



1H21 Results Investor Presentation

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24th February 2021

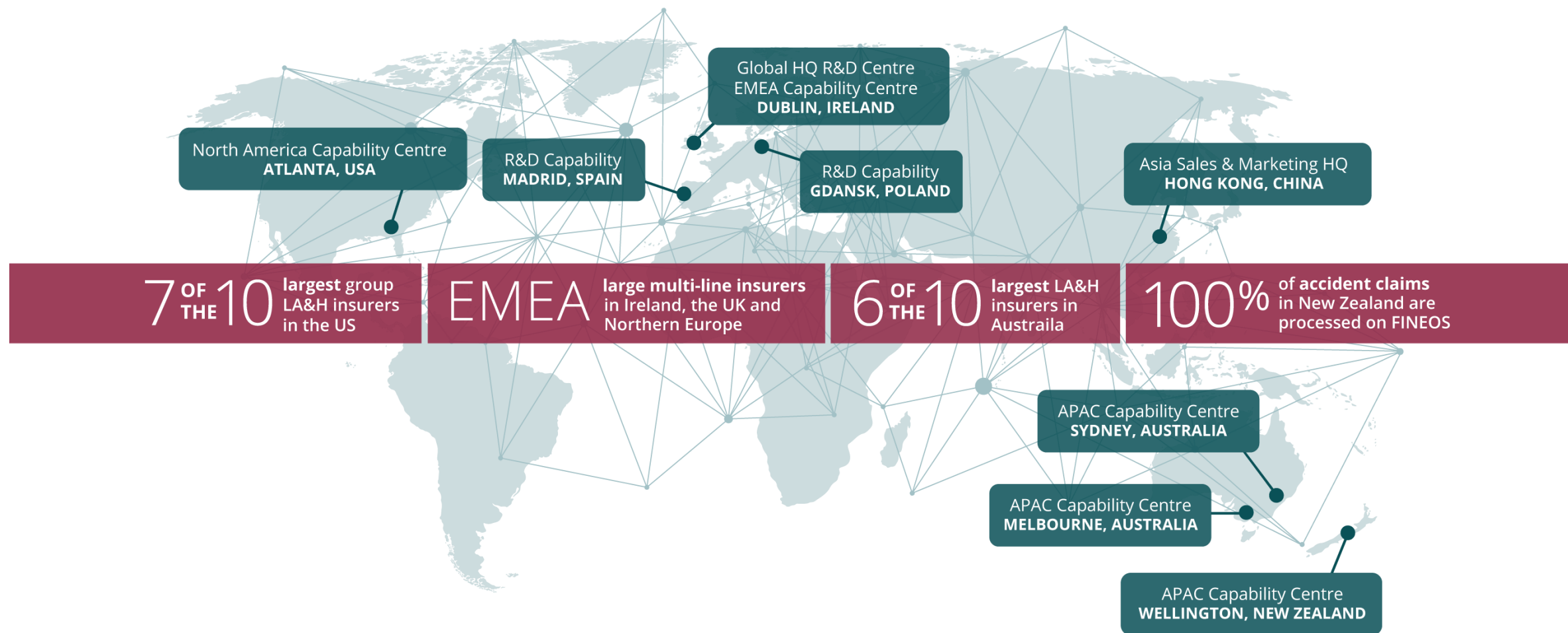


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FINEOS Market Leadership and Presence



1H21 Operating Highlights

LimelightHealth

Leading New Business Insurtech
Acquired August 2020

Multiple client go live
implementations
and platform upgrades
drive higher
Annual Recurring Revenue

ARR 31 Dec 20: €38.3 million

1,043
Total Headcount
at 31 Dec 2020

Increase of 40.8% on 1H20,
includes Limelight Health

**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

North America
revenue increases to
71% of total revenue
up from 55% in 1H20

North America focused
growth strategy working



1H21 Financial Highlights

Revenue of €52.6m
20.1% organic
growth on 1H20

Subscription¹ revenue
35.1% organic
growth on 1H20

Services Revenue
15.9% organic
growth on 1H20

30.1% including contribution
from Limelight Health

51.5% growth including
contribution from Limelight Health

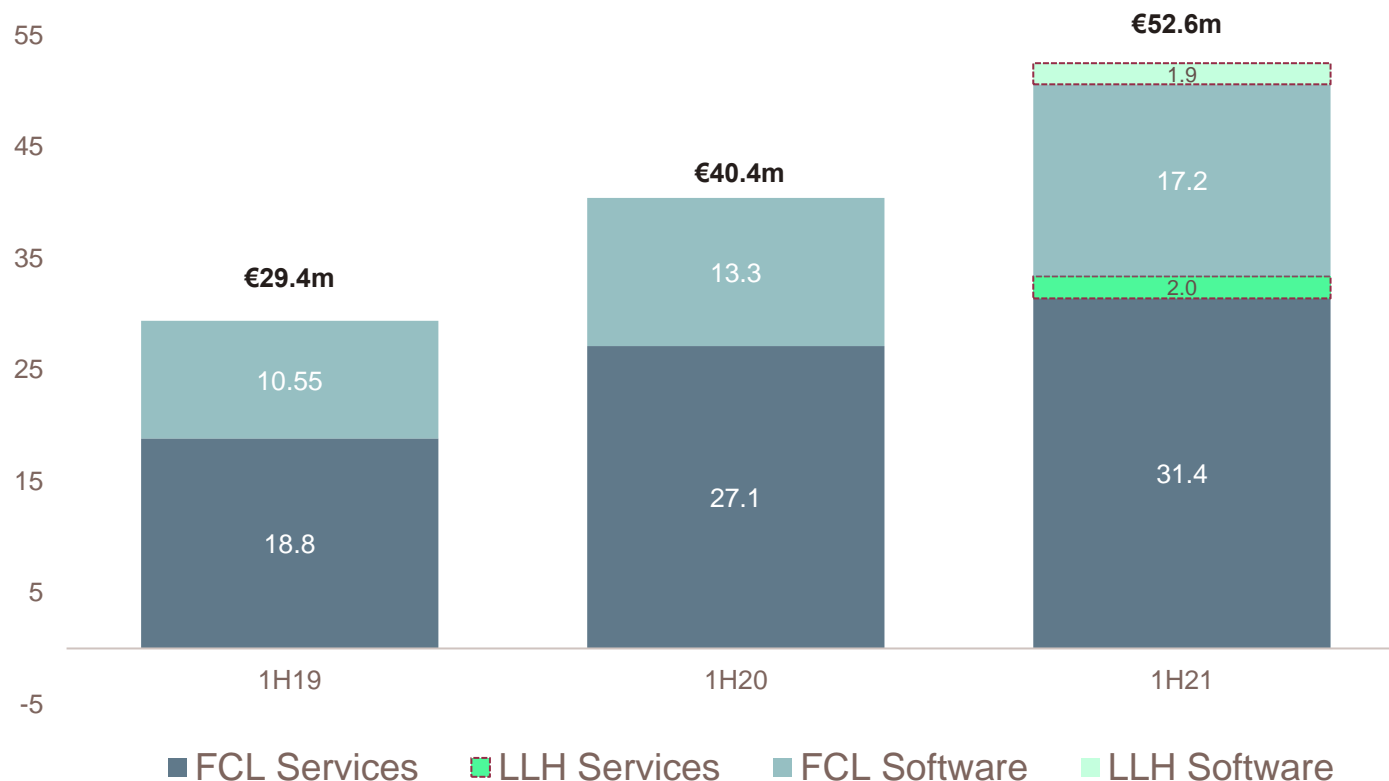
23.3% growth including
contribution from Limelight Health

Pro-forma EBITDA of €5.1m (vs €8.9m in 1H20)



1H21 Revenue Highlights

Total revenue growth of 30.1% on 1H20, despite negative fx impact of (€1.5m) from exposure to the USD. Growth driven by new client wins during 2H20 and revenue contribution of €3.9m from Limelight Health that was acquired during 1H21.



ARR¹: €38.3 million

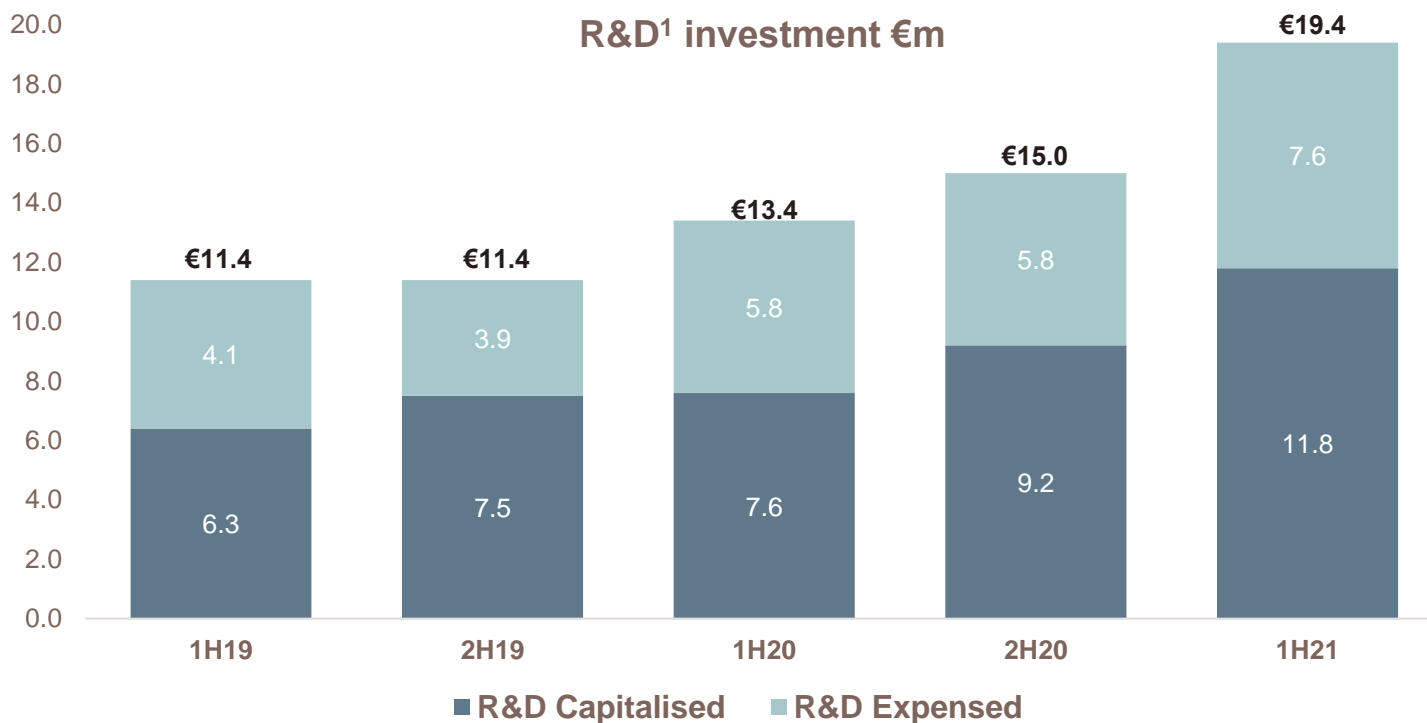
Excluding contribution from Limelight health;

- Total FINEOS revenue grew by 20.1% vs 1H20
- FINEOS Subscription revenue² grew by 35.1% vs 1H20 due to new client wins and existing client upgrades
- FINEOS Services revenue grew by 15.9% vs 1H20. Slow down in growth rate reflecting one large successful implementation project completion and the impact of fx fluctuations.



R&D Investment

FINEOS continues to dedicate significant resources and financial investment to develop its software through research and development



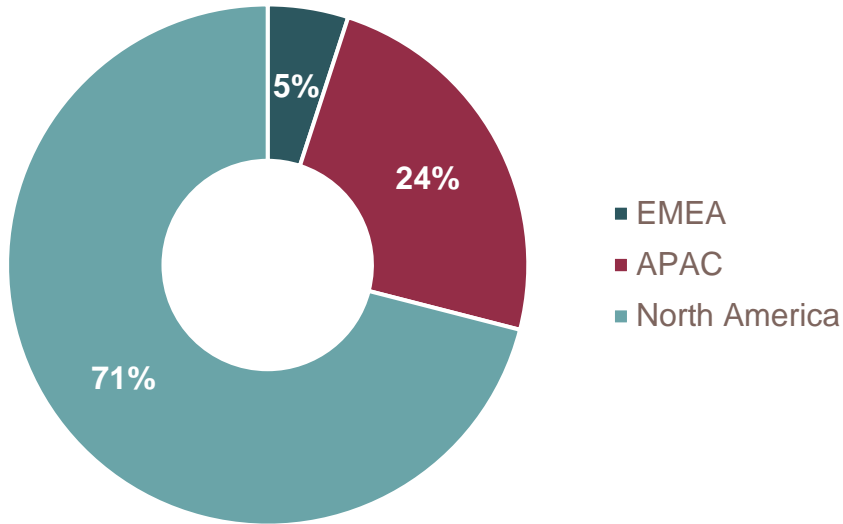
Investment being made in R&D to continue to drive revenue growth

- €19.4m invested in R&D in 1H21 with €2.9m relating to Limelight Health
- 36.9% of revenue invested in R&D in 1H21, versus 33.2% in 1H20
- 27.6% growth in the R&D team size in 1H21 with the hiring of additional product engineers and product teams to accelerate product to market
- Over €130m invested into the FINEOS Platform since FY15

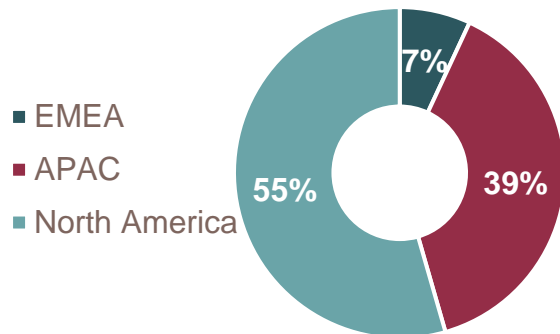


Geographic mix of revenue

1H21 revenue by region



1H20 revenue by region

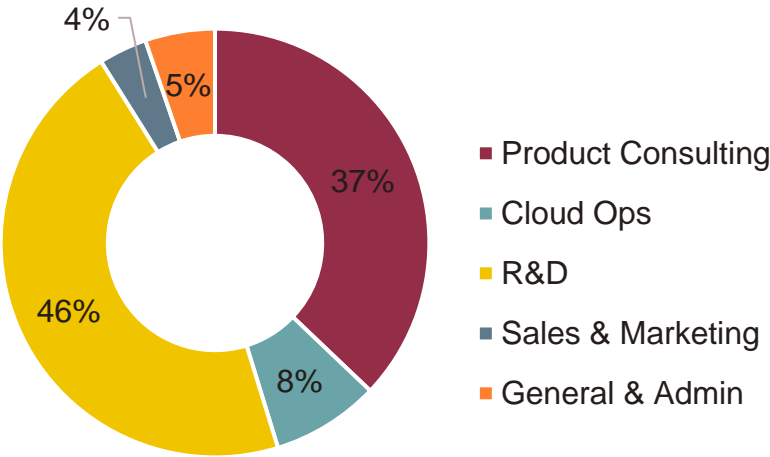


- North America focused strategy working with revenue from the region growing to 71% of total revenue in 1H21 versus 55% in prior corresponding period
- Strong growth in NA region driven by new client wins in 2H20, existing client upgrades and the acquisition of US based Limelight Health business in August 2020
- In line with FINEOS strategy to build market share in one of the largest and fastest growing marketplaces for L,A&H insurance carriers in the world

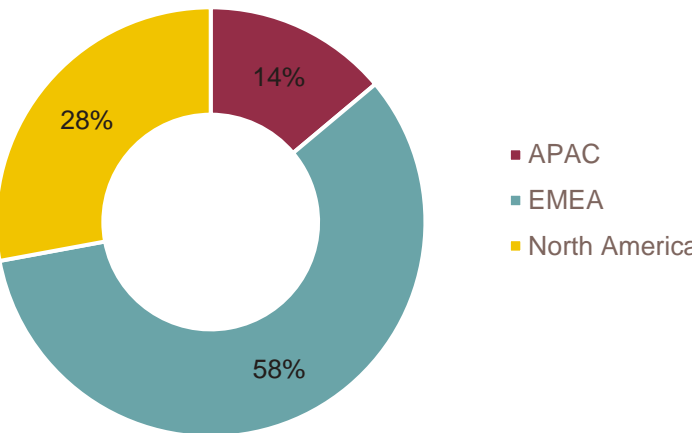


Our People

Employees by function



Employees by region



- The Covid-19 pandemic has meant that FINEOS' global workforce has transitioned and continues to work remotely
- Average utilisation for the period was 86%, down on prior corresponding period of 91% which reflected an above average rate. Current average is in line with management expectations
- Sufficient workforce currently in place to support the business for FY21

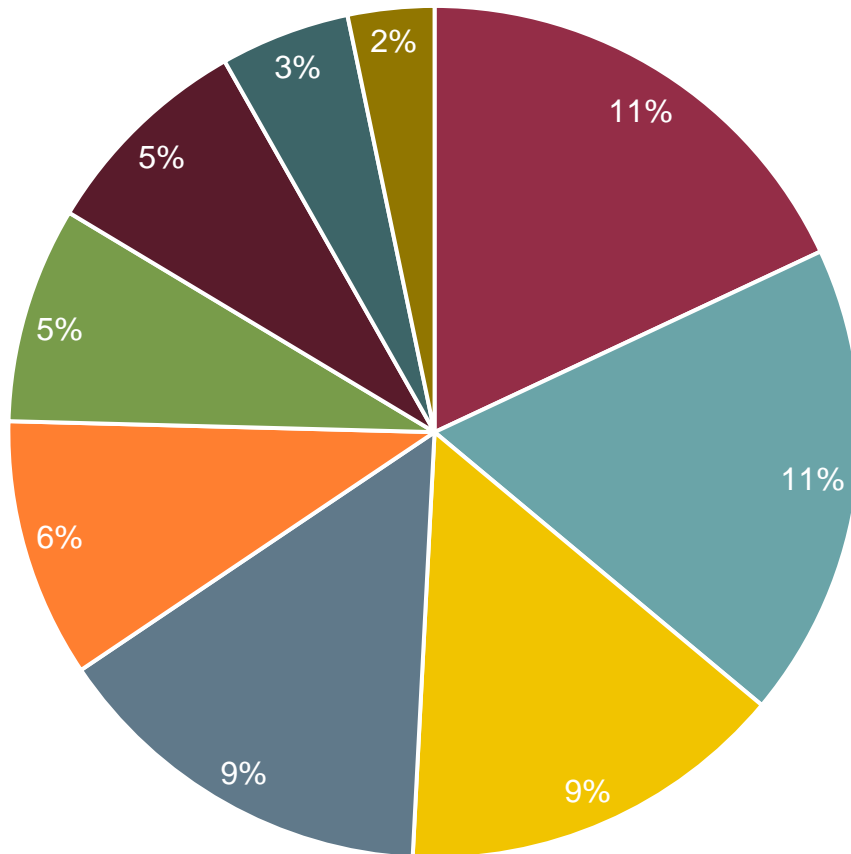
86%
Utilisation¹

>90%
employee
retention rate

1,043
People



Client concentration
Top 10 by 1H21 revenue



Our Clients

Client revenue concentration decreasing over time as client base of leading insurance carriers expands

Client	No. of years	Length of relationship	% of 1H20 revenue	% of 1H21 revenue
Client 1		10 years	15%	11%
Client 2		2 year	14%	11%
Client 3		2 year	5%	9%
Client 4 *		17 years	22%	9%
Client 5		18 years	1%	6%
Client 6		New in 2020	n/a	5%
Client 7		6 years	8%	5%
Client 8		17 years	1%	3%
Client 9		New in 2020	n/a	2%
Client 10		14 years	4%	2%

* Client 4 decline reflecting services revenue decrease only upon successful completion of large services project. No decline in subscription revenue.





2020 Year in Review

Clients active in:

- ✓ brand-new installations
- ✓ version upgrades
- ✓ platform migrations

...in order to modernise their core systems in support of their digital transformation

Investment in product R&D continued

Acquired Limelight Health

On track to fulfill the FINEOS mission of being a global market leader in core systems for group and individual life, accident and health on a single technology platform.

10 major
carrier go lives

8 new
installations

7 platform
upgrades



Limelight Health Integration

- Acquired in August 2020, integration process is progressing well with a number of streams complete
- Limelight Health brand and product suite converted to FINEOS in December 2020
- Revenue contribution lower than initially expected as one client no longer proceeding with implementation
- Pipeline benefitting from cross sell and upsell opportunities identified across the combined client base
- Cost savings identified across small number of roles and across some operating expenses relating to external service providers
- Investment being made to progress the integration of the product to FINEOS AdminSuite



Core Software Suite for Life, Accident and Health

FINEOS AdminSuite



Integration and rebranding of
acquired Limelight Health Suite



Absence

- Integrated claims
- Paid & unpaid leaves
- Accurate decisions



Billing

- Customer-centric design
- Automated cash application
- Integrated aged-debt workflows



Claims

- Straight-through processing
- Accuracy & compliance
- Increased efficiency



Payments

- Cross-claim payments
- Automated capture & review
- Align contracts & payment



Policy

- Fast, flexible case set-up
- All tiers & admin modes
- Pre-configured products



Provider

- Outcome-based engagement
- Providers & claim integration
- Lower TCO



Quote

- Faster L&H quoting
- Extend quoting to distribution
- Comprehensive workflows



Rate

- Automate complex rating
- Award-winning, patented technology
- Gain flexibility & agility



Underwrite

- Integrated und. tools
- Comprehensive quote management
- Efficient collaboration

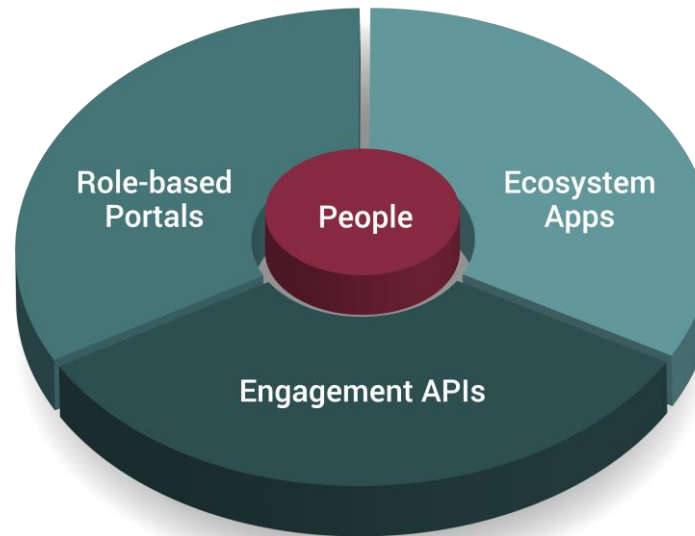


The FINEOS Platform

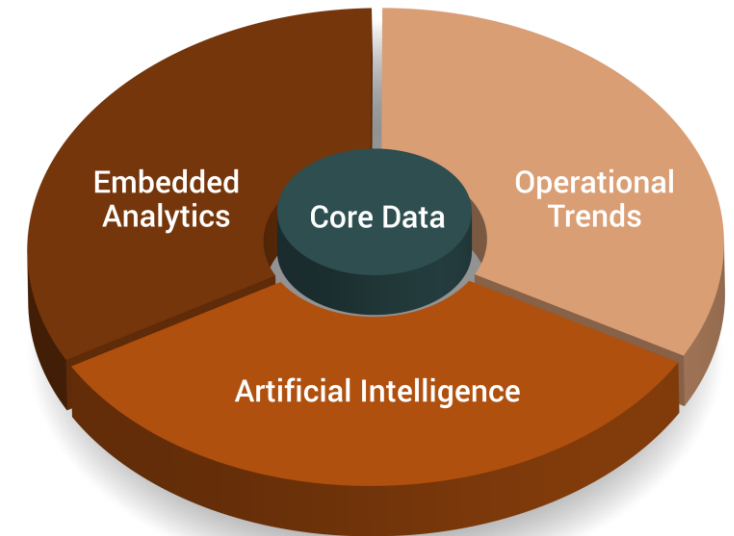
FINEOS AdminSuite



FINEOS Engage



FINEOS Insight



PLATFORM CAPABILITIES

- Consumer/employer core admin
- Digital friendly process model
- Case management rules and workflow

- End-to-end integrated components
- Comprehensive API support
- Smart automation

- Configurable SaaS platform
- Secure, stable and scalable
- End-to-end episode management



Growth Strategy

Expand within existing clients, win new clients and enter new geographic markets



Grow and upsell with clients

- FINEOS has a multinational client base through its leading FINEOS Claims product
- Significant opportunities with the Company's existing FINEOS Claims client base for up-selling and cross-selling additional FINEOS Platform products, in particular Absence management
- FINEOS will seek to grow its cloud-based software revenues which have higher margins than services revenue
- Continue to migrate existing clients to the cloud



Win new clients

- Seeing high demand for IDAM (Integrated Disability and Absence Management) support from U.S. based existing and new clients
- Insurers are having to modernise their systems due to:
 - Higher regulatory complexity
 - Higher competition
 - Demand for a better customer experience
 - Cost and risk of legacy systems



Expand sales and enter new markets

- FINEOS intends to increase client acquisitions and product delivery capabilities in new geographies by expanding its sales and marketing teams, already aided by recent acquisition of Limelight Health
- FINEOS modules are compatible across jurisdictions
- There are a number of adjacent verticals (i.e. insurance lines classified within LA&H) that FINEOS is targeting, including medical, dental and vision
- M&A



FINEOS the LA&H industry platform

- Make FINEOS the industry leading platform
- FINEOS is committed to product innovation, and expanding the capabilities of the existing FINEOS Platform
- Continually add new product and services capabilities
- Exploring the potential for extended artificial intelligence and analytics integration to enhance software offering (Engage and Insight)





Financial Performance

Proforma Income Statement

€ m	1H21	1H20	% Change
Software	19.1	13.3	43.9%
Services	33.4	27.1	23.3%
Total Revenue	52.6	40.4	30.1%
Cost of sales	(18.7)	(12.2)	53.0%
Gross profit	33.8	28.2	20.1%
Research & Development	(8.4)	(6.5)	29.9%
Sales & Marketing	(2.7)	(1.9)	41.2%
Delivery	(6.8)	(7.3)	-7.2%
Cloud Ops./Support	(4.3)	(0.8)	434.7%
General & Administration	(7.2)	(3.3)	116.2%
Other Income	0.7	0.6	9.7%
Total operating expenses	(28.7)	(19.2)	49.3%
EBITDA	5.1	8.9	-42.8%
Depreciation	(1.0)	(1.0)	3.6%
Amortisation	(6.5)	(4.6)	40.4%
EBIT	(2.4)	3.3	-171.6%
Net interest expense	(0.3)	(0.3)	-16.3%
Profit/(loss) before tax	(2.7)	3.0	-188.3%
Income tax expense	0.2	(0.6)	133.2%
Net profit/(loss) after tax	(2.5)	2.4	-202.4%

- 1H21 revenue grew 30.1% on 1H20, 20.1% reflecting organic growth, and 10% from acquisition
 - Software revenue grew 43.9% on 1H20 and included €1.9m relating to Limelight Health (LLH) and an Initial License Fee (ILF) of €1.2m.
 - Excluding LLH contribution and ILF, organic subscription revenue grew 35.1% on 1H20
 - ILF of €1.2m reflected a decrease of 16.8% vs 1H20 as transition continues from old ILF/ALF revenue model to the cloud-based SaaS model
 - Services revenue grew 23.3% on 1H20. €2.0m related to Limelight and remaining increase reflected demand from new and existing customers offset by a negative €1.5 million impact due to foreign exchange movements
- Cost of Sales increased by 53.0% on 1H20 and included costs from LLH of €1.4m. The remainder of the increase was driven primarily by an increase in contractors to meet project timelines in addition to increased Product Consulting headcount costs. Additionally, AWS usage costs increased in line with the higher subscription revenues.
- Due to a reclass in cost allocation between Cloud Ops and Delivery departments post 1H20, the reclassified comparable Cloud Ops costs in 1H20 were €1.8m and for Delivery costs were €6.3m reflecting:
 - Actual Delivery cost increase of 7.5% in 1H21 due to increase in headcount and offset by some savings in travel (€230K) and recruitment costs (€340K) versus 1H20
 - Actual Cloud Ops cost increase of 138.9% mostly due to headcount increase from 36 in 1H20 to 70 in 1H21
- Depreciation and amortisation costs increased due to increased fixed asset and capitalised R&D amortisation.



Statutory to Proforma reconciliation

€ m	1H21	1H20
Statutory revenue	52.6	40.4
No adjustments to revenue	-	-
Pro forma revenue	52.6	40.4
<hr/>		
Statutory profit/(loss) after tax	(5.1)	0.1
Incremental public company costs		(0.1)
Net finance expense		0.2
IPO Cost		0.7
Existing Option Plan adjustments		1.5
Tax Impact of pro forma adjustment		
Acquisition cost	1.8	
Amortisation relating to Limelight Health Goodwill	0.7	
Accelerated SBP	0.2	
Pro forma profit/(loss) after tax	(2.5)	2.4



Balance Sheet

€ m	31 Dec 20	30 Jun 20	% Change
Cash at Bank	30.7	39.8	-23%
Trade Debtors	8.9	17.6	-50%
R&D credit	2.6	2.3	13%
Prepayments	3.5	3.5	0%
Other Receivables	0.9	0.6	57%
Total current assets	46.7	63.8	-27%
Fixed Assets	1.6	1.6	1%
Right of Use Building	5.0	5.6	-10%
Right of Use Software	1.2	1.5	-19%
Research & Development	58.3	50.1	16%
Contract Costs (Commissions)	1.8	1.7	4%
Goodwill	56.4	0	100%
Total non-current assets	124.4	60.6	105%
Total assets	171.0	124.4	37%
Creditors	8.6	11.3	-24%
Interest Accrual	-	0.0	
Deferred Revenue	9.0	14.2	-37%
Other Current Liability	0.2	0.7	-77%
Total current liabilities	17.7	24.4	-27%
Long term loan	-	0.0	0%
Deferred R&D Tax Credit	6.9	7.2	-4%
Lease liabilities	6.7	7.8	-14%
Total non-current liabilities	13.6	15.0	-9%
Total liabilities	31.4	41.2	-24%
Net assets	139.7	83.2	68%

- Cash at Bank movement reflects acquisition cost (€2.7m) and R&D investment.
- Trade debtors decreased by 50% since 30 Jun 20 due to timing and seasonality of invoicing, also improved DSO and movement to EFT payments for US customers.
- Right of Use building decreased because of asset depreciation, no addition in this period and early surrender of additional Dublin office space lease
- Right of Use software decreased because of asset amortisation and no additions in this period.
- Goodwill (€34.5m) also includes Technology (€6.5m) and Customer Relationships (€15.4m) assets which arise from the Limelight acquisition and the PPA process.
- Creditors decreased by 24% since 30 Jun 20 due to timing of invoice payments and seasonality.
- Deferred revenue is lower at 31 Dec 20 v 30 June 20 reflecting the timing of renewals. Historically large renewals took place in January.

Cashflow Statement

€ m	31 Dec 20	31 Dec 19	% Change
Net cash flows generated from operating activities	3.4	(3.4)	-199%
Net cash used in investing activities	(68.3)	(8.4)	710%
Net cash used in financing activities	56.2	38.6	46%
Net decrease in cash and cash equivalents	-8.8	26.8	-133%
Effect of movement in exchange rates	-0.3	1.0	-134%
Cash & cash equivalents at the beginning of the year	39.8	6.9	477%
Cash & cash equivalents at the end of the year	30.7	34.7	-12%

- Cash inflow from operating activities primarily due to increase in revenue offset by operating expenses (incremental headcount).
- Investment activities represent acquisition cost of Limelight Health (€56.2m) and R&D capitalisation (€11.8m).
- Financing activities reflects the net amount of cash raised from the new issue of CDIs (€57.2m) less transaction costs (€1.0m).





Outlook¹

- **Total Revenue for FY21 including contribution from Limelight Health, expected to be in the range of €102-105m, after impacts from foreign exchange²**
- **Reaffirming FY21 guidance of 30% growth in subscription revenue, before contribution from Limelight Health which is expected to be approx. €4 million in subscription revenue for FY21**
- **Adequate headcount in place to deliver on FY21 commitments**
- **New deal signed in February 2021, new name client in ANZ representing first in region to feature on FINEOS Platform in the cloud**



Appendix 1 – Statutory Accounts

Statutory Income Statement

€ m	1H21	1H20	% Change
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Cloud Ops./Support	(4.3)	(0.8)	434.7%
General & Administration	(9.1)	(5.4)	67.7%
Other Income	0.7	0.6	9.7%
Total operating expenses	(30.7)	(21.4)	43.6%
EBITDA	3.2	6.8	-53.6%
Depreciation	(1.0)	(1.0)	3.6%
Amortisation	(7.2)	(4.6)	54.9%
EBIT	(5.0)	1.2	-512.2%
Net interest expense	(0.3)	(0.5)	-45.6%
Profit/(loss) before tax	(5.3)	0.7	-837.0%
Income tax expense	0.2	(0.6)	-133.6%
Net profit/(loss) after tax	(5.1)	0.1	NA

