

Capital Markets Day



| 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 event (Capital Markets Day) represent the company's estimates as of 15 February 2022. 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 15 February 2022.

| 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 the carrying value of acquired companies' deferred revenue, the amortization of acquired intangibles, discontinued activities, acquisition related charges, restructuring costs, share-based payments 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.

| Strategy and Vision

Max Chuard
CEO



| Business overview

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| Temenos: Everyone's banking platform

1.2 billion
individuals,
families, businesses
rely on Temenos

That's **30%** of the
world's banking
population

Banks that use
Temenos are
industry **leaders**

Achieving
return on equity
3X the industry
average

Our **3000** banks
include **41** of the top
50 global banks, **70+**
challengers

They rely on the
World's **#1** open
platform for
banking

Relentless Focus on Innovation

\$ 2.5B

**cumulative R&D
investment 1990-2021**

*Sustained
high level of
R&D
Investment*

\$ 1.0B

**R&D investment
2022-25**

We invest 20% of revenues in R&D...highest in the industry

2011



Temenos Cloud
(Virtual machines, Core
Banking, Managed Service,
etc.)

2020



Cloud Native
(Containers & serverless, multi-
product, continuous operations,
cloud agnostic, etc.)

2022



Temenos Banking Cloud
(Continuous updates, composable
banking, enterprise banking
services, self-service, sandbox, etc.)



Next...
(XAI Ops, Specialist Micro-clouds,
Hyperplexed architecture,
Quantum computing, AR + VR,
Edge Computing / IOT, etc.)

| Market opportunity



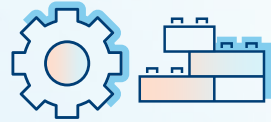
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| Disruptive technologies key to the future of banking...

2022 - 2025



Cloud/SaaS



API/Microservices



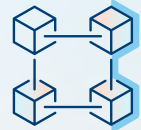
DevOps



Big Data



AI/Machine
Learning



Blockchain/
Distributed DB



Banking

2025 - 2030



Quantum
Computing



5G



Augmented/
Virtual Reality



Internet
of Things

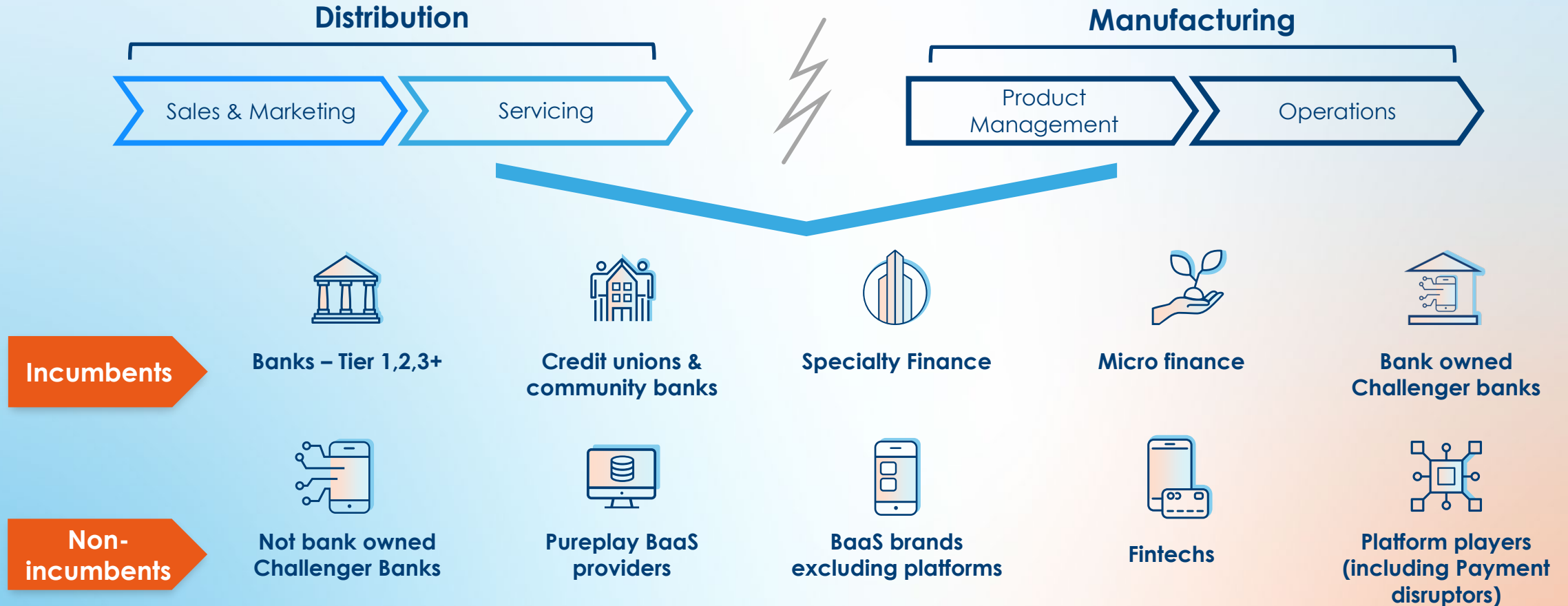


Biometrics



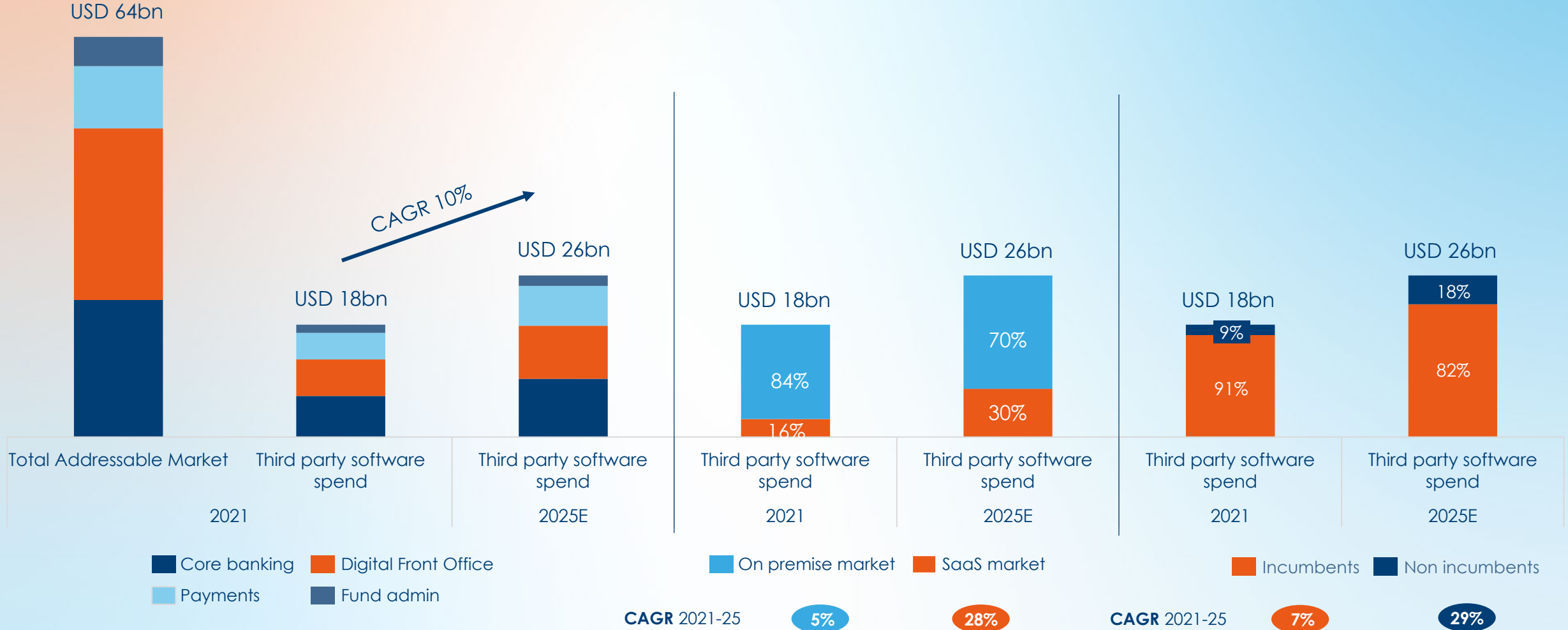
Wearables

...leading to unbundling of the banking value chain, which has fundamentally changed our market



Market opportunity growing and rebalancing between incumbents and non-incumbents

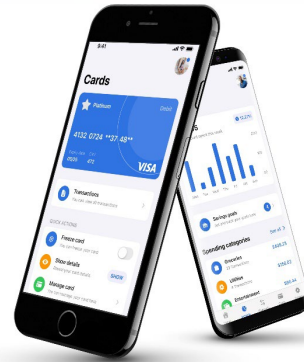
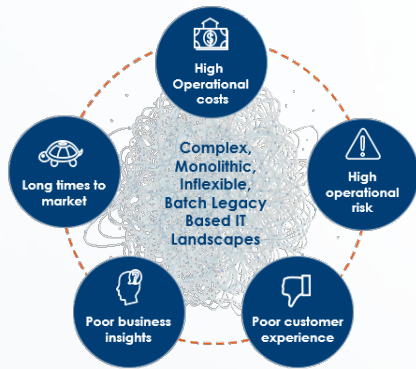
Sizeable and fast-growing addressable market



From our market leading position at traditional banks, we have successfully penetrated the non-incumbent market

Traditional banks

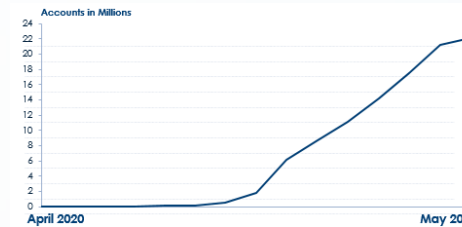
(Digital transformation from legacy to modern)



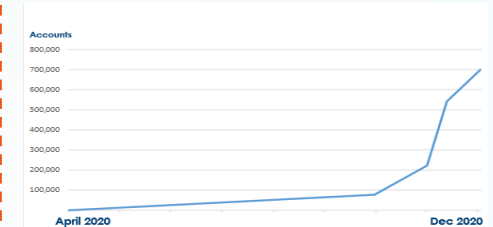
Non-incumbents

(Rapid scaling of greenfield business)

Global multi-country client



Single country client



Varo: Growth and path to profitability on The Temenos Banking Cloud

Varo



THE TEMENOS
BANKING CLOUD



Background & Context

- First and only consumer fintech with a **national bank charter in the US**
- Customer-centric strategy to deliver a **real-time, omni-channel** customer experience



Why Temenos

- **Continued R&D investment** to support current product set and long-term growth
- U.S. model bank
- Rapid **speed-to-market** for new products and services



Outcomes

- Varo reached **four million accounts in the 13 months** since obtaining its bank charter
 - **Doubled accounts** and **tripled revenues** in the last 12 months
 - Among top 5 highest growth companies in California
- Estimated **cost to service a customer is only 25%** vs a traditional bank
- Won **Celent Model Bank of the Year Award** for 2021, **Forbes Fintech 50**, etc.

*"The **Temenos Banking Cloud** enables Varo to **scale based on customer demands**, **deploy new products**, and substantially **drive down operational costs**. The functionality of the Temenos core banking platform allows Varo to **circumvent the use of multiple third-party providers** for payments and processing and **accelerates time to market**."*

- Colin Walsh, CEO & Founder

Openbank: Successful greenfield implementation of a scalable platform for international expansion

Openbank 

By

 Santander



Background & Context

- Largest full-service digital bank in Europe, with 1.6 million customers
- Considered the **flagship digital offering** of the Santander Group
- **Multi-country** project



Why Temenos

- **Open, API driven** cloud-native platform, with continuous deployment to support innovation
- Proven implementations across **multiple business segments** and **geographies in parallel**
- **Scalability** (multi-million customers)
- Operating on **AWS** leveraging Temenos' multi-cloud capabilities



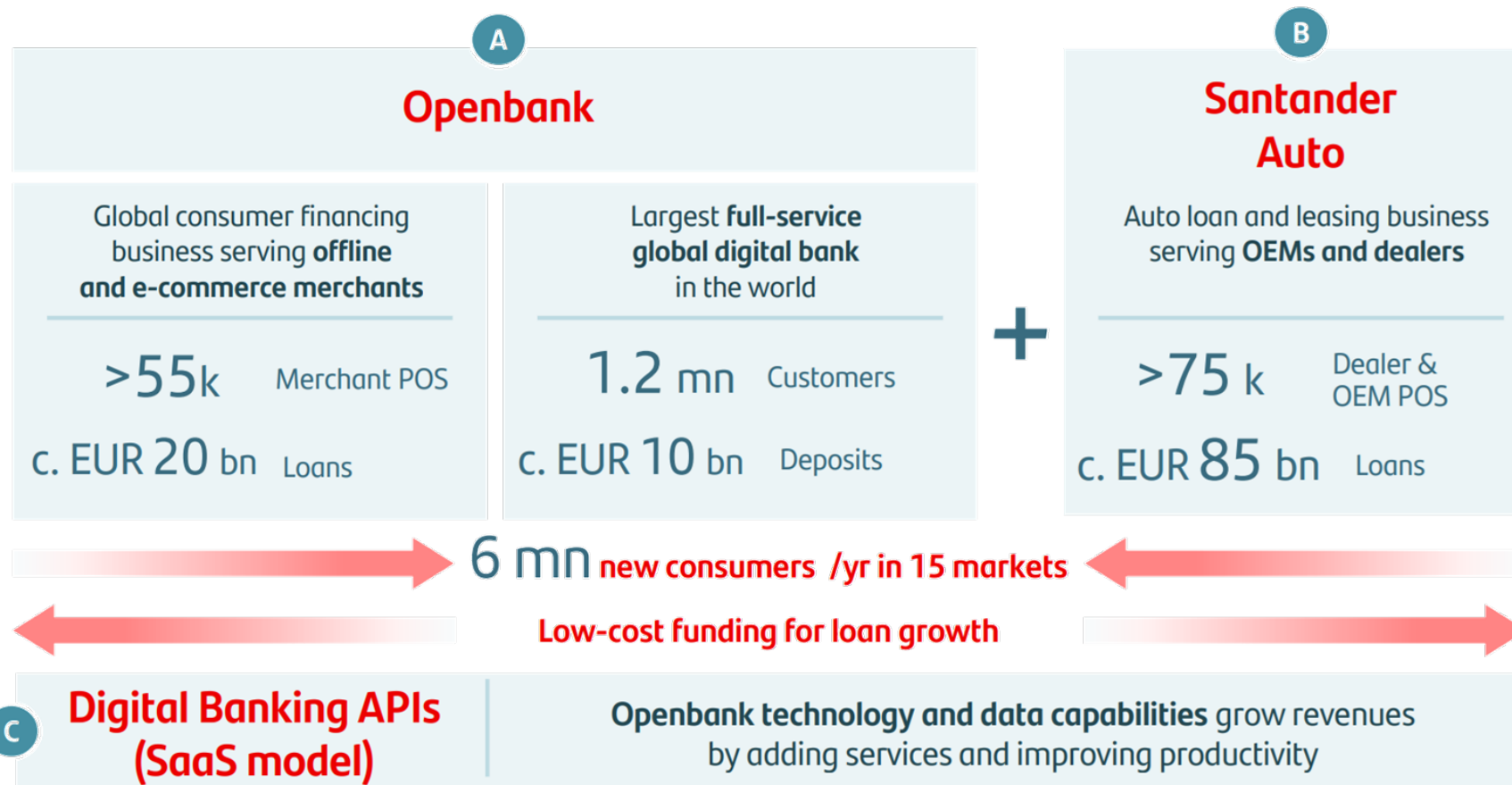
Outcomes

- **Currently live on our platform**, with standardized global IT and operating model
- Successfully **scaled to handle multi-million** customers from multiple thousands initially
- Increased **speed-to-market – launch products 10x faster**

*"With Temenos software, we have **leveraged new technologies** such as **artificial intelligence and machine learning** to help **retail and mass affluent customers save and invest automatically** based on their life goals, or **get a mortgage in 7 days** from the web or their app to buy the house of their dreams."*

- Ezequiel Szafir, CEO

Our Digital Consumer Bank: building on a strong foundation



Openbank

Santander

| Client credentials



Dan Henry
President and CEO

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Continued market leadership

Digital Banking



Best-In-Class for Aite Matrix:
US Digital Banking Solutions of
Core Providers Matrix



Leader in Omdia Universe
for Digital Banking
Platforms 2020-21



Leader in Forrester Waves for
Digital Banking Engagement
Platforms & Digital Banking
Engagement Hubs



IBSintelligence

**#1 Digital banking and
channels** in IBS Sales League
Table 2021

Core Banking



Leader in Gartner Magic
Quadrant for Global Retail
Core Banking



Leader in Forrester Waves for
Digital Banking Processing
Platforms – Retail & Corporate



IBSintelligence

#1 Core Banking System in IBS Sales
League Table 2021 **#1 for Neo
Banks & Challenger Banks**

Payments



Leader in IDC MarketScape for
Integrated Payment Platforms



IBSintelligence

#1 Retail payments system in IBS
Sales League Table 2021

Funds



Best-In-Class for Aite Matrix:
Investment & Fund Accounting
Systems



Achieved 'Differentiated'
Status in Adox 8*8 for Portfolio
Management & Accounting Solutions

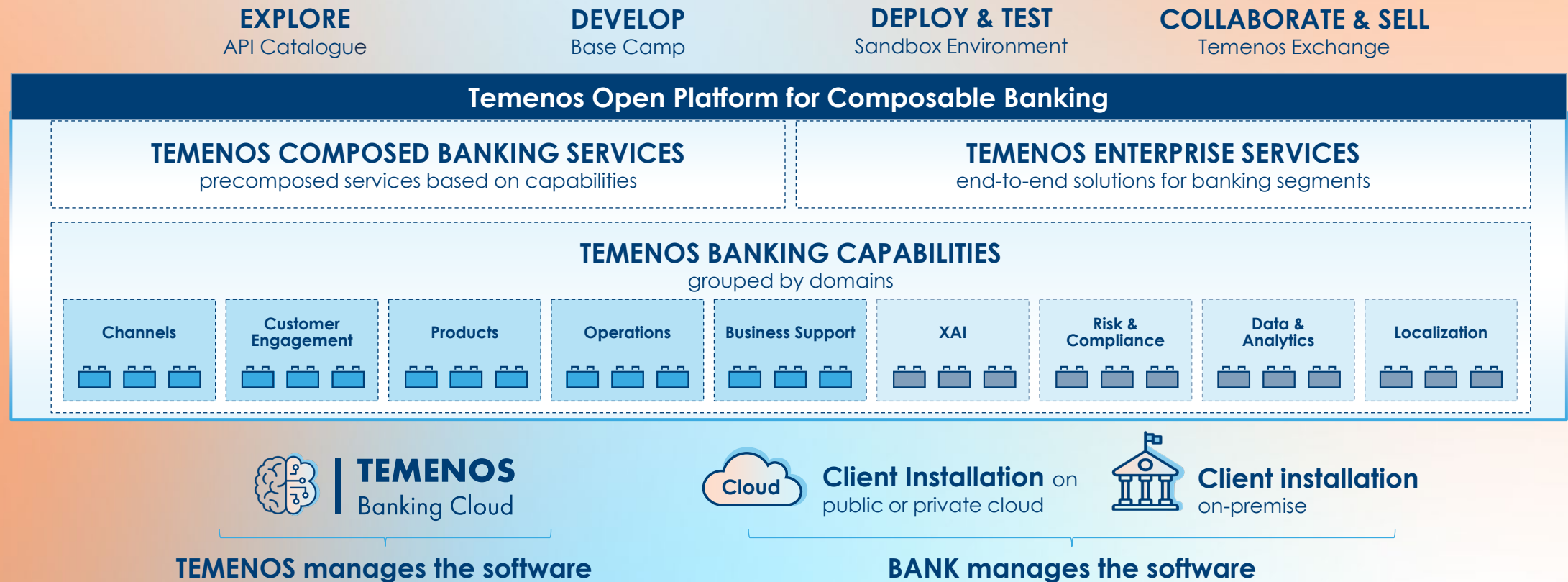


| Our composable banking platform



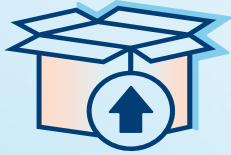
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Open composable banking platform for continuous innovation



...driven by the highest R&D investment in the industry- 20% of revenue

| Key differentiators of the platform



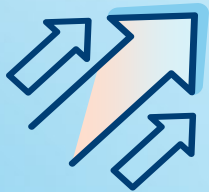
Pre-built Banking
Services



Broadest set of
banking capabilities
in the market



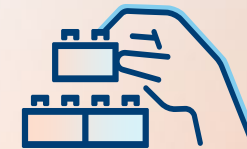
Localization through
Country Model Banks



Scales with
business growth

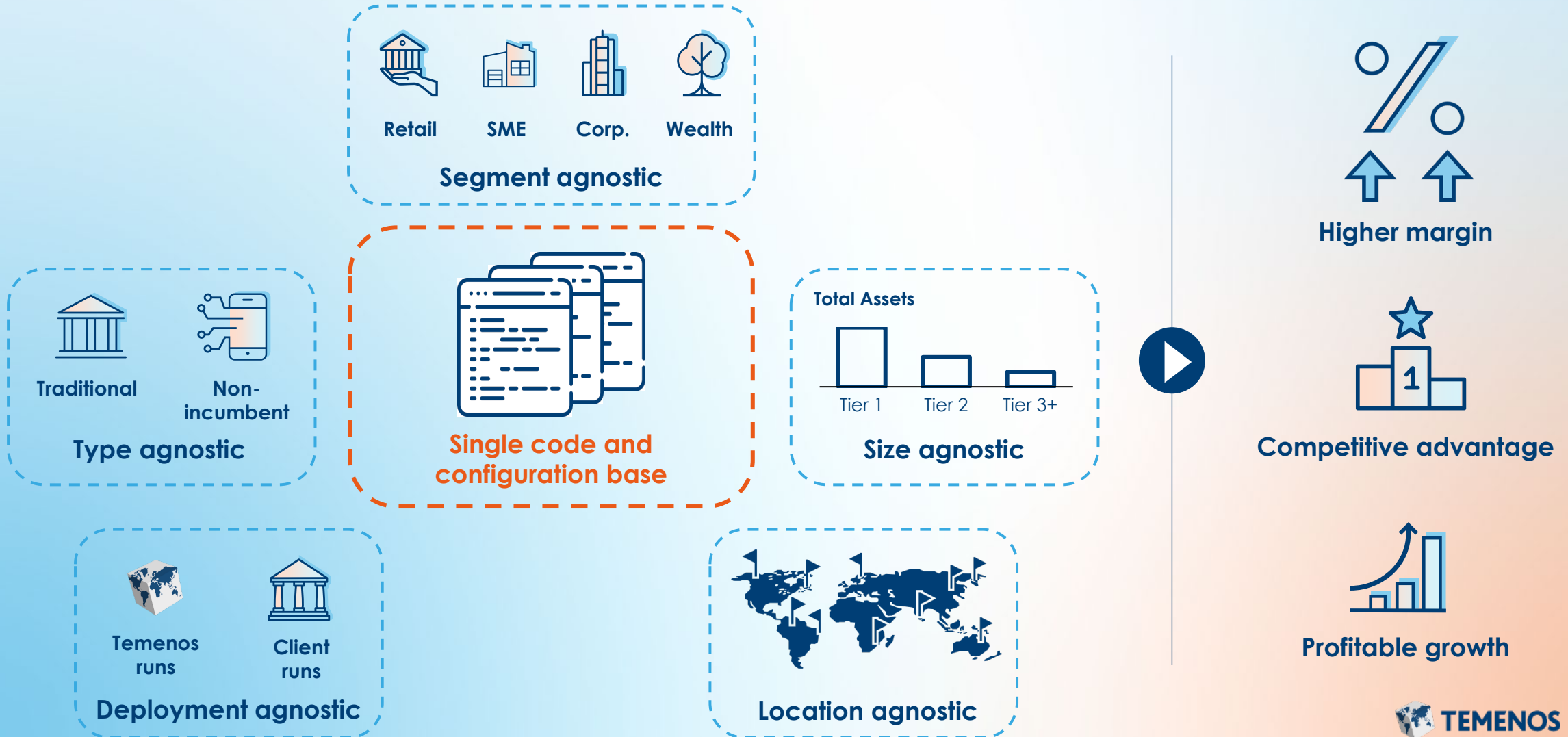


Continually Updated
solutions



Extensible with Banking
Capabilities from Temenos
and Exchange

Single code and configuration base drives higher margin, competitive edge and profitable growth



Why we outsell the competition

Traditional vendors

Cross-industry, not packaged nor cloud native nor SaaS ready

Why we win



100% Banking focused



Market leadership, including non-incumbents



Proven SaaS delivery



Highest R&D in the industry



Future proof technology

Neo vendors

New digital entrants, cloud-native offering, but limited functional scope

Why we win



Depth and breadth of functionality



Out-of-the-box Localization



Proven scalability



Proven migration credentials in every segment and tier



Highest levels of security and compliance

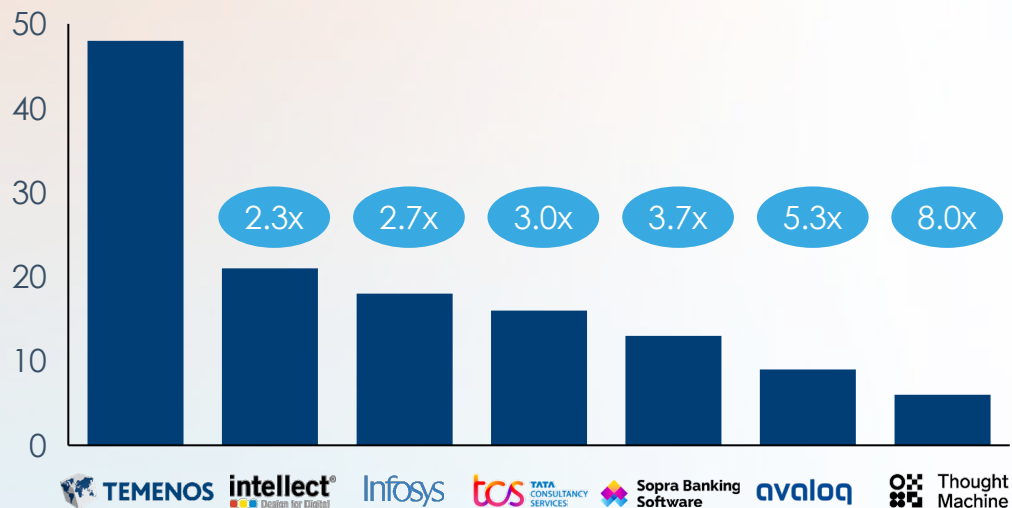


Vendor of choice for core and digital banking globally

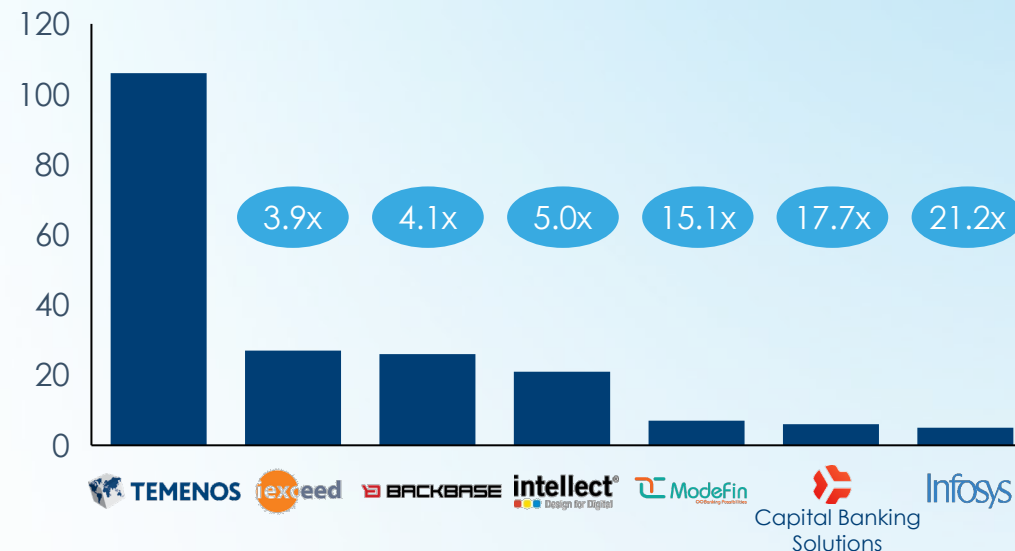
IBS Sales League Table 2021: Global new named deals 2020¹

0.0 x Temenos deals multiple vs competitor

Core Banking



Digital Banking & Channels



Outselling top global core banking competitors by a factor of ~4x, and global digital banking competitors by a factor of ~7x on average¹

1. As per IBS methodology, domestic deals of the US, India, UK, and Russia are excluded from Global Sales League Tables
Source: IBS Global Sales League Tables 2021

| Subscription pricing model



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Move to subscription captures greater value and accelerates our growth

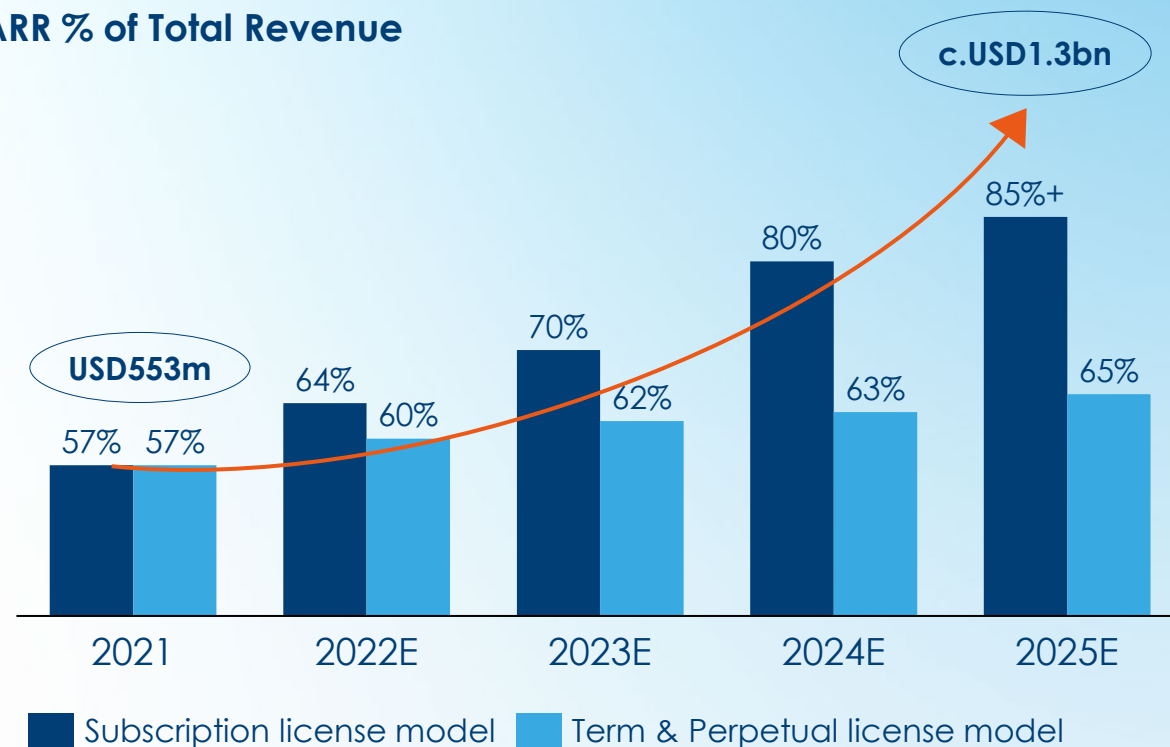
Clients across all tiers and business models are increasingly **asking for subscription contracts** rather than traditional upfront license



Temenos will sell **five year subscription contracts** for on-premise license and maintenance **as standard from 2022, including for renewals**

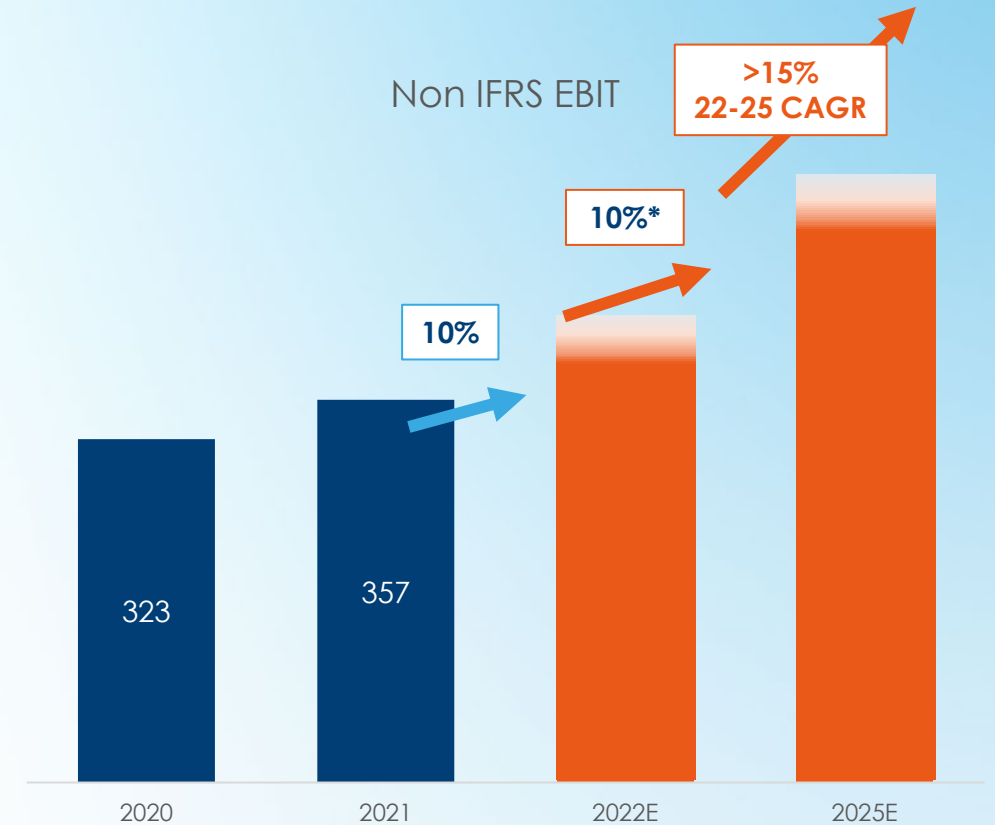
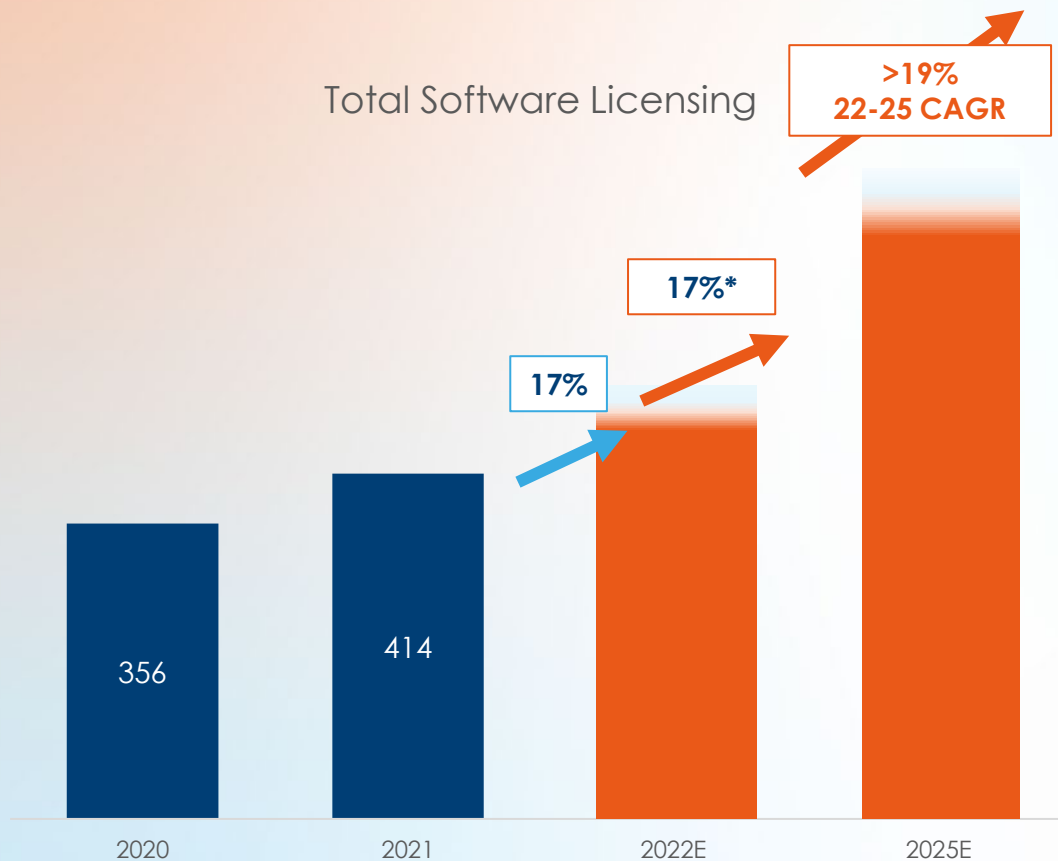
Significant acceleration in Annual Recurring Revenue
ARR forecast to grow 20-25% CAGR 2021-2025

ARR % of Total Revenue



Growth in subscription and SaaS will drive recurring revenue;
Subscription model accelerates shift to more predictable financial performance

Value creation will drive acceleration in Total Software licensing and EBIT



Note: Numbers are non-IFRS. 2020 and 2021 at constant currency

* Mid-point 2022 guidance

Tangible benefits to clients and Temenos

Benefits to client



Enhanced value proposition for customers
significantly expanding flexibility



Lower upfront cost, reflecting a shift to OPEX from CAPEX and the time value of money



Easier to scale with demand



Flexible maintenance options



Easier path to SaaS

Benefits to Temenos



Greater upsell opportunity



Better customer retention



Significantly expanding long-term value creation potential through incremental growth, higher margins and cash flows



Accelerate the shift to more predictable financial performance driven by a much higher proportion of recurring revenues



Increase total contract values

| Key strategic initiatives

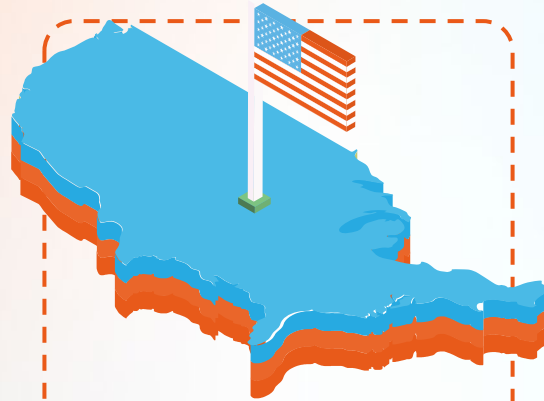


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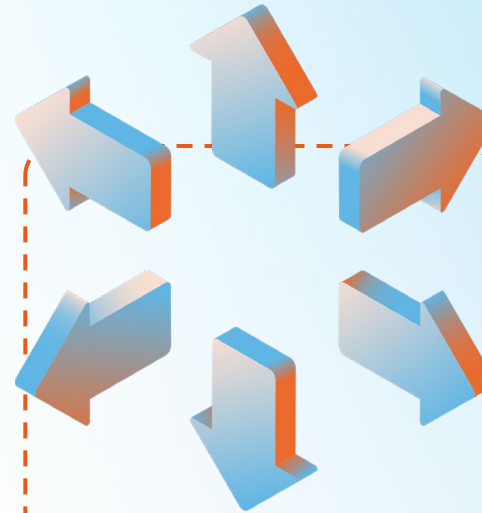
Key strategic initiatives



**Continued SaaS
acceleration**



**North America
focus**



**Increasing
penetration in
Larger banks**

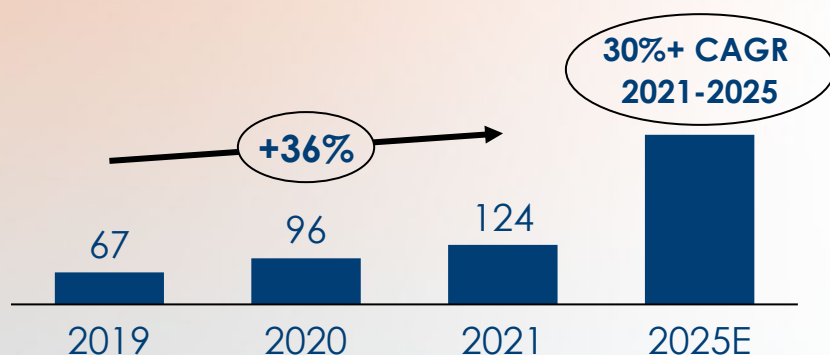


**Partner centric
approach**

Continued focus on profitable SaaS growth with margin expansion

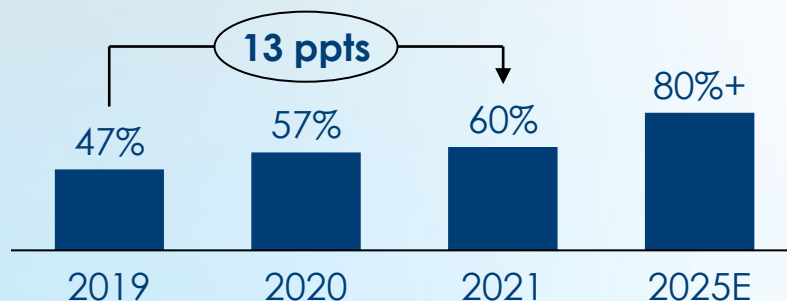
Sustained SaaS revenue growth

SaaS Revenue (USD M)



Sustained SaaS margin improvement

SaaS margin



Key levers for profitable growth



Our platform

- Composable Banking
- Self service portal
- Click & go capability
- Cloud native



- Higher incremental revenue
- Lower time to value
- Higher NPS



Hyper-scaler relationships

- Deepening partnerships with committed volumes (AWS & Azure)



- Higher margin



SaaS operations

- Focus on pre-assembly (SaaS deployment readiness)
- Further automation of SDLC and delivery



- Improved productivity
- Higher margin
- Improved NPS



Our target market

- Focus on mid-tier incumbents as they increasingly transition to SaaS

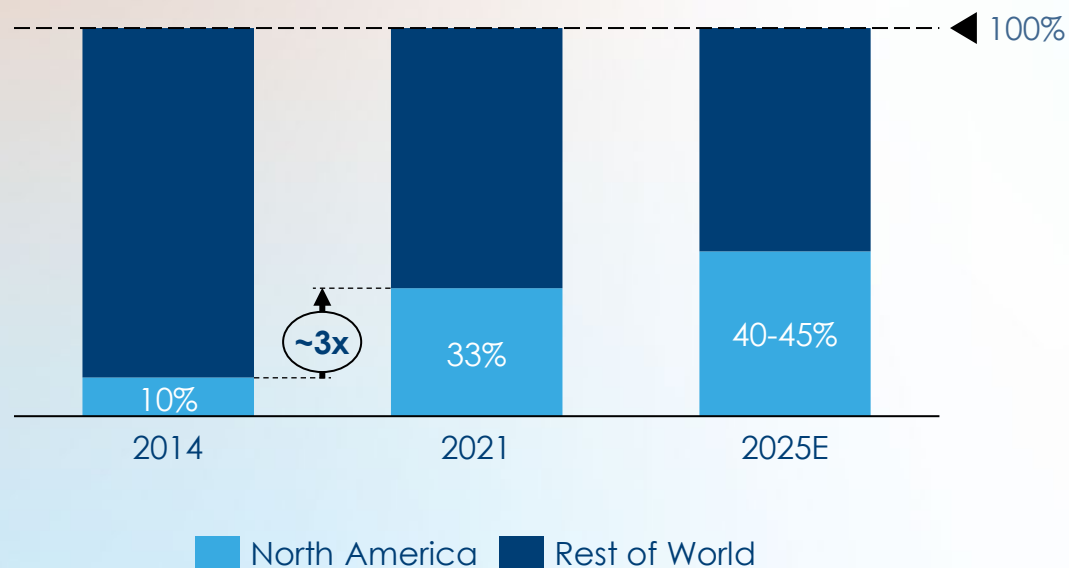


- Larger deal sizes
- Higher margin through larger volumes

Building momentum in North America

Significant increase in North America's contribution to our Software licensing

Total software licensing: North America vs. Rest of World¹



Accelerating our North America growth



Maintain advantage in non-incumbents

- Significant growth in pipeline
- Strong referenceable client base for Challenger banks



Leverage platform, presence and strategic partnerships to target Tier 1s

- Platform aligned to Tier 1 priorities: targeted transformation, standardized global expansion and seamless post-merger integrations
- Credibility of delivering large transformation projects in the US with live clients on US model bank
- Deepen relationships with top tier integration partners (E.g., IBM)



Shape and drive the BaaS and BNPL market

- Strategic partnership with Mbanq for Credit-Union-as-a-Service
- Increased interest for our BNPL offering and expertise based on success with global top 10 provider

Commerce Bank: Successful Digital transformation in the US market from legacy to Temenos Core Banking



Background & Context

- **Super community bank** in the United States, 47th largest with **\$25 billion in assets**
- **Core modernization project now live**, moved its legacy platform for deposits to a modern, agile and open platform



Why Temenos

- **Modern solution** with real time features
- Highly **configurable** and **flexible**



Outcomes

- Ability to service using **US model bank**
- Increased **operational efficiency**
- Enhanced **ability to innovate** and incorporate emerging technologies
- Improved **speed to market**

*"Commerce is focused on staying at the forefront of technology to ensure **the best service to our customers**. We recognize that a **modern core banking platform** is an **accelerator for innovation and digital customer experiences**. The Temenos platform will enable Commerce to deliver **innovative solutions** for our customers today and well into the future."*

- David Roller, Chief Information Officer

Enhancing capabilities to serve Larger banks

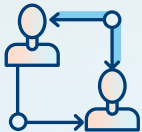
Strong track record among Large banks



> **35% of Tier 1-2 banks, including 41** of the top 50 global banks are Temenos clients



Targeting **40-50% of Total Software Licensing** from Tier 1-2 banks



Broadest range of **referenceable clients**



Increasing penetration within larger banks



Open composable platform aligned to large bank needs

- Targeted **incremental transformations**
- **Standardized** global expansion (reuse, localization)
- **Seamless** post merger integrations



Newly setup function to focus on large banks

- **Dedicated account management** for selected accounts globally
- Strengthening sales skills with **ex-bankers, specialist Enterprise Architects** with large bank experience
- Targeted **Sales Plays** and **Marketing**



Partnerships with Strategic Advisors

- Deepening **partnerships with Top tier consulting firms**

Open platform powers network effects



Sales Partners



Delivery Partners



Solution Providers



Technology Partners



Strategic Advisors



Partner led delivery model

Extensibility framework & Open APIs to help partners configure, customize and extend Temenos platform



Temenos SCALE program

Collaboration and co-innovation with fintechs, developers and experts



Partner Portal & Partner Academy

Training, communication and enablement



Extend sales capability

Selling with and through partners

ESG integral to our goal of achieving our vision and delivering business value



ESG Mission:

- Help our **clients** transform into smart, inclusive and sustainable organizations
- Manage our **operations** ethically and sustainably
- Contribute to **global** social and environmental **initiatives**

Consistent overperformance in leading global benchmarks



Ethical governance: committed to transparency & disclosure



TENACITY

VELOCITY

RESPONSIBILITY

AUTHENTICITY

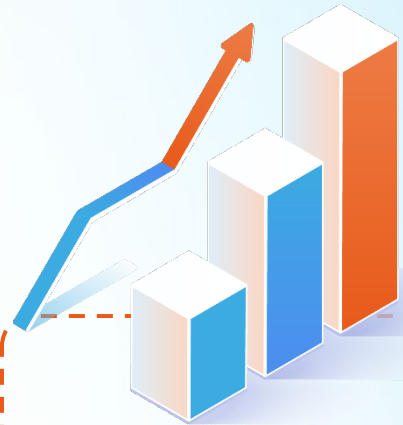
COMMUNITY



Accelerating growth trajectory



To grow ARR at a
CAGR of 20-25%
from 2021-25,
To reach **c.USD1.3bn**
by 2025 (85%+ of total
revenues)



To grow
Total Software
Licensing
revenue at a
**CAGR of
15-20%**
from 2021-25



Expanding
EBIT margin
to **c.41%**
by 2025

Thank You

