all Order Fill opportunities translate into contracts and opportunities, and their scope and timing, can change throughout a financial year (and new specific revenue opportunities may be added to Order Fill through the financial year). Order Fill may be in a number of different forms including: discussions and negotiations with an existing client to expand the scope of, or extend, an existing contract, or to contract new products or services (including migrating from on-premise product to a cloud-based product or adding new modules from the FINEOS AdminSuite); or a formal tender process or request for proposal received by FINEOS from new or existing clients, in each case at a less advanced stage than Closing Deals and often competitive. Only a portion of Order Fill is included in FINEOS' forecast as discussed below.

FY19 Revenue: is forecast to be €61.5 million and comprises software revenue and services revenue achieved for the ten months to 30 April 2019, as well as the Order Book as at 30 April 2019 and the revenue expected to be in Order Book by 30 June 2019.

FY20 Revenue: is forecast to be €74.0 million, with €58.3 million (79% of FY20F revenue) in current Order Book and Closing Deals as at 30 April 2019. FY20F revenue from Order Fill is €15.8 million, representing approximately 21% of total FY20F revenue, with a significant majority of this revenue (72%) expected to be services revenue. FINEOS has considered a broad range of factors (including factors referred to in the description of Order Fill above) to analyse those opportunities which it believes have the highest probability of generating revenue in FY20F and only a portion of FINEOS' assessment of its full pipeline of FY20 Order Fill opportunities (of approximately €63 million) has been included in FY20F revenue. This reflects FINEOS' experience in successfully transitioning services Order Fill ultimately into Order Book. For example, this is particularly the case where existing clients have services work which is currently ongoing and FINEOS expects further work under a new SOW will be required once the current SOW ends, and where FINEOS expects to be required to undertake implementation and scale up projects for existing and new clients. Further a significant portion of FY20F Order Fill is from existing clients who have, through their existing contracts, experienced the functionality that FINEOS products can offer and dealt extensively with the FINEOS team.

As part of its assessment of potential projects (both Closing Deals and Order Fill) FINEOS regularly assesses the total contract value those opportunities that have been appropriately qualified by senior management by applying factors described above potentially represent. Total contract value represents total revenue FINEOS would expect to receive over the life of a particular contract for both software (FINEOS typically seeks five-year contracts) and services if it were the successful vendor based on known parameters and experience. For example, as at June 2019, total contract value of projects of this nature which are effectively in the procurement process (e.g. where FINEOS is in dialogue with customers about potential fees, project approach, product capability and its experience on similar projects, up to contract negotiations as preferred tenderer) totalled more than €271 million. While there is no guarantee that FINEOS will earn this total contract value, FINEOS considers this metric assists it to understand market demands and trends across different products and geographies, to assess the greatest opportunities for revenue generation over the longer and shorter term, and to assist it in planning its sales efforts, staffing, budgeting, and in this instance in assessing its revenue assumptions for FY20F. In addition, FINEOS has also identified and held discussions on a number of additional projects which represent further potential tendering opportunities for the future and the above does not include potential renewals of contracts with existing clients.

4.11.3 Expense Assumptions

The Forecast Financial Information is based on the following key expense assumptions and allocated to functional expense categories on a consistent basis with the Pro Forma Historical Financial Results:

- **Cost of sales:**
  - Cost to deliver services revenue increases in line with expected growth in revenue with an assumed reduction in utilisation rate per delivery and cloud operations and support headcount to target levels; and
  - Cloud support expenses are assumed to increase in line with the take up of cloud products and the ramp up of the number of users utilising the cloud products.
- **Staff costs:** are forecast based on average employee and contractor costs on an individual headcount basis based on the average cost per head by function and by region for the eight months to February 2019, plus an assumed increase for wage inflation from 1 July 2019. Additional personnel costs (including salaries and on-costs) associated with net headcount growth has been assessed across all functional areas of delivery, R&D, cloud operations and support, sales and marketing and general and administration. The additional cost is based on bottom-up assumptions for new employees and contractors including anticipated start dates, functional role and geographic location. All new hires have been assumed to be brought on at the average salary for the function;
- **Capitalisation of staff costs**: continued investment in FINEOS' AdminSuite and adjacent development projects from FY18 levels. Staff related expenses which are expected to be directly attributable to the development, measured reliably and future economic benefits are probable, are forecast to be capitalised at a similar level to FY18 and YTDFY19;
- **Travel**: assumed to increase in accordance with forecast revenue growth. FINEOS sets a travel budget annually based an assessment of function and headcount. Travel related costs in relation to services revenue are rebilled to clients;
- **Commission**: expected to decline with ILFs largely being replaced by the new cloud-based, SaaS pricing model. All software commissions will be deferred to the balance sheet since the introduction of the new pricing model and amortised over the length of the contract;
- **Occupancy cost**s: are based on underlying lease agreement and contracted lease cost inflation over the forecast period. Additional office space within the same business park as the existing office in Dublin is assumed in the forecast period based on similar terms with existing lease arrangements;
- **Overheads:** have been forecast line by line on a bottom up basis for each component of overheads. Expenses have increased with the level of headcount growth (e.g. insurance), FINEOS' anticipated budget (e.g. marketing), or based on expected client ramp up (e.g. server costs). Overall, excluding external hosting costs, overhead costs per FTE is forecast to decline in FY19F and then increase in FY20F;
- **Incremental public company costs**: reflects the estimate of the incremental annual costs that FINEOS will incur as a listed public entity including expected Chairman and additional non-executive Director remuneration, additional audit and legal costs, listing fees, share registry costs, Directors' and officers' insurance premiums as well as investor relations, annual general meeting and annual reporting costs; and
- **Offer costs:** €10.7 million of costs are estimated to be incurred of which €5.1 million are directly attributable to the issue of new Shares by FINEOS and are offset against equity raised in the Offer. The remaining €5.7 million relate to the sale of existing Shares by the existing shareholders and are expensed in the Statutory Forecast Annual Income Statements. The Pro Forma Forecast Annual Income Statements exclude these costs.

4.11.3.1 Depreciation and amortisation

The Forecast Financial Information is based on the following depreciation and amortisation assumptions:

- Depreciation – based on the actual 31 December 2018 asset base and new capital investment less assets which have reached the end of their useful lives;
- Amortisation – based on the 31 December 2018 level of capitalised intangible assets and forecast capitalisation of development costs. No impairment of previously capitalised costs is assumed.

4.11.3.2 Net finance expense and income tax expense

The Forecast Financial Information is based on the following interest and tax assumptions:

- Net finance income – the EIB Loan is expected to be repaid with Offer proceeds following Completion (assumed to occur on 31 August 2019). Accordingly, pro forma net interest expense in the Historical and Forecast Period relates to lease interest only. Statutory Historical and Forecast net interest expense includes interest expense on the EIB loan up until 31 August 2019. Forecast company lease interest expense is calculated in a consistent manner with the historical period; and
- Income tax expense – based on the corporate tax rate in relevant jurisdictions and the expected timing of tax payments in those jurisdictions. Refer to Section 4.12.6 Taxation for further details.

4.11.3.3 Changes in working capital

The Forecast Financial Information is based on the following key changes in working capital assumptions:

- **Trade receivables and other receivables:** increasing consistent with revenue with an expectation for a higher proportion of subscription revenue which is billed annually in advance, see Deferred Income below;
- **R&D tax credits receivable:** consistent level of qualifying research and development additions less cash receipts expected in the Forecast Period;
- **Creditors and accruals:** primarily relates to employee related balances which are forecast in accordance with historical rates per head with a growth factor applied for the assumed growth in headcount; and
- **Deferred income:** relates to the receipt of annual subscription fees in advance under the new cloud-based, SaaS pricing model with the increasing balance released to the income statement on a straight line basis over the term of the subscription.

4.11.3.4 Capital expenditure

The Forecast Financial Information is based on the following key capital expenditure assumptions:

- Capital expenditure – reflects assumed capitalised development costs and investment in property plant and equipment expected to be required to support the growth of the FINEOS product-suite throughout the forecast period and beyond.

4.12 Management Discussion and Analysis of the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information

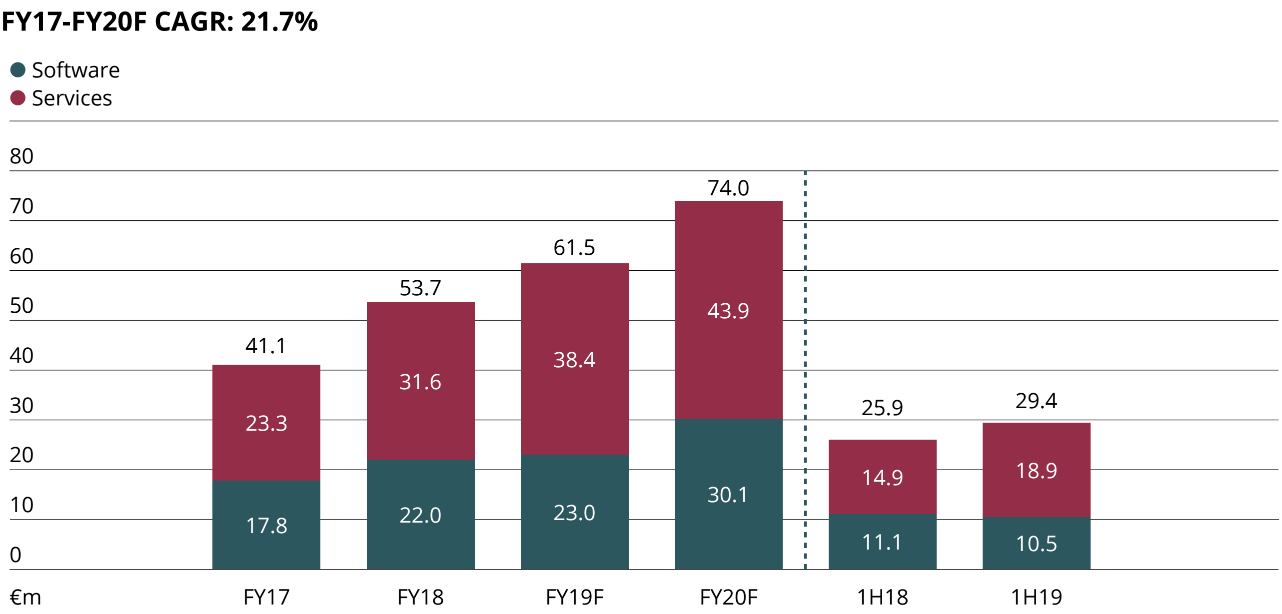
This Section 4.12 is a discussion of key factors that affected FINEOS' operations and relative financial performance over FY17 to FY18 and 1H18 to 1H19, and a discussion of key factors and assumptions which FINEOS expects may continue to affect FINEOS during the period of the Forecast Financial Information in FY19 and FY20.

The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected FINEOS' historical operating and financial performance, or everything that may affect FINEOS' operations and financial performance in the future. The information in this Section 4.12 should be read in conjunction with the basis of preparation of the Forecast Financial Information in Section 4.2 which in particular refers to key forecast assumptions set out in Section 4.2.3 and the risk factors set out in Section 5.

4.12.1 Revenue

Figure 21 illustrates historical and forecast revenue over FY17 to FY20F, and 1H18 to 1H19 for services revenue and software revenue.

Figure 21: Proforma revenue – FY17 to FY20F (€m)[1]



Total revenue is forecast to increase from €41.1 million in FY17 to €74.0 million in FY20F (CAGR of 21.7%). The forecast revenue growth is driven by:

- existing clients under existing multi-year contracts under the on-premise pricing model and newly entered multi-year contracts under the cloud-based, SaaS pricing model; and
- new clients under the on-premise model (until FY18) and subsequently under the cloud-based, SaaS pricing model.

Services revenue is forecast to increase from €23.3 million in FY17 to €43.9 million in FY20F (CAGR of 23.5%), driven by:

- implementation and integration of FINEOS' products for new and existing clients;
- upgrades and ad-hoc project work for existing clients; and
- support of existing clients transition from on-premise FINEOS Claims product to the cloud or implement other cloud-based FINEOS' AdminSuite products.

Software revenue growth is forecast to increase from €17.8 million in FY17 to €30.1 million in FY20F (CAGR of 19.2%) driven by the factors described above. The forecast revenue growth from €23.0 million in FY19F to €30.1 million in FY20F of 30.7% is due to the expected increase of significant existing client migrations to cloud-based, SaaS products, and new software subscription contracts for those products.

The transition from the on-premise pricing model to the cloud-based, SaaS model has caused a reduction in the up-front software revenue. This is a result of new client sales under the cloud based SaaS model and being invoiced upfront an annual subscription fee (which is recognised on a straight line basis over 12 months) rather than a once-off, larger, ILF.

Services revenue increased from €14.9 million in 1H18 to €18.9 million in 1H19 (26.9%) driven principally by support, upgrades and project work provided to existing clients.

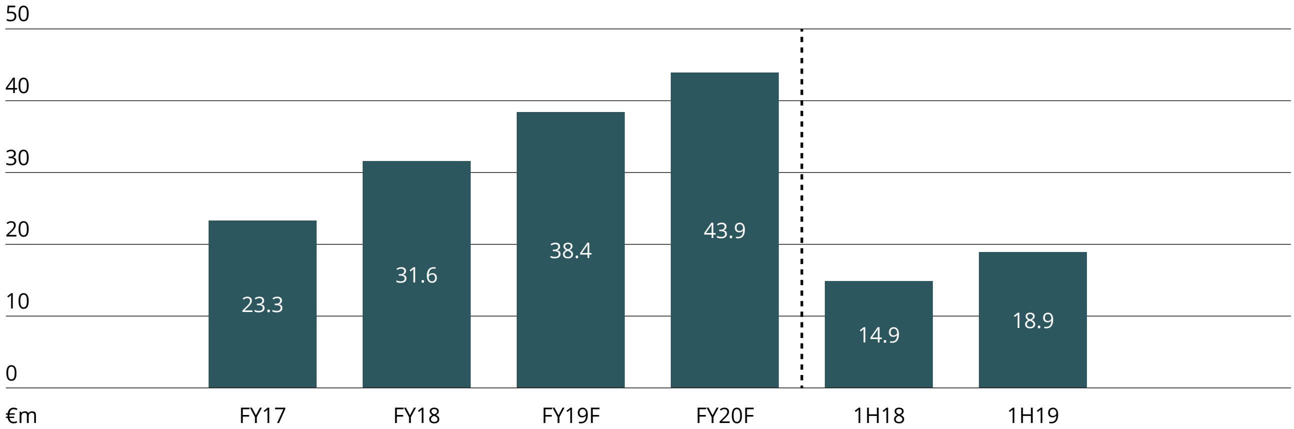
Software revenue declined marginally from €11.1 million in 1H18 to €10.5 million in 1H19 (4.8%) as a result of a reduction in ILF revenue in the period, decreasing from €4.1 million in 1H18 to €1.4 million in 1H19. This is consistent with expectations of reduced ILFs for the reasons described above.

4.12.1.1 Services revenue

Figure 22 illustrates historical and forecast services revenue over FY17 to FY20F, and 1H18 to 1H19.

Figure 22: Pro forma services revenue – FY17 to FY20F (€m)[1]

FY17-FY20F CAGR: 23.5%



From FY17 to FY18, FINEOS reported an increase in services revenue of €8.3 million, from €23.3 million to €31.6 million, an increase of 35.6%. Key factors contributing to revenue growth in FY18 included:

- a longstanding significant FINEOS Asia-Pacific client who commenced an organisation wide transformation program (€5.6 million);
- the continuation of the on-premise implementation of FINEOS Claims product for a large Asia-Pacific client (€2.0 million);
- the implementation of the FINEOS Absence product for two North American clients (€1.9 million); offset by
- the finalisation of an implementation program for another large Asia-Pacific client (€1.6 million).

From FY18 to FY19F, services revenue is forecast to increase by €6.8 million, from €31.6 million to €38.4 million, driven by:

- continuation of the transformation program being conducted by FINEOS' Asia-Pacific client (€3.8 million);
- implementation of FINEOS' cloud based FINEOS Claims and FINEOS Absence products for two large North American clients (€3.2 million);
- continuation of the implementation and roll out of FINEOS' AdminSuite for a large North American client, who has become the first client to utilise all six cloud-based AdminSuite products (€1.8 million); offset by
- the reduction in revenue for a number of clients following the completion of the implementation phase of projects although services revenue is still being generated from these clients as additional product implementations or client configuration is ongoing.

For FY19F to FY20F, services revenue is forecast to increase by €5.5 million from €38.4 million to €43.9 million, an increase of 14.2% driven through the combination of:

- continuation of implementation projects which commenced in FY19F but are expected to ramp up in FY20F (€2.0 million);
- new implementation projects for existing FINEOS clients as they transition to the cloud or implement additional products (€4.4 million);
- new implementation projects for new FINEOS clients, which are yet to be contracted (€4.8 million), albeit scoping studies have been undertaken for a number of these clients; offset by
- the reduction in revenue for a number of clients due to the wind-down/completion of the implementation phase of projects as noted above.

4. Financial Information (continued)

From 1H18 to 1H19, services revenue increased by €4.0 million to €18.9 million in 1H19 (26.9%), primarily due to:

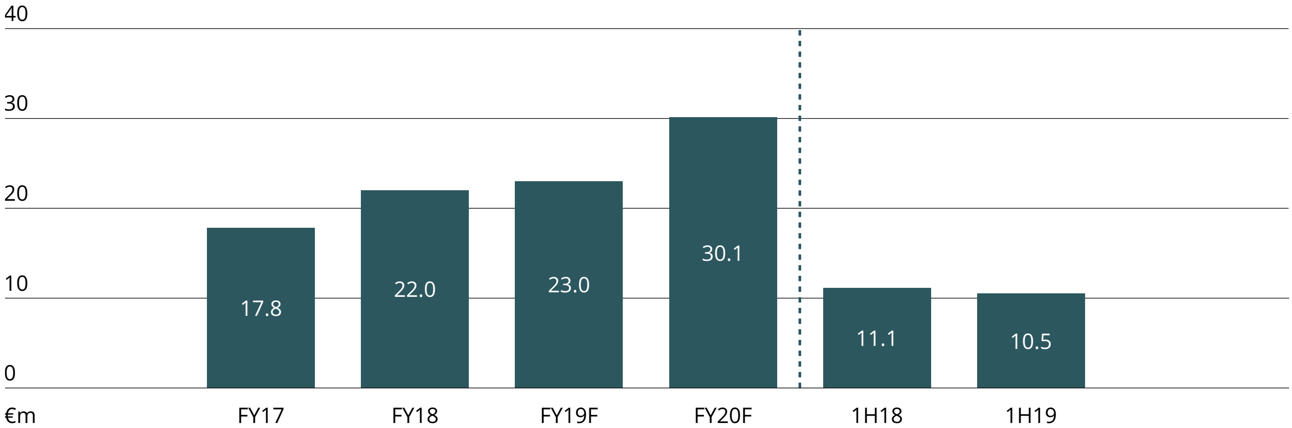
- the organisation wide transformation program in one Asia-Pacific client noted above (€3.1 million);
- implementation project and FINEOS' AdminSuite roll out for one large North American client, also mentioned above (€0.7 million); and
- growth of services to new clients €0.8 million; offset by
- reduced services to a number of clients following completion of reduced support requirements on projects.

4.12.1.2 Software revenue

Figure 23 illustrates historical and forecast Software revenue over FY17 to FY20F, and 1H18 to 1H19.

Figure 23: Proforma software revenue – FY17 to FY20F (€m)[1]

FY17-FY20F CAGR: 19.2%



From FY17 to FY18, software revenue increased from €17.8 million to €22.0 million, an increase of €4.2 million (24.0%) driven by:

- continuation of growth in the core FINEOS Claims module as well as the first Software revenue for the Absence module (€2.0 million); and
- an increase in ILF revenue of €2.2 million principally due to a one-off ILF for a longstanding significant FINEOS Asia-Pacific client who commenced an organisation wide transformation program (FY17 ILF: €4.8 million); and
- contracted indexation of annual subscription fees for existing clients.

For FY18 to FY19F, software revenue is forecast to increase from €22.0 million to €23.0 million, an increase of €1.0 million (4.5%) driven by:

- growth in subscription revenue of €4.3 million from existing clients (€3.9 million) and new clients (€0.4 million); offset by
- a decline in ILF revenue of €3.3 million, which is from a single North American client for reaching various implementation milestones.

For FY19F to FY20F, software revenue is expected to increase from €23.0 million to €30.1 million, an increase of €7.1 million (30.7%) driven by:

- the commencement of contracted projects for two new-client multinational insurers under FINEOS cloud-based, SaaS model, as well as a contract to significantly expand use with an existing tier 1 client. These contracts are expected to drive software revenue growth in FY20F and provide FINEOS with significant visibility of this portion of its FY20 forecast revenue.
- forecast subscription revenue growth of €9.8 million, primarily driven by annual indexation, increased contracted usage and broadened capability of existing clients (€8.1 million) and new clients (€1.7 million); offset by
- continual decline of ILF revenue to €1.3 million from one customer, as clients migrate, or new clients are acquired, on the new subscription-based fee model.

From 1H18 to 1H19, Software revenue decreased by €0.6 million, or 4.8% to €10.5 million driven by a significant reduction in ILF revenue in the period from €4.1 million in 1H18 to €1.4 million in 1H19 for the reason described above.

In H2 FY19, FINEOS signed two new large multinational insurers under FINEOS' cloud-based, SaaS model, as well as a contract to significantly expand use with an existing tier 1 client. These contracts are expected to drive software revenue growth in FY20F and provide FINEOS with significant visibility of this portion of its FY20 forecast revenue. Each contract is for approximately five years unless terminated for convenience before that time by the client and sets out the basis on which revenue is to be paid to FINEOS in each year of the contract (e.g. automatic step up on previous year, no change or dependent on user numbers/covered employees) providing FINEOS with the ability to generate up to approximately an additional €8 million of revenue in aggregate per annum following FY20 during the years these contracts continue absent a reduction in user numbers or client requirement to change pricing terms. The total contract value in respect of all new subscription-based contracts (including the three contracts mentioned above) signed in FY19 is approximately €55 million on the basis the contracts continue for their full terms and absent a reduction in user numbers or client requirement to change pricing terms. The figures in this paragraph refer to subscription revenues.

4.12.2 Expenses

FINEOS presents expense categories within the consolidated statement of profit or loss on a functional basis. The categories used are outlined in Table 31.

Table 31: FINEOS' cost of sales and operating expense categories

Cost of sales	Description
Cost of sales	Primarily relates to personnel and related costs including both FTEs and contractors (including salaries, benefits, payroll tax) associated with the direct delivery of client SOWs and third party hosting and cloud support costs for cloud based products

Operating expenses	Description
Research and development	Primarily relates to personnel and related costs (including salaries, benefits, payroll tax) and third party costs associated with product design and development
Sales and marketing	Primarily relates to personnel and related costs (including salaries, benefits, bonuses, commissions and payroll tax) directly associated with sales and marketing team activities to acquire new clients and grow revenue from existing clients
Delivery	Primarily relates to personnel and related costs (including salaries, benefits, payroll tax) directly associated with the professional services projects by FINEOS FTEs only. The delivery expense represents the amount of personnel and related costs, when employees are not being utilised
Cloud Operations and support	Primarily relates to personnel and related costs (including salaries, benefits, payroll tax) directly associated with the cloud operations and support team that is responsible for the transition of clients to the Cloud
General and administration	Includes personnel and related costs (including salaries, benefits, payroll tax) for the FINEOS management team, finance, legal, human resources and administration employees. These expenses also include professional fees for legal, accounting, tax and other services and occupancy, travel, administration and board costs. General and administration expenses include transactional Foreign exchange gain/losses due to differences in exchange rate on date of invoice versus date of cash receipt
R&D tax credit	FINEOS has historically received a tax credit in the form of cash payments for specific research and development activities principally carried out in Ireland. The tax credit cash receipt is deferred to the balance sheet and recognised as a gain to the profit and loss in line with the useful life of the capitalised development asset.
Total expenses	Sum of cost of sales and total operating expenses

Employee-related expenses such as salaries, payroll taxes and benefits and sales commissions are allocated across these expense categories according to functions on which personnel spend their time. Share-based payments for all employees are reflected in general and administration expenses. FINEOS employee-related costs are the largest individual cost by nature, comprising 82.4% (net of capitalised developments costs) of total expenses for FY18, or 64.1% including the capitalised portion of these costs.

Throughout FY18, 49.8% of FINEOS staff were focused on research and development functions. When their activity is directly attributable to development, can be reliably measured and where future economic benefits from the development are probable, the costs related to that activity are capitalised instead of being treated as an expense (see Section 4.11.3).

Set out in Figure 24 below is the historical and forecast average headcount (comprising full-time employees and contractors) and closing headcount from FY17 to FY20F.

Figure 24: Total headcount – FY17 to FY20F

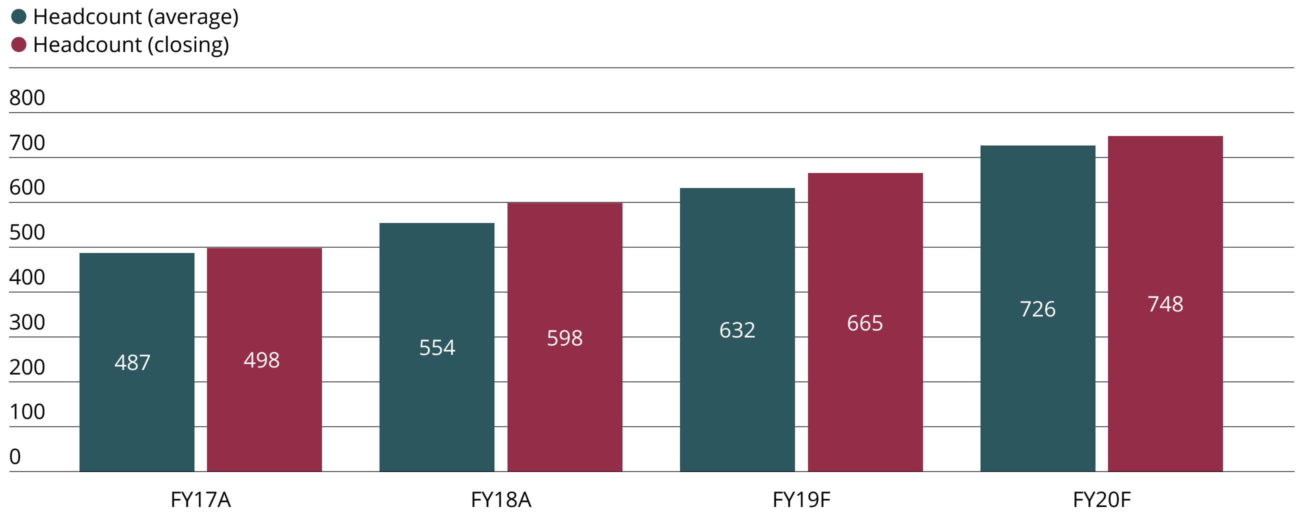
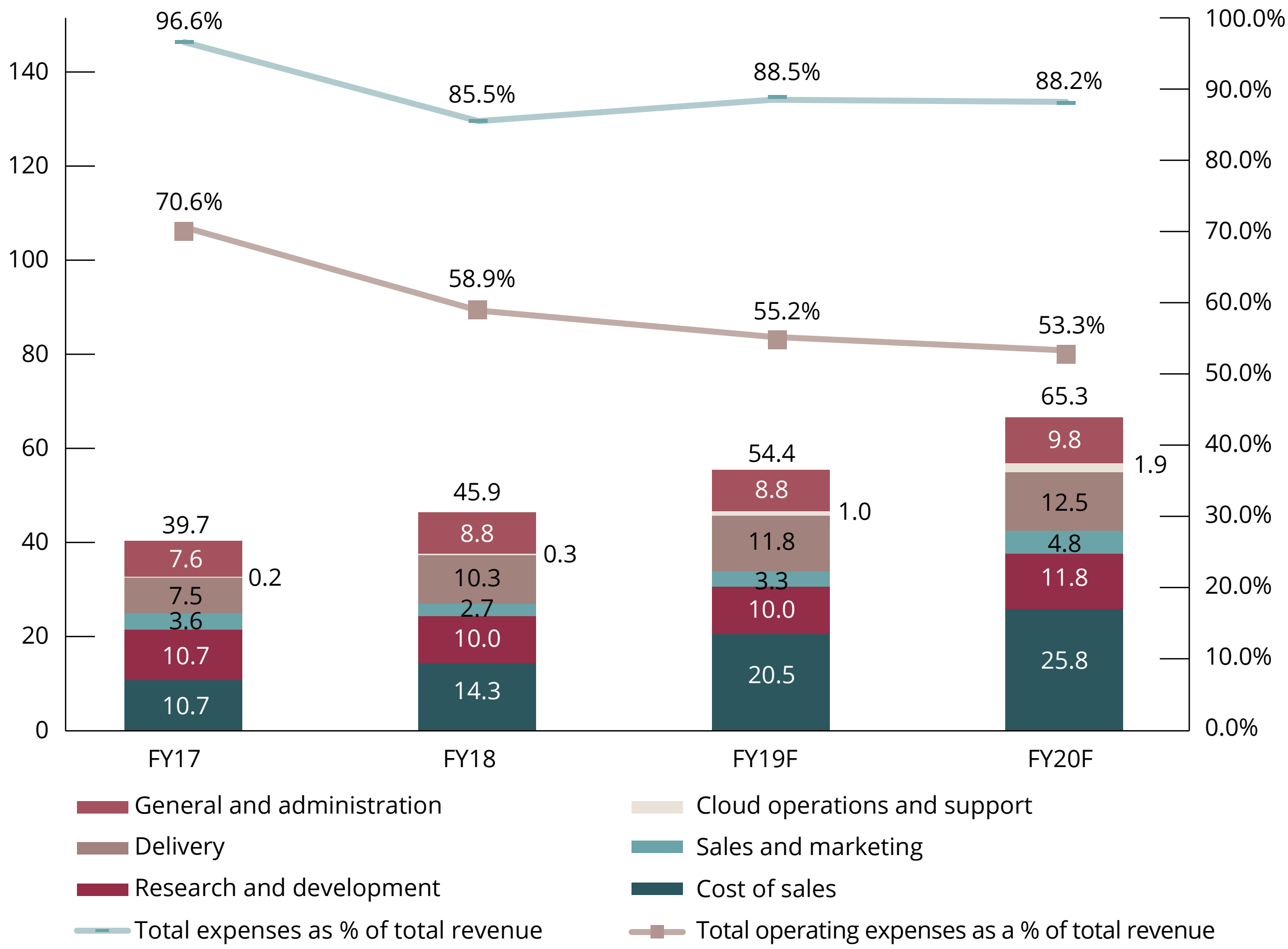


Figure 25: Cost of sales and operating expenses (€m) and cost of sales and operating expenses as percentage of revenue (%) – FY17 to FY20F



Notes:

1. "Other income" representing R&D tax credits not shown as an individual bar but reflected within the amount of for Total operating expenses.

Total cost of sales and operating expense is expected to increase from €39.7 million in FY17 to €65.3m in FY20F at a CAGR of 18.0% driven primarily by an increase in people costs across delivery and direct cost of sales functions.

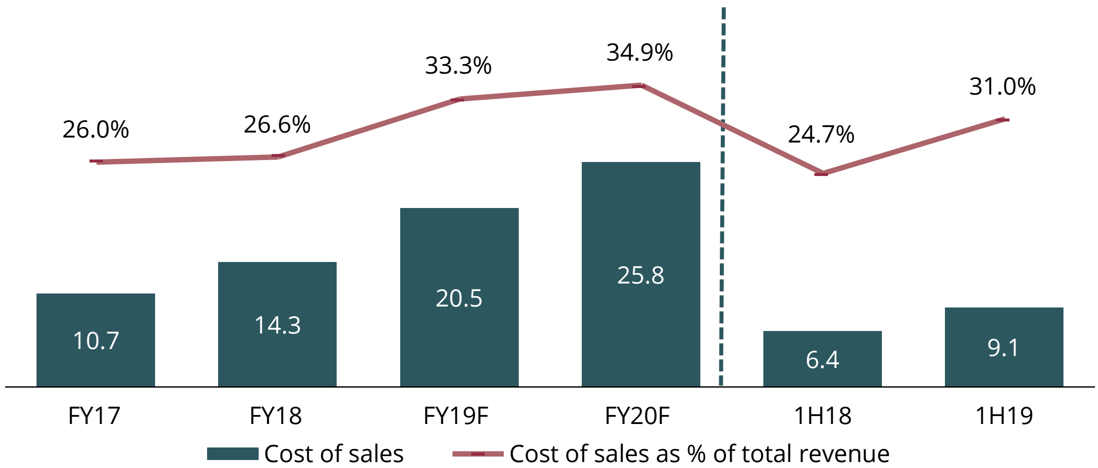
Total cost of sales and operating expenses as a percentage of total revenue declined from 96.6% in FY17 to 85.6% in FY18 as revenue, particularly services revenue and ILF, increased whilst staff headcount across the delivery and direct cost of sales functions also increased, albeit utilisation rate per delivery and cloud support headcount was higher than FINEOS' target utilisation range. Utilisation rates are expected to normalise in FY19F and FY20F, particularly as services revenue continues to increase from client implementation programs in relation to new products. As software revenue increases over time from existing clients FINEOS is targeting a reduction in total expenses as a percentage of total revenue will decline due to the higher operating margin and lower costs of sales associated with the new cloud-based subscription pricing model.

Total operating expenses as a percentage of total revenue declined from 70.6% to 58.9% in FY17 to FY18 resulting from the operating leverage in the business and the ability for FINEOS to deploy human capital flexibly to directly address client SOWs. Forecast total operating expenses as a percentage of total revenue is expected to reduce slightly from 58.9% in FY18 to 53.3% in FY20F with expected growth in the delivery and sales and marketing functions due to a combination of an increase in headcount and expected select hires in more senior roles as the business increases in scale and capitalises on strong momentum and pipeline of opportunities.

4.12.2.1 Cost of sales

Figure 26 illustrates the total cost of sales for FY17 to FY20F.

Figure 26: Cost of sales (€m) and cost of sales as a percentage of revenue (%) – FY17 to FY20F, and 1H18 to 1H19



Cost of sales comprises the cost of employees and external contractors when they are working on Services projects, non-chargeable employee time is captured in "Delivery expense". In addition, Cloud and support costs are included in cost of sales to the extent it directly relates to cloud based products.

From FY17 to FY18, cost of sales increased by €3.6 million, from €10.7 million to €14.3 million, an increase of 34.1% driven primarily by:

- increased average delivery headcount from 151 to 192 (27.2%), principally in EMEA to support projects in this region, as well as increased heads in North America region;
- increased contractor headcount in APAC from ten to 25 (average) to service increased demand for services by clients including the large transformation project previously mentioned; and
- utilisation of employees increased above FINEOS' target levels in FY18, which will also have contributed to the total cost of sales increase within the year.

For FY18 to FY19F, cost of sales is forecast to increase by €6.2 million, from €14.3 million to €20.5 million, an increase of 43.1% driven by:

- forecast average employee headcount increases in APAC (Asia Pacific) (four), EMEA (Europe, the Middle East and Africa) (12) and NA (North America) (15) to support continued forecast services revenue growth in these regions;
- increased average number of contractors by 11 in APAC;
- increased average cost per head of 3.6% (employees and contractors); and
- AWS cost increase of €0.2 million driven by increased cost of direct customer Cloud hosting costs; offset by
- a marginal decline in utilisation rate per delivery and cloud support headcount in FY19F compared to FY18.

For FY19F to FY20F, cost of sales is expected to increase by €5.3 million, from €20.5 million to €25.8 million, comprised of AWS costs of €1.9 million and Cloud operations and support costs of €2.7 million, with the remainder relating to service delivery costs. This represents an increase of 26.1% driven by:

- increased average delivery employee headcounts by 33 heads comprising 13 in APAC, ten in EMEA and ten in NA;
- additional Cloud support employees (two in APAC, three in NA and two in EMEA) as part of FINEOS 24 hour worldwide Cloud support;
- forecast increase of €1.1 million in cloud hosting costs driven by an expected increase in the number of users of FINEOS cloud products.

One additional contractor is forecast in FY20F.

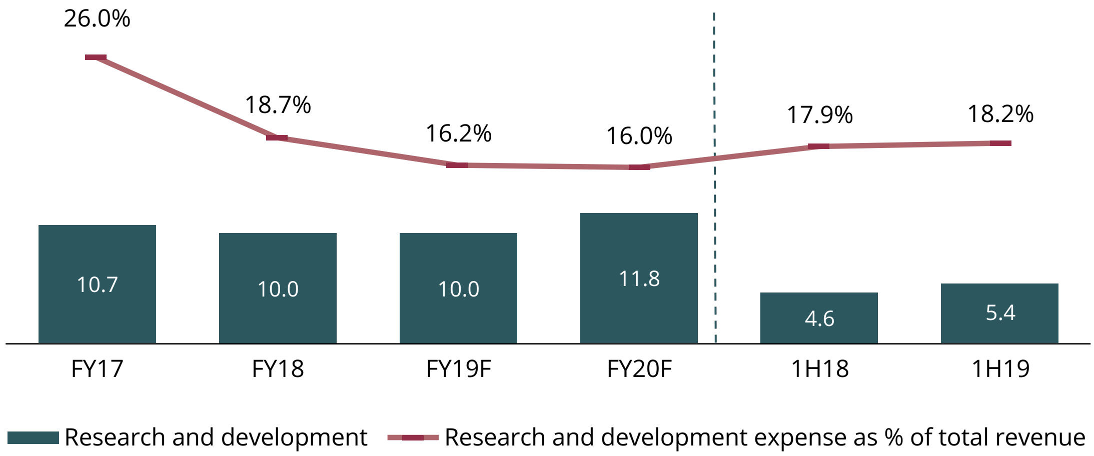
From 1H18 to 1H19, cost of sales increased by €2.7 million from €6.4 million to €9.1 million, an increase of 42.6% driven primarily by:

- total average increase in delivery employee headcount by 39 employees (25.6%) comprising eight in APAC, 14 in EMEA and 16 in North America; and
- increased contractor headcount from 17 to 36, all in APAC region at a higher average cost per contractor by 8.7% compared with 1H18; offset by
- a decline in utilisation rate per delivery and cloud support headcount.

4.12.2.2 Research and Development expense

Figure 27 illustrates the total research and development expense for FY17 to FY20F.

Figure 27: Research and development expense (€m) and Research and development expense as a percentage of revenue (%) – FY17 to FY20F



From FY17 to FY18, Research and development expense declined from €10.7 million to €10.0 million driven by a decline in employee headcount from 266 to 254, replaced by 36 third party contractors but at a lower average cost per head than the permanent employees.

For FY18 to FY19F, research and development expense is forecast to remain broadly unchanged at €10.0 million, compared to €10.0 million in FY18, driven by:

- an additional team dedicated to the development of FINEOS Claims Product;
- a forecast increase of six R&D employees and nine third-party contractors; offset by
- the forecast decline in the average cost of third-party contractors compared with FY18. FY18 R&D contractor costs were atypically high due to the cost of onboarding and training including covering travel and per diem expenses.

The increased headcount growth of research and development employees is part of FINEOS commitment to its product R&D roadmap.

For FY19F to FY20F, research and development expense is forecast to increase from €10.0 million to €11.8 million an increase of €1.8 million (18.3%) driven by:

- one additional scrum team expected to be dedicated to the development of FINEOS Policy & FINEOS Billing capability build; and
- forecast average product engineering employee headcount increase from 225 to 265 heads.

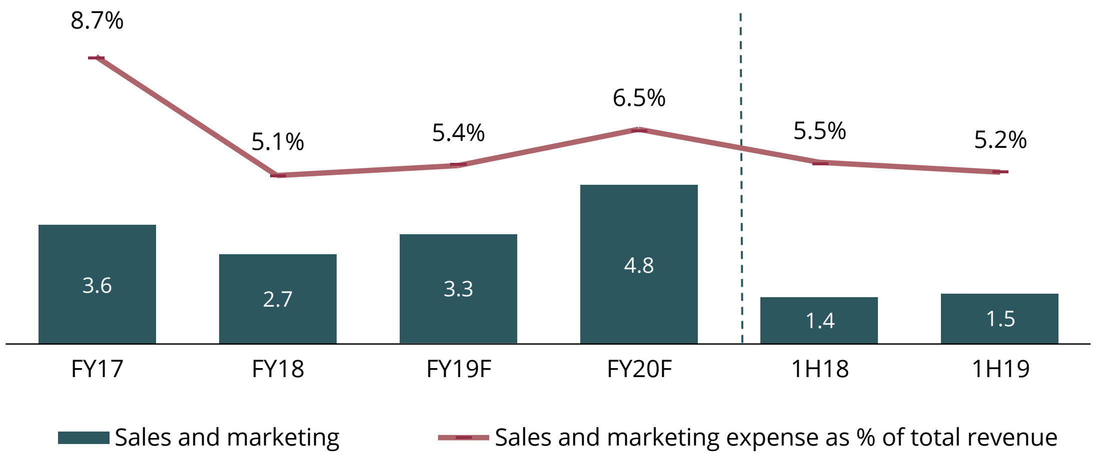
From 1H18 to 1H19, research and development expense increased by €0.8 million, from €4.6 million to €5.4 million, an increase of 15.7% driven primarily by:

- total average increase in product engineering employee headcount of nine employees (4.5%) comprising six in Ireland and three in Poland; and
- increased contractor headcount from 30 to 43 (45.8%) and at a higher average cost per contractor (16.2%) compared with 1H18.

4.12.2.3 Sales and marketing expense

Figure 28 illustrates the total sales and marketing expense for FY17 to FY20F, and 1H18 to 1H19.

Figure 28: Sales and marketing expense (€m) and Sales and marketing expense as a percentage of revenue (%) – FY17 to FY20F



From FY17 to FY18, sales and marketing expense declined by €0.9 million, from €3.6 million to €2.7 million, a decrease of 23.5% driven by a decrease in headcount.

For FY18 to FY19F, sales and marketing expense is expected to increase by €0.6 million, from €2.7 million to €3.3 million, an increase of 20.6% as additional headcount is employed and average salaries increase.

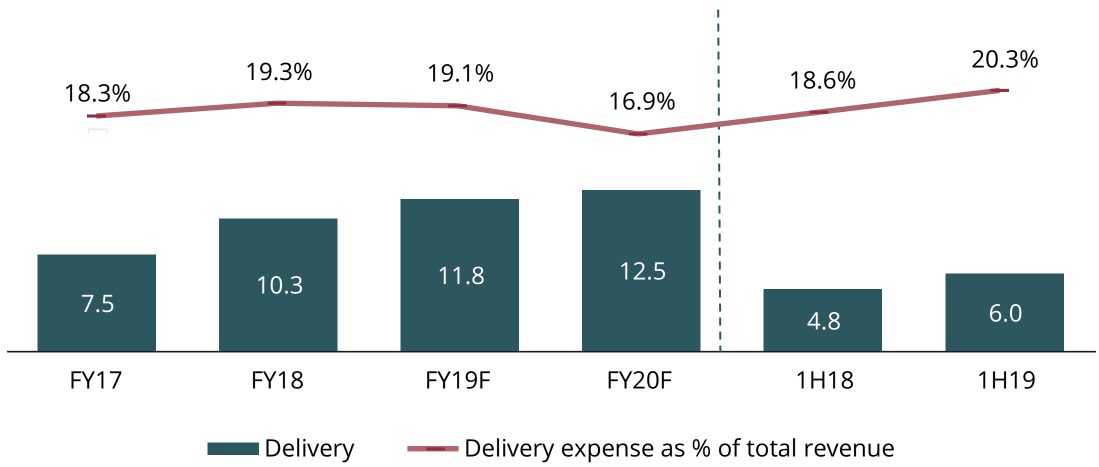
For FY19F to FY20F, sales and marketing expense is expected to increase by €1.5 million from €3.3 million to €4.8 million, an increase of 46.3% driven by a material increase in headcount from 18 to a target total of 26 across all regions in order to grow revenue beyond FY20 with sales management roles focused on new business and account management roles focused on sales to existing clients. It is expected that sales and marketing expense as a percentage of revenue will increase accordingly given costs are incurred ahead of revenue generation.

From 1H18 to 1H19, sales and marketing expense increased by €0.1 million, from €1.4 million to €1.5 million driven by an increase in headcount by three, offset in part by a decline in average cost of new employees.

4.12.2.4 Delivery expense

Figure 29 illustrates the total delivery expense for FY17 to FY20F.

Figure 29: Delivery expense (€m) and delivery expense as a percentage of revenue (%) – FY17 to FY20F



Delivery expense relates to the cost of services and cloud support employees when they are not being utilised on project implementation work. When delivery employees are utilised their cost is included within cost of sale and not in this cost line.

As noted in cost of sales, increased utilisation causes more delivery costs to be recognised in cost of sales rather than delivery, for employees. However the cost of unutilised services and cloud support employees remains in delivery.

From FY17 to FY18, delivery costs increased by €2.8 million, from €7.5 million to €10.3 million, an increase of 37.8% driven primarily by increased average employee headcount from 151 to 192.

For FY18 to FY19F, delivery costs are forecast to increase by €1.4 million, from €10.3 million to €11.8 million, an increase of 13.6% driven by:

- Forecast average employee headcount increases in APAC (four), EMEA (12) and NA (15) to support continued forecast services revenue growth in these regions;
- increased average cost per head of 3.7% and
- a marginal decline in utilisation rate per delivery and cloud support headcount in FY19F compared to FY18 resulting in more costs being recognised in operating expenses rather than cost of sales.

For FY19F to FY20F, delivery costs are expected to increase by €0.7 million, from €11.8 million to €12.5 million, an increase of 6.3% driven by:

- Increased average delivery employee headcount of 33 heads comprising 13 in APAC, ten in EMEA and ten in NA;
- Increased additional cloud support employees (two in APAC and three in NA); and
- A further decline in forecast utilisation rate per delivery and cloud support headcount.

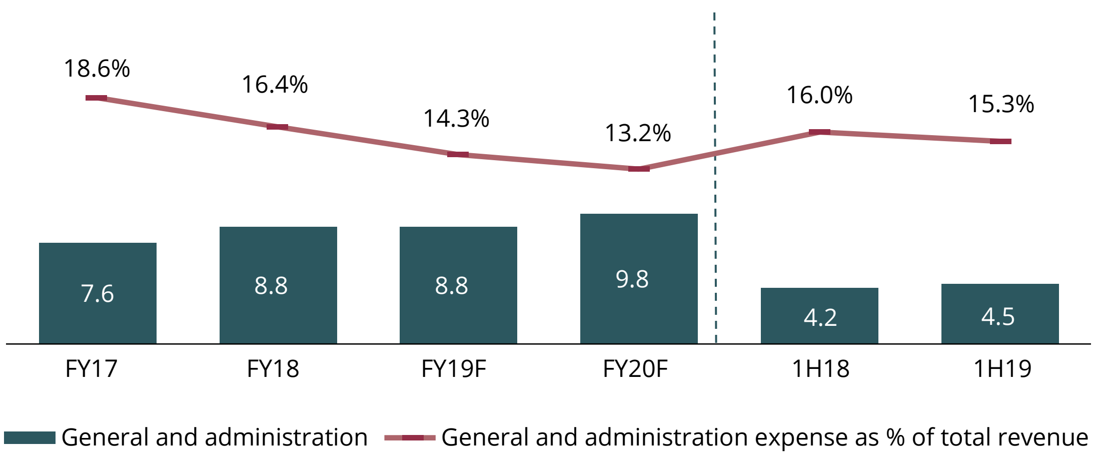
From 1H18 to 1H19, delivery costs increased by €1.2 million from €4.8 million to €6.0 million, an increase of 24.0% driven primarily by:

- Total average increase in delivery employee headcount of 39 employees (25.6%) comprising 8 in APAC, 14 in EMEA and 16 in North America; offset by
- Declines in utilisation rate per delivery and cloud support headcount and average employee salary.

4.12.2.5 General and administration expense

Figure 30 illustrates the total general and administration expense for FY17 to FY20F, and 1H18 to 1H19.

Figure 30: General and administration expense (€m) and general and administration expense as a percentage of revenue (%) – FY17 to FY20F



From FY17 to FY18, general and administration expense increased from €7.6 million to €8.8 million principally due to an increase in facilities costs.

For FY18 to FY19F, general and administration expense is expected to remain steady at €8.8 million driven by an increase in people costs from headcount increases, offset by the impact a transactional foreign exchange gain in FY19F.

For FY19F to FY20F, general and administration expense is expected to increase from €8.8 million to €9.8 million driven by increases in hosting costs, travel costs, facilities and general overheads.

From 1H18 to 1H19, general and administration expense increased by €0.3 million from €4.2 million to €4.5 million, an increase of 8.2% driven primarily by employee salary indexation and the addition of two FTEs in 1H19.

4.12.2.6 Cloud Operations and support expense

Cloud operations and support expense is expected to increase from €0.2 million in FY17 to €1.9 million in FY20F driven by FINEOS' transition to the cloud-based, SaaS products. Significant increases in headcount and cost are expected in FY19F and FY20F in anticipation of the cloud infrastructure and support required to transition clients to the cloud and to support the uplift in the number of client and users, utilising FINEOS cloud products. These costs are incurred in advance of the forecast FY20F increase of cloud-based software revenue.

4.12.2.7 Other income

Other income relates to R&D tax credit which represents an offset against corporate taxes for qualifying expenditure when undertaking qualifying research and development activities in Ireland or within the European Economic Area. If a company does not have a tax liability in the current or immediate prior period, as is the case for FINEOS, it is able to claim a tax credit on the amount of qualifying expenditure on research and development activities which is payable over a three-year period.

FINEOS receives the R&D tax credit annually with recognition on the income statements deferred in line with the expected life of the qualifying development expenditure to which it relates.

4.12.2.8 Foreign exchange

The Financial Information in this Prospectus is presented in Euro, FINEOS' reporting currency. FINEOS typically invoices clients in the currency of the location of its client. Earnings of each of FINEOS' wholly-owned subsidiaries have been translated for the purposes of the Historical Financial Information at the exchange rate applicable to the relevant financial periods.

4.12.3 Depreciation and amortisation

Depreciation is a non-cash expense that predominantly relates to the ongoing use of FINEOS fixed asset base, including items such as IT equipment, furniture and leasehold improvements that have been capitalised. Depreciation expense is based on an existing useful life profile, with any new capital expenditure being depreciated over its useful life in accordance with FINEOS accounting policies. FINEOS forecast depreciation of €0.7 million in FY19F and €0.8 million FY20F is based on the actual depreciation schedules of right of use property assets and an estimate for other fixed assets based on increased headcount. The increase in FY20F depreciation in FY20F compared with FY19F is due to increased right of use property asset values on new leases.

Amortisation is a non-cash expense that relates to internally generated intangible assets, which is primarily related to capitalised employee costs and capitalised third-party expenses related to the FINEOS AdminSuite. Amortisation expense is expected to increase in the forecast period to €7.5 million in FY19F and again to €10.0 million FY20F, from €5.3 million in FY18.

The forecast amortisation growth principally relates to capitalised development costs, reflecting the significant increase in total research and development costs and capitalised development costs in recent years, as well as leased right of use software assets and subscription commissions released over the length of contracts.

4.12.4 Net finance expense

As the EIB loan is intended to be repaid in full with the proceeds of the IPO, pro forma net finance expense in the Historical and Forecast Period relates only to lease interest associated with leased property and Microsoft software leases per IFRS16.

Statutory Historical and Forecast net finance expense includes interest expense on the EIB loan up until 31 August 2019, when the loan is expected to be repaid.

4.12.5 Capitalised research and development costs

FINEOS has historically invested significant resources into R&D and has a detailed product roadmap it is executing against in order to continue developing products and processes that will help position FINEOS ahead of competitors whilst expanding into adjacent markets with additional lines of insurance, service models and new geographies.

FINEOS' R&D expenditure primarily relates to salary and on-costs of personnel. FINEOS capitalises development costs associated with commercialised products or where there is a reasonable chance of being completed and commercialised. FINEOS has assumed a useful life of five to ten years for capitalised research and development assets. Excluded from the capitalised portion of R&D expenditure are activities such as product documentation processes, automation, market research and analysis, client implementation services, support maintenance and training services which are expensed through the profit and loss statement.

Historically FINEOS has capitalised 55.2% and 59.7% of total research and development expenditure in FY17 and FY18 respectively. Management has forecast capitalised development costs in FY19F and FY20F based on a rate of 60%.

Table 32 outlines the historical and forecast research and development cash expenditure, the proportion of expenditure capitalised to the balance sheet and associated annual amortisation expense through the profit and loss statement from previously capitalised expenses, the proportion of expenditure expensed through the profit and loss statement and the overall net impact to NPAT on an annual basis for each of the years in the Historical and Forecast Period.

Table 32: Historical and forecast research and development costs

	Historical		Forecast	
€ millions	**FY17**	**FY18**	**FY19F**	**FY20F**
Research and development cash outflow				
Expensed research and development	9.8	8.8	9.1	10.6
Capitalised development costs	12.1	13.0	13.5	15.9
Total research and development cash outflow	**21.9**	**21.8**	**22.6**	**26.5**
Impact on NPAT				
Expensed research and development	9.8	8.8	9.1	10.6
Research and development amortisation	2.8	3.6	6.0	7.9
Impact on NPAT	**12.6**	**12.4**	**15.1**	**18.5**
KPIs				
Capitalised % of total	**55.2%**	**59.7%**	**59.8%**	**60.0%**

4.12.6 Taxation

Income tax expense included in the Financial Information has been based on the actual and effective tax rates applicable to the relevant countries in which FINEOS operate. As FINEOS has been loss making historically there has been limited tax expense.

4.13 Revenue, Gross Profit, and EBITDA and NPAT financial metrics

Table 33 sets out the key revenue, gross profit, EBITDA and NPAT financial metrics over FY17 to FY20F.

Table 33: Key Pro Forma Revenue, Gross Profit and EBITDA operating metrics – FY17 – FY20F

	Historical		Forecast	
€ millions	**FY17**	**FY18**	**FY19F**	**FY20F**
Software revenue	17.8	22.0	23.0	30.1
Services revenue	23.3	31.6	38.4	43.9
Total revenue	**41.1**	**53.7**	**61.5**	**74.0**
Software revenue growth (% increase year on year)	n/a	24.0%	4.5%	30.7%
Services revenue growth (% increase year on year)	n/a	35.6%	21.6%	14.2%
Total revenue growth (% increase year on year)	n/a	30.6%	14.6%	20.4%
Gross profit	**30.4**	**39.4**	**41.0**	**48.2**
Gross profit growth (% increase year on year)		29.3%	4.2%	17.6%
Gross profit margin	74.0%	73.3%	66.7%	65.1%
EBITDA	**1.4**	**7.7**	**7.1**	**8.7**
EBITDA growth (% increase year on year)		459.5%	(7.9%)	23.1%
EBITDA margin	3.4%	14.4%	11.6%	11.8%
NPAT	**(3.5)**	**0.6**	**(1.8)**	**(2.3)**
NPAT growth		n/m	n/m	Negative
NPAT margin	(8.5%)	1.2%	(3.1%)	(3.1%)

FINEOS' gross profit is expected to increase by €17.8 million from €30.4 million in FY17 to €48.2 million in FY20F at a CAGR of 16.6% driven by a €32.9 million increase in revenue offset by a €15.1 million increase in cost of sales. FINEOS' EBITDA over the same time period is expected to increase by €7.3 million from €1.4 million to €8.7 million driven by the expected change in gross profit and the expected increase in total operating expenses from €29.0 million in FY17 to €39.5 million in FY20F.

See Section 4.10 for an overview of the drivers of the revenue growth including the growth in both software and services revenue types. See Section 4.11.3 for an overview of the drivers of cost of sales and for an overview of the drivers of the individual expense items that make up total operating expenses.

Taken together, the expected increase in cost of sales at a rate above the increase in total revenue between the years FY17 and FY20F results in gross profit margin declining from 74.0% to 65.1% respectively, as illustrated in Figure 31 This is driven by the increased costs for delivery work, implementation and configuration services primarily associated with existing and new clients transitioning to the cloud based products and existing clients adding additional modules and products.

EBITDA margin is expected to increase from 3.4% to 11.8% from FY17 to FY20F as the business' benefits from increasing scale and operating leverage, as shown in figure 32.

Figure 32: Gross profit and gross profit margin

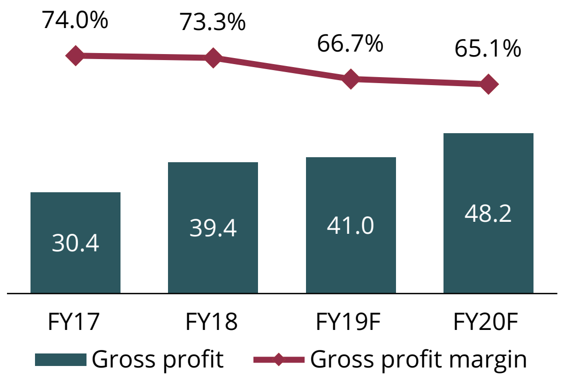
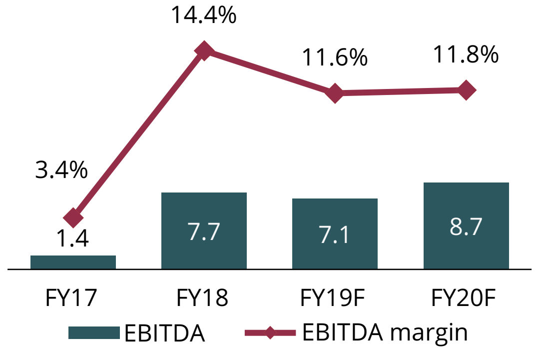


Figure 33: EBITDA and EBITDA margin



4.14 Sensitivity Analysis

The Forecast Financial Information included in Section 4 of this Prospectus is based on a number of estimates and assumptions as described in Section 4.11. These estimates and assumptions are subject to business, general economic and competitive uncertainties, many of which are beyond the control of the Offerors, and their respective directors and management. These estimates are also based on assumptions with respect to future business developments and decisions, which are subject to change.

Table 34 sets out a summary of the sensitivity of the Pro Forma Forecast Financial Information to changes in a number of key assumptions. The changes in key assumptions are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown, and these variances may be substantial.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely key impact on the Pro Forma Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions. In practice, changes in assumptions may offset each other or be additive, and it is likely that FINEOS management would respond to an adverse change in one assumption to seek to minimise the net effect on FINEOS' earnings and cash flow.

For the purpose of the sensitivity analysis shown in Table 34, each sensitivity is presented in terms of the impact on FY19F and FY20F pro forma forecast consolidated NPAT/(loss) after tax, respectively.

Table 34 provides the sensitivity analysis for FY19F and FY20F.

Table 34: Sensitivity analysis for FY19 and FY20

Assumption	Notes	Increase/ Decrease	FY19 Pro Forma NPAT impact (€m)	FY20 Pro Forma NPAT impact (€m)
Foreign exchange rates vs Euro				
US Dollar	1	+/- 400 bps	0.0	0.4
Australian Dollar	2	+/- 400 bps	0.0	0.1
New Zealand Dollar	3	+/- 400 bps	0.0	0.2
Other				
People costs	4	+/- 100 bps	0.0	0.5
Capitalised development costs	5	+/- 100 bps	0.1	0.3
Timing of New Subscriptions Revenue	6	+/- 40%	n/a	0.4

Notes:

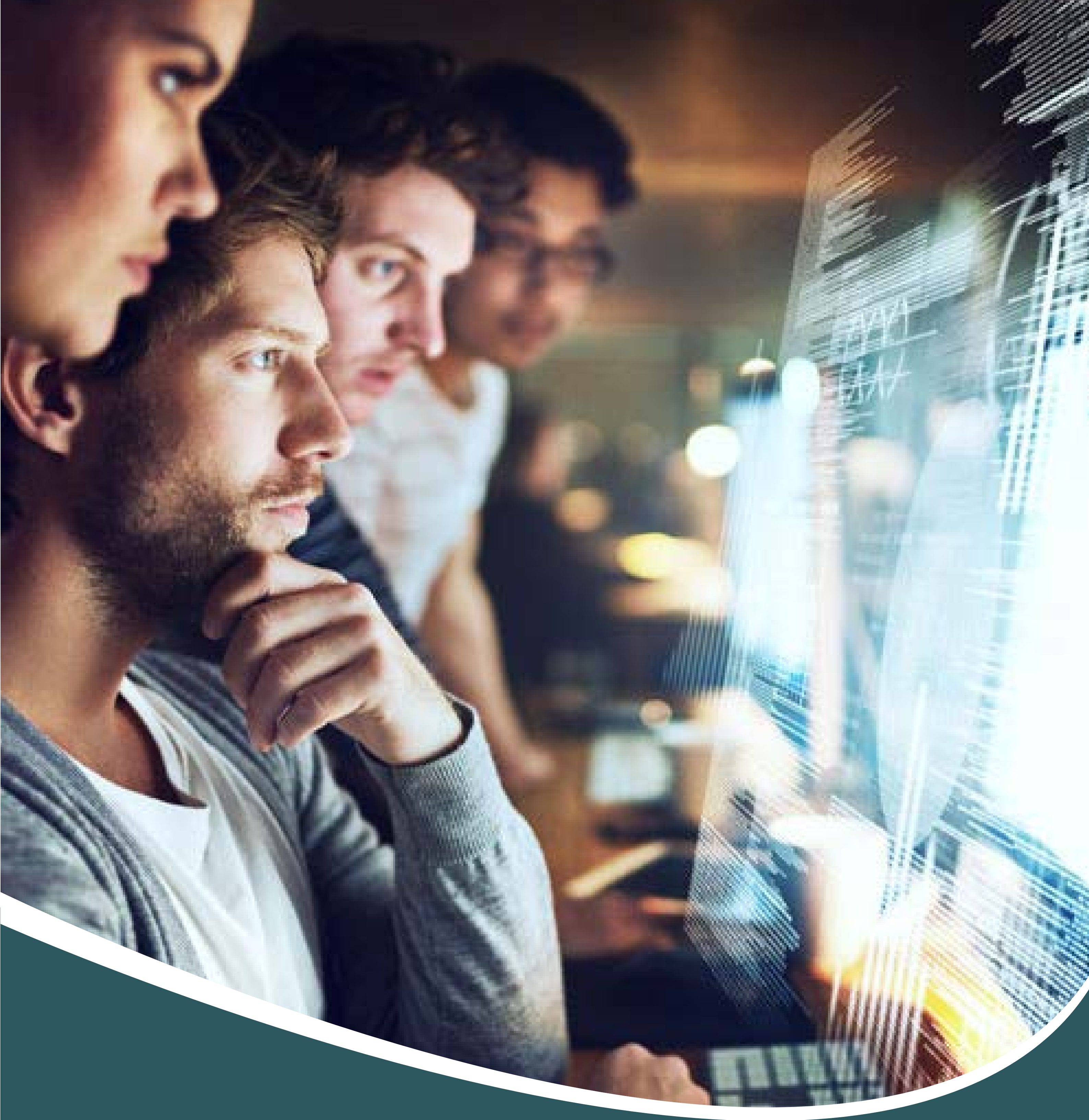
1. The impact on FY19F and FY20F NPAT from a 4.0% increase or decrease in the assumed US dollar exchange rate of $1.12 USD to one Euro.
2. The impact on FY19F and FY20F NPAT from a 4.0% increase or decrease in the assumed Australian dollar exchange rate of $1.59 AUD to one Euro.
3. The impact on FY19F and FY20F NPAT from a 4.0% increase or decrease in the assumed New Zealand dollar exchange rate of $1.68 NZD to one Euro.
4. The impact on FY19F and FY20F NPAT of a 1.0% increase or decrease in employee costs from either changes in headcount or salary costs.
5. The impact on FY19F and FY20F NPAT of a 1.0% increase or decrease in the value of capitalised development resulting from changes in the level of capitalised development work qualifying for capitalisation.
6. The impact on FY19F and FY20F NPAT of a 40% reduction in subscriptions revenue due to commence in the last quarter of FY20. The business has not calculated an equivalent adjustment in FY19F in light of the fact that ten months of actual results and the level of contracted revenue for the remainder of FY19F.

4.15 Dividend Policy

Given the strong growth opportunity FINEOS has identified for FINEOS AdminSuite, FINEOS does not have any present plan to pay dividends.

The payment of a dividend by FINEOS, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of FINEOS and its directors and management, and are not reliably predictable), including the operating results, the general business environment, cash flows and the financial condition of FINEOS, future funding requirements, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by FINEOS, and any other factors the Directors may consider relevant.

Where an Australian resident company pays dividends to its Australian resident shareholders, franking credits may be available to the Australian resident shareholders to the extent that Australian income tax has already been paid in respect of those dividends. However franking credits will not be available to Australian resident shareholders if FINEOS pays a dividend in the future as FINEOS is an Irish company. FINEOS would declare any dividends in Euro, being its main functional currency. In that case, FINEOS expects that it would pay any such dividends in Euro or AUD depending on the country of residence of the CDI holder. Further tax information in relation to dividends paid by Irish companies like FINEOS is contained in Section 9.9.1.



5 Key Risks

5. Key Risks

This Section identifies some of the potential risks associated with an investment in FINEOS' business and an investment in its securities. It does not purport to list every risk to which FINEOS and its investors may be exposed to now or in the future. The occurrence or consequences of some of the risks described in this section are partially or completely outside the control of FINEOS, the Offerors, and their respective Directors and management. The occurrence of any single risk, or a combination of these risks, may have a material adverse impact on FINEOS' business, financial performance and operations.

The selection of risks has been based on an assessment of a combination of the likelihood of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. That assessment is based on the knowledge of the Directors as at the Prospectus Date, but there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

There can be no guarantee that FINEOS will deliver on its business strategy, or that any forward-looking statement contained in this Prospectus will be achieved or realised. FINEOS' actual results could differ materially from those anticipated in any such forward-looking statements as a result of certain factors, including the risks described below and elsewhere in the Prospectus. You should note that past performance is not a reliable indicator of future performance.

Before applying for CDIs, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether CDIs are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in FINEOS, it is recommended that you seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

5.1 Specific Risks

5.1.1 Failure to retain existing clients and attract new clients

FINEOS' current financial performance depends on the ability to retain existing clients and its growth depends on the ability of FINEOS to attract further business from existing clients and to attract new clients.

FINEOS' ability to retain existing clients, and attract new clients and new business from existing clients, depends on many factors including the adequacy of the product with respect to matters such as the functionality, reliability, pricing, client support, value and ability to deliver products as promised when compared to competing products, along with many other factors discussed in this Section 5. FINEOS does not rely on long, fixed-term contracts to retain clients, with many contracts permitting clients to terminate for convenience on notice prior to the end of the proposed term and some contracts operating on a "rolling term" basis which similarly permit the client to terminate for convenience by giving notice to FINEOS.

If FINEOS is unable to retain existing clients, and attract new clients and new business from existing clients, at the rate and with the pricing, revenues and costs it currently expects, this may have a material adverse impact on the financial performance of FINEOS.

5.1.2 Launch of new products

The development schedule for new products or the adoption of the existing products may take longer than expected, delaying the development of new revenue streams. New third-party technologies could prove more advanced and be developed in less time than FINEOS' new products.

There is a risk that FINEOS' new products may not be well received by its clients or FINEOS may not be able to generate sufficient adoption of its new products.

Related factors that may impact sales growth and FINEOS' performance include commercial viability and delays of new products and technology, delays in the establishment of an effective sales organisation (including company resources and utilisation of third parties) and the global economy. Some of the risks related to this include:

- Client needs will inherently shift over time and there is a risk FINEOS will develop products that no longer suit their clients' requirements, in particular if assumptions are adopted that each client has the same product needs;

- The timing of new product development is a key factor in sales growth. New technology development carries inherent risks of delay and quality;
- A risk also exists that FINEOS will underestimate market speed and will not be product ready for the market as it requires; and
- Sales of software solutions requires lengthy lead times and sophisticated engagement with clients. Failure to recruit, hire and train the proper direct and representative sales force in a timely and effective manner could reduce revenue growth.

5.1.3 Reliance on flagship product and failure to adequately maintain and develop it

FINEOS' business model depends on its ability to continue to ensure that clients are satisfied with the FINEOS Platform. There is a risk that FINEOS may fail to maintain the FINEOS Platform adequately, or that updates may introduce errors and performance issues, causing clients' satisfaction in the FINEOS Platform to fall. Client satisfaction may also fall as a result of real or perceived reductions in functionality, product quality, reliability, cost-effectiveness, and client support for the FINEOS Platform, or a failure to accommodate and reflect changes and developments in technology and in the commercial, compliance and regulatory environment. Any of these factors may result in reduced sales and usage, loss of clients, damage to reputation, an inability to attract new clients and potentially claims for compensation.

FINEOS' future revenue and growth also depends on its ability to develop enhancements and new features and modules for the FINEOS Platform so that it continues to meet clients' needs, attract new clients and generate additional revenue from increased usage. There is a risk that the development and introduction of new features and modules does not result in a successful outcome for FINEOS due to various reasons, such as insufficient investment, unforeseen costs, poor performance and reliability, low client acceptance, existing competition or economic and market conditions. The failure to successfully develop new product features and modules may materially adversely impact FINEOS' future operations and financial performance.

5.1.4 Failure to realise benefits from product development

Developing technology is expensive and the investment in the development of these product offerings often involves an extended period of time to achieve a return on investment. An important element of FINEOS' business strategy is to continue to make investments in innovation and related product development and opportunities. FINEOS believes that it must continue to dedicate resources to innovation efforts to develop product offerings in order to maintain FINEOS' competitive position. FINEOS may not, however, receive significant revenue from these investments for several years, or may not realise such benefits at all. Further, as discussed in Section 4.12.5, FINEOS currently capitalises research and development costs, which are amortised over time, in accordance with IFRS 38. Any decrease in the percentage of capitalisation available to FINEOS over time, or impairment of assets required to be made by FINEOS may directly impact its operating costs and EBITDA and/or will have an adverse impact on the financial position or performance of FINEOS.

5.1.5 FINEOS operates in a competitive industry

FINEOS' operating performance is influenced by a number of competitive factors including the success and awareness of its brand, its sophisticated technology, and its commitment to ongoing product innovation.

The industry in which FINEOS operates in, is subject to increasing domestic and global competition and any change in the foregoing competitive factors, or others, may impact FINEOS' ability to execute its business and growth strategies. As such, there is a risk that:

- FINEOS may fail to anticipate and adapt to technology changes or client expectations at the same rate as its competitors;
- existing competitors could increase their competitive position through aggressive marketing, product innovation and/or price discounting;
- existing or new competitors could offer software with less functionality but at a more competitive price, which may affect FINEOS' ability to sustain or increase prices;
- clients who currently utilise software systems offered by existing competitors (including local operators in specific markets or those with a greater market share in certain markets), may have contracted with such competitors for a considerable period of time or have onerous termination clauses, or may determine that it is prohibitively costly and/or time consuming to adopt the FINEOS Platform, or clients looking to implement core software solutions may prefer to contract with local operators;

- client preferences to outsource core software solutions to providers like FINEOS may change over time; or
- new competitors, including large global corporations or large software vendors operating in adjacent industries, enter the market. These corporations may have greater financial and other resources to apply to R&D and sales marketing, which may enable them to expand in the LA&H insurance software industry more aggressively than FINEOS and/or better withstand any downturns in the market.

Further, the reputation of FINEOS and its brand could be adversely impacted by a number of factors, including adverse performance of its products, third-party actions such as disputes or litigation, actions of its employees or non-compliance with laws, which in cases may result in adverse media coverage. Damage to FINEOS's reputation or brand may encourage existing or potential clients to seek services from competitors which may have an adverse impact on FINEOS business and financial performance and position.

5.1.6 Reliance on key clients

A significant proportion of FINEOS' revenue is currently derived from FINEOS' largest two clients, which together represented 39% of revenue in FY18. FINEOS expects that the overall revenue contribution of FINEOS' largest two clients will decrease to approximately 34% in FY20 due to the acquisition of new clients, growth in sales of FINEOS Platform solutions and expansion of geographic sales focus.

As FINEOS relies on its top two clients for a significant portion of its revenue, failure to attract or retain these clients may have an adverse impact on the business, its financial performance and operations.

Further, while FINEOS has clients across a number of jurisdictions, 35% of its revenue was generated from clients in the US and Canada and 53% of its revenue was generated in Australia and New Zealand in FY18. This may increase FINEOS' exposure to any economic downturn, changes in government policies, laws and regulations, and catastrophic events in those jurisdictions. Any such events may adversely impact FINEOS' business, growth strategy and financial performance.

5.1.7 Disruption or failure of technology systems and data security breaches

There is a risk that FINEOS' software solutions become the subject of a system failure, virus, cyber-attack or other negative event which could compromise or even breach the technology rendering the products unavailable for a period of time while the software is restored or result in the loss, theft or corruption of sensitive data. The effect of any such event could extend to reputational damage, regulatory scrutiny, claims from affected clients and their customers and fines. Such circumstances could negatively impact upon FINEOS' business, financial performance and operations.

Additionally, there are circumstances in which FINEOS relies on third party data centre operators and telecommunication providers (including, but not limited to, servers and hosting services) for the delivery of its software products. FINEOS cannot control, or guarantee, the security of the customer data that third parties may hold in relation to the delivery of FINEOS' software products.

5.1.8 Ability to retain or attract key personnel

FINEOS is reliant on the talent, effort, expertise, industry experience and contacts, and leadership of its management. Whilst FINEOS has entered into employment contracts with all senior management, their retention cannot be guaranteed, and the loss of any senior members of management and the inability to recruit suitable replacements represents a material risk to FINEOS, which may negatively impact its business, financial performance and operations.

A risk also exists that, as FINEOS continues to grow, it cannot attract and retain personnel with the necessary industry experience, expertise and ability to execute its strategy, such that its future growth may be restricted and the quality of its services reduced, with a corresponding adverse impact on its business, financial performance and operations.

5.1.9 Inability to protect intellectual property

FINEOS relies on its intellectual property rights and there is a risk that FINEOS may fail to adequately protect its rights for a number of reasons. There is also a risk that certain on-premise product source code may be obtained by third parties, for example through certain breaches of agreements by FINEOS, fraud or theft by third parties, or purchased in a certain circumstance on a change of control of FINEOS.

FINEOS has historically used a mixture of legal (e.g. IP assignment, confidentiality and escrow agreements) and operational/technical (e.g. in-house development of software, data encryption, access controls, information classification, staff controls, training, awareness etc.) methods to protect its intellectual property. As FINEOS continues to grow its global presence, there is a risk that these actions may not be adequate in all circumstances and may not prevent the misappropriation of its intellectual property or deter independent development of similar products by others.

If FINEOS fails to adequately protect its intellectual property rights, competitors may gain access to its technology which would in turn harm its business, financial performance and operations.

5.1.10 Breach of third party intellectual property rights

A risk exists that third parties may allege that FINEOS' products use intellectual property derived from such third parties or from their products without their consent or permission. FINEOS may be the subject of claims which could result in disputes or litigation, which could result in the payment of monetary damages, cause delays and increase costs, which in turn could have an adverse impact on FINEOS' operations, reputation and financial performance. Typically under its client contracts, any limits to FINEOS' liability do not apply to any breaches of third party intellectual property rights by FINEOS.

5.1.11 Failure to execute on proposed business and pricing model changes

Core to the success of FINEOS' business model is the delivery of its software products through a cloud-based, SaaS model, as the historical on-premise method of delivery is gradually phased out. FINEOS believes a cloud-based, SaaS model is the more appropriate method of delivery and pricing for its products into the future given the various efficiency, operational and security benefits and attractiveness of revenue visibility and regularity that this model can provide. However, such a significant transition in business model requires a significant investment in resources to facilitate this transition. In addition to monetary investment, this transition will also require a significant time investment from various employees in multiple divisions across FINEOS, including developers, sales, financial and legal. FINEOS cannot guarantee that it will deliver this transition within its targeted timeframe, that this transition will occur in its entirety and that it will be adopted by all existing clients, and that it will ultimately generate greater revenues for FINEOS than the on-premise model.

In conjunction with its move to cloud-based, SaaS products, FINEOS has changed its pricing model with new clients only offered cloud-based products under this pricing model and with FINEOS seeking to transition existing clients to this pricing model over time (refer to Section 3.4.1). While FINEOS has contracted with a number of clients under this new pricing model recently, there is no guarantee that this strategy will be successful and generate greater revenues than under the previous on-premise ILF/ALF pricing model.

By the nature of FINEOS' business, it has a relatively small number of larger contracts (rather than multiple smaller contracts) which typically take a number of months from commencement of discussions to signing and the commencement of revenue generation. As a result, delays in contract commencement and revenue generation across an end of financial period may lead to a reduction in expected revenue in the earlier financial period (which could include FY19 and FY20) and have an adverse impact on the financial performance and position for that earlier financial period.

5.1.12 Inability to execute on growth strategy

FINEOS' forecasts of future financial performance are largely contingent upon the ability to execute its proposed growth strategy. FINEOS' current growth strategy is focused on:

- Target up-sell and cross-sell opportunities within the existing client base;
- Technology leadership and continued product innovation;
- Expand sales, marketing and product delivery capabilities;
- Grow subscription revenue base and expand margins;
- Expand strategic partners; and
- Expand and increase penetration in adjacent verticals.

In the event of a failure to execute its growth strategy either in part or as a whole, FINEOS' business and growth prospects and its ability to achieve its financial forecasts may be adversely impacted.

5.1.13 Significant unanticipated costs or delays might arise in relation FINEOS' business

Cost estimates are made in advance of undertaking a contract and are dependent upon assumptions, estimates and judgments which may ultimately prove to be inaccurate or unreliable. There is a risk that significant unanticipated costs or delays will arise. Such unanticipated costs or delays could arise during the course of implementation due to errors and omissions, unforeseen technical issues, or inadequate contractual arrangements. Should significant unanticipated costs arise, this could have a material adverse impact on margins and, ultimately, FINEOS' business, financial performance and operations.

5.1.14 Influence of significant holding

On Completion, Michael Kelly and his wife Jacqueline Kelly will retain an approximate 62.9% interest in FINEOS. Michael may be in a position to exert influence over matters relating to FINEOS, including the election of Directors, or the approval of a transaction involving FINEOS. Any significant sale of CDIs, or the perception of a sale of CDIs, by Michael's interests may have an adverse effect on the price of the CDIs or the perceived value of FINEOS.

5.1.15 Risk of litigation, claims, disputes and regulatory investigations

FINEOS has offices and agreements with employees, contractors, clients (which can include government agencies or other statutory bodies), suppliers and other entities across the globe. These agreements and activities in relation to them may be subject to local laws that differ between jurisdictions. There is a risk that FINEOS may be subject to litigation and other claims and disputes in the course of doing business, including contractual disputes and indemnity claims, misleading and deceptive conduct claims, intellectual property disputes and employment related claims.

There is also a risk FINEOS may be subject to regulatory investigations and sanctions or fines by governmental agencies in the event of non-compliance with relevant statutory or regulatory requirements. These may involve how FINEOS employs people, how products are advertised or in relation to licensing or other compliance requirements. Such litigation, claims, disputes or investigations, including the costs of settling claims or paying sanctions or fines, and any associated operational impacts, may be costly and damaging to FINEOS' reputation and business relationships, any of which could have a material adverse effect on FINEOS' financial performance, position or industry standing.

5.1.16 Failure to keep abreast of changes in political, compliance and regulatory environments

FINEOS operates across a number of jurisdictions, including Ireland, Australia, New Zealand, the US and Canada, and its global reach will only continue to grow under FINEOS' planned growth strategy. Accordingly, FINEOS' business is inherently influenced and affected by global laws, government policy and trade related regulations. FINEOS may not be able to keep abreast of political or regulatory changes, in particular in circumstances where a significant change may have a widespread impact on the LA&H insurance industry.

Any new or alerted laws or regulations (including relating to climate change) which affect FINEOS' business or the business of its clients may require an increase in spending and employee resources on regulatory compliance and / or a change in business practices or require product changes, with a potentially adverse effect on operations and profitability. FINEOS' clients expect FINEOS to be compliant with regulations and laws, and in some cases, for FINEOS products to assist those clients comply with their legal obligations, and so there is a risk that if FINEOS does not invest in keeping up to date with legal and regulatory changes, FINEOS may fail to attract new clients and some clients may reduce usage of FINEOS products or bring claims or litigation against FINEOS.

5.1.17 Country / region specific risk in new and / or unfamiliar markets

As above, given FINEOS operates in a number of overseas jurisdictions it is exposed to a range of different legal and regulatory regimes, including in new jurisdictions in which it is seeking to expand operations. As FINEOS expands into new international jurisdictions the Company is subject to the risks associated with doing business in regions that may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks, including (i) unexpected changes in, or inconsistent application of, applicable foreign laws and regulatory requirements, (ii) less sophisticated technology standards; (iii) difficulties engaging local resources; and (iv) potential for political upheaval or civil unrest.

As FINEOS enters new and less familiar regions there is a risk that it will fail to understand the laws, regulations and business customs of these regions. This gives rise to risks relating to labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in foreign jurisdictions in which FINEOS operates. This could interrupt or adversely affect various parts of the business and may have an adverse effect on operations and financial performance.

5.1.18 Provisions of FINEOS' Constitution and Irish company law

As FINEOS is incorporated in Ireland, certain provisions of the Corporations Act, including in relation to takeovers and substantial holdings do not apply. Similarly, FINEOS is not bound by the takeovers rules under Irish company law because they only apply to public companies incorporated in Ireland whose shares are, or have in the previous five years been, traded on certain exchanges (which does not include the ASX). FINEOS has therefore incorporated into its Constitution shareholder protection provisions that are similar to the provisions of the Corporations Act. In these circumstances, any claim against FINEOS for a contractual breach of its Constitution would need to be brought in Ireland. Any such claim would be contractual in nature and may therefore not have the same level of enforceability as a claim under the Corporations Act.

As a result of FINEOS being incorporated in Ireland, it may also be difficult for investors to effect service of process upon FINEOS within Australia and/or to enforce any judgments obtained in a court other than the Irish courts against FINEOS.

A summary of Irish company law is set out in Section 9.6.2.

5.1.19 Future Government regulations and local requirements

With changes in government globally there is a risk that laws and regulations may be adopted with respect to FINEOS' products, covering issues such as user privacy, the content and quality of products and services, intellectual property rights, and information security which could limit FINEOS' proposed scope of activities.

5.1.20 Foreign exchange risk

FINEOS' financial statements are presented in Euros. However, the majority of FINEOS' revenue is denominated in other currencies, in particular the US dollar, Canadian dollar, Australian dollar and New Zealand dollar. Therefore, FINEOS' revenues and financial results are exposed to movements of the Euro against these foreign currencies. The risk may be increased where the foreign currency against the Euro becomes more volatile, for example, due to economic, political factors, or significant events that may occur in the jurisdictions of those foreign currencies.

5.2 General risks to an investment in FINEOS

5.2.1 Trading in CDIs may not be liquid

At Completion approximately 64% of CDIs on issue on Listing will not be able to be traded until FINEOS releases its financial results in respect of FY20 to ASX, and approximately 32% of CDIs on issue on Listing will not be able to be traded until FINEOS releases its financial results in respect of FY21 to ASX(refer to Section 6.5 for details).

The securities issued under the Offer will only be quoted on ASX and will not be available for trading on any other securities exchange in Australia, Ireland or elsewhere. As such, there can be no guarantee that an active market in the CDIs will develop or continue, or that the market price of the CDIs will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their CDIs. Furthermore, the market price for CDIs may fall or be made more volatile because of the relatively low volume of trading in FINEOS' securities. When trading volume is low, significant price movement can be caused by trading in a relatively small number of shares. If illiquidity arises, there is a risk that investors will be unable to realise their investment in FINEOS.

5.2.2 Price of CDIs may fluctuate

The price of CDIs may rise or fall in relation to the Offer Price due to a number of factors, and investors who decide to sell their CDIs after FINEOS is admitted to ASX may not receive the full amount of their original investment.

Some of the factors which may affect the price of CDIs include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to Government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which FINEOS operates and general operational and business risks. Other matters which may negatively affect investor sentiment and influence FINEOS specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters.

5.2.3 Economic and government risks

FINEOS' future viability is also dependent on a number of other factors affecting performance of all industries and not just the technology industry, including, but not limited to:

- general economic conditions in jurisdictions in which FINEOS operates;
- changes in government policies, taxation and other laws in jurisdictions in which FINEOS operates;
- the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- movement in, or outlook on, interest rates and inflation rates in jurisdictions in which FINEOS operates; and
- natural disasters, social upheaval or war in jurisdictions in which FINEOS operates. Any or all of these factors could have a material adverse impact on FINEOS' business, financial performance and operations.

5.2.4 Future changes in tax legislation may adversely affect FINEOS

Any change (including a change in interpretation) in tax legislation, including, but not limited to, the imposition of new taxes or increases in tax rates, availability of tax credits, or any change in the tax treatment of assets or liabilities held by FINEOS may have a material adverse impact on FINEOS' business, financial performance and operations.

5.2.5 Tax consequences for CDI holders

The acquisition and disposal of CDIs will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in FINEOS are urged to obtain independent financial advice about the consequences of acquiring CDIs from a taxation point of view and generally.

To the maximum extent permitted by law, FINEOS, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for CDIs under this Prospectus.

5.2.6 Foreign exchange risk

The CDIs will be priced in Australian Dollars. However, FINEOS' reporting currency is Euro. As a result, movements in foreign exchange rates may cause the price FINEOS' securities to fluctuate for reasons unrelated to FINEOS' financial condition or performance and may result in a discrepancy between FINEOS' actual results of operations and investors' expectations of returns on securities expressed in Australian Dollars.

As the CDIs are priced in Australian Dollars, an investment in CDIs by an investor whose principal currency is not Australian Dollars exposes the investor to foreign currency exchange rate risk. Any depreciation in the value of the Australian Dollar in relation to such foreign currency will reduce the value of the CDIs in relation to such foreign currency.

In addition, any dividends paid on the CDIs may be denominated in Euro or AUD depending on the country of residence of the CDI holder. As such, an investment in CDIs by an investor whose principal currency is not Euro or AUD exposes the investor to foreign currency exchange rate risk. Any depreciation in the value of the Euro or AUD in relation to such foreign currency will reduce the value of any such dividends in relation to such foreign currency.

5.2.7 Force majeure events

Events may occur within or outside Australasia, Ireland and North America that could impact upon FINEOS' operations and the price of CDIs. These events include but are not limited to acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural or man-made events or occurrences that can have an adverse effect on the demand for FINEOS' business offering and its ability to conduct business.

5.2.8 Ability to access debt and equity markets on attractive terms

In the future, FINEOS could be required to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and a failure to raise capital when needed could harm FINEOS' business. If FINEOS cannot raise funds on acceptable terms, it may not be able to grow its business or respond to competitive pressures.

5.2.9 FINEOS cannot guarantee that dividends will be declared in the future

FINEOS plans to invest all cash flow into the business in order to maximise growth. Accordingly, no dividends are expected to be paid in the foreseeable future following FINEOS' listing on ASX.

In the long term, the payment and amount of any potential future dividends declared by FINEOS are subject to the discretion of the Directors and will depend upon, among other things, the applicable provisions of Irish company law, FINEOS' earnings, financial position, tax position, capital requirements, general economic conditions and other factors that the Directors deem significant from time to time.

Under Irish law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. Furthermore, FINEOS might not pay dividends if the Directors determine, for example, that it would not be in the best interests of FINEOS to pay a dividend (because, for example, the Directors determine that profits could be better utilised by re-investing in the business).

5.2.10 Risk of dilution

In the future, FINEOS may elect to issue new securities, including in connection with fundraisings to deliver its growth strategy. While FINEOS will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply) and other relevant provisions of Irish company law, investors may be diluted as a result of such issues of securities.

5.2.11 Possible changes in International Financial Reporting Standards

International Financial Reporting Standards are issued by the International Accounting Standards Board and adopted by the EU and are outside of FINEOS' control. The International Accounting Standards Board may introduce new or refined accounting standards which may affect future measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables. There is also a risk that interpretations of existing International Financial Reporting Standards, including those relating to the measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables, may differ. Changes to International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the EU or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in FINEOS' consolidated financial statements.

5.2.12 Pre-emption rights for certain CDI holders under Irish company law

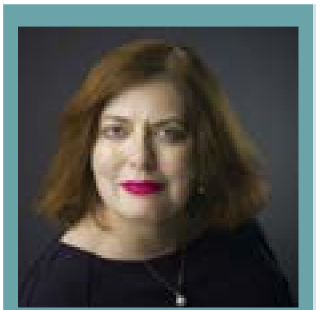
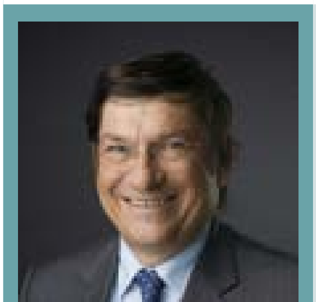
In the case of certain increases in FINEOS' issued share capital, existing holders of Shares are generally entitled to pre-emption rights to subscribe for Shares, unless such rights are waived by resolution at a company meeting. However, in certain circumstances the securities laws of a limited number of jurisdictions may restrict FINEOS' ability to allow participation by shareholders in those jurisdictions in future offerings.

6 Key People, Interests and Benefits

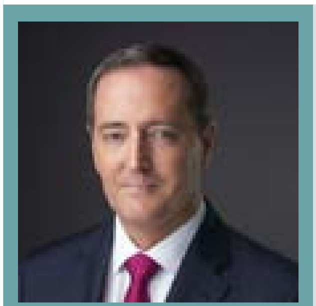
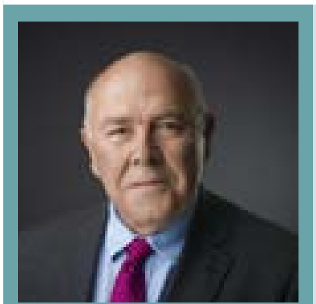
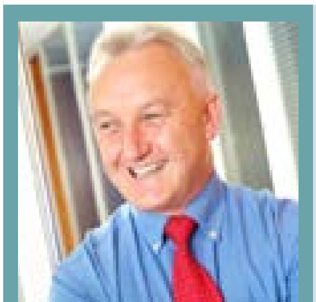
6. Key People, Interests and Benefits

6.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

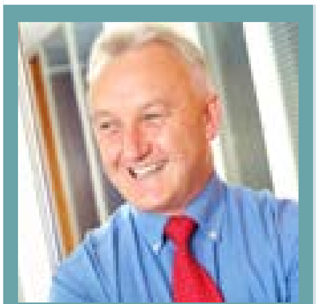
DIRECTOR	EXPERIENCE
 **Anne O'Driscoll** *Chairman, Non-executive Director*	Based in Sydney, Anne joined the Board in 2019. Anne has over 35 years of business experience across a broad spectrum of the insurance industry. Anne is currently on the boards of listed companies, Steadfast Group Limited and Infomedia Limited, as well as non-listed companies such as MDA National Pty Limited and CBA's insurance subsidiary, CommInsure. Anne chairs the audit committee for each of these boards. Anne has held various other senior management roles within organisations such as Insurance Australia Group Limited and NRMA Group, as well as being the CFO of Genworth Australia between 2009 and 2012. She is also a former director of the NSW Self-Insurance Corporation and Australasian Investor Relations Association Limited. Anne qualified as a chartered accountant in Ireland with Haughey Boland (now Deloitte) before moving to work for Coopers & Lybrand (now PwC) in London. Anne moved to Sydney in 1988 and is a graduate of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Insurance & Finance, Chartered Accountants Ireland and Chartered Accountants Australia and New Zealand.
 **Michael Kelly** *Chief Executive Officer, Executive Director*	Based in Dublin, Michael is the chief executive officer and founder of FINEOS. Michael has more than two decades of senior management experience in the insurance industry. Michael began his career with Paxus Corporation, an Australian insurance software vendor entering the European market. Michael assisted in establishing Paxus's LIFE400 product as the market leading policy administration system in continental Europe, which was later acquired by CSC. Michael is a previous winner of the EY Ireland Technology Entrepreneur of the Year, and in 2015 was named as one of the top ten most influential executives in the Irish international FinTech sector. Michael attended Dublin City University where he graduated with a BSc in Computer Science.
 **Gilles Biscay** *Non-executive Director*	Based in Paris, in 2014 Gilles joined the board of Fineos Corporation Limited, the main operating entity of the FINEOS group. Gilles spent most of his career at Accenture, where he worked in multiple areas ranging from large system integration, post-merger implementations, case tools and enterprise resource planning software development. In 2005, Gilles was named as the managing director and global lead for Accenture portfolio in insurance systems. Under his leadership, Accenture's vertical software activities grew significantly both organically and with new clients in countries such as Japan and Turkey, and externally with acquisitions such as NaviSys and Duck Creek, both software insurance providers. Gilles is also currently a founding partner and president of FuturWork SAS, a strategy consulting firm aimed at helping corporations manage digital transformations, and a non-executive independent director and board member of EUDONET SAS, a cloud-based CRM provider.

6. Key People, Interests and Benefits (continued)

DIRECTOR	EXPERIENCE
 **Dr Martin Fahy** *Non-executive Director*	Based in Sydney, Martin joined the Board in 2019. Martin is currently the CEO of the Association of Superannuation Funds of Australia (**ASFA**). Prior to this Martin was a senior partner in the management consulting practice of KPMG, where he led the firm's Global Business Services and Business Process Outsourcing activities. From 2007 to 2011, Martin was CEO at the Financial Services Institute of Australasia (**FINSIA**) where he led the organisation's transformation post the sale of its education business. Prior to FINSIA, he led strategy and development for the Chartered Institute of Management Accountants (**CIMA**) in Asia Pacific. Martin holds a Ph.D. from University College Cork, is a former Senior Fulbright Scholar and has extensive research and policy experience from his time as an academic in Ireland, France and the United States. He is an Adjunct Professor at the University of Technology Sydney and was previously Chair of the Centre for Management and Organisational Studies Advisory Board. Martin is also a member of Chartered Accountants Australia and New Zealand.
 **Peter Le Beau, MBE** *Non-executive Director*	Based in Kent, in 2010 Peter joined board of Fineos Corporation Limited, the main operating entity of the FINEOS group. Peter has over 40 years' experience in the insurance industry and is recognised as one of Europe's prominent consultants in the life and health insurance industry. Peter is currently the Managing Director and founder of Le Beau Visage, a consulting company specialising in product design, innovation and differentiation, and is Chairman of the Net Work, a strategic discussion group comprising approximately sixty senior executives from the insurance industry. Prior to this Peter held a number of senior management roles at Swiss Re, including as head of UK marketing between 1996 and 2001. Peter has served on the Boards of Red Arc Assured, Exeter Family Friendly, Criterion and Permanent Insurance. In 2009 Peter received an MBE (Most Excellent Order of the British Empire) for services to insurance and charity.
 **Tom Wall** *Executive Director, Chief Financial Officer*	Based in Dublin, Tom joined FINEOS in 2003 as Chief Financial Officer. Tom has over 30 years of industry experience having worked in financial management with a number of global corporations across the IT, financial services, distribution, and manufacturing industries. Prior to joining FINEOS, Tom spent seven years at Oracle where he held various positions including as a Board Member and Finance Director of Oracle Ireland and Finance Director for Oracle EMEA Ltd. Tom also gained expertise working across a number of financial and accounting roles at MFS Communications Ltd, Unisys World Trade Incorporated and Black & Decker Inc. Tom is currently a Fellow of the Chartered Management Accountants and a Chartered Global Management Accountant in Ireland.

6.2 Management Team

6.2.1 Senior management personnel

EXECUTIVE	EXPERIENCE
 **Michael Kelly** *Chief Executive Officer*	See Section 6.1
 **Tom Wall** *Chief Financial Officer*	See Section 6.1
 **Jonathan Boylan** *Chief Technical Officer*	Based in Dublin, Jonathan is the Chief Technology Officer of FINEOS. Jonathan began his career in Insurance Technology in 1988, joining the IT organisation of Ireland's largest Life and Pensions company, Irish Life. Jonathan joined FINEOS in 1995 to lead product design and has held a series of senior roles in the company including leading product development, product management, product architecture, marketing and sales consulting. As a member of the FINEOS Leadership Team, Jonathan helps define company and product strategy with a focus on cloud technology and digital service. Jonathan is a graduate of Computer Science at Trinity College and a former member of the executive council at the Irish Software Association.
 **Ian Lynagh** *Chief Commercial Officer*	Based in Dublin, Ian joined FINEOS in 2000, where he has held several senior roles in the company, including Europe Sales Director, North America Sales Director, Commercial Operations Manager and Development Manager. In his time with FINEOS, Ian has guided and managed complex sales and business relationships to successful completion. As a member of the FINEOS Leadership Team, Ian helps define company and product strategy. Ian previously worked as Head of Financial Solutions at Northgate Information Solutions and is an alumnus of Dublin City University.

EXECUTIVE	EXPERIENCE
 **Joanne McMullan** *Chief People Officer*	Based in Dublin, Joanne joined FINEOS in 2000, where she has held senior HR positions with responsibility for global HR support procedures to assist with FINEOS' global expansion. As a member of the FINEOS Leadership Team, Joanne helps to deliver an employee-oriented, high-performance culture, aligned to support the organisation's growth strategy. Joanne is an alumnus of National College of Ireland and Liverpool University and a member of the Chartered Institute of Personnel and Development.
 **John Brennan** *Chief Operating Officer*	Based in Dublin, John joined FINEOS in early 1997, where he has held several key management positions within FINEOS' Professional Services and Product Development teams. In this time, John has taken a leading role in many client engagements and has been responsible for the successful delivery of many high-profile projects. As a member of the FINEOS Leadership Team John helps to ensure clients' business challenges and needs are always supported by FINEOS. Prior to his role at FINEOS, John held various IT roles at Cap Gemini Consulting and Celtech, Software International and is an alumnus of Trinity College Dublin and Dublin Business School.

6.3 Interest and benefits

This Section 6.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of an Offeror;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of an Offeror; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

held as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of an Offeror;
- property acquired or proposed to be acquired by an Offeror in connection with their formation or promotion or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, CDIs or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such person for services in connection with the formation or promotion of the Offerors or the Offer or to any Director or director of an Offeror or proposed director of an Offeror to induce them to become, or qualify as, a Director or director of an Offeror.

6.3.1 Interests of advisers

FINEOS has engaged the following professional advisers in relation to the Offer:

- Moelis Australia Advisory Pty Ltd and Macquarie Capital (Australia) Limited have acted as Joint Lead Managers to the Offer. FINEOS has agreed to pay the Lead Managers the fees described in Section 9.4.1 for these services;
- Clayton Utz has acted as Australian legal adviser to FINEOS in relation to the Offer. FINEOS has paid, or agreed to pay, approximately $0.9 million (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Clayton Utz for other work in accordance with its normal time based charges;
- William Fry has acted as Irish legal adviser to FINEOS in relation to the Offer. FINEOS has paid, or agreed to pay, approximately $1.1 million (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to William Fry for other work in accordance with its normal time based charges;
- KPMG Transaction Services, a division of KPMG Financial Advisory Services (Australia) Pty Ltd has performed financial due diligence enquiries for FINEOS in relation to the Offer and has acted as the Investigating Accountant in relation to the Offer and has prepared the Independent Limited Assurance Report included in Section 8. FINEOS has paid, or agreed to pay, approximately $0.9 million (excluding disbursements and GST) for these services up until the Prospectus Date; and
- Mazars has acted as Auditor and Tax Adviser in relation to the Offer. FINEOS has paid, or or agreed to pay, approximately $0.1 million (excluding disbursements and GST) for these services up until the Prospectus Date.

These amounts, and other costs of the Offer will be paid by FINEOS out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of costs of the Offer is set out in Section 7.1.3.

6.3.2 Directors' interests and remuneration

6.3.2.1 CEO and executive Director of FINEOS

Michael Kelly has entered into an employment contract with FINEOS to govern his employment. Michael is employed in the position of CEO and executive Director of FINEOS. Michael's annual remuneration package is comprised of a base salary of €380,592 and potentially an additional annual cash bonus in recognition of his contribution towards new client acquisitions, such bonus as approved by the Board and in respect of financial years commencing after the date of Admission by the Remuneration & Nomination Committee.

Michael receives healthcare cover, life insurance and permanent health insurance cover. Michael may participate in the New Equity Incentive Plan, but no awards have been made under the New Equity Incentive Plan as at the date of this Prospectus. The terms and conditions of Michael's bonus and any awards made to him under the New Equity Incentive Plan, including as to targets, vesting and/or exercise (as the case may be), will be determined by the Remuneration and Nomination Committee and to the extent required, subject to CDI holder approval.

Michael's employment contract may be terminated by either FINEOS or Michael by providing at least 12 months' notice in writing before the proposed date of termination. In certain circumstances FINEOS may terminate Michael's employment without notice, including in circumstances of gross misconduct, material breach of his obligations to FINEOS under his employment contract, serious dishonesty or being convicted of a serious criminal offence. Michael's employment contract also includes a restraint of trade period of six months following termination, enforceability of which is subject to all usual legal requirements.

6.3.2.2 CFO and executive Director of FINEOS

Tom Wall has entered into an employment contract with FINEOS to govern his employment. Tom is employed in the position of CFO of FINEOS. Tom's annual remuneration package is comprised of a base salary of €273,418 and annual cash bonus of up to 15% of his salary paid on achievement of agreed company and individual performance targets and up to 25% in respect of any over-achievement beyond such agreed targets.

Tom receives a matching employer pension contribution of 10% of his salary and healthcare cover, life insurance and permanent health insurance cover. Tom may participate in the New Equity Incentive Plan, but no awards have been made under the New Equity Incentive Plan as at the date of this Prospectus. The terms and conditions of Tom's bonus and any awards made to him under the New Equity Incentive Plan, including as to targets, vesting and/or exercise (as the case may be), will be determined by the Remuneration and Nomination Committee and to the extent required, subject to CDI holder approval.

Tom's employment contract may be terminated by either FINEOS or Tom by providing at least six months' notice in writing before the proposed date of termination. In certain circumstances FINEOS may terminate Tom's employment without notice, including in circumstances of gross misconduct, material breach of his obligations to FINEOS under his employment contract, serious dishonesty or being convicted of a serious criminal offence. Tom's employment contract also includes a restraint of trade period of three months following termination, enforceability of which is subject to all usual legal requirements.

6.3.2.3 Senior management employment contracts

Senior members of management have entered into contracts of employment with FINEOS. Annual remuneration packages are comprised of base salary and an annual cash bonus of up to 15% of salary, paid on achievement of agreed company and individual performance targets and up to 25% in respect of any over-achievement beyond such agreed targets.

Senior management receive a matching employer pension contribution of 10% of salary and healthcare cover, life insurance and permanent health insurance cover. Senior management may participate in the New Equity Incentive Plan but no awards have been made under the New Equity Incentive Plan as at the date of this Prospectus.

Either FINEOS or the employee may terminate the employee's employment, generally after the expiry of three to six months' notice in writing. Employment contracts with key members of management will generally include a restraint of trade period ranging from three to 12 months following expiry of the notice period, enforceability of which is subject to all usual legal requirements.

6.3.2.4 Non-executive Director appointment letters

Prior to the Prospectus Date, each of the non-executive Directors has entered into appointment letters with FINEOS, confirming their roles and responsibilities as directors of a public listed entity, and FINEOS' expectations of them as non-executive Directors.

6.3.2.5 Non-executive Director remuneration

Under FINEOS' Constitution, the Board may decide the total amount paid to each non-executive Director as remuneration for their services. However, under the ASX Listing Rules, the total amount paid to all non-executive Directors for their services (excluding, for these purposes, the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by FINEOS' general meeting.

This amount has been fixed by FINEOS at $800,000 per annum. For FY20, it is expected that the fees payable to the current non-executive Directors will not reach $800,000 in aggregate. Annual non-executive Director fees currently agreed to be paid by FINEOS are $160,000 to the Chairman, Anne O'Driscoll, $90,000 to Dr Martin Fahy, €55,000 to Peter Le Beau and €55,000 to Gilles Biscay. These non-executive Director fees include fees payable to each non-executive Director for his/her role on the relevant Board committees. All non-executive Directors' fees are exclusive of superannuation contributions where required by law to be made by FINEOS.

The non-executive Directors are not entitled to participate in any employee incentive scheme (including the Employee Incentive Plan).

Dr Martin Fahy and Ms Anne O'Driscoll are entitled to compensation for their services during the period prior to Completion. Anne and Martin have released their right to a cash payment and instead each will receive a one-off allotment of 8,000 CDIs each, to be issued on or by Completion.

Section 6.3.2.8 provides an overview of the CDIs in which non-executive Directors are expected to have an interest directly or indirectly through an investment vehicle at Completion.

6.3.2.6 Other information about Director's interests and benefits

Directors may be paid for travel and other expenses incurred in attending to FINEOS' affairs, including attending and returning from meetings of the Board or committees of the Board or general meetings. Any Director who devotes special attention to the business of FINEOS or who performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Director, may be remunerated for the services (as determined by the Board) out of the funds of FINEOS. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

6.3.2.7 Deed of indemnity, insurance and access

FINEOS has entered into a deed of indemnity, insurance and access with each Director which confirm each person's right of access to certain books and records of FINEOS and its wholly owned subsidiaries for a period of seven years after the Director ceases to hold office. This period may be extended where certain proceedings or investigations commence before the seven year period expires.

Pursuant to the Constitution, FINEOS will indemnify Directors and other officers of the Company against liabilities incurred in the execution of his or her duties to the extent permitted by law. Under the deed of indemnity, insurance and access, FINEOS indemnifies each Director against liabilities incurred as an officer of FINEOS and its subsidiaries, to the maximum extent permitted by law. The deed of indemnity, insurance and access stipulates that FINEOS will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

Pursuant to the Constitution, FINEOS may arrange and maintain directors' and officers' insurance for its Directors to the extent permitted by law. Under the deed of indemnity, insurance and access, FINEOS must obtain such insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven year period can be extended including where certain proceedings or investigations commence before the seven year period expires.

6.3.2.8 Director's interests and securities

The Directors are not required by the Constitution to hold any Shares or CDIs.

The table below sets out the expected interests of the Directors in Shares and CDIs in FINEOS as at the Prospectus Date and at Completion.

Other than Tom Wall who holds 2,775,640 options over CDIs under the Existing Option Plan (2,500,000 exercisable at €0.135 per option and 275,640 exercisable at €0.249 per option), no other Director holds any options over CDIs. Each option will entitle Tom Wall to 1 CDI upon exercise.

Table 35: Directors interests and securities

Director	Interest in Shares at the Prospectus Date	Shares to be sold under the Offer	Interest in CDIs at Completion (Undiluted)[1,7]	Interest in CDIs at Completion (fully diluted)[1,7]
Michael Kelly	182,333,430[2]	20,000,000[3]	166,418,041[4]	166,418,041[4]
Anne O'Driscoll	–	–	68,000[5]	68,000[5]
Martin Fahy	–	–	8,000[6]	8,000[6]
Gilles Biscay	–	–	–	–
Peter Le Beau	–	–	–	–
Tom Wall	–	–	–	2,775,640
Total	182,333,430	20,000,000	166,494,041	169,269,681

1. Undiluted refers to the number of CDIs on issue, and fully diluted refers to the number of CDIs and options (each over one Share) on issue, which are exercisable from 6 months after Listing.
2. Through investment companies, Jacquel Investments Limited and Jacquel First Limited, which are ultimately held by Michael Kelly and with his wife Jacqueline Kelly in equal proportions
3. Represents Shares to be sold through Jacquel First Limited.
4. Includes CDIs to be held through 51% interest in Carmen Investments Limited, a company with Jonathan Boylan as the other shareholder, on Completion.
5. Includes 8,000 CDIs issued to Anne O'Driscoll by or on Completion and 60,000 CDIs expected to be acquired by Anne under the Offer at the Offer Price (see section 6.3.2.5 for further information).
6. Includes 8,000 CDIs issued to Martin Fahy by or on Completion (see section 6.3.2.5 for further information).
7. Directors may apply for additional CDIs under the Offer. Final Directors' shareholdings will be notified to ASX following Listing.

Michael Kelly, through Jacquel Investments Limited, has agreed to purchase, on or prior to Completion, 51% of the shares in Carmen Investments Limited from Jonathan Boylan and his wife, at a price per share equivalent to the Offer price per CDI (less transaction costs). Completion of this acquisition is conditional on settlement under the Underwriting Agreement. The CDIs held by Jacquel Investments Limited and 51% of those held by Carmen Investments Limited (representing Michael Kelly's interest) on Completion will be subject to voluntary escrow arrangements (see Section 6.5).

Directors may apply for additional CDIs under the Offer. Final Directors' shareholdings will be notified to ASX following Listing.

6.3.3 Employee incentive arrangements

FINEOS has established various incentive arrangements to assist in attracting, motivating and retaining management and employees, including general incentive payments under contracts of employment, and/or the grant of options or other awards under the Existing Option Plan and the New Equity Incentive Plan.

6.3.3.1 Existing Option Plan

Prior to the Prospectus Date, FINEOS International Limited granted options under historical share option and retention plans to certain members of senior management and employees of the FINEOS group. On Completion, all such outstanding options will have lapsed and been replaced with substantially equivalent options over Shares (or CDIs) under a plan referred to in this Prospectus as the Existing Option Plan.

Following Completion, no further options will be granted under the Existing Option Plan (or the historical share option and retention plans).

Key features of the Existing Option Plan and the options outstanding under it are set out in the table below.

Table 36: Existing Option Plan

<table>
<tr><th>Key Feature</th><th colspan="2">Description</th></tr>
<tr><td>Participants</td><td colspan="2">Currently 53.</td></tr>
<tr><td>Administration</td><td colspan="2">The Existing Option Plan is administered by the Remuneration and Nomination Committee.</td></tr>
<tr><td>Eligibility</td><td colspan="2">Full-time and part-time employees of any FINEOS group company (including executive Directors) were eligible to receive options under the Existing Option Plan.</td></tr>
<tr><td>Expected number of options on Completion</td><td colspan="2">20,490,640 options over the same number of Shares/CDIs.</td></tr>
<tr><td rowspan="4">Vesting and Exercise</td><td colspan="2">Options are not subject to vesting conditions. They may be exercised from six months after Listing. The exercise prices of options are set out below. Upon exercise, the option holder will be entitled to receive one CDI in respect of each option.</td></tr>
<tr><td colspan="2">Exercise prices</td></tr>
<tr><td>11,900,000 options</td><td>8,590,640 options</td></tr>
<tr><td>€0.135 per option</td><td>€0.249 per option</td></tr>
<tr><td>Expiry</td><td colspan="2">Options will expire on 3 February 2026.</td></tr>
<tr><td>Variation on share capital</td><td colspan="2">In the event of a variation in FINEOS' capital structure (whether by way of a rights issue, a capitalisation of profits or reserves, a sub-division or consolidation of its Shares or any reduction of capital or otherwise), or if FINEOS distributes to its members any capital profits or capital reserves, the Remuneration and Nomination Committee may, subject to the Listing Rules, adjust the number and/or class of Shares/CDIs subject to an option and the exercise price per Share/CDI.</td></tr>
<tr><td>Rights associated with options</td><td colspan="2">Options do not carry dividend or voting rights.</td></tr>
<tr><td>Options not transferable</td><td colspan="2">Holders must not transfer, assign, mortgage, charge or otherwise dispose of options.</td></tr>
<tr><td>Cessation of employment</td><td colspan="2">An option will automatically lapse if the holder ceases to be an employee of the FINEOS group, unless the reason is the holder's death or retirement on or after age 65 or due to ill-health, in which case the option may be exercised up to its expiration date. If the holder's employment is terminated by FINEOS within six months after Listing, or a change of control of FINEOS, other than for cause, an option may be exercised until 12 months after the termination of employment.</td></tr>
</table>

Key Feature	Description
Change of control	If there is a change of control of FINEOS, holders may be required to exercise their options within a specified period, or the options may be cancelled in consideration for payment to the holders of cash or other consideration equivalent in value to the price payable per Share/CDI in the change in control, less the exercise price.
Cancellation and/or repricing	The Remuneration and Nomination Committee may, with the consent of the holders, cancel options and grant new options in substitution for them, over the same or a different number of Shares/CDIs and with lower or higher exercise prices, or amend the exercise price of options to provide one that is lower or higher.

6.3.3.2 New Equity Incentive Plan

FINEOS has adopted a new equity incentive plan (**New Equity Incentive Plan** or **NEIP**) which provides the framework under which individual grants of equity incentives (awards) may be made to employees (including executive Directors). No grants under the New Equity Incentive Plan will have been made on Completion. The key terms of the New Equity Incentive Plan are outlined below.

Table 37: New Equity Incentive Plan

Term	Description
Administration	The New Equity Incentive Plan will be administered by the Remuneration and Nomination Committee.
Eligibility	Full-time and part-time employees of any FINEOS group company (including executive Directors) are eligible to receive awards under the NEIP. The Remuneration and Nomination Committee will select eligible employees to whom awards are to be granted from time to time.
Aggregate share limit	The maximum number of Shares issuable under the NEIP will be five percent (5%) of FINEOS' total issued share capital from time to time.
Awards	The NEIP provides flexibility for FINEOS to grant the following types of awards: • options to subscribe for Shares (**options**); • rights to subscribe for Shares that are subject to restrictions, including on transfer, until specified conditions are satisfied (**restricted shares**); • rights to acquire Shares, subject to conditions (**restricted stock units** or **RSUs**); or • rights to receive Shares or cash, based on specified performance factors (**performance awards**), (together **awards**).
Shares/CDIs	Shares issuable under the NEIP may be newly issued Shares or treasury shares, already issued Shares acquired and held by an employee benefit trust established by FINEOS. FINEOS will deliver one CDI in lieu of an entitlement to receive one Share under the NEIP.
Conditions	The Remuneration and Nomination Committee will determine the terms and conditions each award; including; • the type of award; • the number or value of Shares/CDIs or other consideration subject to the award; • if the award is an option, the exercise price of the option, or if it is any other type of award, the purchase price (if any) payable for the Shares/CDIs under the award; and • any vesting conditions, including service and/or performance conditions. The terms and conditions of each award will be set out in an award agreement.

Term	Description
Exercise price or purchase price	The exercise price of an option must not be less than the market value of a CDI on the date of grant and the subscription price payable for a newly issued Share/CDI under any award may not be less than the nominal value of a Share.
Vesting and exercise	Options will become exercisable when the applicable vesting conditions have been satisfied. Restricted stock units and performance awards will vest and be settled by the delivery of CDIs (or, where applicable, cash) when the applicable vesting or performance conditions have been satisfied. Restricted shares will cease to be restricted when the applicable vesting conditions have been satisfied in accordance with the award agreement.
Lapsing and forfeiture	An option will lapse on the earlier of: ten years after grant, or any earlier date specified in the award agreement e.g. failure to satisfy a vesting condition. Restricted shares will become subject to forfeiture or compulsory transfer, and restricted stock units and performance awards will lapse, on the occurrence of a date or circumstance specified in the award agreement e.g. failure to satisfy a vesting or performance condition.
Dealing restrictions	A participant may not dispose of an award in any manner, other than on his death or if permitted by the Remuneration and Nomination Committee or pursuant to an award transfer program approved by the Remuneration and Nomination Committee that permits transfers in specified circumstances.
Cessation or change of employment	Vested options may be exercised within three months after the holder's employment with the FINEOS group ends, or 12 months in the case of death, retirement or termination due to disability. If the holder's employment terminates for cause, his vested and unvested options lapse. Unvested awards (other than restricted shares) lapse when the holder's employment ends. Restricted shares become subject to forfeiture or compulsory transfer when the holder's employment ends.
Change of control	Where there is a change of control event (for example a takeover bid, scheme of arrangement, merger or any other transaction or event that in the Board's opinion is a change of control of FINEOS), the Remuneration and Nomination Committee may determine, subject to the Listing Rules, with respect to each award, that: • options, to the extent not fully vested, will become vested and exercisable in full or in part; • restricted stock units or RSUs, to the extent not vested and / or settled in full, will become vested in full or in part and be settled; • performance awards will be settled in full or in part; • performance conditions applicable to awards will be waived in full or in part or performance will be measured at the time of or before the change of control event and/or the number of shares to vest may be prorated to such time; • awards having an exercise or purchase price that is equal to or greater than the value of consideration payable for a Share/CDI in the change of control event will be cancelled, without payment of consideration to the holder; • restricted shares will be exchanged for or replaced with substantially similar shares or other property of the surviving entity; • the award will be assumed or be replaced by an equivalent award; or • any other action will be taken in relation to the award that is equitable and substantially delivers or preserves the value of the award.

Term	Description
Award adjustments	In order to minimise material advantage or disadvantage to a participant resulting from a variation in FINEOS share capital, prior to the delivery of Shares/CDIs or payment to a participant, the Remuneration and Nomination Committee shall adjust the following the terms of an award appropriately and proportionately, subject to the Listing Rules: • the exercise price and/or number and/or class of Shares/CDIs subject to each outstanding option; • the purchase price and/or number and/or class of Shares/CDIs subject to other outstanding awards; and • the purchase price paid for restricted shares; provided that the exercise price or purchase price of any Share/CDI may not be less than the nominal value of a Share, and a fraction of a Share/CDI will not be issued.
Malus/clawback and other requirements	FINEOS may adopt a policy under which it will be entitled to cancel an award, reduce the number of Shares/CDIs subject to an award or recoup the economic benefit realised by a participant under an award, if the participant engages in activity that is harmful to FINEOS' interests. The Remuneration and Nomination Committee may impose on any award conditions requiring the retention of Shares/CDIs for minimum periods and/or the deferral of vesting or settlement of some or all of the Shares/CDIs. It may also impose on participants requirements for the acquisition and maintenance of minimum holdings of Shares/CDIs and make the grant or vesting of awards conditional upon compliance with those requirements.
Amendments	The Board may, on the recommendation of the Remuneration and Nomination Committee, amend or supplement the NEIP. The Board will not exercise such power without shareholder approval where such approval is required; or without a participant's consent where the amendment, will impair the participant's rights under an award, unless the award agreement expressly so provides. The Board, subject to the Listing Rules and having first consulted the Remuneration and Nomination Committee, may at any time suspend or terminate the NEIP in which event no new awards will be granted, but existing awards will remain in effect.
Listing Rules	The NEIP and awards made under it are always subject to the Listing Rules and applicable law.

6.4 Interests in securities of existing and new investors

Details of interests in shares (and CDI equivalents) of key investor types at the Prospectus Date and as expected on Completion, are set out below.

Table 38: Interest in securities of existing and new investors

	Immediately prior to the Offer (undiluted)		Immediately following the Offer (undiluted)[1]		Immediately following the Offer (fully diluted)[1]	
	Shares	**%**	**CDIs**	**%**	**CDIs**	**%**
Michael Kelly	182,333,430[2]	81.3%	166,418,041[4]	62.9%	166,418,041[4]	58.4%
Enterprise Ireland	21,672,060	9.7%	–	–	–	–
Jonathan Boylan	8,009,040[3]	3.6%	3,924,429[5]	1.5%	3,924,429[5]	1.4%
Other shareholders	10,998,320	4.9%	8,651,826	3.3%	8,651,826	3.0%
Other Board, management & employees	1,388,740	0.6%	1,093,401	0.4%	21,584,041	7.6%
Investors in the Offer	–	–	84,329,893	31.9%	84,329,893	29.6%
Total	**224,401,590[6]**	**100.0%**	**264,417,590**	**100.0%**	**284,908,230**	**100.0%**

1. Undiluted refers to the number of CDIs on issue, and fully diluted refers to the number of CDIs and options (each over one Share) on issue, which are exercisable from 6 months after Listing.
2. Refers to Shares held by Jacquel Investments Limited (a company held by Michael and his wife Jacqueline Kelly in equal proportions) and by Jacquel First Limited, a company owned by Jacquel Investments Limited (an Offeror under the Offer).
3. Refers to Shares held by a company associated with Jonathan Boylan (CTO), Carmen Investments Limited. Michael Kelly (through Jacquel Investments Limited) has agreed to acquire 51% of the shares in that company on or prior to Completion. See Section 6.3.2.8 for further information.
4. Refers to CDIs held by Jacquel Investments Limited and 51% of the CDIs held by Carmen Investments Limited (and excludes interests in Shares held by Jacquel First Limited at the Prospectus Date which will sold through the Offer). The total number of CDIs expected to be held by Jacquel Investments Limited and Carmen Investments Limited on Completion is 170.3 million (64%).
5. Includes the 49% of the CDIs held by Carmen Investments Limited on Completion.
6. As at the Prospectus Date, the share capital of the Company is divided into ordinary shares, preferred A shares, B ordinary redeemable shares and C ordinary redeemable shares. Immediately on commencement of Settlement, all of these classes of shares will be converted into ordinary shares such that on Listing the Company will have one class of shares; ordinary shares.

6.5 Voluntary escrow arrangements

Michael Kelly and Jonathan Boylan (and their associated company shareholders), have each entered into a voluntary escrow arrangement with FINEOS in relation to all of the CDIs in which they will have interest on Completion. Under each voluntary escrow arrangement, the relevant escrowed party agrees, subject to certain limited exceptions, not to deal in those CDIs until the times as set out below:

- **100% of the CDIs escrowed on Listing:** 4.15pm (Sydney time) on the date on which the financial results of FINEOS for the 12 month period ending 30 June 2020 are released to the ASX by FINEOS: and
- **50% of the CDIs escrowed on Listing:** 4.15pm (Sydney time) on the date on which the financial results of FINEOS for the 12 month period ending 30 June 2021 are released to the ASX by FINEOS.

Table 39: Voluntary escrow arrangements

Name	Number of CDIs held on Completion	Percentage of CDIs escrowed
Michael Kelly[1]	166,418,041	100%
Jonathan Boylan[2]	3,924,429	100%

1. Refers to CDIs held by Jacquel Investments Limited and 51% of the CDIs held by Carmen Investments Limited (and excludes interests in Shares held by Jacquel First Limited at the Prospectus Date which will sold through the Offer).
2. Refers to 49% of the CDIs held by Carmen Investments Limited on Completion.

The CDIs subject to voluntary escrow agreements will represent approximately 64% of CDIs on issue on Completion.[1]

The restriction on 'dealing' is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of any interest in the CDIs, encumbering or granting a security interest over the CDIs (except to the extent outlined in this Section 6.5), doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the CDIs or agreeing to do any of those things. There are limited circumstances in which the escrow may be released, or escrowed securities otherwise dealt with, early including:

- to allow the escrowed securityholder to accept an offer under a takeover or similar transaction in relation to its CDIs if holders of at least half of the securities the subject of the transaction that are not held by the escrowed securityholder have accepted the transaction or relevant offer (subject to a requirement to return the escrow CDIs to escrow if the bid does not become unconditional);
- to allow the CDIs held by the escrowed securityholders to be transferred or cancelled as part of a merger;
- to allow escrowed securityholder to participate in an equal share buyback, capital return or capital reduction in accordance with applicable law; or
- the grant of securities over any or all of their escrowed securities to a bona fide third party financial institution as security for a loan, hedge or other financial accommodation, provided that the encumbrance does not in any way constitute a direct or indirect disposal of the economic interests, or decrease an economic interest, that the relevant escrowed securityholder has in any of its escrowed securities and no escrowed securities may be transferred to the financial institution in connection with the encumbrance (with the documentation for such an encumbrance making clear that the escrowed securities remain in escrow and subject to the voluntary escrow arrangements for the term of those arrangements);
- a transfer (in one or more transactions) of any or all escrowed securities to an affiliate of the escrowed securityholder provided such affiliate transferee agrees to be bound by the voluntary escrow arrangements for the term of those arrangements;
- to the extent required by applicable law (including an order of a court of competent jurisdiction); or
- on the death or incapacity of the escrowed securityholder.

6.6 Corporate Governance

6.6.1 Overview

This Section 6.6 explains how the Board will oversee the management and corporate governance of FINEOS. The Board monitors the operational and financial position and performance of FINEOS and oversees its business strategy, including considering and approving FINEOS' strategic objectives and an annual business plan, including a budget.

Copies of FINEOS' key policies and practices and the charters for the Board and each of its committees will, from Completion, be available at www.fineos.com.

1. FINEOS' free float for the purposes of the ASX Listing Rule 1.1 Condition 7 will not be less than 20%.

6.6.2 Purpose, strategy and values

FINEOS was established to meet a gap in the market for a client centric, module-based core technology suite for the LA&H insurance industry. This market need has guided FINEOS since inception. FINEOS initially created the FINEOS Claims product, which has grown to be a niche market leader in the LA&H insurance industry, and in more recent years FINEOS has developed a suite of integrated products to support LA&H insurance policy administration. The FINEOS mission is to become the global market leader in core systems for group, voluntary and individual LA&H insurance on a single technology platform. This mission has guided the FINEOS strategy execution. The overarching FINEOS vision is both social and commercial and is to help ensure that everyone should have access to affordable financial protection, care and rehabilitation benefits in the case of illness, injury or loss.

In tandem with the above, FINEOS is committed to instilling and reinforcing lawful and responsible corporate values and culture, as part of its ongoing social awareness and continuous engagement with its investors, stakeholders and clients. FINEOS' growth strategy is guided by these values, as set out below, which include ensuring that FINEOS at all times is client focused and that staff are respectful, professional and trustworthy.

FINEOS' purpose guides the strategy it adopts and anchors its commitment to operate consistently with its values.

FINEOS' strategy comprises a number of key objectives. It seeks to:

- grow FINEOS' market lead in the claims space and enable faster and more streamlined adoption of its core products;
- maintain and develop relationships with providers in the LA&H insurance industry globally, with a view to both consolidating and expanding FINEOS group's international presence;
- provide clients with high quality and affordable customer-centric software that improves their operational efficiency and provides them with a clear competitive advantage;
- invest in the health of the company as a whole, including investment in staff training and development and the maintenance of an engaging and supportive culture, to ensure FINEOS attracts and retains the highest quality workforce;
- appropriately invest in R&D so as to continually improve FINEOS group's product offerings in a sustainable manner.

FINEOS' values articulate how it expects employees to behave and interact, whether with clients, related parties or their fellow employees, and how it expects the FINEOS group to be managed. These values have been developed by management in consultation with employees and based on client feedback. As FINEOS continues to grow, it anticipates that its values may shift and change, in particular as it engages with a broader client base. FINEOS is committed to ensuring that its values are adapted as necessary, and that such changes are integrated into the core of the company through training programs, recognition programs and performance and assessment processes.

FINEOS core values are:

- We are team players: Ensuring a commitment across the company to achieve common goals and that staff feel a sense of fulfillment, enjoyment and belonging in their respective workstream
- We are high achievers: Maintaining high standards, with the confidence to learn from mistakes and to continually seek improvement across the business
- We are customer-centric: Understanding that FINEOS' success is based on client success, with a clear focus on listening and understanding client's and customer's needs so as to build strong and lasting relationships.

FINEOS is also guided by a number of aspirational values, by which it seeks to develop further in order to maximize its success. These are:

- To be results driven: Ensure there is clarity, commitment and accountability for all goals and priorities and that the focus remains on measurable outcomes rather than just activities
- Ensure company-wide collaboration: Engage all staff as one FINEOS team focused on the best overall outcome and aid the development of positive relationships across teams within the FINEOS group
- Be positively challenged: Create an environment where new ideas are welcomed and where the workforce as a whole is challenged so as to learn and develop both at an individual and company level

6.6.3 Corporate governance framework

The Board is committed to maximising performance, generating appropriate levels of securityholder value and financial return, and sustaining the growth and success of FINEOS. In conducting business with these objectives, the Board seeks to ensure that FINEOS is properly managed to protect and enhance securityholder interests, and that FINEOS, and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing FINEOS, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for FINEOS' business and which are designed to promote the responsible management and conduct of FINEOS.

At Completion, FINEOS will be an entity listed on ASX. The ASX Corporate Governance Council has developed and released its 3rd edition of ASX Corporate Governance Principles and Recommendations (**ASX Principles**) for listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. Under the ASX Listing Rules, FINEOS will be required to provide a corporate governance statement in its annual report disclosing the extent to which it has followed the ASX Principles in the reporting period. Where FINEOS does not follow an ASX Principle, it must identify the relevant recommendation or principle that has not been followed and give reasons for not following it.

The ASX Corporate Governance Council recently released its 4th edition of the ASX Principles for Australian entities, which will not apply to FINEOS until 1 July 2020. However, to promote good corporate governance and a strong understanding of these principles, FINEOS has prepared its corporate governance policies having considered the 4th edition and intends to adjust its existing policies, if required, to be fully compliant with the 4th edition by 1 July 2020.

The main policies and practices adopted by FINEOS, which will take effect from listing, are summarised below. In addition, many governance elements are contained in the Constitution. Except as set out below, FINEOS does not anticipate that it will depart from the recommendations of the ASX Principles, however, it may do so in the future if it considers that such a departure would be reasonable or appropriate.

6.6.4 The Board

The Constitution requires that FINEOS has a minimum of two Directors, with the maximum number of Directors being set at 11, unless FINEOS, by ordinary resolution, determines otherwise. The Board shall initially comprise six Directors: an independent non-executive Chairman, three Independent non-executive Directors and two executive Directors (the CEO and CFO). Biographies of the Board members are provided in Section 6.1.

Each Director has confirmed to FINEOS that he or she anticipates being available to perform his or her duties as a non-executive Director or executive Director, as the case may be, without constraint from other commitments.

In determining whether a Director is "independent", the Board has adopted the definition of this word in the ASX Principles. Consequently, a Director will be considered "independent" if that Director is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the entity and its shareholders generally. The Board will consider the materiality of any given relationship on a case-by-case basis, with the Board Charter to assist in this regard.

The Board considers that each of the non-executive Directors are independent Directors, free from any business or any other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of the Director's judgment and that each is able to fulfil the role of an independent Director for the purposes of the ASX Principles. Peter Le Beau will not hold any CDIs on Completion but has been on the board of Fineos Corporation Limited, the main operating entity of the FINEOS group, since 2010. The Board (absent of Peter) has specifically taken this into consideration when considering whether Peter should be considered to be independent. The Board does not consider that Peter's contribution as a director of Fineos Corporation Limited to be sufficiently dominant or influential in the circumstances so as to conclude that he is not independent. As CEO and CFO, Michael Kelly and Tom Wall respectively are not currently considered by the Board to fulfil the role of an independent Director. On this basis, the Board will consist of a majority of independent Directors.

None of the Directors are acting as nominee or representative of any securityholder (other than in respect of their own direct or indirect interests), nor as nominees or representatives of the Joint Lead Managers or suppliers to FINEOS.

The Board will regularly review the independence of each Director in light of interests disclosed to the Board and will disclose any change to ASX, as required by the ASX Listing Rules.

6.6.4.1 Board Charter

The Board has adopted a written charter to provide a framework for the effective operation of the Board, which sets out:

- the roles and responsibilities of the Board including to provide overall strategic guidance for FINEOS and effective oversight of management, oversight of FINEOS' financial and capital management, management and review of FINEOS' compliance with its disclosure obligations and the Continuous Disclosure Policy (see Section 6.6.6.2) promotion of effective engagement with shareholders, oversight of policies between FINEOS and other stakeholders, ethical and responsible decision making along with compliance and risk management;
- the role and responsibilities of the Chairman and company secretary;
- the delegations of authority of the Board to both committees of the Board, the CEO and other management of FINEOS;
- the membership of the Board, including in relation to the Board's composition and size and the process of selection and re-election of Directors, independence of Directors and conduct of individual Directors;
- the Board process, including how the Board meets; and
- the Board's performance evaluation processes, including in respect of its own performance, and the performance of the Board committees, individual Directors and senior management.

The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by officers to whom the management function is properly delegated by the CEO). Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.

Directors are entitled to access senior management and request additional information at any time they consider appropriate. The Board collectively, and each Director individually, may seek independent professional advice, subject to the approval of the Chairman, or the Board as a whole.

6.6.5 Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. To assist in carrying out its responsibilities, the Board has established an Audit and Risk Management Committee and a Remuneration and Nomination Committee, and other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of FINEOS, relevant legislative and other requirements and the skills and experience of individual Directors.

6.6.5.1 Audit & Risk Management Committee

The role of the Audit and Risk Management Committee is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities including oversight of:

- the integrity of FINEOS' external financial reporting and financial statements;
- the appointment, remuneration, independence and competence of FINEOS' external auditors;
- the performance of the external audit function and review of its audit;
- the effectiveness of FINEOS' system of risk management and internal controls; and
- FINEOS' systems and procedures for compliance with applicable legal regulatory requirements.

In accordance with the ASX Corporate Governance recommendations, the Audit & Risk Management Committee comprises four non-executive Directors (all of whom are independent), Dr Martin Fahy, Anne O'Driscoll, Peter Le Beau and Gilles Biscay. Martin is the Chairperson.

6.6.5.2 Remuneration & Nomination Committee

The role of the Remuneration & Nomination Committee is to assist and advise the Board on the following nomination related matters:

- FINEOS' remuneration policies and incentive plans, including as they apply to Directors and senior executives;
- appointment and re-election of Directors;

- induction and continuing professional development programs for directors;
- development and implementation of processes for evaluating the performance of the Board, and its committees and Directors;
- processes for recruiting new Directors (including evaluation of skills, independence and experience); and
- succession planning for the Board, the CEO and other senior management,

to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of FINEOS as a whole.

The Remuneration & Nomination Committee comprises four non-executive Directors (all of whom are independent), Dr Martin Fahy, Anne O'Driscoll, Peter Le Beau and Gilles Biscay. Anne is the Chairperson.

6.6.6 Corporate Governance Policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Principles.

FINEOS' policies and corporate governance practices will continue to be reviewed regularly and will continue to be developed and refined to meet FINEOS' needs.

6.6.6.1 Risk Management Policy

The identification and proper management of FINEOS' risks are a key priority of the Board. The Board has adopted a Risk Management Policy appropriate for its business which highlights the risks relevant to FINEOS' operations and FINEOS' commitment to designing and implementing systems and methods appropriate to minimise and control its risks.

The Board is responsible for overseeing and approving risk management strategy and policies, monitoring risk management, and establishing procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

The Board will undertake an annual review of its risk management procedures to ensure that it complies with its legal obligations. The Board has in place a system whereby management is required to report as to its adherence to policies and guidelines approved by the Board for the management of risks.

6.6.6.2 Continuous Disclosure Policy

Once listed, FINEOS will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, FINEOS will be required to immediately disclose to ASX any information concerning FINEOS which is not generally available and which a reasonable person would expect to have a material effect on the price or value of its securities.

FINEOS has adopted a policy to take effect from Completion, which establishes procedures which inform Directors and management of their obligations in relation to timely disclosure of material price-sensitive information. Under the Continuous Disclosure Policy, the company secretary in conjunction with the Board will be responsible for managing FINEOS' compliance with its continuous disclosure obligations.

Information will be communicated to CDI holders through the lodgement of all relevant financial and other information with ASX and continuous disclosure announcements will be made available on FINEOS' website at www.fineos.com/investors.

6.6.6.3 Securities Trading Policy

FINEOS has adopted a Securities Trading Policy which will apply to FINEOS and its Directors, officers, senior management, and certain other employees and contractors and their connected persons (including those persons having authority and responsibility for planning, directing and controlling the activities of FINEOS, whether directly or indirectly).

The policy is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and establish procedures in relation to Directors, officers, senior management, and certain other employees and contractors dealing in securities.

Subject to certain exceptions, including exceptional financial circumstances, the policy defines certain "prohibited periods" during which trading in securities by Directors, officers, senior management, and certain other employees and contractors and their connected persons is prohibited.

Those prohibited periods are currently defined as the following periods:

- FINEOS' year end until after the release of FINEOS' full year results;
- FINEOS' half year end until after the release of FINEOS' half yearly results; and
- any additional periods imposed by the Board from time to time (e.g. when FINEOS is considering matters which are subject to ASX Listing Rule 3.1A).

Outside these periods, Directors, officers, senior management, and certain other employees and contractors and their connected persons must receive clearance for any proposed dealing in securities and, in all instances, buying or selling securities is not permitted at any time by any person who possesses price-sensitive information.

6.6.6.4 Code of Conduct

FINEOS is committed to providing an ethical and legal framework within which its employees conduct FINEOS' business. Accordingly, FINEOS has adopted a Code of Conduct to take effect from Completion, which sets out the values, commitments, ethical standards and policies of FINEOS and outlines the standards of conduct expected of the business and FINEOS' employees, taking into account FINEOS' legal and other obligations to its stakeholders.

6.6.6.5 Diversity Policy

The Board has adopted a Diversity Policy which sets out FINEOS' commitment to diversity and inclusion in the workplace at all levels. The policy provides a framework to achieve FINEOS' diversity goals and commitment to creating a diverse work environment where everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of FINEOS. The Board will oversee the implementation of the policy and assess progress in achieving its objectives.

6.6.6.6 Communications Policy

The Board aims to provide securityholders with sufficient information to assess the performance of FINEOS and that they are informed of all major developments affecting the state of affairs of FINEOS relevant to CDI holders in accordance with all applicable laws. Information will be communicated to CDI holders through the lodgement of all relevant financial and other information with ASX and publishing information on FINEOS' website, www.fineos.com/investors.

In particular, FINEOS' website will contain information about FINEOS, including media releases, key policies and the terms of reference of its Board committees. All relevant announcements made to the market and any other relevant information will be posted on FINEOS' website as soon as they have been released to ASX.

6.6.6.7 Whistleblower Policy

FINEOS is committed to promoting and supporting a culture of corporate compliance and ethical behaviour. FINEOS has adopted a Whistleblower Policy, to apply from listing on the ASX, which encourages employees to raise any concerns and report instances of illegal or unethical behaviour, without fear. The Whistleblower Policy establishes the mechanisms and procedures for employees to report unethical or illegal conduct in a manner which protects the whistleblower and gathers the necessary information for FINEOS to investigate such reports and act appropriately.

6.6.6.8 Anti-Bribery and Corruption Policy

FINEOS has zero tolerance for, and is committed to preventing, corruption and the offer, provision or acceptance of bribes. FINEOS has adopted an Anti-Bribery and Corruption Policy that will apply from listing on the ASX. This policy sets out FINEOS' standards and guidelines on what constitutes bribery and corruption, offering accepting and providing gifts and hospitality, participating in tenders and procuring goods and services, and providing donations and sponsorship.

6.6.6.9 Remuneration Policy

FINEOS is committed to attracting and retaining the highest quality employees and management, a key element of which is ensuring that all persons are remunerated appropriately. The Remuneration Policy, to apply from listing on the ASX, establishes a framework for remuneration that is designed to ensure all FINEOS employees are remunerated fairly and responsibly in line with FINEOS' values, securityholder expectations and relevant legal and regulatory provisions.

6.7 Related party transactions

FINEOS is not party to any arrangements with related parties (as defined in the Corporations Act or with connected persons as defined in the Irish Companies Act) which are not described in this Prospectus. In particular, this Section 6 summarises the arrangements between FINEOS and its Directors.

In addition, Fineos Corporation Limited (Ireland) is party to a lease agreement with a company controlled by Michael Kelly. The lease is for the building in Block D, EastPoint Business Park, Dublin which houses FINEOS' principal Irish offices. Its term extends until 12 June 2029 with no express options for renewal in favour of either party. The lease provides for a rent review on 13 June 2024 at market rates. Rent payable by FINEOS is currently €780,000 per annum (excluding taxes).

FINEOS' non-executive Directors believe that the lease agreement is on arm's length terms and that the risks faced by FINEOS from this contract are not materially different from or are more favourable to FINEOS than those it would face had the contract had been entered into with a counterparty without the connection to Michael Kelly.

7 Details of the Offer

7. Details of the Offer

7.1 What is the Offer?

This Prospectus relates to an initial public offering of 40 million CDIs over new Shares to be issued by the Company, 20 million CDIs over existing Shares to be sold by Jacquel First Limited, 24.4 million CDIs over existing Shares to be sold by SaleCo, and application for admission of the Company to the official list of ASX. Each CDI will represent one Share. All CDIs, and all the Shares to which they relate, will rank equally with each other, respectively. CDIs are offered at $2.50 per CDI. The Offer is underwritten by the Joint Lead Managers and will raise $211.0 million, of which $100 million will be received by the Company, $50 million by Jacquel First Limited and $61 million will be distributed to Selling Shareholders (less certain transaction and stamp duty costs).

7.1.1 Offer structure

The Offer comprises:

- the Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for CDIs;
- the Broker Firm Offer, which is open to Australian resident retail investors and sophisticated investors who have received a firm allocation from their broker; and
- The Chairman's List Offer, which is open to persons who have received a Chairman's list invitation from the Company.

The allocation of CDIs between the Broker Firm Offer, the Institutional Offer and the Chairman's List Offer will be determined by agreement between the Offerors and the Joint Lead Managers having regard to the allocation policies described in Sections 7.3, 7.3.5 and 7.5 below.

7.1.2 Is the Offer underwritten?

The Offer is fully underwritten by the Joint Lead Managers. A summary of the Underwriting Agreement, including the events which would entitle the Joint Lead Managers to terminate the Underwriting Agreement, is set out in Section 9.4.

7.1.3 Use of Funds

The Offer is being conducted to:

- strengthen FINEOS' balance sheet by increasing the cash and cash equivalents, as well as to repay the EIB Loan;
- fund the FINEOS' growth and presence in its current markets and expansion into new markets;
- provide FINEOS with the benefits of an increased profile that arises from being listed, including attracting and retaining quality employees;
- provide FINEOS with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy;
- provide an opportunity for Selling Shareholders to sell interests in the Company; and
- provide a liquid market for CDIs and an opportunity for others to invest in the Company.

The Offer is expected to raise $211.0 million for the Company. The proceeds of the Offer received will be applied as described in the table below. The proceeds of the Offer received by SaleCo from the sale of CDIs in respect of Shares will be paid to SaleCo and distributed by SaleCo to the respective Selling Shareholders. The proceeds of the Offer received by Jacquel First Limited from the sale of CDIs in respect of its Shares will be paid to Jacquel First Limited.

Table 40: Use of funds

Uses	€m	A$m	%
FINEOS			
Repayment of EIB Loan	16.6	26.4	13%
Payment of the costs of the Offer	10.7	17.0	8%
Fund investment and working capital	35.5	56.6	27%
Other Offerors			
Proceeds to SaleCo and Jacquel First Limited	69.7	111.0	53%
Total	**132.6**	**211.0**	**100%**

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales performance, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied. In addition, as the proceeds of the Offer will be received in Australian dollars and, as the expenditure will be in Euros, the actual amount of the proceeds used for each of the items above will depend on the $A:€ exchange rate at the time that the funds are converted to Euro.

The Board believes that the Company's current cash reserves, its cashflow from existing operations, plus the net proceeds of the Offer will be sufficient to fund the Company's stated business objectives as described in this Prospectus.

7.1.4 Sale of Shares by Selling Shareholders

Selling Shareholder Jacquel First Limited is a wholly-owned subsidiary of Jacquel Investments Limited, a company owned by Michael Kelly and his wife Jacqueline Kelly. Michael Kelly is the sole director of Jacquel First Limited (Irish Company Registration – 653045). 20 million Shares held by Jacquel First Limited will be offered under the Offer. SaleCo, is a special purpose vehicle incorporated in Ireland, that has been established to facilitate the sale of 24.4 million Shares by the other Selling Shareholders. Each of these other Selling Shareholders has executed agreements in favour of, and for the benefit of, SaleCo under which they agree to sell at the Offer Price some or all of their Shares to SaleCo free from encumbrances and third party rights, and conditional on Completion. The sole shareholder and director and secretary of SaleCo is Michael Kelly.

The Selling Shareholders Shares will be transferred by Jacquel First Limited and SaleCo to CDN and CDIs will be registered in the name of successful applicants at the Offer Price per CDI. Proceeds from the offer of CDIs over these Shares will be paid to Jacquel First Limited, and to SaleCo for distribution to the other Selling Shareholders. SaleCo and Jacquel First Limited have no material assets, liabilities or operations other than their interests in and obligations under the Underwriting Agreement, and the sale agreements with Selling Shareholders in SaleCo's case.

Details of the number of Shares that Selling Shareholders will sell to SaleCo is provided in the table at 6.3.3.

7.1.5 Corporate Structure

An overview of the corporate structure of FINEOS at completion is set out in Section 9.2.

7.1.6 Other information about the Offer

FINEOS' pro forma balance sheet following Completion, including details of the pro forma adjustments, is set out in Section 4.5. The financial year of FINEOS ends on 30 June annually.

A summary of FINEOS' capitalisation and indebtedness as at 31 December 2018 and following Completion is set out in Section 4.6.

Except as described in this Prospectus, the Company has not granted, or proposed to grant any rights to any person, or to any class of person, to participate in an issue of the Company's securities.

Details of interests in Shares (and CDI equivalents) of key investor types at the Prospectus Date and as expected on Completion, are set out in clause 6.3.2.

7.2 Terms and Conditions of the Offer

Topic	Summary
What type of security is being offered?	CHESS Depositary Interests (CDIs) over Shares in the Company. Each Share is equivalent to one (1) CDI.
What rights and liabilities are attached to the security being offered?	The holders of CDIs receive all of the economic benefit of actual ownership of the underlying Shares. CDIs are traded in a manner similar to the shares of an Australian listed company. The Shares underlying the CDIs will rank equally with the Shares currently on issue in the Company. There are certain differences between the Shares and ordinary shares which are typically issued by Australian incorporated public companies. A description of the CDIs and the underlying Shares, including the rights and liabilities attaching to them, is set out in Section 9.5.
What is the Offer Price?	The Offer Price is A$2.50 per CDI.
What is the offer period?	The key dates, including details of the offer period, are set out on page 11 in the Key Offer Details section. The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time.
What are the cash proceeds to be raised?	Approximately $211.0 million is expected to be raised under the Offer based on the Offer Price if the Offer proceeds.
Is the Offer underwritten?	Yes, the Offer is fully underwritten by the Joint Lead Managers. Refer to Section 9.3 for a summary of the Underwriting Agreement.
What is the minimum and maximum Application size under the Broker Firm Offer or Chairman's List Offer?	The minimum Application under the Broker Firm Offer and the Chairman's List Offer is 800 CDIs (A$2,000). There is no maximum number or value of CDIs that may be applied for under the Offer except that if you have received a personalised invitation to participate in the Chairman's List Offer, you may apply for an amount up to and including the amount indicated on your invitation. The Offerors and the Joint Lead Managers, reserve the right to treat any applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, as bids in the Institutional Offer or to reject the application(s). The Offerors and the Joint Lead Managers, reserve the right to aggregate any applications that they believe may be multiple applications from the same person.

7. Details of the Offer (continued)

Topic	Summary
What is the allocation policy?	The allocation of CDIs between the Broker Firm Offer, the Institutional Offer and the Chairman's List Offer will be determined by the Joint Lead Managers by agreement with FINEOS and the Offerors, having regard to the allocation policies outlined in Sections 7.3, 7.3.5 and 7.5. With respect to the Broker Firm Offer, it will be a matter for the Broker to determine how they allocate CDIs among their eligible clients. The Broker (and not FINEOS or the Joint Lead Managers) will be responsible for ensuring that eligible clients who have received an allocation from them receive the relevant CDIs. The allocation of CDIs among applicants in the Institutional Offer will be determined by the Joint Lead Managers, FINEOS and the Offerors. The final allocation of CDIs under the Chairman's List Offer will be determined by the Company in their discretion. The Company has absolute discretion regarding the level of scale-back and the allocation of CDIs under the Offer (if any).
Will the CDIs be listed?	The Company will apply to the ASX for admission to the Official List and quotation of its CDIs on the ASX under the code FCL. Completion is conditional on, among other things, ASX approving the application. If approval is not given within three months after the application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with ASX Listing Rules, subject to any waivers obtained by the Company from time to time and provided such compliance will not result in a breach of Irish law. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of, or an investment in FINEOS.
When are the CDIs expected to commence trading?	It is expected that trading will commence on 16 August 2019, initially on a deferred settlement basis. Details are provided in the Important Dates Section on page 11. It is the responsibility of each applicant to confirm their holding before trading. Applicants who sell CDIs before they receive an initial statement of holding do so at their own risk. The Offerors, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell CDIs before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by the FINEOS Offer Information Line, a Broker or otherwise.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched by standard post on 19 August 2019. Refunds (without interest) to applicants who make an Application and receive an allocation of CDIs, the value of which is smaller than the amount of the application monies, will be made as soon as practicable after Completion of the Offer.
Are there any escrow arrangements?	Yes. Details are provided in Section 6.5.

Topic	Summary
Has any ASIC relief or ASX waiver or confirmation been sought, obtained or been relied on?	Yes. Details are provided in Section 7.10.
Are there brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of CDIs under the Offer under Australian law. Refer to Section 9.9.6 for information in relation to stamp duty under Irish law. See Section 9.4.1 for details of fees payable by the Company to the Joint Lead Managers.
Are there any tax considerations?	Yes. Please refer to Section 9.9 for an overview of certain Australian and Irish tax implications for Australian investors acquiring CDIs under the Offer. Note that it is recommended that all potential investors consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of CDIs, having regard to their specific circumstances.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the FINEOS Offer Information Line on 1300 737 760 (toll free within Australia) between 9.00am and 5.00pm AEST, Monday to Friday. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you require assistance in completing the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining CDIs is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant, tax adviser financial adviser or other independent professional adviser before deciding whether to invest.

7.3 Broker Firm Offer

7.3.1 Who can apply

The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia. If you have been offered a firm allocation by a Broker, you will be treated as an applicant under the Broker Firm Offer in respect of that allocation. You should contact your Broker to determine whether they may allocate CDI's to you under the Broker Firm Offer.

7.3.2 How to apply

Applications for CDIs may only be made on a Broker Firm Application Form attached to or accompanying this Prospectus which may be downloaded in its entirety from www.fineos.com/investors. If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Application Form with the Broker from whom you received your firm allocation. Broker Firm Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Broker Firm Application Form.

By making an application, you declare that you were given access to this Prospectus (or any replacement Prospectus), together with a Broker Firm Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum application under the Broker Firm Offer is $2,000 worth of CDI's. There is no maximum value of CDI's that may be applied for under the Broker Firm Offer. However the Offerors and the Joint Lead Managers reserve the right to aggregate any applications which they believe may be multiple applications from the same person or reject or scale back any applications in the Broker Firm Offer which are for more than $250,000. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

Applicants under the Broker Firm Offer must lodge their Broker Firm Application Form and application monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Broker Firm Application Forms to the Registry.

The Broker Firm Offer opens at 9.00am (Sydney time) on 5 August 2019 and is expected to close at 5.00pm (Sydney time) on 9 August 2019. The Company and the Manager may elect to extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their applications as early as possible. Please contact your Broker for instructions.

The Offerors and the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your application.

7.3.3 How to pay

Applicants under the Broker Firm Offer must pay their application monies in accordance with instructions received from their Broker.

7.3.4 Acceptance of applications

An application in the Broker Firm Offer is an offer by an applicant to subscribe for CDIs in the amount specified on the Broker Firm Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Broker Firm Application Form. To the extent permitted by law, an application by an applicant under the Offer is irrevocable.

An application may be accepted by the Offerors in respect of the full number of CDIs specified on the Broker Firm Application Form, without further notice to the applicant. Acceptance of an application will give rise to a binding contract.

7.3.5 Application monies

The Offerors reserve the right to decline any application in whole or in part, without giving any reason. Applicants under the Broker Firm Offer whose applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied for, will receive a refund of all or part of their application monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose applications are accepted in full will receive the whole number of CDIs calculated by dividing the application amount by the Offer Price. Where the Offer Price does not divide evenly into the application amount, the number of CDIs to be allocated will be determined by the applicant's Broker.

7.3.6 Broker Firm allocation policy

The allocation of firm stock to Brokers has been determined by the Joint Lead Managers and the Company. CDIs that have been allocated to Brokers for allocation to their clients will be issued or transferred to the applicants nominated by those Brokers (subject to the right of the Offerors and the Joint Lead Managers to reject, aggregate or scale back applications). It will be a matter for each Broker as to how they allocate CDIs among their retail clients, and they (and not the Offerors or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant CDIs.

The Company expects to announce the final allocation policy under the Broker Firm Offer on or about Completion. Applicants in the Broker Firm Offer will be able to call the FINEOS IPO Information Line on 1300 737 760 (toll free within Australia) from 8.30am to 5.30pm (Sydney Time), Monday to Friday (excluding public holidays), to confirm their allocation. Applicants under the Broker Firm Offer will also be able to confirm their allocation through the Broker from whom they received their allocation.

7.4 Chairman's List Offer

7.4.1 Who can apply

The Chairman's List Offer is open to investors who have received an invitation to participate in the Chairman's List Offer from the Company. If you have been invited by the Company to participate in the Chairman's List Offer, you will be treated as an applicant under the Chairman's List Offer in respect of those CDIs that are allocated to you.

No offer is made, and no person may subscribe, under the Chairman's List Offer in circumstances which would require the publication of a prospectus under the EU Prospectus Regulations or the legislation of any Member State of the European Economic Area implementing the EU Prospectus Regulations or would otherwise constitute a public offer of transferable securities to the public in Ireland or elsewhere in the European Economic Area.

7.4.2 How to apply

If you have received an invitation from the Company to participate in the Chairman's List Offer, you will be separately advised of the application procedures under the Chairman's List Offer.

The Chairman's List Offer opens at 9.00am (Sydney time) on 5 August 2019 and is expected to close at 5.00pm (Sydney time) on 9 August 2019. The Company and the Joint Lead Managers may elect to extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice (subject to ASX Listing Rules and the Corporations Act). Applicants are therefore encouraged to submit their applications as early as possible.

7.4.3 How to pay

Applicants under the Chairman's List Offer must pay their application monies in accordance with instructions received from the Company.

7.4.4 Acceptance of applications

An application in the Chairman's List Offer is an offer by an applicant to the Company to subscribe for CDIs in the amount specified on the Chairman's List Offer Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Chairman's List Offer Application Form. To the extent permitted by law, an application is irrevocable.

An application may be accepted by the Company and the Joint Lead Managers in respect of the full number of CDIs specified on the Chairman's List Offer Application Form or any of them, without further notice to the applicant. Acceptance of an application will give rise to a binding contract.

7.4.5 Application monies

The Company reserves the right to decline any application in whole or in part, without giving any reason. Applicants under the Chairman's List Offer whose applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied for will receive a refund of all or part of their application monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose applications are accepted in full will receive the whole number of CDIs calculated by dividing the application amount by the Offer Price. Where the Offer Price does not divide evenly into the application amount, the number of CDIs to be allocated will be determined by the Company.

You should ensure that sufficient funds are held in the relevant account to cover the amount of your BPAY® or electronic funds transfer payment. You may also pay by cheque or bank draft also ensuring that sufficient funds are held in the relevant account to cover the amount of your cheque or bank draft payment.

If payment for application monies (or the amount for which those cheque or bank draft clear in time for allocation) is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of CDIs or your application may be rejected. All payments must be made in Australian dollars.

7.4.6 Chairman's List Offer allocation policy

The Company will determine the allocation of CDIs to applicants under the Chairman's List Offer and may reject an application, or allocate fewer CDIs than applied for.

7. Details of the Offer (continued)

7.5 Institutional Offer

7.5.1 Invitation to bid

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for CDIs. The Joint Lead Managers have separately advised Institutional Investors of the application procedures for the Institutional Offer. Offers and acceptances in the Institutional Offer are made with disclosure and under this Prospectus and are at the Offer Price.

7.5.2 Institutional Offer allocation policy

The allocation of CDIs among applicants in the Institutional Offer was determined by the Joint Lead Managers and the Offerors. The Joint Lead Managers and the Offerors had absolute discretion regarding the basis of allocation of CDIs among Institutional Investors and there was no assurance that any Institutional Investor would be allocated any CDIs, or the number of CDIs for which it had bid.

The allocation policy is influenced by, but not constrained by, the following factors:

- the price and number of CDIs bid for by particular bidders;
- FINEOS' desire for an informed and active trading market following listing on the ASX;
- FINEOS' desire to establish a wide spread of institutional shareholders;
- the overall level of demand under the Broker Firm and Institutional Offers;
- the timeliness of the bid by particular bidders; and
- any other factors that the Offerors and the Joint Lead Managers consider appropriate.

7.6 Underwriting arrangements

The Offer is fully underwritten. The Offerors and the Joint Lead Managers have entered into an Underwriting Agreement under which the Joint Lead Managers have jointly been appointed as managers and underwriters of the Offer. The Joint Lead Managers agree, subject to certain conditions and termination events, to underwrite applications for all CDIs under the Offer. The Underwriting Agreement sets out a number of circumstances under which the Joint Lead Managers may terminate the Underwriting Agreement and their underwriting obligations.

A summary of certain terms of the agreement and underwriting arrangements, including the termination provisions, is provided in Section 9.4.

7.7 Restrictions on Distribution

No action has been taken to register or qualify this Prospectus, the CDIs or the Offer or otherwise to permit a public offering of the CDIs in any jurisdiction outside Australia. This Prospectus does not constitute an offer or invitation to subscribe for CDIs in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

It does not comprise a prospectus for the purposes of the EU Prospectus Regulations and has not been submitted to or reviewed or approved by the Central Bank of Ireland or any other European regulatory authority. This document does not constitute an offer of transferable securities to the public in Ireland or elsewhere in the EEA.

No action has been taken to register or qualify the CDIs or the Offer, or to otherwise permit a public offering of securities, or possession or distribution of this Prospectus in any jurisdiction outside Australia, where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

The CDIs will not be offered, sold or delivered directly or indirectly (A) in Ireland except to "Qualified Investors" as defined in Schedule 2 of the European Union (Markets in Financial Instruments) Regulations 2017 (MIFID II) (as amended) and to any other persons to whom such CDIs may otherwise be lawfully offered, sold or delivered under the EU Prospectus Regulations, and (B) in any other Member State of the EEA, except to any persons to whom such CDIs may otherwise be lawfully offered, sold or delivered under the legislation of that Member State implementing EC Directive 2003/71/EC (as amended).

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The CDIs have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Each applicant in the Broker Firm Offer and Chairman's List Offer, and each person to whom the Institutional Offer is made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- if outside Australia, it is a person to whom the Offer can be lawfully made and Shares and CDIs lawfully allocated and issued to without the requirement of any person to prepare, or file with any regulatory authority, a prospectus or other document under the laws applicable to that person or the jurisdiction it is in;
- it understands that the CDIs have not been, and will not be, registered under the U.S. Securities Act or the securities law of any state of the US and may not be offered or sold, directly or indirectly, in the US;
- it is not in the US;
- it has not and will not send the Prospectus or any other material relating to the Offer to any person in the US; and
- it will not offer or sell the CDIs in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and in compliance with all applicable laws in the jurisdiction in which CDIs are offered and sold.

Any offer, sale or resale of the CDIs in the US by a dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if made prior to 40 days after the date on which the Offer Price is determined and the CDIs are allocated under the Offer or if such CDIs were purchased by a dealer under the Offer.

Each applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

Each applicant under the Broker Firm Offer and Chairman's List Offer will be required to make, or will be deemed to have made, certain representations, warranties and covenants set out in the Application Form attached to or accompanying this Prospectus.

7.8 Discretion regarding the Offer

The Offerors may withdraw the Offer at any time before the issue or transfer of CDIs to successful applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded (without interest).

The Offerors and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications either generally or in particular cases, reject any application, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate to any applicant fewer CDIs than applied for.

7.9 ASX listing, registers and holdings statements and deferred settlement trading

7.9.1 Application to ASX for listing and quotation of CDIs

The Company will apply, within seven days after the Prospectus Date, to ASX for admission to the official list of ASX and quotation of the CDIs on ASX (which is expected to be under the ASX code 'FCL').

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the official list is not to be taken as an indication of the merits of FINEOS or the CDIs offered for subscription.

If permission is not granted for the official quotation of the CDIs on ASX within three months after the date of this Prospectus (or any later date permitted by law), all application monies received by the Offerors will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

7.9.2 CHESS and issuer sponsored holdings

The Company will apply to participate in ASX's Clearing House Electronic Sub-register System ("CHESS") and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the CDIs become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, being an electronic CHESS subregister or an issuer sponsored subregister. For all successful Applicants, the CDIs of an investor who is a participant in CHESS or an investor sponsored by a participant in CHESS will be registered on the CHESS subregister. All other CDIs will be registered on the issuer sponsored subregister.

Following Completion, CDI holders will be sent a holding statement that sets out the number of CDIs that have been allocated to them. This statement will also provide details of CDI holder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Shareholder Reference Number (SRN) of issuer sponsored holders. The CDI holder will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

CDI holders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the CDI holder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

7.9.3 Deferred settlement trading and selling CDIs on-market

It is expected that trading on ASX (on a deferred basis) will commence on or about 16 August 2019, initially on a deferred settlement basis.

It is the responsibility of each person who trades in CDIs to confirm their own holding before trading in CDIs. If you sell CDIs before receiving a holding statement, you do so at your own risk. The Offerors the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell CDIs before receiving your holding statement, even if you obtained details of your holding statement from the FINEOS Offer Information Line or confirmed your firm allocation through a Broker.

Trading on a normal settlement basis is expected to commence on ASX on 20 August 2019.

7.10 ASIC exemptions and ASX waivers

The Company has obtained the following exemption, confirmations and waivers from ASIC and ASX in relation to the Offer:

- an ASIC exemption from the pre-prospectus advertising and publicity rules in section 734(2) of the Corporations Act to permit it to communicate with employees and securityholders with certain information relating to the Offer prior to the Prospectus Date;
- a confirmation from ASX that the CDIs are not restricted securities for the purposes of Chapter 9 of the ASX Listing Rules as FINEOS has a track record of revenue acceptable to ASX;
- a confirmation from ASX that ASX Listing Rule 10.1 will not apply in respect of the related party transaction described in section 6.7;
- a waiver from ASX Listing Rule 15.15 in relation to the Company's incorporation into its Constitution of certain provisions of the Corporations Act in relation to takeovers and substantial holdings; and
- a waiver from ASX Listing Rule 8.10 and a confirmation under ASX Listing Rules 6.10 and 6.12 in relation to the Company's incorporation of Irish company law requirements into its Constitution.

7.11 Tax implications of investing in the Company

The taxation consequences of any investment in the CDIs will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in FINEOS.

A general overview of the Australian and Irish taxation implications of investing in FINEOS is set out in Section 9 and is based on current tax law and ATO tax rulings. The information in Section 9 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

8 Investigating Accountant's Report

8. Investigating Accountant's Report

KPMG Transaction Services
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26 July 2019

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide

Investigating Accountant's Report

Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by FINEOS Corporation Holdings plc ("FINEOS"), FINEOS SaleCo Limited ("SaleCo") and Jacquel First Limited ("Jacquel") to prepare this report for inclusion in the Prospectus to be dated on or around 26 July 2019 ("Prospectus"), and to be issued by FINEOS, SaleCo and Jacquel, in respect of the proposed initial public offering of CHESS Depository Interests over ordinary shares in FINEOS and listing on the Australian Securities Exchange ("ASX") (the "Offer").

Expressions defined in the Prospectus have the same meaning in this report.

This Investigating Accountant's Report should be read in conjunction with the KPMG Transaction Services Financial Services Guide included in the Prospectus.

Scope

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the pro forma historical and forecast financial information described below and disclosed in the Prospectus.

The pro forma historical and forecast financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the pro forma historical financial information of FINEOS (the responsible party) included in the Prospectus.

The pro forma historical financial information has been derived from the historical financial information of FINEOS, after adjusting for the effects of pro forma adjustments described in Section 4.2 of the Prospectus.

The pro forma financial information consists of FINEOS':

- pro forma historical consolidated balance sheet as at 31 December 2018;
- pro forma historical consolidated income statements for the years ended 30 June 2017 and 30 June 2018 and the six months ended 31 December 2017 and 31 December 2018; and
- pro forma historical consolidated cash flow information for the years ended 30 June 2017 and 30 June 2018 and the six months ended 31 December 2017 and 31 December 2018,

as set out in Section 4 of the Prospectus issued by FINEOS (collectively the "Pro Forma Historical Financial Information").

The stated basis of preparation is the recognition and measurement principles contained in International Financial Reporting Standards as adopted by the European Union, which are consistent with Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 4.2 of the Prospectus. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

The Pro Forma Historical Financial Information has been compiled by FINEOS to illustrate the impact of the event(s) or transaction(s) on FINEOS' financial position as at 31 December 2018 and FINEOS' financial performance and cash flows for the years ended 30 June 2017 and 30 June 2018 and the six month periods ended 31 December 2017 and 31 December 2018. As part of this process, information about FINEOS' financial position, financial performance and cash flows has been extracted by FINEOS from the audited financial statements of FINEOS Corporation U.C. for the year ended 30 June 2018 (including comparatives for the year 30 June 2017) and the reviewed financial statements for the six months ended 31 December 2018 (including comparatives for the six months ended 31 December 2017).

The financial statements of FINEOS Corporation U.C. for the year ended 30 June 2018 (including comparatives for the year ended 30 June 2017) were audited by FINEOS' external auditor in accordance with International Standards on Auditing (UK and Ireland). The audit opinions issued to the members of FINEOS relating to those financial statements were unqualified.

The financial statements of FINEOS Corporation U.C. for the six months to 31 December 2018 (including comparatives for six months ended 31 December 2017) were reviewed by FINEOS' external auditor. The review report issued to the members of FINEOS relating to those financial statements was unqualified.

For the purposes of preparing this report we have performed limited assurance procedures in relation to Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Pro Forma Historical Financial Information is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation as set out in Section 4 of the Prospectus.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Pro Forma Historical Financial Information is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

Forecast Financial Information and directors' best-estimate assumptions

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the:

- pro forma forecast consolidated income statement for the years ending 30 June 2019 and 30 June 2020, as set out in Table 12 of Section 4.3;
- statutory forecast consolidated income statement for the years ending 30 June 2019 and 30 June 2020, as set out in Table 12 of Section 4.3;
- pro forma forecast consolidated cash flow information for the years ending 30 June 2019 and 30 June 2020, as set out in Table 21 of Section 4.4; and
- statutory forecast consolidated cash flow information for the years ending 30 June 2019 and 30 June 2020, as set out in Table 21 of Section 4.4,

of FINEOS (the responsible party) (the "Forecast Financial Information"). The directors' best-estimate assumptions underlying the Forecast Financial Information are described in Section 4.11 of the Prospectus. As stated in Section 4 of the Prospectus, the basis of preparation of the Forecast Financial Information is the recognition and measurement principles contained in

International Financial Reporting Standards as adopted by the European Union, which are consistent with Australian Accounting Standards, and FINEOS' accounting policies.

We have performed limited assurance procedures in relation to the Forecast Financial Information, set out in Section 4 of the Prospectus, and the directors' best-estimate assumptions underlying it in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions do not provide reasonable grounds for the Forecast Financial Information;
- in all material respects the Forecast Financial Information is not:
  - prepared on the basis of the directors' best-estimate assumptions as described in the Prospectus; and
  - presented fairly in accordance with the recognition and measurement principles contained in Australian Accounting Standards and FINEOS' accounting policies;
- the Forecast Financial Information itself is unreasonable.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The directors of FINEOS are responsible for the preparation of:

- the Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the historical financial information and included in the Pro Forma Historical Information; and
- the Forecast Financial Information, including the directors' best-estimate assumptions on which the Forecast Financial Information is based and the sensitivity of the Forecast Financial Information to changes in key assumptions.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Conclusions

Review statement on the Pro Forma Historical Financial Information

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in Section 4 of the Prospectus, comprising:

- pro forma historical consolidated balance sheet of FINEOS as at 31 December 2018 as set out in Table 27 of Section 4.5;
- pro forma historical consolidated income statements of FINEOS for the years ended 30 June 2017 and 30 June 2018 and the six months ended 31 December 2017 and 31 December 2018 as set out in Tables 12 and 13 of Section 4.3;
- pro forma historical consolidated cash flow information of FINEOS for the years ended 30 June 2017 and 30 June 2018 and the six months ended 31 December 2017 and 31 December 2018 as set out in Tables 21 and 22 of Section 4.4; and

is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in Section 4 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and FINEOS' accounting policies.

Forecast Financial Information and the directors' best-estimate assumptions

Based on our procedures, which are not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the Forecast Financial Information for the years ending 30 June 2019 and 30 June 2020 do not provide reasonable grounds for the Forecast Financial Information; and
- in all material respects, the Forecast Financial Information:
  - is not prepared on the basis of the directors' best-estimate assumptions as described in Section 4.11 of the Prospectus; and
  - is not presented fairly in accordance with the recognition and measurement principles contained in Australian Accounting Standards, and FINEOS' accounting policies; and
- the Forecast Financial Information itself is unreasonable.

The Forecast Financial Information has been prepared by FINEOS' management and adopted and disclosed by the directors in order to provide prospective investors with a guide to the potential financial performance of FINEOS for the years ending 30 June 2019 and 30 June 2020.

There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material. The directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of FINEOS. Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in FINEOS, which are detailed in the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 5 of the Prospectus. The sensitivity analysis described in Section 4.14 of the Prospectus demonstrates the impact on the Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of FINEOS, that all material information concerning the prospects and proposed operations of FINEOS has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed Transaction, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

General advice warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Restriction on use

Without modifying our conclusions, we draw attention to Section 4.2.1 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Prospectus in the form and context in which it is so included, but has not authorised the issue of the Prospectus. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully

David Willis
Authorised Representative

Financial Services Guide
Dated 26 July 2019

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) (**'KPMG Transaction Services'**), and David Willis as an authorised representative of KPMG Transaction Services, authorised representative number 404265 **(Authorised Representative)**.

This FSG includes information about:

- KPMG Transaction Services and its Authorised Representative and how they can be contacted
- the services KPMG Transaction Services and its Authorised Representative are authorised to provide
- how KPMG Transaction Services and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Transaction Services and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that KPMG Transaction Services has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Transaction Services. This FSG forms part of an Investigating Accountant's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Transaction Services and the Authorised Representative are authorised to provide

KPMG Transaction Services holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Transaction Services to provide financial product advice on KPMG Transaction Services' behalf.

KPMG Transaction Services and the Authorised Representative's responsibility to you

KPMG Transaction Services has been engaged by FINEOS Corporation Holdings plc (FINEOS), FINEOS SaleCo Limited (SaleCo) and Jacquel First Limited (Jacquel) to provide general financial product advice in the form of a Report to be included in the Prospectus (Prospectus) prepared by FINEOS, SaleCo and Jacquel in relation to the initial public offering of CHESS Depository Interests over ordinary shares in FINEOS on the ASX (Offer).

You have not engaged KPMG Transaction Services or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. Neither KPMG Transaction Services nor the Authorised Representative are acting for any person other than FINEOS, SaleCo and Jacquel.

KPMG Transaction Services and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Transaction Services has been engaged by FINEOS, SaleCo and Jacquel, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

Fees KPMG Transaction Services may receive and remuneration or other benefits received by our representatives

KPMG Transaction Services charges fees for preparing reports. These fees will usually be agreed with, and paid by, FINEOS. Fees are agreed on either a fixed fee or a time cost basis. In this instance, FINEOS, SaleCo and Jacquel has agreed to pay KPMG Transaction Services $0.9 million for preparing the Report. KPMG Transaction Services and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Transaction Services officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Transaction Services' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Transaction Services nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Transaction Services is controlled by and operates as part of the KPMG Partnership. KPMG Transaction Services' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Transaction Services and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG Transaction Services, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, FINEOS, SaleCo or Jacquel or has other material financial interests in the Offer.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Transaction Services or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Transaction Services or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001

Telephone: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au.

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Transaction Services has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Transaction Services or the Authorised Representative using the contact details:

KPMG Transaction Services
A division of KPMG Financial Advisory Services (Australia) Pty Ltd
Level 38, Tower Three
300 Barangaroo Avenue
Sydney NSW 2000
PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

David Willis
C/O KPMG
PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

9 Additional Information

9. Additional Information

9.1 Registration

FINEOS Corporation Holdings plc, is the parent of the FINEOS group of companies and was incorporated under the laws of Ireland on 12 December 2018 as a private company and re-registered as a public company on 19 July 2019. On 14 June 2019 it was registered as a foreign company under the Corporations Act.

9.2 Corporate structure

The diagram below provides a graphical representation of the FINEOS corporate structure as at the Prospectus Date and Completion. Appendix B lists the jurisdiction of incorporation and primary activities of these entities.

9.3 Company tax status

FINEOS and its subsidiaries are subject to tax at the relevant corporate tax rates in the jurisdictions in which they operate.

9.4 Underwriting Agreement

The Offer is being underwritten by the Joint Lead Managers pursuant to an underwriting agreement, dated on or about the Prospectus Date, between the Joint Lead Managers and the Offerors. (**Underwriting Agreement**). Under the Underwriting Agreement, the Joint Lead Managers have agreed to arrange, manage and underwrite the Offer.

9.4.1 Commissions, fees and expenses

The Offerors must pay to the Joint Lead Managers in equal proportions and in accordance with the Underwriting Agreement a fee equal to 4.5% of the total Offer proceeds.

The Offerors have agreed to reimburse the Joint Lead Managers for costs and expenses incurred by the Joint Lead Managers in relation to the Offer. FINEOS has authorised the Joint Lead Managers to pay any fees or expenses of Brokers out of fees payable to them.

9.4.2 Termination events

A Joint Lead Manager may terminate the Underwriting Agreement, at any time after the date of the Underwriting Agreement and on or before 4:00pm on the date for settlement under the Offer by notice to the other party if any of the following events occur:

- the Offerors are prevented from issuing or transferring the securities under the Offer;
- at any time the S&P/ASX 300 Index falls to a level that is 87.5% or less of the level as at the close of trading on the date of close of the institutional bookbuild and is at or below that level at the close of trading: (i) for 2 consecutive business days during any time after the date of the Underwriting Agreement; or (ii) on the business day immediately prior to, either, the date of settlement or the date of issue;
- there occurs a material new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement;
- the Offerors issue or, in the reasonable opinion of the Joint Lead Managers, are required to issue, a supplementary prospectus to comply with section 719(1) of the Corporations Act, or a supplementary prospectus is lodged with ASIC in a form and substance that has not been approved by the Joint Lead Managers (acting reasonably and without delay);
- there is a material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the assets and liabilities, financial position and performance, profits and losses or prospects of the Group, insofar as the position in relation to a FINEOS group member affects the overall position of FINEOS from those described in the Prospectus.
- any of the following notifications are made in respect of the Offer: (i) ASIC issues an order (including an interim order) under section 739 of the Corporations Act and any such order, inquiry or hearing is not withdrawn within 2 business days or if it is made within 2 business days of the date of settlement it has not been withdrawn by 10am on the date of settlement; (ii) ASIC holds or gives notice of intention to hold a hearing or investigation under the Corporations Act or ASIC Act; (iii) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an offer document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an offer document, and any such application, inquiry or hearing is not withdrawn within 2 business days or if it is made within 2 business days of the date of settlement it has not been withdrawn by 10am on the date of settlement; (iv) any person (other than the Lead Managers) who has previously consented to the inclusion of its name in any offer document withdraws that consent; or (v) any person (other than the Lead Managers) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
- ASIC prosecutes or gives notice to prosecute or commences proceedings against or gives intention to do so against FINEOS or any of its officers, employees or agents and any such notice is not withdrawn within 2 business days or if it is made within 2 business days of the date of settlement it has not been withdrawn by 10am on date of settlement;
- the Offerors withdraw the Prospectus or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- ASX approval obtained for is refused or not granted, or approval is granted subject to conditions other than customary conditions, to: (i) FINEOS' admission to the official list of ASX;; or (ii) the quotation of all of FINEOS' CDIs is withdrawn, qualified (other than by customary conditions) or withheld (or ASX indicates to an Offeror or an Underwriter that the approval is likely to be withdrawn, qualified or withheld);
- if a regulatory body withdraws, revokes or amends any regulatory approvals required for the Offerors to perform their obligations under the Underwriting Agreement or to carry out the transactions contemplated by the offer documents;
- a Joint Lead Manager forms the view (acting reasonably) that (i) there is a material omission from the Prospectus or any supplementary prospectus of material required by the Corporations Act to be included; (ii) the Prospectus or any Supplementary Prospectus contains a material statement which is untrue, inaccurate or misleading or deceptive; (iii) the Prospectus or any Supplementary Prospectus is likely to mislead or deceive (whether by inclusion or omission) in a material respect; or (iv) the Prospectus or any Supplementary Prospectus does not contain all material information required to comply with all applicable laws;
- any financial forecast that appears in the Prospectus or any Supplementary Prospectus is or becomes incapable of being met or, in the reasonable opinion of a Joint Lead Manager, is unlikely to be met in the projected time;

- any member of the FINEOS group becoming insolvent, or there is an act or omission which is likely to result in a FINEOS group member becoming insolvent;
- an event specified in the timetable set out in the Underwriting Agreement up to and including the date of settlement is delayed by more than 2 business days (other than any delay caused solely by a Joint Lead Manager seeking to terminate the agreement or any delay agreed between Offerors and the Joint Lead Managers or a delay as a result of an extension of the exposure period by ASIC);
- if any contract that is material to the business of the FINEOS group is: (i) terminated; (ii) rescinded; or (iii) found to be void or voidable;
- the sale deed (i) is not, or cease to be, valid, binding and enforceable in accordance with their terms; (ii) is varied without the prior written consent of the Joint Lead Managers; or (iii) is not performed in accordance with its terms;
- any of the Board or senior management of FINEOS engage, or have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity or is charged with an indictable offence;
- FINEOS or any FINEOS group member engages in any fraudulent conduct or activity whether or not in connection with the Offer;
- any director of the Offerors is disqualified from managing a corporation under Part 2D.6 or applicable Irish law.
- FINEOS alters its share capital or its constitution, without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed);
- any of the escrow agreements (i) are not, or cease to be, valid, binding and enforceable in accordance with their terms; (ii) are varied without the prior written consent of the Joint Lead Managers; or (iii) are not performed in accordance with their terms;
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Joint Lead Managers to satisfy an obligation under this document, or to market, promote or settle the Offer; or
- the Offerors do not provide a closing certificate as and when required by the Underwriting Agreement.

9.4.3 Termination subject to materiality

A Joint Lead Manager may terminate the Underwriting Agreement, at any time after the date of the Underwriting Agreement and on or before 4:00pm on the date for settlement under the Offer by notice to the other party, if in the reasonable opinion of the Joint Lead Manager any of the following events: (i) has or is likely to have a material adverse effect on the success of the Offer or on the ability of the Joint Lead Manager to market or promote the Offer or on the willingness of persons to apply for, or settle obligations to subscribe for, CDIs under the Offer; or (ii) will, or is likely to, give rise to a liability of the Joint Lead Manager, or give rise to, or result in, a contravention by the Joint Lead Manager or, or the Joint Lead Manager being involved in a contravention of, any applicable law:

- a statement in any of the offer documents is or becomes misleading or deceptive, or a matter required to be included is omitted from the offer documents, or the offer documents do not contain all information required to comply with all applicable laws;
- any statement in the offer documents which relates to a future matter is not based on reasonable grounds, taken as a whole;;
- any contract that is material to the business of the FINEOS group is: (i) amended or varied without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed); or (ii) is breached;
- the report of the due diligence committee, or any other information supplied in final form by or on behalf of an Offeror to the Underwriters in relation to the Group or the Offer, is or becomes, misleading or deceptive, including by way of omission;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, New Zealand, the United States, the United Kingdom, Ireland, or any State or Territory of Australia a new law, or the Government of Australia, or any State or Territory of Australia, the Reserve Bank of Australia, or any Minister or other Government Agency of Australia, adopts or announces a proposal to adopt a new (other than a law which has been announced before the date of the Underwriting Agreement);

- a representation or warranty contained in the Underwriting Agreement on the part of FINEOS or the Offerors is or becomes incorrect;
- an Offeror defaults on one or more of its obligations under the Underwriting Agreement;
- FINEOS breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt or financing arrangement or any related documentation; or there occurs an event of default; a review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing; or any other similar event, under or with respect to any such debt or financing arrangement or related documentation;
- any of the following occurs: (i) the commencement of legal proceedings against FINEOS or any other FINEOS group member; or (ii) any governmental agency commences any investigation, claim, inquiry, proceedings or public action against a FINEOS group member or any of the members of the Board, the CEO, CFO or CTO, or announces that it intends to take action;
- FINEOS, commits, is involved in or acquiesces in any activity which breaches: (i) the Corporations Act or any other law to which the Company is subject or any order of any government agency that is binding on it; (ii) the ASX Listing Rules (except where compliance has been waived, or as modified, by ASX); (iii) its constitution or other constituent documents; (iv) any legally binding requirement of ASIC or ASX; or (v) any other undertaking or instrument or authorisation binding on it;
- hostilities not presently existing commence (whether war has been declared or not); or a major escalation in existing hostilities occurs (whether war has been declared or not); a declaration is made of a national emergency or war; involving any one or more of Australia, New Zealand, the United States, any member of the European Union, Japan, the People's Republic of China, North Korea or South Korea Singapore, or a major terrorist act is perpetrated on any of those countries or a diplomatic, military, commercial or political establishment of any of those countries;
- a statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect;
- any of the following occurs: (i) any adverse change or disruption to the political conditions or finalise markets of Australia, the United Kingdom or the United State of America; (ii) a general moratorium on commercial banking activities in Australia, the United Kingdom, Japan or the United States is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries; or (iii) trading in all securities quoted or listed on ASX, Hong Kong Stock Exchange, New York Stock Exchange or London Stock Exchange is suspended or limited in a material respect for 1 day on which that exchange is open for trading; or
- a change in the senior management or the Board occurs, or any one of them dies or becomes permanently incapacitated.

9.4.4 Indemnity

Subject to certain exclusions relating to, among other things, gross negligence, recklessness, fraud or wilful misconduct by an indemnified party, FINEOS agrees to keep the Joint Lead Managers and certain affiliated parties indemnified from losses suffered in connection with the Offer.

9.4.5 Conditions, warranties, undertakings and other items

The Underwriting Agreement contains certain standard representations, warranties and undertakings by the Offerors and by FINEOS (in relation to the business of the FINEOS group) to the Joint Lead Managers (as well as common conditions precedent), including the entry into voluntary escrow deeds by certain of the existing shareholders in a form and substance acceptable to the Joint Lead Managers.

The representations and warranties given by the Offerors include but are not limited to matters such as power and authorisations, compliance with applicable laws and ASX Listing Rules, financial information, information contained in the Prospectus, the conduct of the Offer and the due diligence process, litigation, material contracts, intellectual property, IT systems, encumbrances, licences, insurance, dividends and distributions, title to property, internal controls, tax and labour.

The Offerors provide undertakings under the Underwriting Agreement which include but are not limited to notifications of breach of any obligation, representation or warranty or undertaking or non-satisfaction of any condition given by them under the Underwriting Agreement and that it will not, during the period following the date of the Underwriting Agreement until 180 days after CDIs have been issued (or transferred) under the Offer, issue any CDIs or securities without the consent of the Joint Lead Managers, subject to certain exceptions.

9.5 About the CDIs

FINEOS is incorporated in Ireland. To enable companies such as FINEOS to have their securities cleared and settled electronically through CHESS, depositary instruments called CDIs are issued. Pursuant to the ASX Settlement Operating Rules, CDI holders receive all of the economic benefits of actual ownership of the underlying Shares. CDIs are traded in a manner similar to shares of Australian companies listed on ASX.

CDIs will be held in uncertificated form and settled/transferred through CHESS. No share certificates will be issued to CDI holders. Shareholders cannot trade their Shares on ASX without first converting their Shares into CDIs.

Feature	Description
What are the CDIs?	In order for interests in the Shares to trade electronically on ASX, FINEOS intends to participate in the electronic transfer system known as CHESS operated by ASX Settlement. CHESS cannot be directly used for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as Ireland. Accordingly, to enable the Shares to be cleared and settled electronically through CHESS, FINEOS intends to issue (through an Australian depository nominee, CDN) depositary interests called CHESS Depositary Interests or CDIs. CDIs confer the beneficial ownership in foreign securities such as the Shares on the CDI holder, with the legal title to such Shares being held by an Australian depositary nominee.
Who is the depository nominee and what do they do?	FINEOS will appoint CDN, a subsidiary of ASX, and an approved general participant of ASX Settlement to act as its Australian depositary. CDN will hold legal title to the Shares on behalf of CDI holders. CDN will receive no fees for acting as the depository for the CDIs. By completing an Application Form, an applicant will apply for CDIs to be issued over Shares which will be issued to CDN.
What registers will be maintained by recording your interests?	FINEOS will operate a certificated principal register of Shares in Ireland, an uncertificated issuer sponsored sub-register of CDIs in Australia, and an uncertificated CHESS sub-register of CDIs in Australia. FINEOS' uncertificated issuer sponsored sub-register of CDIs and uncertificated CHESS sub-register of CDIs will be maintained by the Registry. The Share register in Ireland is the register of legal title and will reflect legal ownership by CDN of the Shares underlying the CDIs. The two uncertificated sub-registers of CDIs combined will make up the register of beneficial title of the Shares underlying the CDIs. If investors have questions in relation to the FINEOS' principal register of Shares in Ireland, they may contact FINEOS at its address on the inside back cover of this Prospectus.

<table>
<tr><th>Feature</th><th>Description</th></tr>
<tr><td>How is local and international trading in CDIs affected?</td><td>CDI holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian company.</td></tr>
<tr><td>What is the CDI:Share ratio?</td><td>One CDI will represent a beneficial interest in one Share.</td></tr>
<tr><td>What will applicants receive on acceptance of their applications?</td><td>Successful applicants will receive a holding statement which sets out the number of CDIs held by the CDI holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.</td></tr>
<tr><td>How do CDI holders convert from a CDI holding to a direct holding of Shares on the Irish principal register?</td><td>CDI holders who wish to convert their ASX listed CDIs to Shares to be held on the certificated register can do so by instructing the Registry either:
• directly in the case of CDIs on the issuer sponsored sub-register operated by FINEOS. CDI holders will be provided with a form entitled “CDI Cancellation: Australia to Irish Share Registry” for completion and return to the Registry; or
• through their sponsoring participant (usually their broker) in the case of CDIs which are sponsored on the CHESS sub-register. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to the Registry.

The Registry will then arrange for the Shares to be transferred from CDN into the name of that holder and a new share certificate will be issued. This will cause the Shares to be registered in the name of the holder on FINEOS’ share register and trading on ASX will no longer be possible. The Shares are not and will not in the near future be quoted on any other market.

The Registry will not charge an individual shareholder of FINEOS a fee for transferring CDI holdings into Shares (although a fee will be payable by market participants).

It is expected that this process will be completed within 24 hours, provided that the Registry is in receipt of a duly completed and valid removal request form. However, no guarantee can be given about the time for this conversion to take place.</td></tr>
<tr><td>How do shareholders convert from a direct shareholding to a CDI holding?</td><td>If holders of Shares wish to convert their holdings to CDIs, they can do so by contacting the Registry. The Registry will not charge a fee to a holder of Shares seeking to convert the Shares to CDIs (although a fee will be payable by market participants).</td></tr>
</table>

Feature	Description
What are the voting rights of a CDI holder?	If holders of CDIs wish to attend and vote at FINEOS' general meetings, they will be able to do so. Under ASX Listing Rules and ASX Settlement Operating Rules, FINEOS as an issuer of CDIs must allow CDI holders to attend any meeting of the holders of Shares. In order to vote at such meetings, CDI holders have the following options: • instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting for the meeting and this must be completed and returned to the Registry prior to the meeting; or • informing FINEOS that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or • converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process. As holders of CDIs will not appear on FINEOS' share register as the legal holders of the Shares, they will not be entitled to vote at shareholder meetings unless one of the above steps is undertaken. As one CDI represents one Share, a CDI holder will be entitled to one vote for every CDI they hold. CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI holders by FINEOS. These voting rights exist only under ASX Settlement Operating Rules, rather than under Irish company law. Since CDN is the legal holder of applicable shares but the holders of CDIs are not themselves the legal holder of their applicable shares, the holders of CDIs do not have any directly enforceable right to vote under the FINEOS' Constitution. FINEOS intends to hold its general meetings in Ireland. Under the ASX Listing Rules and the ASX Settlement Operating Rules, FINEOS, as an issuer of CDIs must allow CDI holders to attend any meeting of the holders of Shares unless relevant Irish law at the time of the meeting prevents CDI holders from attending those meetings. FINEOS intends to facilitate an audio or video transmission of its general meetings to allow an opportunity for a CDI holder to observe those meetings. If a CDI holder wishes to ensure that it can formally attend a general meeting with the full rights of a shareholder, the CDI holder should inform FINEOS that its wishes to nominate itself or another person to be appointed as CDN's proxy with respect to Shares underlying their CDIs, or first convert their CDIs into a holding of Shares. Further information in relation to general meetings and voting will be provided by the Company to CDI holders in advance of those meetings.

Feature	Description
What dividend and other distribution entitlements do CDI holders have?	Despite legal title to the Shares being vested in CDN, ASX Settlement Operating Rules provide that CDI holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares, these include dividends and other entitlements which attach to the underlying Shares. These rights exist only under ASX Settlement Operating Rules (which have the force of law by virtue of the Corporations Act), rather than under Irish company law. Whilst FINEOS does not anticipate declaring any dividends in the foreseeable future, should it do so in the longer term, FINEOS will declare any dividends in Euros as that is its main functional currency. In that event, FINEOS will pay any dividends in Euros or A$ depending on the country of residence of the CDI holder. If the CDI holder in Australia wishes to receive dividends in Euros they must complete an appropriate election form and return it to the Registry, no later than the close of business on the dividend record date.
What corporate action entitlement (such as rights issues and bonus issues) do CDI holders have?	CDI holders receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include entitlement to participate in rights issues, bonus issues and capital reductions. These rights exist only under ASX Settlement Operating Rules, rather than under Irish company law
What rights do CDI holders have in the event of a takeover?	If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI holder. CDN must ensure that the offeror processes the takeover acceptance of a CDI holder if such CDI holder instructs CDN to do so. These rights exist only under ASX Settlement Operating Rules, rather than under Irish company law.
What notices and announcement will CDI holders receive?	CDI holders will receive all notices and company announcements (such as annual reports) that shareholders are entitled to receive from FINEOS. These rights exist under ASX Settlement Operating Rules and FINEOS' Constitution, rather than under Irish company law.
What rights do CDI holders have on liquidation or winding up?	In the event of FINEOS' liquidation, dissolution or winding up, a CDI holder will be entitled to the same economic benefit on their CDIs as holders of Shares. These rights exist only under ASX Settlement Operating Rules, rather than under Irish company law.
Will CDI holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?	A CDI holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.

Feature	Description
Where do I find further information about transferring CDIs?	If your CDIs are held on the CHESS sub-register, contact your sponsoring participant (usually your broker). If your CDIs are held on the issuer sponsored sub-register, contact the Registry. The transfer of CDIs may be effected by a proper transfer (defined as a Proper ASTC Transfer in ASX Listing Rules). Upon receipt of a proper transfer and subject to ASX Listing Rules and ASX Settlement Operating Rules, the Company will approve registration of a transferee named in the transfer as a holder of CDIs. The transferor will be deemed to remain the holder of the CDIs until a proper transfer has been effected or the name of the transferee is entered in the CHESS sub-register or the issuer sponsored sub-register (as applicable) as the holder of the CDIs. The Company may suspend the registration of transfers of CDIs at the times and for the periods they determine, but only as permitted by ASX Settlement Operating Rules.
Divestment of non-marketable parcel of CDIs	Subject to certain restrictions and procedures, the Company may, after giving written notice to a CDI holder, sell a CDI holder's CDIs if the CDI holder holds less than a non-marketable parcel (a parcel of securities that is less than a marketable parcel within the meaning of the ASX Operating Rules Procedures).
Where can further information be obtained?	For further information in relation to CDIs and the matters referred to above, please refer to ASX website and the documents entitled • a) "Understanding CHESS Depository Interests" at: http://www.asx.com.au/documents/settlement/CHESS_Depositary_Interests.pdf • b) ASX Guidance Note 5 at: http://www.asx.com.au/documents/rules/gn05_chess_depositary_interests.pdf or contact your stockbroker or the FINEOS Offer Information Line.

9.6 Summary of Company's Constitution

As an Irish incorporated public limited company, FINEOS has two constitutional documents, a Memorandum of Association and an Articles of Association (together, the "Constitution"). The summary of the Company's Constitution detailed in this Section 9.6 relates to the Constitution of the Company that will come into effect immediately prior to Listing.

9.6.1 Memorandum of Association

The Memorandum of Association provides that FINEOS' objects are, among other things, to carry on the business of a holding company and to do all such things deemed incidental or conducive to the attainment of this object. The objects of FINEOS are set out in full in the Memorandum of Association.

9.6.2 Articles of Association

The Articles of Association are the internal rules or regulations of a company and govern relations between the company and its shareholders and between the shareholders themselves. Although the Articles of Association of a company can be altered through the passing of a shareholders' special resolution (at least 75% of votes cast), the Articles of Association are the key cornerstone of the internal management of a company in that they contain the rules by which the members/shareholders agree to be bound. The Articles deal with numerous matters including the directors' power to allot and issue shares, the transfer of shares, the convening and holding of general meetings, shareholder voting and regulation, appointment and remuneration of directors, the powers and duties of directors, proceedings of directors, dividends and notices.

9.6.2.1 Issuing Shares

Subject to the Articles and to the provisions of the Irish Companies Act and any resolution of the company passed pursuant to the Irish Companies Act and the Articles, FINEOS' unissued shares (whether forming part of the original or any increased capital) are at the disposal of the Directors. On the allotment and issue of any shares, the Directors may impose restrictions on the transferability or disposal of such shares as may be considered by the Directors, having regard to the requirements of ASX Listing Rules, to be in the best interests of FINEOS and the shareholders as a whole.

In the case of equity offerings for cash, existing holders of Shares are generally entitled to subscribe for such Shares on a pro rata basis, unless such pre-emption rights are disapplied by special resolution at a Company meeting.

9.6.2.2 Lien and Forfeiture

FINEOS has a first and paramount lien on every share (not being a fully paid share) for all monies due and unpaid in respect of that share. Subject to the terms of allotment, the Directors may make calls on the shareholders in respect of any monies unpaid on their shares.

9.6.3 Variation of Share Capital and Variation of Rights

9.6.3.1 Increase of capital

FINEOS, by ordinary resolution, may increase the share capital by such sum, to be divided into shares of such amount, as such ordinary resolution shall prescribe and shall observe the requirements of ASX Listing Rules in relation thereto.

9.6.3.2 Variation of capital

FINEOS, by ordinary resolution, may consolidate and divide all or any of its share capital into shares of larger amount; subject to the provisions of the Irish Companies Act, subdivide its shares, or any of them, into shares of smaller amount; or cancel any shares which, at the date of the passing of the ordinary resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled, and in each case FINEOS shall observe the requirements of ASX Listing Rules in relation thereto.

9.6.3.3 Reduction of capital

FINEOS, by special resolution, may reduce its share capital, any capital redemption reserve fund and/or any capital conversion reserve fund, and/or any undenominated capital and/or any share premium account and/or any undistributable reserves for the time being in any manner subject to certain procedures and restrictions set out in the Irish Companies Act (including a court application) and the requirements of ASX Listing Rules thereto.

9.6.3.4 Variation of rights

Whenever the share capital is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of three fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class and may be so varied or abrogated either whilst FINEOS is a going concern or during or in contemplation of a winding-up.

9.6.3.5 Ordinary Shares

Ordinary shares carry a right to notice of, to attend and vote at any FINEOS general meeting, a right to participate in a winding up and a right to receive a dividend if declared or paid.

9.6.3.6 Transfer of Shares

The Directors in their absolute discretion and without assigning any reason therefor may decline to register:

- any transfer of a share which is not fully paid; or
- any transfer by a person who is restricted by court order from transferring the shares and FINEOS is served with a court order to that effect; or
- any share which is a restricted share (within the meaning of Article 69.1 under Article 69; or
- any transfer of a share, where otherwise permitted or required to do so by ASX Listing Rules, provided that, the refusal to register the transfer does not (i) prevent dealings in the shares from taking place on an open and proper basis, or (ii) otherwise contravene ASX Listing Rules.

9.6.4 Dividends and other Distributions

9.6.4.1 Declaration of dividends

Subject to the provisions of the Irish Companies Act, FINEOS, by ordinary resolution, may declare dividends in accordance with the respective rights of the shareholders, but no dividend shall exceed the amount recommended by the Directors.

9.6.4.2 Scrip dividends

The Directors may, if authorised by an ordinary resolution of FINEOS, offer any holders of any shares of any class thereto the right to elect to receive Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Directors) of any dividend specified by such ordinary resolution. The additional shares when allotted shall rank pari passu in all respects with the fully-paid shares then in issue except that they will not be entitled to participation in the relevant dividend.

9.6.4.3 Deductions from dividends

The Directors may deduct from any dividend or other monies payable to any shareholder in respect of a share any monies immediately payable by him to FINEOS in respect of that Share. FINEOS may retain the whole or part of any dividend on which it has a lien and apply that amount in total or part satisfaction of any amount secured by that lien.

9.6.4.4 Dividends in specie

A general meeting declaring a dividend may direct, upon the recommendation of the Directors, that it shall be satisfied wholly or partly by the distribution of assets (and, in particular, of paid-up shares, debentures or debenture stock of any other company or in any one or more of such ways) and the Directors shall give effect to such resolution.

9.6.4.5 Dividends not to bear interest

No dividend or other monies payable by FINEOS on or in respect of any Shares shall bear interest against FINEOS unless otherwise provided by the rights attached to the shares.

9.6.5 General Meetings

FINEOS shall hold in each year a general meeting as its AGM in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it.

Not more than 15 months shall elapse between the date of one AGM and that of the next. The Directors may convene general meetings whenever they think fit. Extraordinary general meetings may also be convened on such requisition, or in default may be convened by such requisitionists, and in such manner as may be provided by the Irish Companies Act.

All of FINEOS' general meetings shall be held in Ireland unless otherwise determined by ordinary resolution of the shareholders.

9.6.6 Quorum

No business, other than the appointment of a chairperson, shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Except as provided in relation to an adjourned meeting, two persons entitled to vote upon the business to be transacted each being a shareholder or proxy for a shareholder or a duly authorised representative or a corporate shareholder, shall be a quorum (unless there is only one shareholder, when a quorum is that shareholder).

Voting Rights

9.6.6.1 Voting of shareholders

Votes may be given either personally or by proxy or by a duly authorised representative of a corporate shareholder. Subject to any rights or restrictions at the time attached to any class or classes of shares or imposed by the Articles, on a show of hands every shareholder (being an individual) present in person or by a proxy who is entitled to vote on a resolution, and every representative of a body corporate which is a shareholder or a proxy for a shareholder who is entitled to vote on a resolution shall have one vote, so that no individual shall have more than one vote, and on a poll every shareholder present in person or by proxy who is entitled to vote on a resolution or in the case of a shareholder who is a body corporate through a corporate representative shall have one vote for every share carrying voting rights of which he is the holder. The chairperson shall be entitled to a casting vote where there is an equality of votes. See Section 0 for information on the voting rights of a CDI holder.

If, pursuant to ASX Listing Rules, a notice of meeting contains a voting exclusion statement which excludes certain named persons (or class of persons) and their associates from voting on a particular resolution, any votes cast on that resolution by the named person (or class or person) excluded from voting or an associate of that person of those persons must be disregarded. No votes may be cast in the general meeting in respect of any share if: (a) the depositary receipt for such; or (b) the CDIs issued in respect of such share, is held by FINEOS or by a subsidiary of FINEOS.

9.6.6.2 Resolutions

In accordance with company law, resolutions are categorized as either ordinary or special resolutions. The essential difference between an ordinary resolution and a special resolution is that a bare majority of more than 50 percent of the votes cast by shareholders voting on the relevant resolution is required for the passing of an ordinary resolution, whereas a qualified majority of at least 75 percent of the votes cast by shareholders voting on the relevant resolution is required in order to pass a special resolution.

Matters requiring a special resolution include:

- altering the objects of the company;
- altering the Articles; and
- approving a change of the company's name.

9.6.7 Purchase of Own Shares

Subject to and in accordance with the provisions of the Irish Companies Act and ASX Listing Rules and to any relevant special rights attached to any class of shares (under the Irish Companies Act, the Articles or the terms of issue of such shares) FINEOS and any of its subsidiaries may purchase all or any of its shares of any class so that any shares so acquired may be selected in any manner whatsoever and cancelled or held by FINEOS as treasury shares. FINEOS shall not make a purchase of Shares in FINEOS unless the purchase has first been authorised by a special resolution of FINEOS and by a special resolution passed at a separate general meeting of the holders of each class of or classes of shares (or the prior written consent of the holders of three-fourths in nominal value of the issued shares of any class or classes), which, at the date on which the purchase is authorized by FINEOS in such general meeting, entitle them, either immediately or at any time subsequently, to convert all or any of the shares of that class held by them into FINEOS' equity share capital (unless the terms of issue of such class or classes of shares provide for the purchase by the company or any of its subsidiaries of equity share capital of the company).

9.6.8 CDIs

FINEOS shall maintain any such registers as are required under ASX Listing Rules or ASX Settlement Operating Rules and the Directors shall have the power and authority to permit auditing and inspection of the Non-Statutory Registers at such intervals, and by such persons and in such manner, as required by ASX Listing Rules and ASX Settlement Operating Rules.

Holders of CDIs shall be entitled to receive notice of and to attend FINEOS' general meetings in the same manner as shareholders, but, other than as provided in Section 0, shall not be entitled to vote.

9.6.8.1 Transfers of CDIs

The Directors must refuse to register or authorise any transfer of CDIs that is (i) not permitted under ASX Listing Rules or ASX Settlement Operating Rules; or (ii) if permitted only on conditions contained in ASX Listing Rules or ASX Settlement Operating Rules, then upon satisfaction of those conditions.

The transfer of any CDIs in respect of shares in FINEOS may be effected by a Proper ASTC Transfer (as defined in the Corporations Regulation 2001). Upon receipt of a Proper ASTC Transfer and subject to ASX Listing Rules and ASX Settlement Operating Rules and subject to Article 80.5 which provides that the Directors may decline to register a transfer of CDIs that is not in registerable form or if registration may breach applicable laws, the Directors must approve registration of a transferee named in the transfer as a holder of CDIs.

The transferor will be deemed to remain the holder of the CDIs until a Proper ASTC Transfer has been effected or the name of the transferee is entered in the CHESS sub-register or the issuer sponsored sub-register (as applicable, and each as defined in ASX Listing Rules) as the holder of the CDIs.

FINEOS must not require a statutory declaration or other document in connection with ownership restrictions of its CDIs before it will register a transfer document. The Directors may suspend the registration of transfers of CDIs at the times and for the periods they determine, but only as permitted by ASX Settlement Operating Rules.

FINEOS may elect to, but is not required to, register more than three persons as joint holders of CDIs, unless the joint holders become entitled due to transmission upon the death of a CDIs Holder or unless required to do so under ASX Listing Rules or ASX Settlement Operating Rules.

9.6.8.2 Divestment of non-marketable parcel of CDIs

Subject to certain restrictions and procedures contained in the Articles and ASX Listing Rules, the Directors may cause FINEOS to sell a security holder's securities if the security holder holds less than a non-marketable parcel (a parcel of securities that is less than a marketable parcel). Once in any 12 month period, FINEOS may give written notice to a security holder who holds a non-marketable parcel or, if held by joint security holders, to all of the joint security holders, stating that it intends to sell the non-marketable parcel; and specifying a date at least 35 Business Days after the notice is given by which the security holder may give FINEOS written notice that the security holder wishes to retain the holding:

FINEOS must not sell a non-marketable parcel if, prior to such sale being contracted, FINEOS receives a written notice that the security holder wants to retain it. FINEOS may sell the securities at a price which the Directors consider to be the best price reasonably obtainable for the securities at the time they are sold. A sale of securities includes all dividends payable on and other rights attaching to them.

FINEOS must give written notice to the former security holder stating (i) what the amount of the sale proceeds is; (ii) that it is holding the balance while awaiting the former security holder's return of the certificate (if any) for the securities sold or evidence of its loss or destruction; and (iii) send the amount of the sale proceeds to the former holder after the sale.

FINEOS may remove or change the voting right or the right to receive dividends for any securities in a non-marketable parcel. If it has done so and proceeds with the sale of the non-marketable parcel, it must send any dividends that have been withheld to the former holder after the sale of the non marketable parcel.

9.6.9 CHESS

The Directors may resolve to do anything that is necessary or desirable for FINEOS to participate in any computerised, electronic or other system for the facilitation of the transfer of CDIs or the operation of FINEOS' non-statutory registers that may be owned, operated or sponsored by ASX or a related body corporate of ASX.

While FINEOS remains a participant in any such system: (i) it must comply with ASX Listing Rules and ASX Settlement Operating Rules relating to transfers, registers, divestment of holdings, holding statements for new holdings and changed holdings and replacement certificates; (ii) it need not do anything that, as a participant, it is relieved of doing by the Irish Companies Act or law or would otherwise be required to do by the Articles; and (iii) it must comply with ASX Settlement Operating Rule 5.21 with respect to any rights issue.

9.6.10 Directors

Unless otherwise determined by FINEOS in a general meeting, the number of Directors shall not be more than 11 or less than two. A Director is not required to hold shares in FINEOS. Two Directors present at a Directors' meeting shall be a quorum unless another quorum is fixed by the Directors.

As at the date of this Document, the Directors are as set out in Section 6.1. Any further Directors will be appointed pursuant to the Articles. Under the Articles, at each annual general meeting of FINEOS one-third of the Directors are required to retire from office, and those required to retire are determined by reference to those longest in office since last re-appointment.

This number does not include any Director who wishes to retire and does not offer himself for re-appointment. Retiring Directors may be re-appointed. One Director holding executive office (or, if there is more than one such Director, that Director nominated by the Directors for the purpose of the Article) is not subject to retirement by rotation and is not to be taken into account in determining the Directors required to retire at an annual general meeting.

The ordinary remuneration of the Directors who do not hold any executive office shall in any financial year be such amount last determined by ordinary resolution of FINEOS in general meeting (or until so determined, as may be determined by the Directors from time to time) and shall be divisible among those Directors as they may agree, or, failing agreement, equally.

FINEOS, by ordinary resolution of which extended notice of at least 28 days has been given in accordance with the provisions of the Irish Companies Act, may remove any Director before the expiry of his period of office notwithstanding anything in the Articles or in any agreement between the FINEOS and such Director. This does not prevent such a person from claiming compensation or damages in respect of the termination.

9.6.11 Borrowing Powers

The Directors may exercise all the powers of FINEOS to borrow or raise money and to mortgage or charge its undertaking, property, assets and uncalled capital or any part thereof and, subject to Part 3 of the Irish Companies Act to issue debentures, debenture stock and other securities, whether outright or as collateral security for any debt, liability or obligation of FINEOS or of any third-party, without any limitation as to amount.

9.6.12 Indemnity

Subject to the provisions of, and so far as may be permitted by the Irish Companies Act, every Director, chief executive, auditor, secretary or other officer of FINEOS shall be entitled to be indemnified by FINEOS against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of FINEOS and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any proceedings or any application under the Irish Companies Act or under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

9.6.13 Disclosure of shareholder Interests

In addition to any other right or power of FINEOS under the Irish Companies Act, the Directors of FINEOS may at any time and from time to time by notice in writing require any shareholder, or any other person, appearing to the Directors to be interested or to have been interested in shares in FINEOS to disclose to FINEOS in writing, within a prescribed period, such information relating to the ownership of or interests in those shares as the Directors shall require.

If at any time any shareholder has been served with such a notice and is in default for the prescribed period in supplying to FINEOS the information thereby required, the Directors may serve a restriction notice on such shareholder and for so long as such restriction notice shall remain in force the shareholder shall not be entitled to attend or to vote either personally or by proxy at a general meeting of FINEOS.

In addition, where the shares in question represent at least 0.25 percent of the issued shares of that class, the Directors shall be entitled (to the extent permitted from time to time by ASX Listing Rules):

- except in a liquidation of FINEOS, to withhold payment of any sums due from FINEOS on the shares in question, whether in respect of capital or dividend or otherwise, and FINEOS shall not have any liability to pay interest on any such payment when it is finally paid to the shareholder; and/or
- to refuse to register any transfer of the relevant shares (other than a transfer made as part of a sale to a bona fide third-party unconnected with the shareholder, (including any such sale made through ASX), on receipt by the Directors of evidence satisfactory to them that such is the case).

9.6.14 Takeover Provisions

FINEOS has incorporated into its Articles shareholder protection provisions that are similar to the provisions of the Corporations Act. These provisions seek to protect the interests of shareholders where a person seeks to acquire a substantial interest in, or control of, FINEOS. The Articles prohibit a person from acquiring a relevant interest in issued voting shares in FINEOS if any person's voting power will increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Exceptions to the prohibition apply (e.g. acquisitions with shareholder approval, 3% creep over 6 months and rights issues that satisfy prescribed conditions). Compulsory acquisitions are permitted by persons who hold 90% or more of securities or voting rights in a company.

The Articles require every person who is a substantial holder (that is, they and their associated hold 5% or more in the voting power of FINEOS) to notify FINEOS and ASX that they are a substantial holder and to give prescribed information in relation to their holding if: (i) the person begins to have, or ceases to have, a substantial holding in the Company or scheme; (ii) the person has a substantial holding in the Company or scheme and there is a movement of at least 1% in their holding; or (iii) the person makes a takeover bid for FINEOS' securities. Note that this obligation is separate to, and in addition to, the obligation to notify FINEOS under Irish company law, on obtaining 3% or more in the capital of FINEOS. Refer to Section 9.8.10.

A person has a substantial holding if the total votes attached to voting shares in FINEOS in which they or their associates have relevant interests is 5% or more of the total number of votes attached to voting shares in the company, or the person has made a takeover bid for voting shares in FINEOS and the bid period has started and not yet ended.

9.6.15 The Irish Companies Act

The Articles also provide that, save as otherwise expressly provided in the Articles, where a provision of the Articles covers substantially the same subject matter as an optional provision of the Irish Companies Act, the relevant provision of the Irish Companies Act shall be deemed not to apply to FINEOS and the relevant provision of the Articles shall prevail.

9.6.16 The ASX Listing Rules

References in the Articles to ASX Listing Rules and/or ASX Settlement Operating Rules and/or any provisions thereof shall not be effective unless and until FINEOS' securities become admitted to the official list of ASX.

The Articles provide that, subject only to the Irish Companies Act and applicable law (i) notwithstanding anything contained in the Articles, if ASX Listing Rules prohibit an act being done, the act must not be done; (ii) nothing contained in the Articles prevents an act being done which ASX Listing Rules require to be done; and (iii) if ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done as the case may be.

Upon the Directors becoming aware that ASX Listing Rules (i) require the Articles to contain a provision which they do not contain; or (ii) require the Articles not to contain a provision which they contain, and being satisfied that any such requirement is permissible under the Irish Companies Act and law, the Directors shall give notice at the next annual general meeting of a special resolution to alter the Articles so that the Articles will conform with the requirements of ASX Listing Rules.

Upon the Directors becoming aware that any provision of the Articles is or will become inconsistent with ASX Listing Rules, the Directors shall give notice at the next annual general meeting of a special resolution to amend the relevant provision of the Articles to overcome the inconsistency (to the extent that the Directors are satisfied that any such amendment is permissible under the Irish Companies Act and law).

If there is a conflict between the Articles, ASX Listing Rules or ASX Settlement Operating Rules and the Irish Companies Act and law, the Irish Companies Act and law will prevail.

9.7 Differences between Australian and Irish law

FINEOS was incorporated in Ireland, and its corporate affairs are governed by (among other things) its Constitution and Irish company law. It operates subject to Irish law and, in particular, is not subject to certain aspects of Australian company law. Set out below is a table summarising some of the key differences between Australian and Irish company law.

	Australia	Ireland
Takeovers	The Australian takeovers regime in the Corporations Act does not apply to FINEOS because FINEOS is incorporated in Ireland. However FINEOS has incorporated into its Constitution shareholder protection provisions that are similar to the provisions of the Corporations Act. Refer to Section 9.6.14.	The Irish takeover rules do not apply to FINEOS as they only apply to Irish incorporated public companies that are, or have in the previous five years been, listed on the Euronext Dublin, the London Stock Exchange, the New York Stock Exchange or NASDAQ. Under the Irish Companies Act, where an offeror acquires 80% of the issued share capital of a company within 4 months of making a general offer to its shareholders it is entitled to acquire the remaining 20% on the same terms. Where an offeror already owns more than 20% of a company at the time that the offeror made an offer for the balance of the shares, compulsory acquisition rights would only apply if the offeror acquired at least 80% of the remaining shares from holders representing at least 50% in number of the holders of those shares. The Irish Companies Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all of the issued share capital, and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 80% of the issued share capital, any holder of shares to which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those shares on the same terms as it had previously acquired shares under the offer. The offeror would be required to give any shareholders notice of their right to be bought out within one month of that arising.

9. Additional Information (continued)

	Australia	Ireland
Disclosure of substantial holdings	The Australian substantial holder regime in the Corporations Act does not apply to FINEOS because it is incorporated in Ireland. However, FINEOS has incorporated into its Constitution shareholder protection provisions that are similar to the provisions of the Corporations Act. Refer to Section 9.6.14.	Under the Irish Companies Act, a person must make a notification to a public limited company: (i) where that person acquires shares carrying voting rights with the result that they are then interested in 3% or more of the voting share capital of that company; (ii) where that person's interest in voting shares in the company falls below 3%; and (iii) where that person holds an interest in 3% or more of the voting share capital of the company, and thereafter acquires or disposes of voting shares with the result that their voting share interest in the company moves through a whole percentage integer (e.g. 5.9% to 6.1% or 6.1% to 5.9%, but not 6.1% to 6.9%). The notification is to be made to the relevant company within five days of the change occurring. An interest in shares includes shares in which a person's spouse, civil partner or child is interested, and also includes shares in which a body corporate (over which he/she/it exercises control or direction or in which he/she/it controls a third or more of the voting power in such body corporate) is interested. These notification obligations apply to all Irish public limited companies, regardless of whether or not they are listed.
Financial assistance / self-acquisition	Financial assistance and self-acquisition of Shares in the company are prohibited, subject to limited exceptions	The Irish Companies Act contains a general prohibition on the provision of financial assistance for the purpose of an acquisition made or to be made by any person of any shares in the company or its holding company, subject to limited exceptions. The Irish Companies Act provides that a public limited company, like FINEOS, can acquire its own shares only when authorised by ordinary resolution in the case of a market purchase or by special resolution in the case of an off-market purchase. As ASX is not an "overseas market" for Irish company law purposes FINEOS cannot conduct market purchases of its own shares, however, it can effect "off-market" purchases.

	Australia	Ireland
Protection of minorities	The Corporations Act has various provisions allowing for application for a court order for oppressive conduct of a company's affairs, allowing for derivative actions and permitting the inspection of a company's books. A winding up may also be sought on just and equitable grounds.	The Irish Companies Act contains certain provisions providing for the protection of minority members of the company against the conduct of a company's affairs or exercise of a director's powers in a manner oppressive to a shareholder or in disregard of his/her/its interests. The Irish High Court has the power to make orders providing for the prohibition of any act or varying any transaction or regulating the conduct of the company's affairs in future, or order the purchase of the shares of any member of the company by other members of the company or by the company and the payment of compensation.
Related party transactions	The Corporations Act regulates the provision of financial benefits to related parties of 'public companies'.	While the Related Party Rules of Euronext Dublin do not apply to FINEOS, the Irish Companies Act regulates to a certain extent the provision of financial benefits to directors of public limited companies.
Filing of documents / access to information	The Corporations Act requires a corporation to file various documents with ASIC, including its accounts and notification of changes to its constitution. Documents filed with ASIC are available to the public. The Corporations Act also provides for a statutory right to apply to a court for an order permitting the shareholder to inspect the books of a company.	The Irish Companies Act requires a company to file various documents with the Irish Companies Registration Office, including inter alia its Constitution and any alterations thereto, any return of allotments and its annual return (including its financial statements). These documents are available for inspection by the general public. Certain other corporate documents, including the members register, the directors' and secretaries' register, the minutes of shareholder meetings and the disclosable interest register are available to shareholders.
Notice of meetings	The Corporations Act requires at least 28 days' notice of a general meeting of a listed company.	The Irish Companies Act provides that not less than 14 clear days' notice (i.e. 16 days) is to be given to members in respect of a general meeting of a public limited company. In respect of a general meeting at which a special resolution is to be passed 21 clear days' notice (i.e. 23 days) is required. There are however statutory provisions for calling meetings at short notice.

9. Additional Information (continued)

	Australia	Ireland
Shareholders' rights to request or requisition a general meeting	The Corporations Act requires the directors to call a general meeting on the request of members with at least 5% of the vote that may be cast at the general meeting or at least 100 shareholders who are entitled to vote at a general meeting. Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.	The Irish Companies Act provides that one or more members of FINEOS holding shares representing not less than 50% of the voting rights may themselves convene a general meeting. In addition, the directors must convene a general meeting at the requisition of one or more members holding not less than 10% of the voting rights.
Transactions that require shareholder approval	Under the Corporations Act, the principal transactions or actions requiring shareholder approval include: • adopting or altering the constitution of the company; • appointing or removing a director or auditor; • certain transactions with related parties of the company; • putting the company into liquidation; and • changes to the rights attached to Shares. Shareholder approval is also required for certain transactions affecting share capital (e.g. share buybacks and share capital reductions). Under ASX Listing Rules, shareholder approval is required for matters including: • increases in the total amount of directors' fees; • directors' termination benefits in certain • circumstances; • certain transactions with related parties; • certain issues of Shares; and • if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking.	Under the Irish Companies Act, the principal transactions or actions requiring shareholder approval include: • adopting or altering the constitution of the company; • changing the name of the company; • granting authority to the directors to allot shares; • dis-applying the statutory pre-emption rights in respect of an allotment of shares; • removing a director or auditor; • certain transactions with directors of the company and persons connected with directors; • putting the company into liquidation; and • changes to the rights attached to shares. Shareholder approval is also required for certain transactions affecting share capital (e.g. an increase in share capital, a consolidation or subdivision, the cancellation of certain shares, share buybacks and share capital reductions). The listing rules of the Euronext Dublin do not apply to FINEOS.

	Australia	Ireland
Removal of directors	The Corporations Act contains various provisions regarding resignation, removal and retirement of directors. The Corporations Act provides that a director may be removed by resolution at a general meeting, subject to a company receiving at least two months' notice of the intention to move the resolution and the company notifying the relevant director as soon as possible after receiving notice of that intention.	The Irish Companies Act provides that a director may be removed by ordinary resolution prior to the expiration of his or her period of office. Under the relevant section the company shall be given not less than 28 days' notice of the resolution and upon receipt of the notice must notify the relevant director of the intended resolution.
Directors' duties	The Corporations Act contains a number of statutory duties which are imposed on directors, including the duty of due care and diligence, good faith and avoidance of improper use of position or information.	The Irish Companies Act provides a number of statutory director's duties including inter alia the duty to act in good faith in what the director considers to be in the interests of the company, the duty to act honestly and responsibly in relation to the conduct of the company's affairs and the duty to not use the company's property, information or opportunities for his or her own or anyone else's benefit. In addition, there are a number of common law duties to which directors are subject. For example, while directors are generally not required to attend every board meeting, a failure to attend with reasonable regularity may amount to a breach of a director's duties.
Remuneration reports	Under the Corporations Act, if 25% of the shareholders at a company's annual general meeting vote against the company's remuneration report, the company will receive a 'first strike'. If the company's remuneration report at the next annual general meeting is also voted against by 25% or more of the company's shareholders, the shareholders will vote at the same annual general meeting to determine whether all the directors will need to stand for re-election. If at least 50% of the shareholders present at the meeting vote in favour of the 'spill' resolution, then a 'spill meeting' at which the directors will face reelection, must be held within 90 days.	Under the Irish Companies Act, unless the constitution of the company provides otherwise, the remuneration of the directors of a public limited company must be determined by the members of the company in general meeting. The Constitution of the Company provides that the remuneration of directors is to be determined by shareholders in general meeting but until so determined may be determined by the directors from time to time, subject if applicable to a cap set by the shareholders of the Company in general meeting from time to time, such remuneration of the Directors is to be divided among the directors as they shall agree or failing agreement equally.

It is emphasised that the summary table only attempts to provide general guidance, and that the detailed provisions may contain differences (including as to the availability of the cause of action), and may also be subject to differing interpretation by Australian and Irish courts.

9.8 Applicable company law

As FINEOS is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Irish Companies Act generally and its constitution.

Irish companies are principally governed by the Irish Companies Act which commenced on 1 June 2015 and consolidated and reformed pre-existing Irish company law. The common law (which is effectively evolved case law) supplements the Irish Companies Act to the extent not inconsistent with it. In addition, there are numerous legislative provisions and enactments which will have application to the activities of FINEOS, such as employment law and health and safety legislation.

Set out below is a summary of certain provisions of Irish company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Irish company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be familiar.

See Section **9.6** for details of Irish constitutional documents.

9.8.1 Division of powers between shareholders and directors

The division of a company's powers is determined through a combination of the Irish Companies Act and its Constitution.

9.8.1.1 Directors

In most Irish companies, as is the case with FINEOS, the shareholders, through its Constitution, delegate the executive powers to run a company's business to its board of directors which, in turn, is entitled to delegate specific tasks to committees.

9.8.1.2 Shareholders

All residual powers which are not expressly delegated to the board of directors are reserved for the shareholders. Some of these shareholder powers are reserved to the shareholders by the Irish Companies Act (for instance winding up a company or amending its Memorandum or Articles). In public limited companies, shareholder resolutions are passed at general meetings of the shareholders (although if the constitution permits, they may be passed by unanimous written resolution).

9.8.2 Management

The general corporate governance model of Irish companies involves the directors being appointed by the shareholders and being responsible for the strategic management and direction of the company together with stewardship responsibility for the oversight of the company's management team. The directors prepare financial statements and a report on the business and affairs of the FINEOS group which, following audit of the financial statements by the statutory auditors, are presented annually to the shareholders at the AGM.

9.8.3 Shareholder meetings

An AGM must be held in every calendar year with no more than 15 months elapsing between the holding of one AGM and the next provided it is within nine months of the last financial year end. Usual business transacted at the AGM is the presentation of audited accounts, the election or re-election of directors, the remuneration of directors and the appointment and remuneration of auditors. The AGM can also deal with special (i.e. additional) business.

The shareholders may occasionally meet to approve other matters as required. Those other shareholder meetings are called EGMs and occur on a needs or ad hoc basis rather than in a programmatic manner. Any shareholder meeting other than an AGM is an EGM.

The directors of a public limited company are obliged to convene an EGM in the event that the value of a company's net assets falls to 50% or less than the value of its called-up share capital. Otherwise, EGMs are convened as required i.e. whenever a shareholder vote is required.

9.8.4 Shareholder Resolutions: “Special” and “Ordinary” Resolutions

Shareholder resolutions are the means used to effect decisions of the members of a company. An ordinary resolution is a resolution passed by a simple majority of the votes cast by members present in person or by proxy and voting at a shareholders’ meeting.

A special resolution is a resolution passed by at least 75% of the votes cast by members in person or by proxy. Where special resolutions are to be passed, 21 clear days’ notice (i.e. 23 days) must be given and where only ordinary resolutions are to be passed 14 clear days’ notice (i.e. 16 days) must be given to members.

9.8.5 Share capital

Subject to certain exceptions, the Irish Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares must be transferred to an account (the share premium account) to which the provisions of the Irish Companies Act relating to capital maintenance of a company shall apply. In essence these rules provide that, if cash or assets are contributed to an Irish company in return for the issue of shares, the value of the cash and assets is locked into the company. The share premium account and share capital are treated in the same way under these capital maintenance rules. Neither can be distributed to the shareholder in a public limited company without shareholder and Irish High Court approval.

9.8.6 Membership

Under the Irish Companies Act, only those persons who agree to become shareholders of an Irish company and whose names are entered on the register of shareholders of such a company are considered shareholders. Accordingly, persons holding shares through a trustee, nominee or depository will not be recognised as shareholders of an Irish company under Irish company law and generally may only have the benefit of rights attaching to the shares or remedies conferred by law on shareholders through or with the assistance of the trustee, nominee or depository.

9.8.7 Purchase of securities by a company and its subsidiaries

Under Irish company law, a company or its subsidiaries may purchase its own shares either on-market or off-market. For a company or its subsidiaries to make on-market purchases of its ordinary shares, the shareholders must provide a general authorisation for such purchase by way of ordinary resolution. However, as long as this general authority has been granted, no specific shareholder authority for a particular on-market purchase by a company (or its subsidiaries) of its ordinary shares is required. For an off-market purchase, the proposed purchase contract must be authorised by special resolution of the shareholders of the company before the contract is entered into. The person whose shares are to be bought back cannot vote in favour of the special resolution and the purchase contract must be on display or must be available for inspection by shareholders at the company’s registered office from the date of the notice of the meeting at which the resolution is passed, and at the meeting itself. As ASX is not an “overseas market” for Irish company law purposes FINEOS cannot conduct market purchases of its own shares, however, it can effect “off-market” purchases.

Under Irish company law, a company may issue redeemable shares and redeem them out of distributable reserves or the proceeds of a new issue of shares for that purpose. In addition, a public limited company must satisfy a net asset test before it can redeem. A public limited company may only issue redeemable shares if the nominal value of the issued share capital that is not redeemable is not less than 10% of the nominal value of a company’s total issued share capital. All redeemable shares must also be fully-paid. Redeemable shares may, upon redemption, be cancelled or held in treasury. An Irish company may not exercise any voting rights in respect of any shares held as treasury shares. While a subsidiary holds shares, it cannot exercise any voting rights in respect of those shares. Any acquisition of its own shares by a company or by a subsidiary of a company must be funded out of distributable reserves as well as satisfying a net asset test i.e. the acquisition cannot cause the company to fail this test.

9.8.8 Takeovers

The Irish takeover rules do not apply to FINEOS. Refer to Section 9.6.14 for a summary of the takeover rules that FINEOS has incorporated into its Constitution.

9.8.9 Squeeze-out and buy-out rules

Under the Irish Companies Act, if an offeror were to acquire 80% of the issued share capital of a company within four months of making a general offer to shareholders, it can then compulsorily acquire the remaining 20% on the same terms. In order to effect the compulsory acquisition, the offeror must send a notice to outstanding shareholders telling them that it will compulsorily acquire their shares. Unless determined otherwise by the High Court of Ireland, the offeror must then execute a transfer of the outstanding shares in its favour after the expiry of one month. Consideration for the transfer is paid to the company, which would hold the consideration on trust for the outstanding shareholders.

Where an offeror already owned more than 20% of FINEOS at the time that the offeror made an offer for the balance of the shares, compulsory acquisition rights would only apply if the offeror acquired at least 80% of the remaining shares that also represented at least 50% in number of the holders of those shares.

The Irish Companies Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all of the issued share capital, and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 80% of the issued share capital, any holder of shares to which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those shares on the same terms as it had previously acquired shares under the offer. The offeror would be required to give any shareholders notice of their right to be bought out within one month of that right arising.

9.8.10 Obligation to Notify

Under the Irish Companies Act, a person must make a notification to a public limited company:

- where that person acquires voting shares with the result that they are then interested in 3% or more of the voting share capital of that company;
- where that person's interest in voting shares in the company falls below 3%; and
- where that person holds an interest in 3% or more of the voting share capital of the company, and thereafter acquires or disposes of shares with the result that their interest in the company moves through a whole percentage integer (e.g. 5.9% to 6.1% or 6.1% to 5.9%, but not 6.1% to 6.9%).

The notification is to be made to the relevant company within 5 days of the change occurring.

An interest in shares includes shares in which a person's spouse, civil partner or child is interested, and also includes shares in which a body corporate (over which he/she/it exercises control or direction or in which he/she/it controls a third or more of the voting power of the body corporate) is interested.

These notification obligations apply to all Irish public limited companies, regardless of whether or not they are listed. These obligations are separate to, and in addition to, the obligation to notify FINEOS and ASX under FINEOS' Constitution on obtaining 5% or more of FINEOS' voting power. Refer to Section 9.6.14.

9.8.11 Dividends and distributions

An Irish company can pay dividends as either an "interim dividend" which can be declared at any time during the financial year of a company by its directors or as a "final dividend", based on financial year end accounts.

In declaring an interim dividend, the directors must satisfy themselves that FINEOS will have sufficient distributable profits by the end of the financial year so as to support the payment of such a dividend. If this is the case, they can declare a dividend on an interim basis. If it is proposed that an interim dividend be declared and paid, and FINEOS' annual accounts do not support the proposed dividend, interim accounts will be required. These must be properly prepared in accordance with the relevant provisions of Irish company legislation and must also be submitted to the Irish Companies Registration Office.

One difference of note between interim and final dividends is that, once a final dividend is declared, it becomes a lawful debt of a company in respect of which shareholders are entitled to sue. In contrast, a board is entitled to revoke the declaration of an interim dividend at any time before payment.

Before a public limited company can pay a dividend, in addition to having sufficient distributable reserves it must also satisfy a statutory net asset test.

9.8.12 Protection of minorities

As a matter of Irish company law, wrongs committed against a company are generally actionable only by the company and not by its members. This is known as “the proper plaintiff rule”. This means that an individual minority shareholder cannot generally bring proceedings against a decision of the company where that decision is one which a majority of the members confirm.

The decision to institute proceedings on behalf of the company is typically taken by the board of directors but where the directors themselves are responsible for the wrong done to the company and refuse to take an action against themselves, an aggrieved minority shareholder may be able to take a derivative action against the directors.

The central question at issue in deciding whether a minority shareholder may be permitted to bring a derivative action is whether, unless the action is brought, a wrong committed against the company would otherwise go un-redressed. To bring a derivative action a person must first establish a prima facie case (1) that the company is entitled to the relief claimed and (2) that the action falls within one of the five exceptions to the proper plaintiff rule, as follows:

- where an ultra vires or illegal act is perpetrated;
- where more than a bare majority is required to ratify the “wrong” complained of;
- where the shareholders’ personal rights are infringed;
- where a fraud has been perpetrated upon a minority by those in control; or
- where the justice of the case requires a minority to be permitted to institute proceedings.

Even if the intended derivative action can be shown to potentially fall within one of the exceptions, the Irish court can, in exercising its discretion, refuse a plaintiff leave to issue proceedings where it considers that by reason of the existence of other factors it would be unjust to do so.

In addition to the above, an aggrieved minority shareholder may seek the following alternative remedies:

- Oppression (see below);
- Breach of a shareholder’s own personal rights;
- Petition to wind up the company on just & equitable grounds; or
- Other specific statutory remedies.

Shareholders may also bring proceedings against the company where the affairs of the company are being conducted, or the powers of the directors are being exercised, in a manner oppressive to the shareholders or in disregard of their interests. Oppression connotes conduct that is “burdensome, harsh or wrongful”. Conduct must relate to the internal management or control of the company. This is an Irish statutory remedy and the court can grant any order it sees fit, usually providing for the purchase or transfer of shares.

9.8.13 Accounting and auditing requirements

All Irish companies are required to keep adequate accounting records that are required, inter alia, to correctly record and explain the transactions of the company. Irish companies are also required to draw up annual financial statements which give a true and fair view of the company’s financial affairs. In addition to this requirement for every Irish company to prepare individual financial statements, there is a separate duty to prepare consolidated financial statements where the company is a holding company (subject to some exemptions). A holding company with subsidiaries not subject to the provisions of the Act (for example, subsidiaries incorporated outside of Ireland) must take all reasonable steps to ensure that such subsidiaries keep adequate accounting records as will enable the directors of the holding company to ensure that any group financial statements comply with the requirements of the Act (and, where applicable, article 4 of the International Accounting Standards Regulation).

All public limited companies are required to disclose details of their financial statements at their AGM and to attach a copy of their financial statements to the annual return filed with the Irish Companies Registration Office. In the case of a group of companies such as FINEOS and its Irish subsidiary, rather than file their individual company financial statements, each of these entities may instead file the group consolidated financial statements with their respective annual returns.

However, the Irish subsidiary will only be entitled to do so where, in respect of the relevant financial year, FINEOS provides an irrevocable guarantee (Section 357 Guarantee) of all commitments entered into by the Irish subsidiary, including amounts shown as liabilities in the financial statements of the Irish subsidiary in respect of that financial year. If FINEOS chooses not to provide such guarantee, the Irish subsidiaries will be required to file their individual financial statements. FINEOS is obliged to file both its individual financial statements (other than its profit and loss account) and consolidated financial statements with its annual return.

Statutory financial statements are required to be approved by the board of directors of a company and signed on their behalf by two directors. In the preparation of financial statements, the Irish Companies Act requires that all companies observe certain specific standards, follow specific formats and disclose certain information by way of notes to the financial statements.

The Act requires that the directors of all public limited companies lay the following financial statements and reports before the company's shareholders at the AGM (though there is no requirement to vote on or approve the financial statements):

- profit and loss account (and notes);
- balance sheet (and notes);
- Director's Report on the financial statements; and
- statutory auditor's report on the financial statements.

9.8.14 Statutory auditors

The first statutory auditors of an Irish company may be appointed by the directors at any time before the first AGM of the company. A statutory auditor so appointed will hold office until the conclusion of that first AGM. After that, the statutory auditors are appointed by the members of the company in annual general meeting and hold office until the next such meeting.

A company may, by ordinary resolution at a general meeting, remove a statutory auditor and appoint, in his or her place, any other person or persons who have been nominated for appointment by any member of the company and who holds the relevant qualifications to become statutory auditor of the company, and whose nomination notice has been given to the members. The passing of a resolution for the removal of the statutory auditor will not be effective unless there are good and substantial grounds for the removal related to the conduct of the auditors in performing his or her duties as auditor of the company, or the passing of the resolution is, in the company's opinion, in the best interests of the company.

Extended notice of 28 days is required for a resolution at a general meeting to remove the serving statutory auditor and/ or appoint a new statutory auditor in place of the incumbent statutory auditor. The statutory auditor who is the subject of the resolution to remove him/her is entitled to make representations in writing to the company and request their notification be sent to members of the company.

In addition, the statutory auditor removed from office has a right to receive notice and attend the next AGM of the company after their removal and the general meeting that is proposing their replacement. A statutory auditor may serve notice in writing on the company stating their intention to resign. The notice must contain a statement to the effect that either:

- there are no circumstances connected with the resignation that should be brought to the notice of the members or creditors of the company, or
- there are circumstances that the statutory auditor considers should be brought to the attention of members or creditors.

Where the statutory auditor serves a notice on the company of their resignation, they must within 14 days send a copy of the notice to the Registrar of Companies. Where the statutory auditor has listed circumstances in the notice that should be brought to the attention of members, the company must within 14 days send a copy of the notice to every person who is entitled to receive a copy.

9.8.15 Loans to directors

Irish companies can enter into loans, or credit transactions with, as well as enter into guarantees or provide security in connection with any such loans or credit transactions made for, directors of the company or its holding company or persons connected with such directors, provided a specific statutory approval procedure is followed. This statutory approval procedure involves shareholder approval and a declaration by the directors relating to company solvency. In the absence of this procedure, such transactions are prohibited subject to certain exceptions.

If a loan or quasi-loan made to a director or director of its holding company or connected person by a company is not in writing, or is in writing or partially in writing but is ambiguous, there is a rebuttable presumption in legal proceedings that it is repayable on demand, and that, until it is repaid, it is subject to interest at 5% p.a.

If a loan or quasi-loan made by director or a connected person to the company or its holding company is not in writing, or is in writing or partially in writing, but is ambiguous, there is a rebuttable presumption in legal proceedings that there was no loan or quasi-loan. Further, if it is proved that such a loan or quasi-loan was made to the company or its holding company, there will be another rebuttable presumption that, if the terms are ambiguous as to whether it is interest-bearing, or whether it is secured, or what priority it has over other indebtedness of the company, then the loan or quasi-loan will be interest-free, or will be unsecured, or will be subordinated to other indebtedness (as the case may be).

9.8.16 Inspection of corporate records

Members of the general public have the right to inspect the public documents of an Irish company available at the Irish Companies Registration Office which will include, inter alia, the company's certificate of incorporation, its Constitution and any alterations thereto, any return of allotments and its annual return.

Additionally, Irish public limited companies are required to maintain the following registers and documents: members (shareholders), directors and secretary, directors interest in contracts, directors' and secretaries' interests in shares and debentures, debenture holders, material interests in public limited companies, minutes of directors' meetings, minutes of general meetings, instruments creating charges, mortgages, and debentures, directors' employment contracts, contracts to purchase own shares and its Constitution.

9.8.17 Winding up

An Irish company can be wound up in one of three ways: (1) by way of resolution of its members following the making of a declaration of solvency by its directors (applicable only to solvent companies); (2) by way of resolution of its members subsequently ratified by its creditors; or (3) by an order of the High Court. In the majority of cases, a liquidator is appointed and is obliged to file accounts under the provisions of the Irish Companies Act. The company is dissolved with an effective date 3 months from the date of registration of the final documents in a voluntary wind up, or when the court orders its dissolution after winding up by a court appointed liquidator, on the date of receipt/registration of the said court order.

9.9 Taxation considerations

This Section provides a general overview of certain Australian and Irish tax consequences for general classes of Australian tax resident investors who acquire CDIs. The following tax comments are based on the tax law in Australia and Ireland in force as at the date of this Prospectus.

This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor. During the ownership of the CDIs by investors, the taxation laws of Australia or Ireland or their interpretation may change. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Investors should seek their own professional advice on the taxation implications of holding or disposing of the CDIs, taking into account their specific circumstances.

The following information is a general summary of the Australian and Irish tax implications for Australian resident individuals, complying superannuation/pension entities, trusts, partnerships and corporate investors. These comments do not apply to investors who are exempt from Australian income tax or investors subject to the Taxation of Financial Arrangements regime in Division 230 of the Income Tax Assessment Act 1997 which have made elections for the fair value or Reliance on Financial Reports (ROFR) methodologies.

Taxation issues, such as (but not limited to) those covered by this Section are only one of the matters an investor needs to consider when making a decision about a financial product. Investors should consider taking advice from someone who holds an Australian financial services licence before making such a decision.

9.9.1 Irish withholding tax on dividends

FINEOS does not envisage paying dividends in the short term, however these comments are included for completeness should FINEOS' dividend profile change in the future. Prima facie, FINEOS will be required to withhold Irish dividend withholding tax on payments of dividends to its shareholders at the standard rate of income tax in force at the time the dividend is paid. The standard rate of income tax in Ireland is currently 20%.

However, under Irish domestic law, certain specific exemptions exist, inter alia, where distributions are made to qualifying non-resident individuals and companies who are resident in a country with which Ireland has a Double Tax Treaty, provided that certain other conditions are met. There is a Double Tax Treaty in place between Australia and Ireland for these purposes. However on the basis that Shares in FINEOS in this instance will be held by a depositary nominee, shareholders who might otherwise be qualifying non-resident persons may suffer Irish dividend withholding tax on the payment of dividends, albeit that such persons may potentially be entitled to a refund of the Irish dividend withholding tax suffered. This would be on the basis that in the absence of a depositary nominee, they would otherwise be entitled to receive payment of the dividends gross.

In the case of qualifying non-residents, the general requirement to withhold tax could be avoided if the depositary nominee (CDN) was a "qualifying intermediary" for Irish dividend withholding tax purposes. CDN could be regarded as a qualifying intermediary provided the following conditions are met:

- the depositary nominee is resident in Ireland or in a Relevant Territory; and
- the depositary nominee has entered into a qualifying intermediary agreement with the Irish tax authorities; and
- the depositary nominee has been authorised by the Irish Revenue Commissioners as a qualifying intermediary and such authorisation has not expired or been revoked.

FINEOS may explore whether CDN could be regarded as a qualifying intermediary prior to the payment of any dividends.

9.9.1.1 Australian resident individuals and complying superannuation entities

Dividends paid by FINEOS will constitute assessable income of an Australian tax resident CDI holder. Australian tax resident CDI holders who are individuals or complying superannuation entities should include the dividend in their assessable income (some superannuation funds may be exempt in relation to CDIs to the extent they are held to support current pension liabilities) in the year the dividend is paid.

Franking credits will not attach to any dividend paid by an Irish tax resident company to Australian resident individuals and complying superannuation entities. As franking credits will not attach to any dividend paid by FINEOS, CDI holders will generally be taxed at their prevailing marginal rate on the dividend received with no tax offset. To the extent dividend withholding tax is withheld on dividend payments to Australian resident CDI holders and no refund available, foreign income tax offsets may be available.

Prima facie, FINEOS will be required to withhold Irish dividend withholding tax on the payment of dividends to individuals and complying superannuation entities. An individual CDI holder who is neither resident nor ordinarily resident for tax purposes in Ireland, but is resident in a country with which Ireland has a double tax treaty, or in a member state of the European Union, other than Ireland (together, a Relevant Territory), may be entitled to exemption from Irish dividend withholding tax to the extent that they are beneficially entitled to the dividends and provided that the requisite declarations are provided.

However, on the basis that the shares in FINEOS will be held by CDN, in the event that CDN cannot be regarded as a qualifying intermediary for Irish tax purposes, FINEOS will be required to withhold Irish dividend withholding tax even in the case of dividend payments to qualifying non-resident individuals. In these circumstances, such individuals may be entitled to reclaim the Irish dividend withholding tax suffered. Specific advice should be sought dependent on the tax status of the individual investor.

In the case of complying superannuation entities, the entitlement to reclaim Irish dividend withholding tax would depend on the legal and tax status of the relevant entity. Specific tax advice would be required to determine whether the entity could be considered a qualifying non-resident under Irish domestic legislation.

9.9.1.2 Australian corporate investors

Corporate investors are required to include any dividend payments in their assessable income. Franking credits will not attach to any dividend paid by an Irish tax resident company to an Australian corporate investor. As franking credits will not attach to any dividend paid by FINEOS, CDI holders will be taxed at the company income tax rate on the dividend received with no tax offset. To the extent dividend withholding tax is withheld on dividend payments to Australian CDI holders and no refund available, foreign income tax offsets may be available.

Prima facie, FINEOS will be required to withhold Irish dividend withholding tax on the payment of dividends to corporate investors. However, depending on whether CDN can be regarded as a qualifying intermediary or otherwise, qualifying non–Irish resident corporate investors may be entitled to claim an exemption from or to seek a reclaim of any Irish dividend withholding tax suffered, provided that they are beneficially entitled to the dividends, provide the requisite certificates and declarations and where they:

- are resident in a Relevant Territory and are not controlled (directly or indirectly) by Irish residents;
- are ultimately controlled (directly or indirectly) by residents of a Relevant Territory; or
- have the principal class of their shares, or shares of a 75% parent, substantially and regularly traded on one or more recognized stock exchanges in a Relevant Territory (including Ireland) or Territories; or
- are wholly owned by two or more companies, each of whose principal class of shares is substantially and regularly traded on one or more recognized stock exchanges in a Relevant Territory (including Ireland) or Territories.

Specific advice should be sought dependent on the legal and tax status of the corporate investor.

9.9.1.3 Trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the dividend in determining the net income of the trust or partnership. The relevant beneficiary or partner will be obliged to include the amount equal to the beneficiary's or partner's share of the dividend payment in their assessable income. Franking credits will not attach to any dividend paid by an Irish tax resident company to an Australian trust or partnership.

Prima facie, FINEOS will be required to withhold Irish dividend withholding tax on the payment of dividends to trusts and partnerships. Irish domestic legislation does not specifically address whether foreign trusts and partnerships can be regarded as qualifying non-resident persons for Irish dividend withholding tax purposes. Eligibility for exemption will depend on the type of trust or partnership involved and in particular will rely on the legal and tax status of the relevant body. Specific advice should be sought in this regard.

9.9.2 Disposal of CDIs over Shares

Australian tax resident investors who hold their CDIs on capital account will be required to consider the impact of the Australian capital gains tax (CGT) provisions in respect of the possible future disposal of their CDIs. Where the capital proceeds received on disposal of the CDIs exceed the CGT cost base of those CDIs, Australian tax resident investors will be required to recognise a capital gain.

The CGT cost base of the CDIs should generally be equal to the issue price or acquisition price of the CDIs plus, among other things, incidental costs associated with the acquisition and disposal of the CDIs. In respect of the CGT cost base of the CDIs, this amount may be reduced as a result of receiving non-assessable distributions from FINEOS, such as returns of capital. Conversely, Australian tax resident investors may recognise a capital loss on the disposal of CDIs where the capital proceeds received on disposal are less than the reduced CGT cost base of the CDIs.

All capital gains and losses recognised by an Australian tax resident investor for an income year are added together. To the extent that a net gain exists, such investors should be able to reduce the gain by any amount of unapplied net capital losses carried forward from previous income years (provided certain loss recoupment tests are satisfied). Any remaining net gain (after the application of any carried forward tax losses) will then be required to be included in the Australian tax resident CDI holder's assessable income (subject to the comments below in relation to the availability of the CGT discount concession) and will be taxable at the investor's applicable rate of tax. Where a net capital loss is recognised, the loss will only be deductible against future capital gains. Capital losses are capable of being carried forward indefinitely, provided the relevant loss recoupment tests are satisfied.

Non-corporate investors may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the investment has been held for at least 12 months prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual investor or trust, and a one third reduction of a capital gain for an Australian tax resident complying superannuation entity investor. The concession is not available to corporate investors.

In relation to trusts, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied. A person who is not resident or ordinarily resident in Ireland, who has not been an Irish resident within the past five years and who does not carry on a trade in Ireland through a branch or agency should not be subject to Irish Capital Gains Tax on the disposal of Shares held in accounts of participants through the depositary nominee, on the basis that the Shares do not derive the greater part of their value from Irish specified assets such as real property.

9.9.3 Irish capital acquisitions tax

Irish Capital Acquisitions Tax (referred to as CAT) applies to gifts and inheritances. Subject to certain tax-free thresholds, gifts and inheritances are liable to tax at 33%. Where a gift or inheritance is taken under a disposition made after December 1, 1999, it will be within the charge to CAT under certain circumstances including to the extent that the property of which the gift or inheritance consists is situated in the Republic of Ireland at the date of the gift or inheritance.

The tax-free threshold amounts for gifts and inheritances taken on or after 10 October 2018 that apply are:

- €16,500 in the case of persons who are not related to one another;
- €32,500 in the case of gifts or inheritances received from inter alia a brother or sister or from a brother or sister of a parent or from a grandparent; and
- €320,000 in the case of gifts and inheritances received from a parent (or from a grandparent by a minor child of a deceased child) and specified inheritances received by a parent from a child

Gifts and inheritances passing between spouses are exempt from CAT. A gift or inheritance of ordinary Shares or CDI's will be within the charge to Irish capital acquisitions tax, notwithstanding that the person from whom or by whom the gift or inheritance is received is domiciled or resident outside Ireland.

9.9.4 Tax file numbers

A CDI holder is not obliged to quote a tax file number (TFN), or where relevant, Australian Business Number (ABN), to the Company. A certificate of tax residence may be required in respect of qualifying non-resident shareholders who are either seeking exemption from or claiming a refund of Irish dividend withholding tax from the Irish Revenue Authorities.

9.9.5 Australian Stamp duty

In Australia, Stamp duty is a charge on certain documents and transactions which is imposed by the relevant States and territories. Stamp duty may be charged at either a flat rate or an ad valorem rate (based on the value of the transaction) depending on the particular document or transaction.

There will be no stamp duty payable on the issue or transfer of shares in a company that is listed on the Australian Stock Exchange.

In the same manner, there is no stamp duty payable in relation to the issue or acquisition of a CDI.

9.9.6 Irish stamp duty

9.9.6.1 Irish stamp duty - Shares

Irish stamp duty, which is a tax on certain documents, is payable on transfers of ordinary Shares (other than between spouses) whenever a document of transfer is executed. Where the transfer is attributable to a sale, stamp duty will be charged at a rate of 1%, rounded to the nearest Euro. The stamp duty is calculated on the amount or value of the consideration (i.e. purchase price) or, if the transfer is by way of a gift (subject to certain exceptions) or for consideration less than the market value, on the market value of the Shares. Where the consideration for the sale is expressed in a currency other than Euro, the duty will be charged on the Euro equivalent calculated at the rate of exchange prevailing on the date of the transfer.

A transfer of ordinary Shares by a shareholder to a depositary or custodian for deposit (for example to create CDIs) and a transfer of ordinary Shares from the depositary or the custodian in accordance with the terms of a deposit agreement (for example for the purposes of the withdrawal of CDIs back to the underlying ordinary Shares) will also be stampable at the ad valorem rate if the transfer relates to a sale, a contemplated sale, a gift or any other change in the beneficial ownership of such ordinary Shares.

9.9.6.2 Irish stamp duty - CDIs

FINEOS expects that electronic transfers of CHESS Depository Interests or CDIs through CHESS (the "Clearing House Electronic Subregister System") will not be subject to Irish stamp duty.

However, transfers of CDIs into or out of the CHESS subregister, or into or out of an issuer sponsored holding (including between issuer sponsored holdings) may be stampable at the ad valorem rate if the transfer relates to a sale, a contemplated sale, a gift or any other change in the beneficial ownership of the underlying ordinary Shares. CDI holders may wish to seek professional advice before entering into a contract to undertake such transactions.

9.9.6.3 Who is responsible

The person accountable for payment of stamp duty is normally the transferee or, in the case of a transfer by way of gift, or for a consideration less than the market value, all parties to the transfer.

9.9.7 Australian goods and services tax ('GST')

Under current Australian law, GST should not be payable in respect of the issue, acquisition, disposal or transfer of Shares or on the payment of dividends. However, shareholders may be charged GST on brokerage, or other professional advisory services acquired by shareholders in their own right in relation to the IPO of FINEOS. CDI holders should seek their own advice to determine whether they will be entitled to claim GST incurred on costs associated with the acquisition or disposal of CDIs.

9.10 Litigation and Claims

As at the Prospectus Date, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which FINEOS is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of FINEOS.

9.11 Consents to be named and disclaimers of responsibility

Each of the parties referred to below (each a 'Consenting Party'), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement which is made in this Prospectus is based, other than as specified below:

- Moelis Australia Advisory Pty Ltd;
- Macquarie Capital (Australia) Limited;
- Clayton Utz;
- William Fry;
- Mazars;

- KPMG Financial Advisory Services (Australia) Pty Limited;
- Boardroom Pty Limited;
- Macquarie Equities Limited; and
- Ord Minnett Limited.

FINEOS has included statements in this Prospectus made by, attributed to or based on statements made by the following parties:

- Swiss Re Institute, sigma No 3/2018, 'World insurance in 2017: solid, but mature life markets weigh on growth' (2018)
- Celent, IT Spending in Insurance – A Global Perspective (2017)
- Australian Prudential Regulatory Authority (**APRA**), 'Outsourcing involving cloud computing services' (September 2018)
- Novarica, Inc., Novarica Insurance Technology Webinar: Core Systems (March 2019)
- Eastbridge Consulting Group, Inc., Administrative Practices of Voluntary Carriers (August 2016)
- Deloitte, Deloitte 2019 Insurance Outlook: Growing economy bolsters insurers, but longer-term trends may require transformation (2019)
- A.M. Best Company Inc., 'Best's Key Rating Guide for Life/Health in U.S and Canada' (2018)
- Strategic Insight , 'Life Insurance Risk Premium Inflows and Sales for year ended September 2018' (January 2019)

The inclusion of statements made by, attributed to or based on statements made by these parties has not been consented to by the relevant party for the purpose of section 729 of the Corporations Act and are included in this Prospectus by FINEOS on the basis of *ASIC Corporations (Consent to Statements) Instrument 2016/72* relief from the Corporations Act for statements used from books, journals or comparable publications.

9.12 Privacy

If you complete and submit an Application Form for CDIs in FINEOS, FINEOS will collect and process your personal data. FINEOS will do so in accordance with the "Shareholder Data Protection Notice" which may be updated from time to time, a copy of which is available at Appendix C to the Prospectus and at: https://www.fineos.com/investors/shareholder-privacy/.

9.13 Contract summaries

Summaries of contracts set out in this Prospectus (including the summary of the Underwriting Agreement set out in Section 9.4), are included for the information of potential investors but do not purport to be complete and are qualified by the text of the contracts themselves.

9.14 Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents, that the assets shown in them are owned by FINEOS. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

9.15 Governing law

This Prospectus, and (unless otherwise specially stated) the contracts that arise from the acceptance of the applications and bids under this Prospectus are governed by the law applicable in New South Wales, and (unless otherwise specially stated) each applicant and bidder submits to the exclusive jurisdiction of the courts of New South Wales.

9.16 Statement of directors

This Prospectus is authorised by each Director of FINEOS, and each director of and SaleCo and Jacquel First Limited who consent to its lodgement with ASIC and its issue and has not withdrawn that consent.

Appendix A Significant Accounting Policies

Appendix A Significant Accounting Policies

Basis of financial statements

The significant accounting policies adopted in the presentation of the Financial Information included within Section 4 of this Prospectus are set out below. These accounting policies are consistent with our consolidated financial statements for FY18 and our half year consolidated financial statements for 1H19. Except for cash flow information, the Financial Information has been prepared on an accruals basis and are based on historical costs.

Transition to IFRS

For financial reporting periods up to and including 30 June 2017, FINEOS prepared its financial statements in accordance with Irish Law and Generally Accepted Accounting Practice in Ireland including accounting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

FINEOS has adopted IFRS as adopted by the EU in FY18 with a transition date of 1 July 2015. IFRS amendments issued and adopted by FINEOS are set out below and have been applied consistently by FINEOS to all periods presented in Financial Information within Section 4.

New standards and interpretation

There are no changes to IFRS which became effective for FINEOS during the financial year which resulted in material changes to the Financial Information. A number of new standards are effective for annual reporting periods beginning from 1 January 2018 and have been applied early in the preparation of Section 4 as outlined below.

Early adoption of new standards amendments and interpretation

The IASB and IFRIC have issued the following standards and interpretations that are issued but not yet effective but are available for early adoption at the date of transition are disclosed below. FINEOS applied early adoption of these standards in the transition to IFRS.

- IFRS 15: Revenue from Contracts with Customers
- IFRS 9: Financial Instruments and consequential amendments to IFRS 7 resulting from IFRS 9 adoption
- IFRS 16: Leases

The standards set out below have been applied consistently by FINEOS to all periods presented within the Financial Information.

New/Revised International Financial Reporting Standards Early adoption

IFRS 9 Financial Instruments

- ‘Financial instruments’, reflects the final phase of the IASB’s work on the replacement of IAS 39 ‘Financial Instruments’ Recognition and Measurement’
- Introduces new requirements for classification and measurement of financial assets and liabilities, impairment, and the application of hedge accounting.

IFRS 15 Revenue from contracts with customers

- ‘Revenue from contracts with customers’ replaces IAS 18 ‘Revenue’, IAS 11 ‘Construction Contracts’ and related interpretations.
- IFRS 15 deals with revenue recognition with the introduction of the 5-step approach. Principles are established for the timing of recognising revenue and reporting useful information to users of financial statements about the nature, amount, timing and the satisfaction of the promises identified arising from an entity’s contracts with customers.

IFRS 16 Leases

- IFRS 16 Leases replaces IAS 17 Leases. It sets out the principle for the recognition, measurement, presentation and disclosure of leases for both lessee and lessor. It eliminates the classification of leases as either operating or finance leases and introduces a single lessee accounting model where the lessee is required to recognise assets and liabilities for all material leases that have a term greater than a year.
- Under IFRS 16, leases are capitalised by recognising the present value of the lease payments. This has the effect of increased lease assets and financial liabilities for FINEOS.

Appendix A Significant Accounting Policies
(continued)

Basis of consolidation

The Financial Information of FINEOS incorporate the financial statements of the company (the parent) and entities controlled by the company (its subsidiaries) made up to 30 June each year.

Control is achieved when the company:

- has the power over the subsidiary entity;
- is exposed, or has rights, to variable returns from its involvement with the subsidiary entity; and
- has the ability to use its power to affect those returns.

FINEOS reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to their control.

When the company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by FINEOS.

When FINEOS loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Revenue recognition

FINEOS recognises revenue from the following major sources:

- Initial product license fees;
- Annual subscriptions; and
- Rendering of services, including professional services and support contracts.

Revenue is measured based on the consideration to which FINEOS expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. FINEOS recognises revenue when it transfers control of a product or service to a customer.

Initial product licence fees

Initial software licence revenue is recognised upon delivery of the software to the customer, provided that FINEOS has no significant related obligations or collection uncertainties remaining.

Annual subscriptions

Annual subscriptions are recognised on a straight-line basis, for the right to continued access to the licensed intellectual property (IP) and the support and maintenance services for the licences held, in accordance with the master licence agreement in place. Annual subscriptions include all support, maintenance, software updates and cloud services provided by FINEOS to customers.

Rendering of services, including professional services and support contracts

Revenue from rendering of services is recognised in the accounting period in which the services are rendered when the outcome of the contract can be estimated reliably.

Professional services are provided primarily on a time and materials basis for which revenue is recognised in the period that the services are provided.

For the services element of fixed price project engagements, revenue is recognised when the outcome of the transaction can be estimated reliably by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is generally measured using output measures, primarily arrangement milestones, where such milestones indicate progress to completion. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, an entity shall recognise revenue only to the extent of the expenses recognised that are recoverable.

Income arising on support contracts and rental/ subscription sales where the provision of the service has not been completed at the year-end date is deferred and recognised as the service is provided.

When the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the effective rate of interest.

Leases

At inception of a contract, FINEOS assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

FINEOS recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.' The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, FINEOS' incremental borrowing rate. Generally, FINEOS uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in FINEOS' estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

FINEOS presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment', and lease liabilities in trade and other payables in the statement of financial position. Right-of-use asset of office rentals is presented under 'property, plant and equipment', while right-of-use asset of licenses is presented under 'intangible assets'.

Short-term leases and leases of low-value assets

FINEOS has elected not to recognise right-of-use assets and lease liabilities for short-term leases of offices and licenses that have a lease term of 12 months or less and leases of low-value assets. FINEOS recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Foreign currencies

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains, and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of FINEOS' foreign operations (including comparatives) are expressed in Euro using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to FINEOS' translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated accordingly.

Employee benefits

FINEOS provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

Defined contribution pension plans

FINEOS operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which FINEOS pays fixed contributions into a separate entity. Once the contributions have been paid FINEOS has no further payment obligations.

The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from FINEOS in independently administered funds.

Share-based payments

FINEOS issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non-market-based vesting conditions) at the date of grant. The cost of equity-settled transactions with employees is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each year end date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest, or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in the cumulative expense since the previous year end date is recognised in the statement of comprehensive income, with a corresponding entry in 'other reserves'.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Interest income

Interest income comprises of income on cash held on interest-bearing bank deposits. Interest income is recognised as it occurs in the statement of comprehensive income, using the effective interest rate method.

Government grants

Government grants are not recognised until there is reasonable assurance that FINEOS will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which FINEOS recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that FINEOS should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to FINEOS with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants towards staff re-training costs are recognised as income over the periods necessary to match them with the related costs and are deducted in reporting the related expense.

Government grants relating to the acquisition of property, plant and equipment or intangible assets are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

Income tax

The taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. FINEOS' liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where FINEOS is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which FINEOS expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and FINEOS intends to settle its current tax assets and liabilities on a net basis.

Research and development tax credit

Research and development tax credits are recognised as a gain, set against the related expenditure in the year to which they relate. To the extent that the related expenditure is capitalised the tax credit is deferred on the statement of financial position.

Intangible assets

Intangible assets acquired separately

Computer software

Computer software separately acquired, including computer software which is not an integral part of an item of computer hardware, is stated at cost less any accumulated amortisation and any accumulated impairment losses. Cost comprises purchase price and other directly attributable costs.

Computer software is recognised as an asset only if it meets the following criteria:

- an asset can be separately identified;
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably;
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Costs relating to the development of computer software for internal use are capitalised once the recognition criteria outlined above are met.

Computer software is amortised on a straight-line basis over its useful economic life, which is considered to be up to range from three to five years. The amortisation expense is included within administrative expenses in the consolidated statement of comprehensive income.

Internally-generated intangible assets

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;

- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Borrowing costs incurred in respect of an internally-generated intangible asset arising from development are capitalised and classified as an intangible asset.

Development expenditure is amortised on a straight-line basis over its useful economic life, which commences when the asset is brought into use, and is considered to be between five and ten years. The amortisation expense is included within administrative expenses in the consolidated statement of comprehensive income.

Contract costs

The incremental costs of obtaining a contract are recognised as an asset if FINEOS expects to recover those costs. However, those incremental costs are limited to the costs that FINEOS would not have incurred if the contract had not been successfully obtained.

Costs incurred to fulfil a contract are recognised as an asset if and only if all of the following criteria are met:

- the costs relate directly to a contract (or a specific anticipated contract);
- the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future; and
- the costs are expected to be recovered.

These include costs such as direct labour, direct materials, and the allocation of overheads that relate directly to the contract.

The asset recognised in respect of the costs to obtain or fulfil a contract is amortised on a systematic basis that is consistent with the associated revenue contract's pattern of transfer of the services to which the asset relates. The amortisation expense is included within administrative expenses in the consolidated statement of comprehensive income.

The incremental costs of obtaining a contract are expensed if the associated amortisation period would be 12 months or less.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs, and borrowing costs capitalised.

Depreciation

Depreciation is calculated using the straight-line method to write off the cost of property, plant and equipment over their expected useful lives as follows:

Office equipment:	33.33%
Computer equipment:	33.33%
Fixtures and fittings:	20% - 33.33%
Right of use assets:	Lower of the useful life of the asset or the lease term

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Subsequent additions

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to FINEOS and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investments in subsidiary companies

Investments in subsidiary companies are reflected in the separate financial statements of the parent company. Investments in subsidiaries are stated at cost less accumulated impairment losses.

Impairment of tangible and intangible assets

FINEOS reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, FINEOS estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, FINEOS also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Financial assets and financial liabilities are recognised when FINEOS becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised on a trade date - the date on which FINEOS commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss; held-to-maturity investments; loans and receivables; and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

FINEOS' loans and receivables comprise trade and other receivables, amounts due from contract customers, bank balances and fixed deposits.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

FINEOS recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

FINEOS always recognises lifetime Expected Credit Losses ("ECL") for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on FINEOS' historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. When there has not been a significant increase in credit risk since initial recognition, FINEOS measures the loss allowance for that financial instrument at an amount equal to 12-month ECL which represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date; except for assets for which simplified approach was used.

FINEOS assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(a) The financial instrument has a low risk of default,

(b) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(c) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

FINEOS considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

Derecognition of financial assets

FINEOS derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If FINEOS neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, FINEOS recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If FINEOS retains substantially all the risks and rewards of ownership of a transferred financial asset, FINEOS continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity

Classification of debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of FINEOS after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Share premium

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings.

Derecognition of financial liabilities

FINEOS derecognises financial liabilities when, and only when, FINEOS' obligations are discharged, cancelled or they expire.

Derivative financial instruments

In order to manage interest rate and foreign currency risks, FINEOS has from time to time entered derivative financial instruments (principally interest rate swaps, currency swaps and forward foreign exchange contracts). Derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The carrying value of derivatives is fair value based on discounted future cash flows and adjusted for counterparty risk. Future floating rate cash flows are estimated based on future interest rates (from observable yield curves at the end of the reporting period). Fixed and floating rate cash flows are discounted at future interest rates and translated at period-end foreign exchange rates. At the statement of financial position date, no derivative instruments were recognised on the statement of financial position.

Provisions and contingencies

Provisions

Provisions are recognised when FINEOS has a present obligation (legal or constructive) as a result of a past event, it is probable that FINEOS will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within FINEOS' control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Related party transactions

The parent entity has availed of the exemption under FRS 101 “Reduced Disclosure Framework” and does not disclose transactions entered into between wholly owned members of FINEOS. Transactions with entities not wholly group owned are disclosed in accordance with the accounting standards and the Companies Act 2014.

Appendix B
Corporate Structure

Appendix B Corporate Structure

The following table sets out each subsidiary of FINEOS and, in each case, its place of incorporation and the nature of its business. Each company in the FINEOS group is 100% owned by FINEOS (whether directly or indirectly through one of its wholly owned subsidiaries).

Company name	Place of incorporation	Nature of subsidiary's business
FINEOS International Ltd	Jersey	Holding company
FINEOS Europe Unlimited	Jersey	Holding company
FINEOS Corporation Limited	Ireland	Software Licensor, software development and services
FINEOS Hong Kong Limited	Hong Kong	Software sales
FINEOS Canada Limited	Canada	Software sales and services
FINEOS Corporation	Delaware, United States of America	Software sales and services
FINEOS UK Limited	England & Wales	Software sales and services
FINEOS South Africa	South Africa	N/A
FINEOS Australia Pty Limited	Australia	Software sales and services
FINEOS New Zealand Limited	New Zealand	Software sales and services
FINEOS Polska s.p. z.o.o.	Poland	Software development and services

Appendix C Shareholder Data Protection Notice

Appendix C Shareholder Data Protection Notice

DATA PROTECTION NOTICE – SHAREHOLDERS

FINEOS Corporations Holdings PLC ("FINEOS")

1. Purpose of Notice

This notice sets out how personal information relating to you, as a prospective investor in CDIs in FINEOS and/or a shareholder in FINEOS, or that of your directors, officers, employees and/or beneficial owners ("**Personal Data**") will be handled by FINEOS, as the controller of the Personal Data (as specified in Section 3 of this notice below) and/or on its behalf by its third party service providers.

2. Personal Data Processed by FINEOS

FINEOS processes your Personal Data as provided to it or its relevant service providers on your completed Application Form, Personal Data that it collects, generates or observes while administering your application for CDIs and other Personal Data you provide to FINEOS or its third party service providers acting on FINEOS' behalf such as AML/KYC information. This information includes, but is not limited to:

a. **Information provided to FINEOS by you**: this might include, but is not limited to, your name and address (including proofs of name and address), contact details, date of birth, gender, nationality, photograph, signature, occupational history, job title, income, assets, other financial information, bank details, investment history, tax residency and tax identification information.

b. **Information that FINEOS collects, generates or observes:** this might include, but is not limited to, information relating to your application for CDIs or your shareholding in FINEOS, emails, call recordings and website usage data.

c. **Information that FINEOS obtains from third party sources:** this might include, but is not limited to, information obtained for the purpose of FINEOS AML/KYC procedures, information from public websites, social media and information received from your advisors or from intermediaries such as credit reference agencies, AML screening tools etc.

3. Why FINEOS Processes your Personal Data

FINEOS collects and processes your Personal Data on various legal bases and for numerous different purposes, including those set out below.

Legal Basis	Purpose(s)
Performance of a Contract FINEOS must process your Personal Data in order to enter into and perform its contract with you as a prospective shareholder in FINEOS.	• To take the necessary steps to facilitate and conclude a contract with you for the purchase of CDIs in FINEOS. • If you do not provide us with your personal data for these purposes, we will not be able to review your application or conclude the purchase by you of CDIs in FINEOS.

Appendix C Shareholder Data Protection Notice (continued)

Legal Basis	Purpose(s)
Legitimate Interests FINEOS may process your Personal Data in order to exercise or preserve its legitimate business interest(s). Where we rely on our legitimate interest to process your Personal Data, we will take appropriate steps to ensure the processing does not infringe your rights or interests.	• To assess initial applications for CDIs and to facilitate the purchase of CDIs in FINEOS. • Where you are not an individual shareholder, to facilitate the management and administration of holdings and dealing in FINEOS including, without limitation, the processing of redemption, conversion, transfer and additional subscription requests and the processing and verification of instructions. • To make relevant disclosures in the course of a merger, acquisition or bankruptcy of FINEOS or a FINEOS affiliate (to the extent applicable). • To manage FINEOS, including monitoring and resolving complaints. • To validate and verify information for security purposes. • To send administrative information relevant to the shareholding in FINEOS.
Compliance with Legal Obligation FINEOS may process your Personal Data in order to comply with its relevant legal and regulatory obligations.	• On becoming a holder of CDIs, the Irish Companies Act 2014 and the Irish Corporations Act 1840 require information about you (including your name, address and details of the interests/percentages you hold) to be included in the FINEOS register. ASX will also require FINEOS to maintain a register of CDI holders which will also contain similar information about you. • This information is required by statute to remain on FINEOS' register even if you cease to hold CDIs. • To ensure compliance with FINEOS' business, tax and regulatory obligations. • To assist FINEOS' auditors in the auditing of FINEOS in accordance with its legal obligations. • To investigate, detect, prevent or prosecute crimes in relation to the prevention of fraud, money laundering and/or terrorist financing, including "know your customer" and other necessary onboarding and ongoing investor checks. • In accordance with the requirements of the Irish Companies Act 2014 and the Irish Corporations Act 1840, information on the register is accessible by members of the public.
To Defend, Establish or be a Party to Legal Claims We may process your Personal Data as necessary in order for us to establish, investigate, exercise or defend a legal claim to which you are a party.	• To investigate, establish, exercise or defend a legal claim.

4. Third Party Recipients of your Personal Data

FINEOS may disclose your Personal Data to its relevant service providers and/or other third parties including, but not limited to:

- consultants;
- the Australian Securities Exchange (ASX);
- law enforcement agencies or regulatory authorities;
- service and insurance providers;
- registry operators and registry maintenance providers;
- other entities in the FINEOS group; and
- external advisors.

FINEOS or its service providers may also disclose your Personal Data to any other persons or entities as agreed between FINEOS and the relevant service provider, or as may be required or expressly permitted by applicable laws.

5. International Transfer of your Personal Data

The disclosure of your Personal Data to the third party recipients set out in Section 4 may involve the transfer of data to Australia, New Zealand and the USA, and other jurisdictions outside the European Economic Area ("**EEA**"), which may not be the subject of an adequacy decision by the EU Commission. Such countries may not be subject to equivalent data protection laws as countries within the EEA. Any transfer of your Personal Data to jurisdictions outside the EEA may only occur in accordance with the requirements of the GDPR where appropriate safeguards are in place to protect your personal data. If you would like to find out more about these safeguards, please contact DPO@Fineos.com.

6. Retention of your Personal Data

FINEOS will retain Personal Data for as long as necessary or permitted in light of the purpose(s) for which it was obtained. The criteria used to determine the retention periods include:

- the length of FINEOS' relationship with you;
- whether there is a legal obligation to which FINEOS is subject (such as retaining Personal Data obtained for the performance of AML and related checks, which will be kept for **5 years** after termination of the relationship); and
- if you purchase CDIs and, in light of FINEOS's legal position (such as with respect to statutes of limitations, litigation or regulatory investigations), your Personal Data may be kept for up to **7 years**; and
- if you apply for, but do not complete a purchase of CDIs, your Personal Data may be kept for up to **1 year**.

7. Your Data Protection Rights

You have a number of rights in relation to your Personal Data, which are set out in the table below. **In particular these rights include the right to object to processing of your Personal Data where that processing is carried out for FINEOS' legitimate interests**. Note that in certain circumstances these rights might not be absolute.

Right	Further Information
Right of Access	You have the right to request a copy of the Personal Data held by FINEOS about you and to access the information which FINEOS holds about you free of charge. FINEOS may charge you for making any additional access requests where it feels your request is unjustified or excessive.

Appendix C Shareholder Data Protection Notice (continued)

Right	Further Information
Right to Object	You have a right to object at any time to the processing of your Personal Data where FINEOS processes your Personal Data on the legal basis of pursuing FINEOS' legitimate interests.
Right to Rectification	You have the right to have any inaccurate Personal Data which FINEOS holds about you updated or corrected.
Right to Erasure	In certain circumstances, you may also have your personal information deleted, for example if you exercise your right to object (see above) and FINEOS does not have an overriding reason to process your Personal Data or if FINEOS no longer requires your Personal Data for the purposes as set out in this notice.
Right to Restriction of Processing	You have the right to ask FINEOS to restrict processing your Personal Data in certain cases, including if you believe that the Personal Data FINEOS holds about you is inaccurate or FINEOS' use of your information is unlawful. If you validly exercise this right, FINEOS will store your Personal Data and will not carry out any other processing until the issue is resolved.
Right to Data Portability	You may request FINEOS to provide you with your Personal Data which you have given FINEOS in a structured, commonly used and machine-readable format and you may request FINEOS to transmit your Personal Data directly to another data controller where this is technically feasible. This right only arises where: (1) FINEOS processes your Personal Data with your consent or where it is necessary to perform FINEOS' contract with you; and (2) the processing is carried out by automated means.

Where FINEOS requires your Personal Data to comply with anti-money laundering or other relevant legal requirements, failure to provide this information may prevent your application for any future dealing of CDIs in FINEOS.

Should you consider that the processing of your Personal Data by FINEOS or its service providers infringes the provisions of the GDPR, you may lodge a complaint with a supervisory authority in the EU Member State of your habitual residence, place of work, or in the place where an alleged infringement occurred.

8. Contact Us

If you have any questions in relation to FINEOS' use of your Personal Data, or would like to submit a request with respect to your rights above, please contact us at DPO@Fineos.com.

Glossary

Glossary

Expression	Definition
$, A$ or AUD	Australian Dollars
€	Euros
ABN	Australian Business Number
Advanced markets	including North America, Western Europe, parts of Asia and Oceania
AEST	Australian Eastern Standard Time
AI	artificial intelligence
ALF	annual license fee as referred to in Section 3.4.1
APAC	Asia Pacific
APIs	Application programming interfaces
Application	an application to subscribe for CDIs under the Offer
Application Form	the application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility)
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investment Commission
ASX	ASX Limited ABN 98 008 624 691, or the market operated by ASX Limited, as the context requires
ASX Listing Rules	the listing rules of ASX, as amended, modified or waived from time to time
ASX Principles	the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations
ASX Settlement	ASX Settlement Pty Limited ACN 008 504 532
ASX Settlement Operating Rules	the operating rules of ASX Settlement Pty Limited ABN 49 008 504 532
Australian Accounting Standards or AAS	the Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board
AWS	Amazon Web Services
Board	means the board of directors of FINEOS
Broker	any ASX participating organisation selected by the Offerors and the Joint Lead Managers to act as a broker to the Offer

Glossary

Expression	Definition
Broker Firm Offer	the offer of CDIs under this Prospectus to Australian resident and sophisticated investors who have received a firm allocation from their Broker as described in Section 7.3
CAGR	Compound Annualised Growth Rate
CCO	Chief commercial officer
CDI	Chess Depositary Interest
CDN	CHESS Depositary Nominees Pty Ltd ACN 071 346 506 (Financial Services Licence Number 254514)
Celent	Celent Research and Advisory, a division of the Oliver Wyman Group
CEO	Chief executive officer
CFO	Chief financial officer
Chairman's List Offer	an offer of CDIs under this Prospectus that is open to persons who received an invitation from the Company to participate as described in Section 7.4
Chairman's List Offer Application Form	any application form in respect of the Chairman's List Offer attached to or accompanying this Prospectus
CHESS	The Clearing House Electronic Sub-register System for settlement of shares on the ASX, operated by ASX Settlement
Company or FINEOS	FINEOS Corporation Holdings plc
Completion	The Completion of the Offer, being the date by which CDIs are issued to successful applicants and the Company is admitted to the official list of ASX, expected to be 16 August 2019 (this date may be varied without notice)
Constitution	The constitution of FINEOS Corporation Holdings plc
COO	Chief operating officer
Corporations Act	Corporations Act 2001 (Cth)
CPO	Chief people officer
CRM	customer relationship management
CTO	Chief technology officer
EBIT	has the meaning given to that term in Section 4.2.4
EBITDA	has the meaning given to that term in Section 4.2.4
EIB	European Investment Bank

Glossary

Expression	Definition
EIB Loan	FINEOS' existing unsecured credit facility with the European Investment Bank as described in Section 4.6
Emerging markets	including China, Latin America, Africa, Central & Eastern Europe, Middle East and Central Asia
Enterprise Ireland	the Irish state economic development agency having its principal office at EastPoint Dublin Business Park, The Plaza, Dublin 3
EU	European Union
EU Prospectus Regulations	The European Prospectus Regulation ((EU) 2017/1129) or any implementing legislation of this regulation.
Existing Option Plan	refers to FINEOS' share option and retention plan for certain employees existing prior to IPO as described in Section 6.3.3.1.
Exposure Period	the seven day period commencing after lodgement of this Prospectus with ASIC during which no Applications may be accepted, which may be extended by ASIC for up to an additional seven days
Financial Information	has the meaning given in Section 4.1
FINEOS	FINEOS Corporation Holdings plc or the business conducted by that entity and its subsidiaries as the context permits
FINEOS AdminSuite	Refers to the FINEOS' software designed to support insurer's core administrative processes. Includes the following products; FINEOS Claims, FINEOS Payments, FINEOS Provider, FINEOS Absence, FINEOS Policy and FINEOS Billing.
FINEOS Platform	Refers to the software platform developed by FINEOS comprising the FINEOS AdminSuite, FINEOS Engage and FINEOS Insight products.
Forecast Financial Information	has the meaning given in Section 4.1
FTE	full time equivalent
fully diluted	refers to the number of CDIs and options (each over one Share) on issue
FX	Foreign Exchange
FY	means financial year ending 30 June
GBP	British Pound Sterling
GDPR	General Data Protection Regulation (Regulation 2016/679/EU of the European Parliament and the Council
GST	the goods and services or similar tax imposed in Australia
HCM	human capital management

Glossary

Expression	Definition
Historical Financial Information	has the meaning given in Section 4.1
IASB	International Accounting Standards Board
ICT	information and communications technology
IFRS	International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board
ILF	initial licensing fee as referred to in Section 3.4.1
Institutional Investors	Investors who are (a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act; or (b) institutional investors in certain other jurisdictions, as agreed by the Company and the Joint Lead Managers, to whom offers of CDIs may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one which the Company is willing in its discretion to comply)
Institutional Offer	the offer of CDIs under this Prospectus to Institutional Investors in Australia and certain other eligible jurisdictions outside the United States, as described in Section 7.5
Investigating Accountant	KPMG Transaction Services
IP	Intellectual property
IPO	FINEOS' initial public offering
Irish Companies Act	Companies Act 2014 (Ireland)
IT	Information technology
Joint Lead Manager	each of Macquarie Capital (Australia) Limited ABN 79 123 199 548 and Moelis Australia Advisory Pty Ltd ACN 142 008 446
LA&H	life, accident & health
Listing	the admission of FINEOS to the Official List and the official quotation of CDIs in respect of Shares
New Equity Incentive Plan	refers to FINEOS' 2019 employee equity incentive plan as described in Section 6.3.3.2
Non-IFRS financial measures	has the meaning in Section 4.2.4
Novarica	Novarica, Inc.
NPAT	net profit after tax

Glossary

Expression	Definition
Offer	The invitation in this Prospectus to subscribe for CDIs in respect of Shares (with 1 CDI equivalent to 1 Share) , comprising the Institutional Offer, Broker Firm Offer and the Chairman's List Offer
Offer Price	$2.50 per CDI
Offerors	means FINEOS, SaleCo and Jacquel First Limited
Official List	the official list of entities that ASX has admitted to and not removed from listing
P&C	property & casualty
Pro Forma Financial Information	Pro Forma Financial Information described as such in Section 4.1
Pro Forma Forecast Annual Income Statements	Pro Forma Forecast Income Statement for FY19 and FY20
Pro Forma Forecast Financial Information	has the meaning in Section 4.1
Pro Forma Forecast Financial Information	Pro Forma Forecast Financial Information described as such in Section 4.1
Pro Forma Historical Annual Cash Flows	Pro Forma Forecast Annual Cash Flows information for FY17 and FY18
Pro Forma Historical Annual Income Statements	Pro Forma Historical Income Statement for FY17 and FY18
Pro Forma Historical Financial Information	Pro Forma Historical Financial Information described as such in Section 4.1
Pro Forma Historical Half Year Cash Flows	Pro Forma Historical Half Year Cash Flows for 1H18 and 1H19
Pro Forma Historical Half Year Income Statements	Pro Forma Historical Income Statement for 1H18 and 1H19

Glossary

Expression	Definition
Pro Forma Historical Statement of Financial Position	Pro Forma Historical Statement of Financial position as at 31 December 2018
Pro Forma net cash	has the meaning given to that term in Section 4
Prospectus	This Prospectus, dated 26 July 2019 (including the electronic form of the Prospectus)
Prospectus Date	the date on which a copy of this Prospectus was lodged with ASIC, being 26 July 2019
R&D	research & development
Registry	Boardroom Pty Limited ABN 14 003 209 836
SaaS	software-as-a-service
SaleCo	FINEOS SaleCo Limited (Irish Company Registration – 653527)
Selling Shareholders	Jacquel First Limited, and other shareholders in FINEOS at the date of this Prospectus who will sell Shares to SaleCo as described in Section 6.4
Settlement	the settlement of the Offer in accordance with the Underwriting Agreement
Share	a fully paid Ordinary Share in the capital of FINEOS
Shareholder	a holder of a Share
SI	systems implementation
Software revenue	Revenue generated from annual subscription fees (from FINEOS' cloud-based SaaS products) and ILFs and ALFs (from FINEOS' on-premise products)
SOWs	Statements of work
Statutory Financial Information	The Statutory Financial Information described as such in Section 4.1
Statutory Forecast Annual Cash Flows	Statutory Forecast Annual Cash Flows information for FY19 and FY20
Statutory Forecast Annual Income Statements	Statutory Forecast Income Statement for FY19 and FY20
Statutory Forecast Financial Information	Statutory Forecast Financial Information described as such in Section 4.1

Glossary

Expression	Definition
Statutory Forecast Financial Information	Has the meaning in Section 4.1
Statutory Historical Annual Cash Flows	Statutory Historical Annual Cash Flows information for FY17 and FY18
Statutory Historical Annual Income Statements	Statutory Historical Income Statement for FY17 and FY18
Statutory Historical Financial Information	Statutory Historical Financial Information described as such in Section 4.1
Statutory Historical Half Year Income Statements	Statutory Historical Income Statement for 1H18 and 1H19
Statutory Historical Statement of Financial Position	Statutory Historical Statement of Financial Position as at 31 December 2018
STIP	short term incentive plan
Subscription revenue	Software revenue generated from annual subscription fees and ALFs (i.e. excluding ILFs)
TPA	third-party administrator
UK	United Kingdom
US	United States
Underwriting Agreement	the underwriting agreement dated on or about the Prospectus Date between the Joint Lead Managers and the Offerors, summarised in Section 9.4
undiluted	refers to the number of CDIs (each over one Share) on issue
US$	United States Dollars

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Corporate Directory

Company's registered office

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FINEOS House
East Point Business Park, Alfy Byrne Road
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Joint Lead Managers and Underwriters

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Moelis Australia Advisory Pty Ltd

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Mazars

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Investigating Accountant

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Co-Manager

Ord Minnett Limited

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Sydney NSW 2000

Registry

Boardroom Pty Limited

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The Rocks, NSW 2000

Offer website

www.fineos.com/investors

Corporate Website

https://www.fineos.com/

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FINEOS