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Capital Markets Day 2023

10:00 Strategy and Vision

Andreas Andreades Executive Chairman and Acting CEO

10:25 Industry Trends and CEO Navigator

Kanika Hope Chief Strategy Officer

10:40 Temenos Product and Clients

Prema Varadhan President Product and Chief Operating Officer

11:10 Coffee Break

11:30 Temenos Technology

Tony Coleman Chief Technology Officer

11:40 North America Strategy

Philip Barnett President Americas

11:50 Temenos' People Agenda

Jayde Tipper Chief People Officer

12:00 ESG: our path to sustainable growth

Kalliopi Chioti Chief Marketing and ESG Officer

12:10 Financial Drivers

Takis Spiliopoulos Chief Financial Officer

12:30 Q&A

13:00 Networking Lunch

- Q&A will be held at the end of the event
- Webcast participants can submit questions online through the portal
- In-person attendees can submit questions via Slido – scan the QR code on your name badges or download the Slido app, event #7800150



Or through the
Slido App:
event
#7800150

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Strategy and vision

Andreas Andreades

Executive Chairman and Acting CEO



Introduction to Temenos

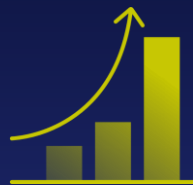


Delivering tangible business value through our platform



Win on Customer Experience

Hyper-personalization powered by open banking and explainable AI



Agility to Grow

Faster innovation with cloud native, API-first banking capabilities and a plug-and-play fintech ecosystem



Scale Without Limits

Improved cost-to-income ratio with unlimited scale and services delivered at a fraction of cost of legacy systems



Source:
1. Temenos CEO Navigator 2022. Sample from 102+ Banks. Refers to Digital Banking capabilities; 2. Retail banks with Temenos Product Builder; 3. Banks with Temenos core banking; 4. Banks running Temenos front-to-back

Everyone's

Banking

Platform

3K clients

In **150+**
countries

Smallest
Client

500
accounts

Largest
Client

150M
accounts

200+
partners

**Our top performing banks achieve CIRS half the industry average
and returns 3X the industry average**



Retail



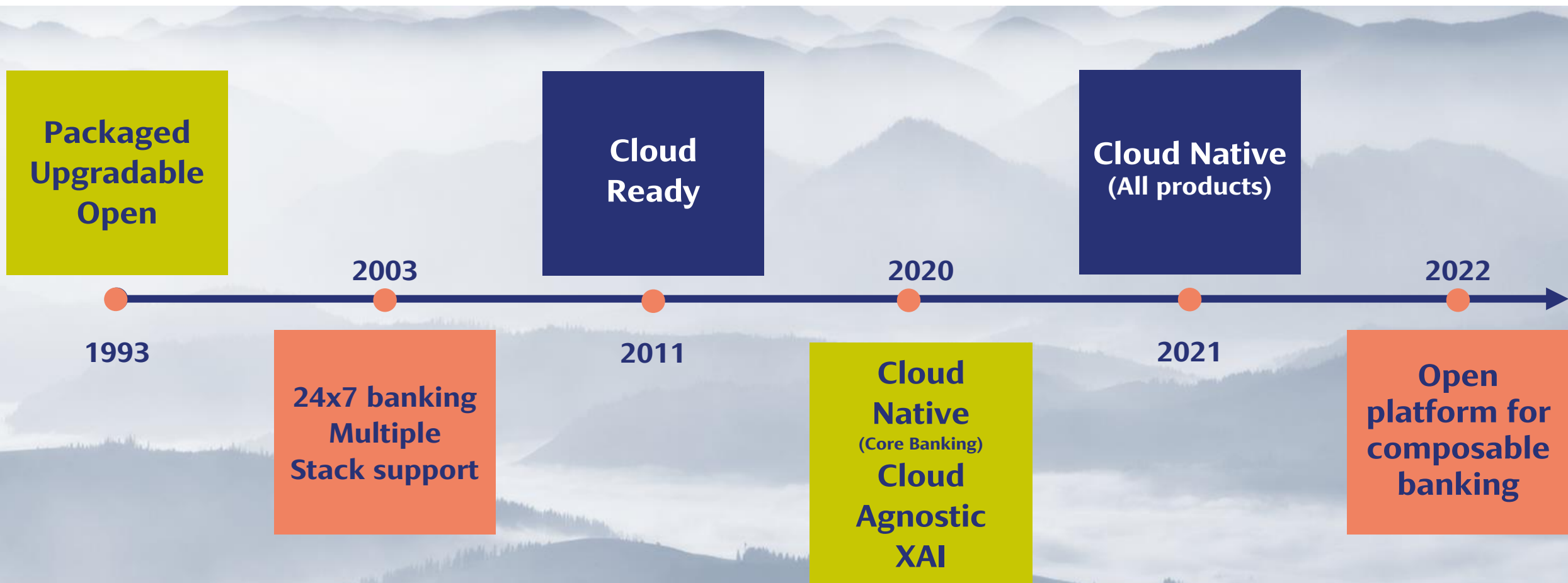
Corporate



Wealth



We've always been pioneers



\$2.8B
1995-2022



Unparalleled R&D investment



\$1.3B
2023-2026

(Based on historic R&D ratios on predicted revenues)

Market Opportunity

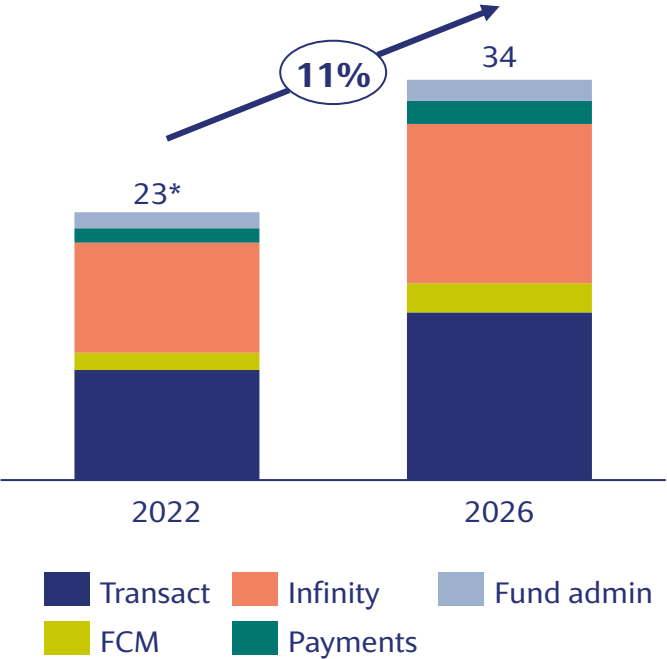


Temenos Serviceable Addressable Market (SAM)

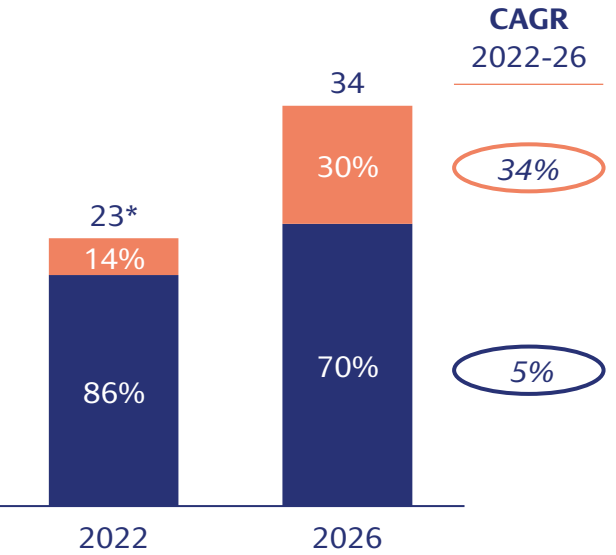
Serviceable Addressable Market is the banking 3rd party software spend addressable by Temenos products

Serviceable addressable market (SAM) \$ B

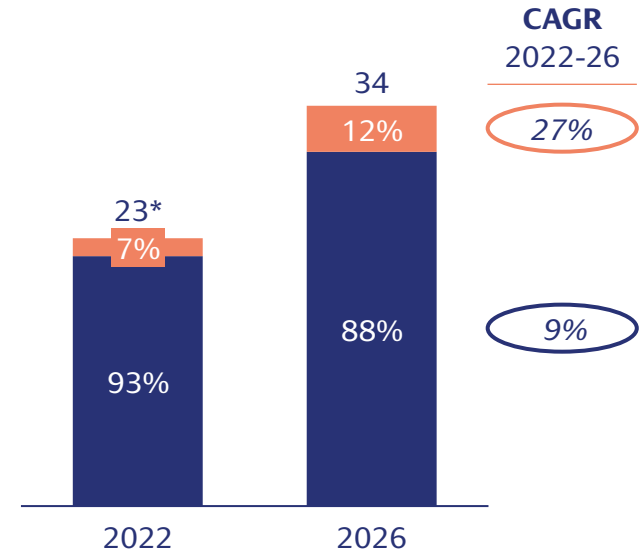
By Product



By SaaS vs On Premise



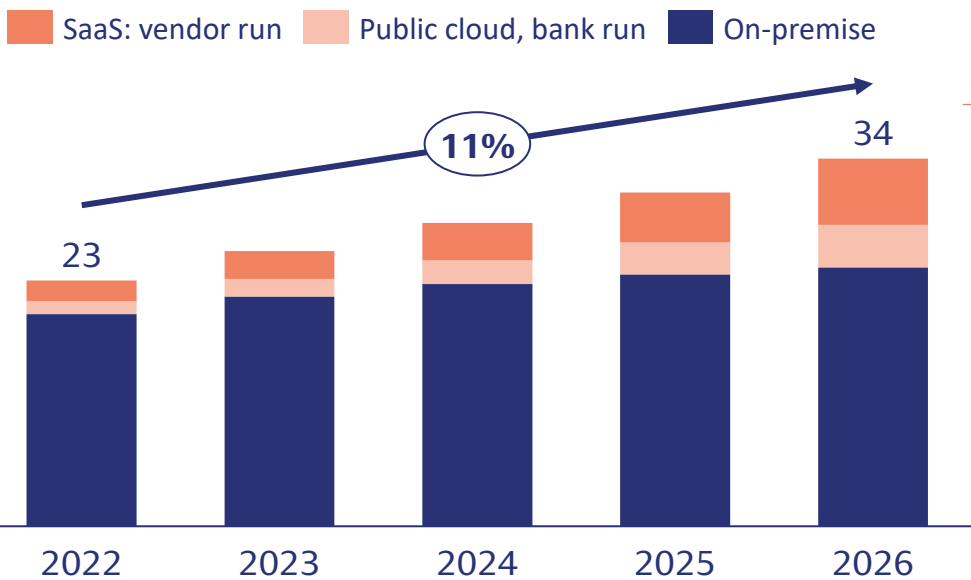
By Incumbent vs Non-incumbent



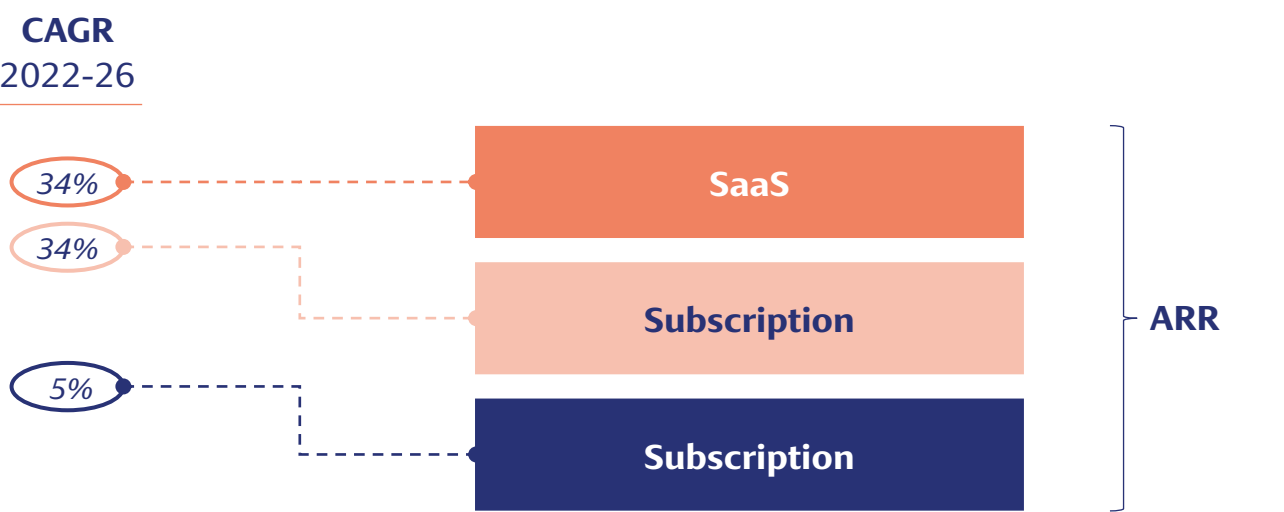
Source: IDC, Ovum, McKinsey, S&P CapIQ, CB Insights, Temenos estimates. FCM is Financial Crime Mitigation.
 * represents an estimated 30-40% of addressable market including in-house spend

Public cloud adoption accelerating Temenos SaaS as well as Subscription revenues

Serviceable addressable market (SAM) \$ B



Implications for Temenos revenue model



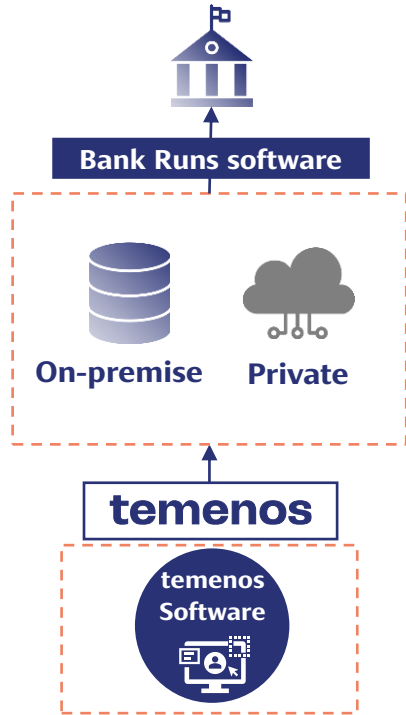
94% of bankers expect >50% of business to move to cloud within 3 years


2x increase in preference for public cloud amongst banks in 2022 vs 2021

We monetize Public Cloud and SaaS market growth through both SaaS and Subscription to drive ARR

Revenue and operating models

Subscription revenue

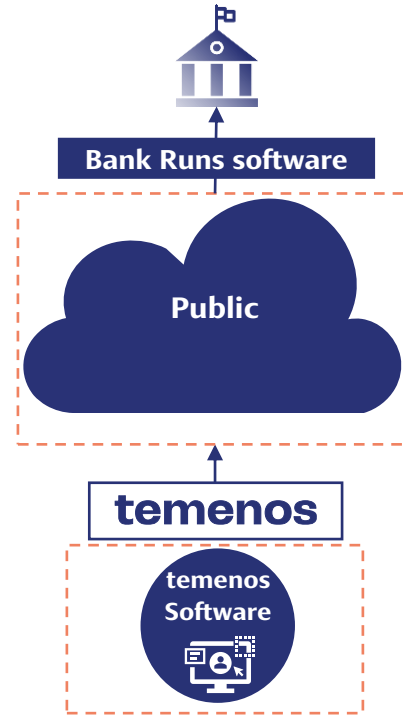



- Banks to continue in jurisdictions with restrictions 
- Larger banks likely to run software themselves for main business lines

- Traditional Temenos business

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Subscription revenue

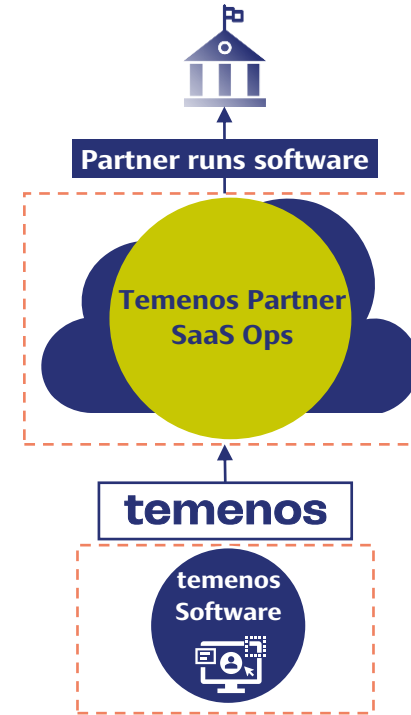



- Larger banks likely to run software themselves for main business lines 
- Growth in public cloud accelerates revenues for Temenos

- Traditional Temenos business

temenos

Partner runs software

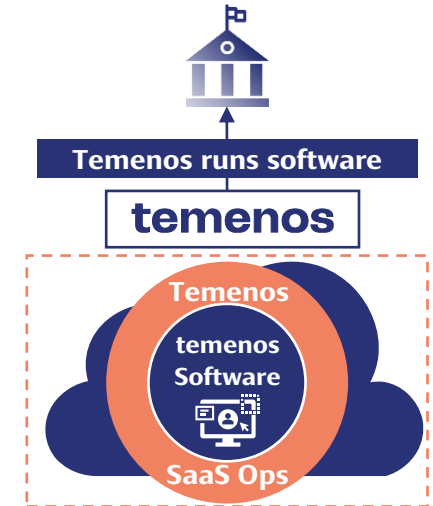



- Larger banks more open to large SIs providing managed services 
- Banks in jurisdictions with data sovereignty & data centre location issues for hyper-scalers

- Opportunity for Temenos to improve margin and scale in new segments/markets
- Migration strategy for banks running legacy
- Accelerated integration to banks' IT landscape

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SaaS revenue

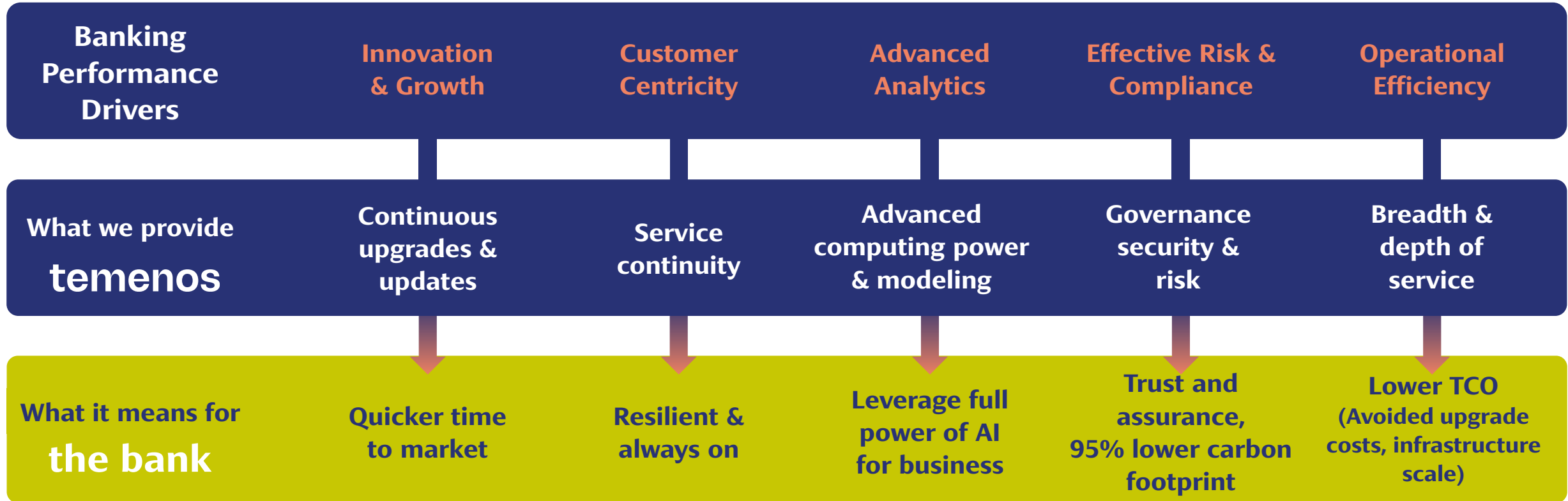


- Typically for smaller banks and non-incumbents 
- Increasingly adopted by larger banks for overseas, speciality business lines
- Some mainstream large banks are also moving onto Temenos Banking cloud

- Temenos margin improves with scale, automation, and cross-sell

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SaaS benefits and its implications for Banks and Temenos



Temenos benefits through incremental revenues via value added services, cross sell, up sell
Equally applicable to existing clients
X 2-3 deal size compared to on premise

Single code and configuration base enables Temenos to target a higher serviceable addressable market and quickly adapt to SaaS



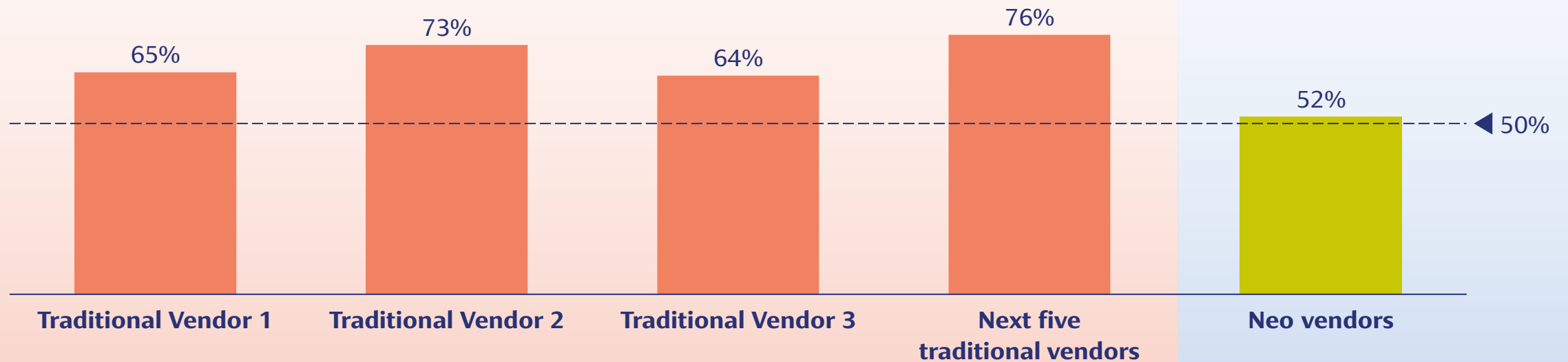
Core Banking: 2022 win-rates vs top competitors



Top traditional vendors



Top neo-vendors



Temenos has strong win-rates against traditional and neo competitors in Core Banking

Why we outsell the competition



Temenos vs ALL vendors



Packaged, upgradable



Functionality breadth & depth



Pre-built **localization**



Extensible



Temenos vs Traditional vendors



100% **Banking** focused



Market leadership, including non-incumbents



Proven **SaaS** delivery and **cloud native**



Temenos vs Neo-vendors



Proven **scalability**

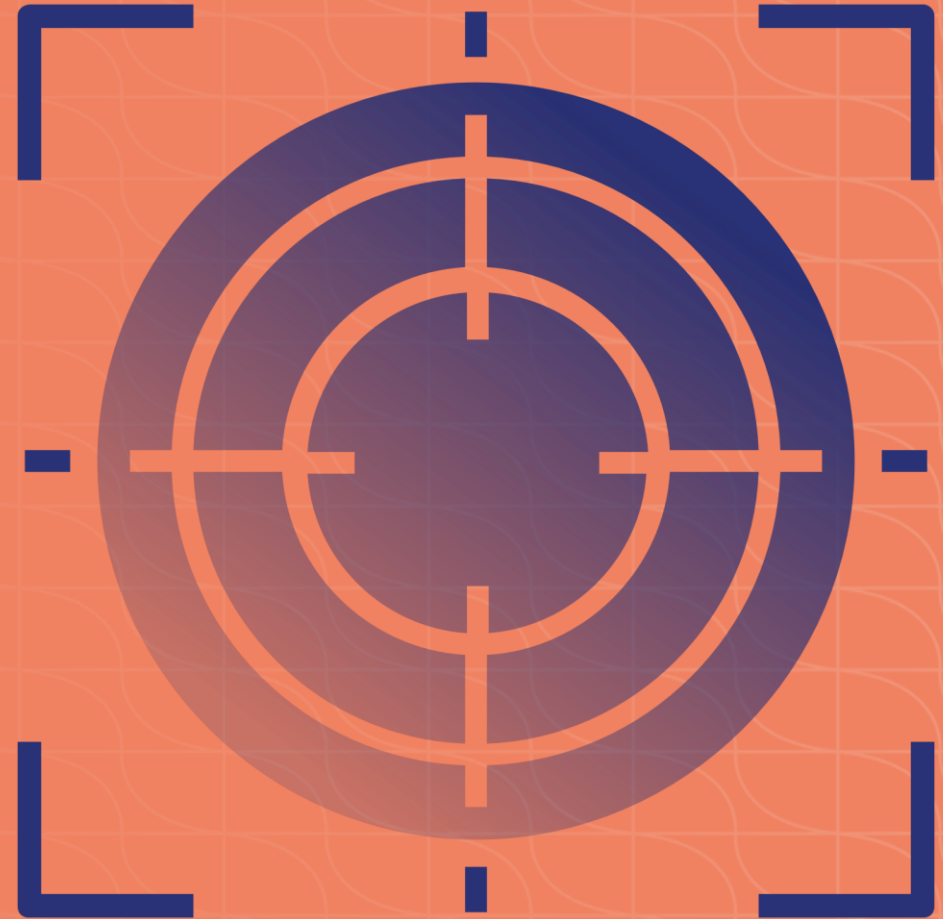


Proven **migration** credentials in every segment and tier



30 years of **regulation, security** and **compliance**

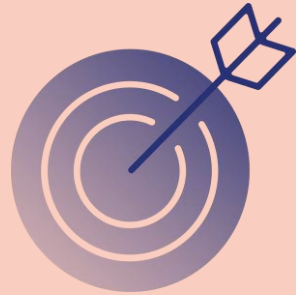
Key strategic initiatives



Key strategic initiatives



**Continued SaaS
acceleration**



**North America
focus**



**Partner centric
approach**

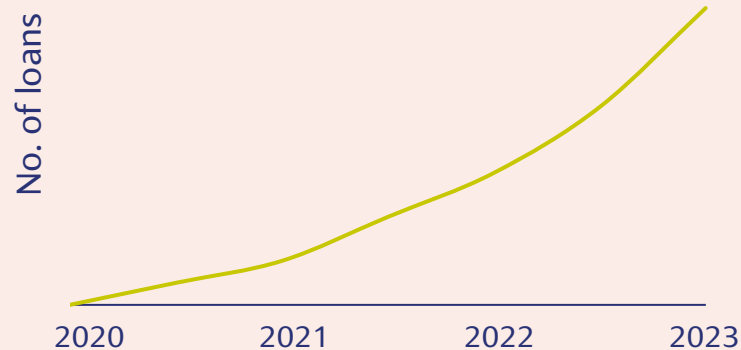


**Increasing
penetration
in larger banks**



Market leading Platform player in Embedded Lending: Massive & instant scalability with Temenos Banking Cloud

Exponential growth in loan volumes



150M

Loans

25M

Customers

2M

Merchants
with BNPL
transactions

\$20B

Transaction
volume

Background & Context

Establishing a **flexible, scalable credit platform** for merchant & consumer segments
Supporting country specific and global **regulatory compliance**

Why Temenos

Increased speed-to-market through a flexible, configuration driven platform
Ease of integration with current infrastructure and partner ecosystem
Single “credit as a service” solution for differentiated experiences

Outcomes

Offering expanded to **7 countries and continuing; 9 different products**
Products are built within weeks versus months or years
High scalability with **378 M API calls** during Black Friday promotion 2022
50% of customers who use the product, have **repeat usage** within 3 months

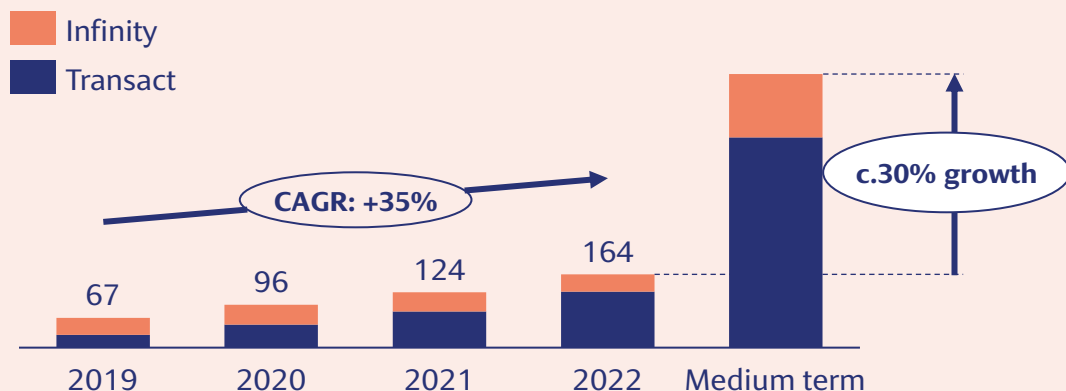
*“I would also highlight the rapid growth of our buy now, pay later functionality. We saw tremendous and growing demand throughout the quarter and **witnessed the fastest start to any product we have ever launched.**” - CXO*



Continued focus on profitable SaaS growth with margin expansion

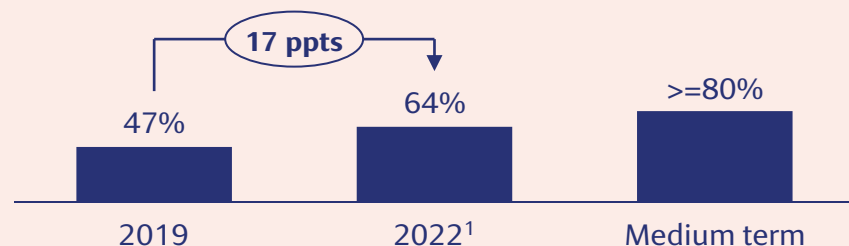
Sustained SaaS revenue growth

SaaS Revenue (USD M)

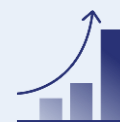


Sustained SaaS margin improvement

SaaS margin



SaaS growth levers



Best in class **scalability** and **security**



Advancements in **self service**, **extensibility**, and **ESG** (**carbon footprint calculator**)



Increased demand for SaaS from incumbents; **transition campaign** under way for installed base



Continued focus on **SaaS operational improvements**

1. FY22 run rate adjusted to include all contracted revenues and cost optimisation currently in implementation

Established North America presence



Incumbents

JPMORGAN
CHASE & CO.

 **Commerce Bank**
Member FDIC



citibank

CIBC 

ally

canada  **life**

Comerica



Canadian
Western Bank

 **Manulife** Private Wealth

Challengers

 **PayPal**


greendot



CANADIAN TIRE
BANK®

VARO

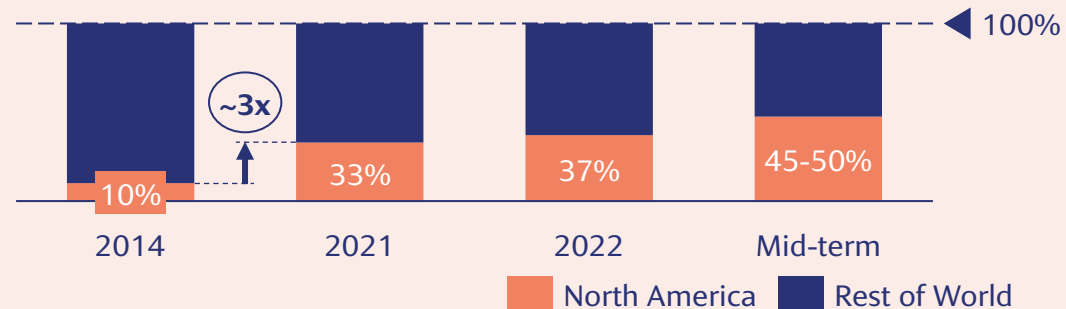
1500+ customers, 9 offices, 400+ staff



Continuing momentum in North America

North America Total Software licensing has grown 2x in the last four years

Total software licensing: North America vs. Rest of World¹



New logos (not exhaustive)



NAM strategy paying off



Target top tier banks for digital transformation

- Top 20 bank in US for Retail & Corporate,
- Global Tier 1 for intl. Wealth
- Commerce bank – progressed localization



Target banks and Credit Unions with targeted Infinity offering (originations, customer journeys, collections) high demand

- 6 new logos in 2022



Maintain leadership in Challenger banking segment – some key wins

- Canadian Tire (banking arm of large retailer),
- Battle Bank (newly established ethical challenger)



Target International subsidiaries in US

- Selected by Brinya bank (US subsidiary of Indonesia's Rakyat Bank)
- Bank of China



Partnering to penetrate the US BaaS market

- Enabling Tier 3-4 banks to generate additional revenues through BaaS
- Enabling brands to launch their embedded finance offerings faster

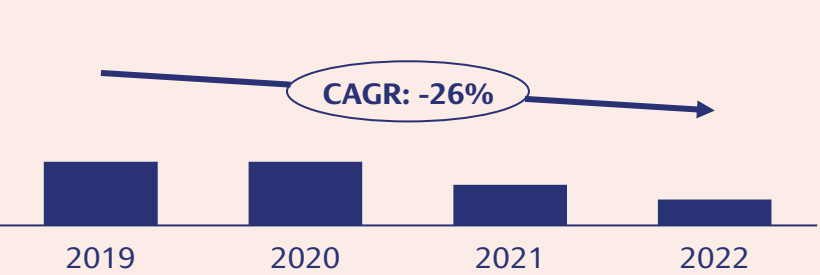


Advancement in Partner strategy to scale capabilities and revenue

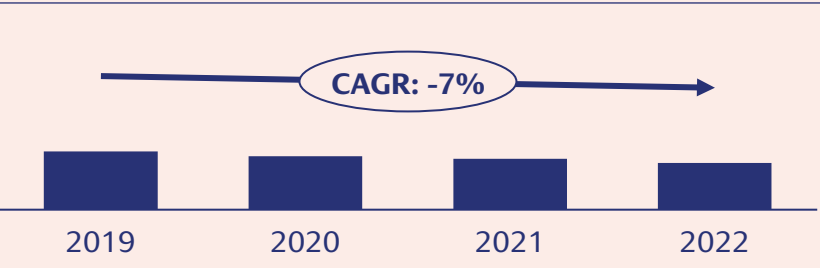
+22%
2019-2022

Win rate in competitive deals brought or influenced by partner

Local development revenue (USD M)



Services revenue (USD M)



Partner plays



Sales partners for localization

- Set up partnerships for country model or segment specific solutions



Resellers

- Set up resellers for specific territories or solutions
- 25 new resellers recruited during Q4 2022



BAHWAN CYBERTEK



Delivery partners

- Continuous Partner capability & coverage reviews
- Partner certifications by solution
- Onboarding 3 new delivery partners in Q1 2023



Temenos Exchange

- Rigorous selection and pre-integration
- +100 leads generated
- 23 new providers onboarded in 2022
- 80 new solutions planned for onboarding in 2023

THE DISRUPTION HOUSE
ENABLING INNOVATION



Fireblocks



MARQETA



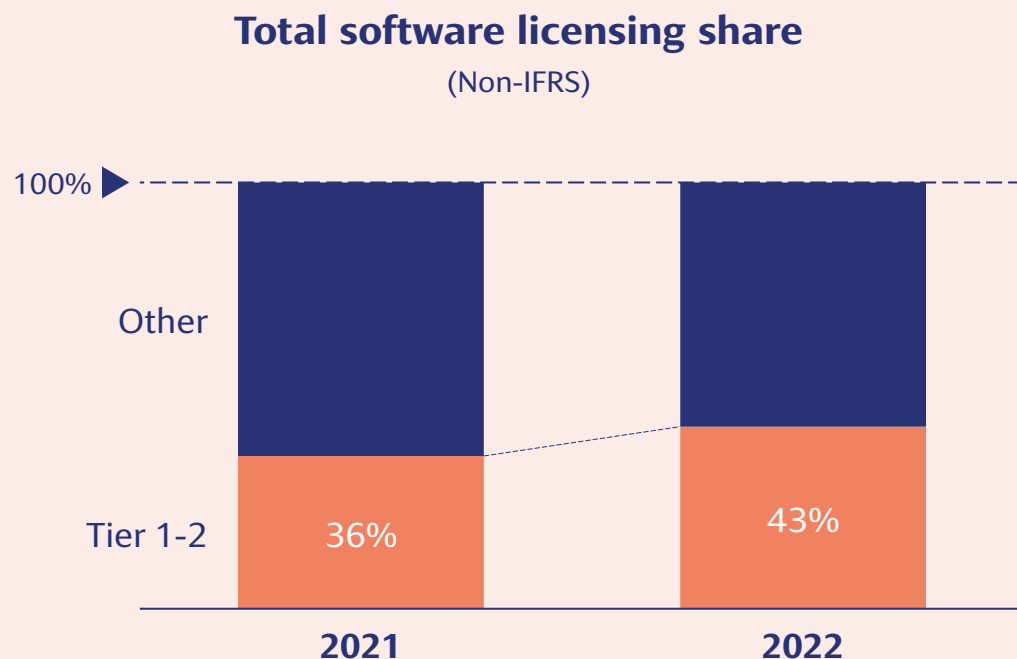
Wolters Kluwer



Large bank revenue has grown; remains a priority



Growth in large bank penetration



Increasing penetration within larger banks



Progress in Composable platform – 35 independently deployable and upgradeable banking capabilities with another 30 in progress, to support progressive renovation



Cloud native – platform enhancements include

- Latest innovations from hyper-scalers without lock-in (cloud agnostic)
- Embedded & continuous DevOps which lowers time-to-market
- Elasticity, reliability and enhanced security across regions



Doubling down on Wealth and Corporate
(Large bank Corporate Lending)



Market leadership in **bank-owned-challenger segment**



Global presence and localization (45+ Country Models) a key differentiator for multi-geography harmonization
Partner driven localization strategy will accelerate it

Temenos continues to top ESG global indices and ratings

95% fewer emissions



**Top 25
Swiss
stocks**
SXI Switzerland
Sustainability 25®
Index

**TOP 50F
category
globally**
Dow Jones
Sustainability Index
World & Europe

**Top
10%**
FTSE4GOOD
Index

**Highest
rating**
CDP
Leadership (A/A-)

**Highest
rating**

MSCI AAA Rating

**Highest
rating**

ISS E&S Rating

**PRIME
status**
ISS ESG PRIME
Status

**Low
risk**
Sustainalytics

**Top
performer**
Bloomberg Gender
Equality Index

**2x Sustainability
Award
Winner**
2022 S&P Global
Silver Class + Industry
Mover

**Top
1%**
Ecovadis
Platinum medal

**Top
20%**
Vigeo Eiris

**We
Collaborate**

**We
Care**

TEMENOSITY



**We
Commit**

**We
Challenge**

People and Culture - A Strategic Asset built over 30 years

Summary

-  Value delivery to our clients is at the core of Temenos business model
-  Highest quality of client case studies and references propelling growth
-  Innovation and creative disruption at the heart of 30 years of market leadership, cloud native credentials
-  Robust competitive position
-  Broadest monetisation of the rise of SaaS and Cloud through a recurring revenue model
-  Efficiency of single platform model leverages R&D investment
-  Compelling SaaS value proposition
-  Large and growing market across incumbents and new entrants - the rise of embedded finance is disruptive to incumbents, an opportunity to Temenos
-  Consistent and focused growth in North America market
-  Sustainability and Culture, strategic assets

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Digital Transformation 2023 – A perfect storm

Kanika Hope
Chief Strategy Officer



Key Digital Trends 2023

Top Banking Trends for 2023

1

Digital Transformation



2

SaaS and public cloud



3

Banking-as-a-service



4

Uncertainty for challengers



5

ESG



6

CBDCs



New technologies continue to mature and intensify pressures on banks



Demanding Customers



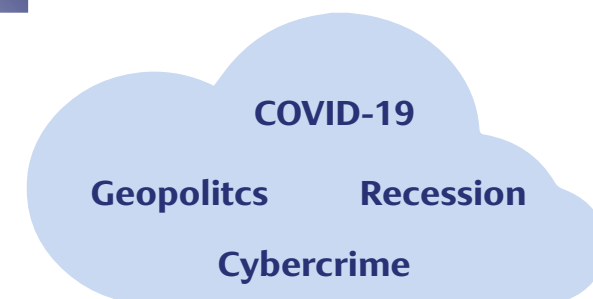
BANKS



Rise of New Competitors



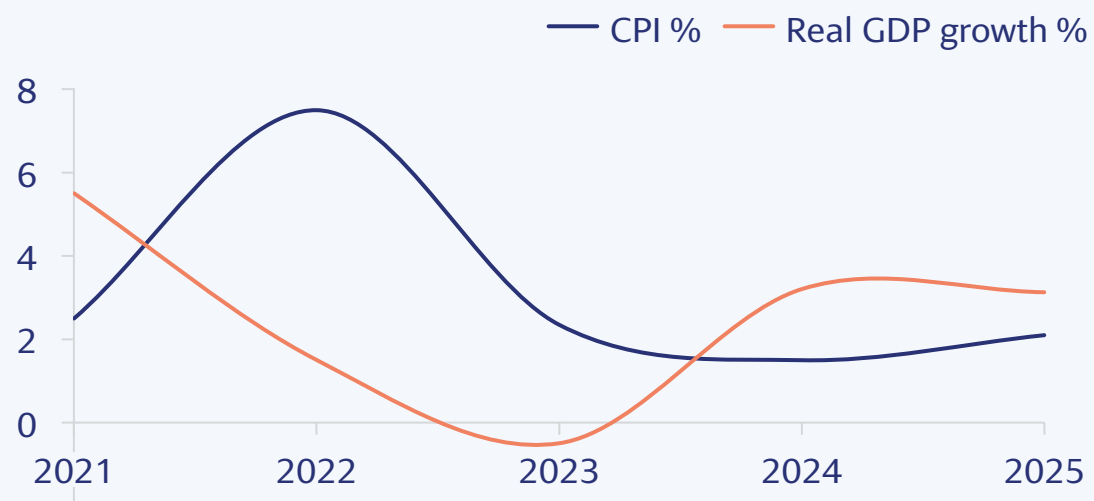
Regulation and Market Practice



Tough Market Conditions

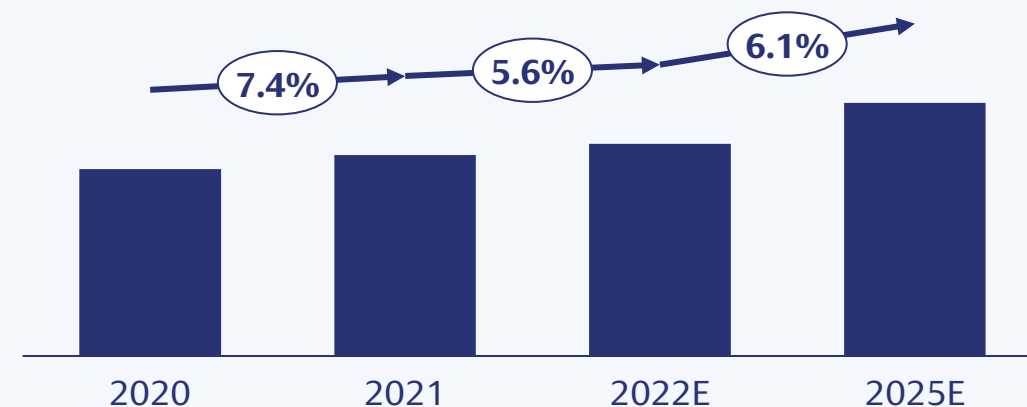
Banks are projected to steadily increase IT spend in line with revenues as macroeconomic turmoil settles in coming years

Macroeconomic situation expected to improve post 2023



Banking revenues expected to steadily rise after brief slowdown in 2022

In USD T






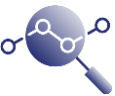

6%

Growth in banking IT spend in 2022

#1

Software the fastest growing IT spend category for banks

Top Technology investment priorities

	Retail + SME	Corporate	Wealth
	Digital engagement	Digital channels & platforms	Digital onboarding & omni-channel engagement
	Embedded finance & open banking	Client lifecycle management	Modern self-directed platform
	Payment & card Innovations	Virtual accounts & cash management	ESG investments
	Data and Analytics		
	Migration to public cloud		

Public cloud adoption expected to continue in banking driving demand for Banking SaaS

94%

of bankers expect >50%
of business to move to
cloud within 3 years

2_x

increase in preference
for public cloud
amongst banks in 2022
vs 2021

Drivers of Cloud and SaaS



Enhanced cloud security



Multi-cloud



Artificial
Intelligence

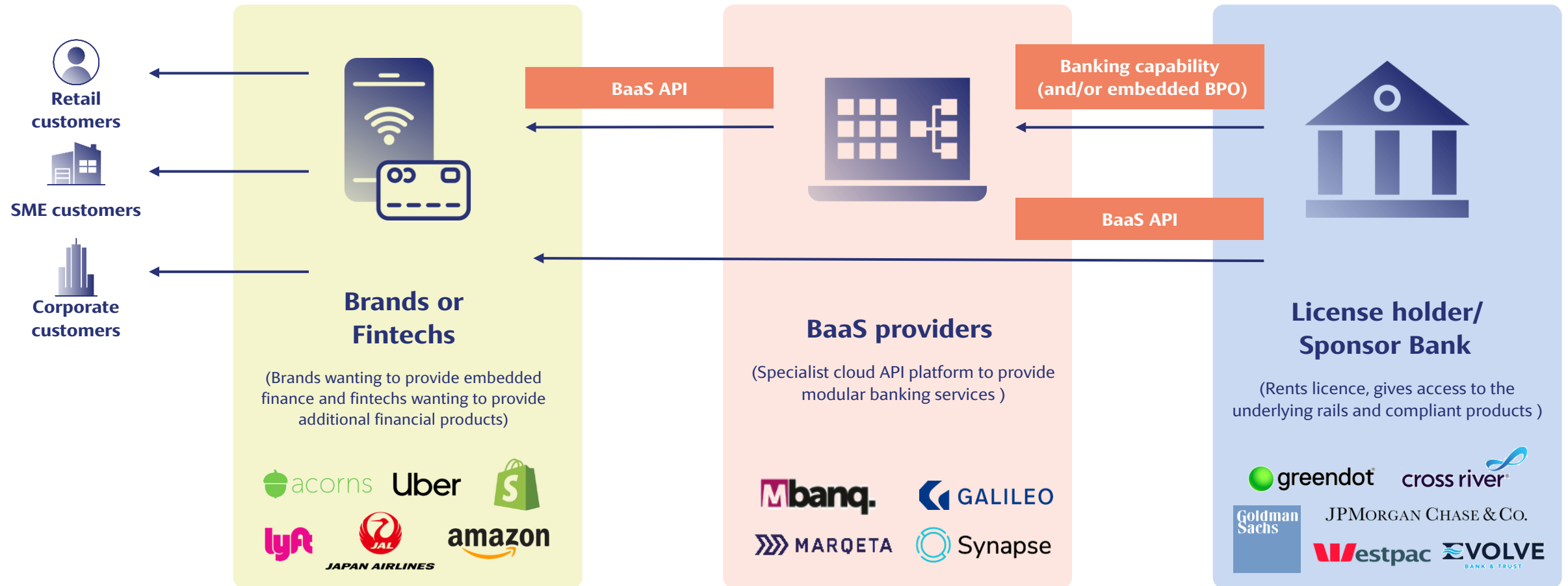


ESG



Modularity
(Composable banking)

The Banking-as-a-Service value chain



Embedded finance and BaaS expected to gain significant momentum in next 5-10 years

\$7t

Market value created by embedded finance activities by 2030

24%

CAGR of embedded finance revenues from 2022 to 2029

39%

Banks already have or intend to have a BaaS strategy



Exponential rise in Embedded Finance



Maturing Open Banking



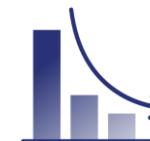
Eroding Trust advantage of incumbents



Demand from new Fintechs & Neobanks



Accelerated Digital Transformation



Declining Profitability of banks

Macroeconomics in the past year have favoured incumbents over challengers...



Average account base growth per year for profitable challenger banks, since founding



... and incumbents continue to hold several advantages whilst closing the gap on digital transformation



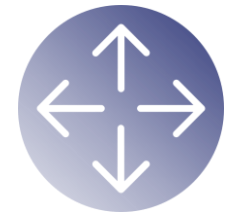
Continue to hold the primary relationship with clients



Superior in compliance / KYC / onboarding



Dominate profitable products, including lending



Meet full needs of end customer with broad product set

+ Digital transformation

Banking remains a difficult industry for new entrants

Sustainability needs to be fully embedded in the banking value chain

Client propositions



Providing retail & corporate customers with better tools to measure and mitigate their carbon impact



NatWest



Funding green innovation & addressing climate change in lending portfolios



+



+



Own operations



Running own operations sustainably



Diversity and inclusion initiatives to meet unique client needs and expectations



Target underprivileged/
disadvantaged groups



Charitable giving



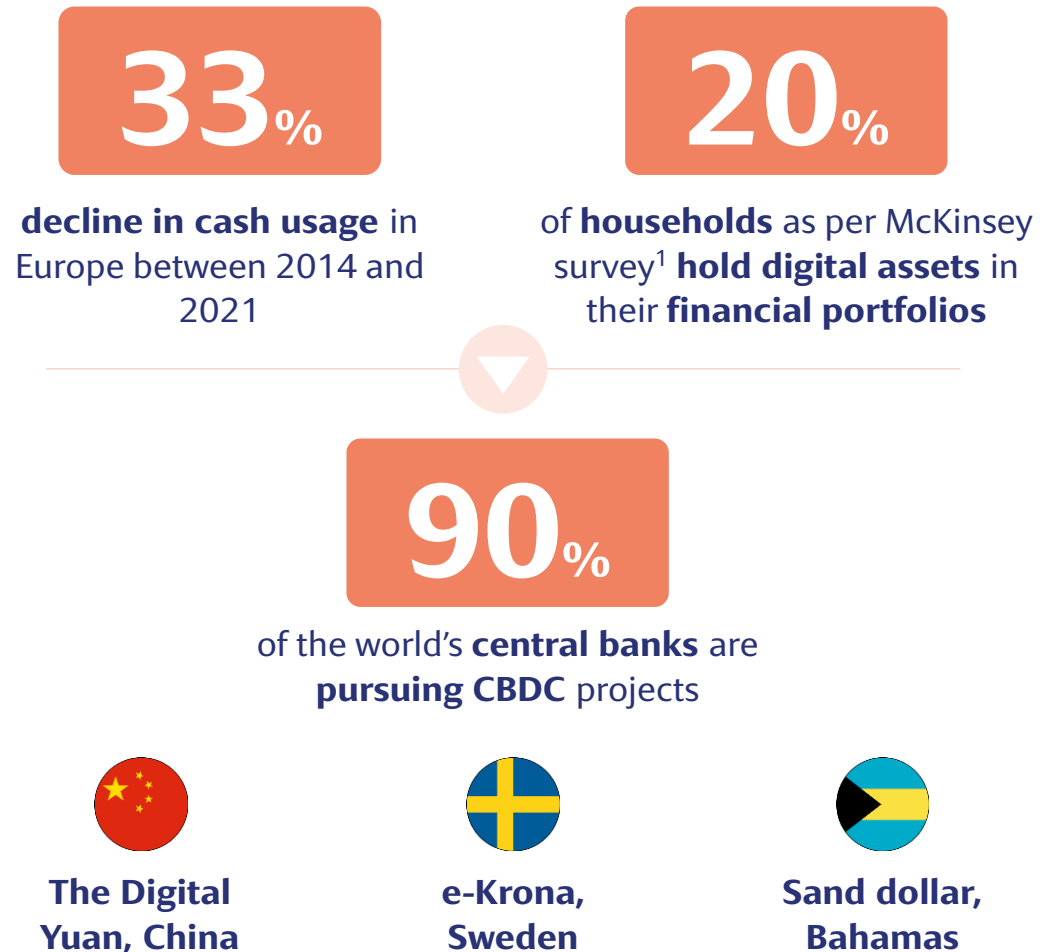
Pre-paid carer cards



Objective bias-free AI



CBDC a key focus area for central banks globally; seen as potential alternative to unregulated cryptocurrencies



Implications of CBDC on banks' business model



Value added services



Risk & compliance



Cannibalization of non-digital cash



New competition

CEO Navigator* Update

* Formerly known as
Temenos Value Benchmark

What is the Temenos CEO Navigator?



A strategic survey-based program to discuss business performance and value creation enabled by the bank's **investment in IT**, structured around **business and IT metrics and qualitative best practices**.



100% consultative approach with Temenos strategy consultants



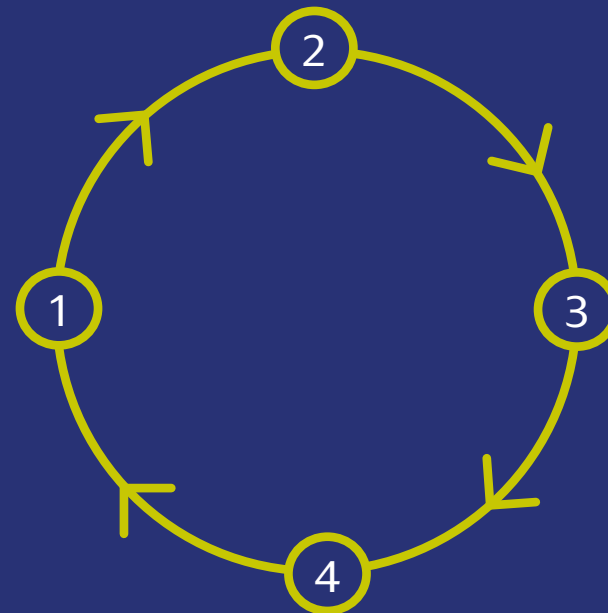
Customized reports with executive-level insights



Subscription based with annual updates



Complete confidentiality



The CEO Navigator is an industry leading program

125 banks



>60,000 data
points collected



5 regions,
73 countries covered



4 banking verticals – Retail,
SME, Corporate, Wealth



>1,200 C-level / senior
executives met



>1,800 hours
of consulting workshops

The C-level endorse the CEO Navigator (I/II)



"Our CEO Chris Catliff, was **quite impressed with the breadth of the Temenos Benchmark report** and, of course, BlueShore results. So much so that has asked it to **be included in our Board Meeting Materials** for our upcoming Board meeting in February. As he said to me, "I want them to know how great our technology compares as they are unaware." (**BlueShore rockin' with Temenos Tech**👍)"



Fred Cook
CIO, BlueShore



"The report is **phenomenal** work, it is a **goldmine** of information. With this report I can do my work for the next 30 years. The breadth of this study is outstanding and **will likely shift our momentum in board meetings.**"



Brian Pereira
Formerly CDO, Police Bank



"The benchmark helped answer questions about our **areas of investment** that are really relevant to us as leaders of the organization, as well as our **Executive Committee and Board members.**"



Azfar Karimuddin
CIO, CWB

The C-level endorse the CEO Navigator (II/II)



"Using the technology we have now and with the Temenos CEO Navigator, we are able to pull **data we did not have access to in a meaningful way**; to customize our products and services, to grow market share, and to deliver a reliable and stable level of performance."



Gregory N. Hill
CEO, ANSA

Julius Bär

"The Temenos CEO Navigator is comparing you with other banks, it has an **operational focus**, and it is **building your relationship with Temenos**. If we do it again over the years, it will give us great insights compared to all the other benchmarks out there."



Thomas Fehr
COO, Julius Baer



"A great example of the value I got from the Temenos CEO Navigator and why I would **encourage my banking counterparts to participate** in this program, is the metric I received on Page 1 of the report: IT cost as a % revenue. This benchmark metric **paid off immediately as it revealed to me the true cost of my IT** and how I must continue to optimize and automate as I grow my customer base as Canada's first digital challenger."



Dan Dickinson
Formerly CIO,
EQ Bank

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Temenos Product & Clients

Prema Varadhan

President Product &
Chief Operating Officer



Leading functionality + Latest technology =
The winning combination



Leading functionality + Latest technology = The winning combination



29 years of providing **model banking software** built with **3K clients**



1800+ pre-built banking processes across **retail, corporate, SME and wealth** covering sales and servicing & including exception-handling



35 independently deployable and upgradeable **banking capabilities** with another **30** added in 2023



Product as code: Auto-generation of BIAN-compliant APIs and Events



30+ pre-built banking analytical packages, **25+** explainable AI pre-trained banking models



Multi-multi-multi (language, currency, entity, timezone)



45+ Country Model Banks



1000+ Open APIs



25000 banking parameters



12 releases per year

Leading functionality + **Latest technology** = The winning combination



Cloud-native, cloud agnostic*



Performance benchmarked at **102,875 tps** covering **100M customers** and **200M accounts**



API-first Microservices architecture within each banking capability



Non-disruptive upgrades



Smart data migration with near-zero downtime



DevSecOps



24x7 availability



XAI assisted straight through transaction processing



Data traceability and lineage (*BCBS 239 compliant*)

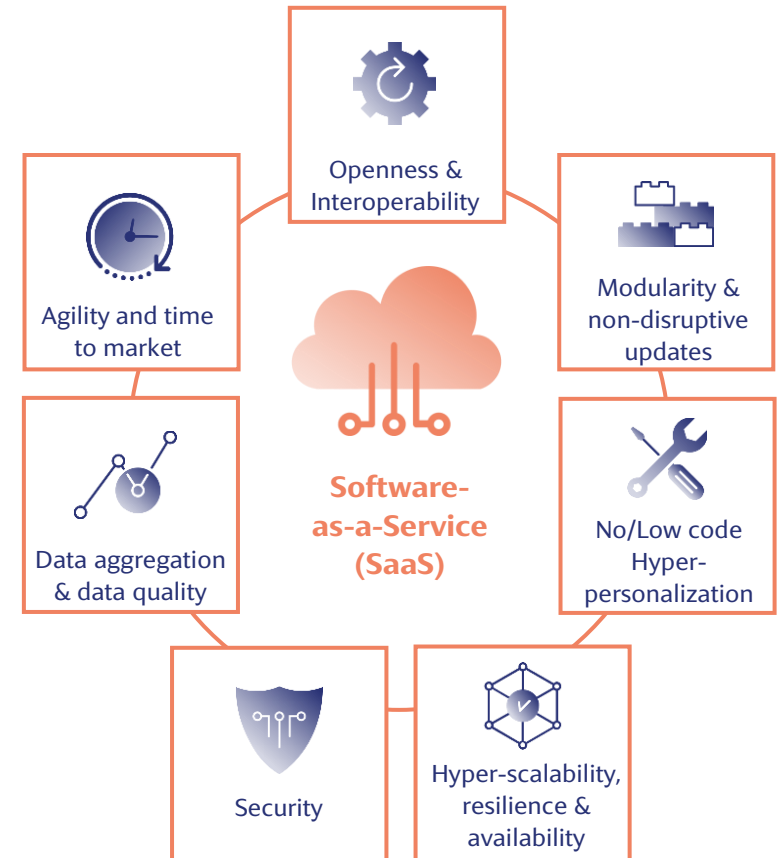


Extensibility (APIs, data models, business processes, events)

Temenos enables banks to follow any business model required to compete today



Characteristics of Temenos Banking Platform



We help banks continuously innovate and scale

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

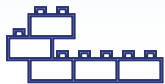
EXPLORE
API Catalogue

DEVELOP
Base Camp

DEPLOY & TEST
Sandbox Environment

COLLABORATE & SELL
Temenos Exchange

TEMENOS COMPOSED BANKING SERVICES
precomposed services based on capabilities



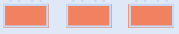
TEMENOS ENTERPRISE SERVICES
end-to-end solutions for banking segments



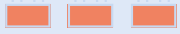
TEMENOS BANKING CAPABILITIES

grouped by domains

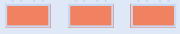
Channels



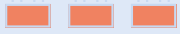
Customer
Engagement



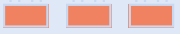
Products



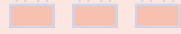
Operations



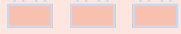
Business
Support



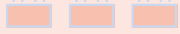
XAI



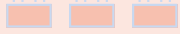
Risk &
Compliance



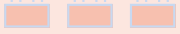
Data &
Analytics



Security



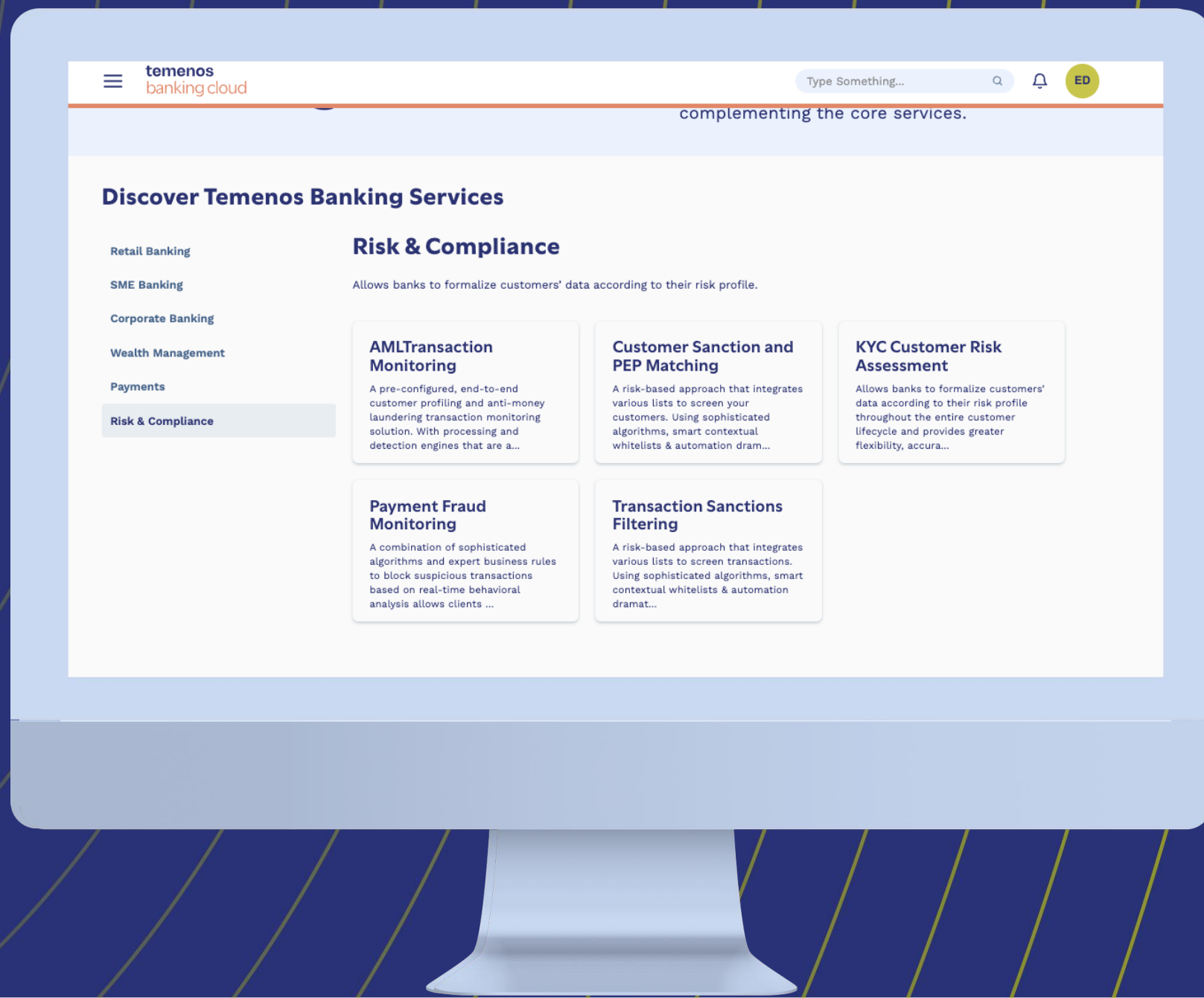
Localization



PLATFORM TECHNOLOGY FOUNDATION

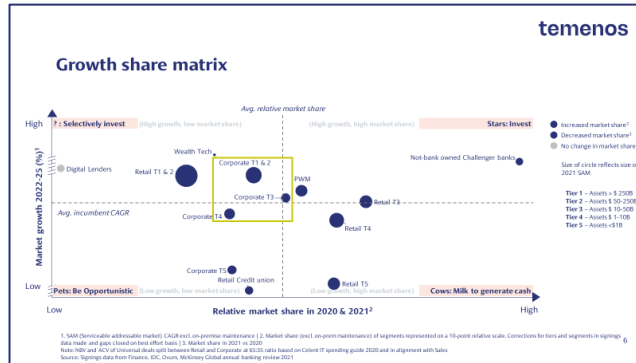
- Cloud Native
- Cloud Agnostic
- Database Agnostic
- Distributed Event Architecture
- Continuous Integration & Operations
- Continuous Delivery & Updates
- Serverless Containers
- Open REST APIs
- Red Hat Openshift & PAM

Temenos Banking Services



Product investment approach: how we build our roadmap

Market research



Industry bodies



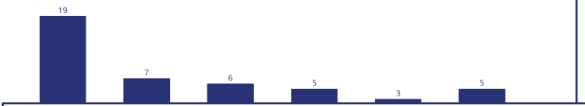
**Internal Product
strategist /
Domain experts**

Corporate Lenders need to push digitization agenda to address key market challenges



Sopra, EpikInDiFi and Infosys are key competitors in Corporate lending

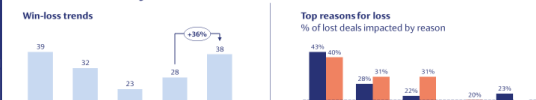
IBS Sales league Table for Corporate Lending
Top suppliers and # of deals in 2021



Intellect: Corporate Banking strengths & weaknesses

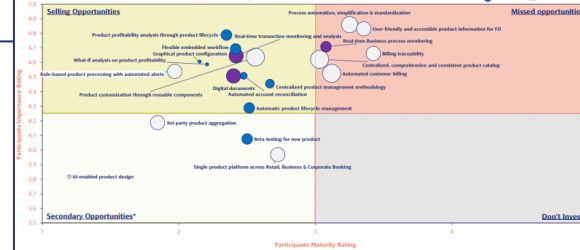
	Attribute	Strengths	Weaknesses
Product	Functional scope	<ul style="list-style-type: none"> Excellent breadth and depth of capacities Strong Corporate digital linking offering opens the door to deals 	<ul style="list-style-type: none"> Not strong in areas where Telecoms is today, i.e., Corporate lending Corporate and SME lending
	Localisation	<ul style="list-style-type: none"> APX used to bridge gaps 	<ul style="list-style-type: none"> No market penetration for greater financial connection
	Complementation	<ul style="list-style-type: none"> Building complementarities in the related product stack – specifically for liquidity management and digital banking 	<ul style="list-style-type: none"> No Telecoms Cashier model equivalent or regional play Regional D2C capabilities, no real client or company
	Scalability	<ul style="list-style-type: none"> Reliant on numerous APs 	<ul style="list-style-type: none"> Still a smooth and efficient, despite marketing teams to be more consistent
	Portability	<ul style="list-style-type: none"> Thematic, used for complete APX the capital management Insider Client, the low credit correlation and strong good at building across to broader for banks 	<ul style="list-style-type: none"> Not data driven, APX, despite marketing teams to be more consistent

Win-loss analysis



Temenos CEO Navigator: Core Banking Analysis

Participant importance and maturity vs Temenos maturity – **What** we should highlight in our Sales Value Proposition and **Where** should we sell opportunistically



Market analysis

Competitive analysis

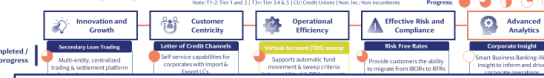
Field

Temenos CEO Navigator

SME: Dedicated focus on Business Banking



Corporate: Bridging the gap in Trade Finance and targeting Tier 1-2 (1/2)



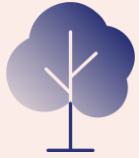
① Wealth: Strengthening our proposition with digital capabilities



Retail: Opening up the Tier 1 & BaaS markets (1/2)



2022: Reaping the benefits of our platform investments



Wealth

Reinforced leadership with key flagship deals demonstrating our product superiority

- **Top tier US bank** adopting a **cloud-native** platform across **82 countries**
- **Mirabaud**, a 200- year-old Swiss private bank **digitizing on SaaS**



US

US strategy paying off as we leap-frogged competition:

- Selected by a **Top 20 bank** for core modernization on SaaS; progressed localization with **Commerce**
- Continued success in **challenger segment** with **Battle Bank**
- **Past M&A in digital** resulted in 6 new logos in top tiers plus continued momentum in originations for credit unions



SaaS

SaaS business now accounts for **> 40%** of software licencing revenues

- **>700 clients** on SaaS
- **New client live on SaaS every 10 days**
- **Unparalleled scale** - 150M accounts on BNPL giant
- **Core platform is on SaaS**; not launched a new product in parallel to legacy like many other technology providers

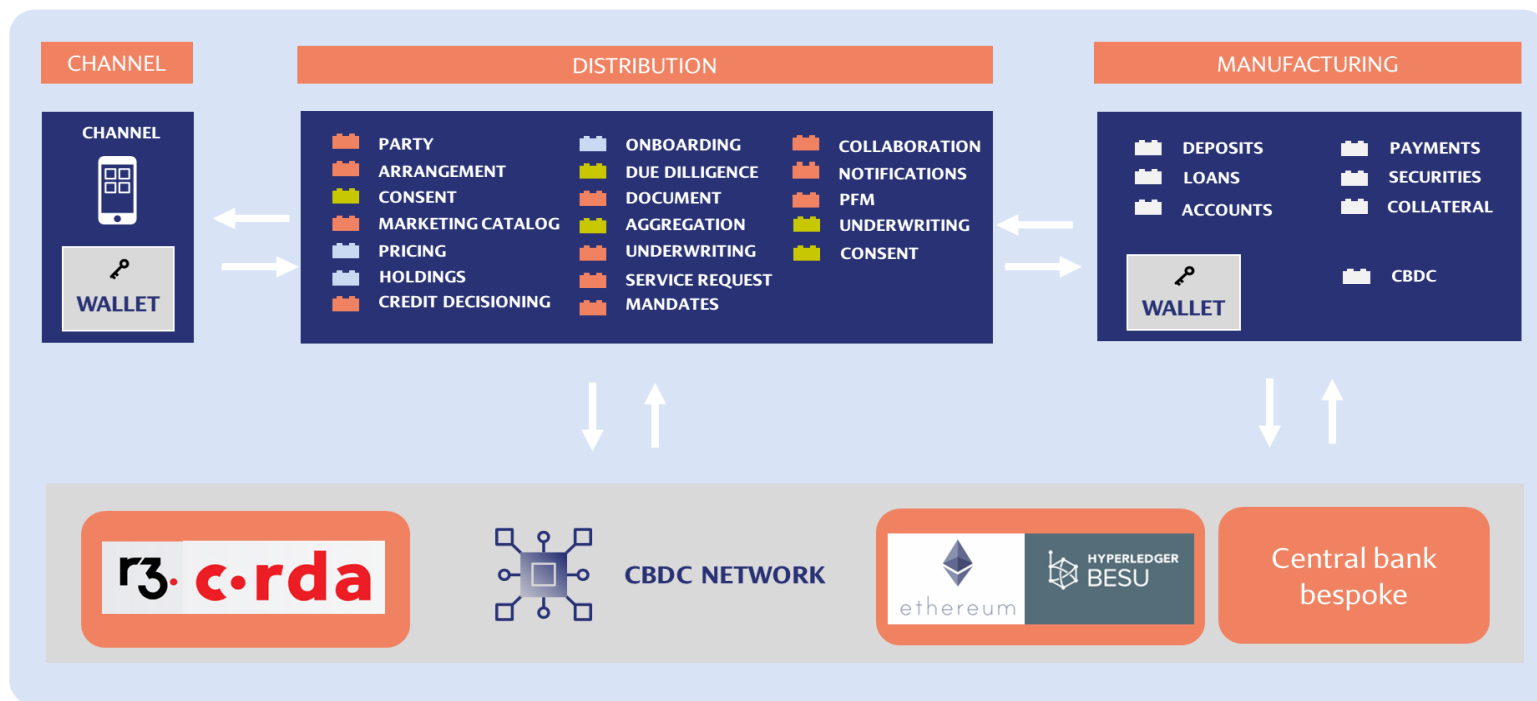


BaaS

Temenos Banking Cloud allows **BaaS plays**:

- **Mbanq** partnership in US - combining our technology (Core, FCM, Digital) and their services to fast track brands & fintechs (incremental market)
- **Enable banks** 1) "**Sidecore**" at new clients to which to migrate own legacy core 2) **Existing Temenos clients** to enable BaaS on same stack.

Preparing for the digital money future



We are getting ready for

- CBDC
- Tokenised commercial bank money
- Alternate payment networks
- Regulated stablecoins

What we have done

- Validated integration with leading enterprise CBDC platform and opensource blockchain technology
- Demonstrated end-to-end digital currency use cases, from central bank token issuance to on-chain customer payments
- Digital wallet capability provided through integrated enterprise-grade third-party providers and exploration of non-custodial mobile wallets

Looking forward...



BaaS

Leverage **mBanq in US** to target incremental market (direct to consumer brands & fintechs)

Leverage Temenos Banking Cloud for BaaS in **Europe** and **selected countries in APAC**



Corporate Lending

Corporate Lending Origination and Servicing ready for **mid-Tier** segment



Corporate Payments

Leverage recent wins globally to enable **instant payments** and other payment regulations in US, Europe and ROW



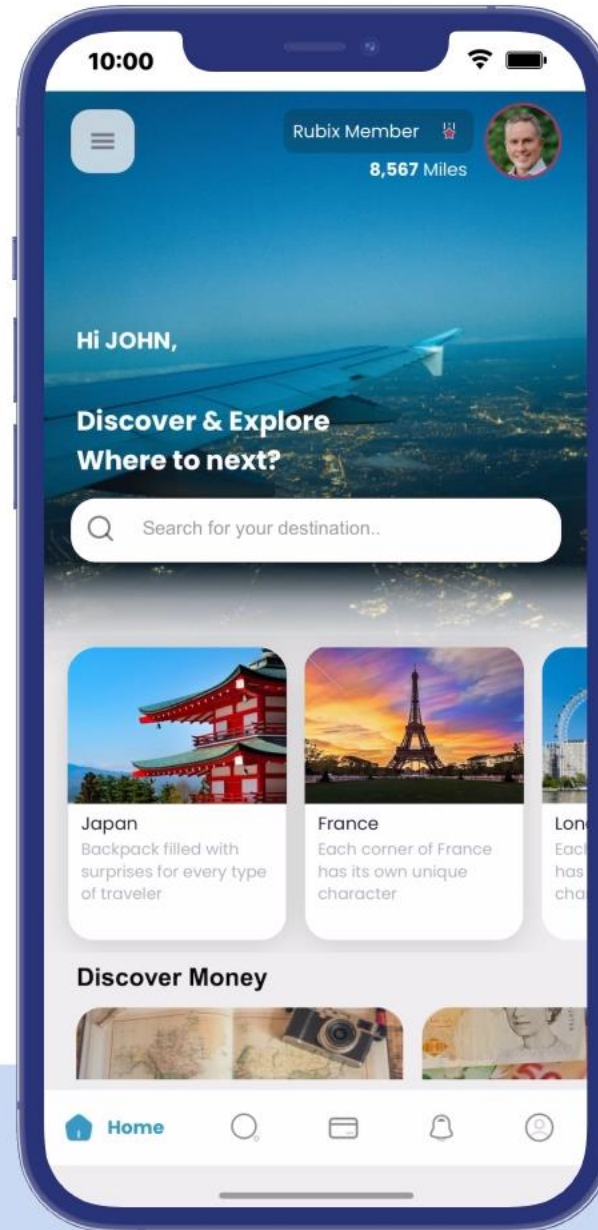
Digital Wealth

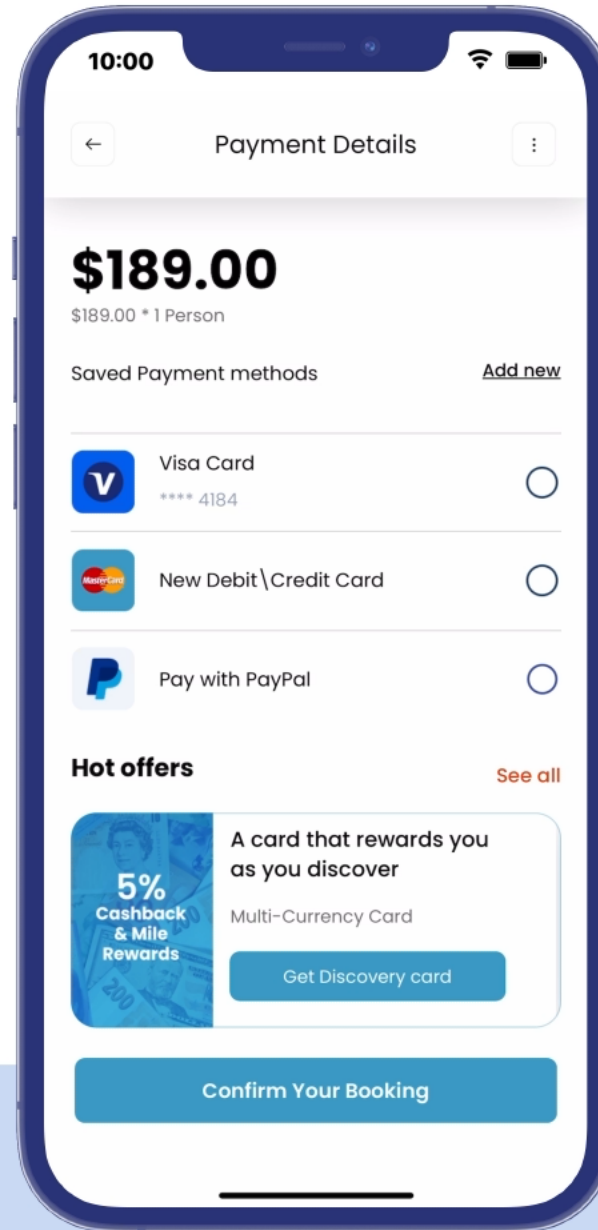
Leverage recent wins globally to target **multiple countries**

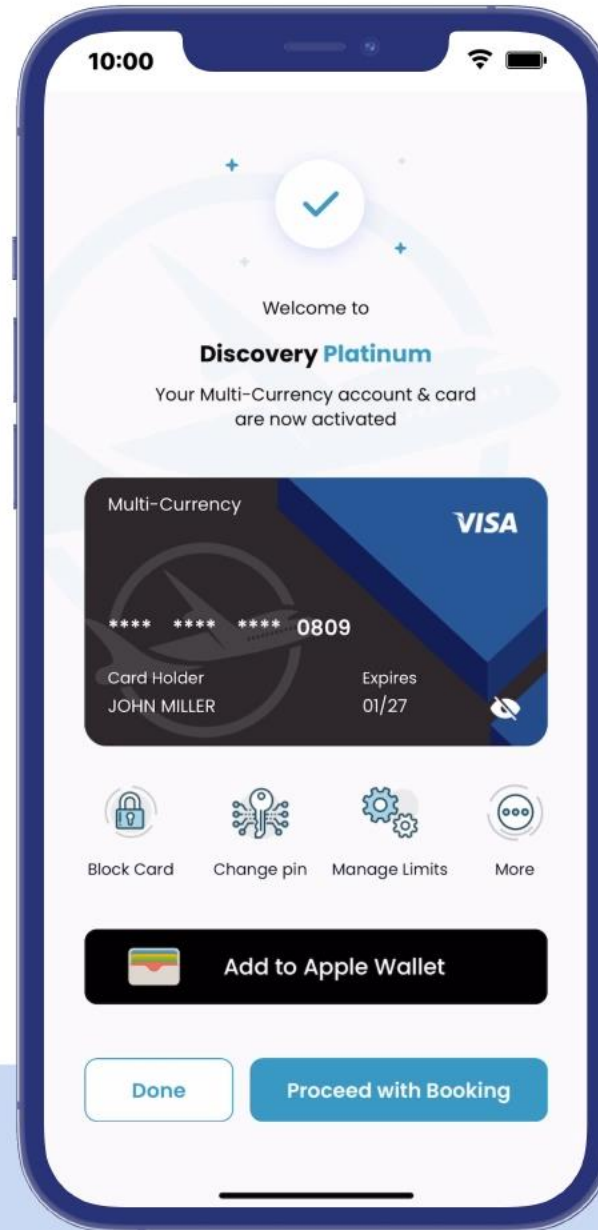
Product investments expanded the addressable market in the past year and will continue to do so



BaaS Example







10:00



Welcome to

Discovery Platinum

Your Multi-Currency account & card
are now activated

Multi-Currency

VISA

**** * 0809

Card Holder
JOHN MILLER

Expires
01/27



Block Card



Change pin



Manage Limits



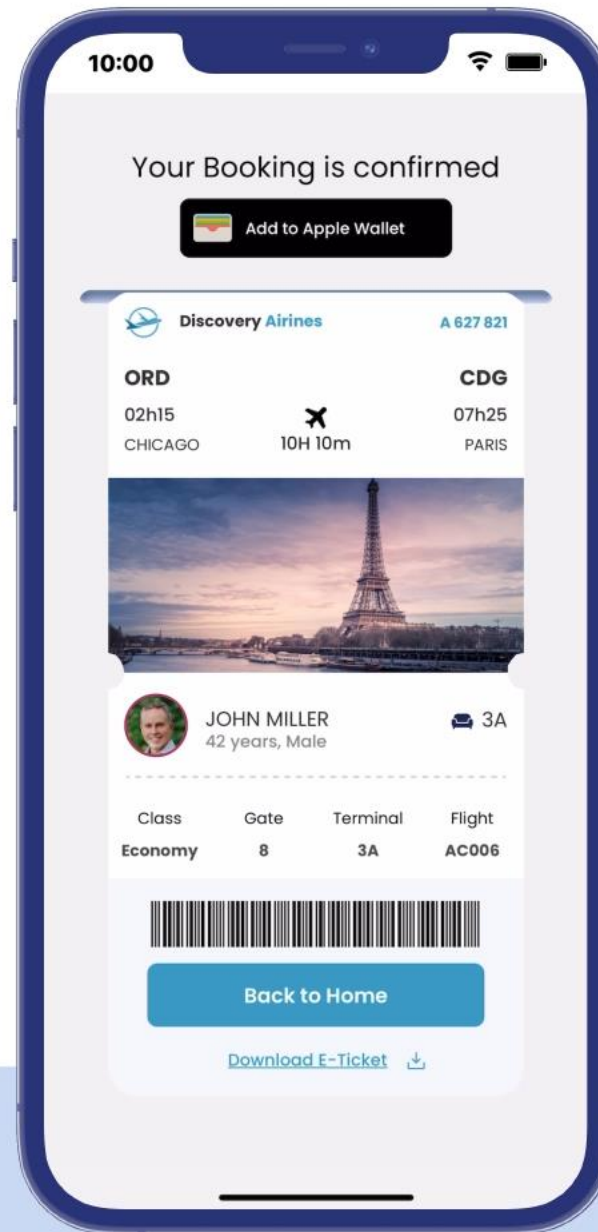
More

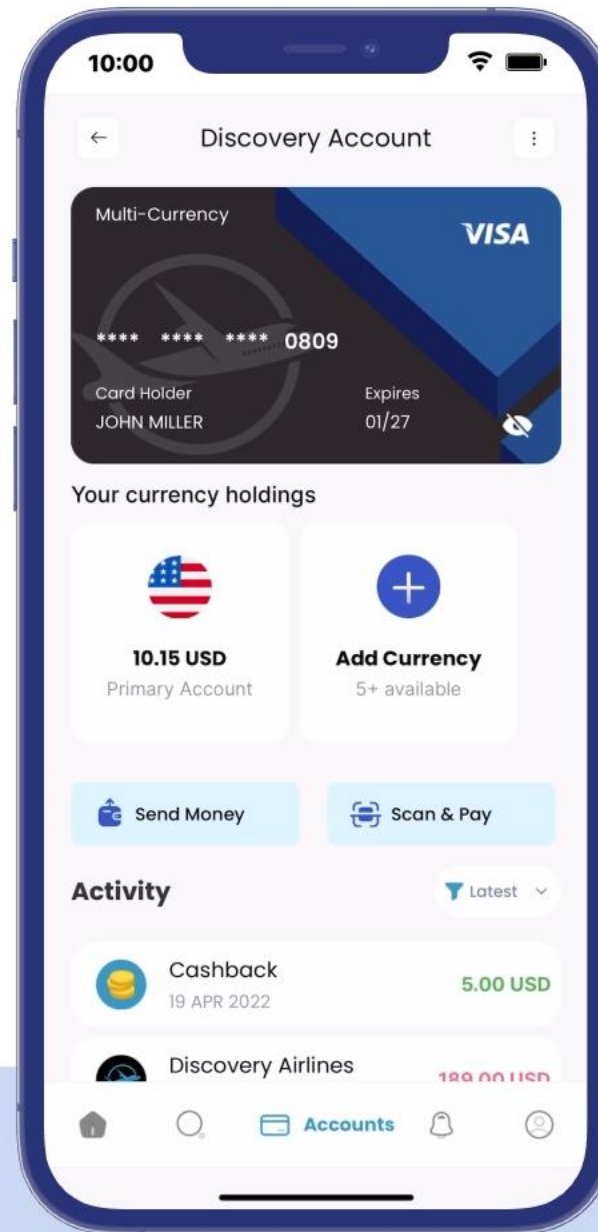


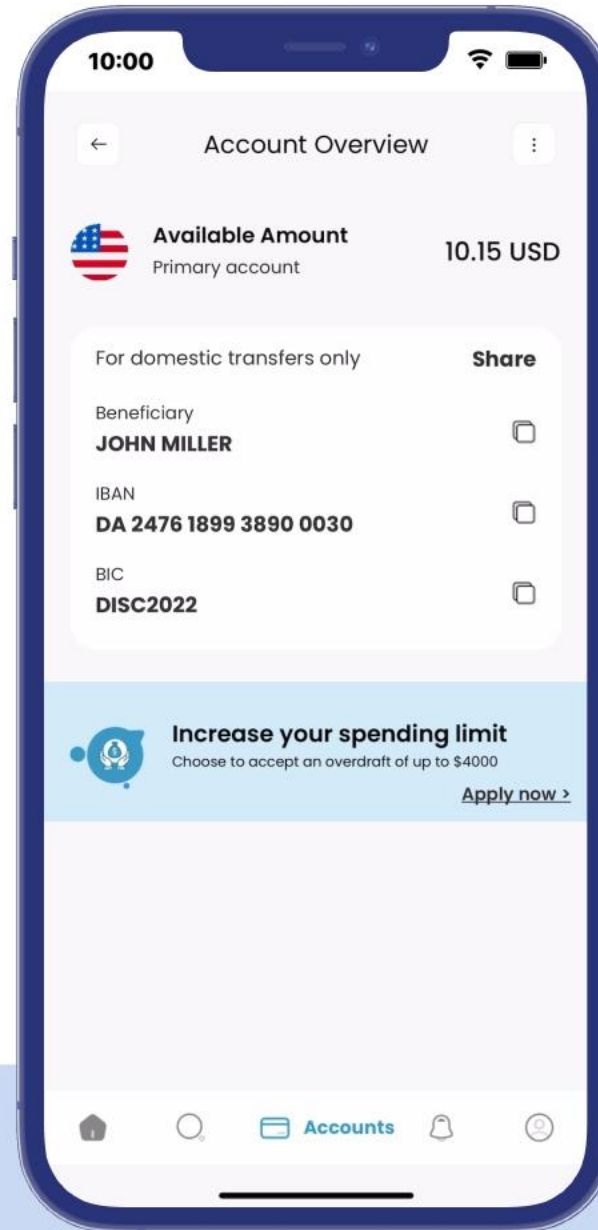
Add to Apple Wallet

Done

Proceed with Booking







Client Delivery



Nordea: Multi-country Core Banking Transformation



Background & Context

- Leading financial services group in **Nordics** and one of **biggest banks** in Europe, 11M retail and 700k corporate customers
- **Core transformation** is part of Nordea's Simplification Program to meet current and future customers' needs across four Nordic countries
- The new Core Banking Platform comprises **loans, deposits and transaction accounts**
- New platform to provide the framework for an **end-to-end digital business model**, improving the bank's operational **agility** and delivering the benefits of **scale**



Why Temenos

- **Single instance of the software** across 4 Nordic countries facilitating the transition to a single global organization
- Ability of the software to **inter-operate** within a very complex existing landscape of peripheral systems and infrastructure at the bank
- Improve **operations and IT cost efficiency**
- **Stay up-to-date** with new technology and evolving functional needs e.g. regulation
- **Ability to perform 'non-disruptive' upgrades with minimal down time and always available critical business services**



Outcomes

- **Launched a new product within 2 weeks** - demonstrating the agility of the platform
- Live in Finland and more recently in Denmark with savings i.e **multi-country implementation**. Will be launching more deposit products in Denmark shortly
- Handle **10,000 transactions+ per second**

"The new Core Banking Platform is a key part of Nordea's overall strategy, aimed at meeting the current and future needs of our bank's customers. Along with simplified processes and products, the new platform will provide the framework for an end-to-end digital business model, improving our time to market, operational agility and delivering the benefits of scale."

- Reg Ravindran, Program Director, Core Banking Program

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



 Background & Context	<ul style="list-style-type: none">• Long term strategic partnership through transformation in international corporate banking and wealth• Phase 1: Transact; Phase 2: Payments; Phase 3: Temenos Continuous Deployment (TCD) on Cloud; Phase 4: Wealth
 Why Temenos	<ul style="list-style-type: none">• Market-leading solution with most complete functionality• Future proof product roadmap• Global reach
 Outcomes	<ul style="list-style-type: none">• Temenos cloud deployment helped the bank's 26 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

Large Global Bank: End-to-end consolidation on the cloud



Background & Context

- Existing fragmented platform, complex & costly to run
- Not Cloud native
- Inefficient in supporting growth & expansion of their International non-US division
- Not Digital enabled



Why Temenos

- Leader in Wealth – strong track record of replacement of incumbents
- Front to Back pre-integrated WealthSuite
- Proven AWS Cloud Native and Digital ready, in joint exercise with the Bank



Outcomes

- Lower cost of ownership
- Support growth and potential expansion – better & faster serve their customer
- Platform for other initiatives or areas in Wealth Management

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Temenos Technology

Tony Coleman
Chief Technology Officer



Everyone's Banking Platform



**Packaged,
upgradeable software**



**Country model
banks**



**SaaS, cloud,
SaaS-like**



**Composable
banking**



**Single code
base**



**Breadth & depth of
functionality**



**Cloud native
cloud agnostic**



**Loosely coupled
event driven**



**Modular
infrastructure
as code**

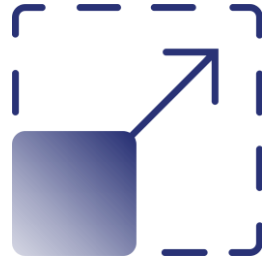
Platform Investment Areas



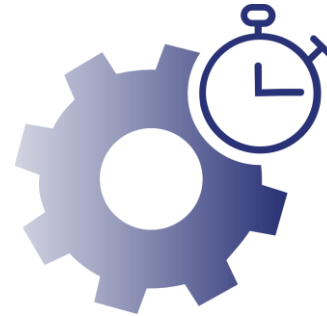
Security



Regulation &
Compliance



Scale



Efficiency



Eco-System

Investing for Everyone

Temenos is benchmarking against industry definition of Cloud Native...

Following and going beyond the 12 factor app for SaaS

- 1 One codebase, one application
- 2 API first
- 3 Dependency management
- 4 Design, build, release, and run
- 5 Configuration, credentials, and code
- 6 Logs
- 7 Disposability
- 8 Backing services
- 9 Environment parity
- 10 Administrative processes
- 11 Port binding
- 12 Stateless processes
- 13 Concurrency
- 14 Telemetry
- 15 Authentication and authorization

Cloud Native credentials

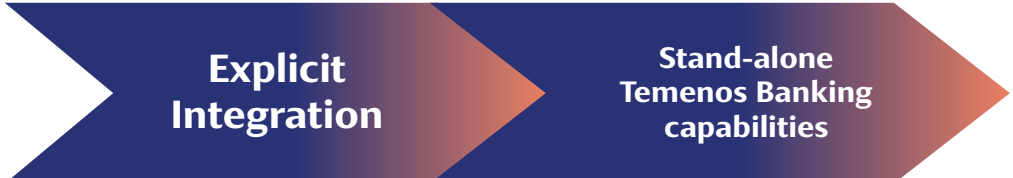


Achieving Cloud Native & Composability

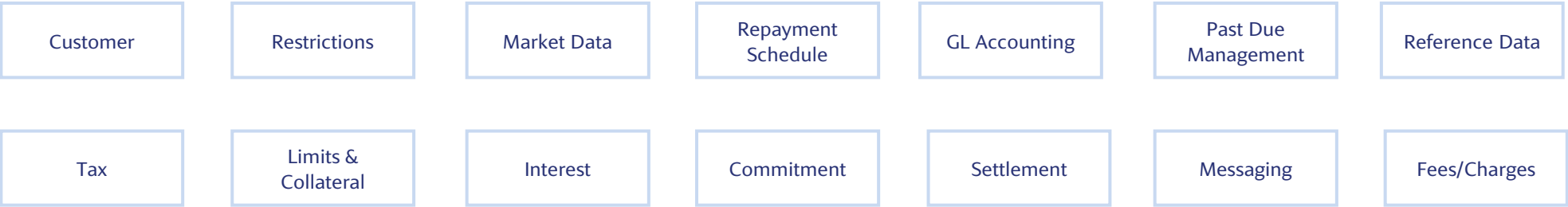
Journey 2010-2014



Journey from 2019



Loans example



2022: Temenos High-water Benchmark



mongoDB Atlas



yugabyteDB

WeLabBank: Building Hong Kong's First Multi Cloud Challenger Bank



Background & Context

- HKMA initiative to **re-imagine the banking experience** for 7.5 million people in Hong Kong by providing seamless digital banking services
- Used **Sandbox environment to develop and prove readiness**, followed by HKMA approval post review and audit



Why Temenos

- The most advanced **cloud native technology** for elastic scalability and containerization
- Ability to extend banking services to and with 3rd parties via 400+ **out of the box APIs**
- **Hong Kong Model Bank** to address local practices and regulations
- A **partner** that shared their vision for digital transformation



Outcomes

- Enabling **faster time to market**
- Customers can remotely open a WeLab Bank account in **5 minutes**
- **10,000 accounts** within the first 10 days of launch

"With Temenos we have efficiently built WeLab Bank from scratch, free from any legacies, with innovative features that proactively help customers to take control of their money and their financial journey."

- Adrian Tse, CEO

Diners Club International : Expanding into a new market with cloud-based core banking



Background & Context

- First ever provider of credit cards in Ecuador; regulatory change now allows Diners Club Ecuador to operate as a bank.
- Diners Club Ecuador looked to implement a scalable core banking platform with analytics



Why Temenos

- Temenos could provide real industry expertise to guide the organization's move into the banking space
- Diners Club Ecuador noted that Temenos was rated as a world-leader for banking solutions by independent analysts
- The organization was also impressed with the level of investment in research and development made by Temenos



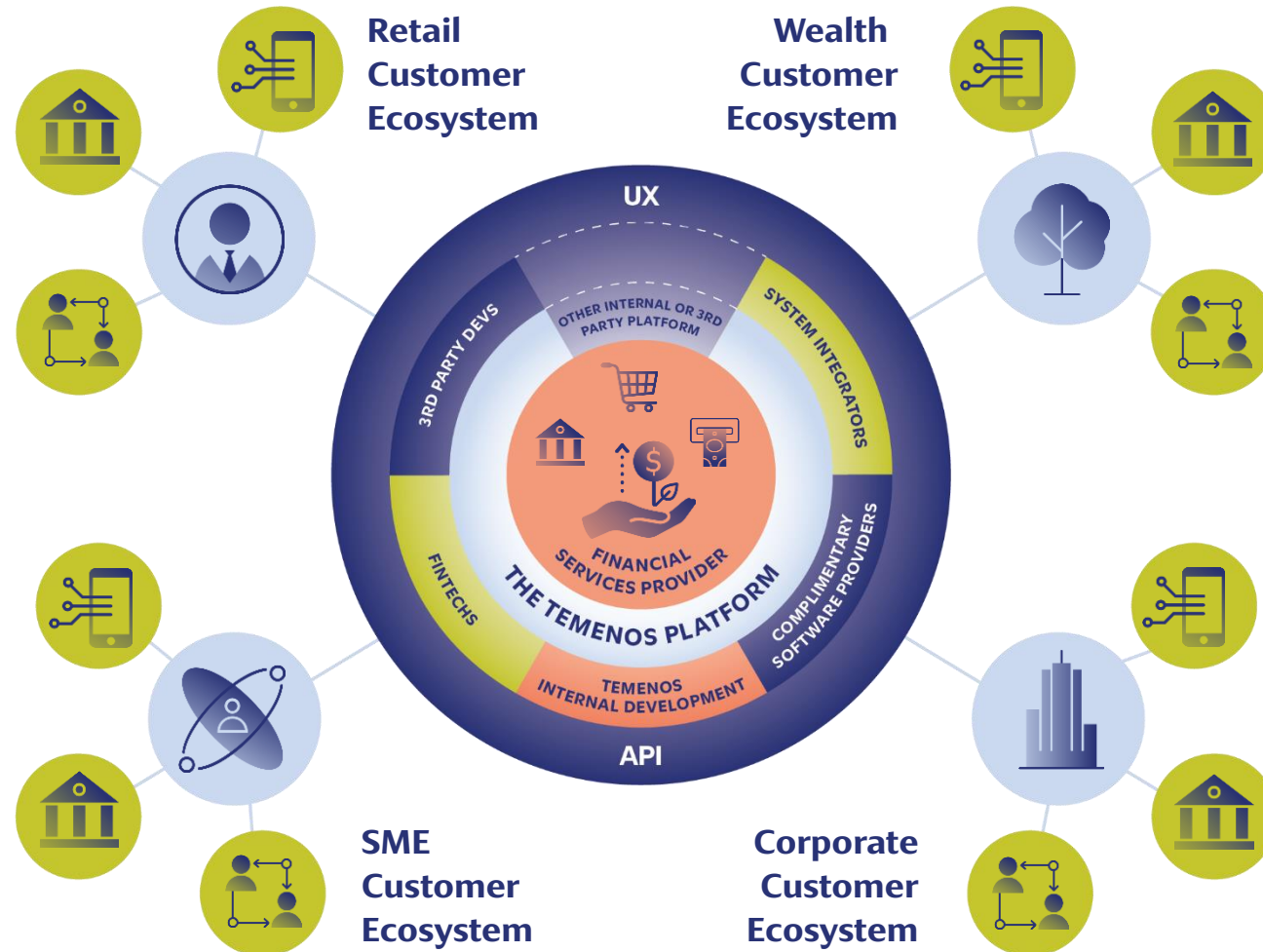
Outcomes

- Enables Diners Club Ecuador to enhance its value proposition to clients
- Supports a 100% digital delivery model
- Will support new banking services for 1 million existing clients

"Building on our long and successful history, we see an even brighter future, with Temenos playing a key role in our evolution. We are setting the standard for finance innovation in Ecuador and within the Diners Club International franchise network globally."

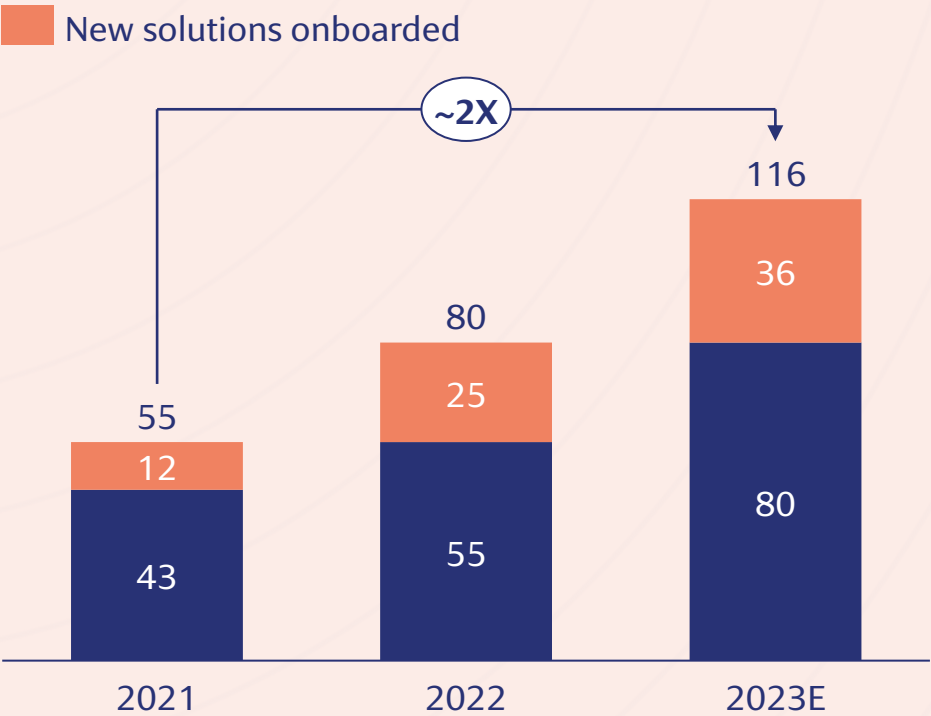
- Mónica Carrión, Vice President, Operations

A digital ecosystem for banking leveraging the Temenos Platform



Exchange partners – a growing network

Number of Exchange partners 2021-2023E



Integrated solutions

Target clients for integrated solutions



Use Cases for 2027



**Building on our
Cloud Native foundation**

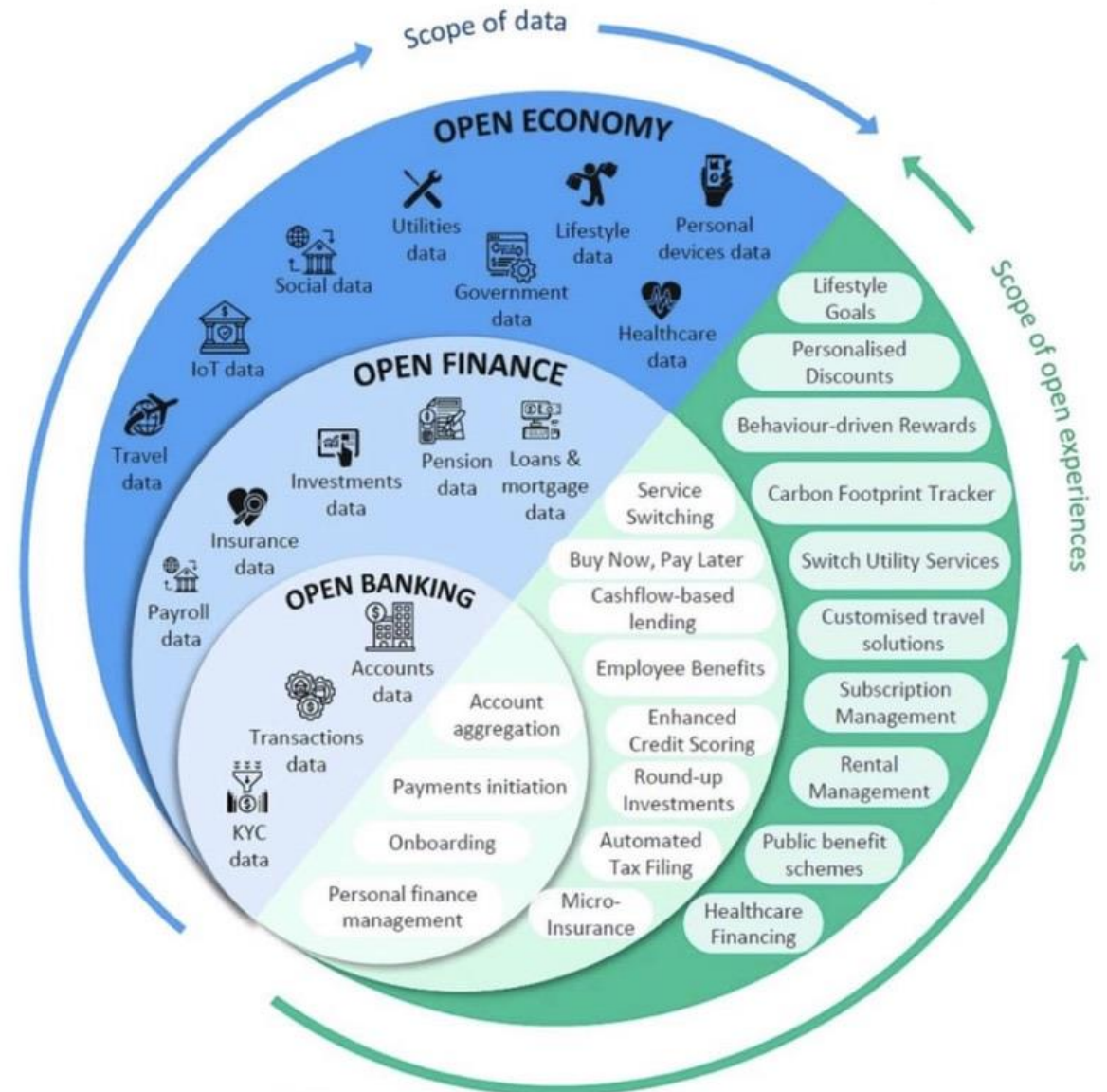


Using Technology Investments to
enable business model advances



Keeping our clients at the
forefront of the industry

From Open Banking to Open Finance and to the Open Economy



Hyperplexed Architecture?

EXHIBIT 2 | Hyperplexed Architectures Will...

...Support multimodal experiences

AR and VR



Voice



Mobile 2.0 and Touch



Wearables



...Provide distributed platforms and control fabrics



- Next-gen run times and frameworks
- Transparent error handling and monitoring
- CI/CD pipelines

...Use AI- and data-driven operations



- Integrated telemetry and monitoring
- Policy-driven compliance and governance
- AIOps and automation

...Manage complex security challenges



- Zero-trust security design
- Robust identity and access management
- Transparent encryption and certification management

...Catalyze new ways of working

Systems engineering



Data-driven product management



Agile 2.0



Open innovation



...Work transparently from the cloud to the edge and things

Cloud and edge



On-premise and hybrid



Things



Specialized hardware



What does this mean for Temenos?

- AI and Data Ops => The move to AI Ops and NoOps requires even further improvements to monitoring.
- Probable contract changes to use volumetric meta-data
- Zero Trust Architecture: Define what it *means* in practice, as noted during the HSBC vendor bootcamp, vendors need to work with banks
- Developer productivity DevSecOps
- Evaluate specialist hardware, e.g. GPUs for AI models

What we expect third parties to handle

- Utilise hyperscalers and third parties to provide horizontal capabilities, e.g. TDE, runtime
- Partner for AR and VR, if at all
- Partner for mobile, voice and wearables. Maybe.
- IOT data streaming
- Specialist hardware / specialist (micro) clouds

What isn't there

- Web UI

Source: BCG analysis.

Notes: AR=augmented reality; VR=virtual reality; CI/CD=continuous integration/continuous deployment.

ESG by design: Temenos Software – leaner, greener, for all deployment options

GoCodeGreen
Decarbonise Digital.™

Impact of process and architecture optimisations externally audited



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banking cloud

Powered by the hyperscalers, can drive innovation & sustainability, reducing energy emissions by **95%** vs on-premise¹

- **Platform Carbon Efficiency** (latest release vs previous):
 - **32% improvement for software use**
 - **12% improvement for release build**
- Actions in place to drive optimisation to achieve **top A/A rating on Cloud**

flowe

700k
accounts in Italy

95% - 98%

savings in MTCO₂e² emissions, compared to on-premise alternatives

EQ Bank

350k
accounts in Canada

93% - 97%

1. Research commissioned by the hyperscalers
2. MTCO₂e – metric tons of carbon dioxide equivalent

Source: Temenos carbon footprint tool for Temenos Banking Cloud & Microsoft Azure Emissions Impact Dashboard

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North America Strategy

Philip Barnett
President, Americas



Established North America presence

Established

JPMORGAN
CHASE & CO.

 **Commerce Bank**
Member FDIC



citibank

CIBC 

ally

canada  **life**

Comerica



Canadian
Western Bank

 **Manulife** Private Wealth

Challengers

 **PayPal**


greendot



CANADIAN TIRE
BANK®

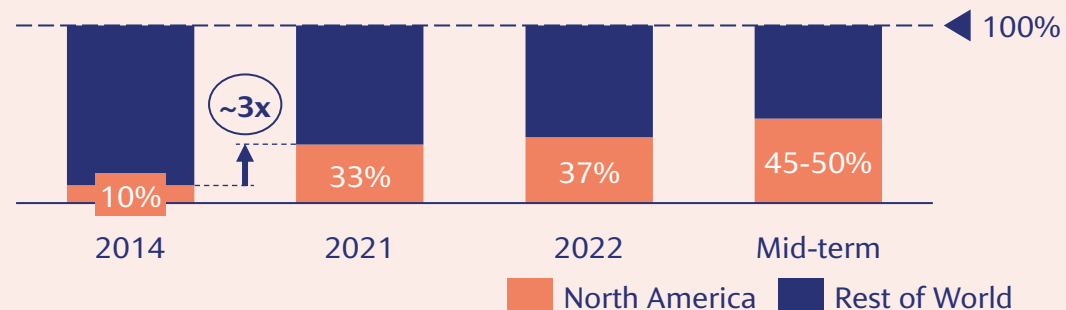
VARO

1500+ customers, 9 offices, 400+ staff

Continuing momentum in North America

North America Total Software licensing has grown 2x in the last four years

Total software licensing: North America vs. Rest of World¹



New logos (not exhaustive)



NAM strategy paying off



Target top tier banks for digital transformation

- Top 20 bank in US for Retail & Corporate,
- Global Tier 1 for intl. Wealth
- Commerce bank – progressed localization



Target banks and Credit Unions with targeted Infinity offering (originations, customer journeys, collections) high demand

- 6 new logos in 2022



Maintain leadership in Challenger banking segment – some key wins

- Canadian Tire (banking arm of large retailer),
- Battle Bank (newly established ethical challenger)



Target International subsidiaries in US

- Selected by Brinya bank (US subsidiary of Indonesia's Rakyat Bank)
- Bank of China



Partnering to penetrate the US BaaS market

- Enabling Tier 3-4 banks to generate additional revenues through BaaS
- Enabling brands to launch their embedded finance offerings faster

Why our NAM strategy is paying off



Target top tier banks for digital transformation



- **Modern** core platform with **proven scalability** and **SaaS delivery** in US
- **Single code** and configuration base that drives competitive edge
- Incumbent vendors no longer have an advantage and are **still trying to modernize** their core solutions



Target banks and Credit Unions with targeted Infinity offering



- **Packaged** banking capabilities that are **core agnostic**
- Ideally suited to help banks and credit unions in **incremental renovation**
- **Rapid time to Value**



Maintain leadership in Challenger banking segment



- **Agility** and **SaaS** which drives **time to market** for Challengers
- **Truly modern architecture** vs incumbent vendors in US



Target International subsidiaries in and outside US



- **Global** presence and **country model** capabilities
- **Broadest set of banking capabilities** in and outside US



Partner to penetrate the US BaaS market



- **Composable** and **extensible** platform, enabling **partners** to integrate and bring **best of breed solution** to market, **at speed**
- Best positioned to **enable** the US **BaaS ecosystem**

Narrowing the gap on the incumbent competition



Key strengths

- Long standing **brand** and presence in the market
- Extensive **client base**
- Domestic **market ready** (localization and regulatory compliance)
- Perceived **progress on modernization** through acquisition
- Additional **BPO services** bundled with technology



Key weakness

- **Multiple existing cores** not designed for cloud
- **Struggling to build** out and deploy modern core banking platforms
- **Low client satisfaction** – clients having to augment capabilities to remain competitive
- **Lack of agility** for change and innovation – difficult to integrate with real time modern systems



Opportunity for Temenos

Overcome incumbency and position modern technology through:

- **Cloud native** composable architecture
- **Proven US model bank** and dedicated on-shore compliance organisation
- **Live client references** – proven **scalability**
- Leverage global **challenger bank** traction
- **Single code base** for any deployment model

Broad and large addressable market, proven traction across all segments

	Tier 1 banks (Assets > \$ 250 B)	Tier 2 banks (Assets \$ 50 to 250 B)	Tier 3 banks (Assets \$ 10-50 B)	Tier 4 & 5 banks (Assets < \$ 10 B)	Credit Unions	Unlicensed non- incumbents
No. of institutions ¹ ▶	13	38	109	~ 4500	~ 4800	NA
Estimated IT budget ² (USD) ▶	1-12 B ³	~200 M	~50 M	<10 M	~2 M	NA
% of Serviceable Addressable Market ▶	33%	15%	16%	24% ⁴	6%	6%

1. Where assets reported, excl. for unlicensed non-incumbents 2. Tier 1-5: Average Technology and Communication spend in 2022 where reported; Credit Unions: estimated based on market reports 3. Small sample of reported data hence range shown 4. Includes licensed non-incumbents

Note: Tier definition by asset size | Tier 1 > \$250 B | Tier 2 \$50-250B | Tier 3 \$10-50B | Tier 4 \$ 1-10B | Tier 5 < \$1B

Source: **FDIC Sept 2022**, S&P Market intelligence, National Credit Union Administration Q3 2022, IDC, Ovum, McKinsey, BCG, CB Insights, Press research, Temenos analysis

Summary – Readiness to take advantage of the market opportunity

- ✓ Perceived incumbency advantage has narrowed significantly as technology investments have paid off and are resonating with customer needs
- ✓ Robust localisation model spans people, product and process with a dedicated on-shore compliance team
- ✓ Proven delivery across all target segments and referenceability
- ✓ Proven SaaS and Cloud enablement model from the same core assets. Local operations in the US
- ✓ Proven leadership with global experience of the industry and extensive Temenos knowledge extending the strategic client & prospect engagement that was already heavily centered on NAM
- ✓ Well balanced team now of local domain expertise and market knowledge coupled with strong Temenos DNA
- ✓ Expanding and deepening the partner relationships to leverage further client access and relationships

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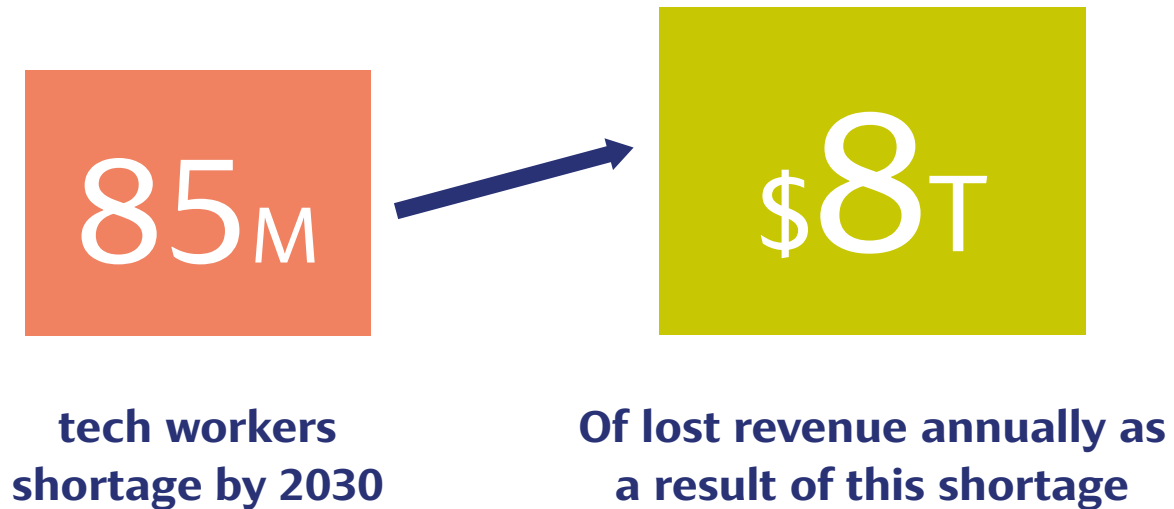
People Agenda

Jayde Tipper
Chief People Officer

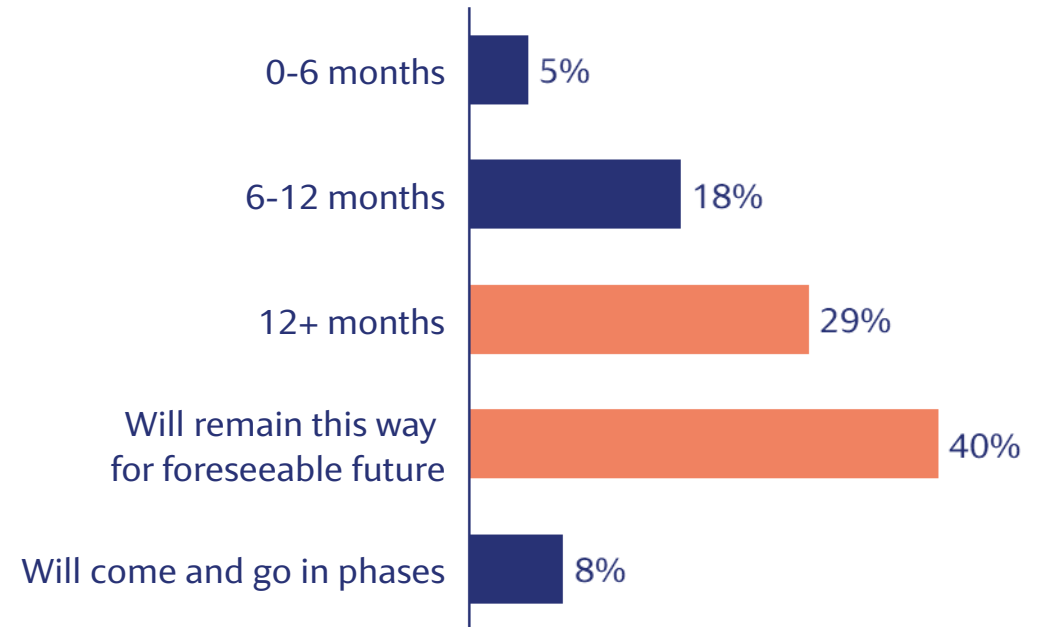


The banking industry continues to face talent shortages

Extent of global IT talent shortage



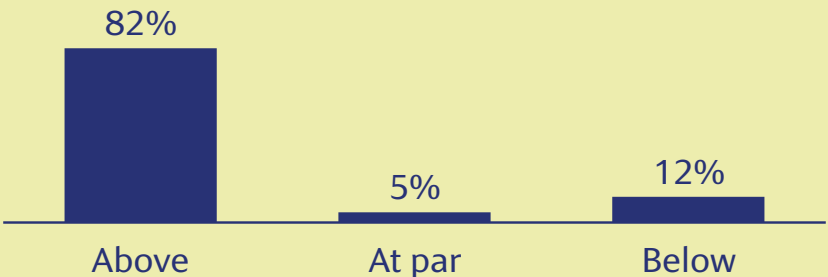
Survey of CIOs on the duration of IT talent shortage



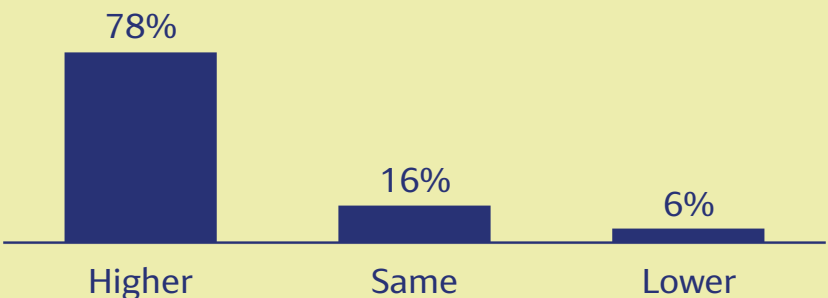
Critical to retain existing talent and to hire precise skillset in the current market environment

How we see our people strategy showing success

Vs Global norm, % of questions



Year-on-year, % of questions



10 most important questions to our employees

Rated high

Confidence in the **future** of this company

Behaviour of senior leadership **consistent with company's values**

Sr. leadership demonstrates **employees are important** to success of the company

Confidence in the **goals of the company's business strategy**

Confidence in the Executives & Board of Temenos to **manage & execute strategy**

Good **opportunities to learn** and develop

Sr. leadership gives employees **clear picture of direction company** is headed

I can see a clear **link between my work and this company's strategic objectives**

Rated low

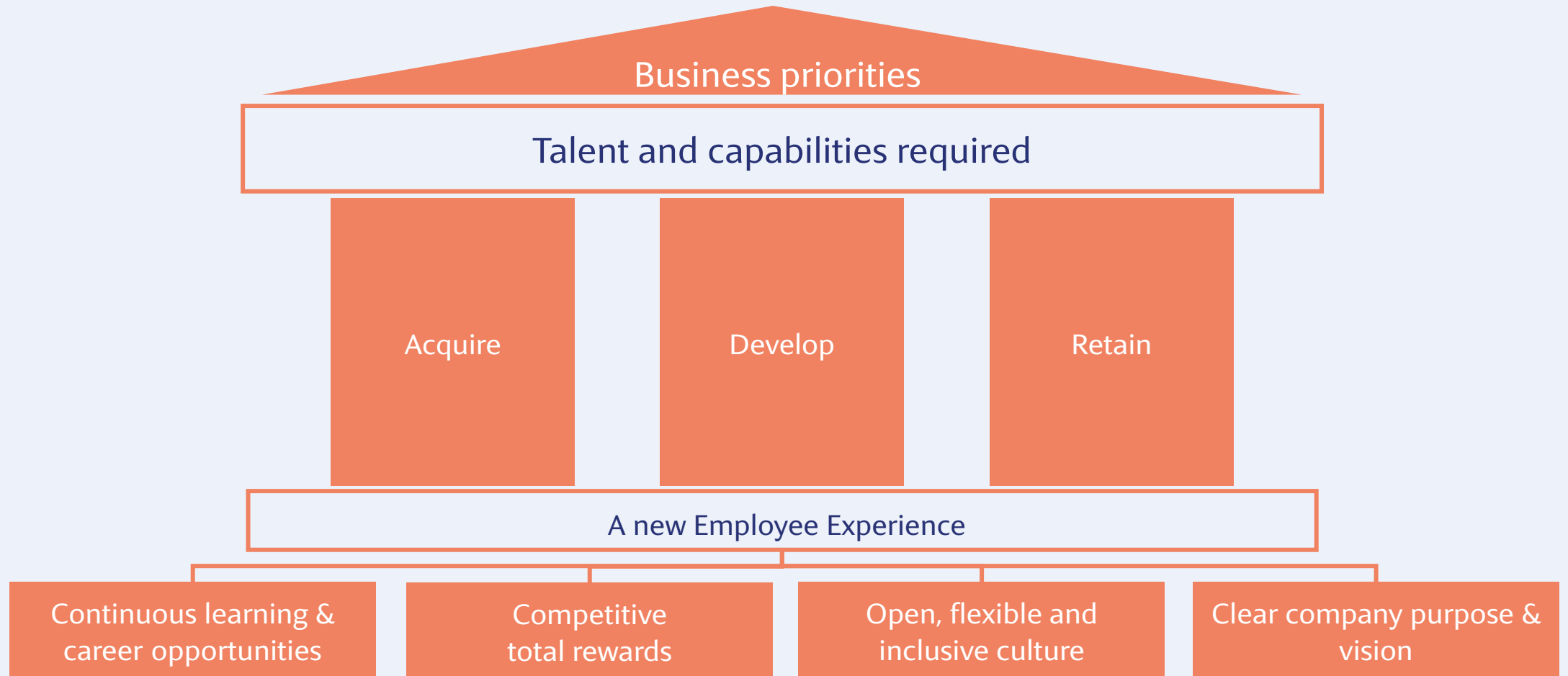
Career goals can be met at this company

Higher vs global norm, higher y-o-y

Open and honest communication

At par vs global norm, higher y-o-y

Pillars of our People Strategy



A dynamic approach to skills acquisition based on ever changing business needs in a SaaS world



Product

- Corporate Banking
- Business requirements
- BaaS
- Cloud
- Python
- Testing automation
- Automated CI/CD



Sales & BSG

- Corporate Banking
- Wealth Management
- SaaS / BaaS
- Value selling
- Partner management
- Digital banking
- Cloud / Technical architects



SaaS

- Site Reliability Engineering
- Security
- Solution Architecture
- Database Administration
- Azure and AWS expertise
- Service Delivery Management
- Banking



Delivery

- End-to-end Integration
- Solution architecture
- Tier 1 program management
- Banking
- Commercial skills
- Agile methodologies
- SaaS engineering

To achieve our vision of becoming the industry standard, we need to adapt our talent acquisition strategy to market dynamics

Addressing talent acquisition challenges by prioritizing internal talent and enhancing external recruitment



Prioritize internal talent (Grow your own)

- Continually expose, assess and grow internal talent through dynamic career mobility programs for learning and development
- Ensures alignment to Temenos values and culture, and Banking expertise for senior roles

Enhance recruitment process to increase focus on



Temenosity

- Assess for cultural fit through psychometric/personality testing
- Diverse interview panels across tenure, function and seniority to ensure 360 degree and objective evaluations



Banking Expertise

- Assess Banking expertise for certain key roles



Diversifying sources of Talent

- Increased emphasis on apprenticeships, internships, university programs and fintechs

Reskilling and upskilling is an important strategy for overcoming the talent shortage

Reduce skill gap through upskilling and reskilling



Upskilling: Learning **new competencies to stay in current role**, due to change in skills required, or adding certain competencies for career progression



Reskilling: Learning **new sets of competencies to transition to a completely new role**



“Learning and training opportunities” ranked as **4th most important global work preference** for employees as per BCG

Cost benefits of reskilling instead of firing & hiring



Benefits of reskilling

- Avoided **severance and hiring** costs
- Increase in **productivity** of reskilled employee
- Avoided **reduced productivity of new hires**



Costs of reskilling

- **Training and reskilling** expenditures
- **Missed productivity** during the period of reskilling



Current employees have already **embraced Temenos values** and have a **fundamental understanding of our technology and institution**

Programs to further enhance our employee experience based on feedback

		Rolled out in 2022	In progress
	Continuous Learning & career opportunities	Mentoring program (to include reverse mentoring)	SaaS certification and upskilling campaign
		Launch of Temenos learning hub	Top talent development program
		Career mobility: more seamless internal mobility, gig work, secondments	Women as future leaders program
		Peer to peer learning programs	
		New leader development program	
	Competitive Total Rewards	Introduction of new benefits: hybrid work, study leave, caregiver leave	Review of new employee centric benefits
		Regular review of pay and benefit benchmarks	Review of pay and benchmarks with a focus on niche and in demand skills
	Open, flexible and inclusive culture	Wellness: Recharge days, activity challenges, sabbaticals, gradual return work policies, follow parental leave	Cultural awareness training
		Sponsorship of ERGs (women@Temenos, Mission Earth); Employee led special interest and hobby groups, Alumni group	Diversity ambassador training
			Employee wellness offerings (e.g. financial wellbeing workshops)
			Enhanced apprenticeship and internship offerings
	Clear company purpose & vision	Restate of values and mission with the rebrand	Company wide SaaS education series and roadshow to connect employees with SaaS first journey
		Personal and corporate volunteering days	

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ESG: Our Path to Sustainable Growth

Kalliopi Chioti

Chief Marketing and Environmental,
Social and Governance Officer

Capital Markets Day 2023



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**

OUR GOAL

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

Temenos ESG: Leading in the IT sector

59 offices in 39 countries, 82 nationalities

ENVIRONMENT

Climate Change

Business Ambition for 1.5°C

Science-based targets

50% reduction
of GHG emissions
by 2030

Temenos carbon calculator

Carbon insights to
customers on
Temenos Banking Cloud

SOCIAL

Diversity, Equity & Inclusion Employees

36%

Gender diversity
in total workforce

41%

Racial diversity
in the US

10% higher than the IT sector

GOVERNANCE

Corporate governance Operating responsibly

30%

Gender diversity
in Board of Directors

How we are helping our **clients** transform into sustainable organizations



Regulation

Compliance with increasing need for ESG disclosure, due diligence & reporting



Energy and Emissions targets

As partners or suppliers, support CEOs to reach their net zero targets



Well positioned as a global ESG Leader

Top ESG global indices & ratings and Science Based targets are our credentials



Pioneering within our industry

We have the technical and ESG know how to combine digital transformation with sustainability

Key ESG Trends within Banking

Sustainability to be fully embedded in banking business models



Direct operations:

Running own operations sustainably and efficiently and comply with regulation



Indirect operations:

Providing retail & corporate customers with tools to measure and mitigate their carbon impact and address ESG regulation



Sustainable Finance:

Funding green innovation & addressing ESG requirements in investment and lending portfolios

Temenos Banking Cloud

Powered
by the hyperscalers

3rd party apps from
Temenos Exchange partners

Temenos Wealth ESG Investing

**Globally, the transition to net zero will be driven by finance and capital markets
enabled by technology and data**

Temenos Banking Cloud: Digital transformation & sustainability

a true climate-related business opportunity

temenos
banking cloud

Powered by the
hyperscalers, drives
innovation & sustainability

32%

carbon impact reduction of our software for use over
the last 12 months (GoCodeGreen research)



350k
accounts in Canada

93% - 97%

annual savings in MTCO2e emissions, compared to on-premise alternatives



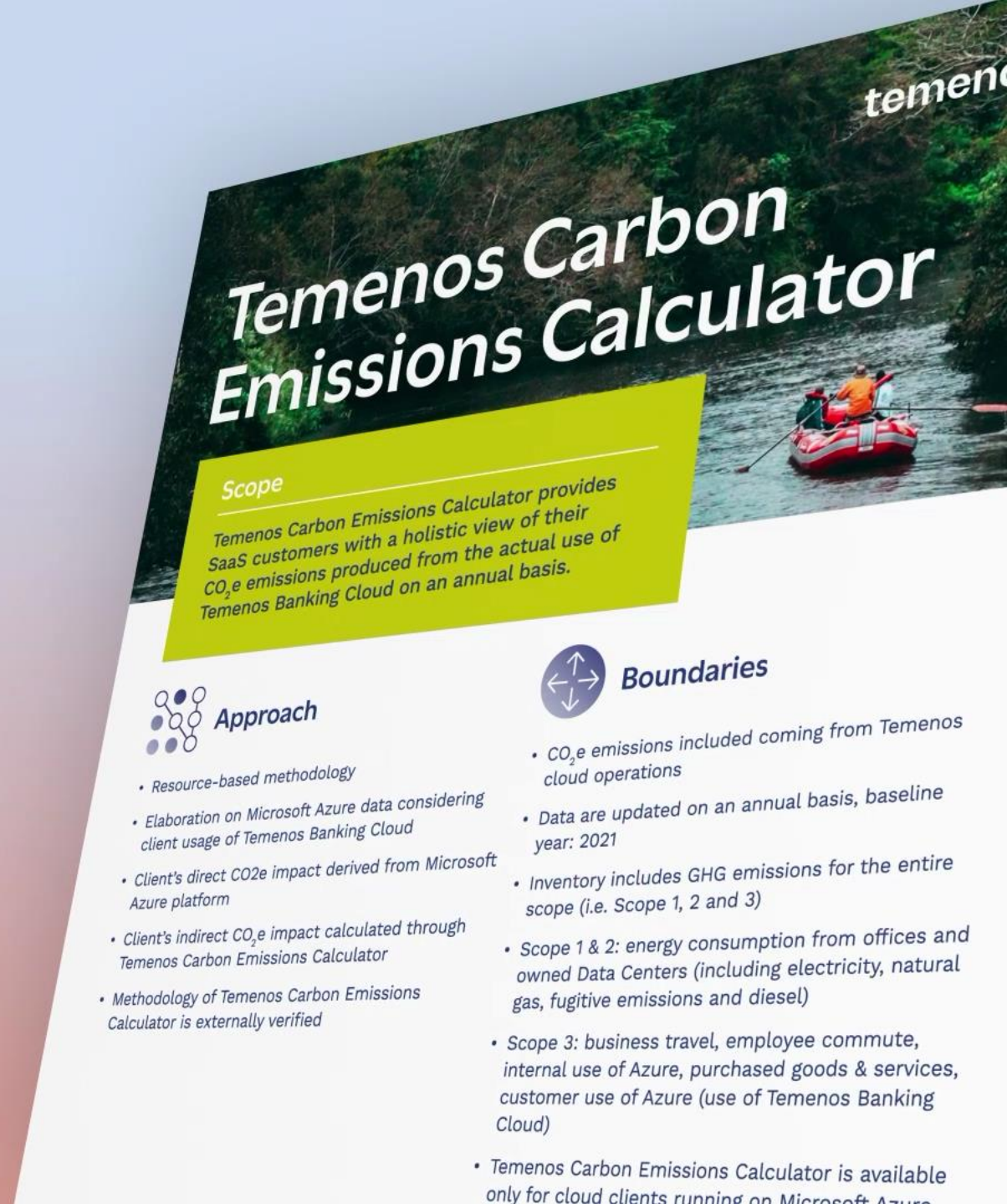
700k
accounts in Italy

95% - 98%

annual savings in MTCO2e emissions, compared to on-premise alternatives

Temenos Banking Cloud: New carbon footprint tool

- Our tool is NOT just a CO₂ calculator based on estimations
- Clients get CO₂ emissions insights from their actual use of Temenos Banking Cloud, powered by Microsoft Azure



The image shows a brochure for the Temenos Carbon Emissions Calculator. The top half features a photograph of a river with a red inflatable boat and a person in an orange life vest. The title 'Temenos Carbon Emissions Calculator' is written in large white letters across the top. Below the title, there is a yellow box with the word 'Scope' and a paragraph of text. The bottom half of the brochure is divided into two columns: 'Approach' on the left and 'Boundaries' on the right. Each column has a circular icon with arrows and a list of bullet points.

Temenos Carbon Emissions Calculator

Scope

Temenos Carbon Emissions Calculator provides SaaS customers with a holistic view of their CO₂e emissions produced from the actual use of Temenos Banking Cloud on an annual basis.

Approach

- Resource-based methodology
- Elaboration on Microsoft Azure data considering client usage of Temenos Banking Cloud
- Client's direct CO₂e impact derived from Microsoft Azure platform
- Client's indirect CO₂e impact calculated through Temenos Carbon Emissions Calculator
- Methodology of Temenos Carbon Emissions Calculator is externally verified

Boundaries

- CO₂e emissions included coming from Temenos cloud operations
- Data are updated on an annual basis, baseline year: 2021
- Inventory includes GHG emissions for the entire scope (i.e. Scope 1, 2 and 3)
- Scope 1 & 2: energy consumption from offices and owned Data Centers (including electricity, natural gas, fugitive emissions and diesel)
- Scope 3: business travel, employee commute, internal use of Azure, purchased goods & services, customer use of Azure (use of Temenos Banking Cloud)
- Temenos Carbon Emissions Calculator is available only for cloud clients running on Microsoft Azure

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Financial Growth Plan

Takis Spiliopoulos
CFO



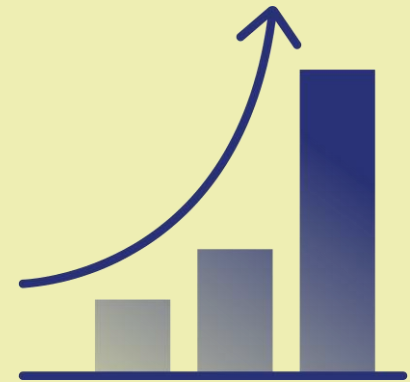
Accelerating Growth Trajectory



ARR to reach
>USD1.3bn
in the mid-term



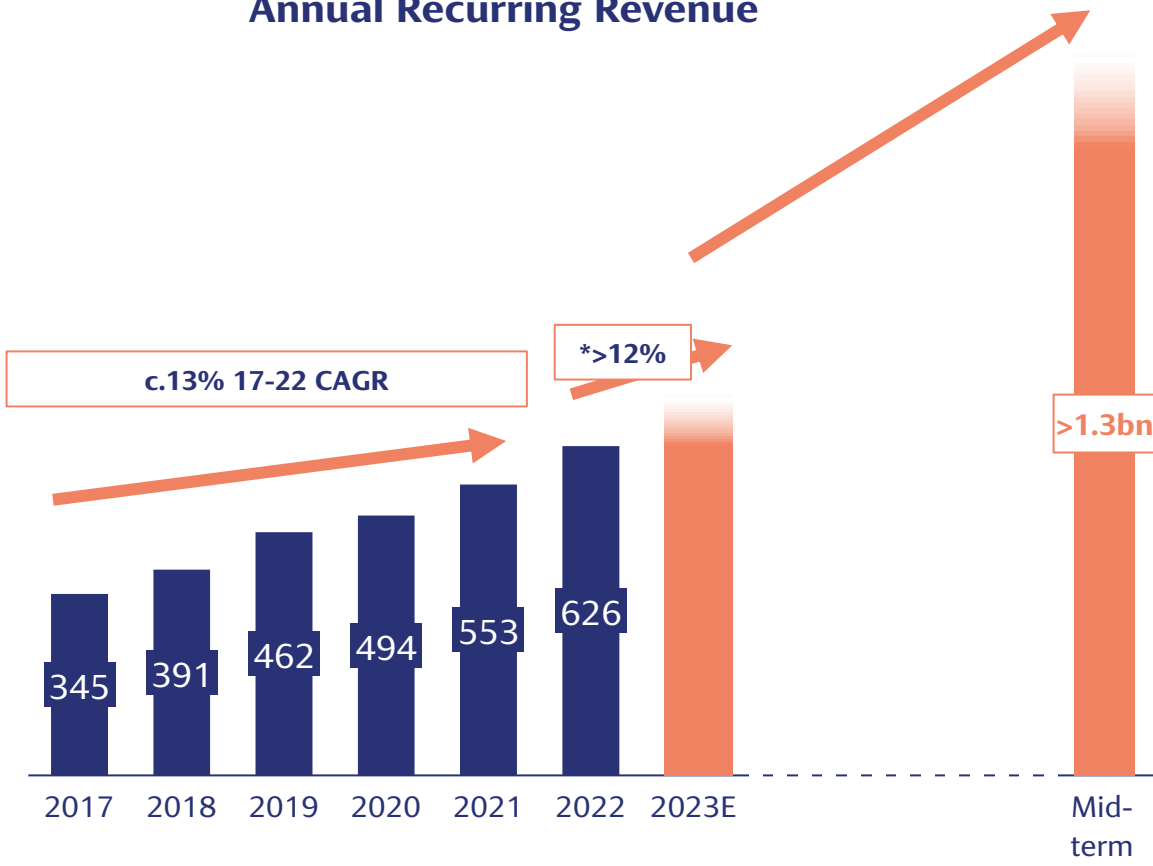
Non-IFRS EBIT to reach
>USD570m
in the mid-term



FCF to reach
>USD700m
in the mid-term

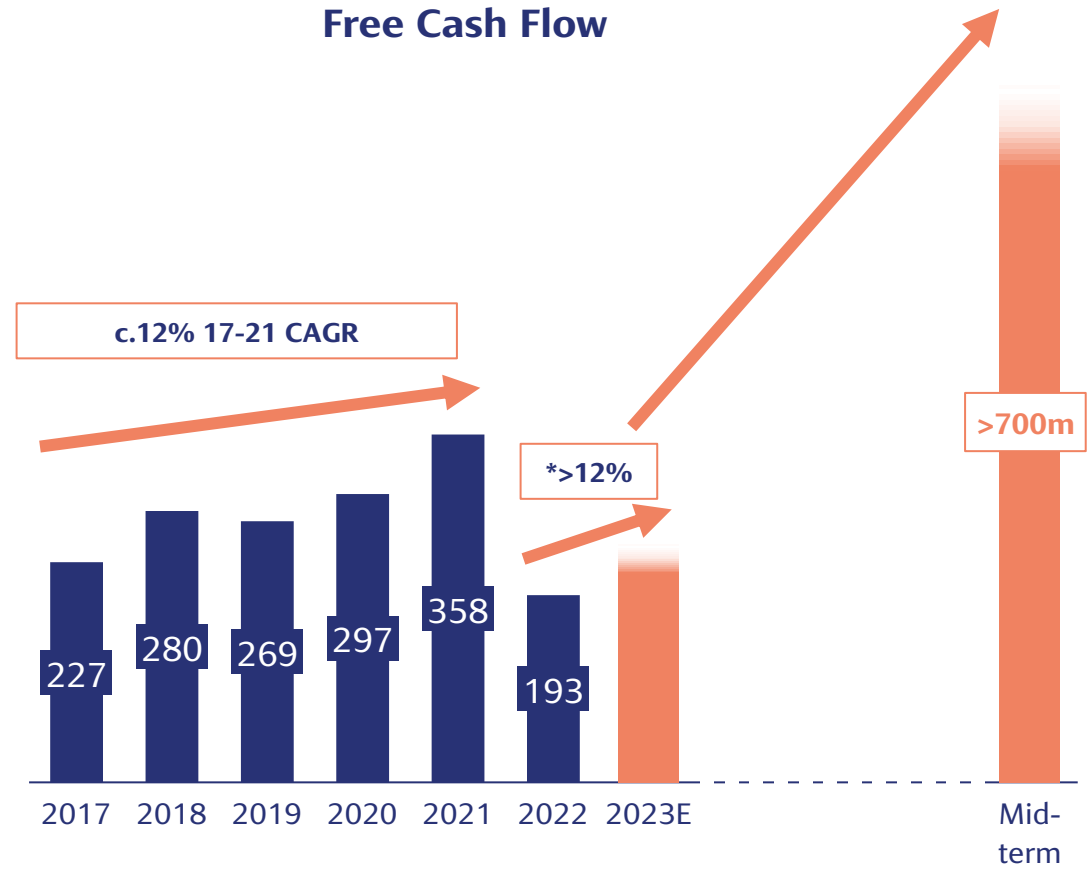
Accelerating ARR and Free Cash Flow Growth

Annual Recurring Revenue



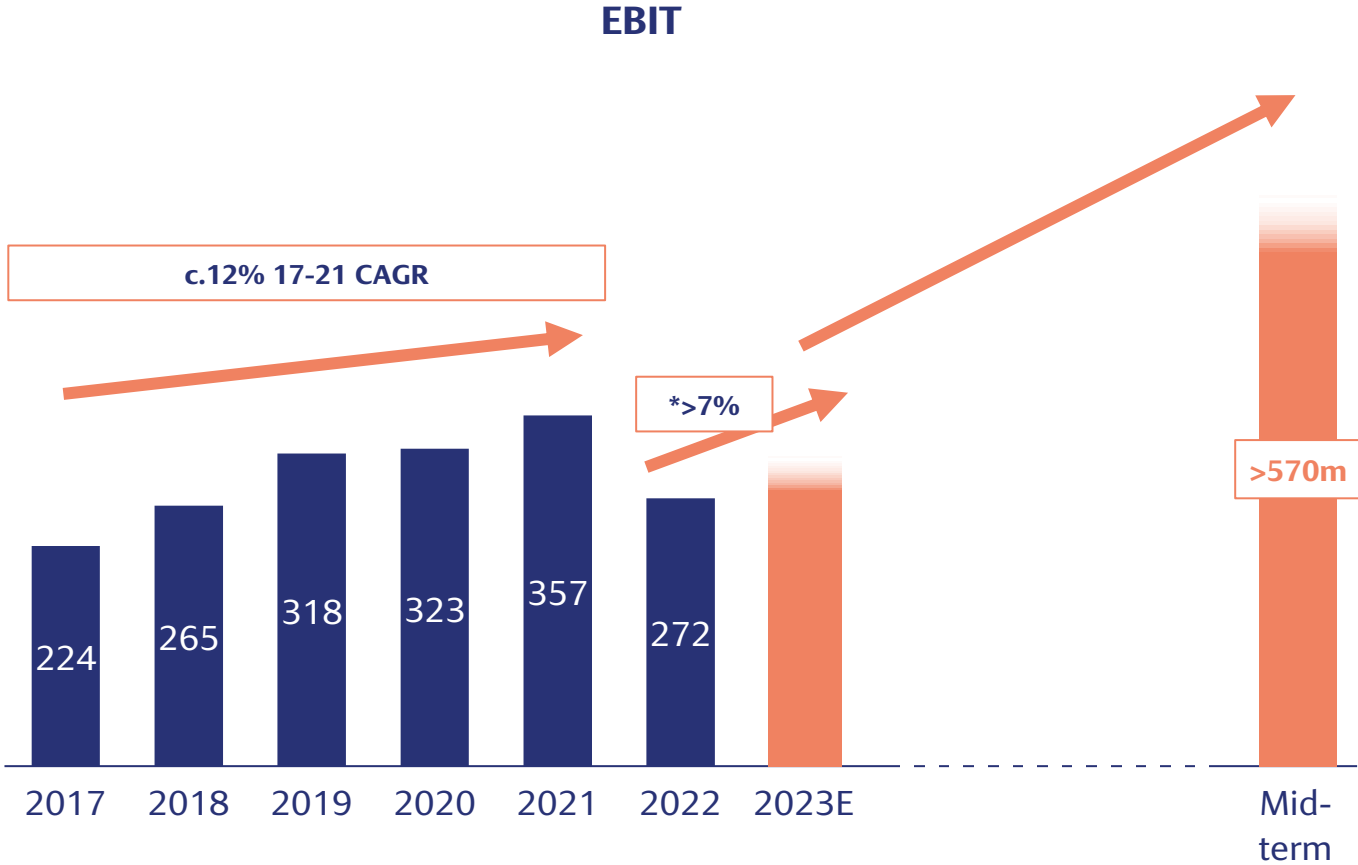
Note: Growth rates is in constant currency
* 2023 guidance

Free Cash Flow



* 2023 guidance

Improved predictability on EBIT Growth Trajectory



Note: Numbers are non-IFRS. Growth rate is in constant currency
* 2023 guidance

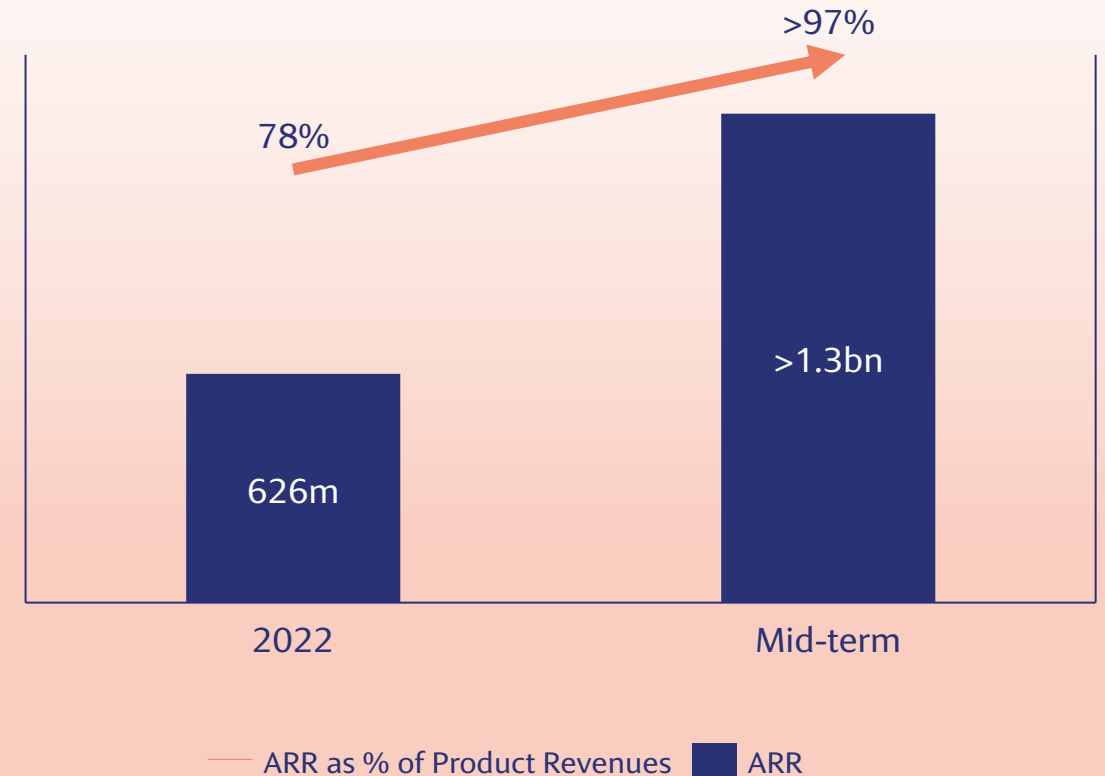
Move to Subscription improves Predictability of Financial Performance

Client across all tiers and business models are now sold **subscription contracts**



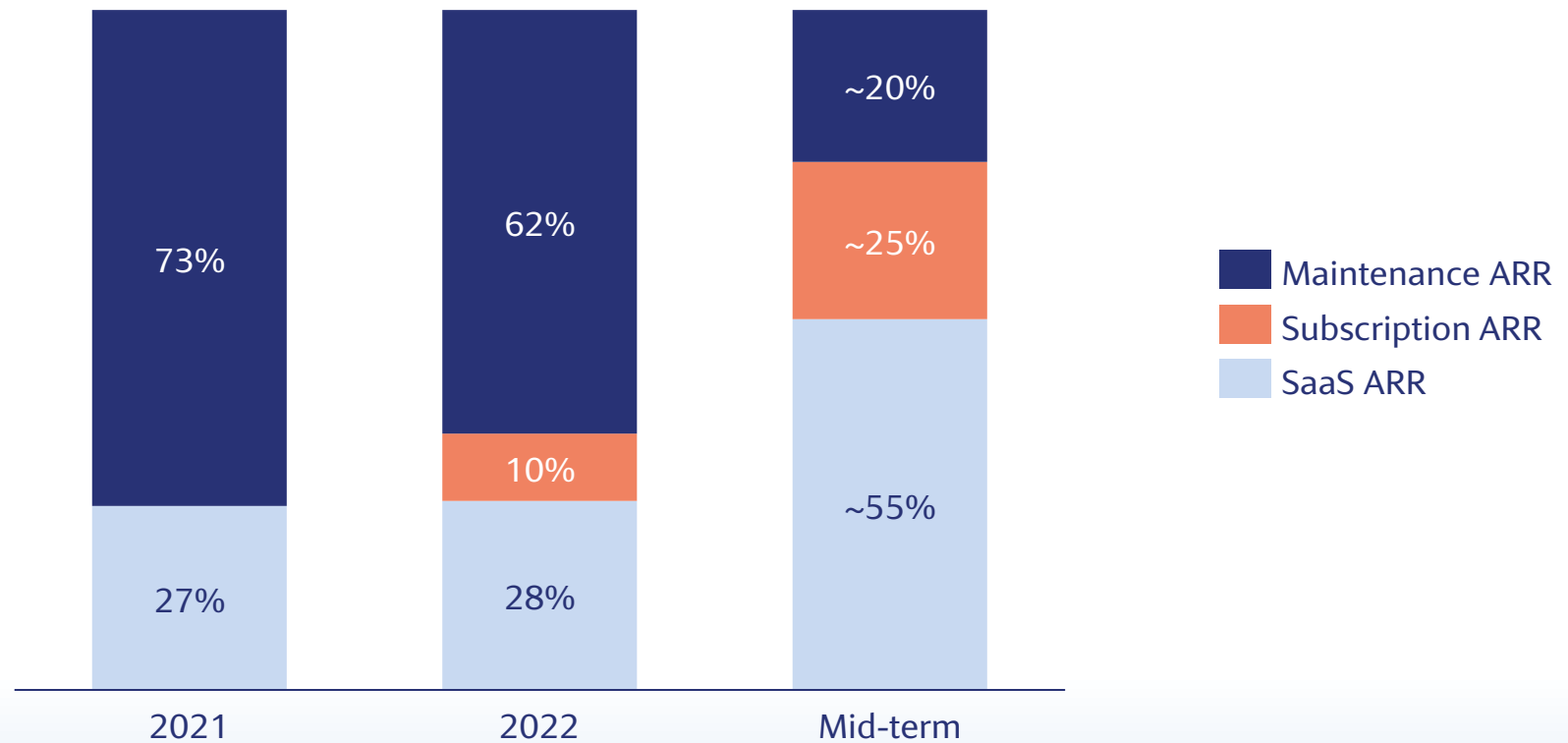
Temenos' **five year subscription contracts** for on-premise license and maintenance offering have been **well received by the market**

Significant acceleration in Annual Recurring Revenue



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

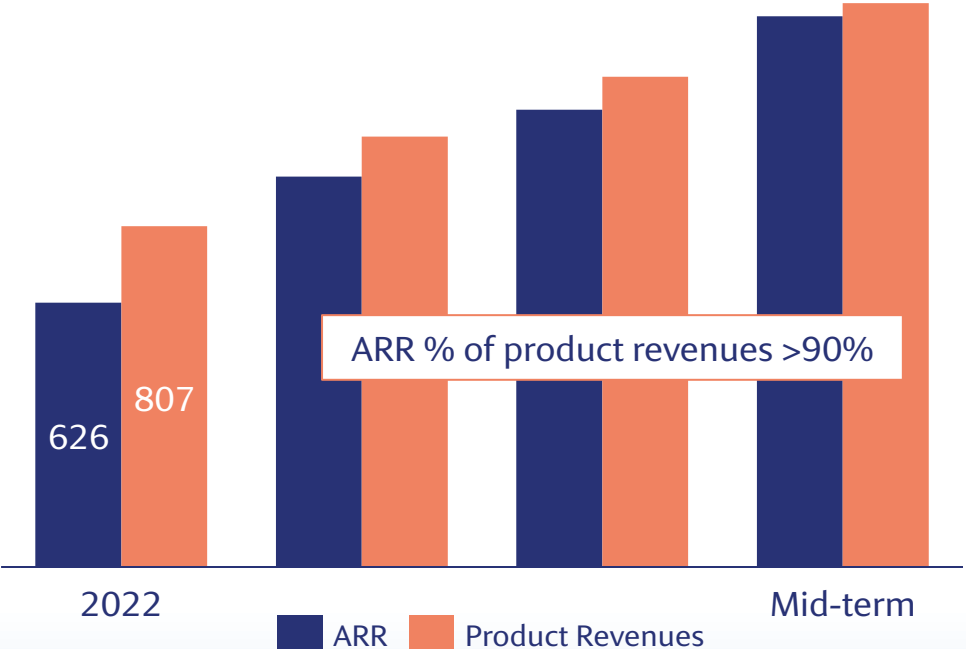
ARR Mix Shift from Maintenance to SaaS and Subscription



Subscription and SaaS to become main contributors in the mid-term and beyond

Acceleration of ARR driving EBIT Growth

ARR and Product revenues



Note: Numbers are non-IFRS

ARR vs EBIT % growth rates

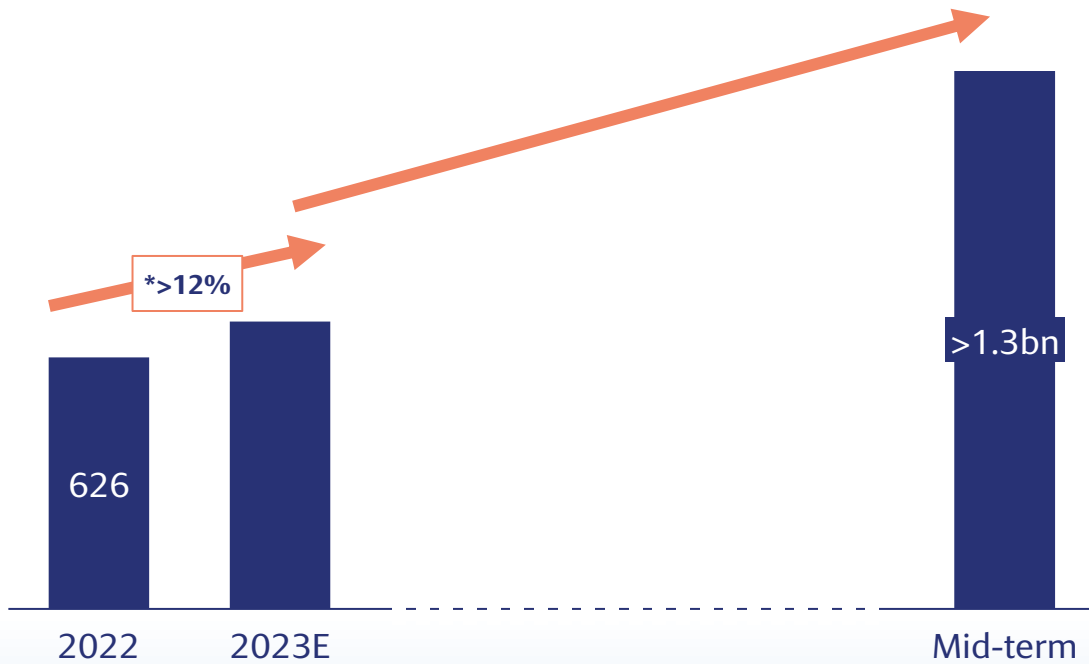


Note: Growth is in constant currency

ARR and EBIT growth rates aligning once ARR % of product revenues reaches >90%

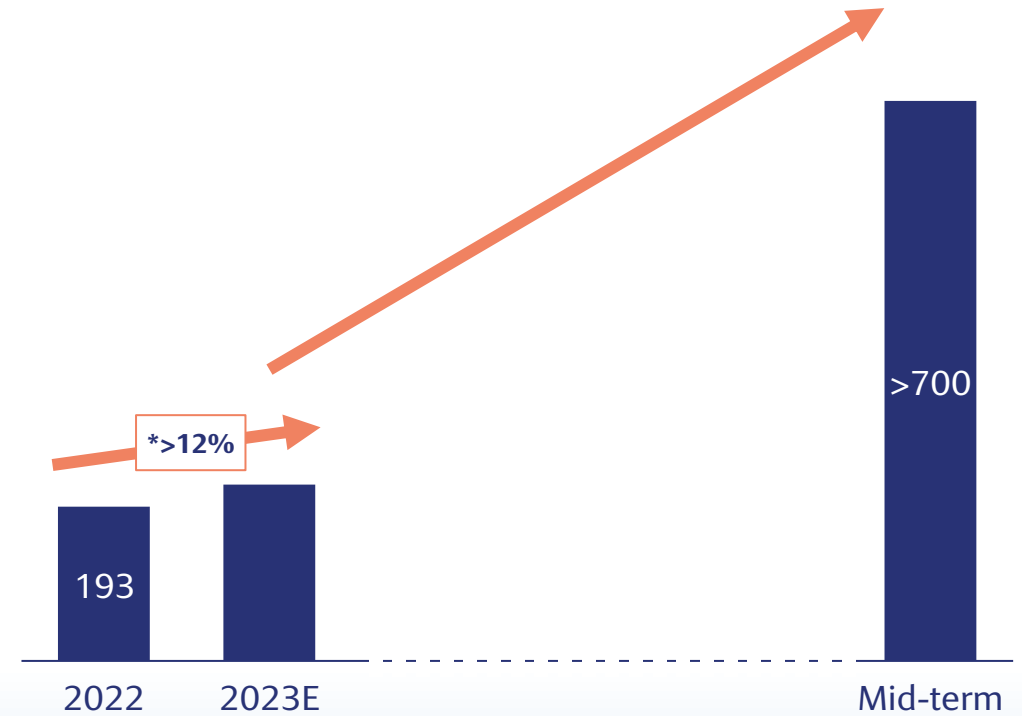
Free Cash Flow to grow faster than ARR

ARR



* 2023 guidance. Growth rate is in constant currency

Free Cash Flow



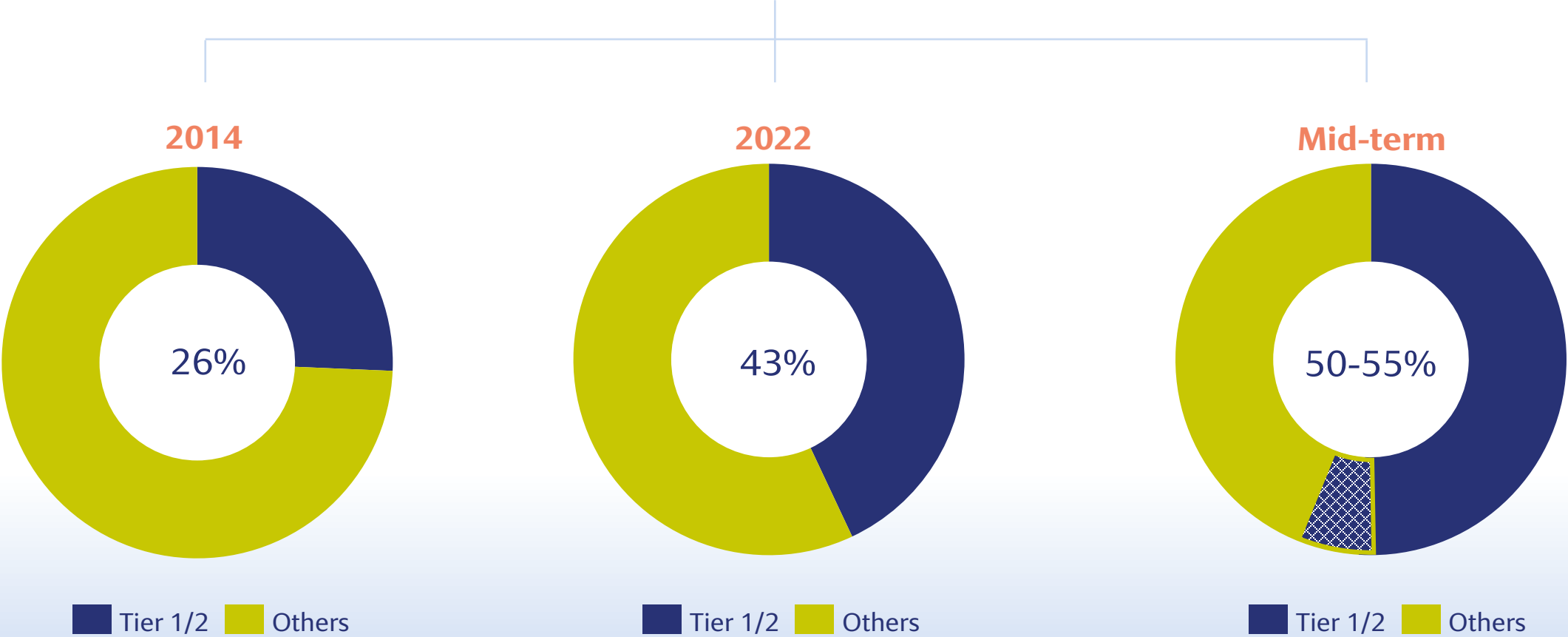
* 2023 guidance.

Free Cash Flow growth in excess of ARR and accelerating from 2023 based on SaaS deferred revenues

Drivers of Growth

Building Momentum with Tier 1 and 2 Clients

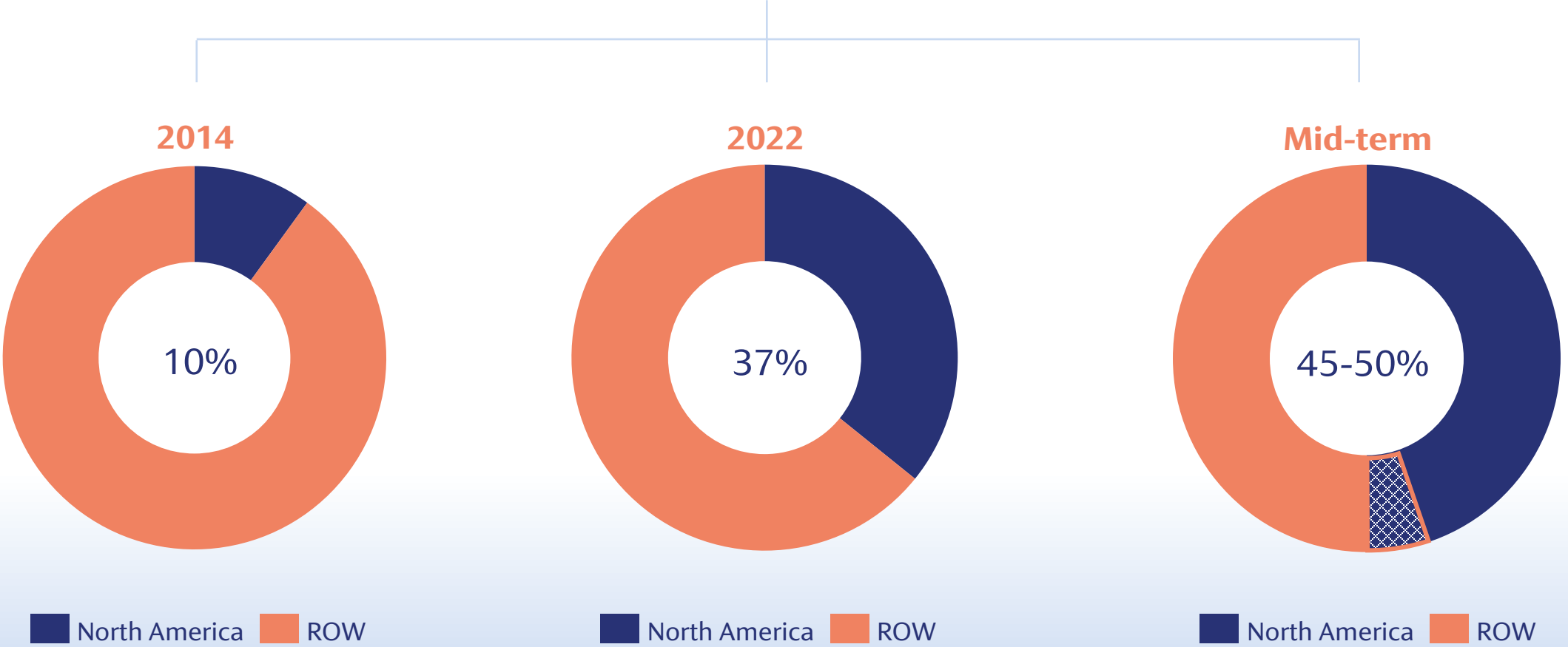
Non-IFRS total software licensing revenues by client tier



Note: Total Software Licensing revenue are non-IFRS.

Building Momentum in North America

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



Note: Total Software Licensing revenue are non-IFRS.

Focused Guidance Metrics

KPI	Reporting	Annual Guidance	Mid-term Targets (absolute)
SaaS ACV	✓		
Total Bookings	✓		
ARR	✓	✓	✓
Total Software Licensing*	✓	✓	
Total Revenue*	✓		
EBIT*	✓	✓	✓
EPS*	✓	✓	
Operating Cash Conversion	✓	✓	
Free Cash Flow	✓	✓	✓
Recurring Revenue*	✓		
DSO	✓		
Tax Rate*	✓	✓	

* KPI's are in non-IFRS.

2023 Guidance

Guidance	2022 (CCY)	2023 Targets
ARR	628	At least 12% growth
Total Software Licensing	407	At least 6% growth
EBIT	274	At least 7% growth
EPS (Reported)	2.82*	At least 6% growth
Free Cash Flow (Reported)	193*	In line with ARR (at least 12%)

Targets are non-IFRS. Tax rates estimate: FY23 guidance at 19-21%

* 2022 baseline on a reported basis

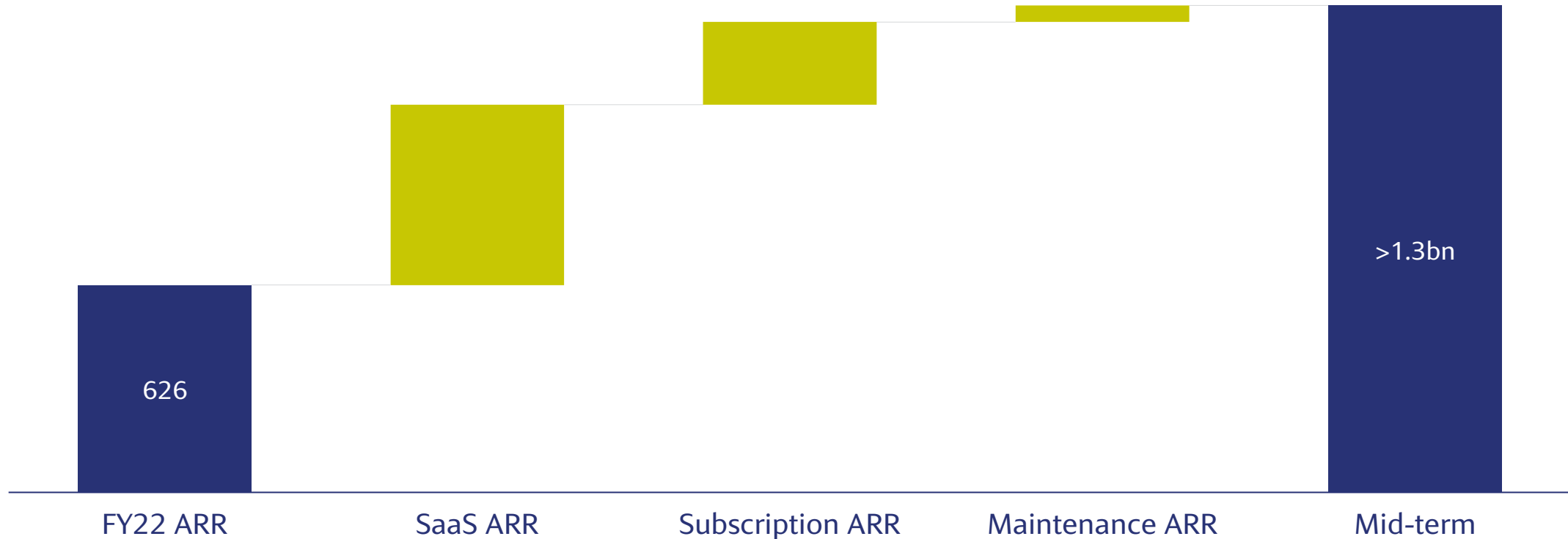
Mid-term Guidance

Guidance	2022 (CCY)	Mid-term Targets
ARR	628	>1.3Bn
EBIT	274	>570m
Free Cash Flow (Reported)	193*	>700m

Targets are non-IFRS.

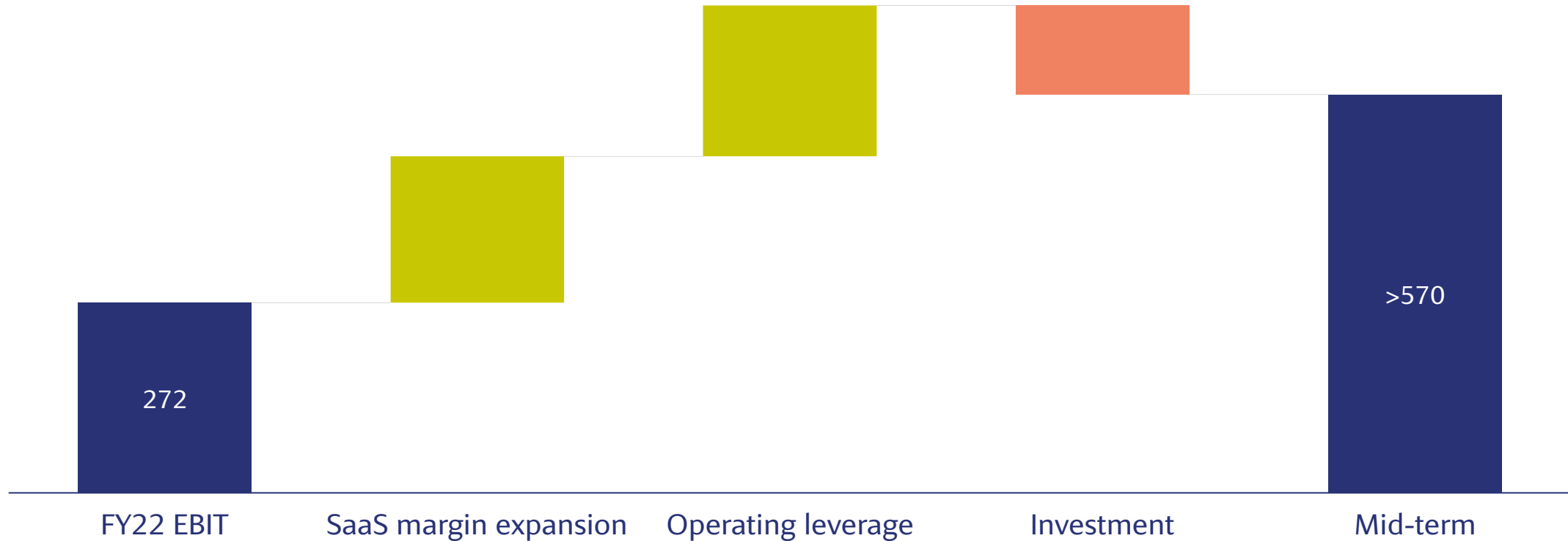
* 2022 baseline on a reported basis

ARR more than doubling in Mid-term



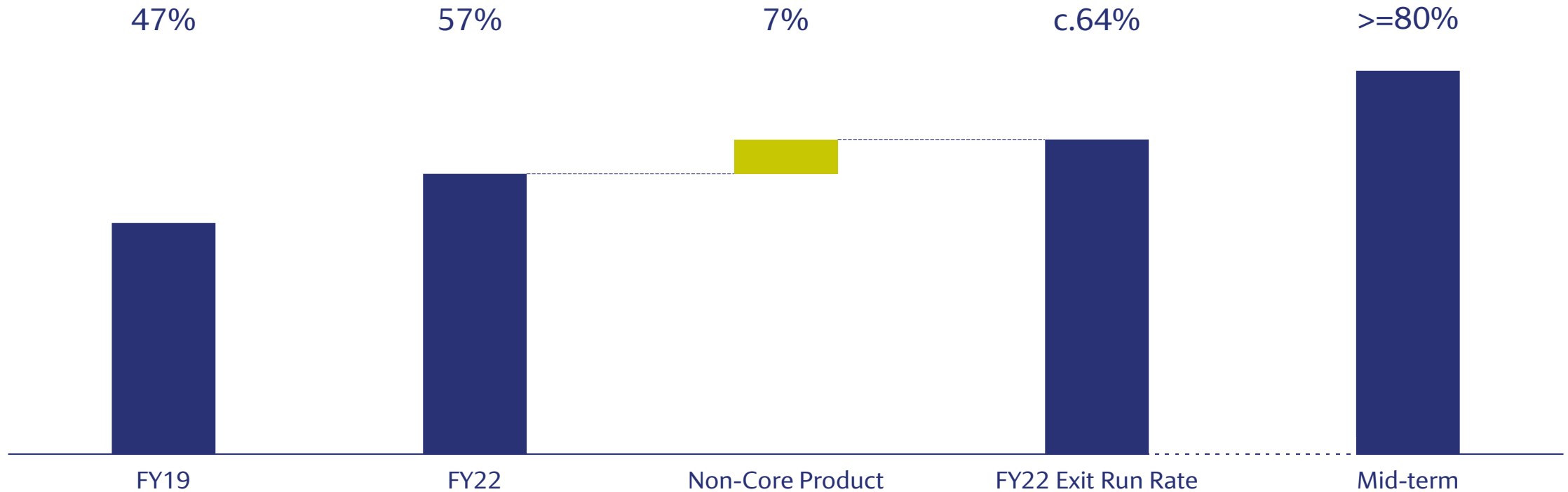
- SaaS ARR to represent c.55% of Total ARR
- Subscriptions will drive both subscription license ARR growth and maintenance ARR

EBIT Expansion Drivers



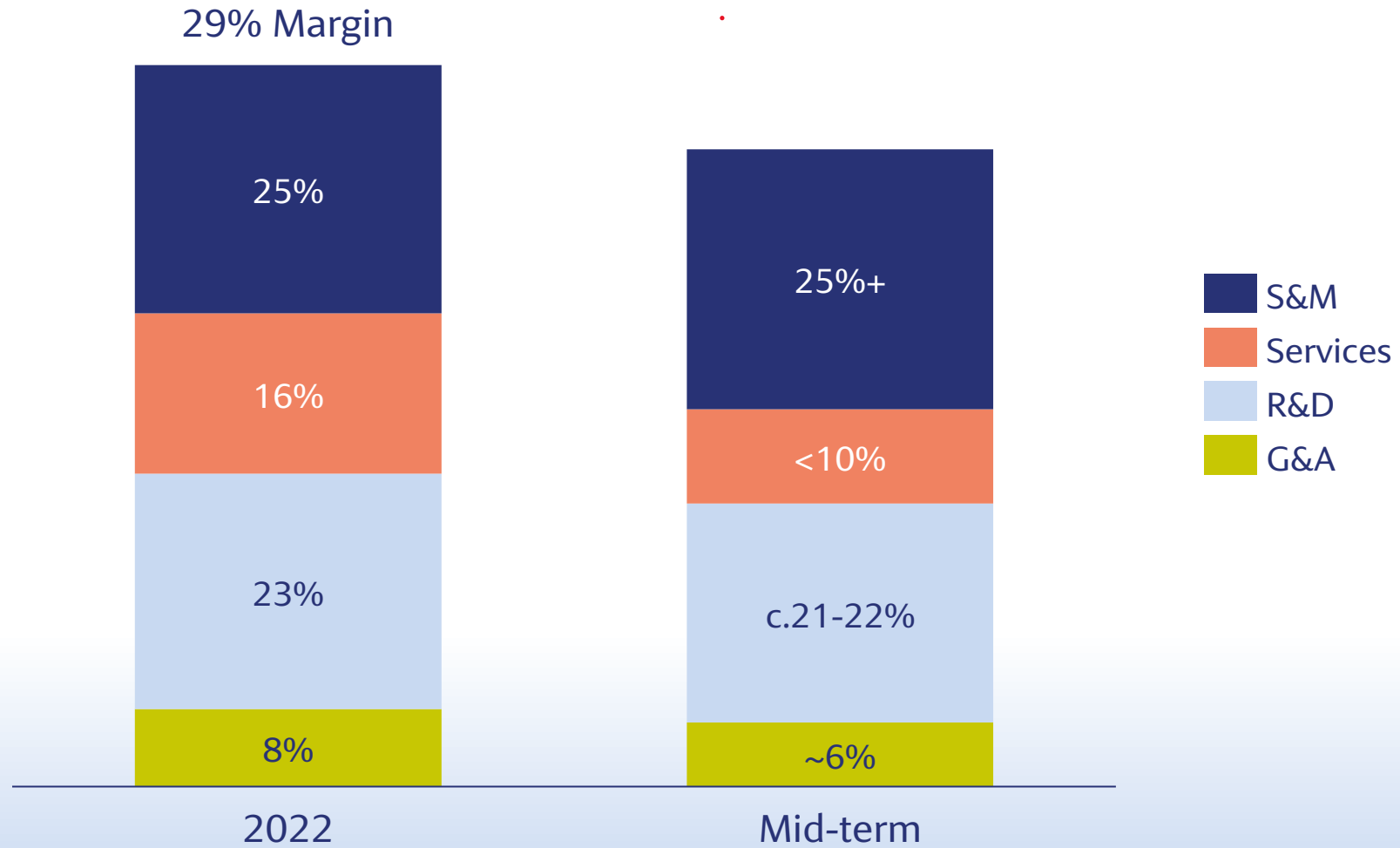
- SaaS Gross Margin to expand to at least 80%
- Continued leverage of G&A infrastructure, improvement in Services profitability
- Sustained investment (e.g. S&M capacity, product, wage inflation, variable cost increases such as travel)

SaaS Gross Margin % Evolution



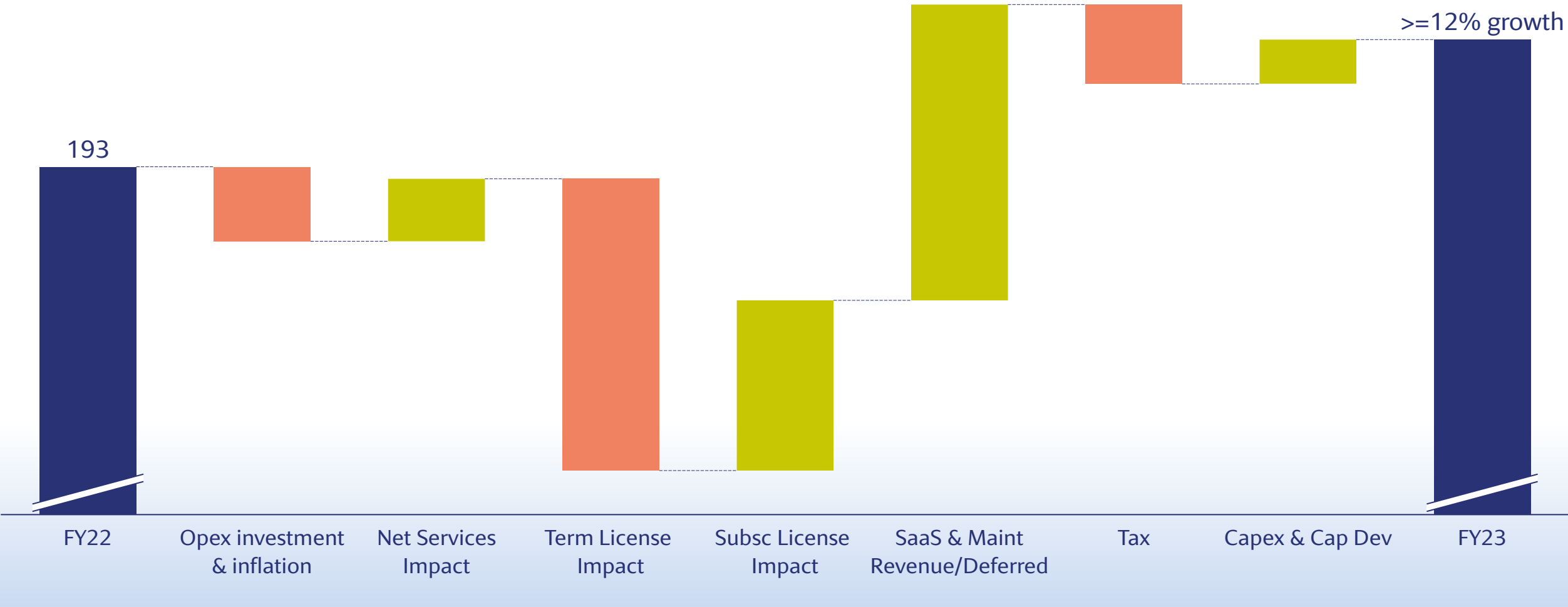
- Hyper-scalers: unit costs to reduce as volumes increase
- Automation to drive significant efficiencies in operation centres
- Operations optimised into centralised offshore function with local hubs to provide “follow the sun” service and drive economies of scale

Key Cost Lines as a Percentage of Revenue



FCF Evolution 2022 to 2023

Estimated movements for illustrative purposes only



FCF Evolution 2022 to Mid-term

Estimated movements for illustrative purposes only



Scenario Analysis 1: Mid-term ARR

Impact on mid-term ARR as a result of a change in mid-term Subscription vs SaaS Total Software Licensing revenue mix

Mid-term ARR	-20% Subscription	-10% Subscription	Guidance	+10% Subscription	+20% Subscription
+20% SaaS	+ 130-150m				
+10% SaaS		+ 60-70m			
Guidance			Baseline		
-10% SaaS				- 60-70m	
-20% SaaS					- 130-150m

Scenario Analysis 2: Mid-term EBIT

Impact on mid-term EBIT as a result of a change in mid-term Subscription vs SaaS Total Software Licensing revenue mix

Mid-term EBIT	-20% Subscription	-10% Subscription	Guidance	+10% Subscription	+20% Subscription
+20% SaaS	+18 to 24 months				
+10% SaaS		+9 to 12 months			
Guidance			Baseline		
-10% SaaS				- 9 to 12 months	
-20% SaaS					- 18 to 24 months

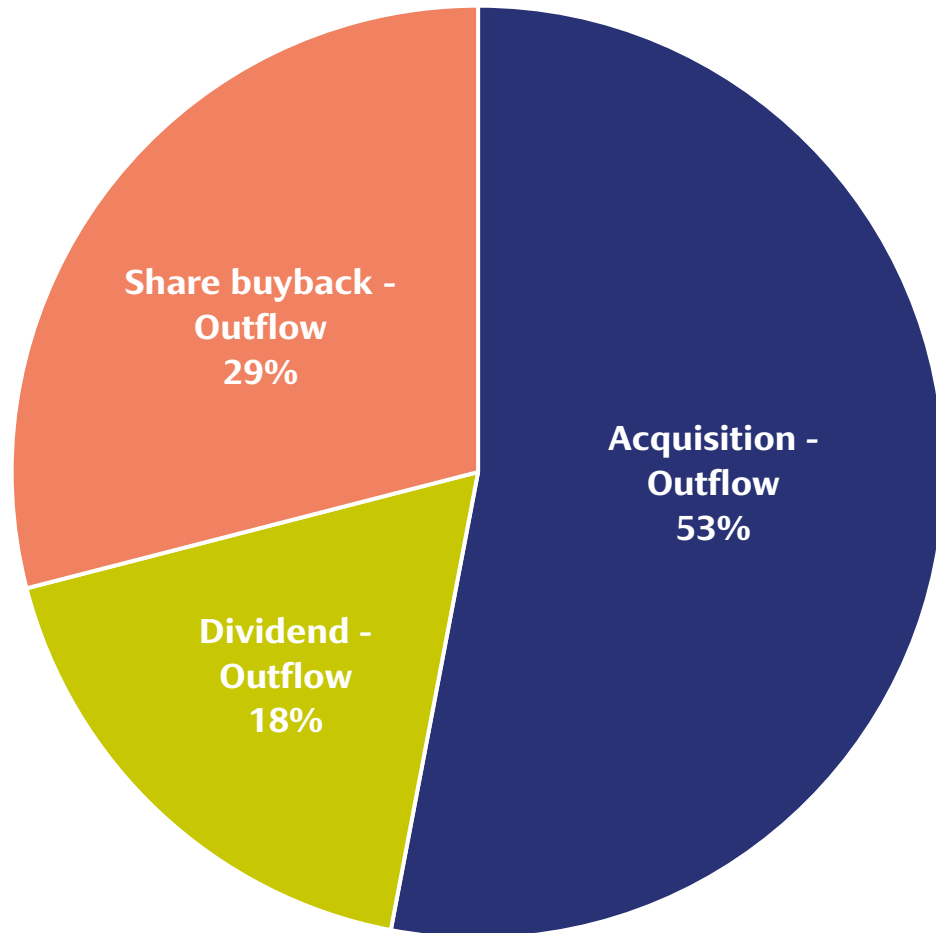
Scenario Analysis 3: Mid-term Free Cash Flow

Impact on mid-term FCF as a result of a change in mid-term Subscription vs SaaS Total Software Licensing revenue mix

Mid-term FCF	-20% Subscription	-10% Subscription	Guidance	+10% Subscription	+20% Subscription
+20% SaaS	+ 125-140m				
+10% SaaS		+ 55-65m			
Guidance			Baseline		
-10% SaaS				- 55-65m	
-20% SaaS					- 125-140m

Capital Allocation








Disciplined Capital Allocation (2015-2022)



Balance sheet (31-Dec-22)	
Weighted average interest rate	2.9%
Weighted average debt maturity	1.4 years
Leverage ratio	2.0x

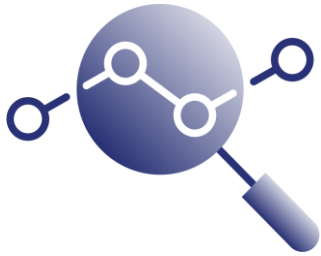
Targeted acquisitions for USD1.2bn+ and returned c.USD1bn to shareholders

M&A to accelerate Organic Growth

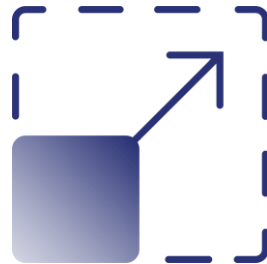
Date		Price (m)	Capabilities
Sep 19		\$560	US scale, digital banking and low code development, cloud operations excellence
Jul 19		£12	Explainable AI expertise across all products
Feb 19		N.D.	Data lake capabilities
Dec 18		\$245	Digital front office, cloud operations excellence
Feb 17		\$50	Core banking, 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**



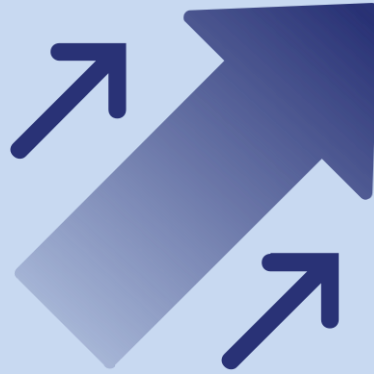
**Adjacent markets and
complementary
products**

Conclusion

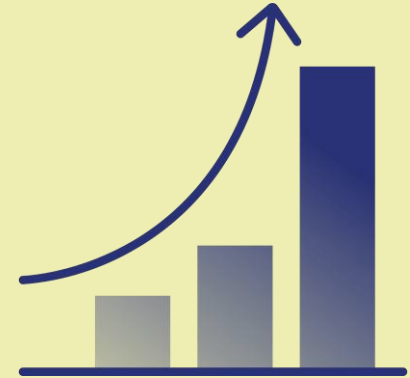
Accelerating Growth Trajectory



ARR to reach
>USD1.3bn
in the mid-term



Non-IFRS EBIT to reach
>USD570m
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FCF to reach
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Appendix

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