

5 May 2021

FINEOS acquires Spraoi, enhancing its machine learning platform capabilities

FINEOS Corporation Holdings PLC (ASX:FCL), a leading provider of core systems for life, accident and health insurance carriers globally is pleased to announce that it has entered into a binding agreement with DigIn Technologies LLC ("Spraoi") to acquire 100% of Spraoi's issued securities for an upfront cash payment of US\$4 million (A\$5.2 million), and an earnout of up to US\$6.6 million (A\$8.5 million) over three years subject to specific revenue hurdles being met (the "Acquisition"). The acquisition will be funded by existing cash reserves and the issuance of 700,000 share options to Spraoi's 3 founders and team of 23 employees.

Founded in 2017 and based in the U.S., with a software development and supporting team in India, Spraoi is a leading provider of machine learning capabilities for the Employee Benefits and Life industry. Spraoi currently has eight clients and achieved revenues of US\$6 million in the year to 31 December 2020 and is anticipated to be earnings accretive to FINEOS excluding transaction costs, after its first full year.

Spraoi's product and services offerings are a strategic addition to FINEOS with immediate opportunities to leverage from its existing client base and product capabilities to enhance FINEOS Engage and FINEOS Insight with additional digital smart-portal options, industry specific operational and analytical models, as well as machine learning capabilities across the FINEOS Platform.

Michael Kelly, CEO of FINEOS, said: "We're very happy to welcome the Spraoi team and their clients to FINEOS, and look forward to adding their advanced digital and machine learning capabilities to the FINEOS Platform for the benefit of all of our clients. This acquisition will greatly enhance the Digital and Data capabilities of FINEOS Engage and FINEOS Insight, to complement the power of our FINEOS AdminSuite, making the FINEOS Platform the only purpose-built Employee Benefits platform, from quote to claim with advanced machine learning capabilities."

"The North American employee benefits industry is undergoing tremendous change, which is continually accelerating due to the competitive and regulatory environment, as well as the constant advancement of technology capabilities," adds Kelly. "Spraoi is an innovative InsurTech in the Employee Benefits space whose leaders have a strong background in the Life, Accident and Health industry, as well as deep expertise in core systems and machine learning. That combination makes Spraoi a natural addition to the FINEOS team as we continually improve the FINEOS Platform to meet the needs of our clients."

Karan Mishra, co-founder of Spraoi said, "Spraoi's technology offering, and services have allowed our clients to successfully optimize outcomes and see measurable ROI. Our deep machine learning, data and customer experience capabilities coupled with the robust FINEOS Platform enables clients to have a one-of-a-kind pre-integrated platform to get the most out of their technology investments".

Spraoi is an insurance technology solutions provider combining 'Big 4' insurance consulting experience with Silicon Valley technology acumen and offshore capability and scale in India. Its focus is on assisting carrier clients with the two most pressing needs confronting them today: how to leverage their data to optimize outcomes using the patent pending Spraoi platform and; how to better engage customers throughout the lifecycle using their customer engagement infrastructure. Spraoi has also created an innovation framework that provides accountability from concept through execution, eliminating technology as the impediment to progress.

This acquisition will enable FINEOS to make the best use of machine learning across the three pillars of the FINEOS Platform: Core, Digital and Data. Spraoi's machine learning capabilities and service framework will increase digital service reach, reduce customer service friction, and provide much greater insight into the carrier/customer dynamic across the entire customer lifecycle, making the FINEOS Platform an even more attractive offering to the Employee Benefits and Life assurance industry.

The transaction is subject to customary closing conditions and is expected to complete quickly. As FINEOS and Spraoi integrate the business over the coming months, the priority will be to continue to operate on a business as usual basis in order to meet client needs.

This notice has been authorised for provision to the ASX by the Company's CEO and CFO.

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About FINEOS

FINEOS (ASX:FCL) is a leading provider of core systems for life, accident and health insurance carriers globally with 7 of the 10 largest group life and health carriers in the US as well as 6 of the 10 largest life and health carriers in Australia. With employees and offices throughout the world, FINEOS continues to scale rapidly, working with innovative progressive carriers in North America, Europe, and Asia Pacific. The FINEOS Platform provides clients full end to end core administration for group, voluntary and individual across life, accident and health. The FINEOS Platform includes the FINEOS AdminSuite core product suite as well as add-on products, FINEOS Engage to support digital engagement and FINEOS Insight for analytics and reporting.

For more information, visit www.FINEOS.com
