

FINEOS Corporation Holdings Plc 2021 Annual General Meeting

9 November 2021

FINEOS Corporation Holdings PLC (ASX:FCL), a leading provider of core systems for life, accident and health insurance carriers globally, is pleased to present the Chairman's address and CEO presentation to be presented at the Company's AGM.

Chairman address

Good morning or good evening ladies and gentlemen, and welcome to the Annual General Meeting of FINEOS Corporation plc.

My name is Anne O'Driscoll, and I am the Chairman of the Company and pleased to act as the Chairman of this Meeting today.

It is now just past 8 a.m., the nominated time for the Meeting. I have been informed that a quorum is present, and I am pleased to declare the Meeting open.

Firstly, I will provide you with an update on the business and this will be followed by an overview of the Company's performance for the 2021 financial year and growth strategy, presented by CEO Michael Kelly.

Then we will progress to the formal business of the Meeting, where the resolutions presented in the Notice of Meeting will be put to shareholders.

We will allow time for questions regarding the resolutions before proceeding to vote on the resolutions.

I would like to start by introducing you to the directors, who are present in this virtual meeting:

- Michael Kelly, Chief Executive Officer and Managing Director, who will also address you shortly;
- Tom Wall, Chief Financial Officer and Executive Director;
- Gilles Biscay, Non-Executive Director;
- Martin Fahy, Non-Executive Director and Chair of the Audit & Risk Committee; and
- Dave Hollander, Non-Executive Director.; and

Also present are Ms Vanessa Chidrawi, Company Secretary, and representatives of the Company's external auditors, Mazars including the signing partner, Mr Lorcan Colcough.

For the second year running, we are holding this meeting wholly online virtually due to COVID-19 related restrictions. Thankfully, the incidence of COVID-19 diagnoses in our team has been minimal across the globe and our people have continued to work productively while working remotely. Indeed, in recognition of the wishes of a number of our people and the trends in the global technology workforce, we are committed to supporting a flexible hybrid model mixing office and remote based working into the future depending on people's preferences and roles.

This is just one aspect of our employee value proposition which we are refreshing as we have grown c650 employees and contractors when we listed to 1,075 in September 2021 and we face into the "Great Resignation" wave across the global technology sector. Other aspects include formalising and launching our new Diversity, Equality and Inclusion policy, upgrading our Leadership Essentials program, devolving our recognition programs into the business and uplifting our succession planning and development.

FINEOS has continued to grow strongly since listing in August 2019. Total Software revenue in the year to June 2021 was €41.9m up 42% in the year and 80% in two years. Supporting this growth were a record number of new contracts won in calendar 2020 which are now being delivered with a number of major clients 'go lives' under our belt this year. It is a credit to our team and our products that these implementations have gone so well.

During the 2021 financial year we also made two acquisitions – Limelight in August 2020 and Spraoi in May 2021. The technology within these companies is supporting the build out of our platform modules so that we now provide end to end solutions and insights to clients in the life, accident and health insurance space.

We are also grateful to you, our security holders, for your support in providing the capital to undertake these acquisitions and the recent capital raise to fund the ongoing development and implementation of our FINEOS Platform with our clients.

We remain confident that our platform is supportive of the drive for ongoing digitisation and increasing efficiencies of insurance processes in our markets and are committed to partnering our clients and potential clients on this journey.

I will now hand over to Michael for his CEO presentation.

CEO address and presentation

Thank you, Anne. Good morning or good evening everyone, depending on where you're joining the webcast from today.

I will provide a brief overview of the 2021 financial year including the key financial and operational highlights as well as an update on the current year's performance to date. I will then pass back to Anne for the formal business of the meeting.

Turning to slide 4 of the presentation, I am pleased to report that in FY21, FINEOS achieved record financial results. In summary, total revenue for the Group was €108.3 million, up 23.3% on prior year. Importantly, Subscription revenue grew by 48.6% to €40.1 million reflecting strong organic growth as well as contributions from acquisitions made during the year which I will touch on a little later. Growing our higher margin Subscription revenue is a key focus for us and achieving this level of growth in a year that was challenging for many markets, including the one we operate in, was a great achievement. It is also testament to our FINEOS team and the long-standing relationships we hold with our clients, who continue to partner with us and invest in the FINEOS Platform to support their core business needs.

Services revenue grew by 13.9% to €66.4 million, off the back of an exceptionally strong prior year. We continued to maintain strong margins at the gross profit level of 66.5% and achieved earnings before interest, taxes, depreciation and amortisation of €7.9 million on a proforma basis. This EBITDA was down on the prior year EBITDA of €15.7 million and much of that was due to acquisition transaction costs and absorbing losses related to Limelight Health that was acquired in the first quarter of the year.

At year end, we carried no debt and had €14.0 million in cash. Following the capital raise, completed in the first quarter of FY22, our cash balance increased to €50.4 million, as at 30 September 2021. This position provides strong financial foundations and strategic flexibility as we pursue our medium to longer term growth opportunities.

Slide 5 reflects some of the operational highlights from the year. We now look after over 60 carriers across North America, APAC and EMEA. North America is the region in which we have purposefully

pursued and achieved the most growth with revenue from this region making up 73% of the Group's overall revenue for the year. This is evidence that our growth strategy is working and our position as a global market leader of core systems for group and individual life, accident and health insurers is strengthening.

As Anne mentioned, FY21 saw us complete our first acquisition in Q1, followed by a second in Q4 – both acquisitions were executed remotely during lockdown periods. Needless to say it was a busy year and we have been hard at work integrating both companies and their teams into FINEOS. I won't go into the detail of both as we have covered this at large in previous presentations but what is important to point out is that through acquiring Limelight Health and Spraoi we have not only increased revenues and number of clients, but we now have a stronger FINEOS Platform for life, accident and health insurers. Naturally, we have increased our total addressable market by being able to serve clients on the entire journey from "Quote to Claim", with enhanced machine learning capabilities in the FINEOS Insight and Engage modules. We have also gained great talent from these acquisitions and appointed a number of their leaders to fill open positions within FINEOS North America.

During FY21 we exceeded 1,000 in headcount, and held a strong employee retention rate over 90%, however we are noticing a harder market for hiring now albeit our attrition levels remain low and well ahead of the industry norm.

Slide 6 covers some of the initiatives and objectives we are focused on with regards to our people and ESG. With the unusual past 18 months that we have all experienced, people engagement and well-being has been more important than ever to focus on and we have put additional resources into supporting our global diverse team. We also launched an updated Diversity, Equality and Inclusion program called "Embrace" in the second half of the year which has been received very positively by our team.

As a technology company our carbon footprint is naturally low, pleasingly however we have been able to significantly reduce this further and will continue to contribute to climate action plans in the countries we operate in by reducing travel journeys and embracing a hybrid model of remote working and adopting energy saving practices whenever possible.

Moving to the first quarter of this financial year, slide 7 shows some of the highlights from the quarter which has been very busy. Some of the financial highlights include completing the capital raise that I mentioned earlier and growing the Annual Recurring Subscription Revenue or ARR to a strong €49.1 million at 30 September 2021. On the sales front we strengthened our Sales team in the U.S., hiring a SVP of Sales who had worked for us previously, and recently signed a new deal for the FINEOS Engage product. Operationally we re-opened the Dublin office for the first time since it closed in early 2020, albeit the vast majority of people are still working remotely. We see this trend continuing for the time being as we continue to work through the ongoing effects of the global pandemic. Product Consulting utilisation increased to 91% over the quarter, up from 87% in FY21, reflecting the continued demand for our teams and high level of services work still required to support cloud upgrades and implementations.

Slide 8 displays the split of revenue across our main operating regions. In keeping with our strategy of focusing investment in growing our North America region, revenue from this region has risen to 77% of total revenue for the quarter, as our clients there continue to be the most active and lead the way in FINEOS Platform implementations and cloud upgrades. This is the region that has returned to post Covid norms the quickest, enabling more in person client engagement and sales activities, such as our recent significant presence and sponsorship at InsurTech Connect, the largest annual conference for insurance technology in the U.S. We expect to continue to see the regulatory changes that will help to drive the adoption of the FINEOS Platform for the Employee Benefits market segment in the U.S.

Turning to slide 10, in terms of the outlook for the rest of this year, we are on track to achieve the guidance issued at the full year results announcement in late August, of FY22 revenue in the range of €125 to €130 million. As I highlighted in a previous slide, our ARR at 30 September has grown to €49.1 million, which reflects growth of 7% on the ARR of €45.7 million at 30 June 2021 and puts us well on track to achieve our target of approx. 30% growth in subscription revenue for FY22.

In summary, we are well positioned both operationally and financially to execute on our growth strategy into FY22 and beyond. The two acquisitions made during FY21 improve our FINEOS Platform and our position in the marketplace. Coupled with the continued investment we are making in R&D, we are in a very strong position to benefit from the opportunities that lie ahead in the industry and continue to increase our SaaS Subscription revenue, ultimately delivering more value to you our securityholders.

Lastly, I would like to thank our clients, partners and, in particular, acknowledge and thank our people for their contribution, dedication, and flexibility in overcoming the many challenges that the last 12 months has presented. What FINEOS has achieved in terms of growth and expansion in FY21 has been driven by our people and we will work as a team to continue to drive our growth and success in the years ahead.

This concludes my address and on behalf of my fellow Directors, thank you to all of our securityholders in FINEOS. We look forward to sharing our progress with you as we continue our journey and execute our mission to become the global market leader of core systems for group and individual life, accident and health on a single technology platform.

I'll now pass back over to Anne to commence the formal business section of the meeting.

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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





Annual General Meeting

Anne O'Driscoll, Chairman & Michael Kelly, Founder and CEO

9th November 2021



1. Chairman's Address

2. CEO Address & Trading Update

FY21 Financial Highlights

**Total
Revenue of
€108.3m**

**23.3% growth
on FY20**

**Subscription¹
revenue
€40.1m**

**48.6% growth
on FY20**

**Services
Revenue
€66.4m**

**13.9% growth
on FY20**

**Gross Profit
€72.0m
GP Margin 66.5%**

**23.0% growth on FY20
Margin in line with FY20 of 66.7%**

**Pro-forma
EBITDA
€7.9m**

Vs €15.7m in FY20

**ARR
€45.7m
at 30 June '21**

Vs €30.1m at 30 June '20



1. Subscription revenue represents all recurring Software revenue calculated as total Software revenue less Initial License Fees (FY21 ILF: €1.8m and FY20 ILF €2.5m) as they are non-recurring.

FY21 Operating Highlights



60+
CARRIERS

Market Leader in Life, Accident
& Health core systems

North America
revenue increases to
73% of total revenue
up from 59% in FY20

North America focused
growth strategy working

**FINEOS New Business
& Underwriting
solution launched**

FINEOS AdminSuite now covering
Quote to Claim solutions

>90%
employee retention
rate

Global workforce continues to
work remotely due to pandemic

1,065
Total Headcount¹
at 30 Jun '21

Increase of 21.9% on FY20

2 Acquisitions:
Aug 2020 Quote, underwrite and rate:

LimelightHealth

May 2021 ML and automation:

sprai

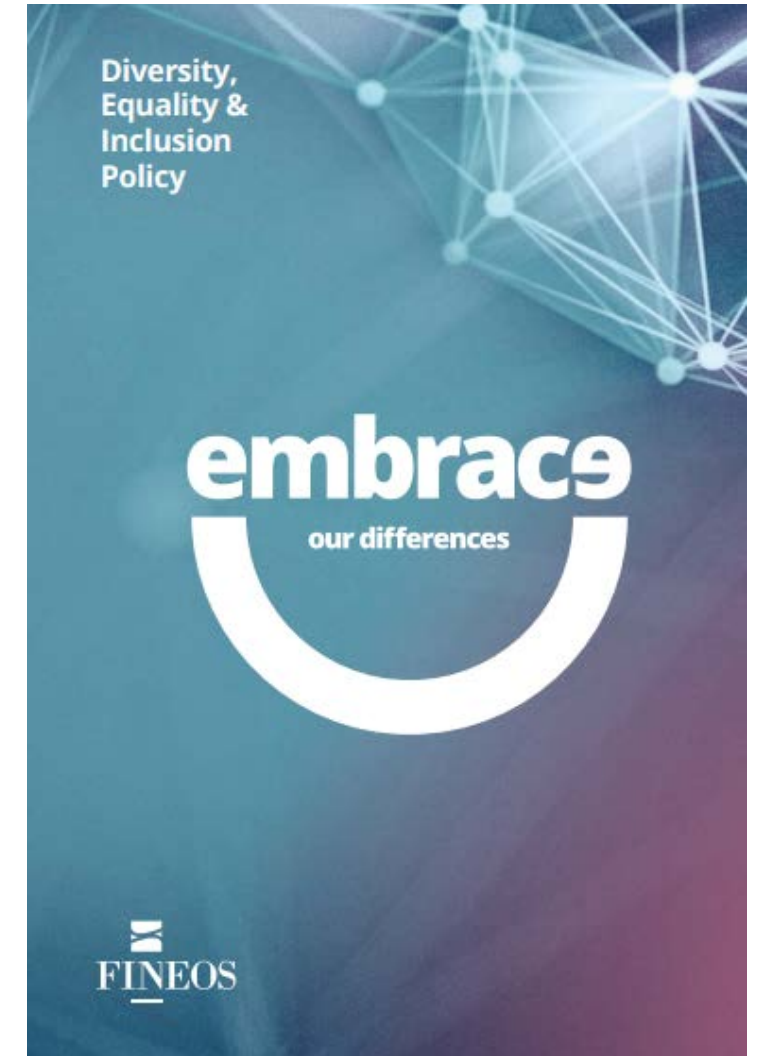
Strategic bolt-on acquisitions to
enhance the FINEOS Platform



1. Headcounts includes full time employees and all contractors.

Our People and Social Mission

- Our People principal objective is to "Drive Organisational Health to create a great place to work and a competitive advantage".
- Updated DEI Policy and global program; “Embrace” launched in 2021.
- Reducing carbon footprint; in Dublin with the remote working model, we have reduced over 500 car journeys a week, contributing to Ireland’s Climate Action plan to slash 500,000 car journeys every day by 2030
- FINEOS is also committed to creating a world-class Corporate Social Responsibility program which truly reinforces and brings to life FINEOS's company vision to create "A world where protection from illness, injury and loss is accessible to everyone.”
- FINEOS’ Health and Well-being program supports all employees by creating an environment where our people are encouraged to bring their best selves to work and are supported in achieving greater well-being by fuelling themselves across three core dimensions: mental, physical and emotional.
- It is vital for FINEOS as an organisation to prioritise Health and Well-being to sustain ourselves and inspire others to do the same.



1Q22 Highlights

**A\$73.8 million
raised via
Institutional
placement and SPP**

**Supports FINEOS's growth
strategy**

**ARR
€49.1m¹
at 30 Sept '21**

Vs €45.7m at 30 June '21

**New name win for
FINEOS Engage
product in U.S.**

**5 year small sized
subscription deal**

**91% Product
Consulting employee
utilisation**

Vs 87% in FY21

**Dublin Office
reopened**

**Hybrid model of
remote working employed**

**North American
SVP of Sales
rejoined**

**Supports sales and marketing
team growth**

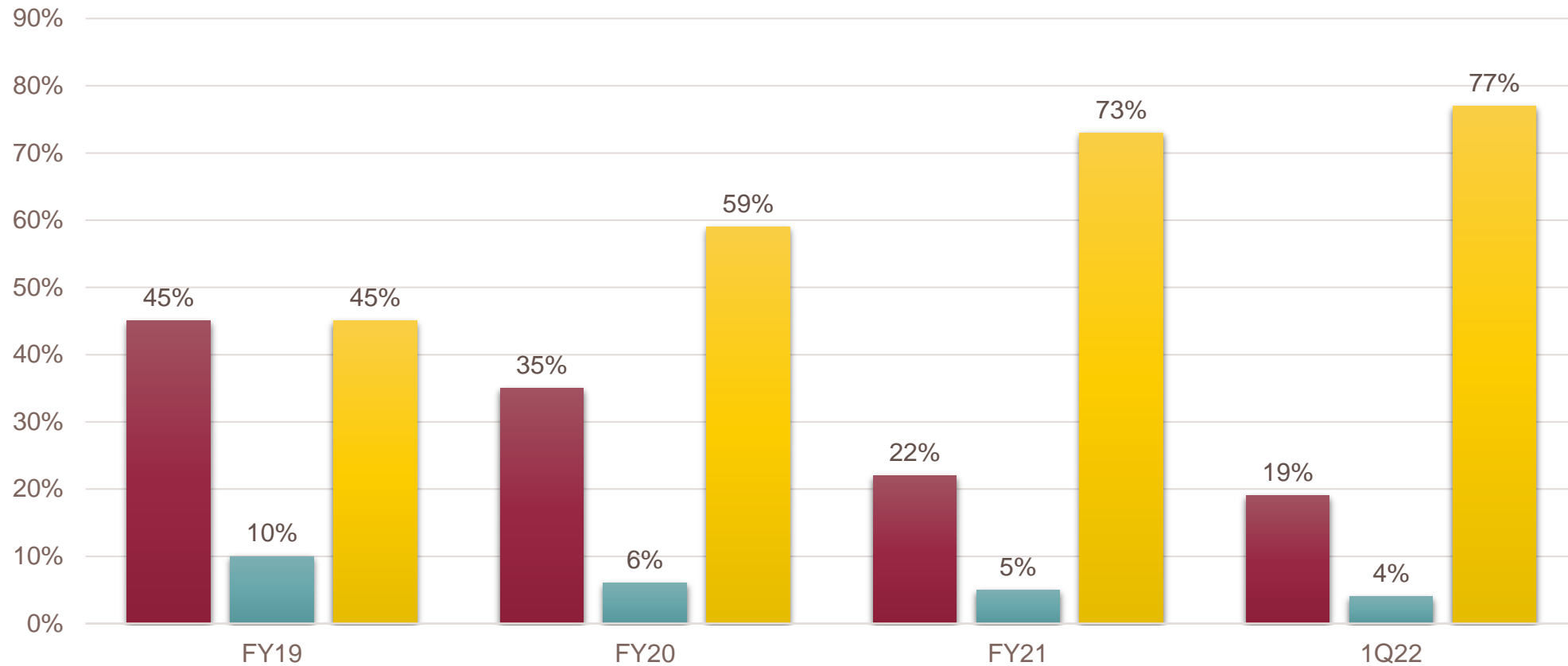


1. Calculated as September's monthly contracted subscription revenue annualised

1Q22 Geographic mix of revenue

North American proportion of total revenue continues to increase, representing 77% in the first quarter of FY22, up from 73% in FY21 and 59% in FY20.

Revenue by region



Trading Update¹

- On track to achieve FY22 revenue in the range of €125-130m, with Subscription revenue anticipated to grow at approximately 30%;
 - ARR at 30 Sept 2021 of €49.1 million, up 7% on ARR of €45.7 million at 30 June 2021.
 - New name client win achieved in U.S. for FINEOS Engage product, small sized 5-year term subscription contract
- FINEOS Cloud Upgrades continue;
 - Cloud SaaS related revenue, including subscription and services revenue, represented 76% of total revenue in 1Q22 up from 64% in the prior corresponding period 1Q21
- Product Consulting average utilisation rate of 91% in 1Q22, up from an average of 88% in FY21
- Headcount of 1,075 at 30 September 2021, challenging market for hiring however attrition remains at low levels by industry norms



Summary

- The two acquisitions made during FY21 means the FINEOS product offering is an end-to-end suite for North American Employee Benefits and strengthens FINEOS' existing focus on machine learning and AI product offerings through the FINEOS Engage and Insight products
- Revenue growth expectations are supported by a robust pipeline of significant cross-sell and up-sell opportunities with existing clients in addition to a small number of new name opportunities
- We are seeing the elevated R&D invested during FY21 continuing into FY22 as a result of acquisition integrations and further product development



3. Formal Business – AGM Resolutions

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