

FINEOS Corporation Holdings Plc 2020 Annual General Meeting

4th November 2020

Chairman's Address

Good morning or good evening ladies and gentlemen, depending on where you are dialing in from today. My name is Anne O' Driscoll and I am Chairman of FINEOS Corporation Holdings Plc. On behalf of the FINEOS Board, I would like to welcome you to this virtual annual general meeting of FINEOS Corporation Holdings Plc.

The COVID-19 pandemic has caused us to adapt to new ways of doing things, including the need to hold our 2020 AGM virtually rather than in a physical location. Indeed, because of the current level of COVID-19 restrictions in Ireland, our team there cannot even be in the one place. Should anyone have difficulty in maintaining a connection with the hosting platform for this meeting, please be assured that the meeting materials are all available on the ASX announcements platform and will also be on the investor section of the company's website.

The time is now 8am in Ireland and 7pm in Sydney, where I am based. I have been advised a quorum is present and as such I formally declare this meeting open.

In a moment I will pass over to our CEO Michael Kelly to provide a brief overview of the 2020 financial year including the key operational and financial highlights as well as an update on the current year's performance to date. We will then move to the formal business of the meeting and the resolutions for your consideration.

Firstly, I would like to thank the security holders for their support over the year, including the participation in the recent capital raise. I would also like to welcome those new investors, both institutional and retail, that have entered the register during the year.

Secondly, I would like to thank Michael and the leadership team for all they have achieved during a very busy year managing multiple client wins, delivery commitments and the company's first acquisition, all against the backdrop of a global pandemic. It is testament to the defined core values of the FINEOS playbook, being; team players, high achievers and customer centric, that the performance and success of the year has been so positive despite the transition for all employees to work from home since March.

Lastly, I would like to introduce and acknowledge the other members of the Board present on the webcast today; Tom Wall, Executive Director and Chief Financial Officer and our Non-Executive Directors, Gilles Biscay, Martin Fahy who is also Chair of our Audit and Risk committee, David Hollander and Peter le Beau.

Also present are Vanessa Chidrawi, Company Secretary and Lorcan Colclough representing our auditor, Mazars.

I will now hand over to our CEO and founder, Michael Kelly.

CEO address and presentation

Thank you, Anne. I would also like to welcome everyone present on the webcast today.

Like many companies worldwide, this past year has been a challenging one adapting to new ways of working and engaging with clients and prospects. The pandemic has not only brought to light ways in which we can do things better, but for the industry as a whole it's highlighted the need for digital transformation in order to keep up with customer and employee expectations.

Thankfully, we as a team were well positioned and responded quickly and efficiently to the new ways of operating. We continued to sign new deals through the second half of the financial year, including new contract wins with The Prudential Insurance Company of America and the State of Massachusetts Department of Family and Medical Leave. Total new wins were a record 9 for the year, as you will see in the operational highlights on slide 4.

We also grew headcount by 32% to a total of 875 people at 30 June 2020 and maintained a very high utilisation rate of 91% despite the transition to all employees working from home.

On the financial front, as you will see in slide 5, we achieved record results that beat market and prospectus forecasts, growing overall revenue at almost 40% on the previous year, with subscriptions revenue growth of 38%. Services revenue had an exceptional year as we grew to meet increased client demand, achieving 47% year on year growth. We continued to invest in research and development, which remains an important component of our overall growth strategy and we expect to maintain this level of investment going forward.

I would like to take this opportunity to thank all our clients and our tremendous FINEOS team for their contribution to our growth and excellent achievements in FY20. It has been very rewarding and encouraging to watch the performance of the company for our clients, our employees and for you our security holders over the past year as we continue our growth into FY21.

Turning to slide 6, looking at highlights from the first quarter of this financial year. We had a busy start completing the acquisition of Limelight Health in the U.S. and raising A\$93 million from an institutional placement and share purchase plan for retail investors. We have commenced the integration process and are progressing well. The addition of the Limelight team in the U.S. has driven our total headcount up to 1,040 at the end of the first quarter.

Looking at the breakdown of revenue in the first quarter, 64% is attributable to SaaS related subscriptions and services revenue. We expect this figure to continue to increase as we transition more clients from on premise FINEOS Claims to the FINEOS Platform and as we also sell new products and new name deals.

Slide 7 gives a snapshot of the geographical split of revenue in the first quarter. As you can see from the graph the revenue contribution from the North American region continues to grow, in line with our targeted growth strategy. It now represents 67% of total revenue, another key performance indicator which we expect to continually increase.

Turning to the outlook for this financial year, on slide 8, we continue to target 30% underlying growth in subscription revenue, allowing for foreign exchange impacts, noting our increased exposure to the US dollar.

The outlook for services revenue, while still growing, is under more pressure from tightening client budgets, especially in the ANZ region. We are also seeing delays in the timing of some new deals closing as a result of factors, such as, the pandemic and a degree of uncertainty in the U.S. as the presidential election comes to a head.

We do expect however in the new year to have a clearer view on the impact of these factors on the FY21 outlook and we will keep the market updated accordingly.

Similarly, Limelight's client budgets are experiencing some cutbacks which has led to a lower than previously anticipated revenue contribution in FY21. We are in the process of onboarding their clients and as I already mentioned, undergoing a thorough integration process.

Our pipeline remains robust and has increased following the acquisition of Limelight. Existing client implementation projects remain on track and we are committed to delivering to the respective timelines to reach the targeted milestones in place.

In summary, turning to slide 9, the acquisition of Limelight Health that we completed just over 11 weeks ago, puts FINEOS in the advantageous position of having a complete end to end product suite, from "quote to claim" for insurance carriers in the North American Employee Benefits market. This allows us to increase our total addressable market and gives us yet another unique advantage over other operators in the market.

Our focus will remain on spending the right amount to support the necessary research and development required to advance the product, as well as the necessary investment in sales and marketing in order to maintain our leadership position in core SaaS product solutions for Employee Benefits in North America. This is our primary market and we continue to see the opportunity to grow into the global market leader position in this industry.

The need for digital transformation in the insurance carrier industry could not be more obvious. It is, as it should be, a top priority for insurance carriers to guarantee their future viability and success. This is a huge opportunity and FINEOS is excellently positioned to support this move from legacy core systems to become the industry SaaS platform for group and individual life, accident, and health insurance.

This concludes my address and on behalf of my fellow Directors and the FINEOS leadership team, I would like to thank all of our securityholders for your support and we look forward to another successful year for the company.

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



Annual General Meeting

Anne O' Driscoll, Chairman

Michael Kelly, CEO

4 November 2020

01 | Chairman's Address



02 | CEO Address & Trading Update





FY20 Operational Achievements



Largest U.S. client completes upgrade of FINEOS Claims to the Cloud



Headcount up 31.8% on 30 June 2019 to 875



>90% employee retention rate



9 new name clients signed during FY20



All staff working from home since March 2020 due to COVID-19



91% Product Consulting employee utilisation



FY20 Financial Highlights

Revenue
€87.8m

vs prospectus €74.0m, up
18.6%
vs FY19 €62.8m, up 39.8%

**Subscription
Revenue**
€27.0m

vs prospectus €28.8m
down 6.2%
vs FY19 €19.6m, up 37.9%

**Pro forma
EBITDA**
€15.7m

vs prospectus €8.7m, up 80.6%
vs FY19 €8.4m up 88.0%

**Pro forma
NPAT**
€2.3m

vs prospectus €(2.3)m
vs FY19 €(0.8)m

**€28.4m R&D
investment**

vs prospectus €26.5m, up 7.1%
vs FY19 €22.8m, up 24.3%

**Gross Profit
Margin 66.6%**

slightly up on prospectus 65.1%
vs FY19 70.1%¹

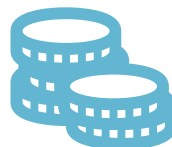
1. FY19 Gross Profit Margin restated due to a reclassification of (€2.3)m in FY19 from Cost of Sales line to operating expense line
2. Proforma Adjustment are Share based payment €1.8m, IPO cost €689k, Finance Expense €175K, Listed company cost €109k and Tax impact €8k for FY20



1Q21 Highlights

LimelightHealth

Strategic acquisition of LLH for US\$75m complete. Integration underway



A\$93 million capital raise via institutional placement and SPP



Headcount up 19% on 30 June 2020 to 1,040



Cloud SaaS related revenue now represents 64% of total revenue



>90% employee retention rate and workforce continues to work remotely

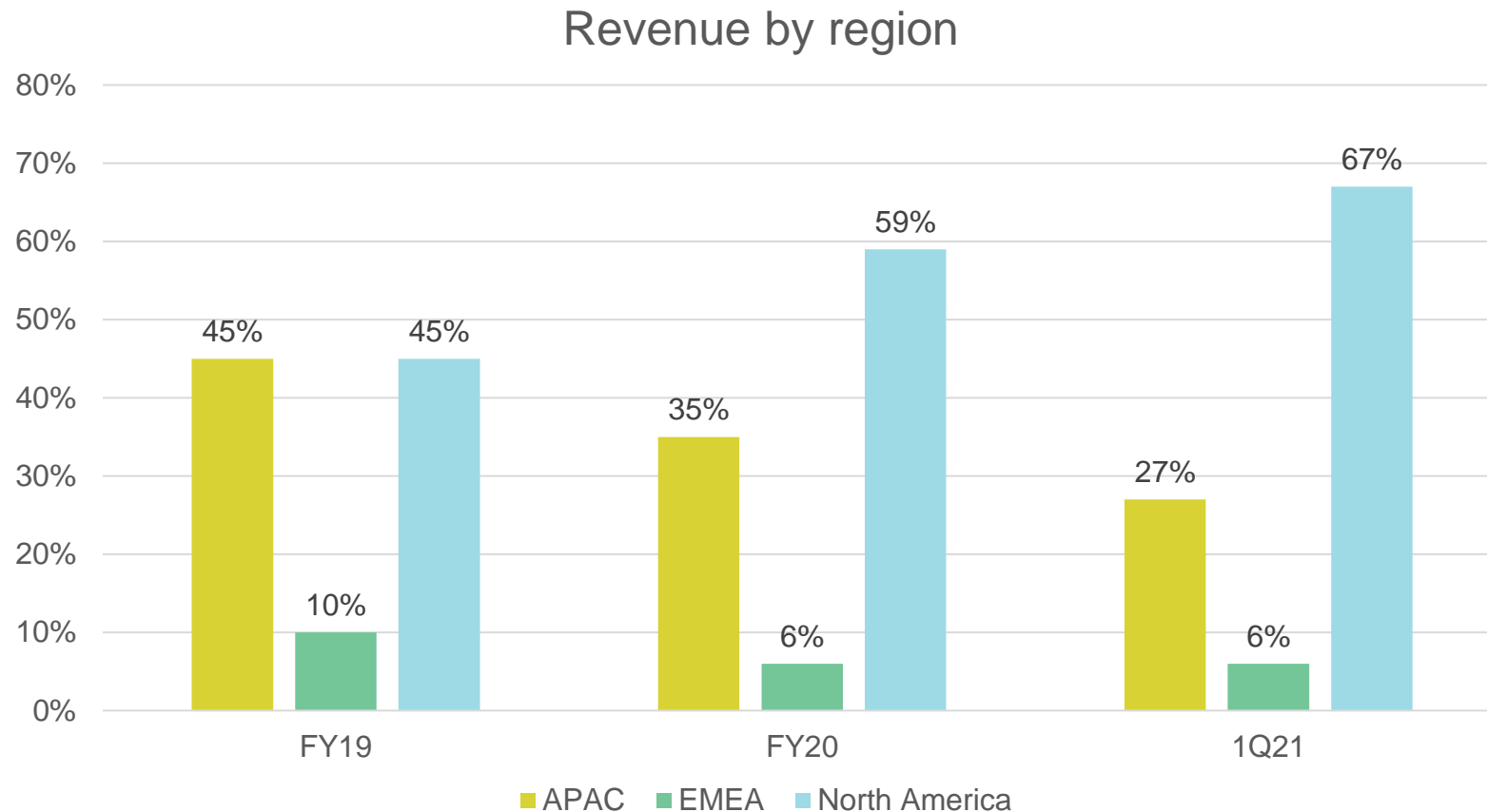


87% Product Consulting employee utilisation



Geographic mix of revenue

North American proportion of total revenue continues to increase, representing 67% in the first quarter of FY21, up from 59% in FY20 and 45% in FY19.





Trading Update

- Underlying subscription revenue growth target of 30% remains achievable, adjusted for impacts from foreign exchange fluctuations, in particular USD:EUR
- North America represented 67% of total revenue in 1Q21 and growing
- Cloud SaaS related revenue, including subscription and services revenue, represented 64% of total revenue in 1Q21
- Services revenue growth continues but is constrained by tighter client budgets in the ANZ region. Management expect a clearer view on the full financial year outlook in the new calendar year
- Limelight contribution to services revenue lower than initial management expectations due to delayed decisions on new business projects and clients tightening existing budgets
- Limelight client onboarding and integration ongoing
- Product Consulting average utilisation rate of 87% in 1Q21, down from 91% across FY20, in line with management expectations and more sustainable levels
- Headcount of 1,040 at 30 September 2020, no significant growth expected during FY21



Summary

- The acquisition of Limelight Health means the FINEOS product offering is an end-to-end suite for North American Employee Benefits - “Quote to Claim”, increasing the total addressable market
- Continue to invest in product, sales and marketing, to remain the leading core solutions SaaS platform for the Employee Benefits industry in North America
- Digital transformation remains high on the agenda for insurance carriers. Large opportunity exists to move from legacy core systems to industry SaaS platforms – to become a true digital industry
 - FINEOS well positioned to benefit from this transition, not just in North America but globally
- Insurance core systems vendor landscape is experiencing heightened activity, with significant investment being made and high valuations being placed as evidenced by recent transactions

03 | Formal Business – AGM Resolutions





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