

29 April 2025

Quarterly Activity Report and Business Update

FINEOS Corporation Holdings PLC (ASX:FCL), a leading provider of core systems for life, accident and health insurance (LA&H) carriers globally, presents its unaudited quarterly activity report and Appendix 4C cash flow statement for the three-month period ending 31 March 2025 (1Q25), as attached.

Highlights:

- Closing cash balance at 31 March 2025 of €35.4m, up from €19.8m at 31 December 2024 reflecting seasonal impact of cash collection as well as underlying growth.
- Cash receipts from customers were €51.7m, up 40% on the prior corresponding period (pcp), and up 111% on the previous quarter.
- FINEOS AdminSuite in full and successful operation at both Guardian and New York Life.
- The North American business pipeline continues to be healthy with
 - FINEOS the preferred vendor for six small deals for the Absence and Claims product, and
 - two migrations to the FINEOS cloud.

These opportunities are expected to lead to future higher subscription and services revenues.

- Expected revenue growth, platform and operational efficiency gains continue to support positive FCF in FY25.
- Product Consulting employee utilisation rate year-to-date average of 87% at 31 March 2025, up slightly with pcp equivalent average of 83%.
- Successful FY24 roadshow in Australia was conducted by Ian Lynagh (CFO), providing investor and analysts with a deeper understanding of the FY24 Results and future expectations.
- FINEOS Customer Connect event scheduled for June 3-4, 2025, in New York City is currently at an advanced planning stage. The event will showcase the strategic development of the FINEOS Platform and its role in transforming the global employee benefits landscape.
 - It will feature live product demonstrations, AI applications, and real-world case studies on business transformation and improved outcomes using the FINEOS Platform.
 - The event is sponsored by industry partners PwC, EY, and Cap Gemini, reflecting ecosystem support from key players in the insurance and consulting sectors.
- FINEOS are excited to participate in the Shaw and Partners hosted TechRise Conference which will take place in Sydney on Monday 5 May 2025. It will be a fire-side chat type format hosted by Jules Cooper.

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Financial Performance

The cash balance at 31 March 2025 was €35.4 million, up from €19.8 million at 31 December 2024 reflecting the seasonal impact of cash collection as well as underlying growth.

1Q25 customer cash receipts (net of tax) were €51.7 million, growing 40% on pcg and up 111% on the previous quarter as the first quarter benefited from subscription revenue invoiced in January. Exchange rate movements during the quarter had a negative impact of €0.9 million on the cash balance.

Research and development costs capitalised for the quarter were €7.3 million. The annual tax credit payment related to the R&D tax credit is due in 2H25.

1Q25 product manufacturing and operating costs were €8.1 million, down 14% on pcg due to lower software, employee and contractor costs but up 10% on the previous quarter due to higher allocation of customer billable time.

Staff costs of €13.2 million fell 3% on pcg due to reduced employee related costs, restructuring costs in the pcg offset by higher R&D capitalisation costs. They fell 14% on the previous quarter due to a reduction in employee-related costs, reflecting higher restructuring costs in the prior quarter and higher allocation to cost of sales in 1Q25.

1Q25 administration and corporate costs of €6.8 million increased 10% on pcg, primarily reflecting the seasonal impact of annual payments for software licensing made in the current quarter. These payments also resulted in a 37% increase on the previous quarter.

Sales and Marketing spend for the quarter was €0.1 million, down 76% on pcg and 49% on the previous quarter.

Headcount of 1,038 at 31 March 2025 increased 1.6% on the previous quarter. The makeup of headcount continues to be reshuffled to support growth in lower cost regions.

Commenting on the 1Q25 performance, CEO and Founder Michael Kelly said: "Our first quarter of FY25 has been a record quarter of growth, margin increase and cash collections. We continue to execute our strategy of helping clients transform their business by migrating from legacy systems to our FINEOS' Platform. Our pipeline with existing and new-name clients remains healthy and our growth projections remain on track. We expect to generate positive FCF in aggregate for FY25 and be self-funded thereafter.

"Within our ANZ region, work remains on track with ACC on their upgrade to the FINEOS Platform. We are actively engaged with all our clients, with particular emphasis on scaling to eliminate their legacy systems."

Quarterly Payments

In reference to payments to related parties (Section 6 of the attached Appendix 4C report), item 1 is a lease arrangement with a related entity of Michael Kelly. The rental payment for the quarter was €191k. Item 2 is cash paid for Directors and Non-Executive Directors during the quarter that amounted to €337k which includes salaries and any reimbursements for costs incurred.

There were no other substantive business activities during the quarter.

This notice has been authorised for provision to the ASX by the Company's Board of Directors.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

FINEOS Corporation Holdings plc

ABN

633 278 430

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter €'000	Year to date (3 months) €'000
1. Cash flows from operating activities		
1.1 Receipts from customers	51,744	51,744
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(8,131)	(8,131)
(c) advertising and marketing	(68)	(68)
(d) leased assets	(261)	(261)
(e) staff costs	(13,154)	(13,154)
(f) administration and corporate costs	(6,832)	(6,832)
1.3 Dividends received (see note 3)		
1.4 Interest received	106	106
1.5 Interest and other costs of finance paid	(73)	(73)
1.6 Income taxes paid	(23)	(23)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	725	725
1.9 Net cash from / (used in) operating activities	24,033	24,033

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(332)	(332)
	(d) investments		
	(e) intellectual property	(7,250)	(7,250)
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(g) entities		
	(h) businesses		
	(i) property, plant and equipment		
	(j) investments		
	(k) intellectual property		
	(l) 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)		
2.6	Net cash from / (used in) investing activities	(7,582)	(7,582)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	11	11
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	11	11

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19,831	19,831
4.2	Net cash from / (used in) operating activities (item 1.9 above)	24,033	24,033
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,582)	(7,582)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11	11
4.5	Effect of movement in exchange rates on cash held	(926)	(926)
4.6	Cash and cash equivalents at end of period	35,367	35,367

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter €'000	Previous quarter €'000
5.1	Bank balances	35,367	19,831
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	35,367	19,831

6.	Payments to related parties of the entity and their associates	Current quarter €'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	191
6.2	Aggregate amount of payments to related parties and their associates included in item 2	337
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

FINEOS Corporation Limited (Ireland) is party to a lease arrangement with Jacquel Properties Limited, a Company controlled by Michael Kelly. The rental expense for the quarter was €191k.

Cash paid for Directors and Non-executive Directors in quarter 1 amounted to €337k which includes salaries, travel and reimbursement of any costs.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end €'000	Amount drawn at quarter end €'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (Overdraft)	2,000	NIL
7.4	Total financing facilities	2,000	NIL
7.5	Unused financing facilities available at quarter end		2,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	This is an unsecured overdraft facility from Bank of Ireland, the interest rate is 5.86% per annum.		

8.	Estimated cash available for future operating activities	€'000
8.1	Net cash from / (used in) operating activities (item 1.9)	24,033
8.2	Cash and cash equivalents at quarter end (item 4.6)	35,367
8.3	Unused finance facilities available at quarter end (item 7.5)	2,000
8.4	Total available funding (item 8.2 + item 8.3)	37,367
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date: 29 April 2025.....

Authorised by: The Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively