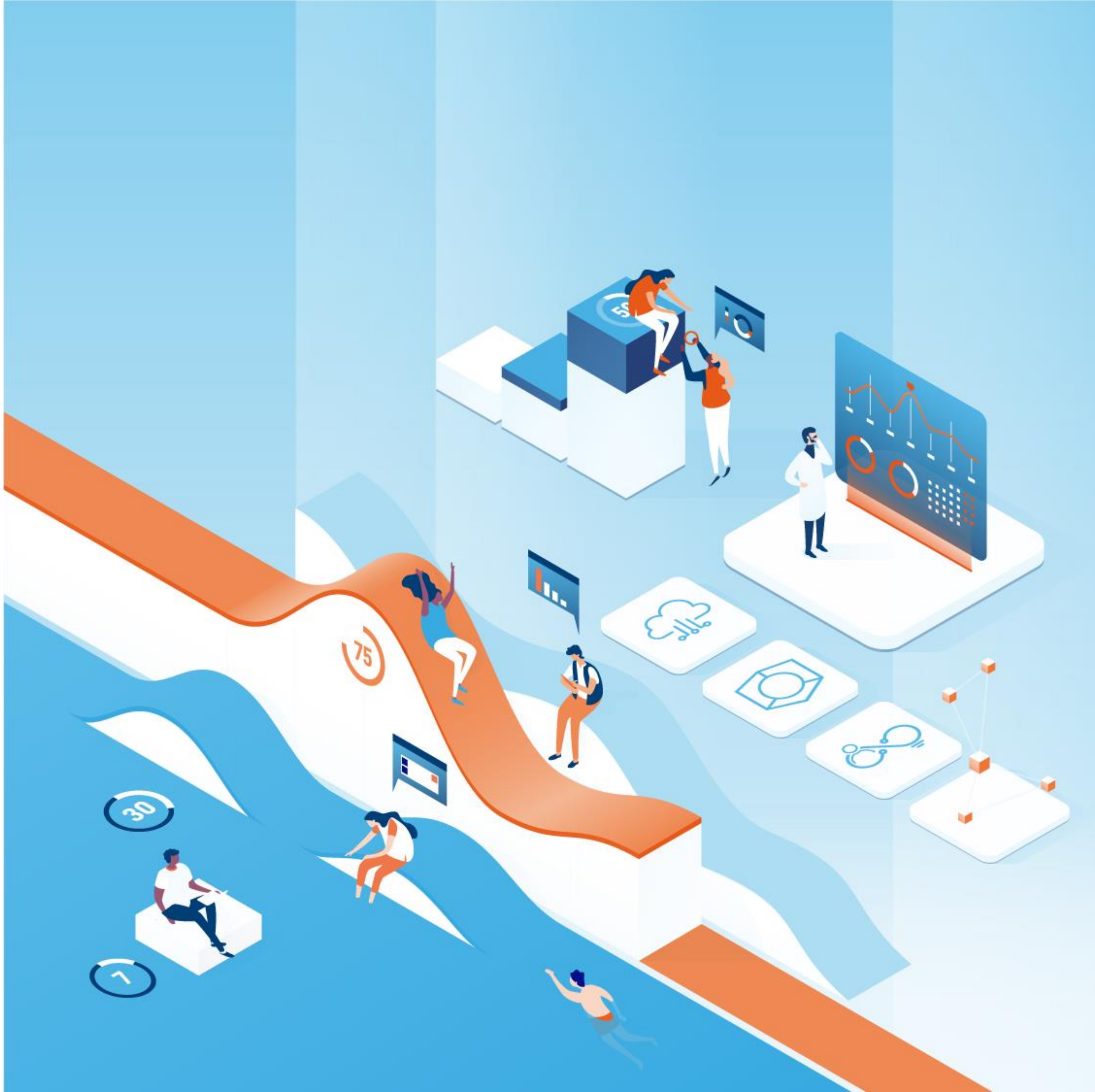
TEMENOS

THE BANKING SOFTWARE COMPANY

Financial results & business update



20 April 2021

Quarter ended 31 March 2021

TEMENOS

THE BANKING SOFTWARE COMPANY

Disclaimer

Any remarks that we may make about future expectations, plans and prospects for the company constitute forward-looking statements. Actual results may differ materially from those indicated by these forward-looking statements as a result of various factors.

In particular, the forward-looking financial information provided by the company in the conference call represent the company's estimates as of 20 April 2021. We anticipate that subsequent events and developments will cause the company's estimates to change.

However, while the company may elect to update this forward-looking financial information at some point in the future, the company specifically disclaims any obligation to do so. This forward-looking information should not be relied upon as representing the company's estimates of its future financial performance as of any date subsequent to 20 April 2021.

Non-IFRS Information

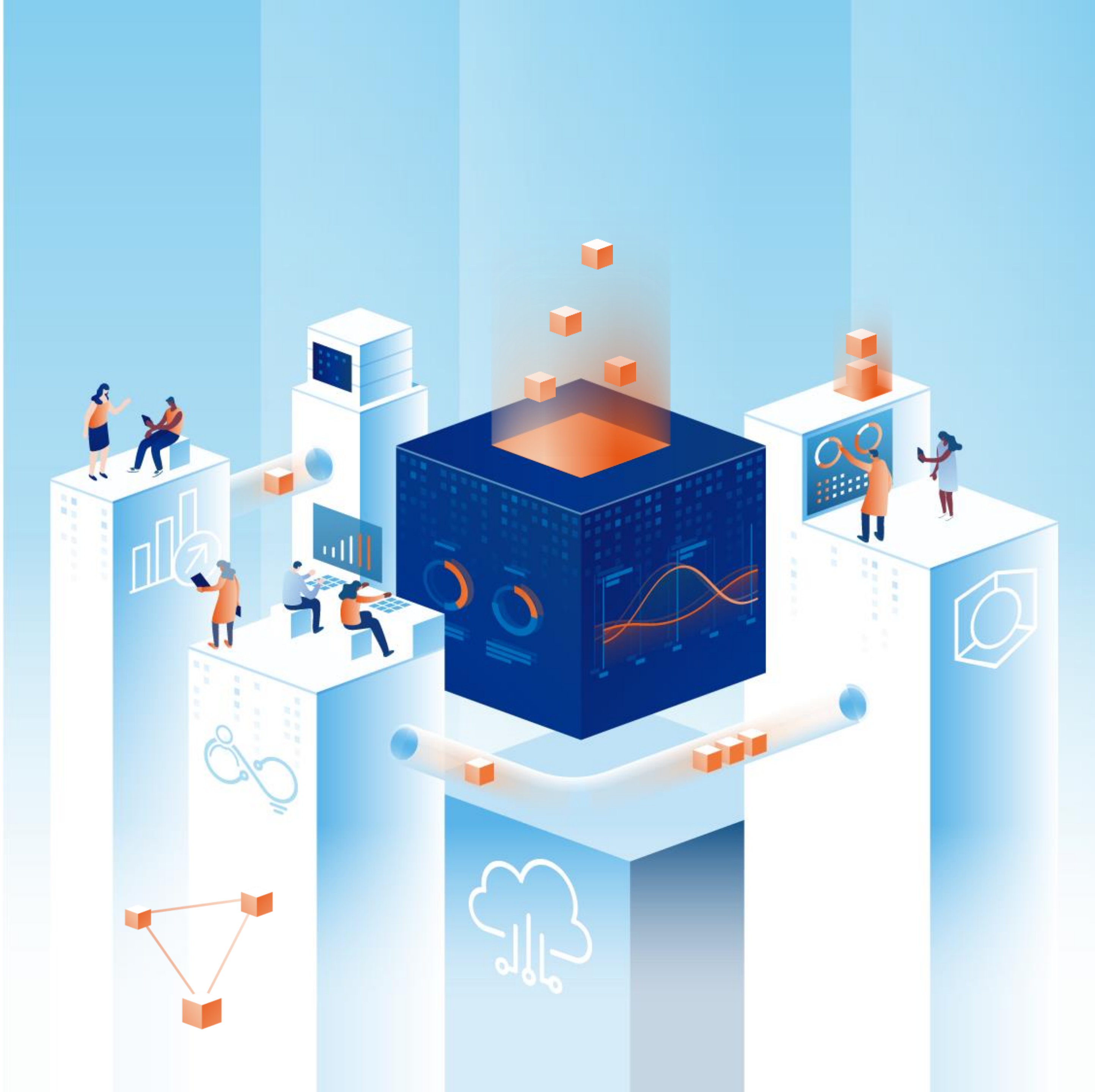
Readers are cautioned that the supplemental non-IFRS information presented in this presentation is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies.

In the tables accompanying this presentation the Company sets forth its supplemental non-IFRS figures for revenue, operating costs, EBIT, EBITDA, net earnings and earnings per share, which exclude the effect of adjusting for share-based payments, the carrying value of acquired companies' deferred revenue, the amortization of acquired intangibles, discontinued activities, acquisition related charges, restructuring costs, and the income tax effect of the non-IFRS adjustments. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

When the Company believes it would be helpful for understanding trends in its business, the Company provides percentage increases or decreases in its revenue (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values. When trend information is expressed herein "in constant currencies", the results of the "prior" period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

Agenda

Business update



Max Chuard

CEO

TEMENOS
THE BANKING SOFTWARE COMPANY

A strong performance in Q1-21

Review of Q1-21

- Strong start to the year across all KPIs
- Very strong growth in SaaS and licenses driving total software licensing
- Outstanding growth in Total Bookings, up 105%, driven by demand from new and existing customers and an increase in average tenure
- Strong EBIT growth and margin expansion
- Strong operating and free cash flow generation
- Continued investment in R&D and Sales

Q1-21 non-IFRS financial highlights

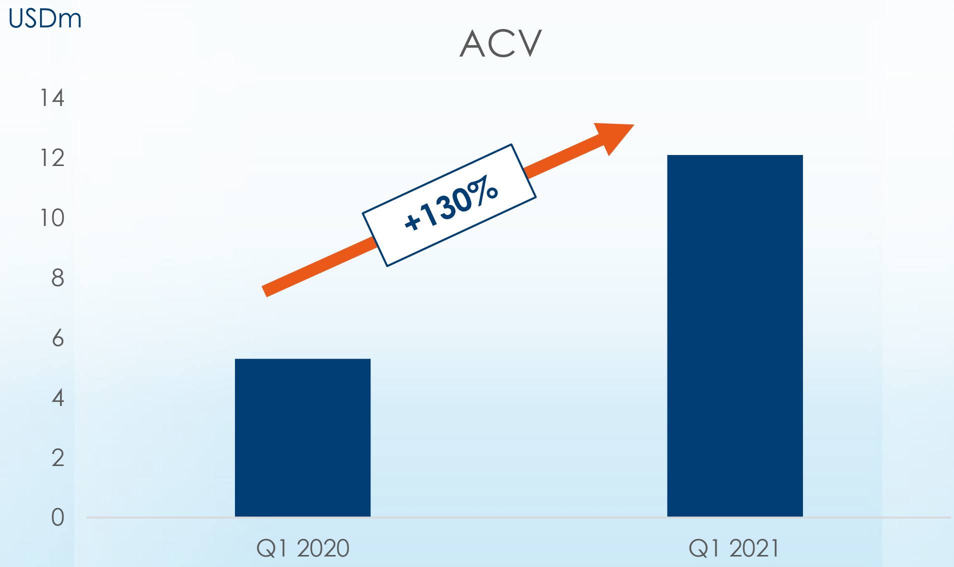
- SaaS ACV of USD12.1m, up 130%
- ARR growth of 7%
- Total Bookings growth of 105%
- SaaS revenue growth of 22%
- Total software licensing up 26%
- EBIT growth of 31%, EBIT margin up 5% points
- Operating cash flow up 25%
- FCF growth of 28%

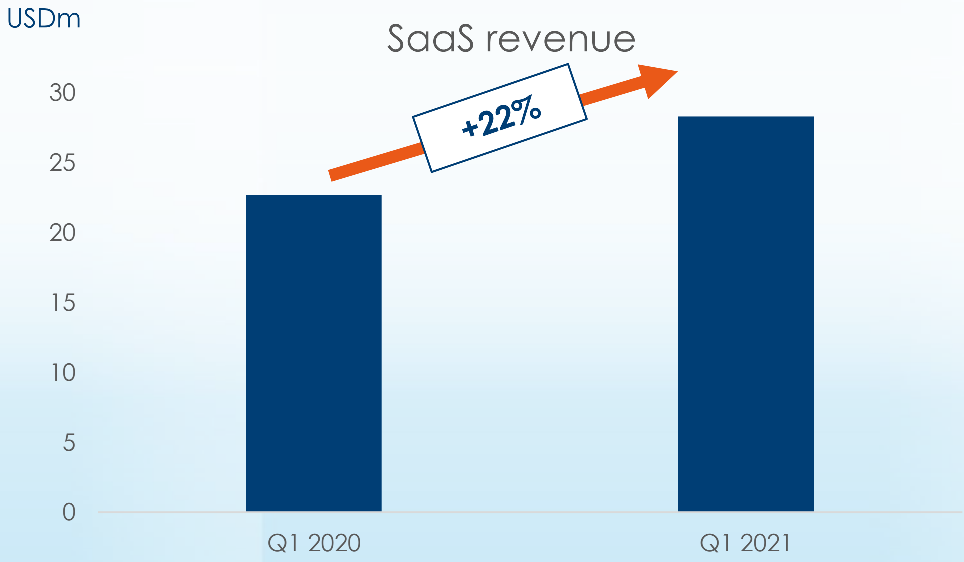
A strong start to the year

*Revenue, and EBIT figures are non-IFRS c.c. growth rates

Very strong momentum in SaaS

- Very strong momentum in SaaS with ACV up 130% in Q1-21
- US was the strongest contributor, followed by Europe
- ACV growth was driven by new logos as well as volume growth in existing clients
- Majority of SaaS ACV pipeline for FY 21 driven by Transact, Infinity also seeing strong traction





Note: *non-IFRS c.c. growth rates. Please refer to slide 39 in appendix for quarterly ACV numbers*

SaaS growth is largely incremental

Large banks

- Renovation on-premise by domain-specific microservices
- Selective use of cloud and SaaS
- Cost and complexity reduction, speed-to-market for new products
- AI for smarter, faster projects and digital insights

Mid to lower tier banks

- Largely on-premise renovation of lines of business
- Increasing use of cloud and SaaS
- Innovation, competitive positioning, maximising impact of limited IT budget

Challenger banks and fintechs

- SaaS for entire operation
- Rapid time to market and innovation with hyper-efficient cost model

Outstanding growth in Total Bookings

- Total Bookings grew 105% in Q1-21, demonstrating very strong levels of demand across Transact and Infinity
- Strong sales momentum driving significant growth in backlog and increasing long term visibility
- Total Bookings growth underpins FY-21 guidance and confidence in 2025 targets
- Growth in Total Bookings was driven by very strong growth in SaaS, strong growth in license, as well as an increase in average tenure vs. an average of 3.7 years in FY-20*

Total Bookings – includes fair value of licence contract value, committed maintenance contract value on licence, and SaaS committed contract value. All must be committed and evidenced by duly signed agreements.

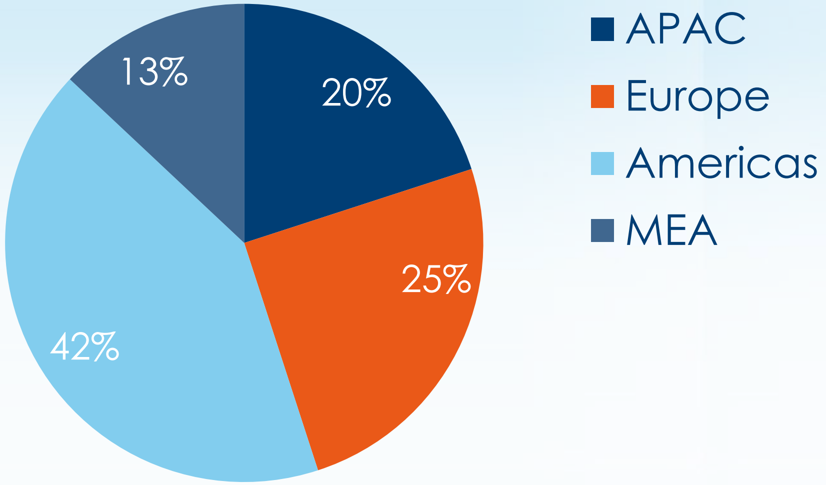
*Note: non-IFRS c.c. growth rates. *refer to slide 40 in appendix for quarterly Total Bookings numbers and slide 41 in appendix for historic average tenures*

Q1-21 sales and operational review

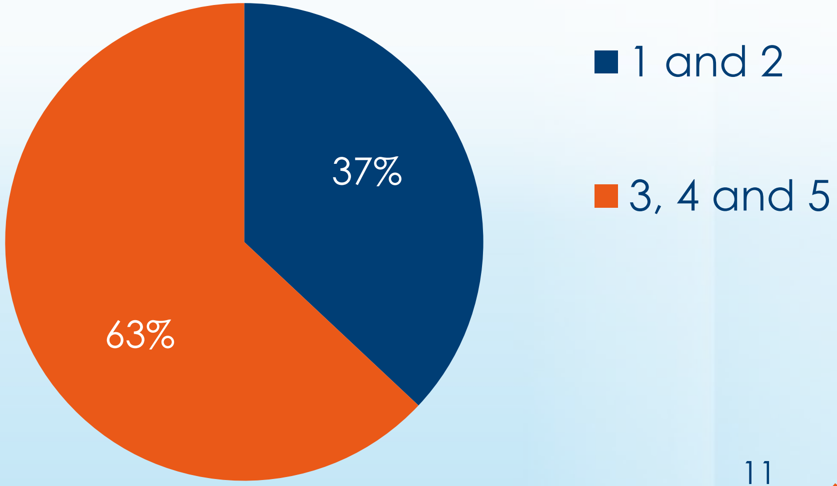
- Sales environment continued to improve through the quarter with Covid-19 accelerating demand for digitisation
- US was the largest contributor to total software licensing, in particular driven by growth in SaaS
- Strong performance also in Europe as the region continued to recover and see increased demand
- Tier 1 and 2 banks contributed 37% of total software licensing in Q1-21 vs. 18% in Q1-20 as more large banks continued with strategic renovation projects
- Sales to the installed base contributed 74% of total software licensing
- 10 new client wins in Q1-21
- 28 implementation go-lives in the quarter
- Pipeline continued to build through Q1-21, providing confidence in outlook for 2021

Q1-21 total software licensing

Geographic split



Tiers



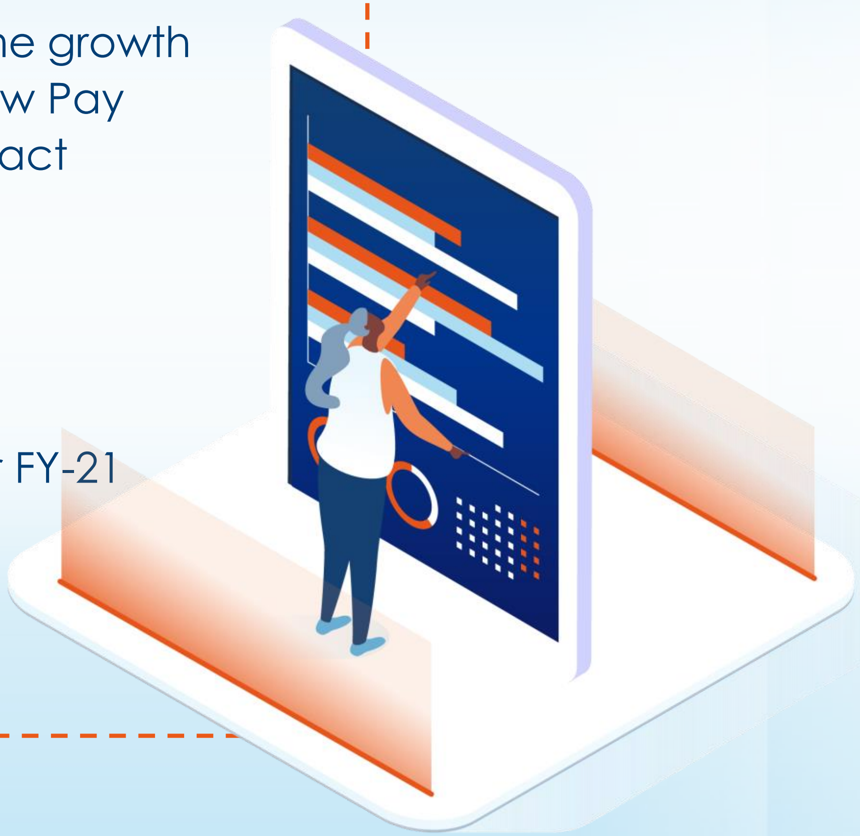
Update on strategic partnerships to accelerate growth

- Partnership with Salesforce brings together all the CRM capabilities provided by Salesforce and all the broad set of transactional capabilities provided by Infinity
- Integration of the platforms currently ongoing with plan to launch in Q3-21
- Strong interest in Early Adopter program

- Strategic Partnership with DXC Technology to accelerate the digital transformation programs of DXC's banking clients by offering a progressive digital transformation path
- Multiple large US and international banks running legacy core banking systems with DXC
- Good level of interest with early stage workshops with a number of potential targets ongoing

Momentum in our US business

- US was the largest contributor to total software licensing in Q1-21
- Strong growth on both license and SaaS
- Multiple US SaaS reference customers now live with significant volume growth in their client bases, including Varo, and PayPal running their Buy Now Pay Later product across multiple geographies including the US on Transact
- New US logos signed in the quarter
- Tier 1 domestic US bank went live in Q1 with Transact on-premise
- US continues to be the largest contributor to global ACV pipeline for FY-21
- Strategic partnerships set to accelerate growth in the region
- Investing in Sales & Marketing leadership across client segments

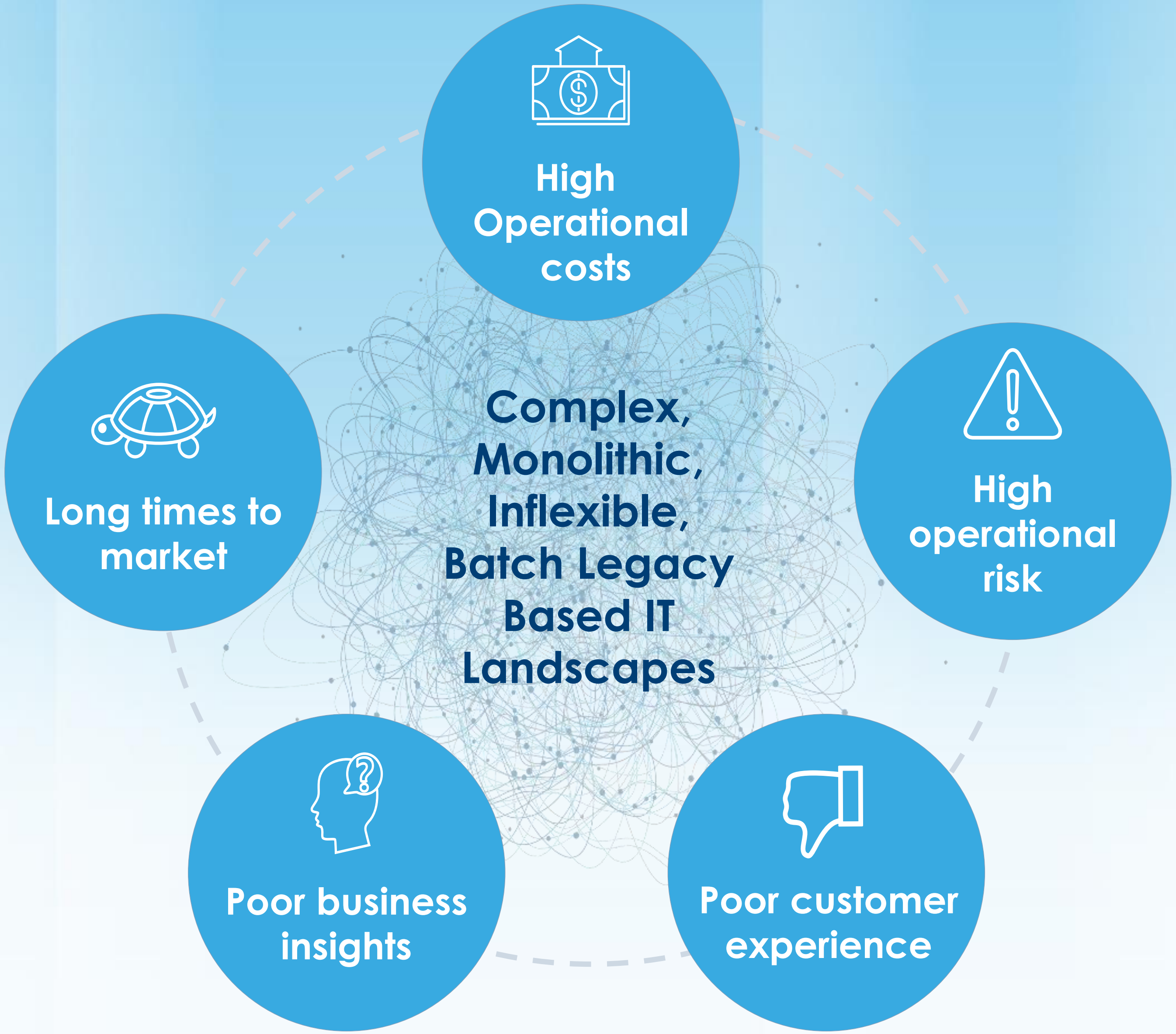


Looking forward

- USD63bn market with 73% of spend still in-house
- Structural demand drivers of digital, regulatory, cost and competition are accelerating
- Demand is accelerating driving strong new pipeline growth
- Strong momentum in SaaS, largely incremental
- Significant momentum in Total Bookings driving growth in backlog and increasing visibility
- Banks across tiers and geographies continuing with strategic IT transformation projects

Strong growth expected to continue in 2021

Current Reality at Incumbent Banks



EUROPEAN CENTRAL BANK

BANKING SUPERVISION

- Dependencies on **end-of-life systems** major cause for concern
- Basel committee introduces new rules to standardize operational risk related **to IT system failures**

Outselling the competition

Traditional vendors

Cross-industry, not packaged or cloud & SaaS ready

Why we win

Highest R&D in the industry

Market leadership

Technology innovation

Leader in SaaS, cloud and AI

Neo vendors

New digital entrants, cloud-only offering, limited functional scope

Why we win

Cloud native, 27 years of Banking IP

Depth and breadth of functionality

Massive scalability

Local presence i.e. Model Banks

Extensive AI capabilities

Market leader with size, scale and track record

Financial update

Takis Spiliopoulos
CFO

TEMENOS
THE BANKING SOFTWARE COMPANY

Q1-21 non-IFRS financial highlights

Revenue and profit

- SaaS revenue up 22% in Q1-21
- Total software licensing up 26% in Q1-21
- Maintenance growth of 3% in Q1-21
- Total revenue up 7% in Q1-21
- EBIT up 31% in Q1-21
- Q1-21 EBIT margin of 27.2%, up 4% points (reported)
- EPS (reported) up 29% in Q1-21

Cash flow

- Q1-21 operating cash flow of USD 75m, up 25% y-o-y
- LTM operating cash conversion of 110% of IFRS EBITDA
- Q1-21 Free Cash Flow of 46m, up 28% y-o-y
- DSOs at 107 days, down 4 days q-o-q and 2 days y-o-y

Debt and leverage

- Net debt of USD 864m as of 31.3.21
- Leverage at 2.1x, expected to be at similar levels by year end

Capital allocation

- 2020 dividend of CHF 0.90 announced, subject to shareholder approval at 2021 AGM
- Up to USD 200m share buyback launched in February, USD 89m executed in Q1-21

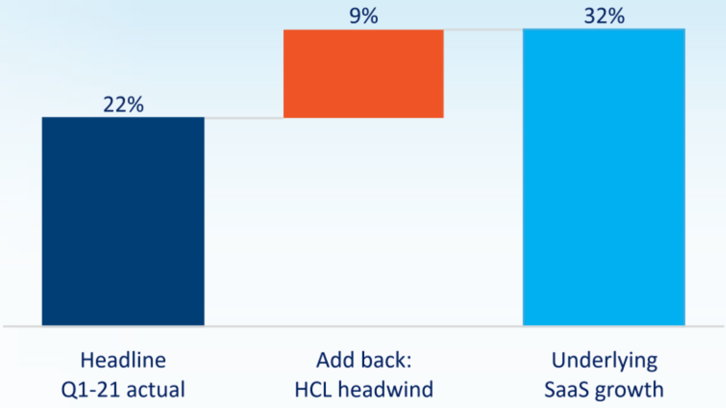
Note: figures are non-IFRS c.c. growth rates unless otherwise stated

Non-IFRS income statement – operating

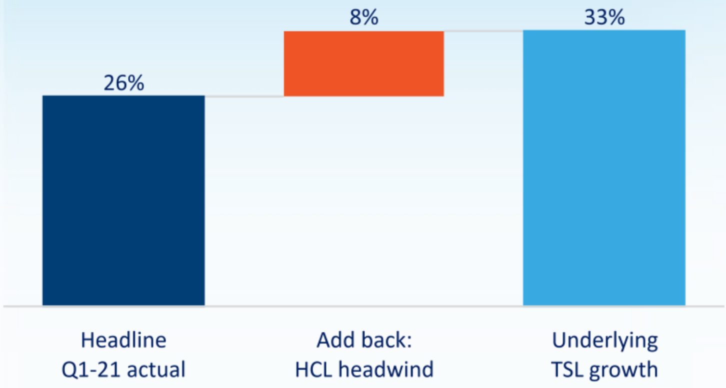
In USDm	Q1 21	Q1 20	Y-o-Y reported	Y-o-Y c.c.	FY-21 YTD	FY-20 YTD	Y-o-Y reported	Y-o-Y c.c.
Software licensing	43.6	33.6	30%	28%	43.6	33.6	30%	28%
SaaS and subscription	28.2	22.7	25%	22%	28.2	22.7	25%	22%
Total software licensing	**71.8**	**56.2**	**28%**	**26%**	**71.8**	**56.2**	**28%**	**26%**
Maintenance	97.2	94.1	3%	3%	97.2	94.1	3%	3%
Services	40.4	43.3	-7%	-9%	40.4	43.3	-7%	-9%
Total revenue	**209.4**	**193.7**	**8%**	**7%**	**209.4**	**193.7**	**8%**	**7%**
Operating costs	152.5	149.3	2%	0%	152.5	149.3	2%	0%
EBIT	**56.9**	**44.4**	**28%**	**31%**	**56.9**	**44.4**	**28%**	**31%**
Margin	27.2%	22.9%	4% pts	5% pts	27.2%	22.9%	4% pts	5% pts
EBITDA	**78.2**	**64.6**	**21%**	**23%**	**78.2**	**64.6**	**21%**	**23%**
Margin	37.3%	33.4%	4% pts		37.3%	33.4%	4% pts	
Services margin	11.8%	10.9%	1% pts		11.8%	10.9%	1% pts	

Impact of HCL on Q1-21 growth rates

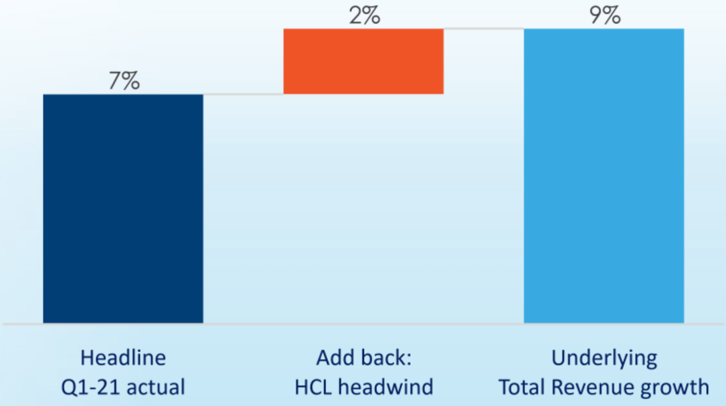
Underlying Q1-21 SaaS growth of 32%



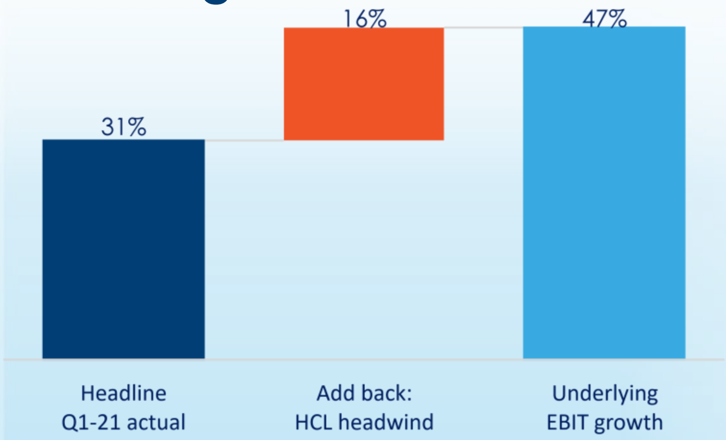
Underlying Q1-21 TSL growth of 33%



Underlying Q1-21 Total Revenue growth of 9%



Underlying Q1-21 EBIT growth of 47%

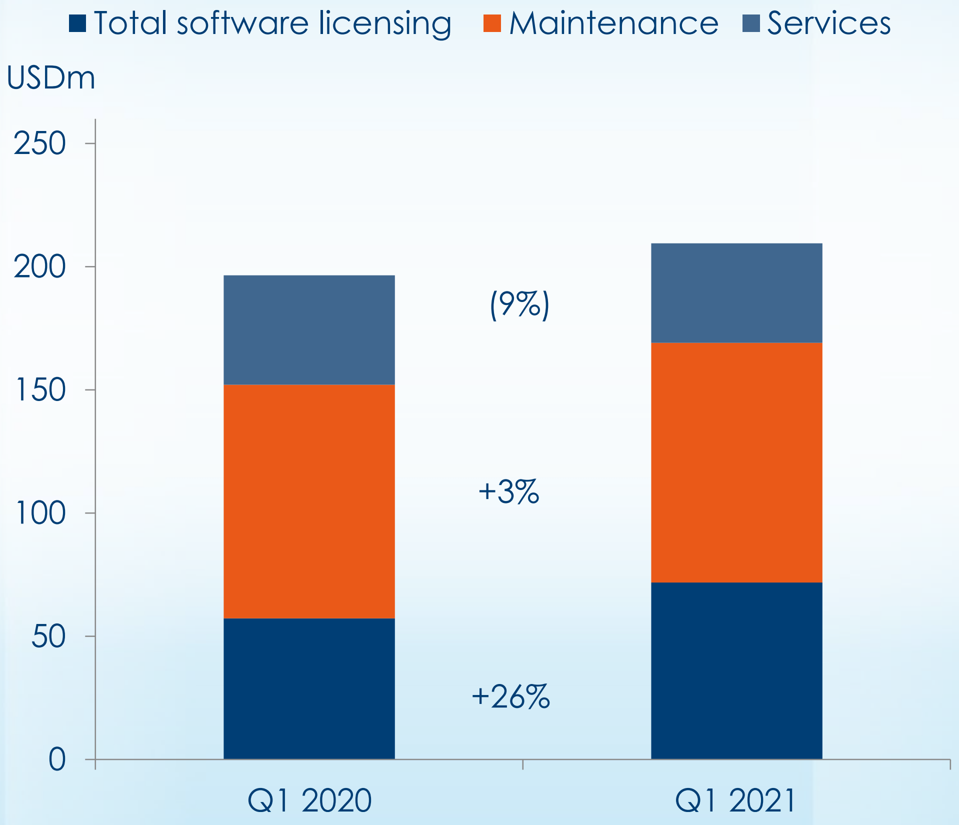


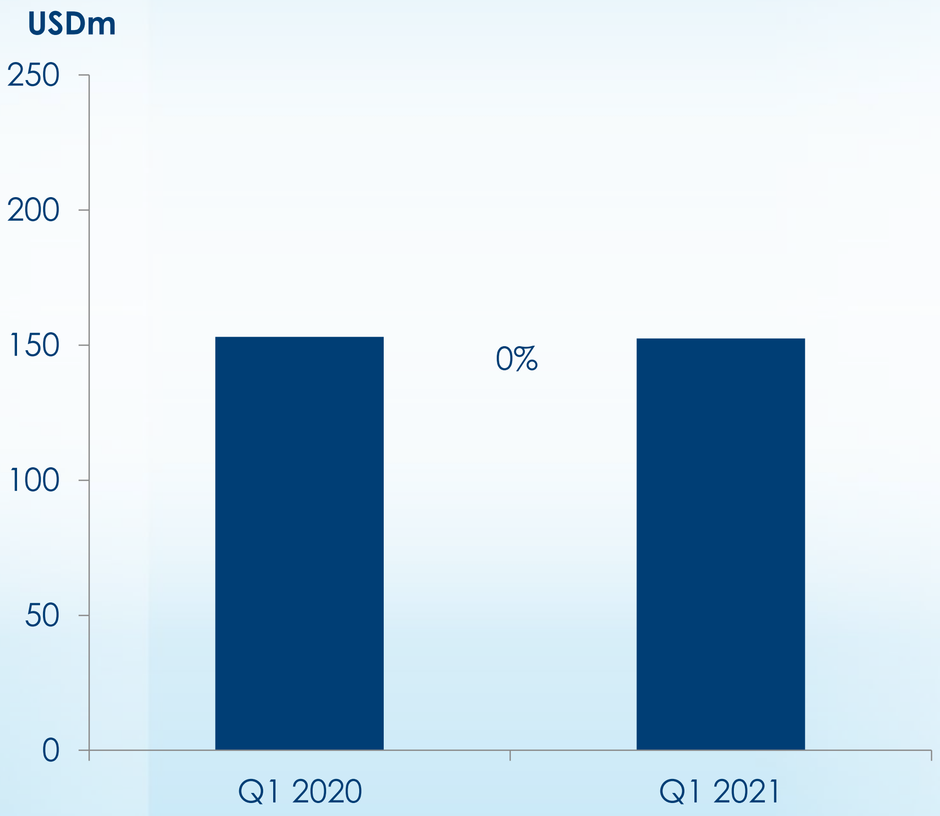
Note: non-IFRS

Like-for-like revenue and costs

- Q1-21 LFL non-IFRS revenues up 7%

- Q1-21 LFL non-IFRS costs flat y-o-y

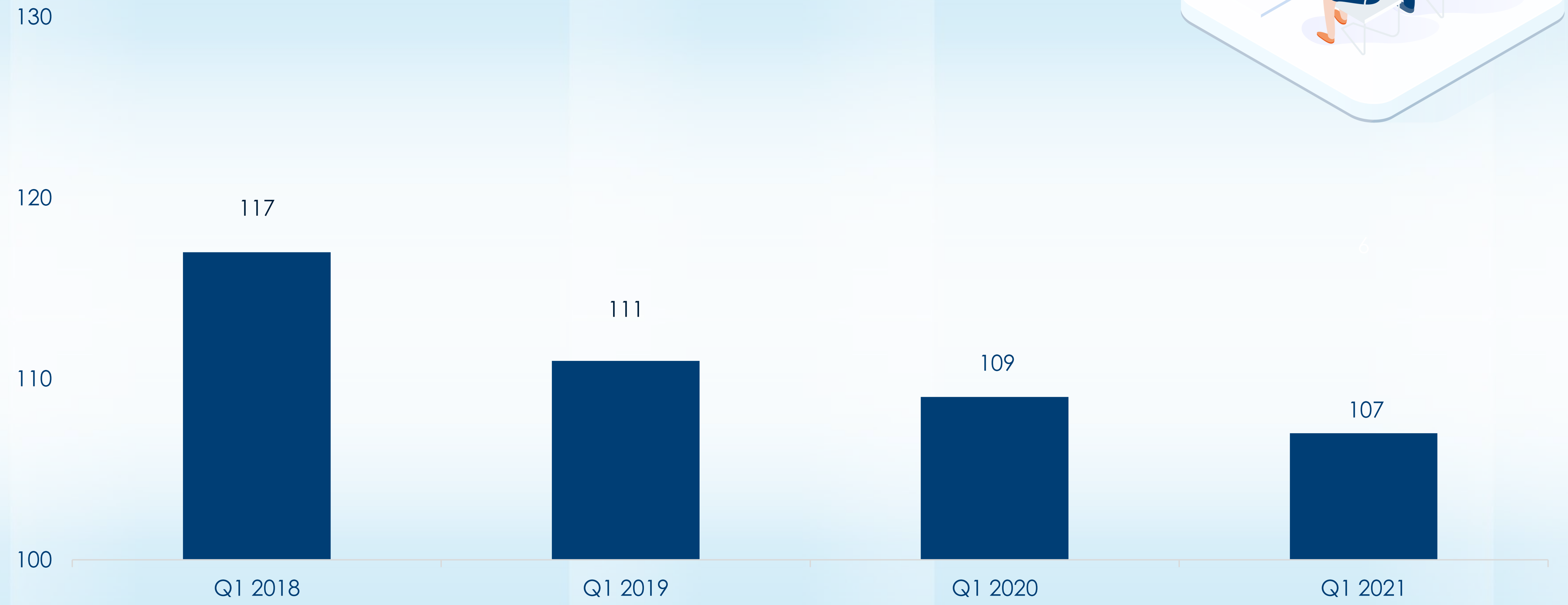




Non-IFRS income statement – non-operating

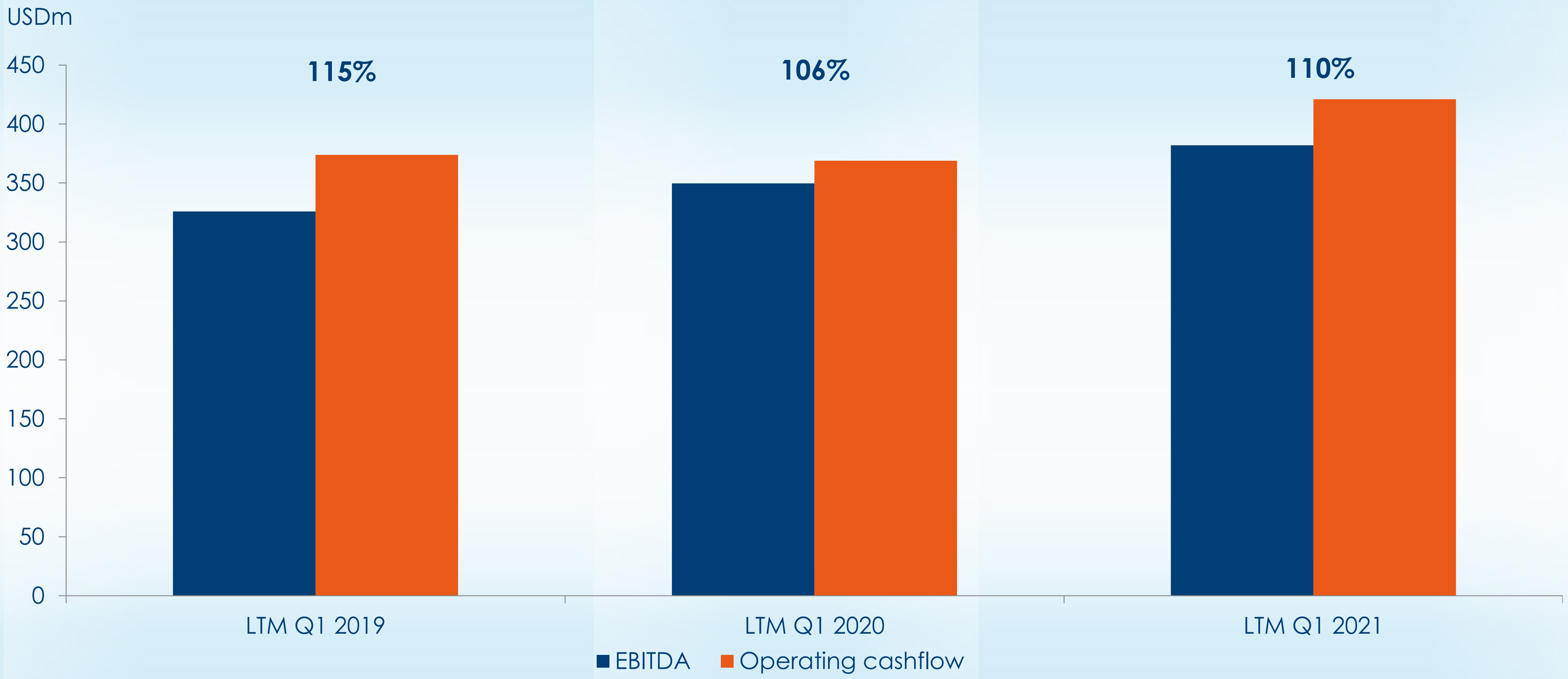
In USDm, except EPS	Q1-21	Q1-20	Y-o-Y	FY-21 YTD	FY-20 YTD	Y-o-Y
EBIT	**56.9**	**44.4**	**28%**	**56.9**	**44.4**	**28%**
Net finance charge	-6.2	-7.2	-14%	-6.2	-7.2	-14%
FX gain / (loss)	-0.6	1.1	N.A.	-0.6	1.1	N.A.
Tax	-7.9	-5.3	48%	-7.9	-5.3	48%
Net profit	**42.2**	**32.9**	**28%**	**42.2**	**32.9**	**28%**
EPS (USD)	**0.58**	**0.45**	**29%**	**0.58**	**0.45**	**29%**

DSOs continue to decline



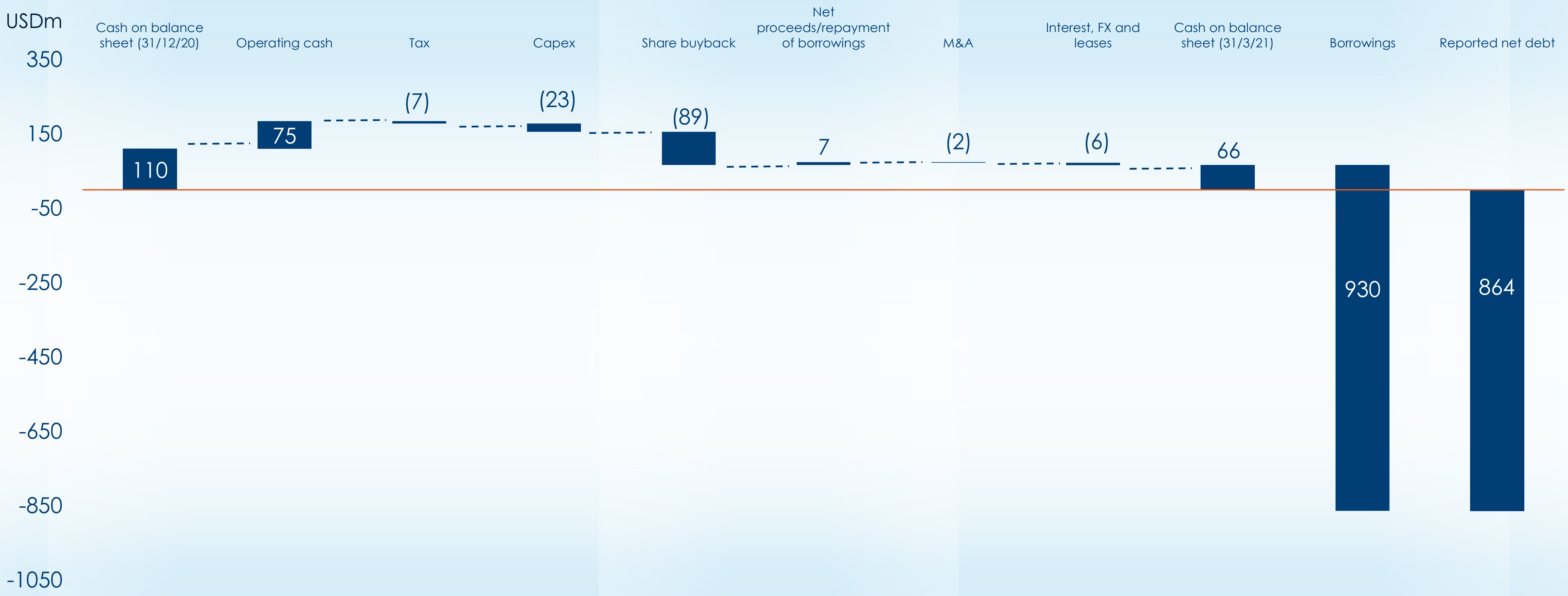
We expect DSOs to continue declining to below 105 by year end 2021

IFRS cash conversion



Cash conversion well above 100% target

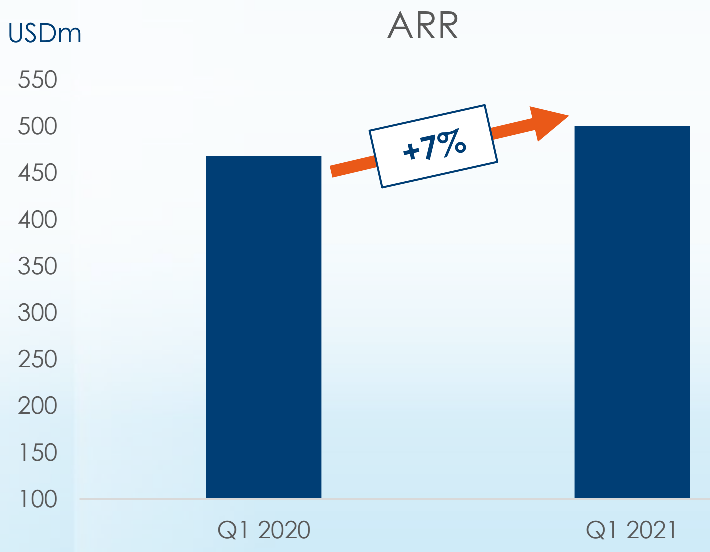
Group liquidity

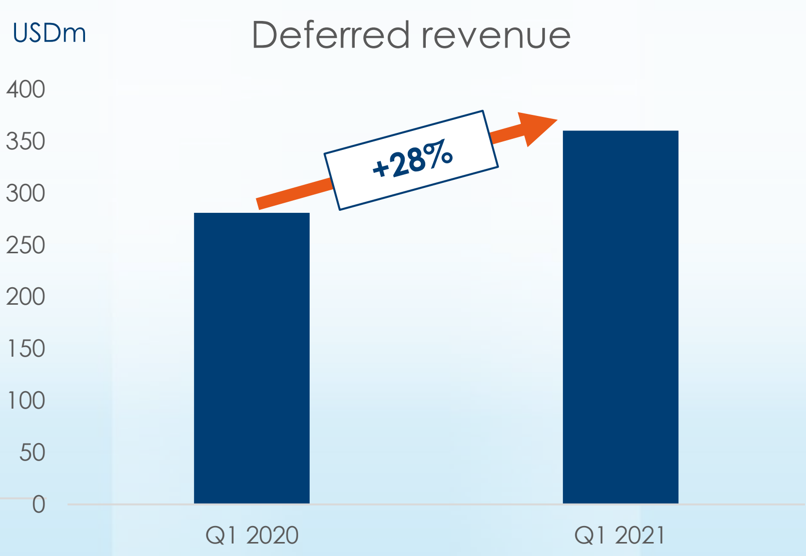


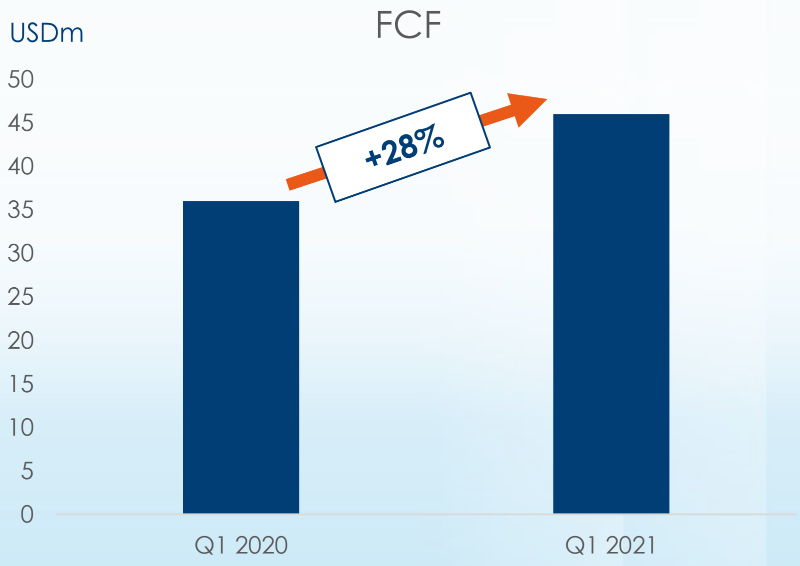
Leverage at 2.1x, expected to be at comparable level after share buyback by year end 2021

Strong growth in ARR, deferred revenue and FCF

- Strong ARR growth of 7% with limited attrition on maintenance and SaaS, and despite HCL headwind*
- Maintenance returned to growth in Q1-21 as expected
- Strong maintenance collection and increasing SaaS contribution driving deferred revenue growth and FCF
- ARR growth underpins confidence in FY-21 guidance







*Note: ARR and FCF are non-IFRS c.c. growth rates, Deferred revenue is reported growth rate. * refer to slide 20 for impact of HCL. Please refer to slide 40 in appendix for quarterly ARR and FCF numbers.*

Overview of KPIs

Sales	P&L	Cash
Total Bookings*	Total software licensing	Operating cash conversion
SaaS ACV	EBIT margin	Free cash flow
Total ARR*	EPS	DSOs

**New KPIs*

Total Bookings – includes fair value of license contract value, committed maintenance contract value on licence, and SaaS committed contract value. All must be committed and evidenced by duly signed agreements.

Total ARR – Annual recurring revenue committed at the end of the period for both SaaS and Maintenance. Includes New Customers, up-sell/cross-sell, and attrition. Only includes the recurring element of the contract and exclude variable elements.

Re-confirming 2021 non-IFRS guidance (c.c.)

	FY-21 guidance	FY-20 base
SaaS ACV	**+40-50%**	34
ARR	**+10-15%**	493
Total software licensing (%)	**+14-18%***	359
Total revenue (%)	**+8-10%***	904
EBIT – margin and growth	**growth of +12-14% (USD362-369m)*, implying 37.2% margin**	35.9% margin, USD325m

- Cash conversion to remain at 100%+ of EBITDA into operating cash flow
- FY-21 tax rate expected to be between 16-18%
- DSOs expected to be below 105 days by year end
- Non-IFRS EBIT is adjusted for share-based payment costs. For comparison purposes, FY-20 non-IFRS EBIT would be adjusted by excluding USD11m share-based payment costs. Estimated FY-21 IFRS2 costs are c.USD 20m.

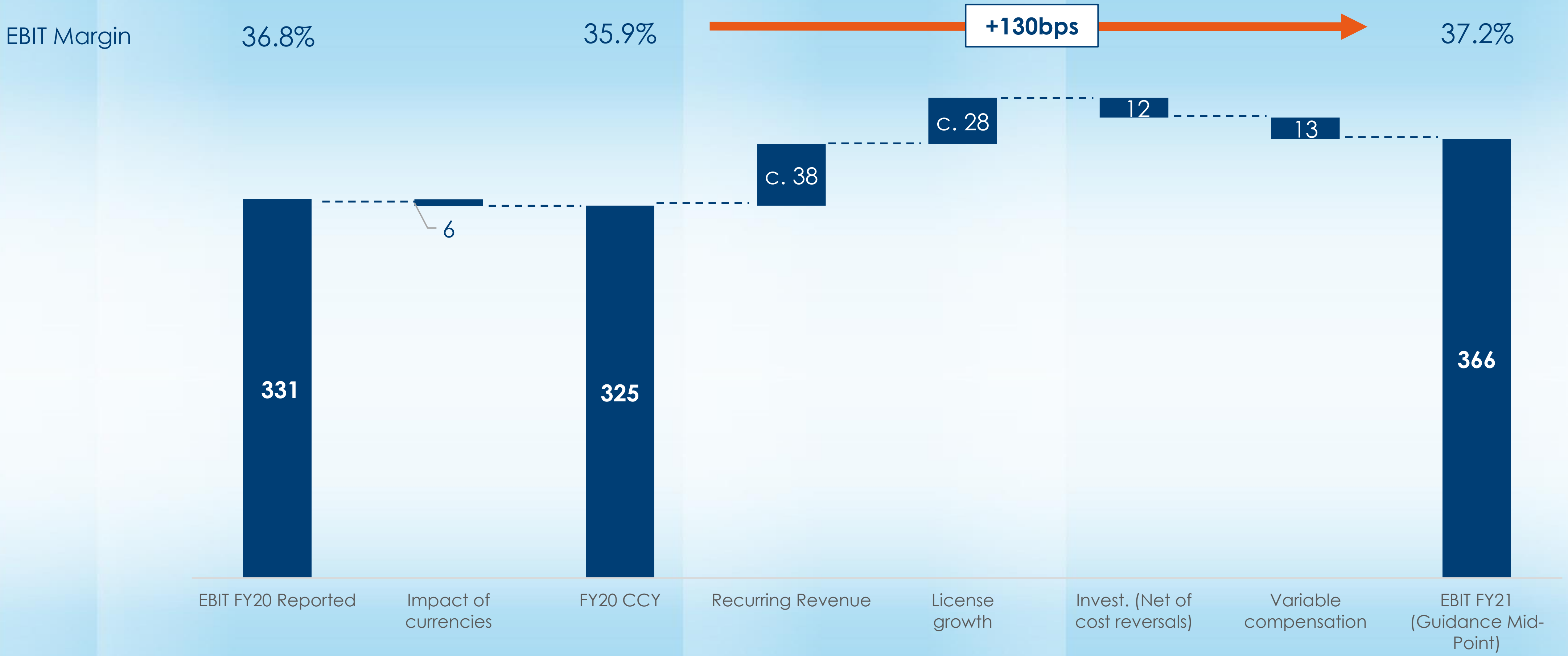
Note: Currency assumptions on slide 36. See slide 54 for definition of non-IFRS.
**HCL impact c.5% headwind on SaaS, c.5% headwind on total software licensing growth, 3% headwind on total revenue growth, 5% headwind on EBIT growth*

Re-confirming 2025 Targets

Mid-term Guidance	2020 base (CCY)	2025 Targets
Total Software Licensing	359	15-20% CAGR 2020-25
Total revenue	904	10-15% CAGR 2020-25
EBIT margin	35.9%	c.41% by 2025
Total Bookings	492	17-22% CAGR 2020-25
ARR	493	>=15% CAGR 2020-25
FCF	297	>=15% CAGR 2020-25 to reach >USD600m
Tax rate*	13.9%	18-20%
DSO	111	c.85 days

Targets are non-IFRS. Tax rates estimate: FY21 guidance at 16-18%, 18-20% for FY22-25

EBIT Bridge 2020/2021 – New Non-IFRS Definition

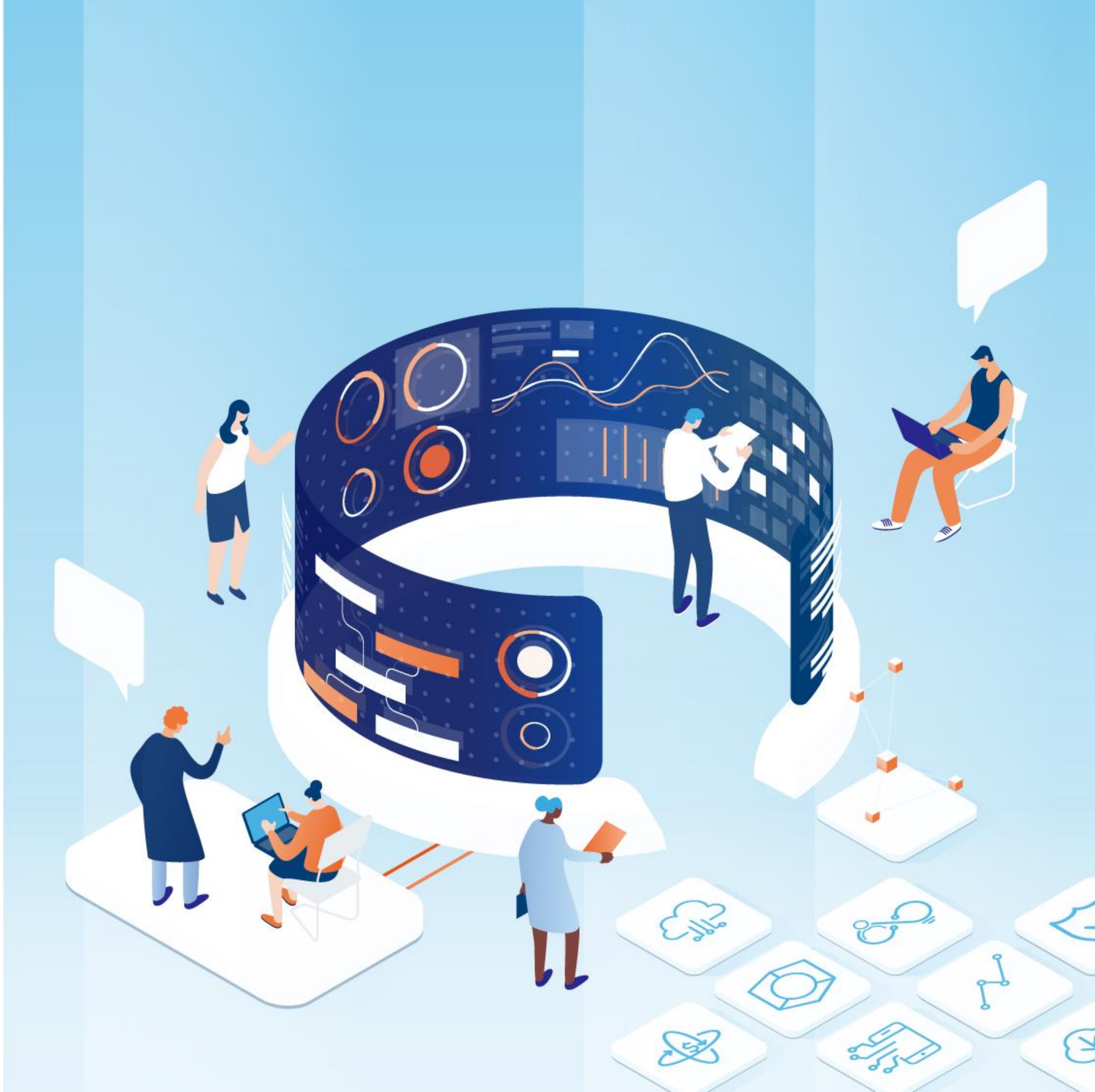


Strong visibility on margin expansion through recurring revenue

Share buyback update

- The share buyback for up to a total of USD 200m at the market price commenced on 19 February 2021 and will end on 30 December 2021 at the latest
- USD 89m of shares repurchased in Q1-21
- Temenos intends to use the repurchased shares to finance potential acquisitions and/or to cover future employee stock ownership plans.

Summary



Max Chuard
CEO

TEMENOS
THE BANKING SOFTWARE COMPANY

TCF Online 2021

- TCF online taking place Wednesday 26th and Thursday 27th May
- Global client forum, opportunity to see new product releases, hear case studies and engage with Temenos product and management teams
- Investor specific track, please follow this link to register for the event and select 'Investor' in the relevant drop-down menu

Register now

TEMENOS

Conclusion

- Strong start to the year across all KPIs
- Very strong growth in SaaS and licenses driving total software licensing
- Outstanding growth in Total Bookings, up 105%, driven by demand from new and existing customers and an increase in average tenure
- Strong EBIT growth and margin expansion
- Strong operating and free cash flow generation
- Continued investment in R&D and Sales

A strong start to 2021

Appendix


38%
47%
15%
Mon
Tue
Wed
Thu
Fri
Sat
Sun
Good Afternoon,
Tess
Your total balance is
7,538.67$

FX assumptions underlying 2021 guidance

In preparing the 2021 guidance, the Company has assumed the following FX rates:

- EUR to USD exchange rate of 1.19
- GBP to USD exchange rate of 1.38; and
- USD to CHF exchange rate of 0.92

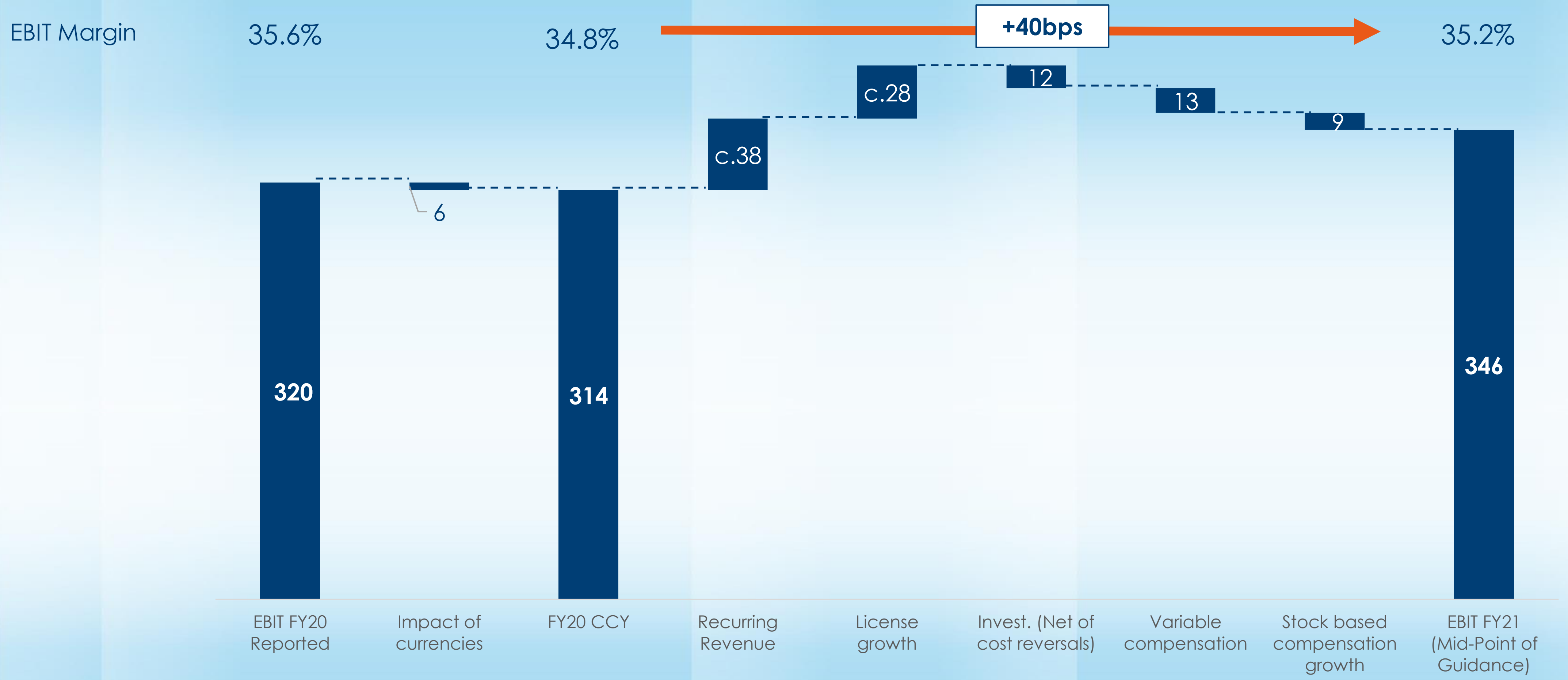
FX exposure

% of total	USD	EUR	GBP	CHF	Other
Total software licensing	67%	21%	2%	2%	8%
Maintenance	75%	17%	2%	2%	5%
Services	55%	28%	3%	2%	13%
Revenues	**68%**	**20%**	**2%**	**2%**	**8%**
Non-IFRS costs	**23%**	**17%**	**13%**	**7%**	**39%**
Non-IFRS EBIT	**149%**	**26%**	**(19)%**	**(7)%**	**(50)%**

NB. All % are approximations based on 2020 actuals

Mitigated FX exposure – matching of revenues / costs and hedging

EBIT Bridge 2020/2021 – Old Non-IFRS Definition



Strong visibility on margin expansion through recurring revenue

Quarterly SaaS ACV

USDm			Q3 18	Q4 18
SaaS ACV			2.5	3.4

USDm	Q1 19	Q2 19	Q3 19	Q4 19
SaaS ACV	2.7	2.9	6.6	8.8

USDm	Q1 20	Q2 20	Q3 20	Q4 20
SaaS ACV	5.3	3.5	14.3	11.5

USDm	Q1 21	Q2 21	Q3 21	Q4 21
SaaS ACV	12.1			

Quarterly ARR, Total Bookings, FCF

ARR, USDm	Q1-20	Q1-21
ARR	468.1	500.1

Total Bookings, USDm	Q1-20	Q1-21
Total Bookings	62.2	127.5

FCF, USDm	Q1-20	Q1-21
FCF	36	46

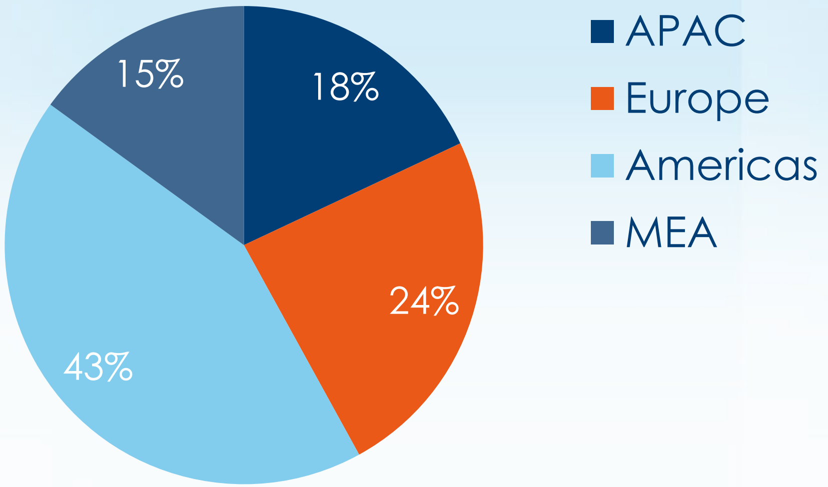
Total Bookings average tenure

Below is the average tenure in FY-20 for the components of total bookings:

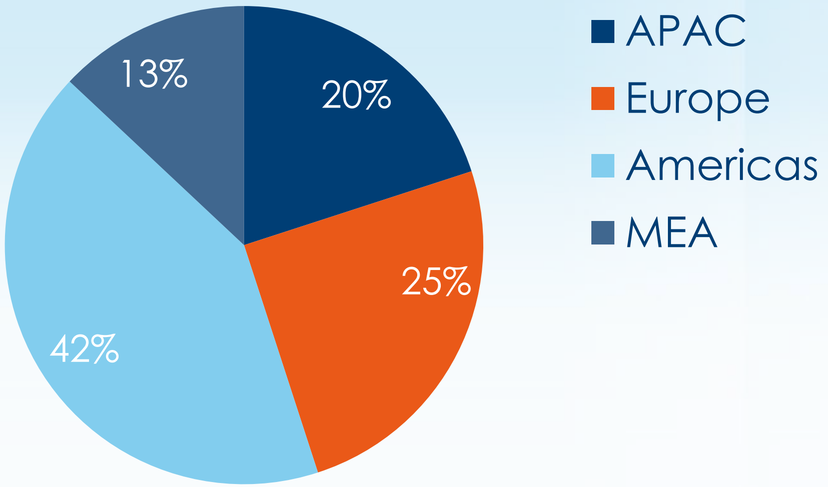
- Average tenure of SaaS contracts in FY-20 was 3.9 years
- Average tenure of license and maintenance contracts in FY-20 was 3.6 years
- Average tenure of total bookings in FY-20 was 3.7 years

Total software licensing revenue breakdown by geography

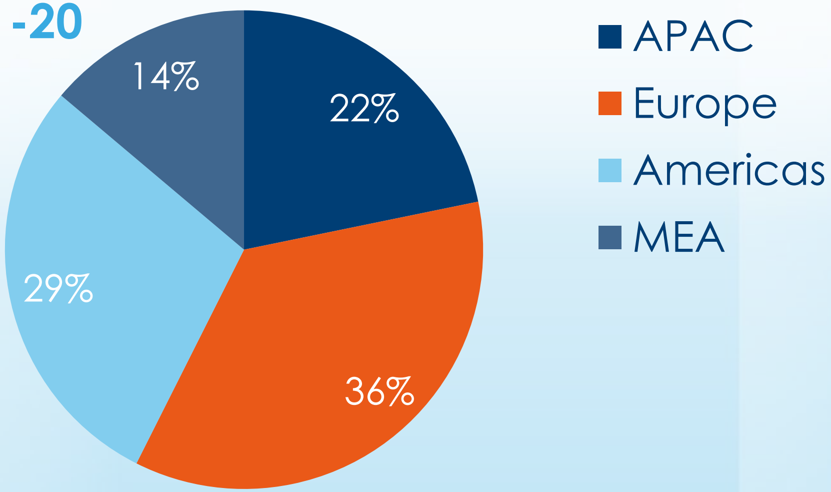
Q1-20



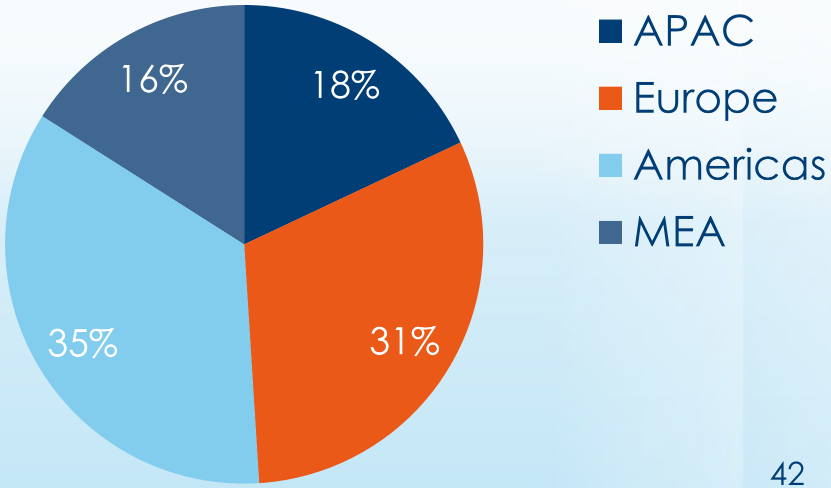
Q1-21



LTM Q1-20

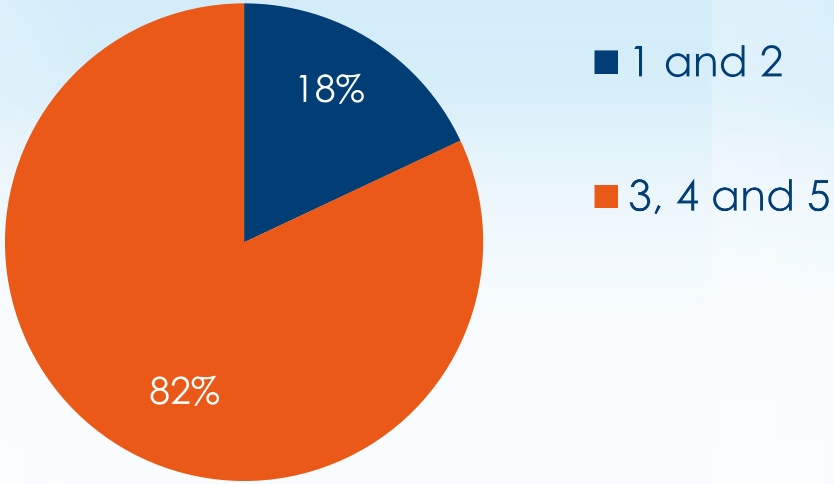


LTM Q1-21

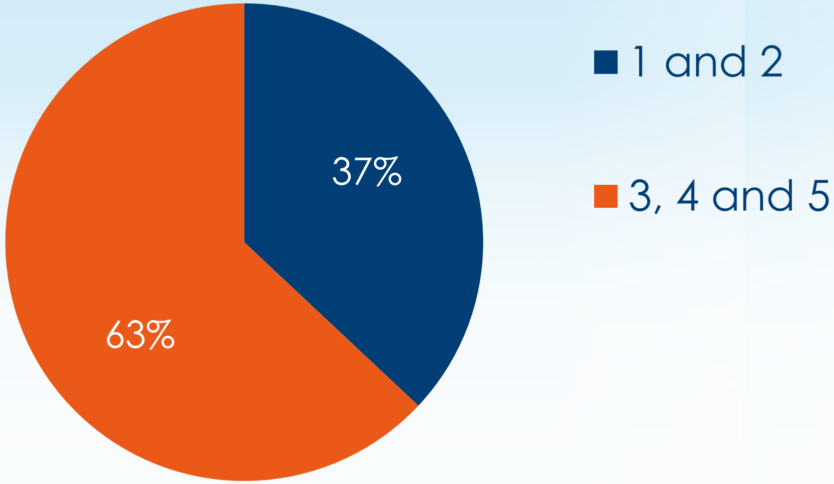


Total software licensing revenue breakdown by customer tier

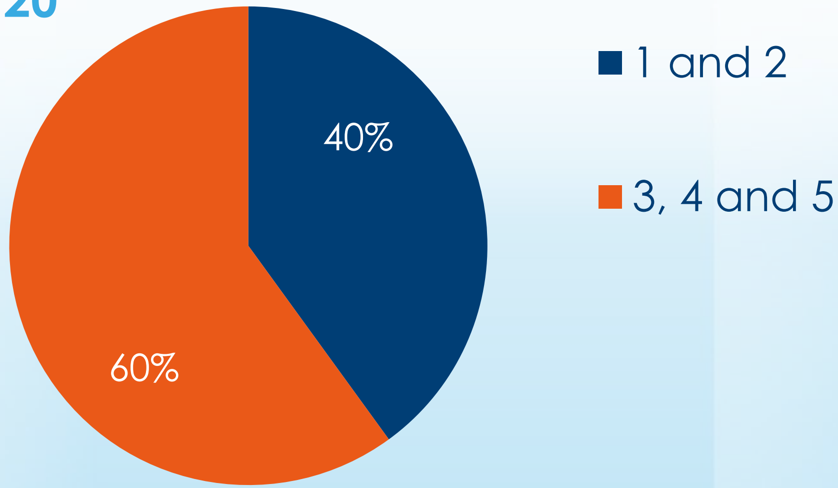
Q1-20



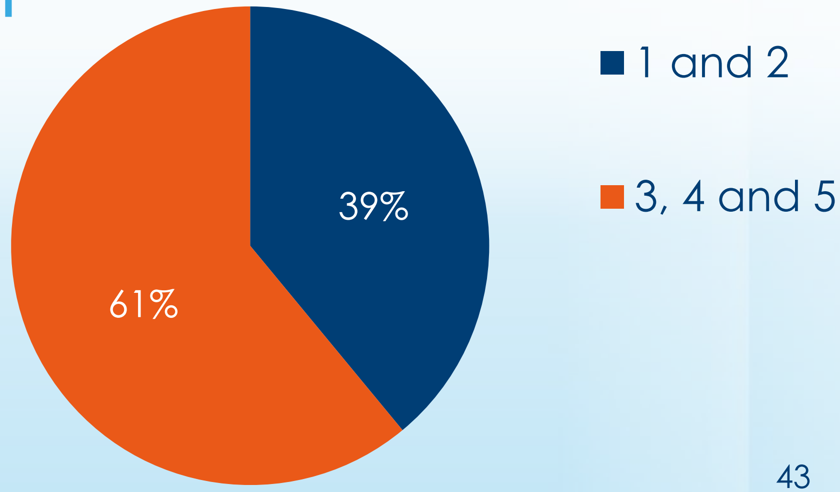
Q1-21



LTM Q1-20

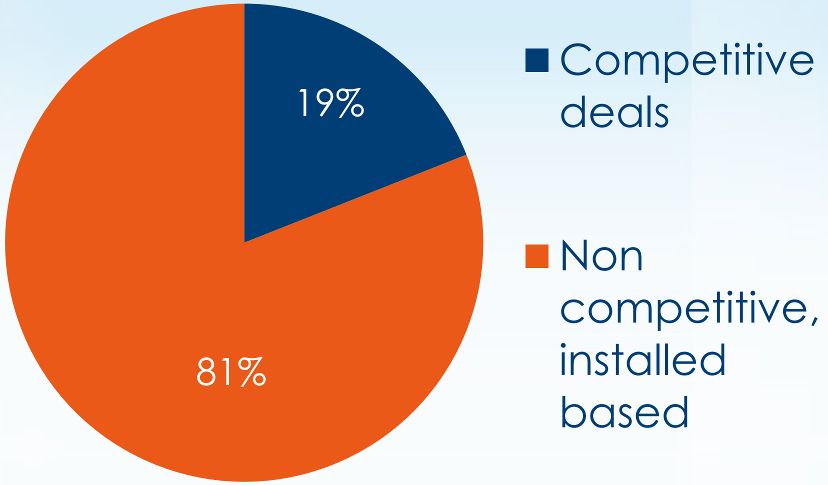


LTM Q1-21

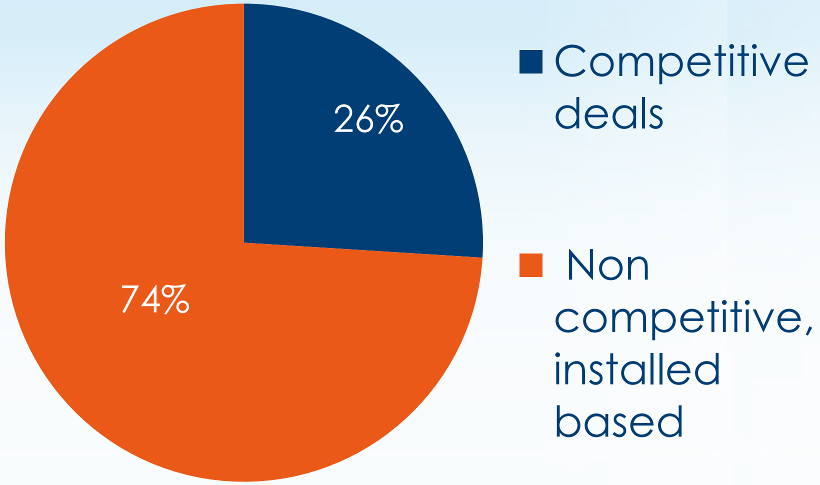


Software licensing revenue breakdown by competitive deals / add-ons to installed base

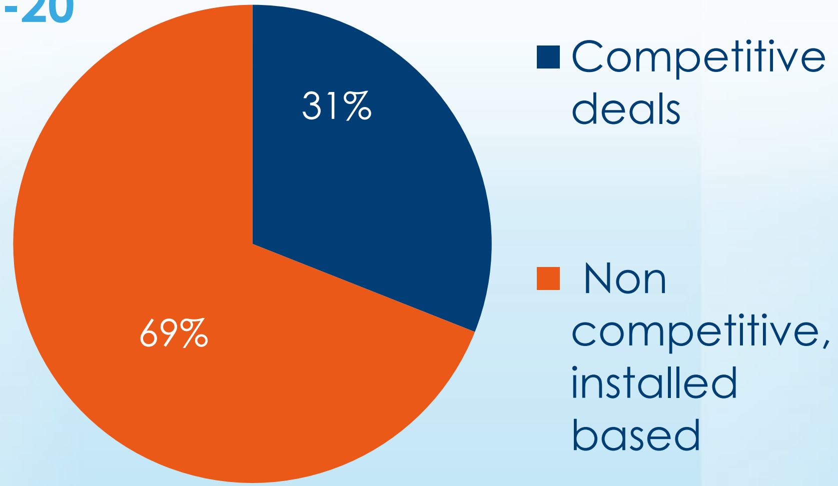
Q1-20



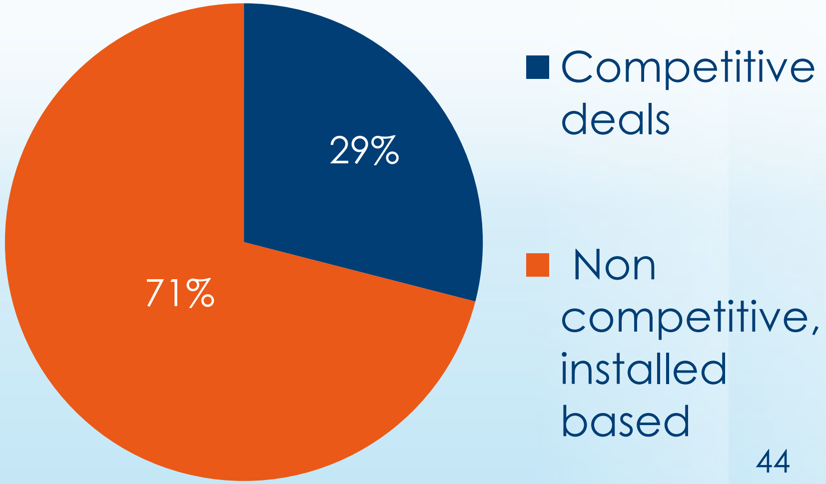
Q1-21



LTM Q1-20

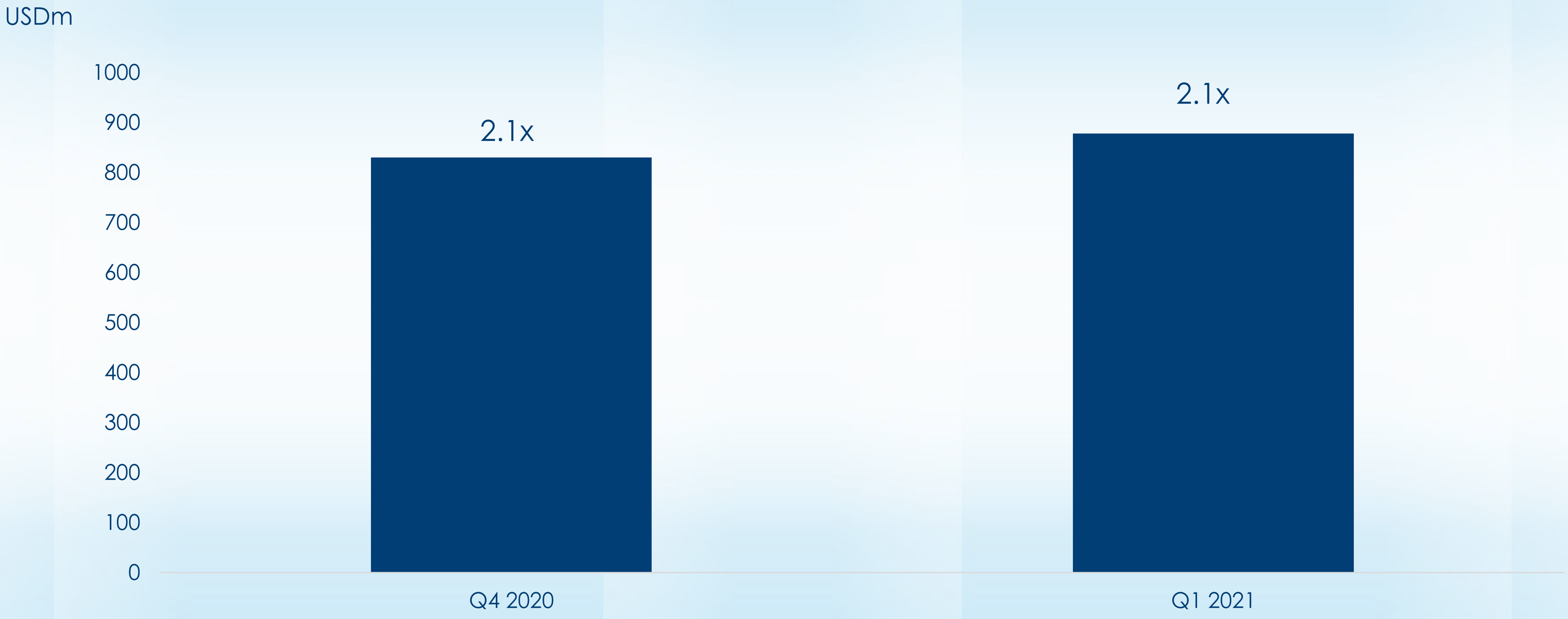


LTM Q1-21

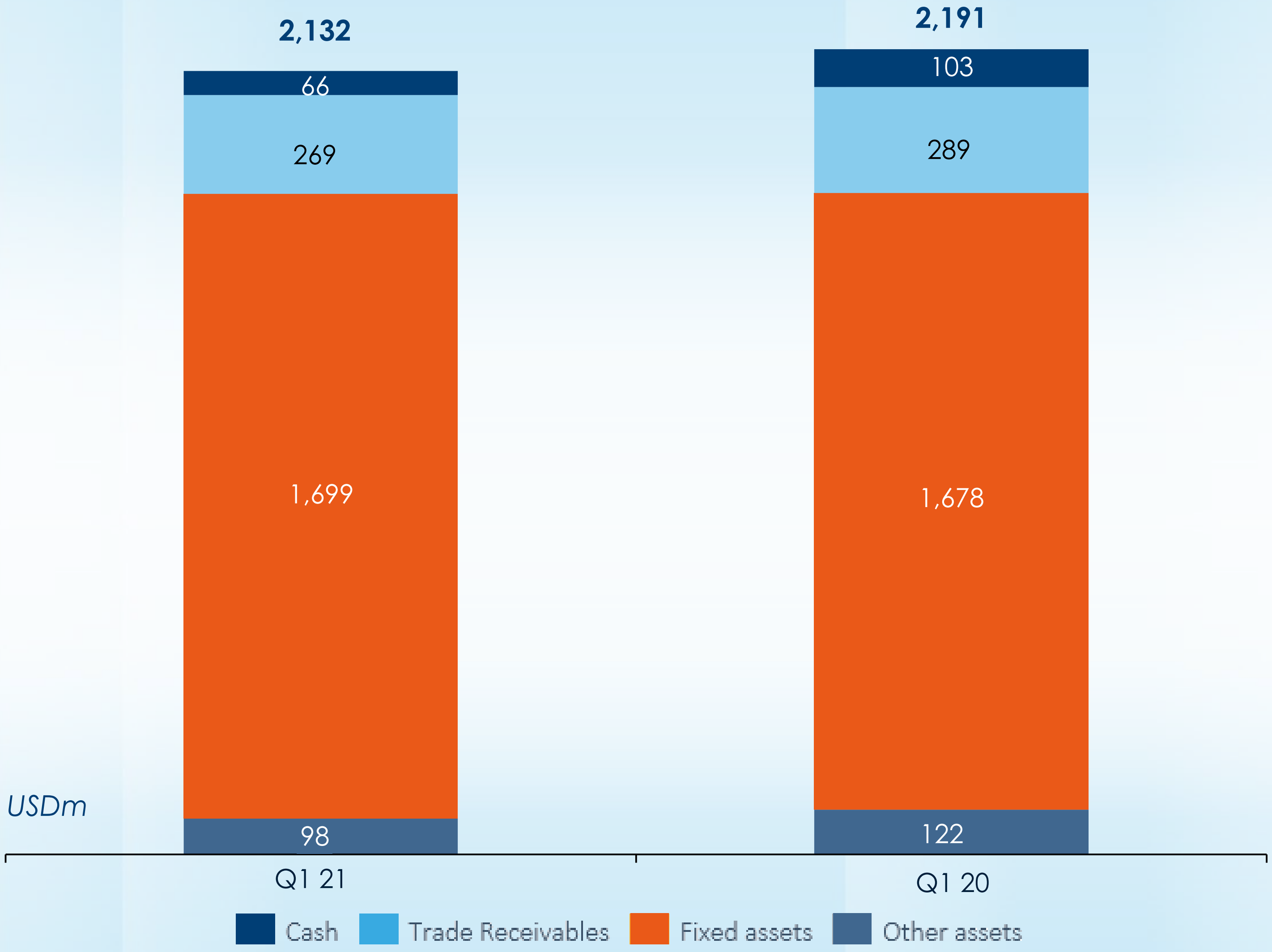


Balance sheet – debt and leverage

Net debt and leverage ratios*



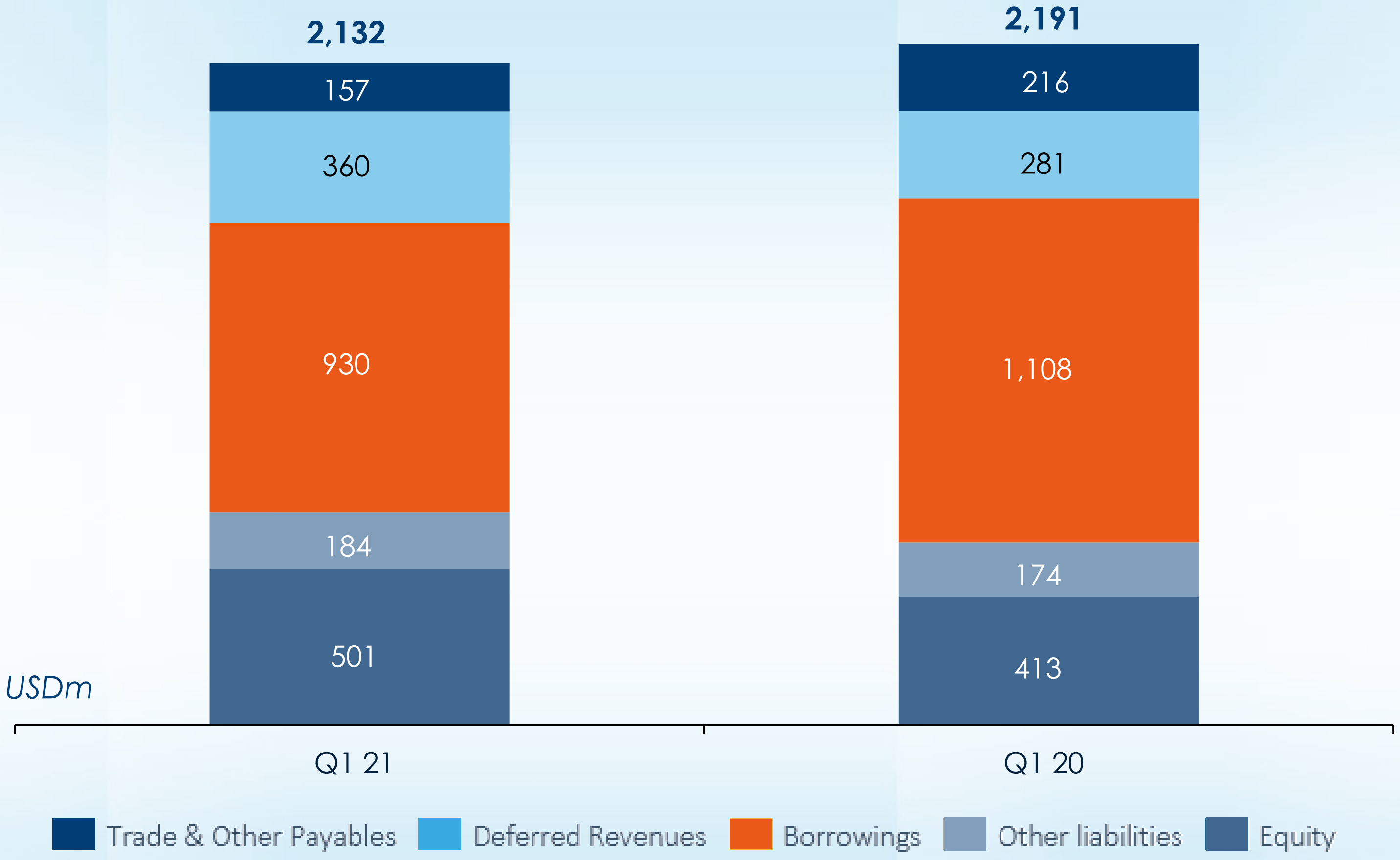
Q1 21 v Q1 20 assets



Comments:

- Other assets down driven primarily by release Nuo DB investment $20.5m (equity and convertible note)
- Trade Receivables reduction driven by DSO improvement
- Fixed assets increase primarily driven by FX movement on intangibles

Q1 21 v Q1 20 liabilities



Comments:

- Trade and other payables decrease mainly driven by reduction due to lower costs and volume driving lower payments
- Deferred revenues increase due to growth in SaaS and strong advance collections for Maintenance
- Lower borrowings mainly linked to bridge facility repayment
- Equity change driven mostly by LTM profit and buy back of shares

Capitalization of development costs

USDm	Q1 19	Q2 19	Q3 19	Q4 19	FY 19
Cap' dev' costs	(14.1)	(14.3)	(15.2)	(21.0)	**(64.6)**
Amortisation	11.7	12.0	12.2	13.7	**49.6**
Net cap' dev'	**(2.5)**	**(2.3)**	**(3.0)**	**(7.3)**	**(15.1)**

USDm	Q1 20	Q2 20	Q3 20	Q4 20	FY 20
Cap' dev' costs	(17.7)	(18.0)	(20.8)	(19.9)	**(76.3)**
Amortisation	12.9	13.6	13.6	13.7	**53.8**
Net cap' dev'	**(4.8)**	**(4.4)**	**(7.2)**	**(6.2)**	**(22.6)**

USDm	Q1 21	Q2 21	Q3 21	Q4 21	FY 21
Cap' dev' costs	(19.2)				
Amortisation	13.8				
Net cap' dev'	**(5.4)**				

Reconciliation from IFRS to non-IFRS

	IFRS revenue measure
+	Deferred revenue write-down
=	**Non-IFRS revenue measure**

	IFRS profit measure
+/-	Share-based payments and related social charges
+/-	Deferred revenue write down
+ / -	Discontinued activities
+ / -	Amortisation of acquired intangibles
+ / -	Acquisition related charges
+ / -	Restructuring
+ / -	Taxation
=	**Non-IFRS profit measure**

Accounting elements not included in non-IFRS guidance

Below are the accounting elements not included in the 2021 non-IFRS guidance:

- FY 2021 estimated share-based payments charge of USD 20m
- FY 2021 estimated amortisation of acquired intangibles of USD 50m
- FY 2021 estimated restructuring costs of USD 10-12m

For comparative purposes, historic share-based payments charge was as follows:

- FY 2020 USD 11m

Restructuring costs include realising R&D, operational and infrastructure efficiencies.

These estimates do not include impact of any further acquisitions or restructuring programmes commenced after 20 April 2021. The above figures are estimates only and may deviate from expected amounts.

Earnings Reconciliation – IFRS to non-IFRS

In USDm, except EPS	3 Months Ending 31 March			3 Months Ending 31 March		
	2021		2021	2020		2020
	IFRS	Non-IFRS adj.	Non-IFRS	IFRS	Non-IFRS adj.	Non-IFRS
Software licensing	43.6		43.6	33.6		33.6
SaaS and subscription	28.2		28.3	18.4	4.2	22.7
Total Software Licensing	**71.8**		**71.8**	**52.0**	**4.2**	**56.2**
Maintenance	97.2		97.2	94.1		94.1
Services	40.4		40.4	43.3		43.3
Total Revenue	**209.4**		**209.4**	**189.4**	**4.2**	**193.7**
Total Operating Costs	**(177.4)**	**24.8**	**(152.5)**	**(178.7)**	**29.4**	**(149.3)**
Restructuring/acq. costs	(2.8)	2.8	-	(6.9)	6.9	-
Amort of Acq'd Intang.	(15.1)	15.1	-	(17.6)	17.6	-
Share-based payments	(6.9)	6.9		(5.0)	5.0	
Operating Profit	**32.1**	**24.8**	**56.9**	**10.8**	**33.6**	**44.4**
Operating Margin	**15%**		**27%**	**6%**		**23%**
Financing Costs	(6.8)		(6.8)	(6.2)	-	(6.2)
Taxation	(4.4)	(3.5)	(7.9)	(1.6)	(3.7)	(5.3)
Net Earnings	20.9	21.3	42.2	3.0	29.9	32.9
EPS (USD per Share)	**0.29**	**0.29**	**0.58**	**0.04**	**0.41**	**0.45**

EBIT & EBITDA reconciliation from IFRS to non-IFRS

USDm	Q1 21 EBIT	Q1 21 EBITDA
IFRS	**32.1**	**68.5**
Share-based payments	6.9	6.9
Deferred revenue write-down	-	-
Amortisation of acquired intangibles	15.1	-
Restructuring	2.8	2.8
Acquisition related costs	-	-
Non-IFRS	**56.9**	**78.2**

Net earnings reconciliation IFRS to non-IFRS

In USDm, except EPS	Q1 21	Q1 20*
IFRS net earnings	**20.9**	**3.0**
Deferred revenue write down	0.0	4.2
Amortisation of acquired intangibles	15.1	17.6
Restructuring	2.8	6.9
Acquisition related costs	-	-
Share-based payments	6.9	5.0
Taxation	-3.5	-3.8
Net earnings for non-IFRS EPS	**42.2**	**32.9**
No. of dilutive shares	**73.0**	**73.2**
Non-IFRS diluted EPS (USD)	0.58	0.45

**Q1-20 restated for impact of share-based payments*

Non-IFRS Definitions

Non-IFRS adjustments

Share-based payment charges
Adjustment made for shared-based payments and social charges

Deferred revenue write-down
Adjustments made resulting from acquisitions

Discontinued activities
Discontinued operations at Temenos that do not qualify as such under IFRS

Acquisition related charges
Relates mainly to advisory fees, integration costs and earn out credits or charges

Acquisition related finance cost
Mainly relates to fees incurred on acquisition funding

Amortisation of acquired intangibles
Amortisation charges as a result of acquired intangible assets

Restructuring
Costs incurred in connection with a restructuring plan implemented and controlled by management. Severance charges, for example, would only qualify under this expense category if incurred as part of a company-wide restructuring plan

Taxation
Adjustments made to reflect the associated tax charge mainly on deferred revenue write-down and amortization of acquired intangibles, and on the basis of Temenos' expected effective tax rate

Other

Revenue visibility
Visibility on revenue includes a combination of revenue that is contractually committed and revenue that is in our pipeline and that is likely to be booked, but is not contractually committed and therefore may not occur.

Constant currencies
Prior year results adjusted for currency movement

Like-for-like (LFL)
Adjusted prior year for acquisitions and movements in currencies

SaaS and subscription
Revenues generated from Software-as-a-Service and subscription licenses

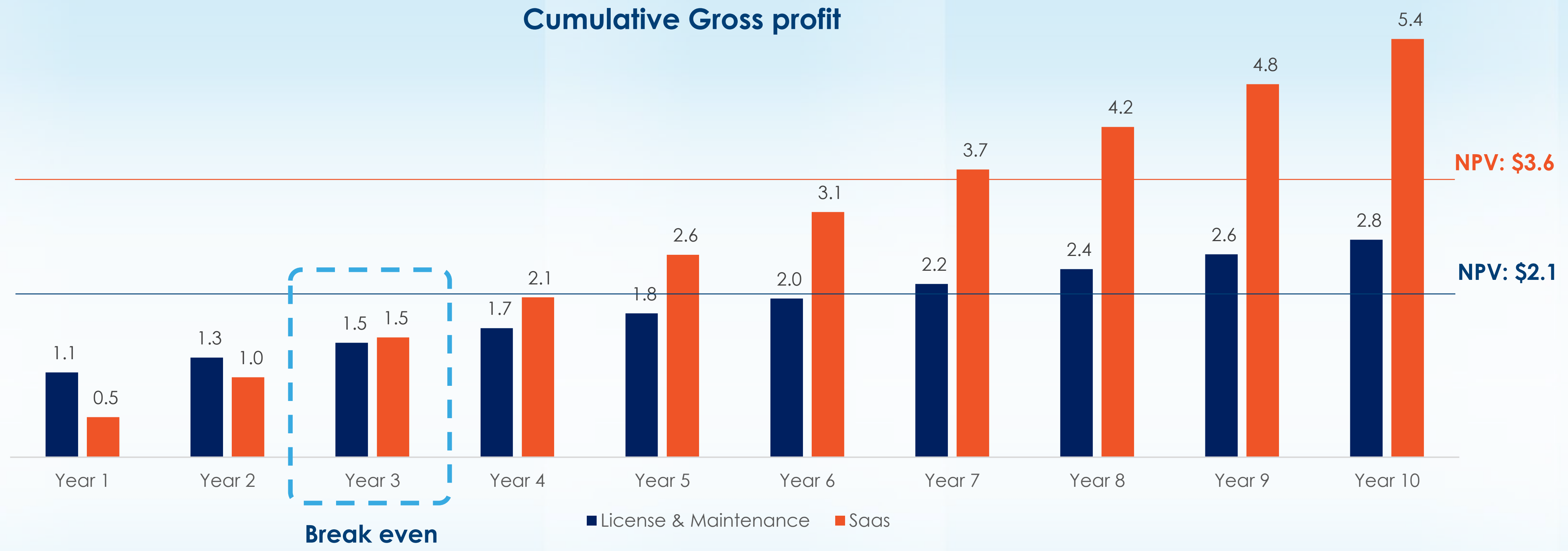
Total Bookings
Include fair value of licence contract value, committed maintenance contract value on licence, and SaaS committed contract value. All must be committed and evidenced by duly signed agreements.

Annual Recurring Revenues (ARR)
Annual recurring revenue committed at the end of the period for both SaaS and Maintenance. Includes New Customers, up-sell/cross-sell, and attrition. Only includes the recurring element of the contract and exclude variable elements

SaaS Financial metrics definitions and reporting

Annual Contract Value (ACV)	Annual value of incremental business taken in-year. Includes New Customers, up-sell/cross-sell. Only includes the recurring element of the contract and exclude variable elements. **Disclosure: quarterly reporting, annual guidance**
Total Contract Value (TCV)	Total value of incremental business taken in-year (Bookings). Includes New Customers, up-sell/cross-sell. Only includes the recurring element of the contract and exclude variable elements. **Disclosure: annual reporting**
Annual Recurring Revenue (ARR)	Annual recurring revenue committed at the end of the period for both SaaS. Includes New Customers, up-sell/cross-sell, and attrition. Only includes the recurring element of the contract and exclude variable elements **Disclosure: quarterly reporting, annual reporting, annual guidance**
Software-as-a-Service Revenue (SaaS)	Software-as-a-Service revenues booked in a period **Disclosure: quarterly reporting, annual reporting, annual guidance**

License vs SaaS Profitability



- Net present value of SaaS gross margin over 10 years is c70% higher than License & Maintenance gross margin

For illustrative purpose assuming 1USD of License revenues

Thank You

temenos.com