

28 Oct 19

### Quarterly Cash Report and Business Update

**FINEOS Corporation Holdings PLC (ASX:FCL)**, the leading provider of core systems for life, accident and health insurance carriers globally, is pleased to present its Appendix 4C cash flow statement for the three month period ending 30 September 2019 (Q1 FY20).

#### Highlights:

- **Five new contract wins in the financial year to date**
- **New Non-Executive Director, Mr. David Hollander appointed to the Board**
- **€16.2 million in customer cash receipts and €61.2 million in IPO proceeds collected for the quarter**
- **Cash reserves boosted to €40.6 million following successful IPO and capital raise in August 2019**
- **European Investment Bank (EIB) loan repaid during the quarter, clearing €15m of principal debt and €1.6m in accrued interest**
- **Total IPO transaction cost savings of €4.9 million achieved, lower than prospectus forecast of €10.7 million**
- **Prospectus forecasts for FY20 reaffirmed (aside from aforementioned IPO costs savings)**

The company recorded customer cash receipts (net of tax) of €16.2 million for the first quarter of FY20 and €61.2 million from the IPO in August 2019. One off outgoing cash payments included €6 million relating to the cost of the IPO and €1.6 million in interest accrued relating to the EIB loan of €15 million that was also repaid during the quarter.

The actual total IPO transaction costs were lower than forecast in the prospectus. This was primarily due to the brokerage fees relating to the sell-down being borne by those shareholders exiting the register. The total cost savings to FINEOS in relation to this component was €3.9 million. The remaining €1 million in savings was due to reductions in other related IPO transaction costs, including the treatment of VAT and GST provisions.

Favourable exchange rates over the quarter have had a positive impact of €1 million on the cash balance.

Research and development costs capitalised for the quarter totaled €3.7 million and remain in line with the forecast for the full year. The related R&D tax credit is expected to be received in the last quarter of the financial year. Staff costs for Q2 are expected to increase on Q1 due to higher headcount from increased recruitment and onboarding across the business.

Since the beginning of FY20, a total of five new contracts have been signed, all similar size in subscription contribution value with minimum 5-year terms which contribute to FINEOS' confidence in reaffirming the FY20 prospectus forecast for total operating revenue.

On 14 October 2019, the Company announced the appointment of Mr. David Hollander to the Board. Mr. Hollander, who is based in the U.S. joins the Board as a Non-Executive Director, and in addition to his Directorship, will also take on a consulting role to the Company. He comes with extensive experience in the insurance industry and the Board is delighted to have him join.

Commenting on the performance for the first quarter, CEO Michael Kelly said: “We have had a very positive start to the year, beginning with a successful IPO in August followed by five new contract wins and an excellent appointment to our Board of Directors in David Hollander. We have been deploying funds raised as planned to remove all the debt from our balance sheet and invest in product and people as we look to execute on our growth strategy. We remain focused on growing the business, achieving our prospectus forecasts and adding value for our shareholders.”

#### **Investor enquiries:**

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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 6 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 customers 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](http://www.FINEOS.com)

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

#### Name of entity

FINEOS Corporation holdings plc	
<b>ARBN</b>	<b>Quarter ended ("current quarter")</b>
633 278 430	30 September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter €'000</b>	<b>Year to date (September months) €'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	16,154	16,154
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(5,892)	(5,892)
(c) advertising and marketing	(195)	(195)
(d) leased assets	(379)	(379)
(e) staff costs	(7,868)	(7,868)
(f) administration and corporate costs	(2,894)	(2,894)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	(1,972)	(1,972)
1.6 Income taxes paid	(287)	(287)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	(227)	(227)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,555)</b>	<b>(3,555)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter €'000</b>	<b>Year to date (September months) €'000</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(256)	(256)
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property	(3,750)	(3,750)
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(4,006)</b>	<b>(4,006)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	61,220	61,220
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(6,001)	(6,001)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(15,000)	(15,000)

<b>Consolidated statement of cash flows</b>		<b>Current quarter €'000</b>	<b>Year to date (September months) €'000</b>
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>40,219</b>	<b>40,219</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	6,903	6,903
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,555)	(3,555)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,006)	(4,006)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	40,219	40,219
4.5	Effect of movement in exchange rates on cash held	1,010	1,010
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>40,570</b>	<b>40,570</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter €'000</b>	<b>Previous quarter €'000</b>
5.1 Bank balances	40,570	40,570
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>40,570</b>	<b>40,570</b>

**6. Payments to directors of the entity and their associates**

**Current quarter  
€'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

313

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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**7. Payments to related entities of the entity and their associates**

**Current quarter  
€'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

195

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end €'000</b>	<b>Amount drawn at quarter end €'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other – bank overdraft facility (unsecured)	2,000	NIL
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

This is an unsecured overdraft facility from Bank of Ireland, the interest rate is 3.2% per annum.


<b>9. Estimated cash outflows for next quarter</b>	<b>€'000</b>
9.1 Research and development	
9.2 Product manufacturing and operating costs	6,826
9.3 Advertising and marketing	189
9.4 Leased assets	433
9.5 Staff costs	8,674
9.6 Administration and corporate costs	3,039
9.7 Other (intellectual property)	3,750
<b>9.8 Total estimated cash outflows</b>	<b>22,911</b>

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Director/Company secretary)

Date: ...28 October 2019.....

Print name: TOM WALL.....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.