

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

TEMENOS
Capital Markets Day



| 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

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

Sustainability Award
Silver Class 2022

S&P Global

Sustainability Award
Industry Mover 2022

S&P Global



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



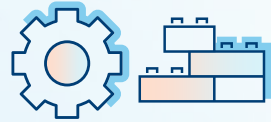
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| Disruptive technologies key to the future of banking...

2022 - 2025



Cloud/SaaS



API/Microservices



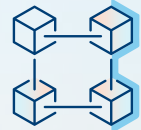
DevOps



Big Data



AI/Machine
Learning



Blockchain/
Distributed DB



Banking

2025 - 2030



Quantum
Computing



5G



Augmented/
Virtual Reality



Internet
of Things

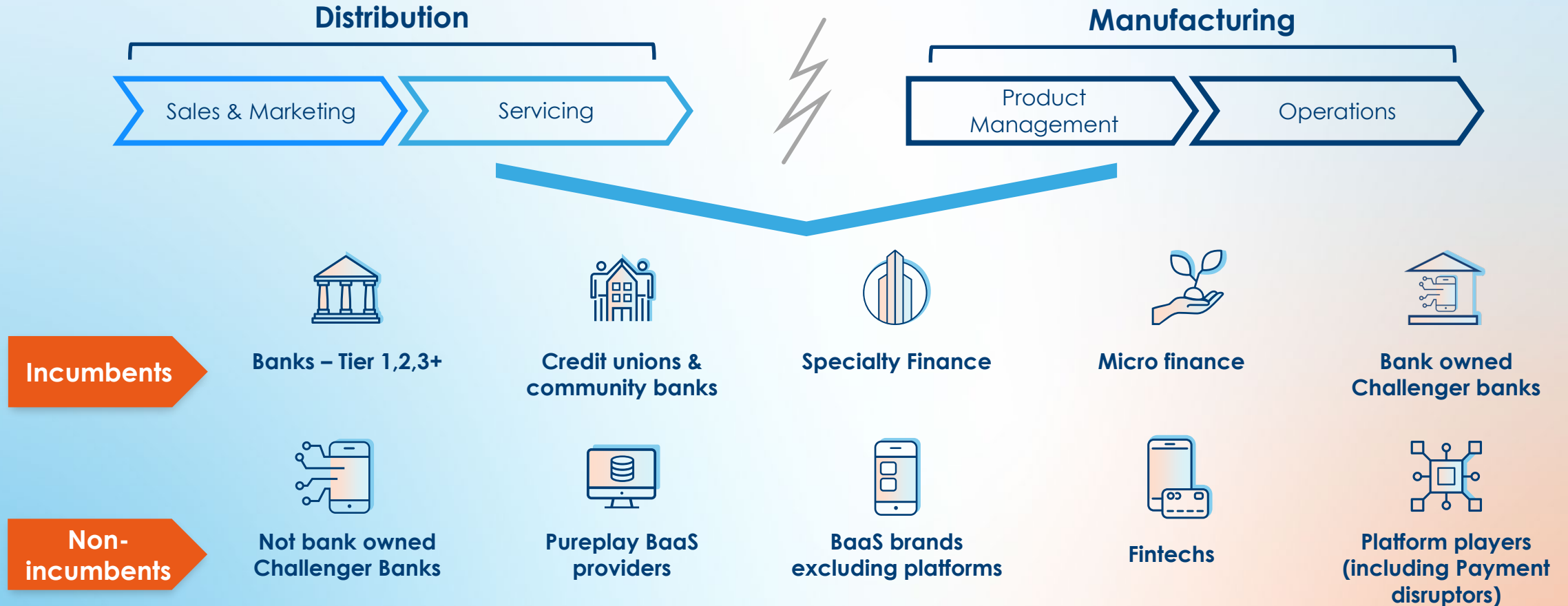


Biometrics



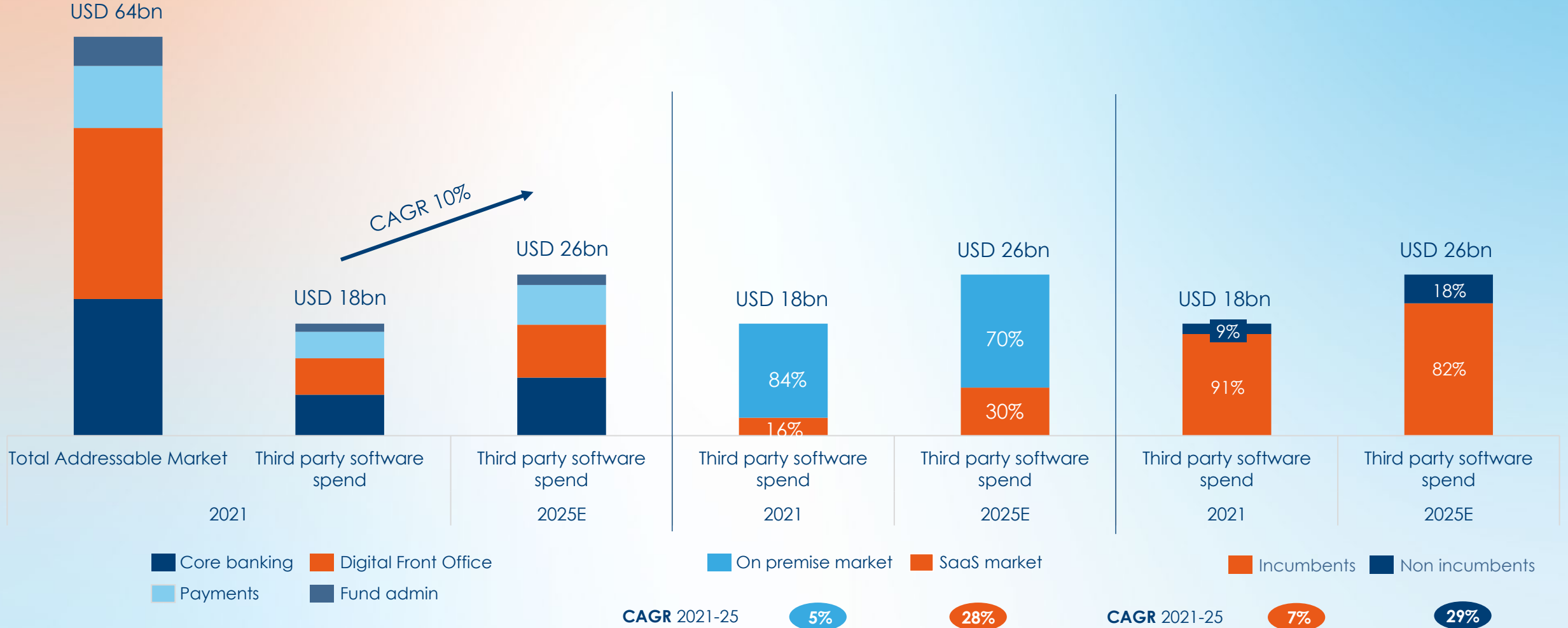
Wearables

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



Market opportunity growing and rebalancing between incumbents and non-incumbents

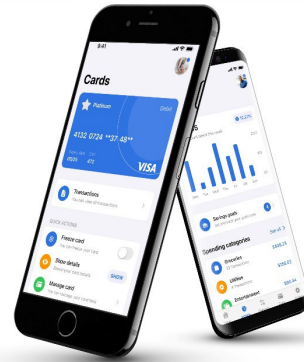
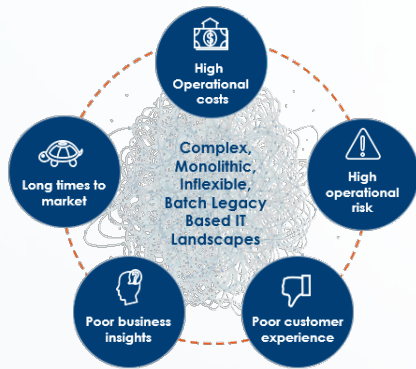
Sizeable and fast-growing addressable market



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

Traditional banks

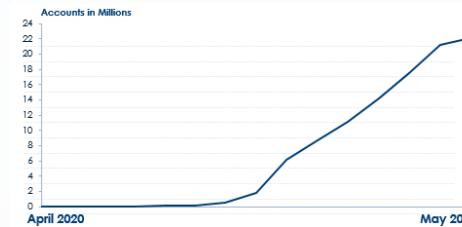
(Digital transformation from legacy to modern)



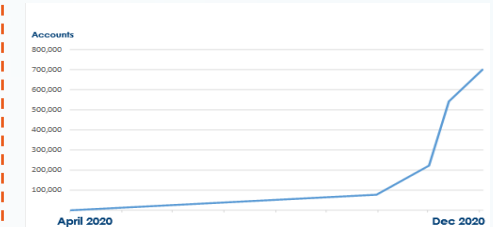
Non-incumbents

(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



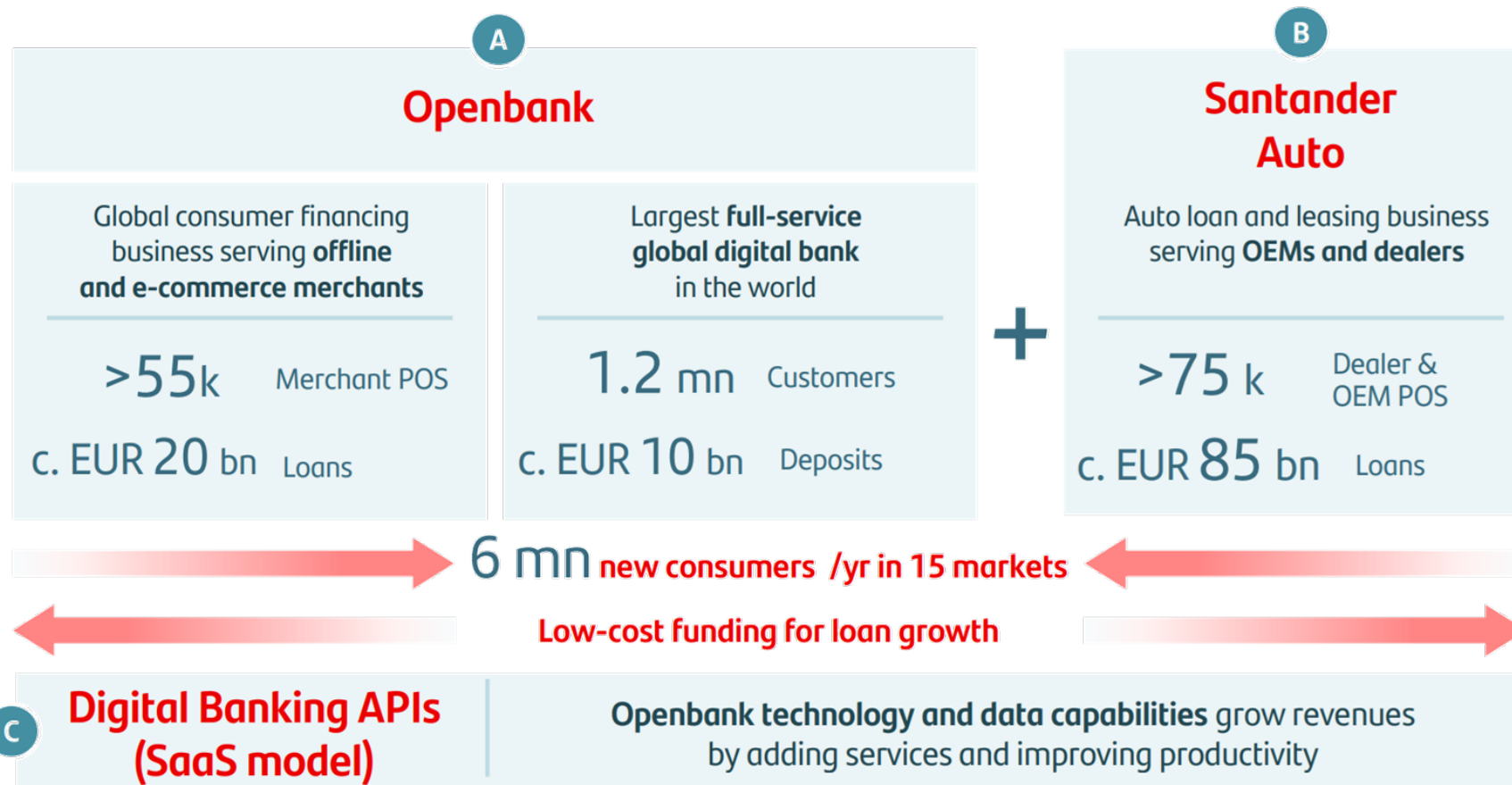
Outcomes

- **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

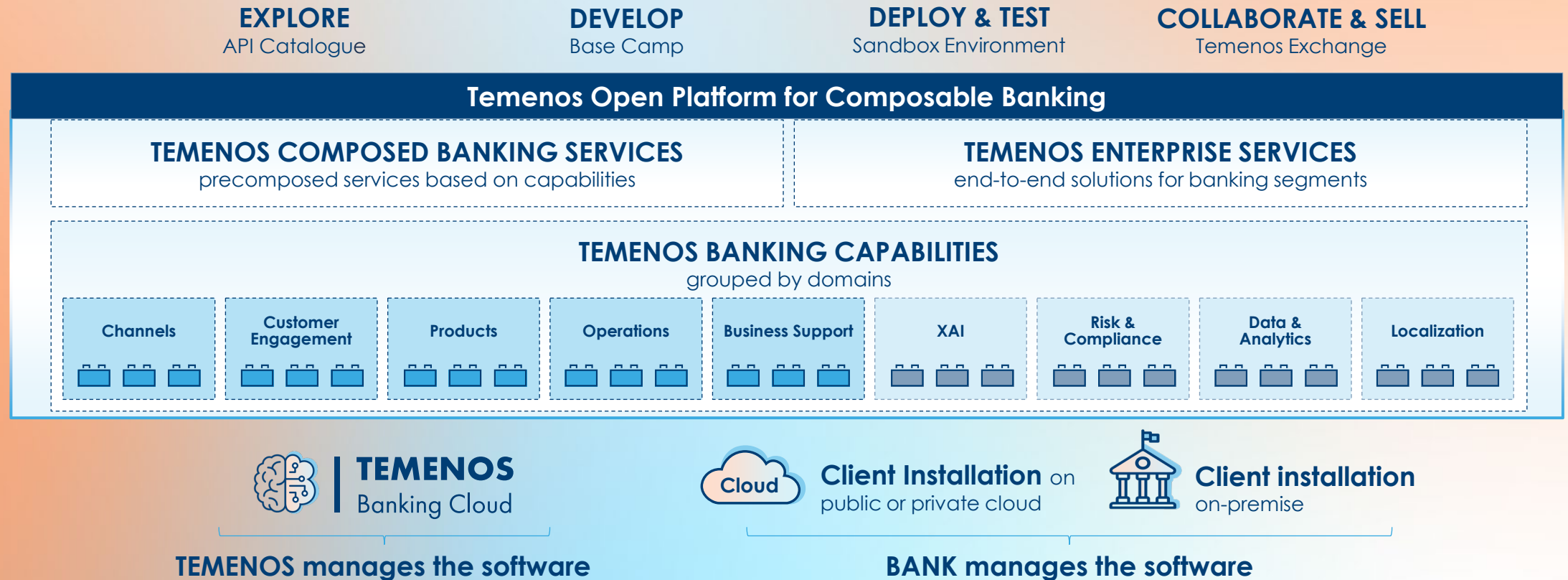


| Our composable banking platform



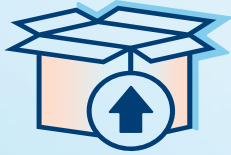
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Open composable banking platform for continuous innovation



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

| Key differentiators of the platform



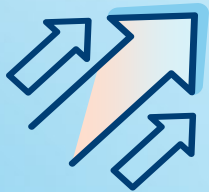
Pre-built Banking
Services



Broadest set of
banking capabilities
in the market



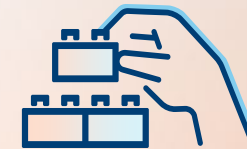
Localization through
Country Model Banks



Scales with
business growth

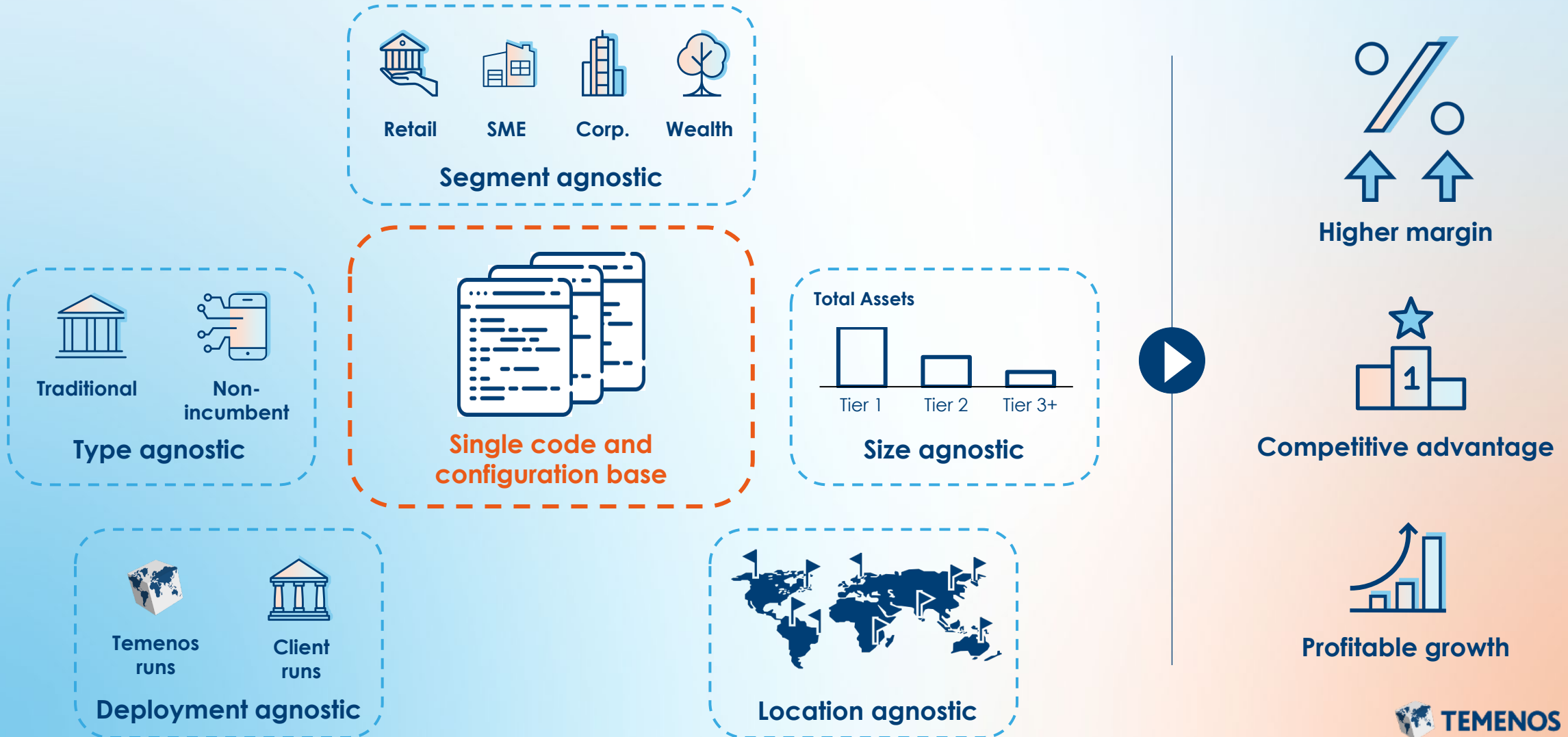


Continually Updated
solutions



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

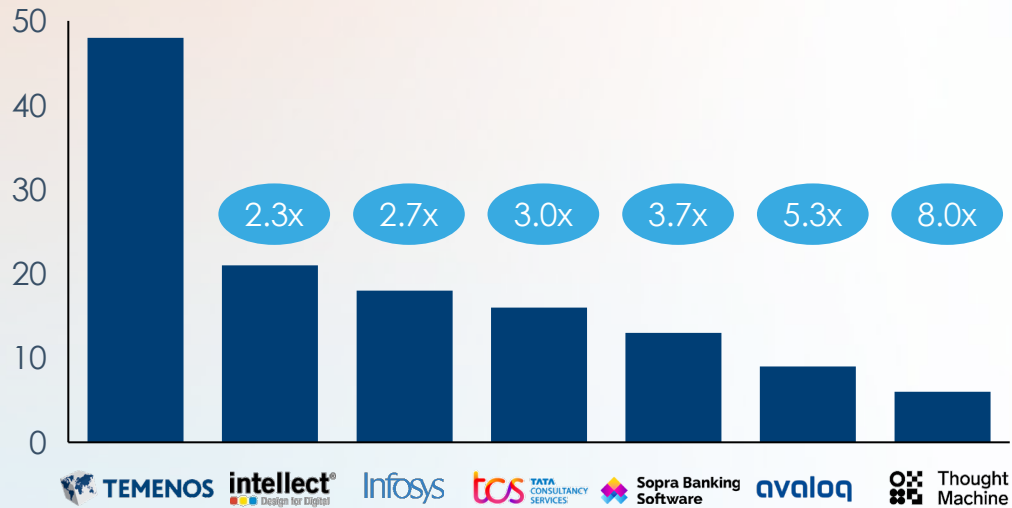


Vendor of choice for core and digital banking globally

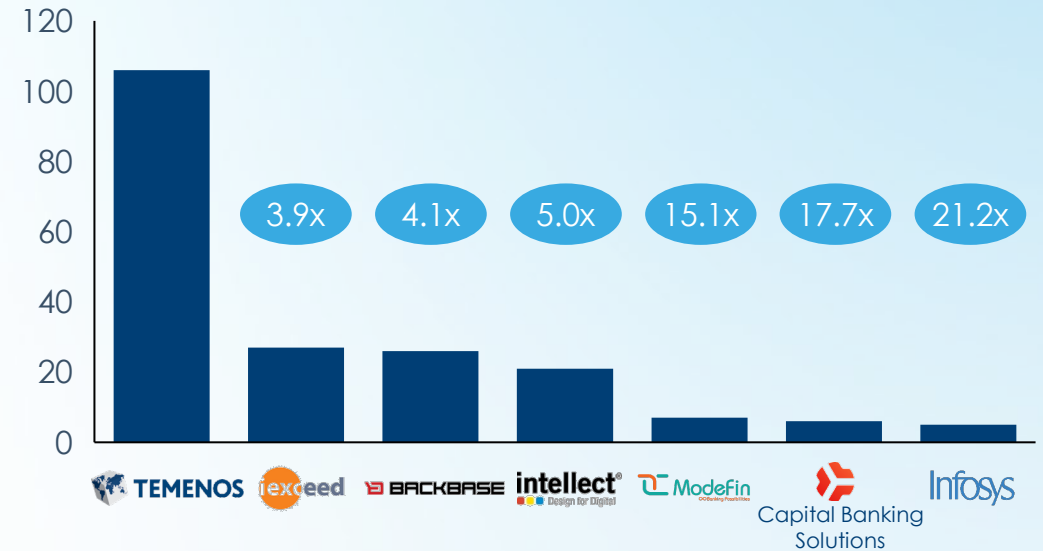
IBS Sales League Table 2021: Global new named deals 2020¹

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

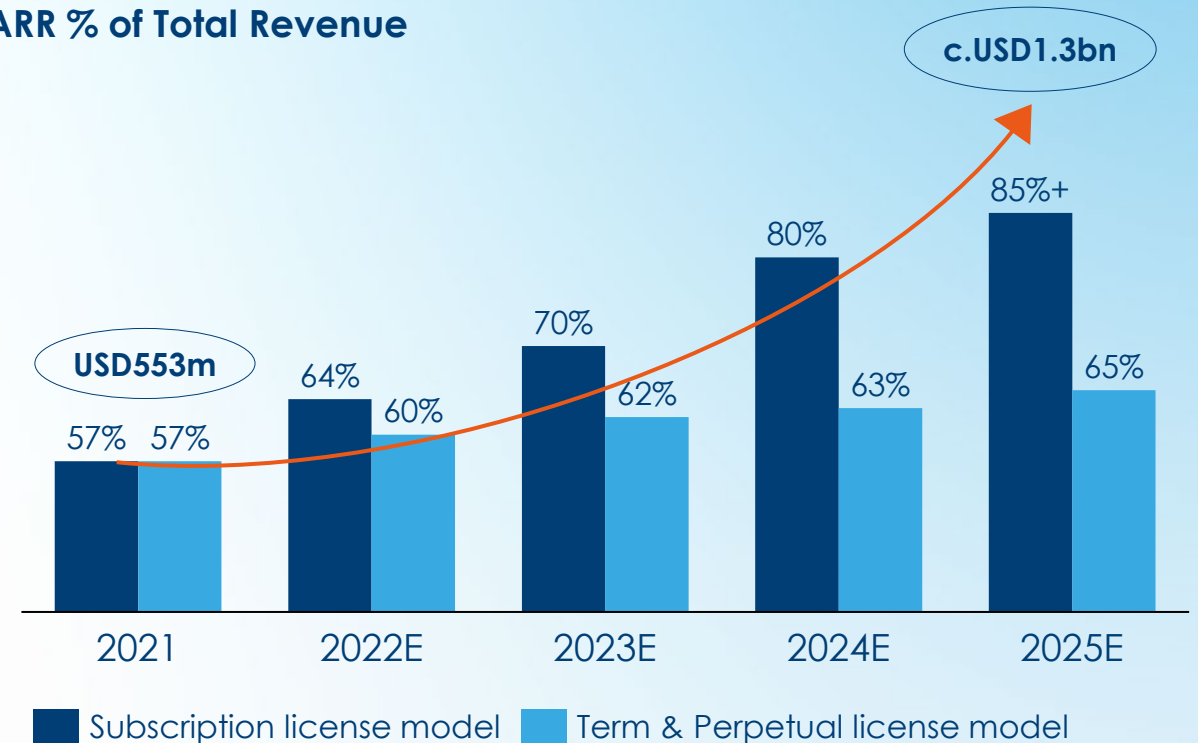
Clients across all tiers and business models are increasingly **asking for subscription contracts** rather than traditional upfront license



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

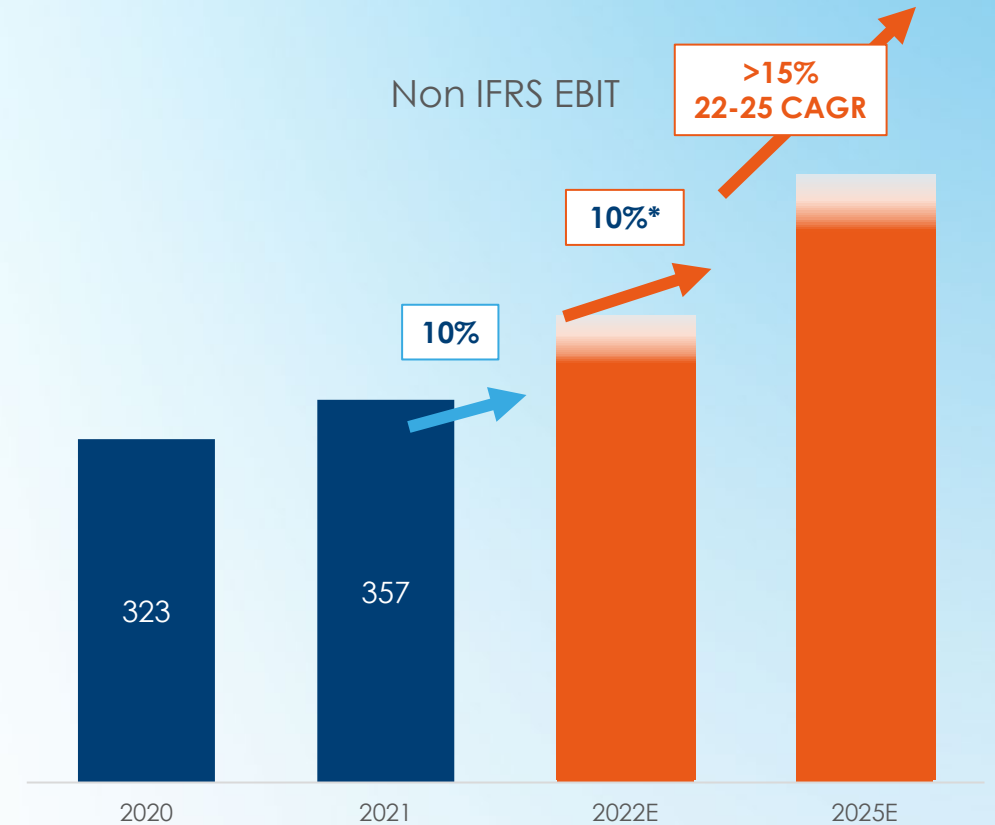
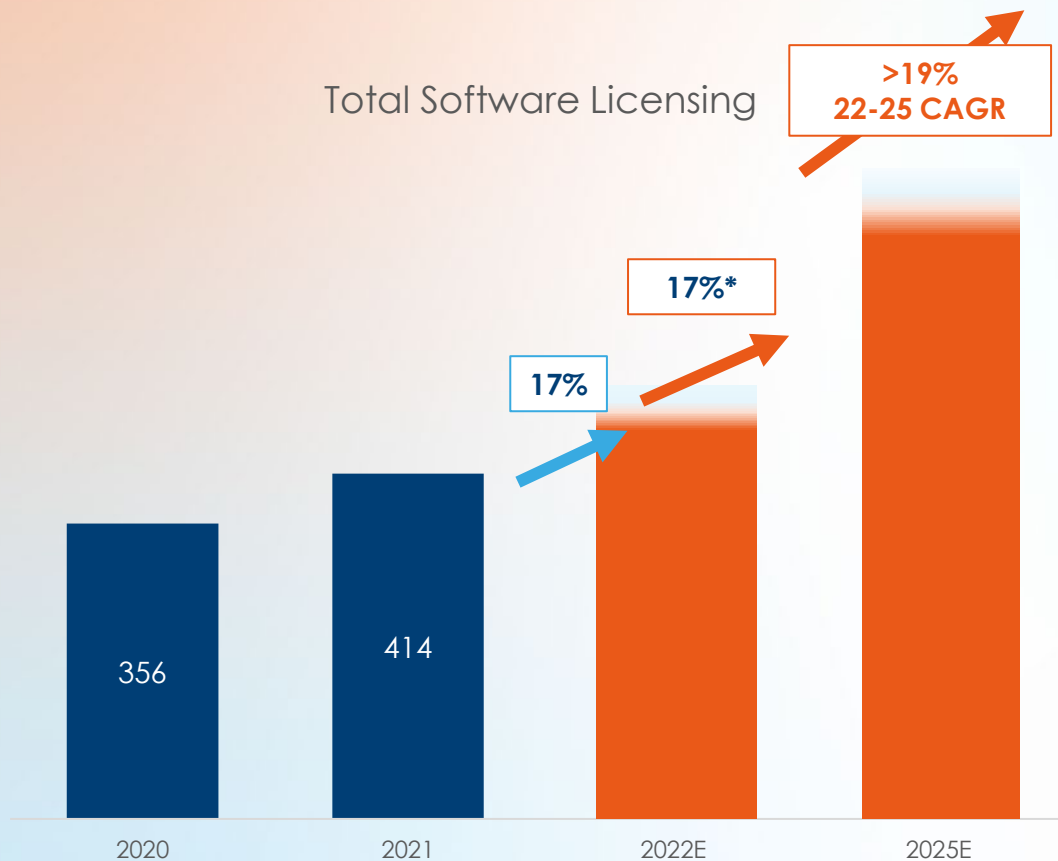
Significant acceleration in Annual Recurring Revenue
ARR forecast to grow 20-25% CAGR 2021-2025

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

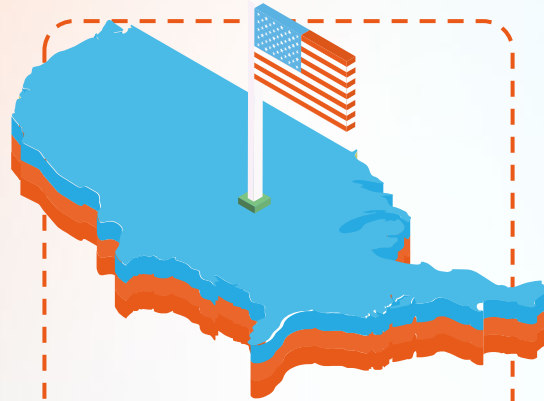


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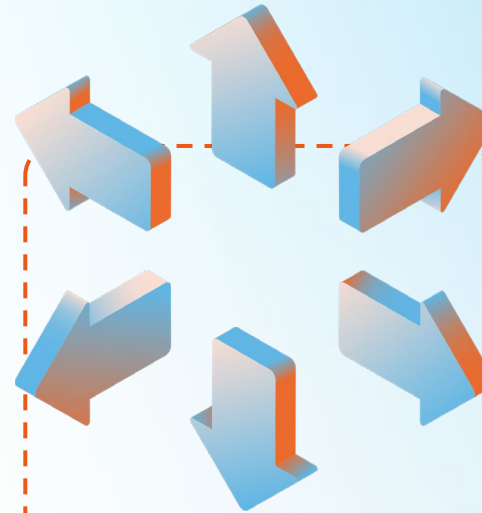
Key strategic initiatives



**Continued SaaS
acceleration**



**North America
focus**



**Increasing
penetration in
Larger banks**

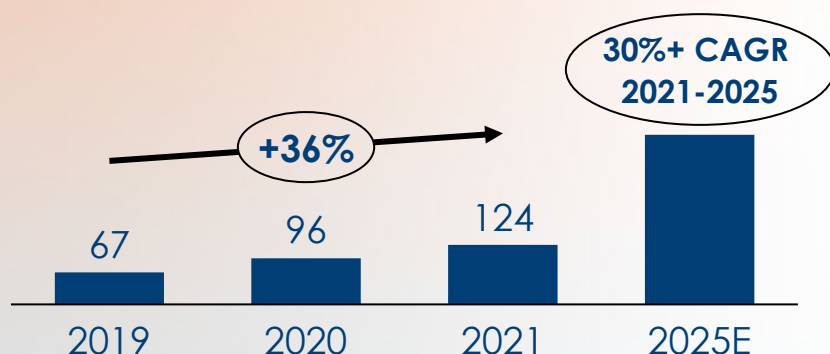


**Partner centric
approach**

Continued focus on profitable SaaS growth with margin expansion

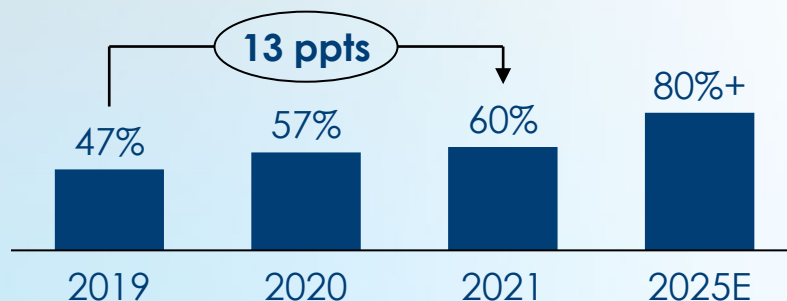
Sustained SaaS revenue growth

SaaS Revenue (USD M)



Sustained SaaS margin improvement

SaaS margin



Key levers for profitable growth



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



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



- Deepening partnerships with committed volumes (AWS & Azure)



- Higher margin



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



- Improved productivity
- Higher margin
- Improved NPS



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

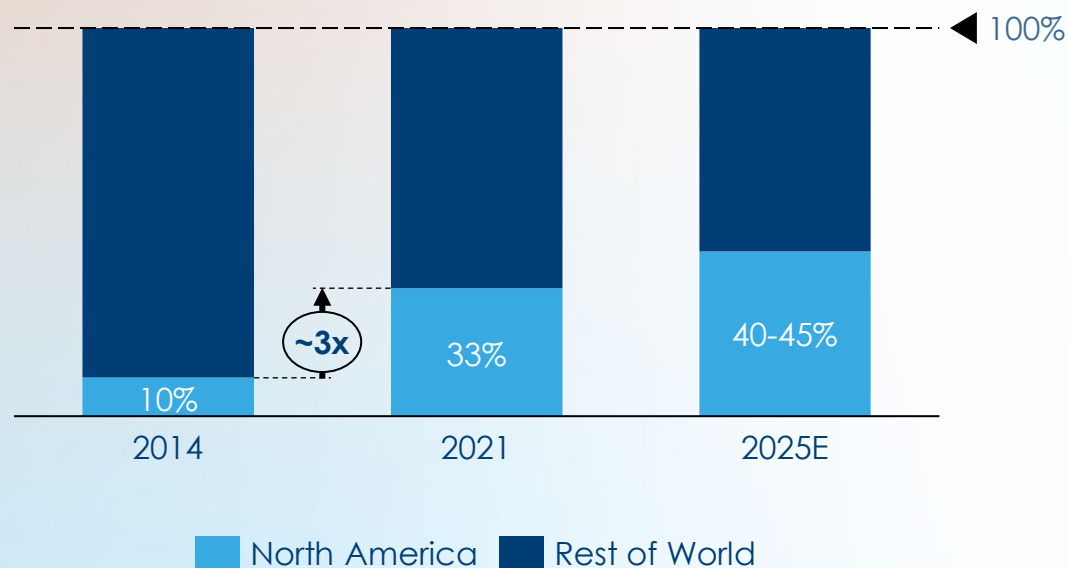


- Larger deal sizes
- Higher margin through larger volumes

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

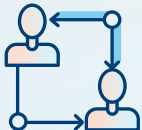
Strong track record among Large banks



> **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



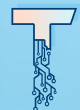
Sales Partners



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

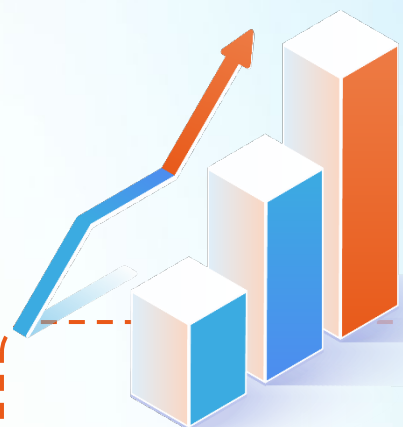
COMMUNITY



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



An Industry in Flux: Banking Trends 2022

Kanika Hope
Chief Strategy Officer



Disruptive technologies key to future of banking...

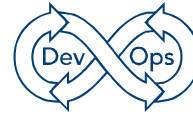
2021 - 2025



Cloud/SaaS



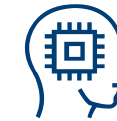
API/Microservices



DevOps



Big Data



AI/Machine Learning



Blockchain/
Distributed DB

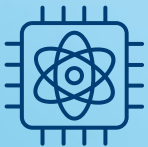


65% think **new technologies** will have the biggest impact on banking in next 5 years over changing **customer demand** and **regulations**

86% believe **DevOps methodologies** and **modern cloud-based platforms** will drive core banking transformation

81% think **unlocking value from AI** will be the **differentiator between winning and losing** banks

2025 - 2030



Quantum Computing



5G



Augmented/
Virtual Reality



Internet
of Things

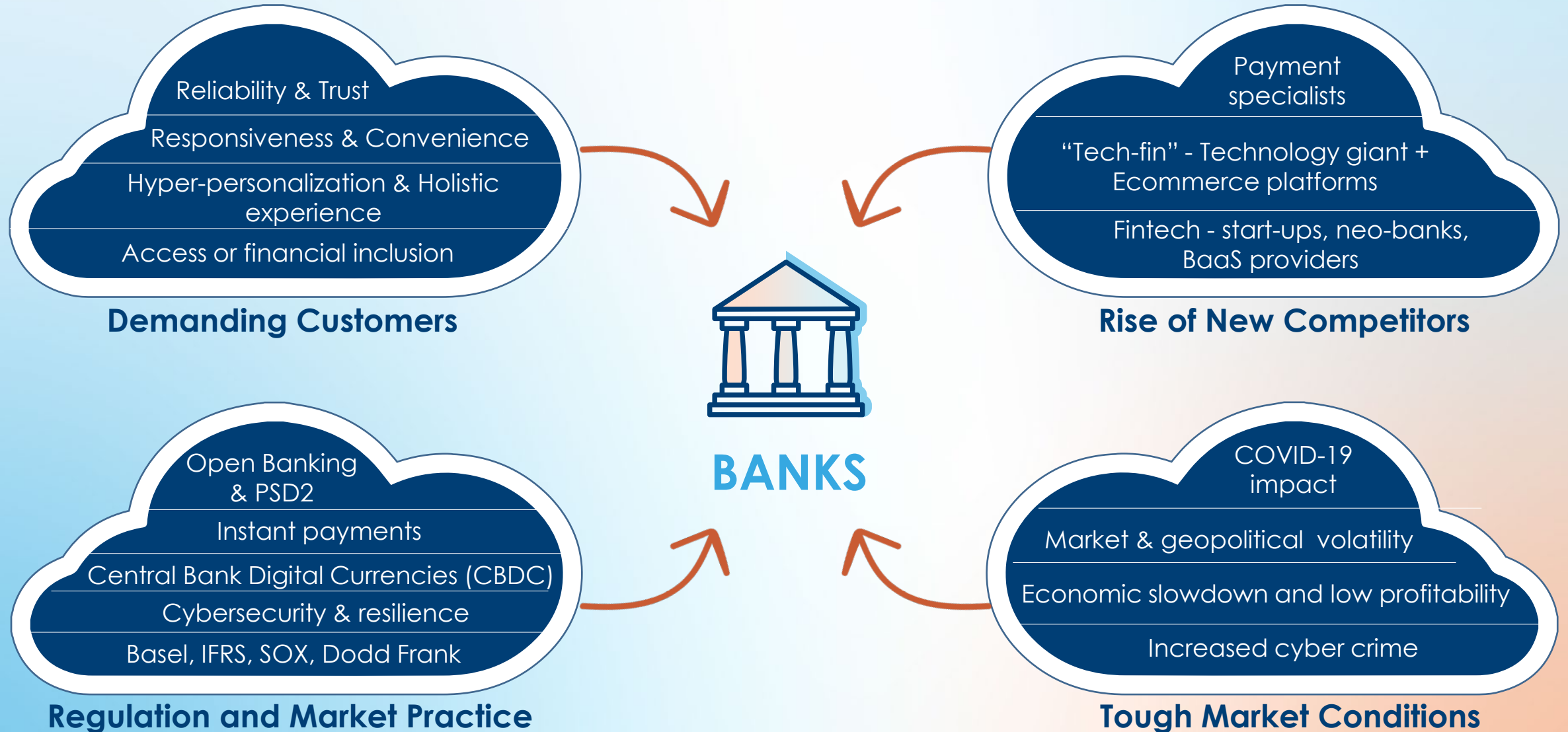


Biometrics



Wearables

| ...intensifying the pressures banks have always faced



The unbundling of the banking value chain

Distribution

Sales & Marketing

Servicing

Manufacturing

Product Management

Operations

Digital banking

Revolut, STRIPE BANK, qonto, Atom, Dave, N26, chime, tide, VOLT, Niyo, GREENLIGHT, Raisin, NUMERATED, monzo, NorthOne, Varo, judo bank, flowe, fidor, Taurus, Grab

Real estate and mortgages

FIGURE, Trussle, Qualla, OwnUp, POINT, flyhomes, 51, QUBTANDAR, PeerStreet, lendinvest, hometop, HomeLight, snapdocs, Juniper Square

Personal Finance

Betterment, StashAway, wealthfront, trust will, Empower, Money Dashboard, digit, tally, Dreams, CRED, Varo, nerdwallet, INDwealth

Payments processing and networks

Airwallex, Rapyd, flywire, YOCO, EBANX, stripe, riskified, Currencycloud, NIUM, OPay, BREX, Pa/oneer, WorldRemit, TouchBistro, PAYVERIS, JUSPAY, LEMONWAY, GOCARDLESS, Flutterwave, MARQETA, paystack, PAYfms, Bolt, Razorpay, pingpong, toast, satspay, Pine Labs, FINIX, mollie, checkout.com, ClearBank

Regulatory compliance

BEHAVOX, FORTER, enfido, Tuleo, secure, truework, TESSAN, BIOATCH, IMMUTA, CloudMargin, Comply Advantage, FEATURE SPACE

Mobile Wallets & Remittances

Grab, wise, CURVE, vivawallet, palmpay, mo, vala, ovo, Apple Pay, G Pay, Alipay

Open Banking and BaaS

tink, Mbanq, Bankable, Railsbank, Solarisbank, treezor, YOLT, bud, TRUELAYER

Credit score and analytics

Perfios, credit sesame, NOVA CREDIT, Self, FUTURE + FINANCE

POS and consumer lending

Klarna, Bread, upgrade, Petal, zest, patly, affirm, PayPal, kineht, BharatPe, deserve, MONEYTAP, Square, Alibaba.com

Retail investing

Groww, OpenInvest, YIELDSTREET, Robinhood, etoro, Gorila

Crypto

symbiont, BINANCE, Ledger, BlockFi, coinbase, SFOX

Payroll & benefits

Guideline, XERPAY, HealthJoy, gusto, League, instant, PayFit, SALARY FINANCE, papayaglobal, Human Interest, Even, Swile

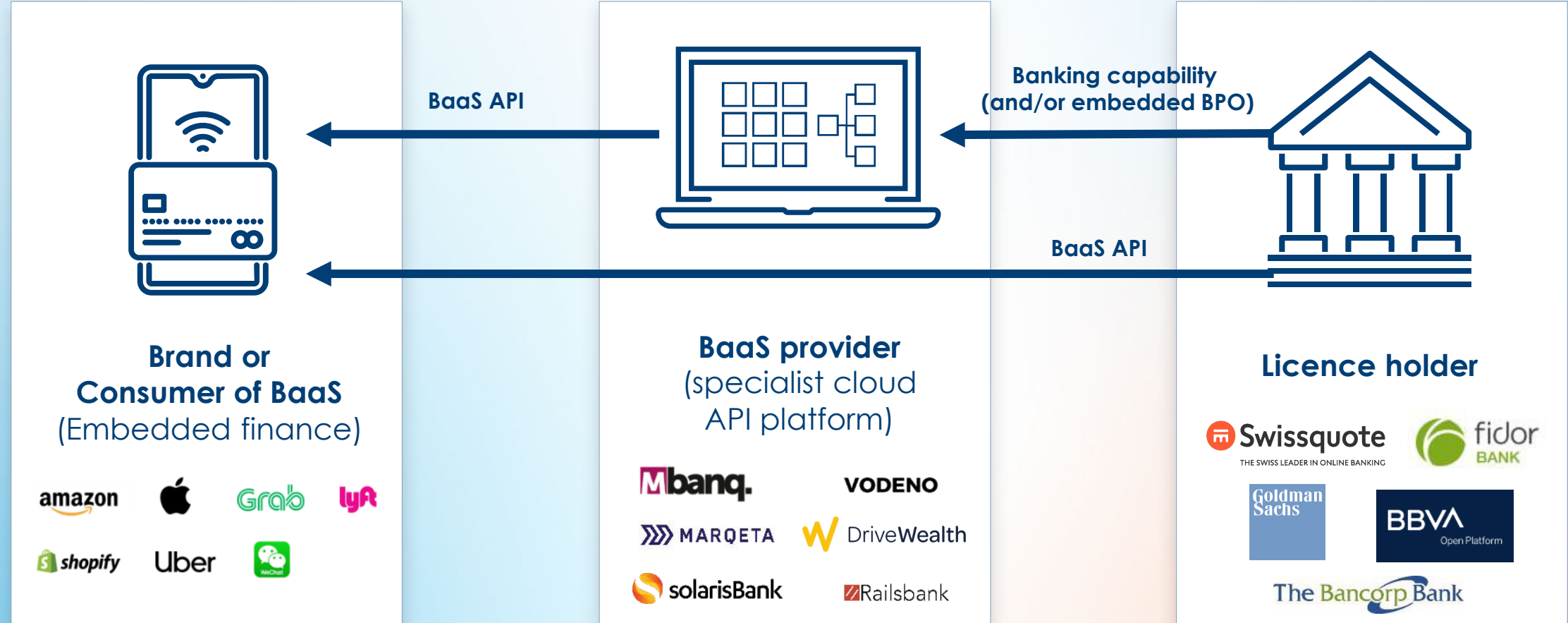
General Lending & Finance

CLEARBANC, BlueVine, amantha, DRIP/c, 易融, amazon, kongfo, Money View, scratch, splash, rupeek, lendio, credas

“Banks are playing an increasingly smaller role in the financial system” – Jamie Dimon, CEO, JP Morgan & Chase

The rise of Banking-as-a-Service

BaaS
Value Chain



The BaaS market is expected to reach \$3.6T by 2030

Profitable segments of the banking value chain at risk due to nimble new entrants

Estimated business volumes lost to disintermediation by 2025¹

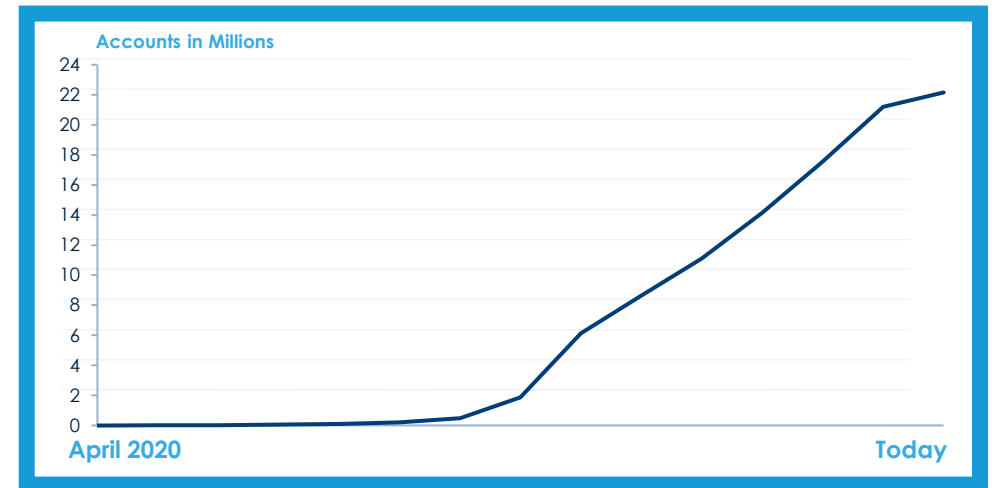
Payments **34-50%**

Investments **34-50%**

Consumer lending **17-34%**

SME lending **17-36%**

Mortgages **12-34%**



"I would highlight the rapid growth of our **Buy Now Pay Later** product. We saw tremendous and growing demand throughout the quarter and witnessed the **fastest start to any product** we have ever launched."

Dan Schulman, CEO, PayPal

Incumbent banks' strategic responses

1



Consolidation

- Mergers between banks to capture economies of scale, strengthen niche focus areas, improve capital positions and/or increase investment capacity

DNB + **S'banken**

BBVA USA + **PNC** (NOW A PART OF)

CaixaBank + **Bankia**

2



Divest utility segments

- Withdraw from non-differentiating utility activities or participate in one



3



Focus on niche segments

- Focus on core segments to build scale and scope over time and differentiate against the specialist plays of challengers



4



Collaboration with fintechs

- Bilateral partnerships, investment or acquisition

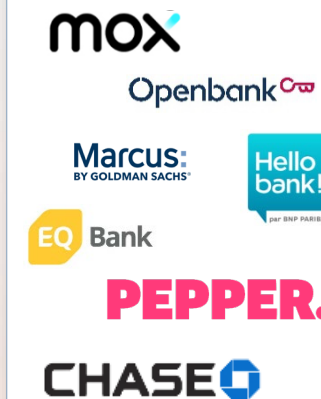


5



Building greenfield

- Leverage existing license to enter a new market segment with a new brand



6

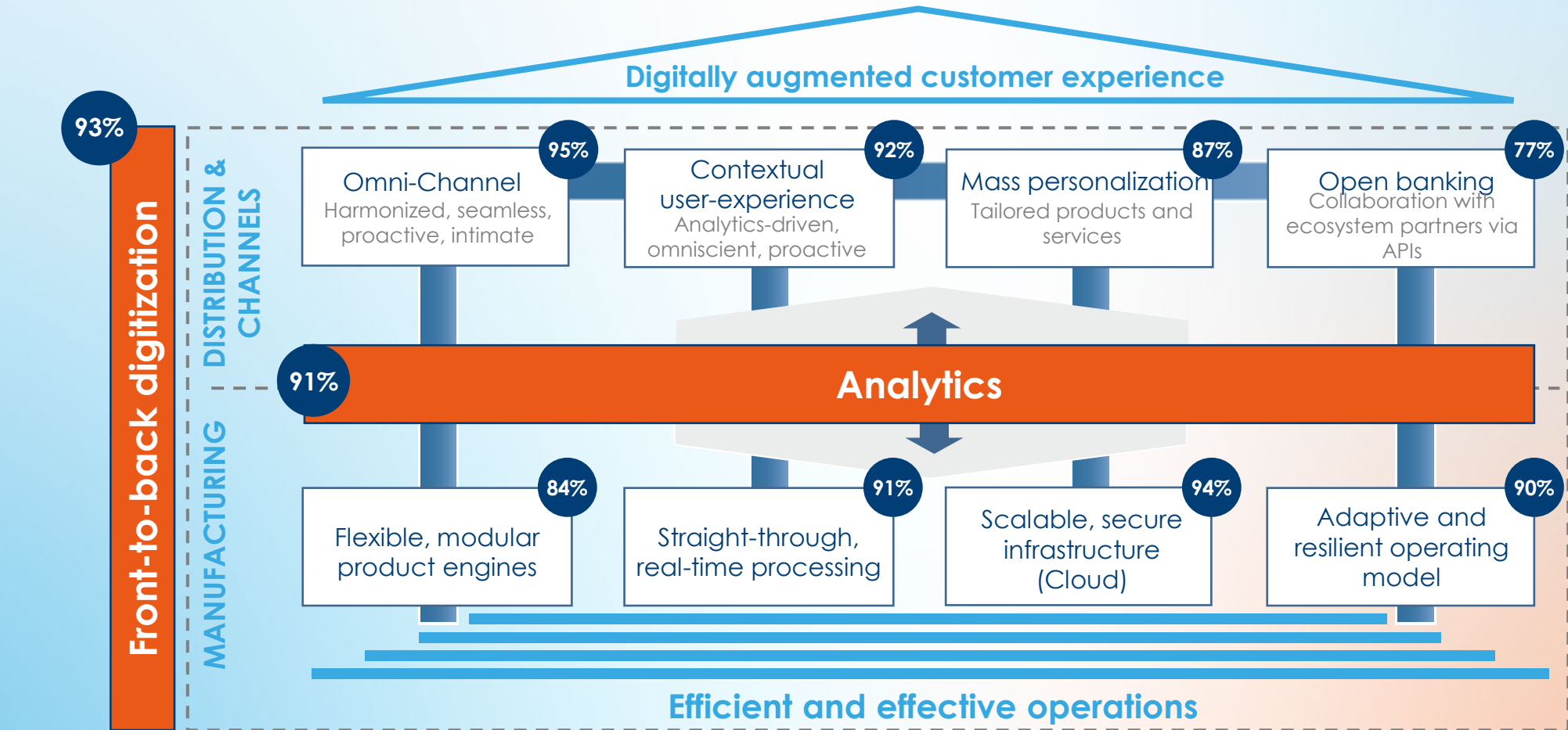


Open Banking business models

- Banking-as-a-Service (BaaS)
- Banking-as-a-Platform



The Banking Capability Model for the Digital & Open Banking age to support all strategic responses

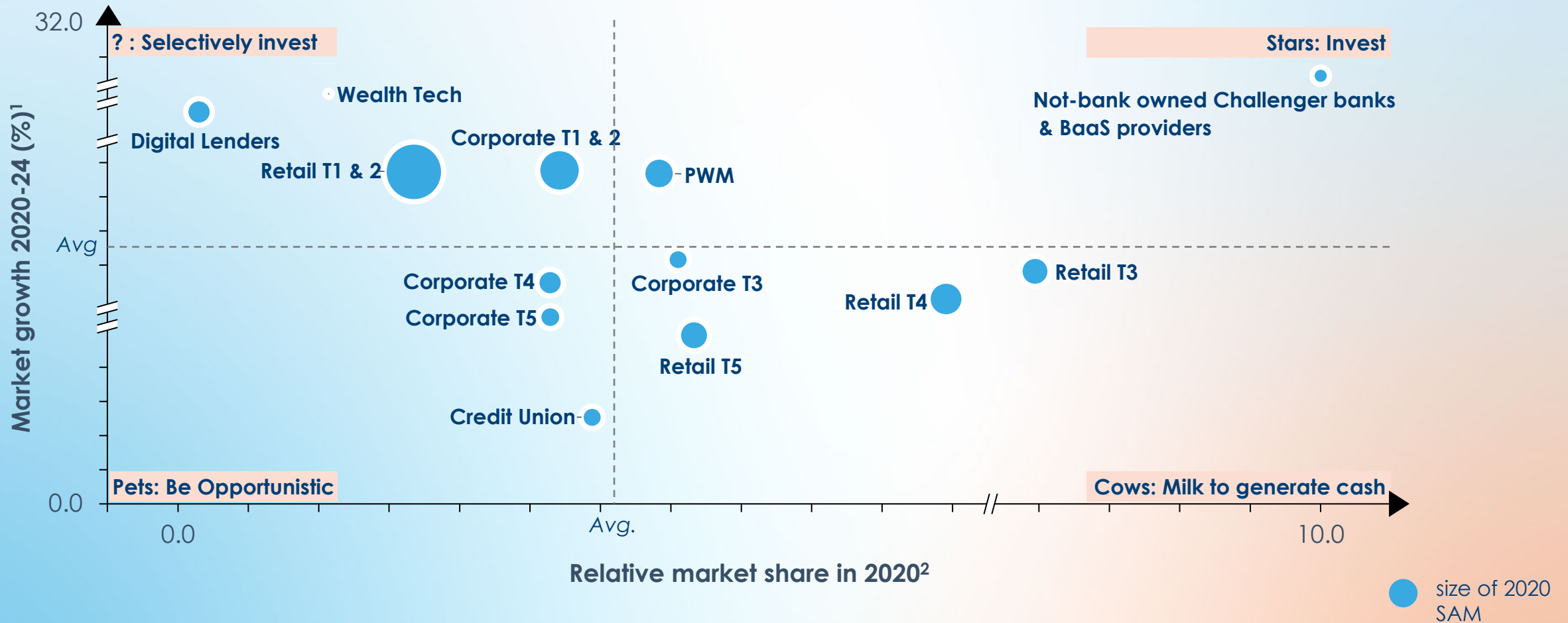


X% Proportion of benchmark participants: retail divisions of **53** banks) rated the capability as top priority (importance of 4 or 5 on a scale of 1 (lowest) to 5 (highest))

Market Landscape: Banking revenue moving beyond incumbents

Segment	Sub-segment	Example
Incumbents	Banks – Tier 1,2,3+	 standard chartered  Santander 
	Credit unions & community banks	 Nationwide  SKIPTON BUILDING SOCIETY  Croí Laighean CREDIT UNION
	Specialty Finance	 oplo  TOYOTA FINANCIAL SERVICES  Ford FORD CREDIT
	Micro finance	 AU SMALL FINANCE BANK  BinaArtha  Grameen Bank
	Bank owned Challenger banks	 Hello bank!  EQ Bank
Non-incumbents	Not bank owned Challenger Banks	 Revolut  monzo  Starling Bank
	Pureplay BaaS providers	 kakaobank  orange bank  M-Shwari
	BaaS brands excluding platforms	 solarisBank  Railsbank  GALILEO
	Fintechs	 Uber  lyft  shopify
	Platform players (including Payment disruptors)	 lendio  BINANCE  Advisant Interactive Advisory  amazon  Google  ANT FINANCIAL  PayPal  Grab  PING AN

Growth-share matrix of key segments and tiers



Current Reality at Incumbent Banks



Source: Temenos analysis, Press research



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

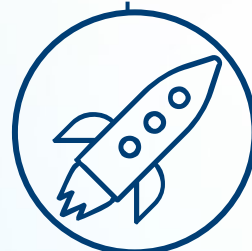
- Dependencies on **end-of-life systems** major cause for concern
- Basel committee introduces new rules to standardize operational risk related **to IT system failures**

Today, banks are following a combination of three technology strategies



Source from fintechs

Acquire modern cloud-native technology stack to augment/enhance in-house capabilities



Build greenfield

Launch a greenfield challenger bank (new brand/market)



Renovate existing business

Modernize existing IT architecture using disruptive technologies

IT implementation strategy



Build & migrate



Build & migrate

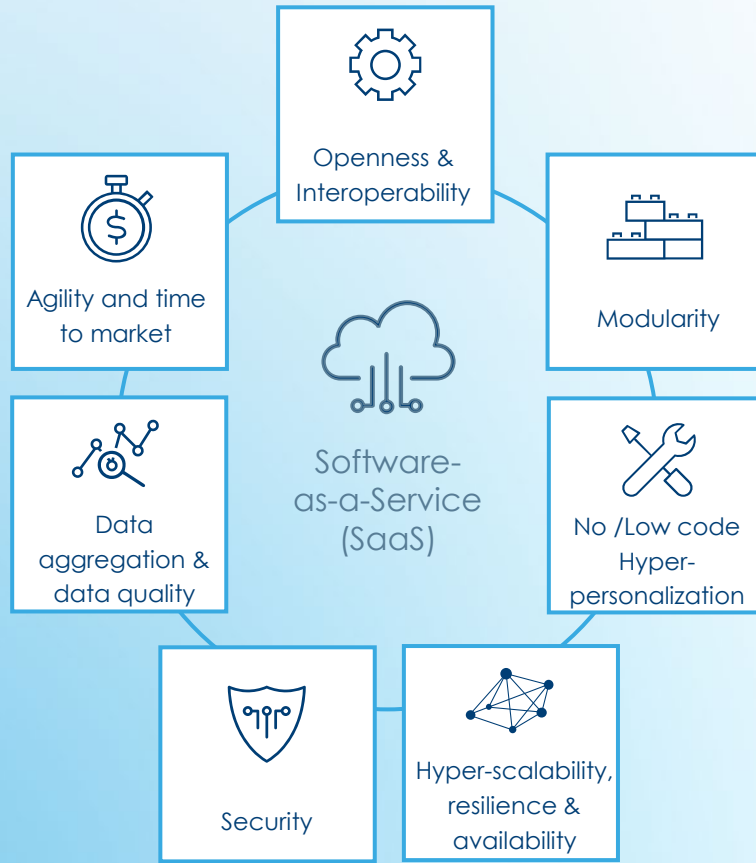
OR



Continuous renovation

Technology attributes required for today and tomorrow

Attributes



Temenos Characteristics

-
- A list of eight Temenos characteristics, each with an icon and a description, enclosed in a large orange bracket on the left.
- Composable banking (Icon: 3D cube)
 - Extensibility Framework (Icon: Square with X and dots)
 - Low code Configuration, workflow and rules (Icon: Flowchart)
 - Embedded Explainable Artificial Intelligence (Icon: Head with brain and chip)
 - Multi-entity Global processing (Icon: Globe with circular arrows)
 - Smart Data Migration (Icon: Double arrows)
 - Cloud-native, Cloud-agnostic platform (Icon: Cloud)
 - Continuous Integration and Deployment (Icon: DevOps cycle)

Thank You

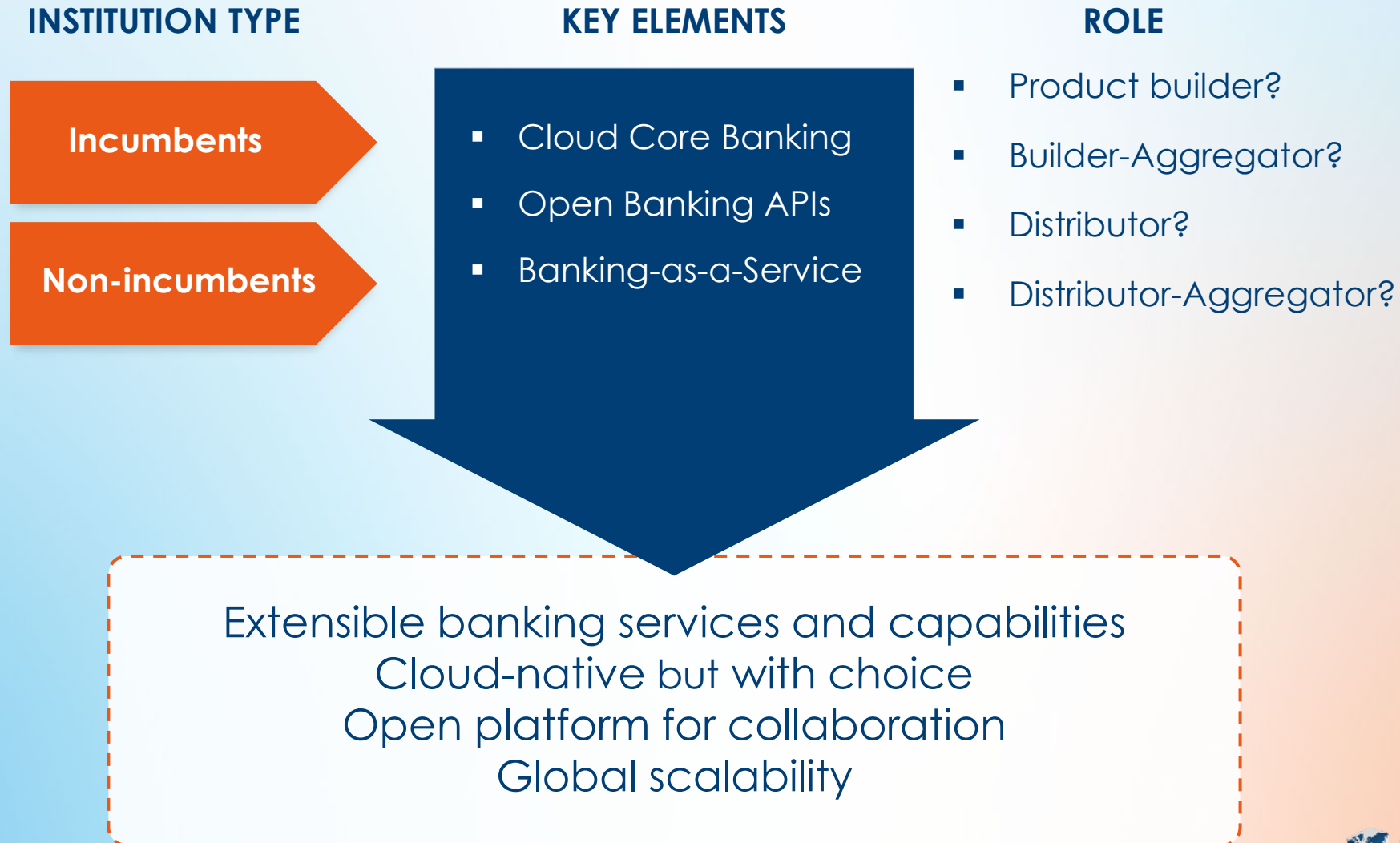


The Evolution of Temenos Products and Services

Prema Varadhan,
Chief Product and
Technology Officer



Changing Ecosystem of Banking Service Providers



THE TEMENOS BANKING CLOUD PLATFORM

FOR COMPOSABLE BANKING

PLATFORM USERS



Banks



Enterprises



Solution Providers



FinTechs



Systems Integrators



Individual Developers

UNIQUE PLATFORM CHARACTERISTICS

- Composable Services
- Extensibility Framework
- Embedded XAI Services
- Low-code Configuration, Workflow and Rules
- Multi-entity Global Processing
- Smart Data Migration

TemenosBanking.cloud

EXPLORE

API Catalogue

DEVELOP

Base Camp

DEPLOY & TEST

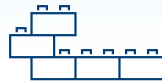
Sandbox Environment

COLLABORATE & SELL

Temenos Exchange

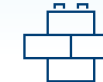
TEMENOS COMPOSED BANKING SERVICES

precomposed services based on capabilities



TEMENOS ENTERPRISE SERVICES

end-to-end solutions for banking segments



TEMENOS BANKING CAPABILITIES

grouped by domains

Channels



Customer Engagement



Products



Operations



Business Support



XAI



Risk & Compliance



Data & Analytics



Localization



PLATFORM TECHNOLOGY FOUNDATION

- Cloud Native
- Cloud Agnostic
- Database Agnostic
- Distributed Event Architecture
- Continuous Integration & Operations
- Continuous Delivery & Updates
- Open APIs
- Security
- Serverless (Function-as-a-Service and Knative)
- Containers (Kubernetes & OpenShift)

TEMENOS BANKING CAPABILITIES LANDSCAPE

GROUPED BY BANKING SERVICE DOMAINS

XAI

Retail Scoring

SME Scoring

Wealth
Scoring

Retail
Customer
Management

SME Customer
Management

Transaction
Management

Retail Next
Best Product

SME Next Best
Product

FCM Outlier
Detection

Channels

Retail Banking

SME Banking

Corporate
Banking

Wealth
Banking

Customer Engagement

Retail
Onboarding &
Origination

Marketing
Campaigns

SME
Onboarding &
Origination

Orders

Corporate
Onboarding &
Origination

Product
Catalog

Wealth
Onboarding &
Origination

Party

Relationship
Engagement

Holdings

Products

Product
Design

Product
Pricing
& Bundling

Accounts

Retail Deposits

Retail Loans

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SME Loans

Trade Finance

Corporate
Loans

Cash Mgmt &
Virtual Accts

Securities

Portfolio
Management

Corporate
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Islamic
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Instant
Payments

Payments
Execution &
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Request to
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Local
Payments

Operations

Collateral
Management

Local
Clearing

Collections

International
Clearing

Limit
Management

Payment
Repair

Funds
Authorisations

Commissions

Reconciliations

Treasury

Business Support

Accounting

Positions

Payment
Gateway

SWIFT
Connectivity

Data & Analytics

Analytics

Data Lake

Market Data
Management

Reference Data
Management

Risk & Compliance

RFR

FATCA

Customer
Compliance

Watchlists

Know Your
Customer

Open Banking
Policy Engine

IFRS Reporting

Financial Risk
Management

CRS Reporting

Tax

Fraud
Monitoring

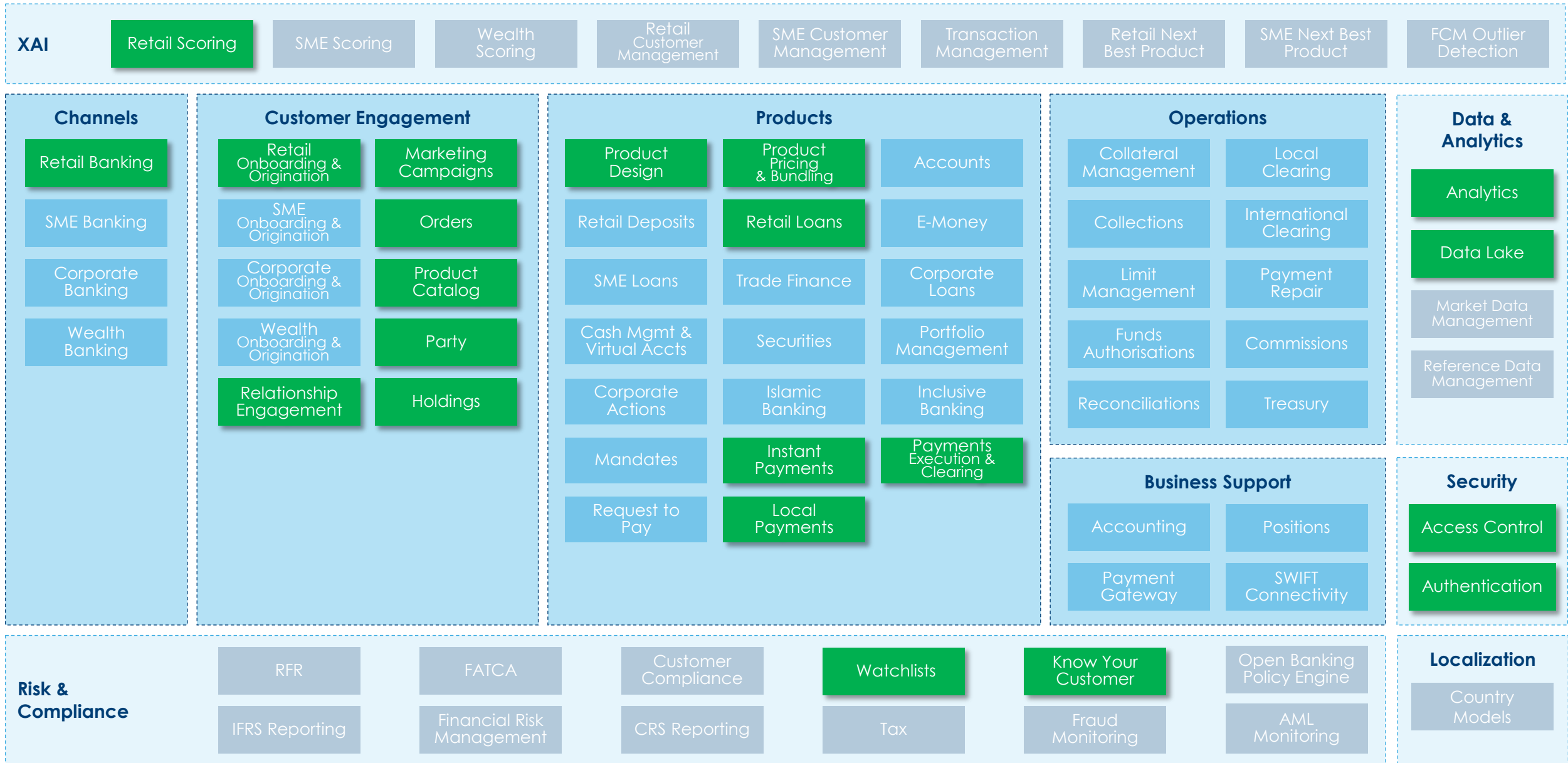
AML
Monitoring

Localization

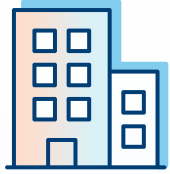
Country
Models

EXAMPLE TEMENOS COMPOSED BANKING SERVICE

BUY NOW PAY LATER



| Composed Banking Services for 2022



Temenos Enterprise Services

Temenos Enterprise
Digital Mortgages



Temenos Composed Banking Services

Buy Now Pay Later
Demand Deposit Accounts
Retail Lending
Temenos Enterprise Pricing
Explainable AI
Financial Crime Mitigation
TARGET Instant Payments Settlement

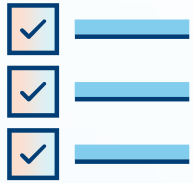


Temenos Independent Banking Capabilities

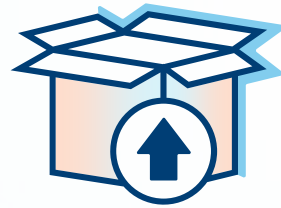
Retail Loans
Retail Deposits and Savings
Accounts
Virtual Account Management
IDFS (Salesforce)

Localization

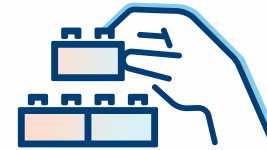
| Why is it better?



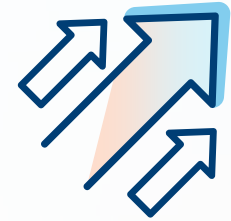
The **broadest set** of open and composable banking capabilities in the market



Localized configurations



Extensible with Banking Capabilities from Temenos and Exchange



Scales with business growth

The ability to Compose banking services allows banks, Temenos, and partners to rapidly assemble solutions when they are needed, and to re-use the value in existing capabilities and services easily and with agility

ABN AMRO: A true partnership with Temenos driving innovation and agility on cloud



Background & Context

- **Long term strategic partnership** through transformation
- **Phase 1:** Transact, **Phase 2:** Payments, **Phase 3:** Temenos Continuous Deployment (TCD) on Cloud, **Phase 4:** Wealth

Why Temenos

- **Market-leading solution** with most complete functionality
- **Future proof product roadmap**
- **Global reach**

Outcomes

- TCD helped the bank's **24 innovation teams** to innovate **more frequently and effectively**
- **30%** estimated **increase in efficiency**
- **300% growth** in international business since 2012
- **25% reduction** in IT development costs for regulatory changes
- **Increased agility** allowing new countries or acquired banks to be onboarded quickly

*"Thanks to **Temenos' innovative Continuous Deployment product**, we can gain greater **product agility and improved time-to-value**, accelerating the **speed of innovation** and making business changes rapidly."*

*- **Friso Westra**, Head of IT Development, Core Banking International*

Flowe: Launching one of the world's most ethical and innovative banks in rapid time

flowe



IBS INTELLIGENCE
GLOBAL FINTECH
INNOVATION AWARDS
2020



Background & Context

- **Italian Challenger bank** targeting Millennial and Generation Z
- **Built unique mobile app** that allows users to **transfer funds** while making **positive impact on society & planet**



Why Temenos

- **Proven experience** helping other **challenger banks** launch quickly
- **Rich API capabilities** to support ongoing innovation, including **Open Banking** initiatives
- **High levels of security** and **compliance**



Outcomes

- **700K customers** onboarded in the **first six months**, including peak of **150K in one week**
- **Fully automated onboarding** enabled **account opening** in **7 to 8 minutes**
- **3rd party** integrations allowed customers to **track carbon emissions**
- **Several high-profile awards for innovation**, e.g., IBS Intelligence Global FinTech Innovation Awards 2020

*"Working with Temenos has **enabled us to turn our unique vision into reality**. Today, we are **one of the most ethical and innovative banks in the world**."*

- **Cristina Toniazio**, Head of Happiness, Caring & Service Operations

Thank you



Technology Update

Tony Coleman
Chief Technology Officer



TEMENOS
THE BANKING SOFTWARE COMPANY



Temenos Offers...



Choice:

- A single code base
- Investments benefit everyone



Composable Banking:

Compose services from the most comprehensive set of banking capabilities, augmented with capabilities with Exchange partners



Extensibility:

- Continuously upgrade safely
- Opens the platform for partner innovation
- Embedded DevOps for implementations, upgrades and BAU



Cloud Native Technology:

Scale, evolution, future proof, proven track record



Efficiency:

- Simpler to implement
- Leaner and greener to deploy
- Hyperscale operations

Choice

Who runs it?



The Temenos Banking
Cloud (SaaS)

Client

Partners

Deployment



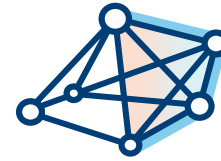
Public Cloud

Private Cloud

Hybrid

Cloud-like / On-prem

Architecture

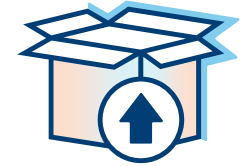


Decoupled

Embedded

Hybrid

Packaged



Differentiate /
Commodity

Country Model

Safe Extensions

Continuously
Upgradeable

Single Code Base. Investment benefits everyone.

THE TEMENOS BANKING CLOUD PLATFORM

FOR COMPOSABLE BANKING

PLATFORM USERS



Banks



Enterprises



Solution Providers



FinTechs



Systems Integrators



Individual Developers

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TemenosBanking.cloud

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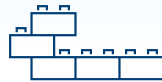
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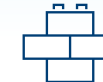
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Operations



Business Support



XAI



Risk & Compliance



Data & Analytics



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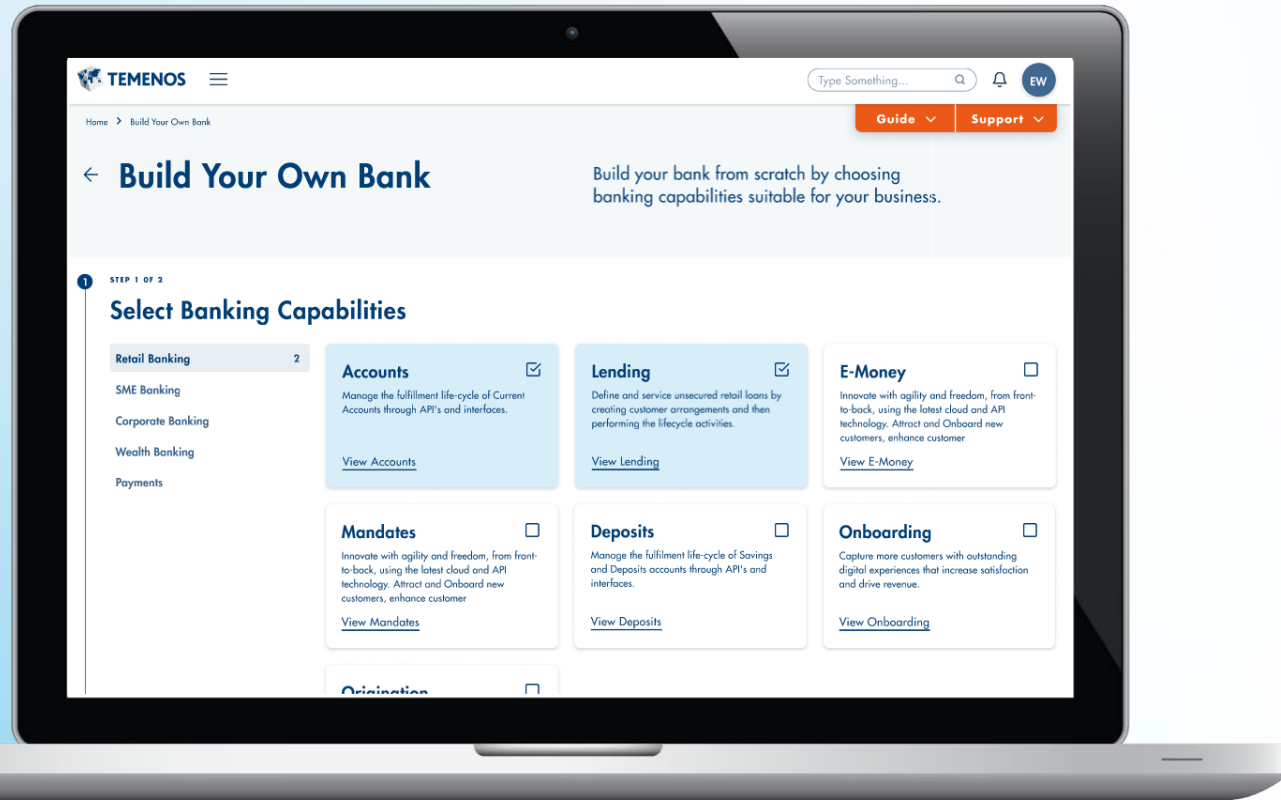
Fraud
Monitoring

AML
Monitoring

Localization

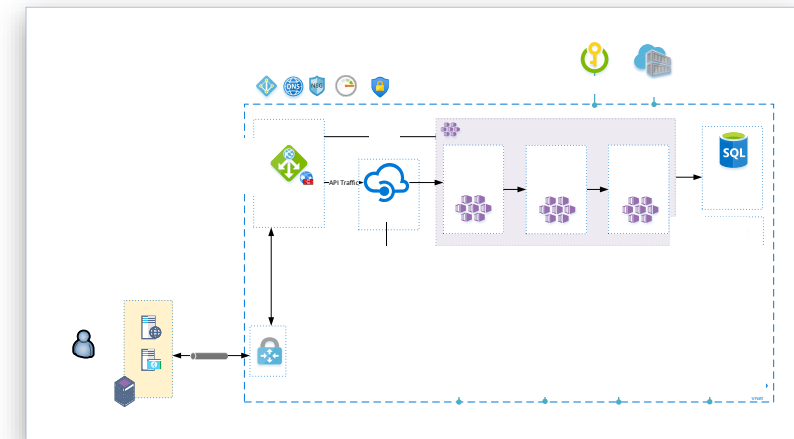
Country
Models

Composable Banking



Compose solutions
by choosing
Temenos Banking
Capabilities...

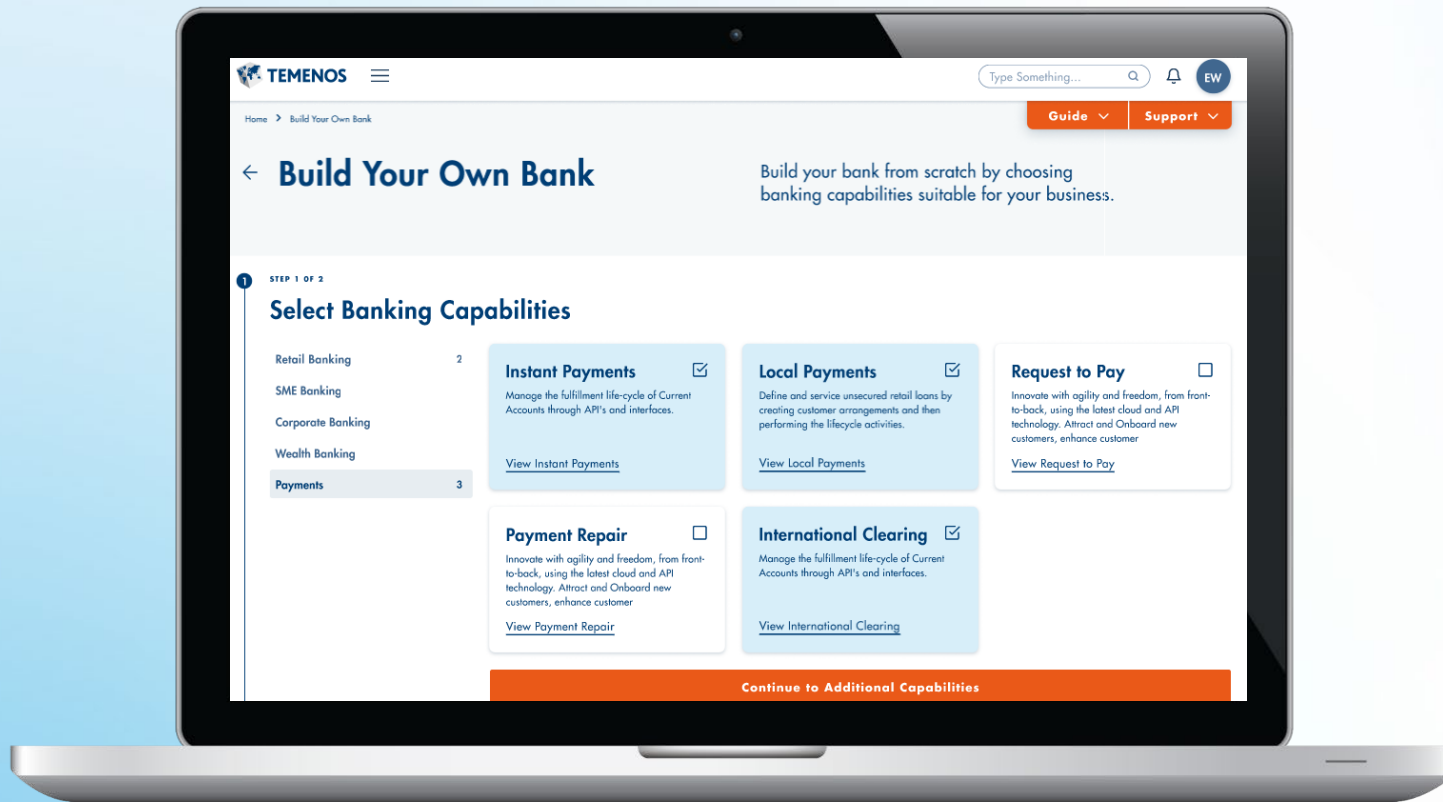
ARCHITECTURE



Decoupled capabilities - each defines its own runtime and dependencies

Enables Infrastructure-as-Code (IaC) to be created on the fly...

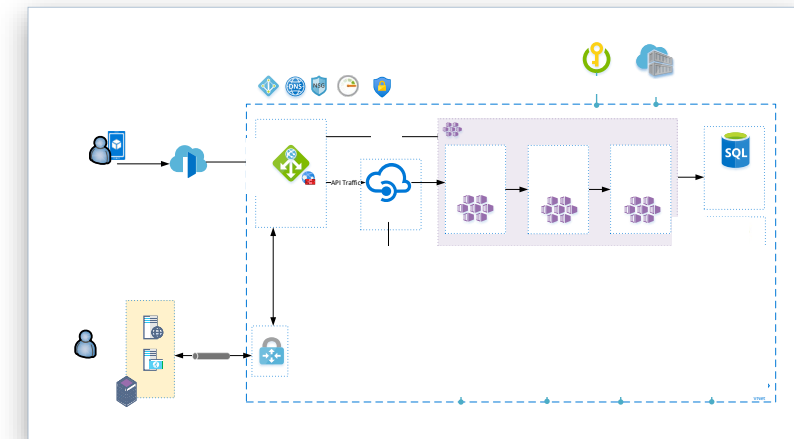
Composable Banking



Compose solutions
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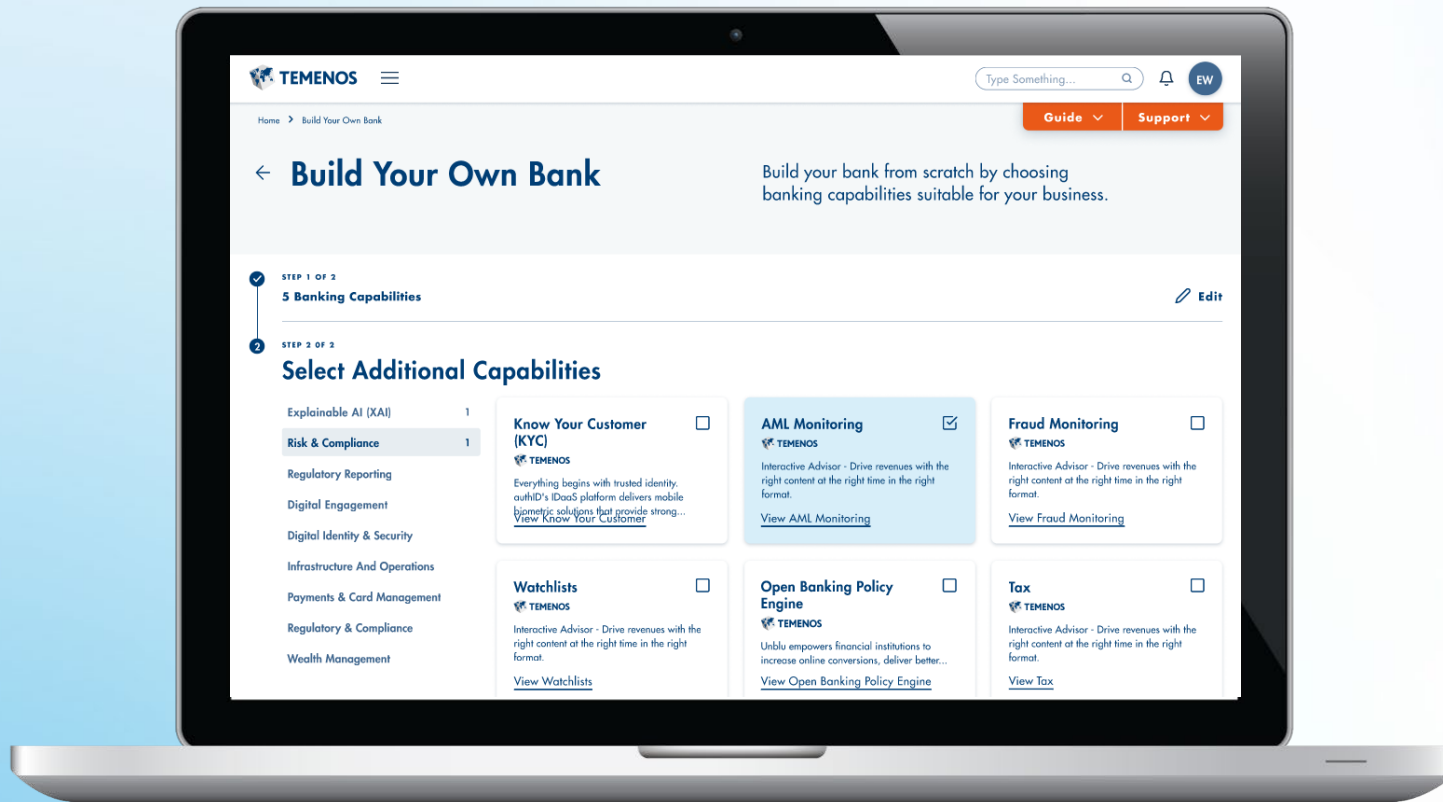
... from a broad
range of business
areas ...

ARCHITECTURE

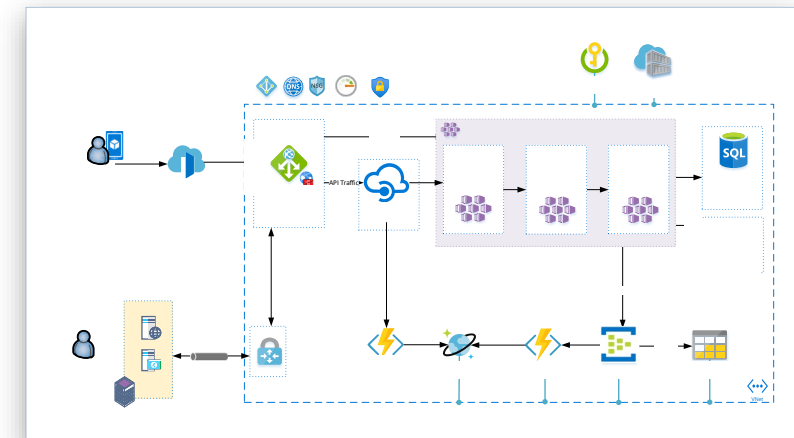


... and modified as needed

Composable Banking



ARCHITECTURE



Compose solutions
by choosing
Temenos Banking
Capabilities...

... from a broad
range of business
areas ...

... add supporting
capabilities, from
both Temenos and
Exchange Partners

Extensibility Framework



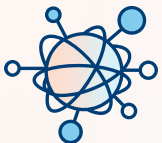
Upgrade safely, with ease



Protect SLAs



Enhance developer experience



Use industry standard skills

What:

“Make high-impact changes frequently and predictably with minimal toil”

How:

“Extend & test solutions safely at the perimeter”



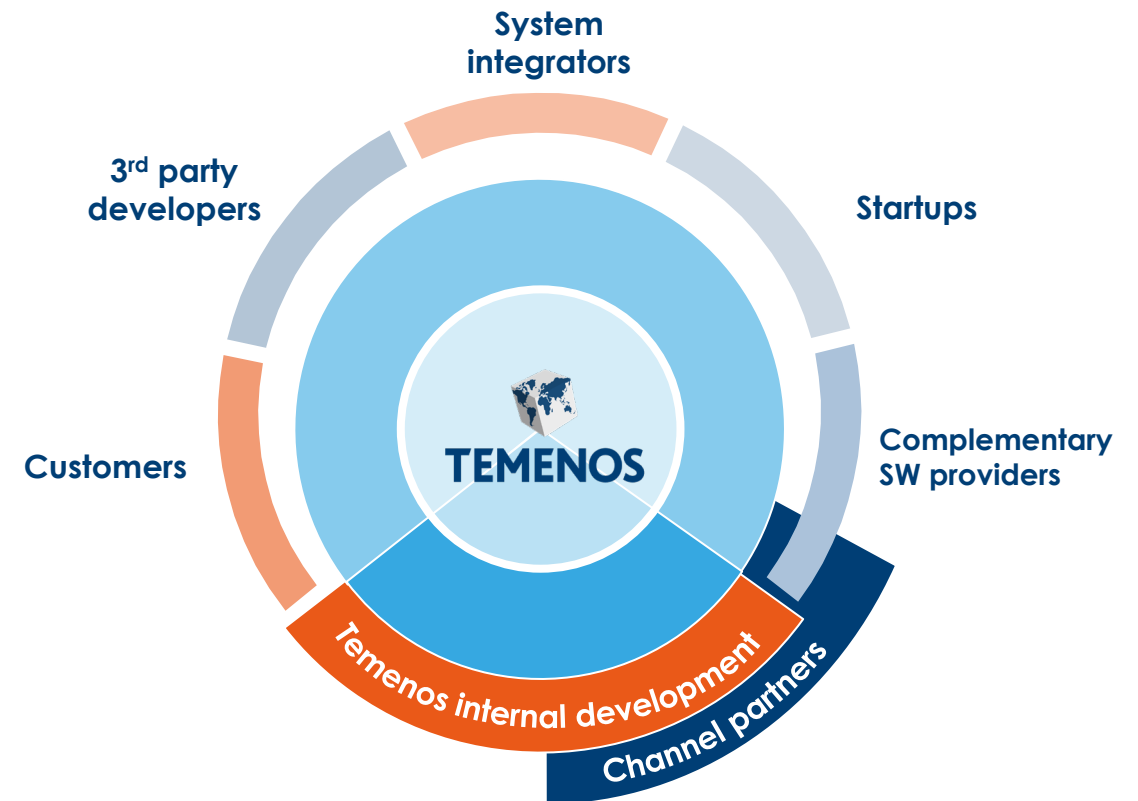
Extensibility Framework & Partners

Empowers the ecosystem to create IP
with Temenos

- ✓ Co – Innovate
- ✓ Co – Create
- ✓ Co – Monetize

Exchange adapters, apps,
localization.....

A digital ecosystem for banking
centered around Temenos



Embedded DevOps & Continuous Updates

WHAT OUR CLIENTS NEED

Seamless updates
Always on the last version
High Availability / Disaster recovery
Evergreen

HOW WE DO IT

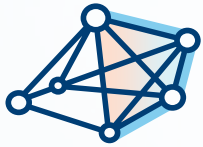
Release Validation Tests
Automated Test Framework
Temenos Workbench
Extensibility framework
SLAs



Temenos distributes Release Validation Tests with Temenos Banking Capabilities. These run on the automated test framework and may be extended for each deployment

| Efficiency

Improved efficiency of Temenos software, regardless of who, how or where it runs



Build

- Less Infrastructure
- Less middleware
- Overarching design principle



Deploy

- Simpler to implement
- Operational simplicity
- Reduced TCO
- Scale as needed



Leaner and greener throughout the Temenos SDLC and the implementation

Proven Track Record: Cloud Native Technology

TECHNOLOGY revolution

2011

Temenos Cloud

- ✓ Virtual Machines
- ✓ Core banking
- ✓ Managed Service

2020

Cloud Native

- ✓ Containers & Serverless
- ✓ Multi-Product
- ✓ Continuous operations
- ✓ Cloud Agnostic

2022

Temenos Banking Cloud

- ✓ Continuous Updates
- ✓ Composable Banking Services
- ✓ Enterprise Banking Services
- ✓ Temenos Banking Capabilities
- ✓ Self-Service
- ✓ Sandbox
- ✓ Infrastructure as Code

2022+

Next ...

- ✓ Multi-Cloud Workload Allocations
- ✓ XAI ops and NoOps
- ✓ Specialist Micro-Clouds
- ✓ Hyperplexed Architecture
- ✓ Quantum Computing
- ✓ AR + VR
- ✓ Edge Computing / IoT
- ✓ Everything as code

HYPERSCALERS:



HUAWEI CLOUD



Thank you



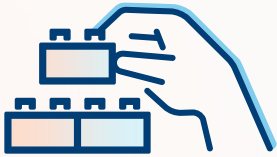
Composable Challenger Bank DEMO

Ramki Ramakrishnan

Global Business Solutions Director

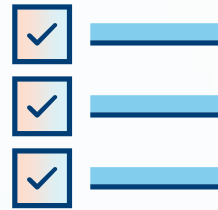


| Spotlight on Composability



Composability

- Exploring
- Learning
- Assembling



Low-touch SaaS

- Self Service Portal
- Open Access to all capabilities



Open Platform

- Composed Services
- Banking Capabilities
- Continuous Updates

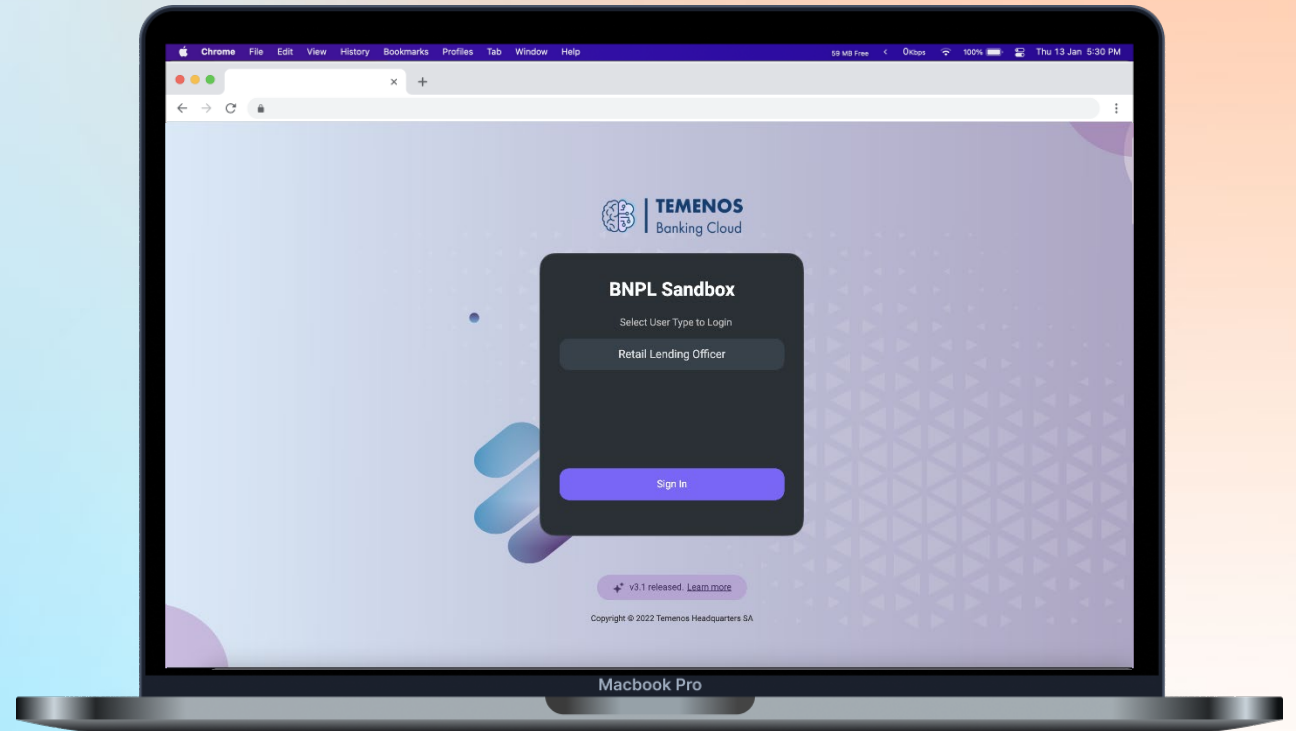
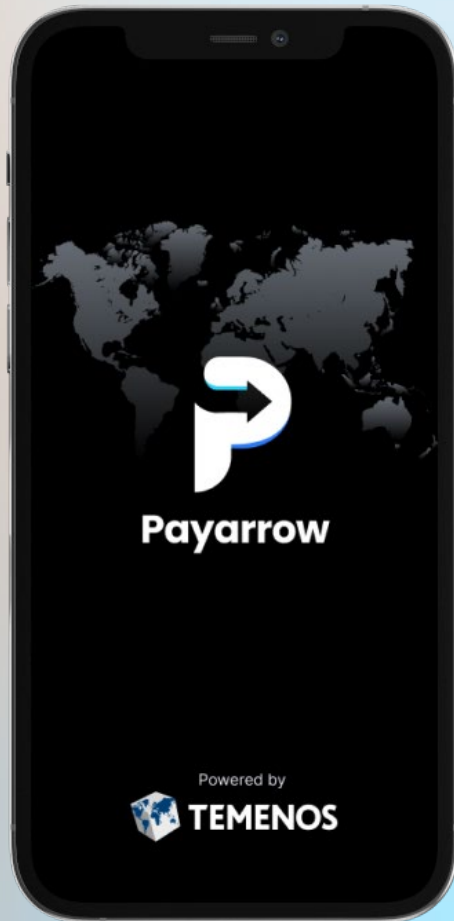
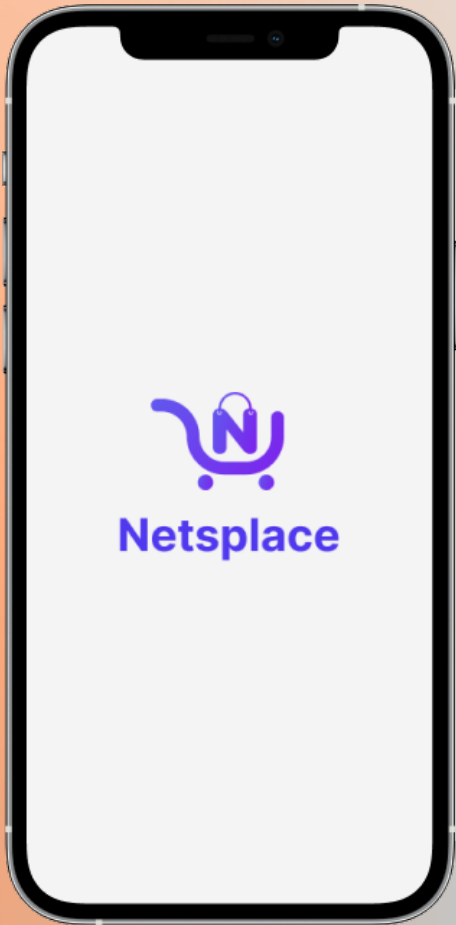
Buy Now Pay Later DEMO

Ramki Ramakrishnan

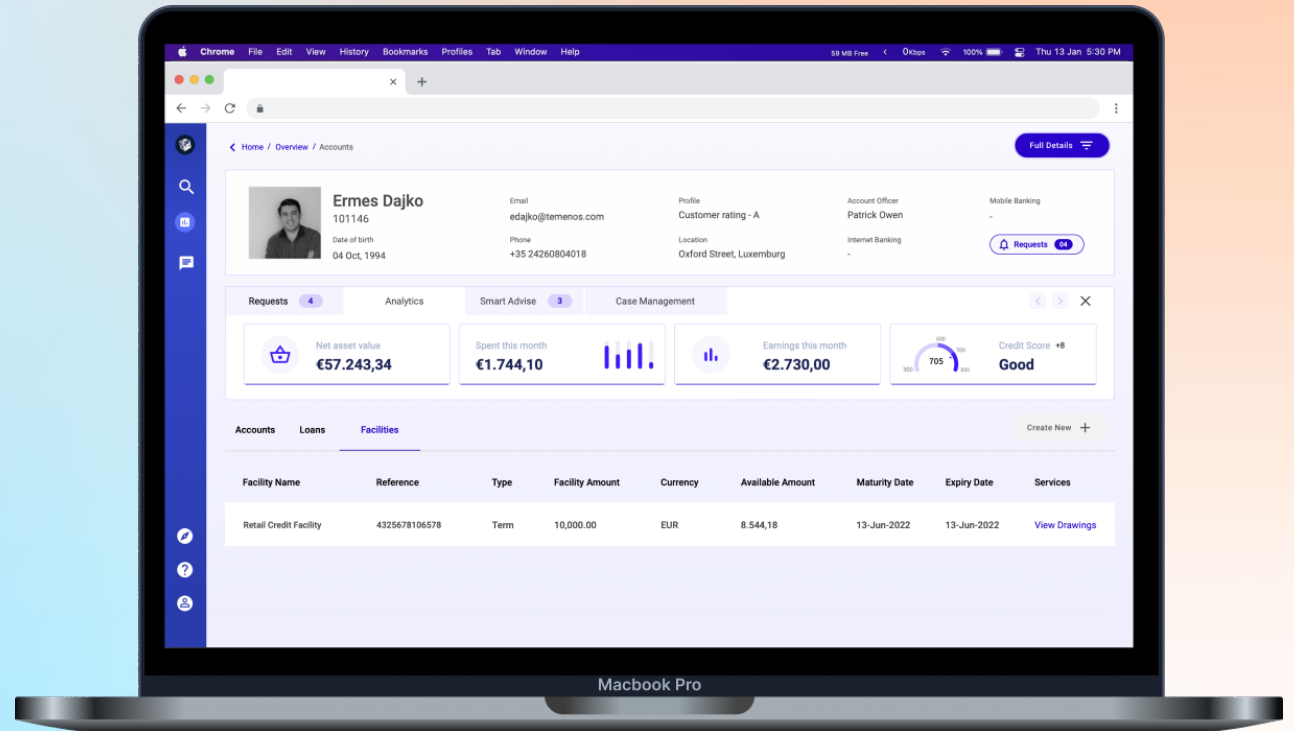
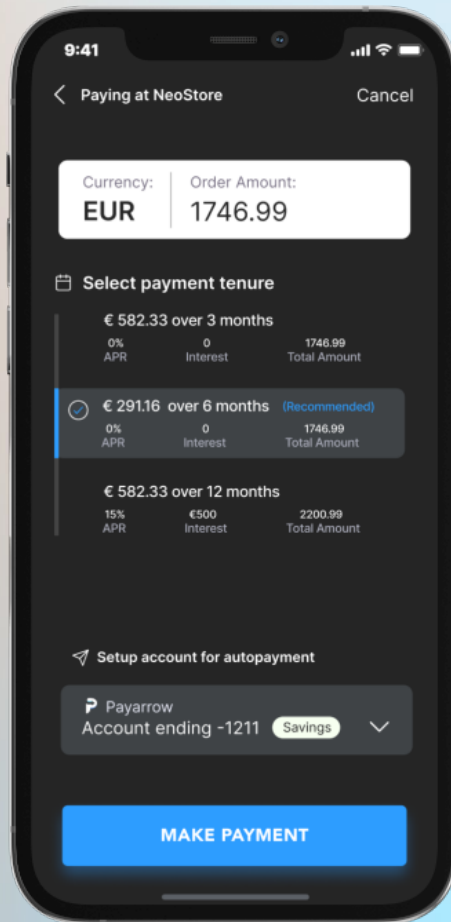
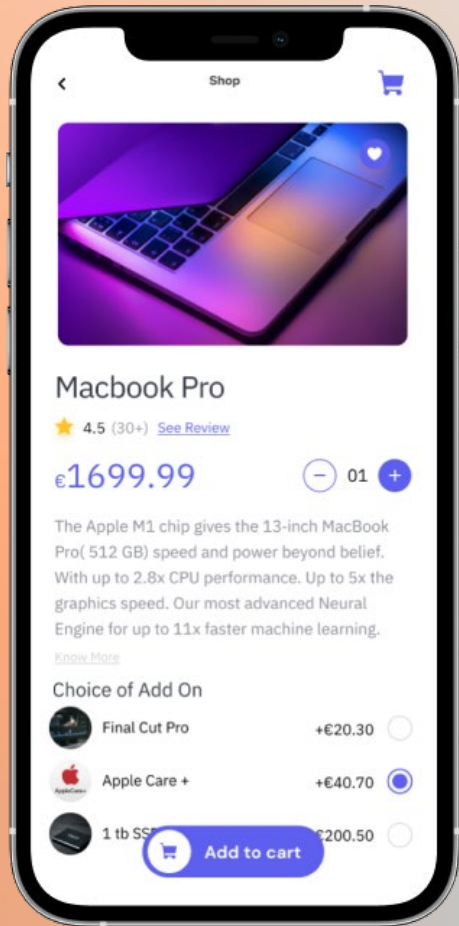
Global Business Solutions Director



Buy Now Pay Later Demo



Summary



Thank you



| Temenos SaaS

Ross Mallace,
Business Line Director,
Temenos SaaS



| SaaS is rapidly growing

Over 700
SaaS clients

Growing margins
through automation
efficiency gains,
economies of scale
& larger clients.

Solutions supporting **all incumbent** and
non-incumbent business models.



70%+ Year on Year growth for SaaS



All geographies mobilized for SaaS

**Global
Acceleration**



Accelerating SaaS Consumption



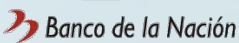
700+ SaaS Clients



70+ Challenger Banks



10 Years of Operation



2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

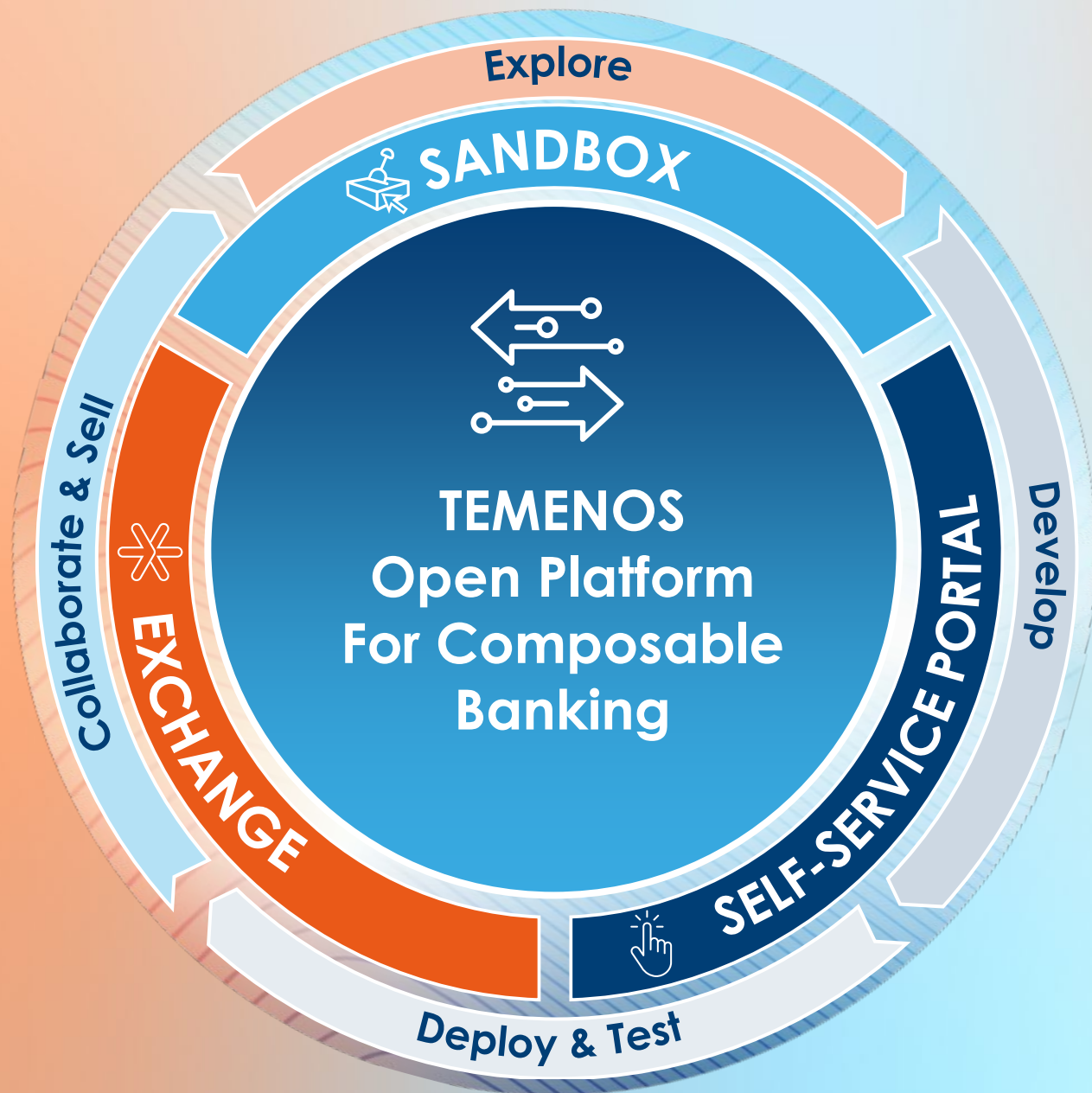
Providing SaaS for all types of banks

Non-incumbents



Incumbents





The TEMENOS BANKING CLOUD

The Open Platform for Composable Banking

Try new ideas in a sandbox

Test and send into production quickly

Extend from the Exchange ecosystem

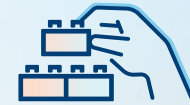
Why are we winning?



Prebuilt
Composed
Banking Services



Low-touch SaaS to
enable self-service
composability to
banks



Extensible with
Banking Capabilities
from Temenos and
Exchange



Cloud Native
Continuous updates
Elastically scalable
Extreme scalability
Multi cloud (Azure & AWS)



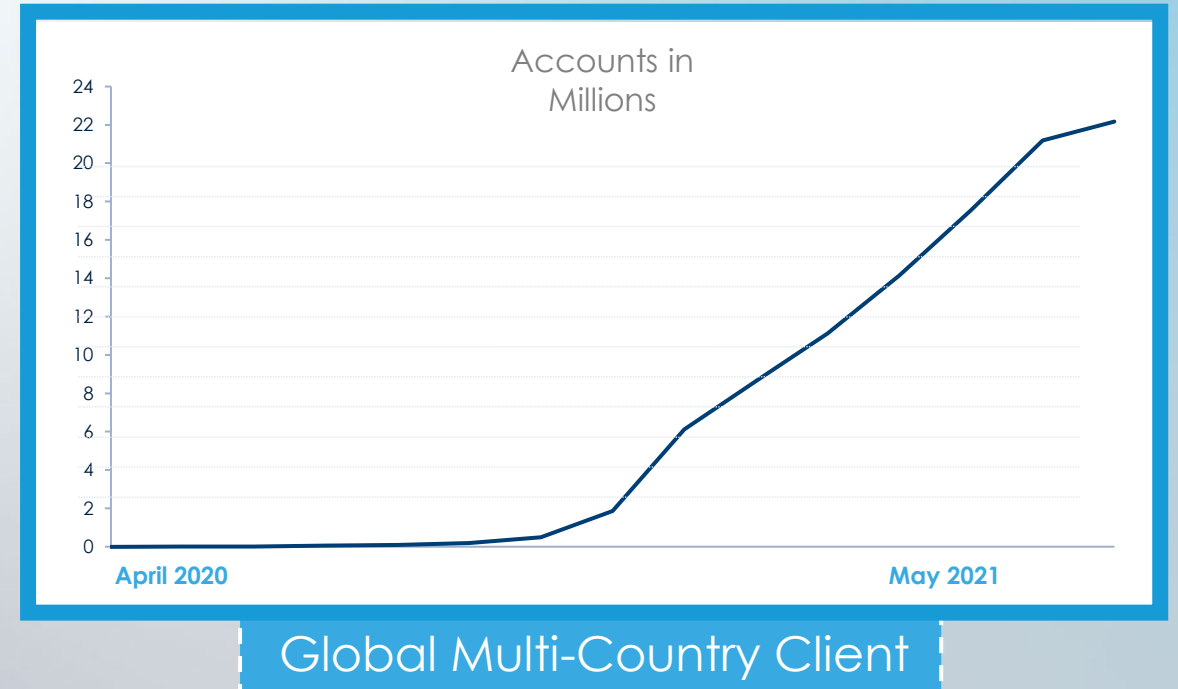
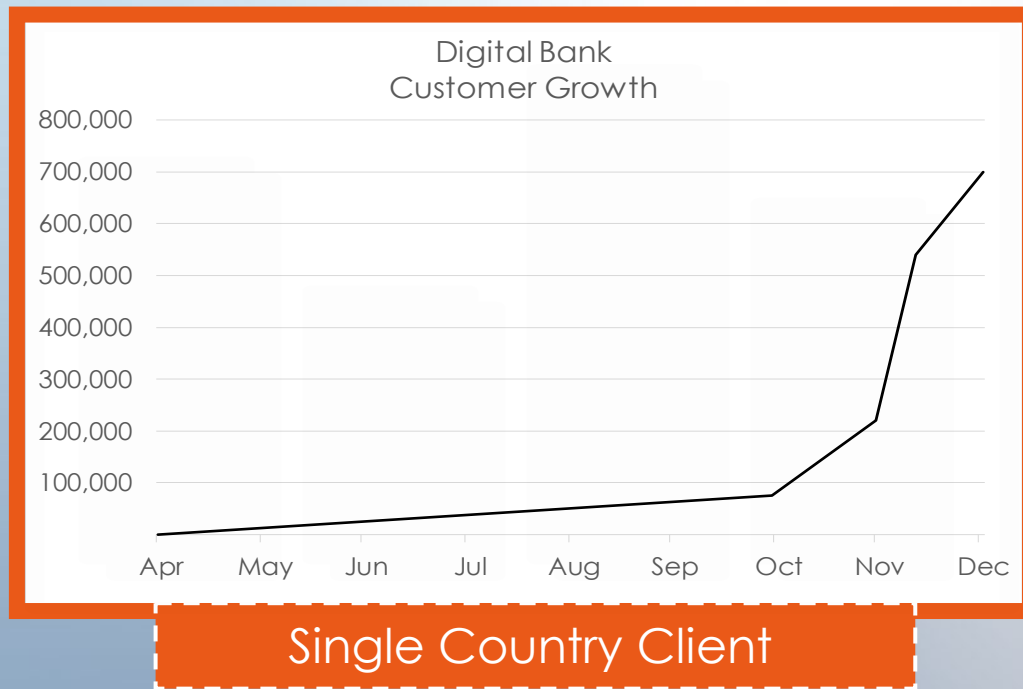
Consumption based
Subscription pricing
for cost predictability
without unnecessary
lock ins



Powered by the
broadest set of
banking capabilities
in the market

Sharing our clients' success

- Extremely scalable platform to support successful client growth
- Driving further SaaS consumption from our clients' success
- Margin growth through economies of scale



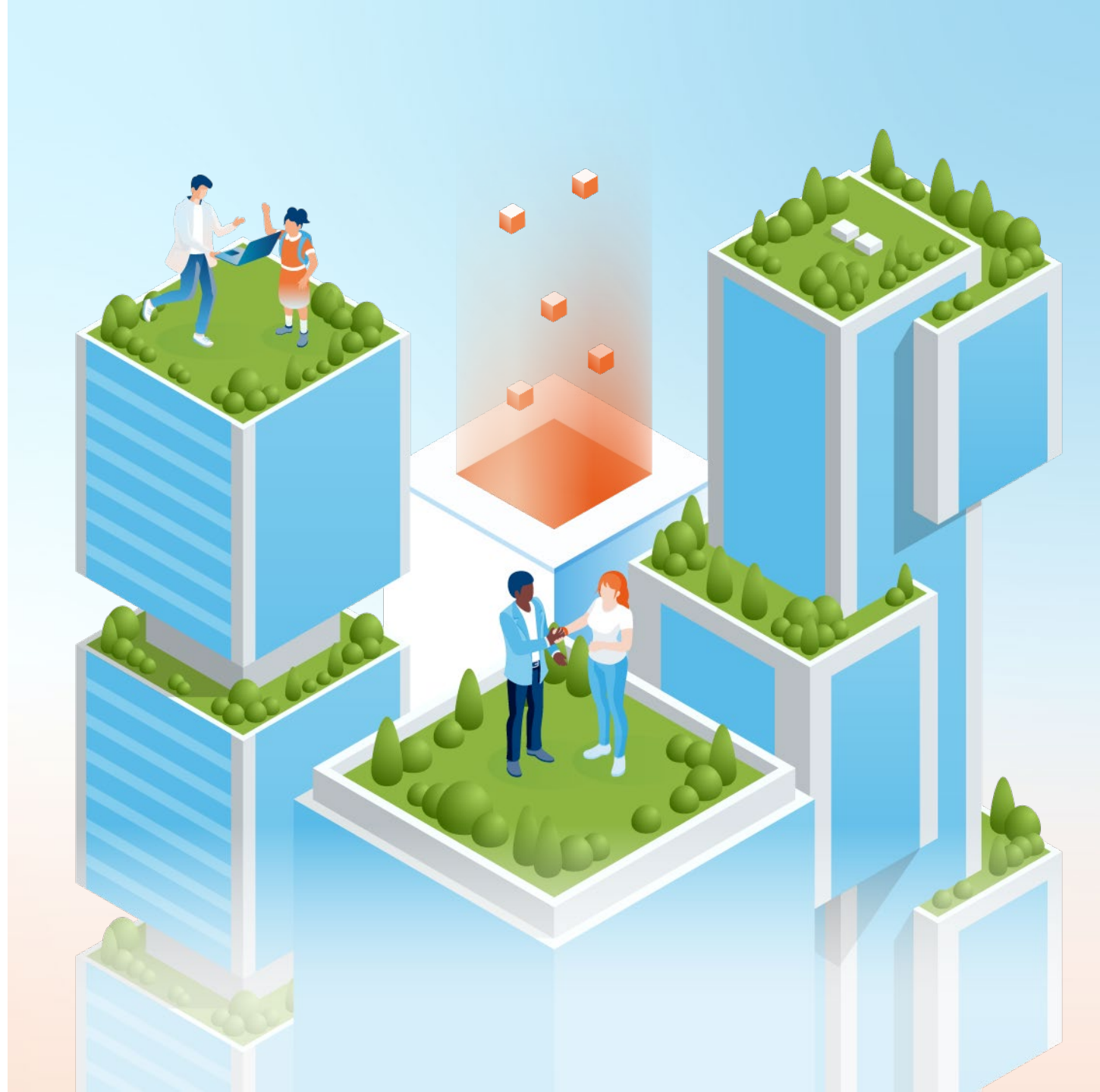
"Temenos' SaaS technology helped us to rapidly onboard a significant number of users in a matter of days."
- Ivan Mazzoleni, CEO of Flowe Bank

Thank you



Temenos' approach to ESG

Kalliopi Chioti
Chief ESG Officer





**To grow our business
in a way that takes
care of the world
around us, delivering
value to anyone
associated with us**

OUR GOAL

| The 3 dimensions of our ESG strategy



**VALUE
CREATION**



**Impact on
business model**



**COMMUNITY
INVESTMENT**



**Impact on
society**



**RISK
MANAGEMENT**



**Impact on
operations**

Integrating ESG into our operations and product offering

WHAT IT MEANS TO US:

Helping our **clients** transform into smart, inclusive and sustainable organizations

Managing our **operations** ethically and responsibly

Contributing to **global** social and environmental initiatives

ESG PRIORITY STRATEGIC AREAS

- Achieving Business Excellence
- Operating Responsibly
- Investing in our People
- Investing in our Communities
- Enabling Access to Financial Services



Engaging with our stakeholders to define our focus areas

ENVIRONMENT

- Environmental Management & Awareness
- Climate Change & Carbon Neutrality



SOCIAL

- Diversity, Equity & Inclusion
- Digital Inclusion & Innovation
- Poverty Alleviation & Financial Inclusion
- Employee Volunteering & Community Service



GOVERNANCE

- Ethical Business Conduct & Governance
- Responsible & Inclusive Procurement
- Information Security, Data Privacy & Business Continuity



Setting competitive ESG targets



Mitigating Climate Change

- ✓ Aligned our **climate strategy** and reporting with **TCFD recommendations**
- ✓ Set **Science-based targets** for own operations and suppliers **by end of 2022**
- ✓ **Temenos Banking Cloud** as a **climate-related opportunity**
 - ✓ Provide our **clients** with the **tools** to reduce their or their customers' carbon footprint, improve their environmental performance, reach their sustainability targets and enable them through their net zero journey
 - ✓ Work with our **partners** on the above for bigger environmental benefit for our clients.



<https://ffnews.com/newsarticle/banks-need-to-act-now-to-reduce-their-carbon-footprint-urges-temenos/>



<https://www.techforgood.net/mag/techforgood-january-2022?p=52>

| Reporting on our ESG Progress



- **GRI & SASB** reporting
- **TCFD** reporting
- **UN SDGs** mapping (operations & product offering)
- **ESG targets** (2030)
- **Science-based targets** (by end of 2022)
- **3rd party** external assurance

<https://www.temenos.com/wp-content/uploads/2021/03/2020-Annual-Report-7u42lsu22.pdf#page=52>

Benchmarking against global indices and ratings

OUR ACHIEVEMENTS

**Top 25
Swiss
stocks**

SXI Switzerland
Sustainability 25®
Index

**2nd in the
SOF category
globally**

Dow Jones
Sustainability Index
World & Europe

**Top
10%**

FTSE4GOOD
Index

**Highest
rating**

CDP
Leadership (A/A-)

**Top
performer**

Bloomberg
Gender Equality
Index

**2x Sustainability
Award
Winner**

2022 S&P Global
Silver Class + Industry
Mover

**Top
20%**

MSCI AA Rating

**Highest
rating**

ISS E&S Rating

**PRIME
status**

ISS ESG PRIME
Status

**Low
risk**

Sustainalytics
low risk

**Top
1%**

Ecovadis
Platinum
medal













**Top
20%**

Vigeo Eiris

<https://www.temenos.com/corporate-social-responsibility/our-achievements/>



Delivering business value along our value chain with targeted initiatives

Product & Cloud	Sales & Marketing	HR	Finance	Procurement	Support Ops & Analytics
 <ul style="list-style-type: none"> Measure and showcase green benefits of Temenos Banking Cloud Onboard ESG partners focus on Exchange Incorporate sustainable software engineering practices 	 <ul style="list-style-type: none"> ESG to be integral part of our brand and marketing Organize 1st ESG impact event for Temenos community 	 <ul style="list-style-type: none"> Introduce purpose-driven talent management 	 <ul style="list-style-type: none"> Implement TCFD recommendations Set Science-Based (Climate) targets by end FY 2022 Identify sustainable financing options 	 <ul style="list-style-type: none"> Require critical suppliers to have SBTs by 2025 Set up supplier diversity framework 	 <ul style="list-style-type: none"> Establish real time BI system for ESG data disclosures & reporting
 <ul style="list-style-type: none"> Increase sales opportunities Increase win rate Remain competitive 	 <ul style="list-style-type: none"> Increase sales opportunities Remain competitive 	 <ul style="list-style-type: none"> Increase retention Attract best talent 	 <ul style="list-style-type: none"> Increase financing options Remain competitive 	 <ul style="list-style-type: none"> Remain competitive with clients and partners 	 <ul style="list-style-type: none"> Remain competitive Drive internal efficiency

**Because it is no longer
enough to have the
best, fastest or
cheapest product...**

**It is about
operating
responsibly**

**Doing business with
our people, clients,
partners and
communities
that share our values**

**Innovating
with
purpose**

**And winning the right way,
not just the easy way.**



TOGETHER WITH TEMENOS

www.temenos.com/corporate-social-responsibility/

Thank You

www.temenos.com/corporate-social-responsibility/



Financial growth plan

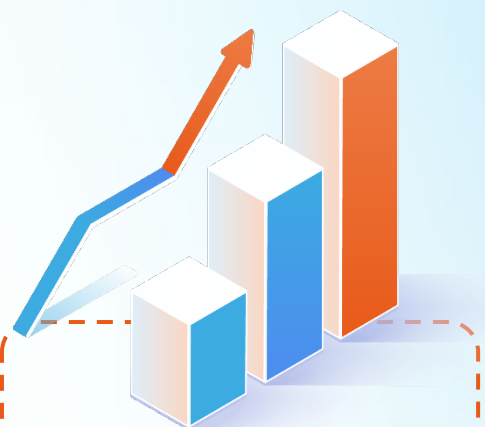
Takis Spiliopoulos
CFO



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)

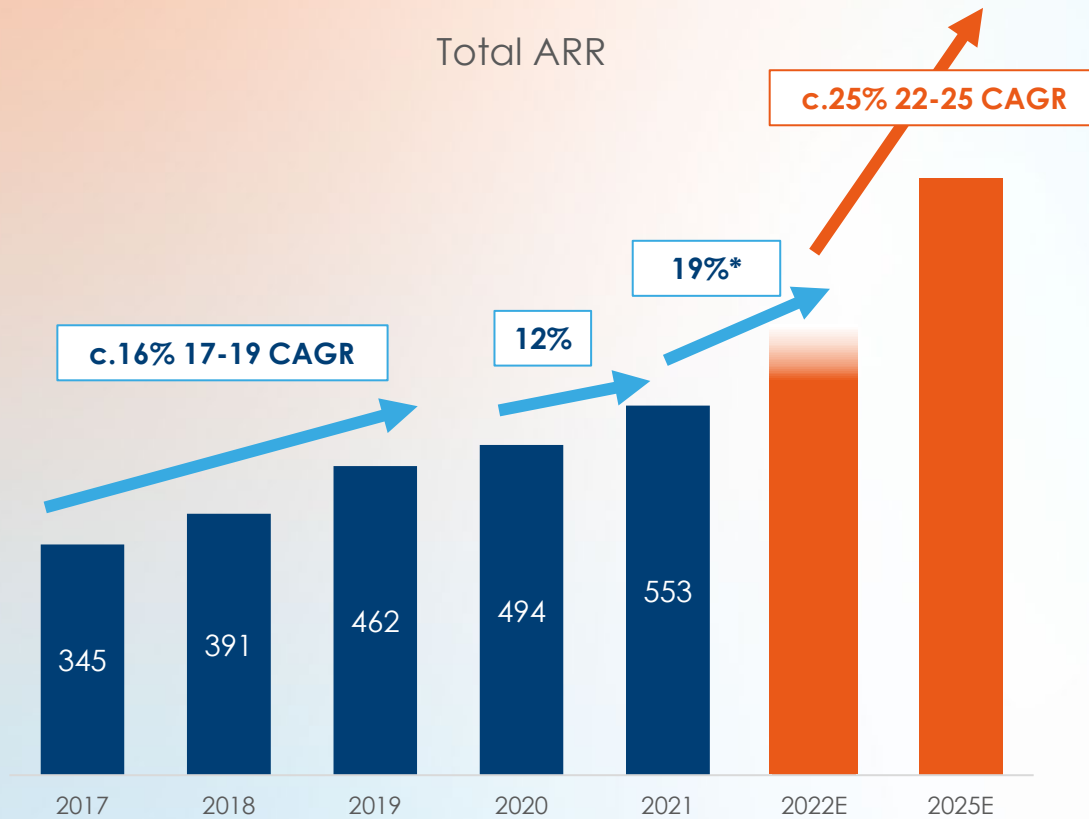


To grow
Total Software
Licensing
revenue at a
**CAGR of
15-20%**
from 2021-25

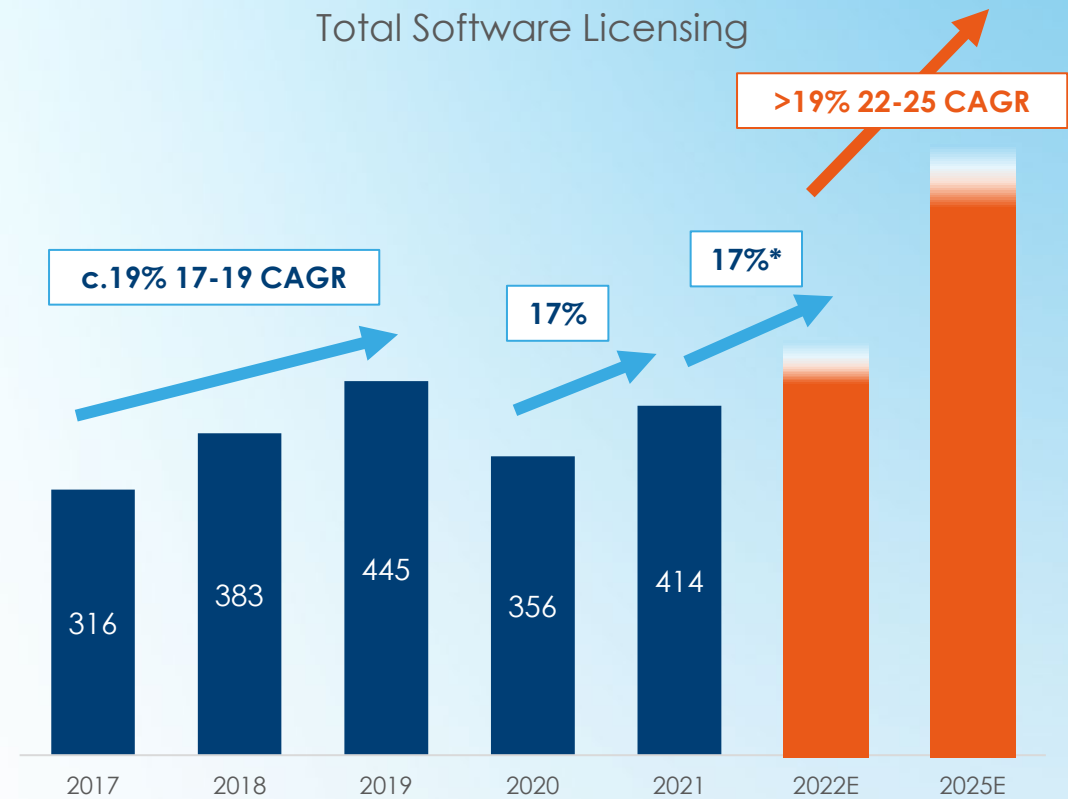


Expanding
EBIT margin
to **c.41%**
by 2025

Accelerating ARR and Total Software Licensing...

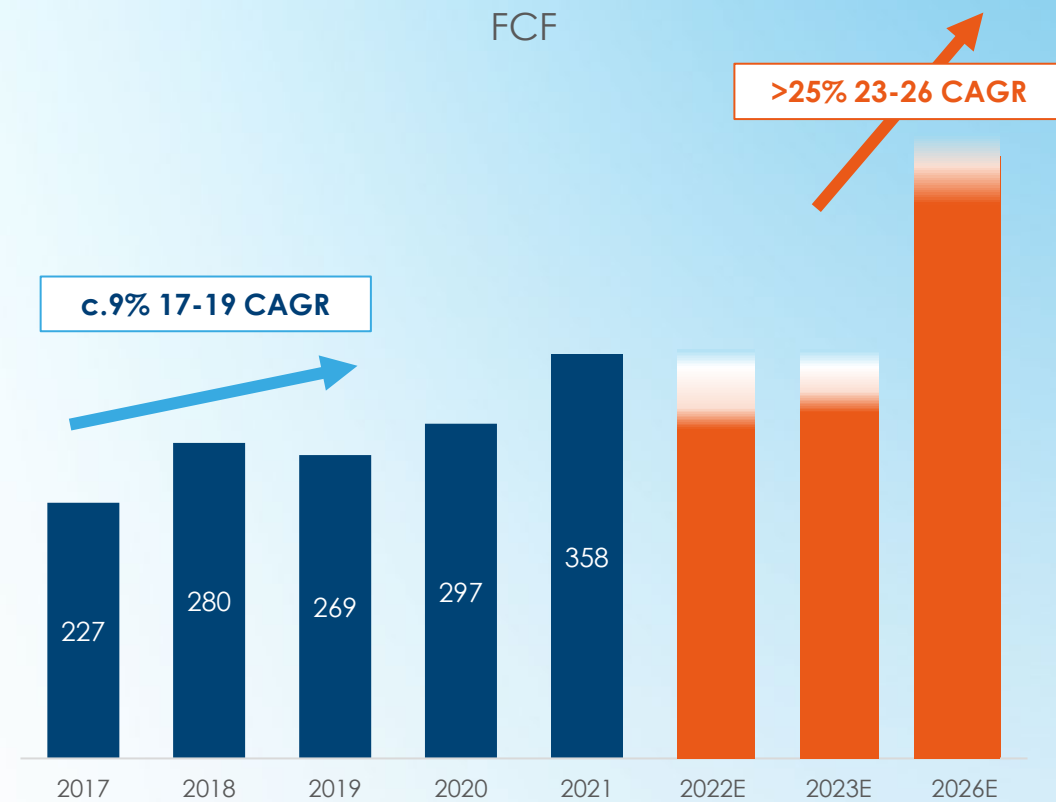
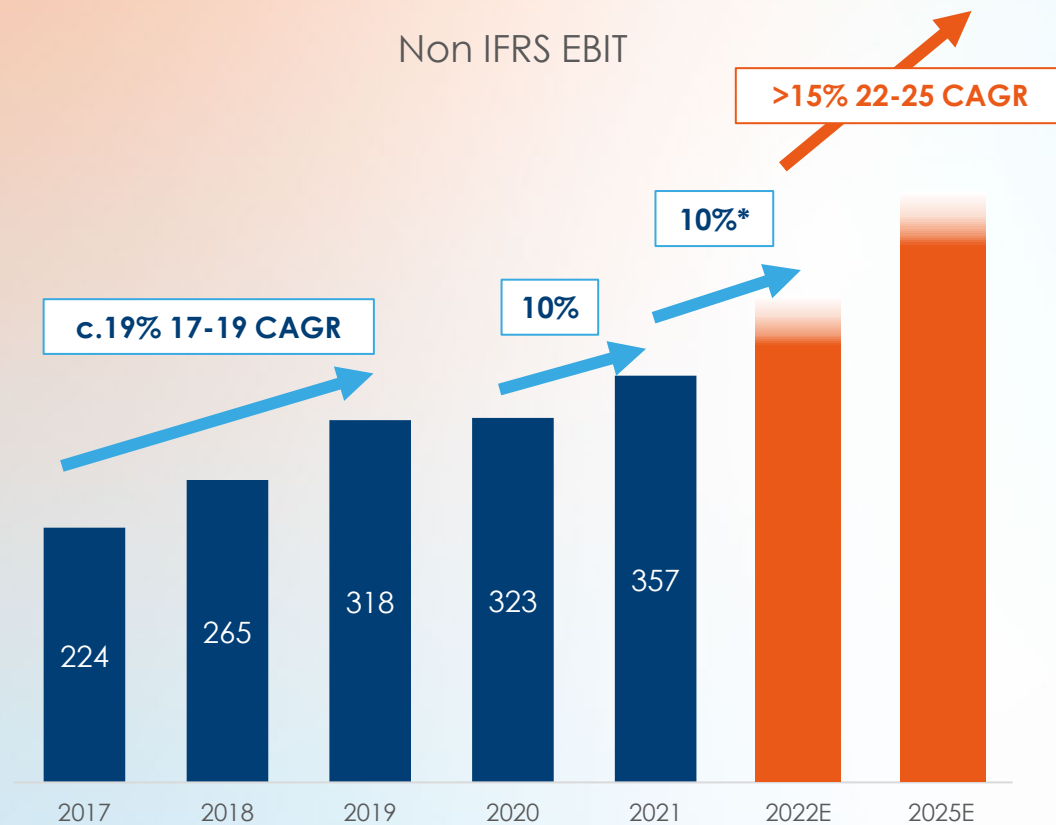


Note: Numbers are non-IFRS.
* Mid-point 2022 guidance



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

...driving acceleration in EBIT and Free Cash Flow



Note: Numbers are non-IFRS. 2020 and 2021 at constant currency
* Mid-point 2022 guidance

Move to subscription captures greater value and accelerates our growth

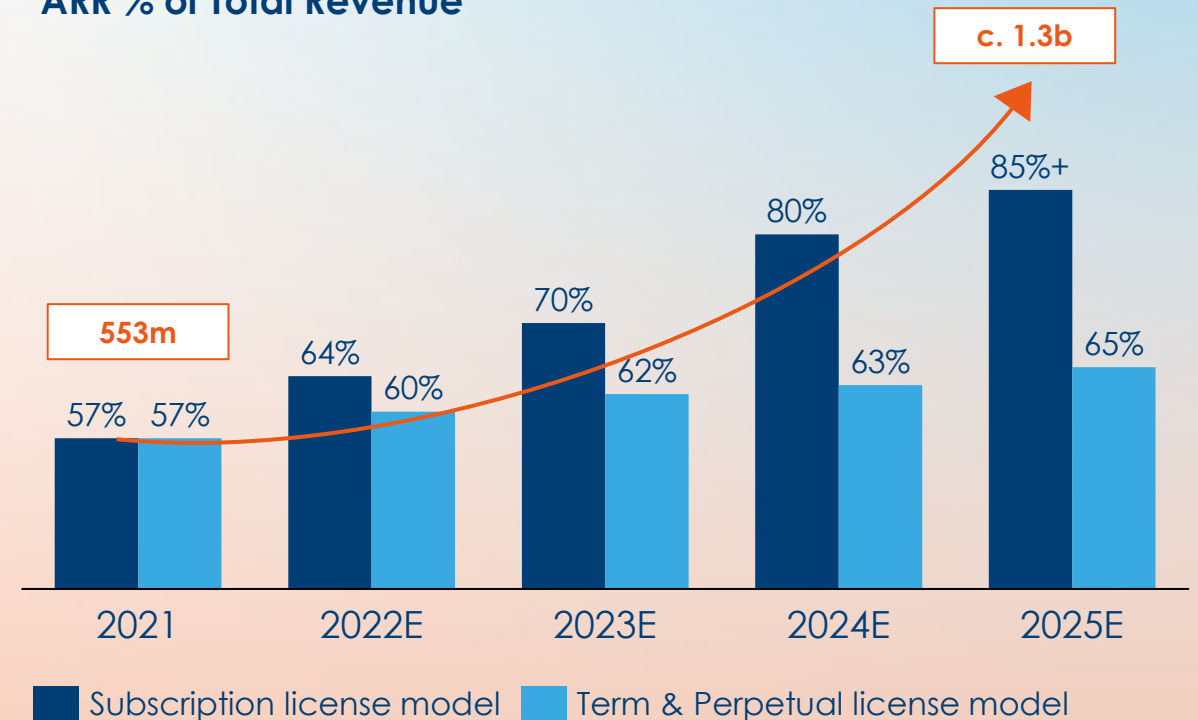
Client across all tiers and business models are increasingly **asking for subscription contracts** rather than traditional upfront license



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

Significant acceleration in Annual Recurring Revenue

ARR % of Total Revenue



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

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



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 inline with peers

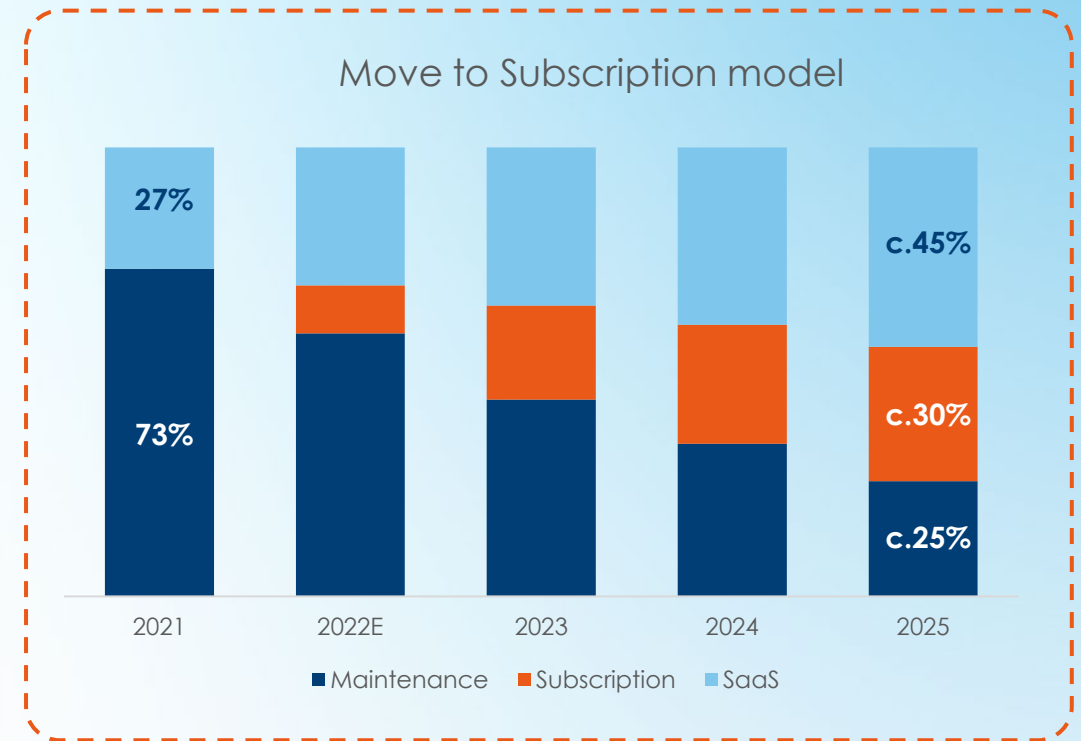
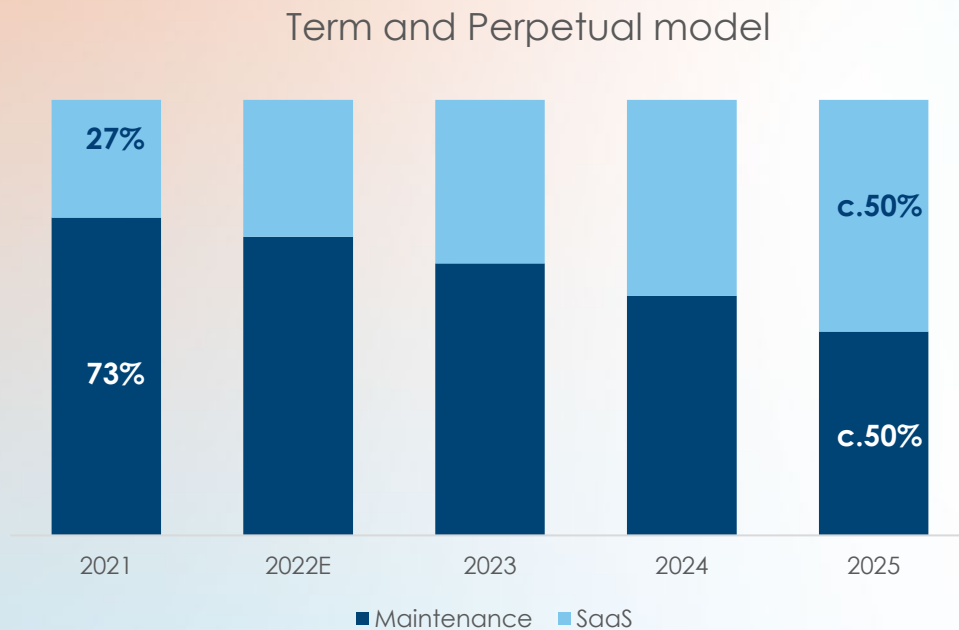


Greater upsell opportunity



Better customer retention

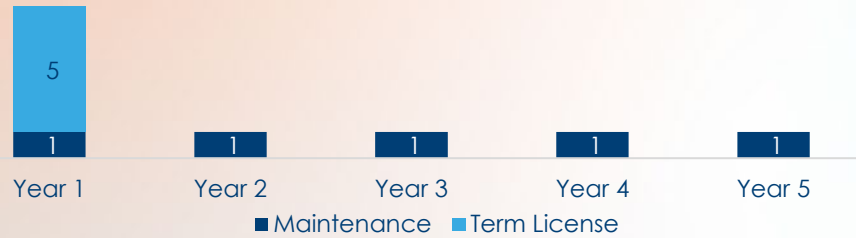
Subscription will become a material contributor to ARR



Subscription and SaaS to become main contributors through 2025 and beyond

Subscription model illustration

Term / Perpetual model – P&L



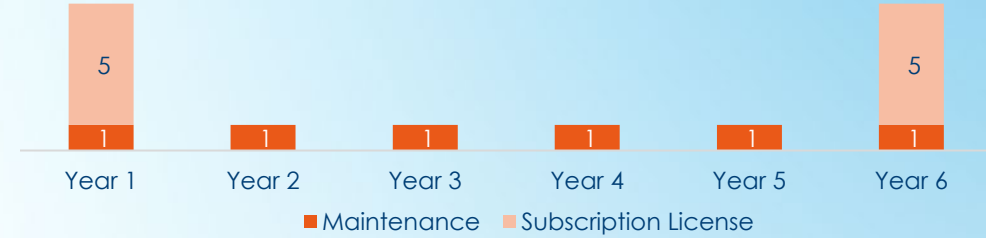
Term / Perpetual model – Cash



Term / Perpetual model – ARR



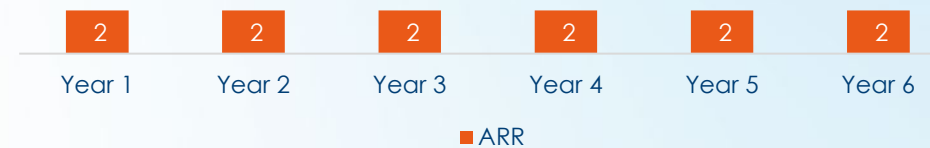
Subscription model – P&L



Subscription model – Cash



Subscription model – ARR



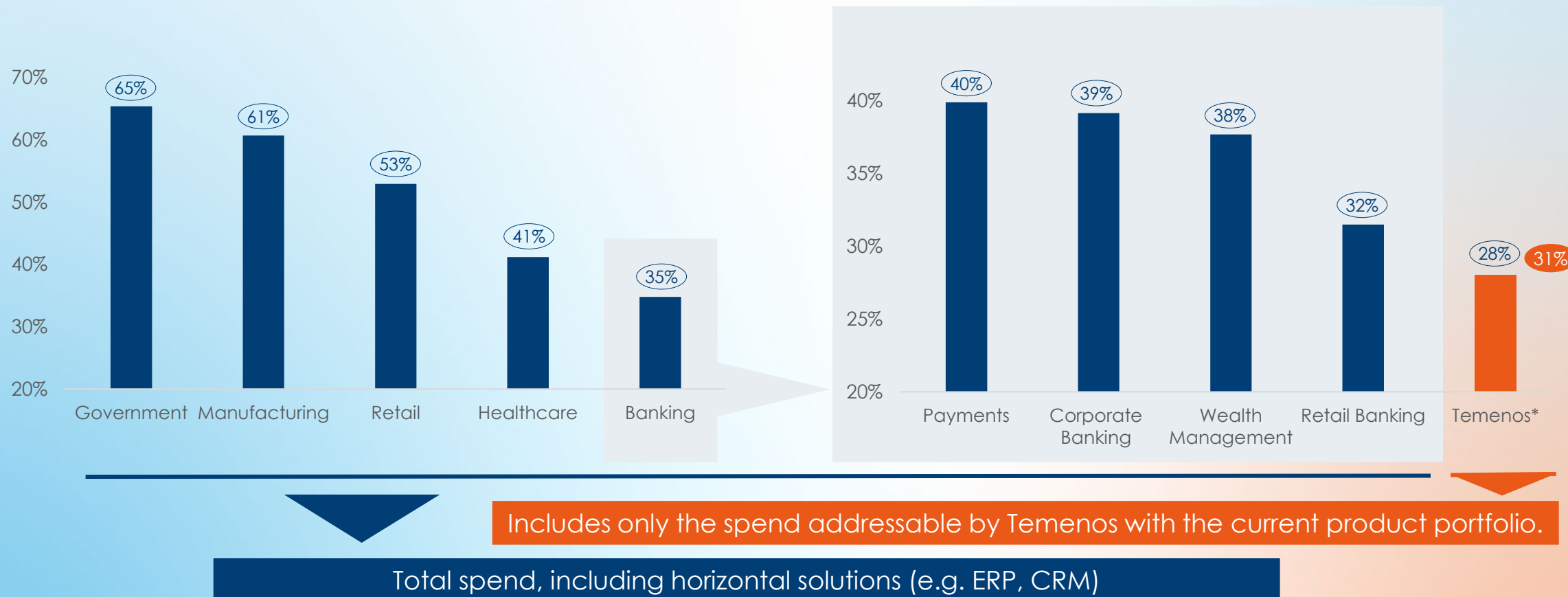
| Drivers of growth



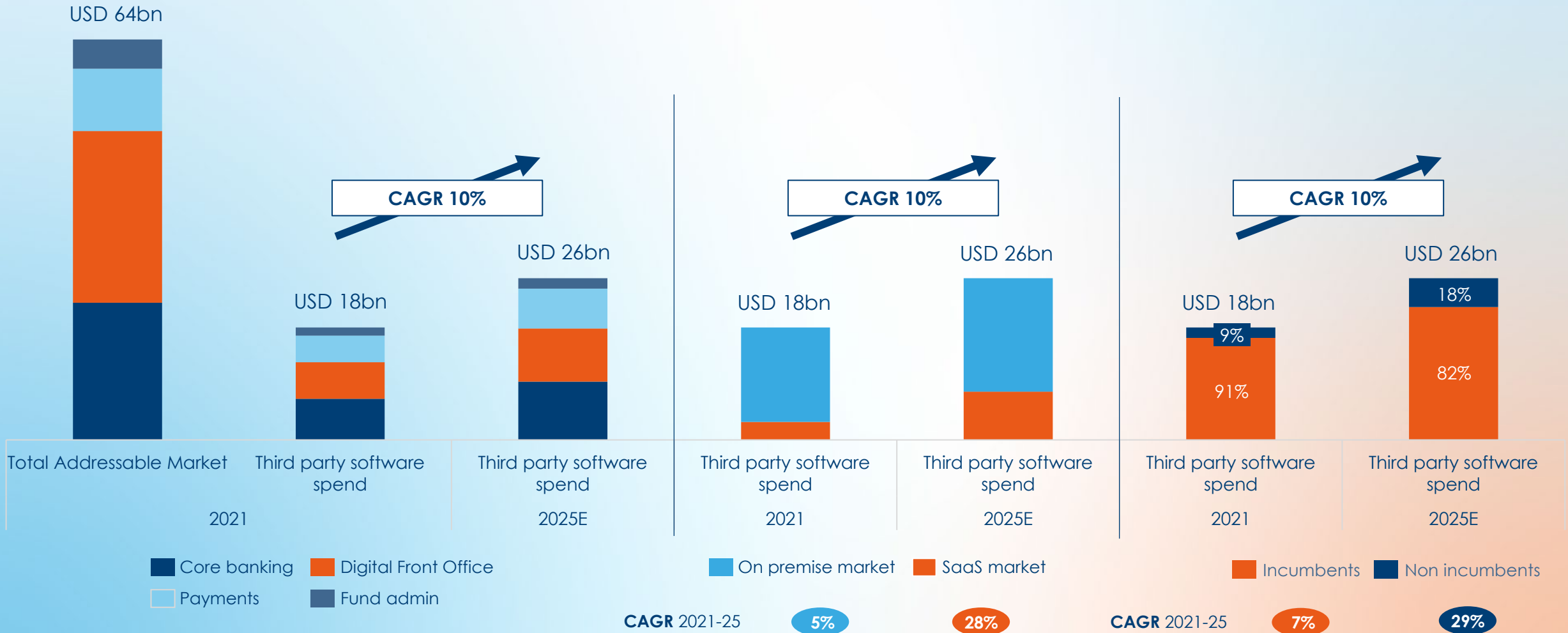
Application software is significantly underpenetrated

Third Party Software penetration by industry in 2021

○ 2021 ● 2025



Sizeable and fast-growing addressable market



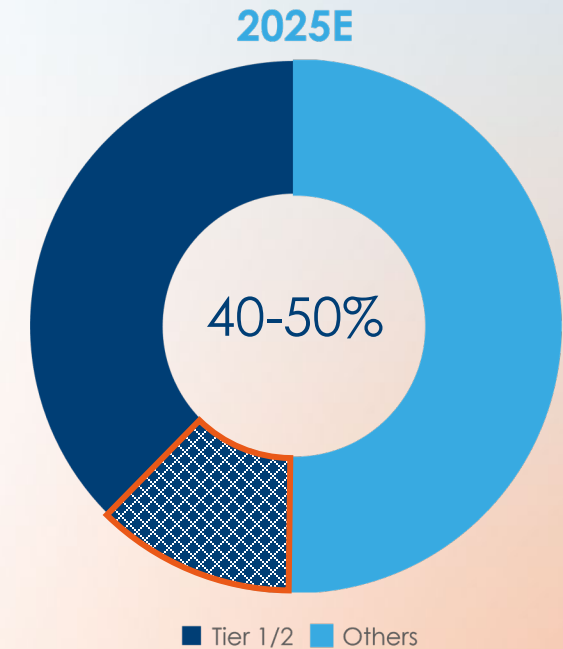
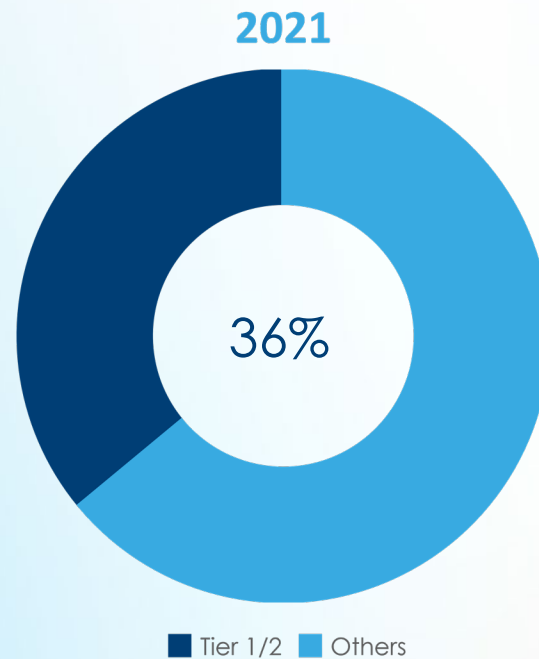
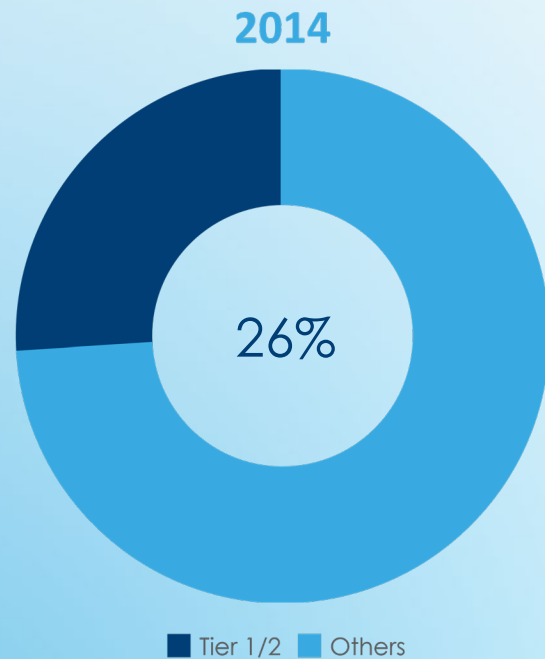
Source: IDC, Ovum, Celent, McKinsey, Temenos estimates

Incumbents refers to traditional banks, non-incumbents refers to new business models offering banking services and products

Building momentum with tier 1 and 2 clients



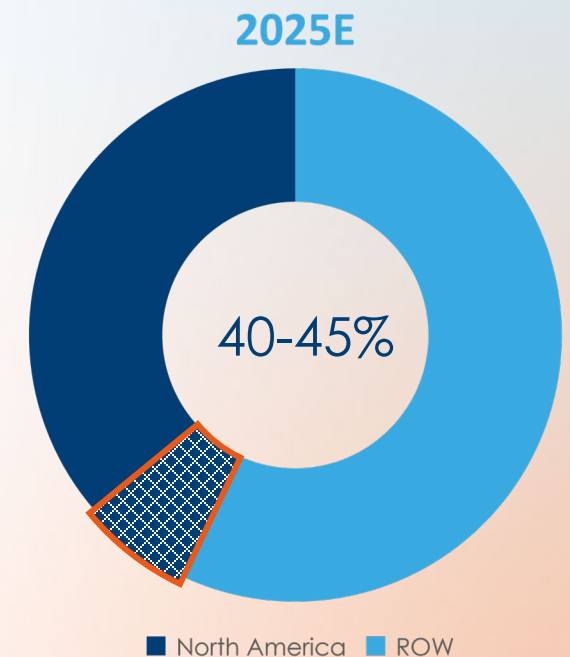
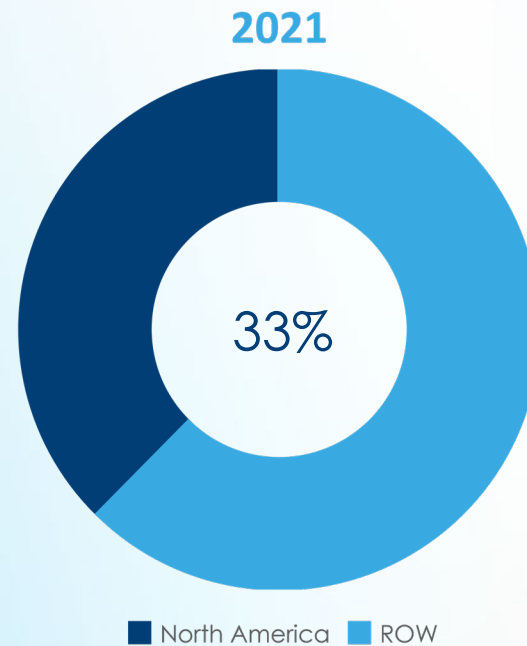
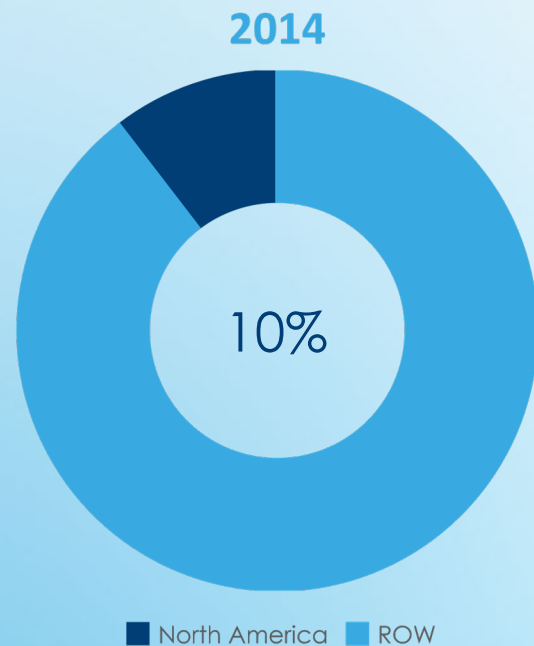
Non-IFRS total software licensing revenues by client tier



Building momentum in North America



Non-IFRS total software licensing, North America vs. Rest of World



| Future Reporting - Subscription

Total Software Licensing (old)	Total Software Licensing (new)
+ License revenue	+ Term & Perpetual License revenue
+ SaaS	+ Subscription
	+ SaaS
= Total Software Licensing revenue	= Total Software Licensing revenue

ARR (old)	ARR (new)
+ Term & Perpetual Maintenance	+ Term & Perpetual Maintenance
+ SaaS	+ Subscription
	+ SaaS
= Annual Recurring Revenue	= Annual Recurring Revenue

Focused Guidance Metrics

KPI	Reporting	Annual Guidance	2025 Targets (absolute / CAGR)
SaaS ACV	✓		
Total Bookings	✓		
ARR	✓	✓	✓
Total Software Licensing	✓	✓	✓
Total Revenue	✓	✓	✓
EBIT	✓	✓	✓
Operating Cash Conversion	✓	✓	
Free Cash Flow	✓		✓
Recurring Revenue	✓		
DSO	✓		
Tax Rate	✓		

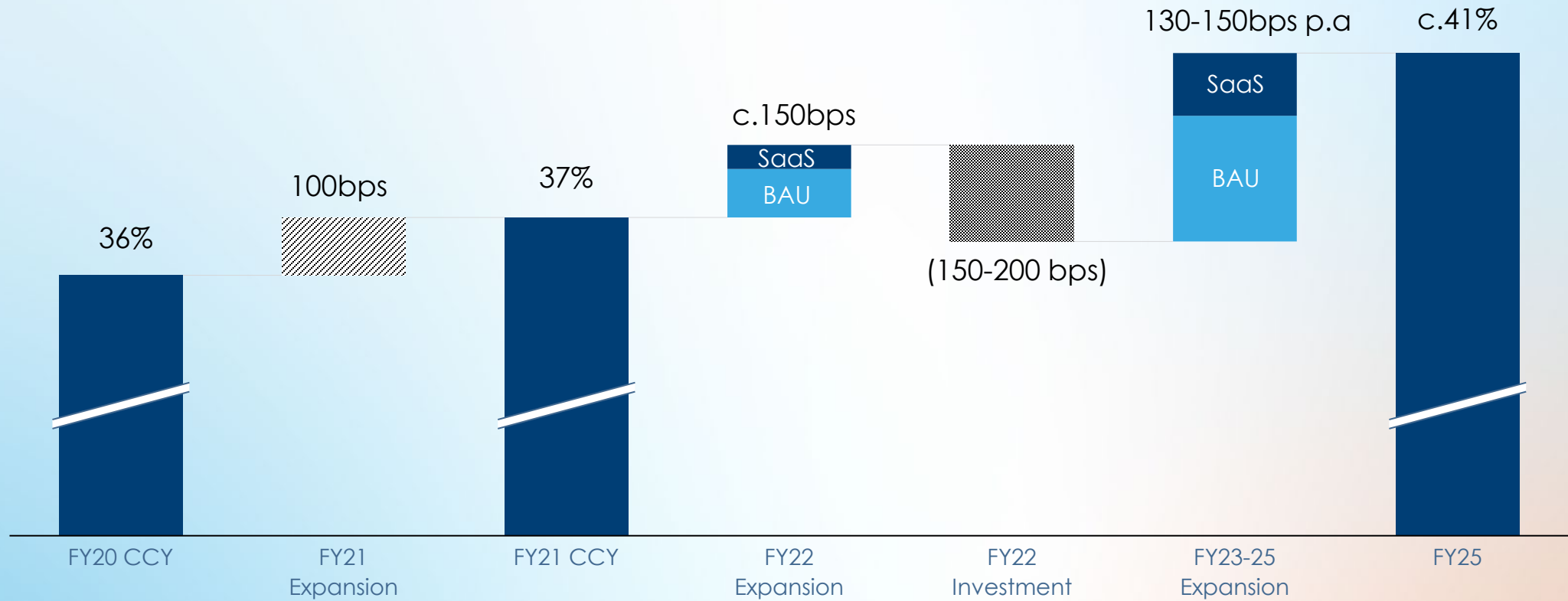
Medium Term Targets

Mid-term Guidance	2020 (CCY)	2021 (CCY)	Medium Term Targets	Previous guidance
ARR	494	553	20-25% CAGR 2021-25 c.USD1.3bn of ARR by 2025	>=15% CAGR 2020-25
Total Software Licensing	356	414	15-20% CAGR 2021-25	15-20% CAGR 2020-25
Total revenue	900	962	10-15% CAGR 2021-25	10-15% CAGR 2020-25
EBIT margin	35.9%	37.1%	c.41% by 2025	c.41% by 2025
FCF	297	358	10-15% CAGR 2021-26 to reach >USD600m by 2026	>=15% CAGR 2020-25 to reach >USD600m

Targets are non-IFRS. Tax rates estimate: FY22 guidance at 18-20%, 19.5-21.5% for FY23-25

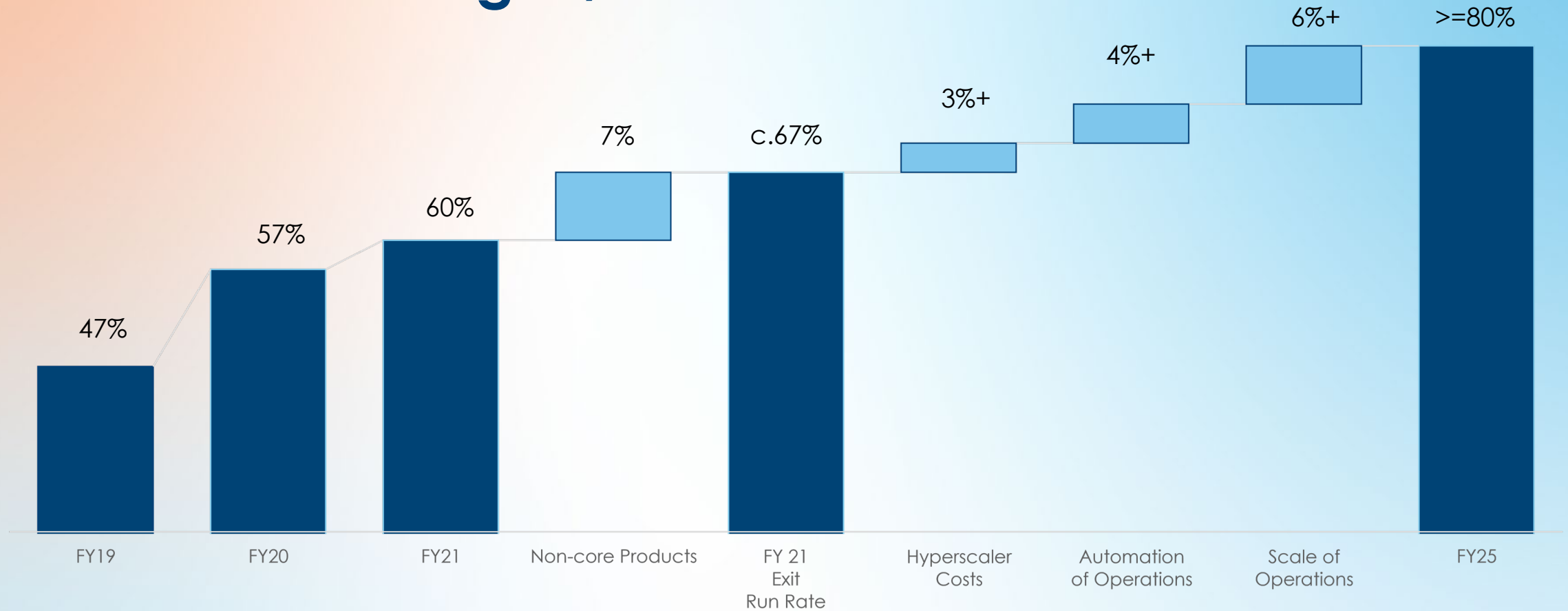


EBIT Margin % expansion



- After years of margin expansion (FY14-21 averaging >100bps p.a.), FY22 represents a year of investment (e.g. wage inflation, variable cost increases such as travel)
- FY23-25 resumption of margin expansion trajectory

SaaS Gross Margin % evolution

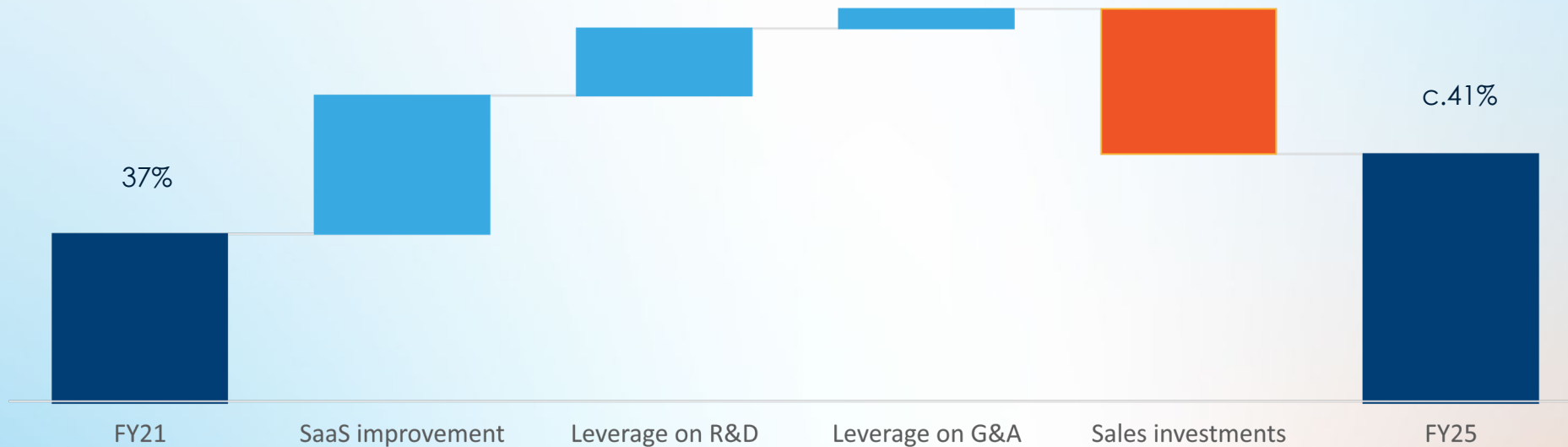


- Hyper-scalers: unit costs to reduce as volumes increase
- Automation to drive significant efficiencies in operation centres
- Operations optimised into centralised offshore function with local hubs to provide “follow the sun” service and drive economies of scale

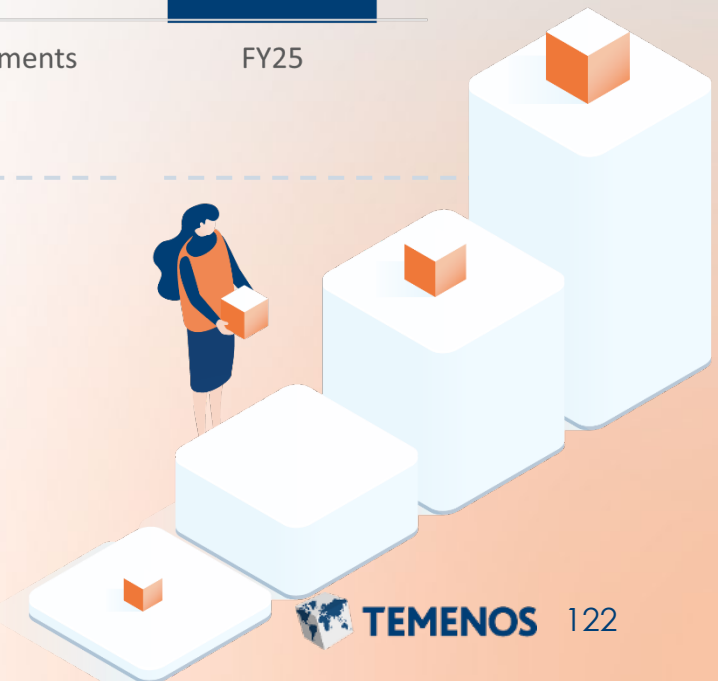
Gross margin includes all SaaS dedicated operations costs including cloud platform costs, datacentre infrastructure, people & associated costs, security tooling and compliance costs.

FY21 exit run rate adjusted to include all contracted revenues and cost optimisations currently in implementation.

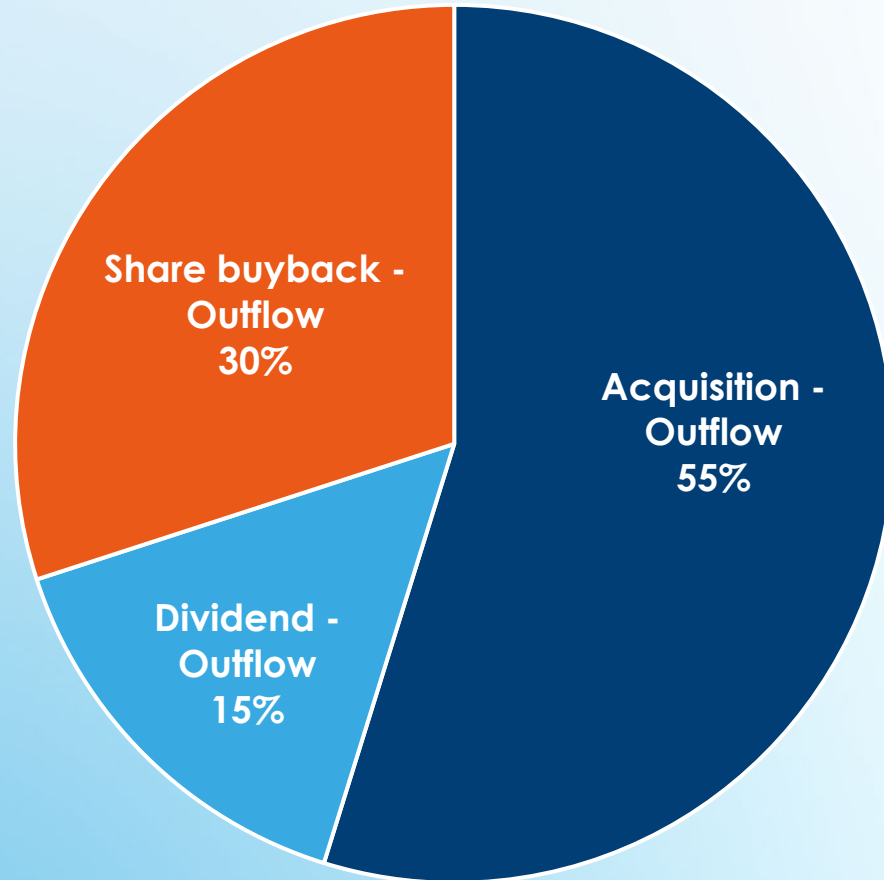
Drivers of non-IFRS EBIT margin evolution



- On-Premise and services gross margin to remain constant
- SaaS Gross Margin to expand to at least 80%
- Continued leverage of R&D and G&A infrastructure
- Sustained investments in Sales & Marketing



Disciplined capital allocation (2015-2021)



Balance sheet
(31-Dec-21)

Weighted average
interest rate

2.1%

Weighted average debt
maturity








2.2 years

Leverage ratio

1.8x

Targeted acquisitions for USD1.2bn+ and returned c.USD1bn to shareholders

Using M&A to accelerate organic growth

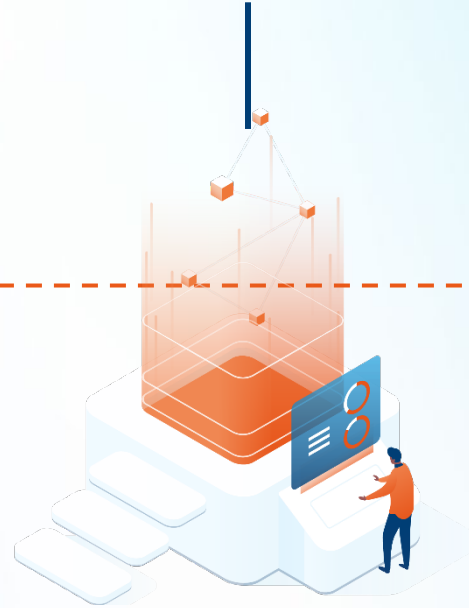
Date		Price (m)	Capabilities
Sep 19		\$560	US scale, digital banking and low code development, cloud operations excellence
Jul 19		£12	Explainable AI expertise across all products
Feb 19		N.D.	Data lake capabilities
Dec 18		\$245	Digital front office, cloud operations excellence
Feb 17		\$50	Core banking, wealth management, scale in Australia
Mar 15		\$260	Fund and securities
Feb 15		\$55	Core banking, analytics, US credit union expertise

15-20% EBIT contribution over 6 years from USD1.2bn of M&A

A three-pronged approach to M&A to accelerate organic growth



**Accelerated R&D
roadmap in key
markets and
segments**



**Increased
scale**



**Adjacent markets
and
complementary
products**

Driving shareholder value through accelerating growth

A sizeable and fast growing market that is changing rapidly

Temenos is a leader across all client types, incumbent and non-incumbent

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

Move to subscription will further accelerate our growth

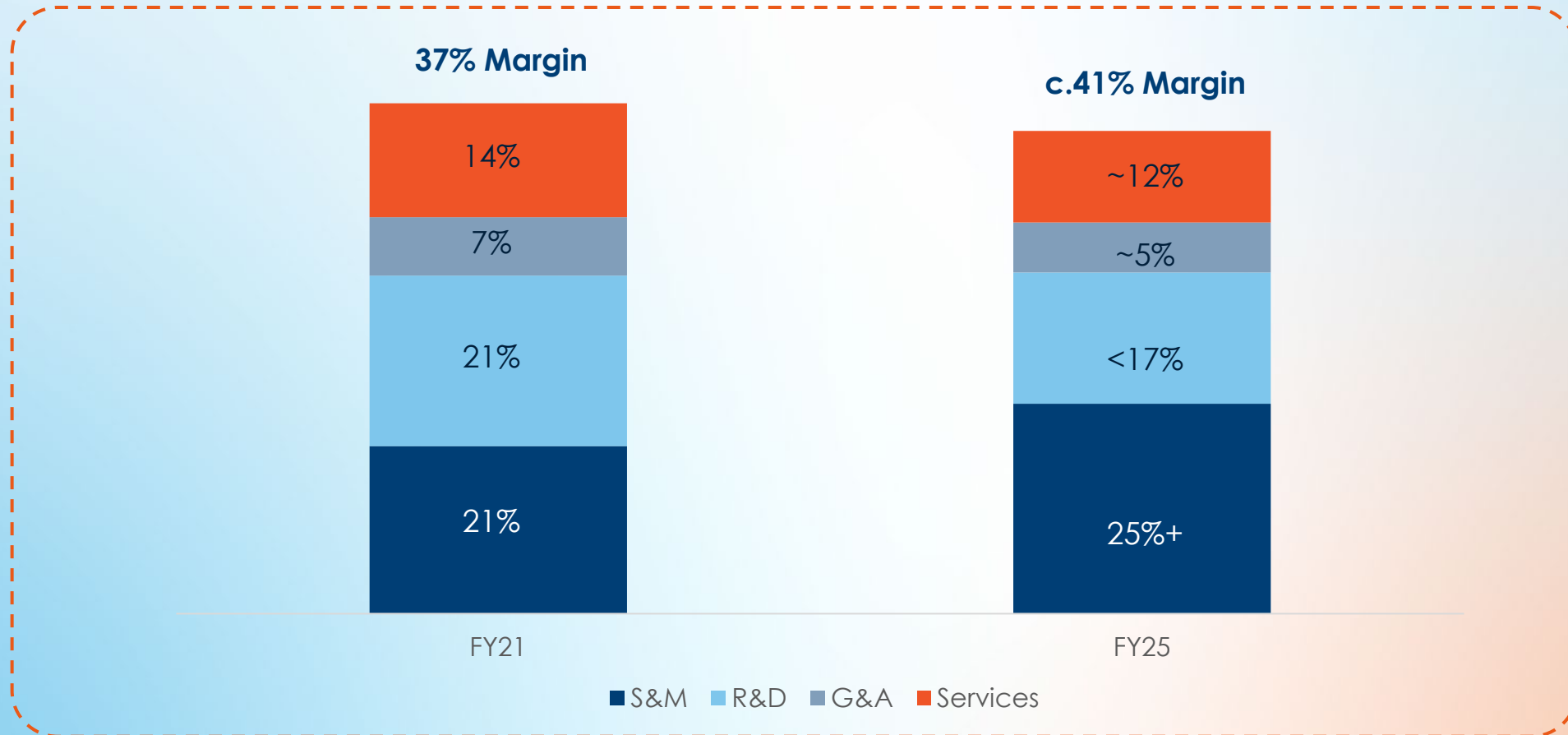


| Appendix

TEMENOS
Capital Markets Day

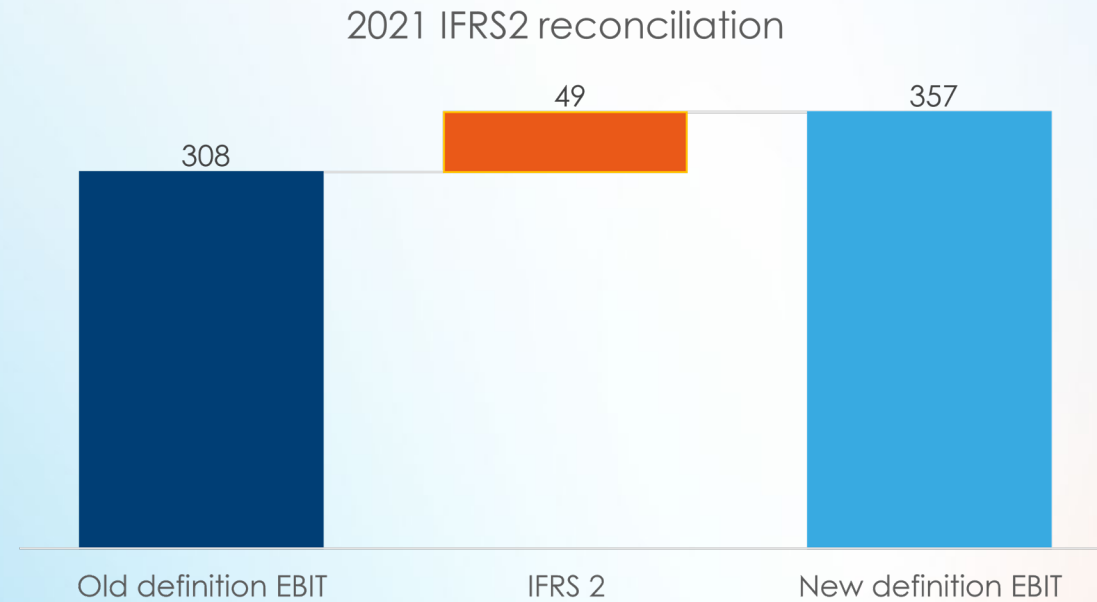


| Key cost lines as a percentage of revenue



Note: Non-IFRS.

Non-IFRS EBIT reconciliation



- Last 10 year average IFRS2 cost as a % of revenues was c.4-5%
- Total IFRS2 charges for companies in peer group is 4.5%

Thank You

