temenos

Annual Report and Accounts 2024

temenos

Grow Smarter Scale Faster Bank Better

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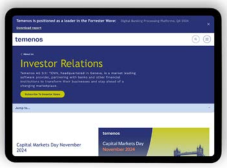


→ See our website for more information
temenos.com

Our growth strategy

Our levers to grow above market

Growth levers

- Extend market leadership in "best of suite"
- Enhance modular core solutions
- Accelerate adjacent point solutions

Focus: US, Western Europe

Best of breed solutions

ARR uplift contribution by FY-28

Building on our strong foundation

→ Read more about our growth levers on pages 13 and 14

Execution engine to drive growth

Business enablers

- Product & Technology investment
- Go To Market
- Customer lifecycle
- Operating model

Culture and leadership

- Accountability
- Clarity of direction
- Alignment & collaboration
- Transparency

→ Read more about our Execution engine on pages 14 and 15

TEMENOS AT A GLANCE

Temenos (SIX: TEMN) is the world's leading platform for banking, serving clients in 150 countries by helping them build new banking services and state-of-the-art customer experiences. Top performing banks using Temenos software achieve cost-income ratios almost half the industry average and returns on equity 2x the industry average. Their IT spend on growth and innovation is also 2x the industry average.

Our purpose

To power a world of banking that creates opportunities for everyone.

Our vision

We power a world where financial institutions trust Temenos to make banking easier and help people live their best financial lives.

Our mission

To modernize financial institutions by building on the most trusted, industry-leading technology solutions.

Our values

We challenge
We challenge the status quo, try to look at things differently and drive change.

We commit
We commit with determination and persistence to make things happen.

We collaborate
We collaborate within Temenos and across a broader Partner ecosystem.

We care
We care and listen to each other, our clients, our Partners and the communities we serve.

A clear mission

We were founded in 1993 and set on a mission to revolutionize banking. Since then, our community of customers, Partners, influencers and employees has grown significantly. We serve thousands of clients, with over 950 core banking and over 600 digital banking clients in more than 150 countries relying on our technology.

Who we are

Our culture guides the way we work. A culture that encourages all of us to challenge convention and commit to everything we do to make banking better. A culture that enables us to collaborate with our community and truly care about the people we serve and the impact of our business.

Together with our customers, Partners and employees, we want to continue making a positive contribution to the world of banking and society.

Business highlights

Over 950
core banking clients[1]

Over 600
digital clients[1]

Over 90%
of revenue generated by top 1,000 clients across all products in FY-24[1]

150+
countries in which clients are present[1]

1 Temenos' client number disclosure focuses on those clients generating the significant majority of Temenos' annual revenue, as well as client numbers across its core banking and front office platform, in an effort to best reflect the relevance of Temenos' client base to its business performance.

A set of key foundations to build on

- Large and growing market
- Long-term customer relationships
- Diverse and committed people
- Breadth of functionality
- Innovation

Highlights of 2024

Non-IFRS

Annual Recurring Revenue (USDm)

804.2 +10%

2024 **804.2**
2023 730.0

Subscription revenue (USDm)

193.4 +21%

2024 **193.4**
2023 160.4

SaaS revenue (USDm)

223.1 +9%

2024 **223.1**
2023 205.1

Total software licensing (USDm)

450.5 +2%

2024 **450.5**
2023 443.6

Maintenance (USDm)

464.3 +10%

2024 **464.3**
2023 423.7

Total revenue (USDm)

1,044.1 +4%

2024 **1,044.1**
2023 1,000.2

EBIT (USDm)

354.6 +13%

2024 **354.6**
2023 313.0

EBIT margin (%)

34.0 +3% pts

2024 **34.0**
2023 31.3

Earnings per share (USD)

3.92 +23%

2024 **3.92**
2023 3.19

Free cash flow (USDm, old definition*)

285.0 +17%

2024 **285.0**
2023 242.6

Free cash flow (USDm, new definition*)

243.2 +20%

2024 **243.2**
2023 203.3

Dividend per share (CHF)

1.30 +8%

2024 **1.30**
2023 1.20

* Free cash flow old definition excludes IFRS 16 leases and interest costs, free cash flow new definition includes IFRS 16 leases and interest costs.

Why we win

Delivering significant customer value

Market-leading cloud and SaaS capabilities

Broadest functionality and localization

Long-term strategic customer relationships

Widest customer references across key geographies, segments and tiers

TEMENOS AT A GLANCE continued

Temenos today

A broad product offering across geographies, domains and clients

c.90%
Core products generate c.90% of total software licensing

c.45%
Emerging Markets generate c.45% of total software licensing

c.65%
Installed base generates c.65% of total software licensing

Portfolio

Core products
- Core banking
- Wealth
- Payments
- Front office (Digital)
- FCM and other add-ons

Adjacent point solutions
- Journey Manager
- LMS

Geography

- Strong presence in Emerging Markets and W. Europe
- Established in other Mature Markets
- Growing US penetration

Banking segments

- Strong in retail banking and wealth management
- Investing to enhance corporate banking

Deployment

- Strong across all deployment models: on-premise, hybrid, private and public cloud, SaaS

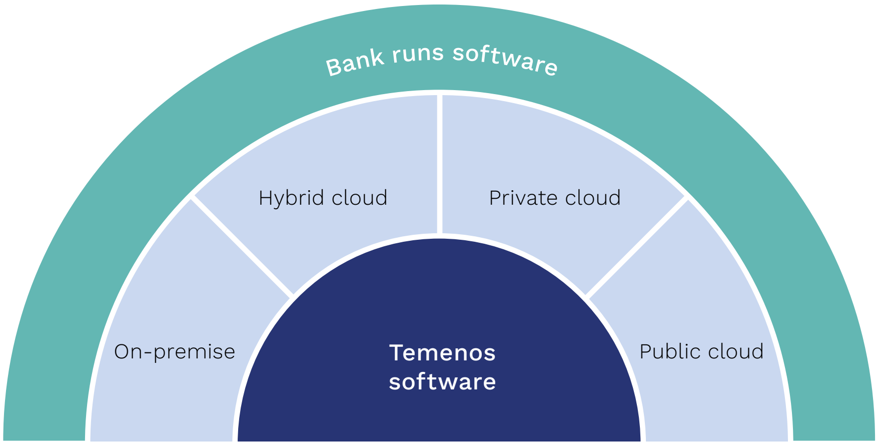
Clients

New logos
- Leader in IBS core banking sales league table for 19 years

Installed base
- 950+ core banking
- 600+ digital
- 150+ countries

Revenue and deployment models to offer clients choice

License revenue: subscription and term



Deployment model

- Larger banks likely to run software themselves for main business lines – on-premise, private or public cloud
- Banks in some jurisdictions remain on-premise due to regulatory regime
- Growth in public cloud usage accelerates Temenos license revenue

Revenue and cash

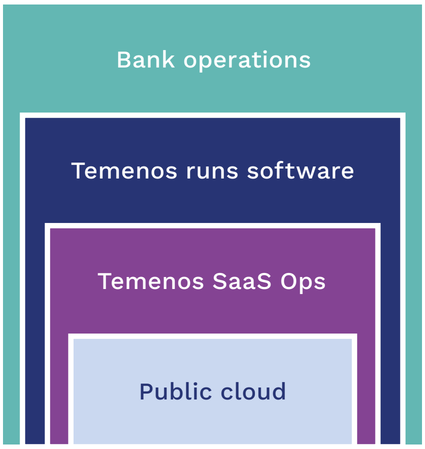
Subscription – 90%+ of software licensing

- Five-year standard contract
- Revenue recognized as upfront subscription license and recurring maintenance stream
- Cash collected annually in advance

Term – <10% of software licensing

- Ten-year standard contract
- Revenue recognized as upfront subscription license and recurring maintenance stream
- License cash upfront, maintenance collected annually in advance

SaaS revenue



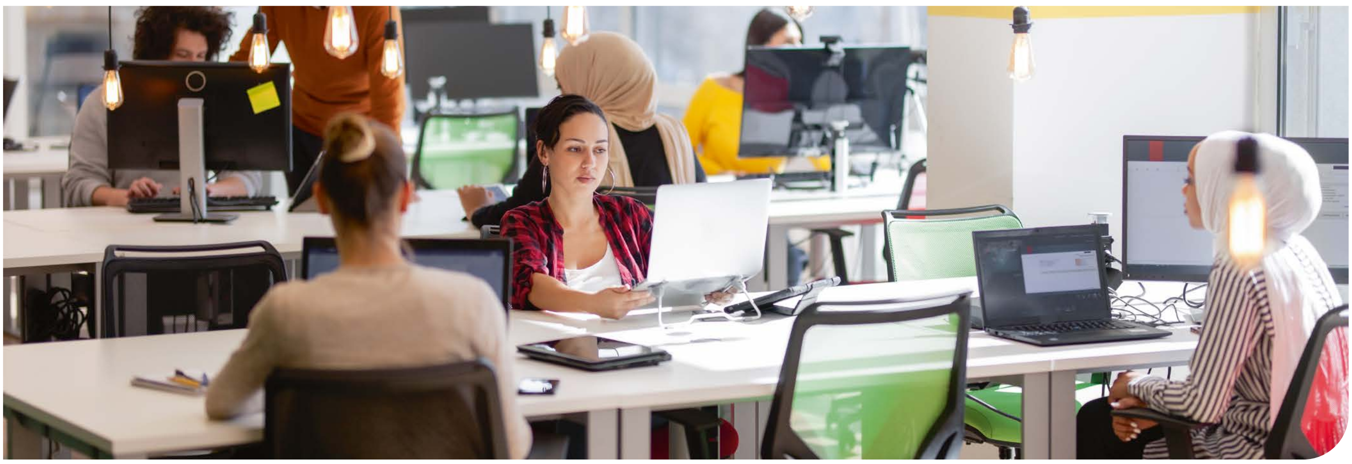
Deployment model

- Adopted by banks looking to outsource infrastructure and operations, including some large banks, smaller banks and non-incumbents

Revenue and cash

SaaS

- Five-year standard contract
- Revenue recognized pro rata through the life of the contract
- Cash collected annually in advance



CHAIRMAN'S STATEMENT

Looking to our future

> As a Board, we are confident that the new strategy will enable Temenos to capitalize on the growing market demand and deliver significant value for our shareholders and clients.

Dear shareholders,
2024 has undoubtedly been a transformational year for Temenos, one in which the Company and its management have faced and overcome numerous challenges and many changes to deliver a strong end to the year and prepare for a new chapter. The selection of a new CEO took more time than I had expected, but I was delighted to welcome Jean-Pierre Brulard as our new CEO in May 2024. He joined us with a wealth of knowledge which has brought a new perspective and focus to our business, as well as significant energy and enthusiasm for our mission – to modernize financial institutions by building on the most trusted, industry-leading technology solutions.

Jean-Pierre has created a dynamic new Executive Committee consisting of both new talent and experienced executives, who have put significant time and effort to defining the Company strategy which was presented to investors in November. The strategy is structured around three growth levers – extending market leadership in "best of suite", enhancing modular core solutions and accelerating adjacent point solutions.

Our management team has announced a comprehensive investment plan to drive growth in the business, partially funded by efficiencies that are already being realized. In particular, Jean-Pierre has identified Go To Market, especially our salesforce, as a key area for increased investment, particularly in the United States and United Kingdom, as well as greater focus of R&D investments in areas that are going to drive the greatest returns. As a Board, we are confident that the new strategy will enable Temenos to capitalize on the growing market demand and deliver significant value for our shareholders and clients.

We serve an end market that remains under pressure to satisfy clients and regulators at the same time, and to automate. The maturation of cloud infrastructure and rise of new technologies, in particular AI, are presenting banks with new opportunities to increase efficiency and drive growth. All this requires increased bank investment in modular platforms and architecture, which are needs that perfectly align with our strategy.

In this context, the Company performance in the first three quarters of the year was challenging, with a combination of external pressures on the business and some internal execution issues all having an impact. In my statement last year, I already addressed the short seller allegations from early in 2024, and so do not intend to dwell on these in detail again, but it is sufficient to remind all our stakeholders that these were comprehensively refuted as misleading and inaccurate by leading independent third parties. It is very clear, however, that these allegations had a heavy toll on our yearly performance.

In terms of execution, our new management team is highly focused, and it was reassuring to see a strong performance in the fourth quarter, reflecting this focus. I was particularly pleased to see continued strong growth in ARR, a key performance metric as the Company transitions to a recurring revenue business model, as well as very strong growth in free cash flow.

Looking at the non-IFRS results for 2024, Temenos delivered revenue of USD 1,044 million, an EBIT of USD 355 million and EPS of USD 3.92, growing 23%. Our ARR reached USD 804 million by year end, an increase of 10%, and our free cash flow reached USD 243 million (including IFRS 16 leases and interest costs), an increase of 20%.

Based on these results, the Board of Directors is pleased to propose an annual dividend for 2024 of CHF 1.30 per share, an increase of 8%, to be voted on at the Annual General Meeting on 13 May 2025.

We also welcomed two new members to our Board of Directors in 2024: Ms. Laurie Readhead and Dr. Michael Gorriz. Our Board and our new CEO have already greatly benefited from the extensive experience of both Ms. Readhead and Dr. Gorriz since their appointment in May 2024. Ms. Readhead is a 30-year veteran of Bank of America, with excellent insight and understanding of the banking industry, in particular in the US, and Dr. Gorriz brings over 20 years of leadership expertise at Daimler and Standard Chartered Bank in the field of information technology.

I would like to extend my gratitude to all our shareholders, employees and clients for their ongoing support in 2024. I am confident we are in a stronger position at the start of 2025 and look forward to working with our management team to deliver growth for all our stakeholders.

Thibault de Tersant
Chairman

I would like to extend my gratitude to all our shareholders, employees and clients for their ongoing support in 2024.

CEO'S STATEMENT

The next chapter

Culture will be absolutely key to ensuring our success. We already have strong corporate values, and our Executive Committee and Senior Leadership Team will be at the forefront of driving our new culture of autonomy, accountability and execution focus going forward.

2024 was a transformational year for Temenos, and for me personally. I was honored to join the Company as CEO in May, and rapidly embarked on a listening and learning tour to meet clients, Partners, shareholders and our employees across the globe. It became clear to me that Temenos is a leader in its market with strong foundations which we can build on. Temenos benefits from a large and growing market, and excels at both customer centricity and innovation, enabling us to build long-term customer relationships. We also have a diverse and committed employee base, who are rightly proud of the breadth of functionality and innovation across our products. Our relentless focus makes us highly relevant to our customers, as a beating heart of the banking industry.

Prior to 2024, the Company had already made significant progress over the last few years, having seen significant growth in its recurring revenue base and free cash flow. Temenos had nearly completed its transition from term license to subscription, and SaaS revenue contributes around half of total software licensing. The Company had also been able to grow EBIT and continue investing in R&D through this business model transition.

However, there are challenges to be addressed. Through my listening and learning tour, we identified corporate culture as a key area that required change, as well as consistency of execution, which was impacted in the first three quarters of the year by external pressures on the business as well as internal execution issues. R&D investments had been overly diversified and Go To Market, in particular our salesforce, was underinvested in several key markets. Now it is a defining time to write the next chapter of Temenos, to deliver above-market growth whilst simultaneously enhancing the customer experience.

My first action on joining the Company was to increase investment in sales, in particular in the US and Western Europe. We also launched an efficiency program, focused on reducing layers of management to drive increased speed of decision making and to break down silos across the business. We also conducted a refresh of our strategy, supported by a leading global consultancy firm, and culminating in a Capital Markets Day in November where we presented the new strategy to our investors.

Our strategic review identified the changing structural trends driving growing demand for third party banking software. Alongside increasing cost headwinds and regulatory and compliance complexity, banks are also facing an explosion in digital interactions and threats from non-incumbent players. At the same time, cloud infrastructure and platforms are maturing and the use of Gen AI is increasing, both of which can help banks address the challenges they face. We estimate that

Temenos benefits from a large and growing market, and excels at both customer centricity and innovation, enabling us to build long-term customer relationships.

our serviceable addressable market of around USD 23 billion is growing at c.7% per annum, partially from gradual outsourcing of in-house spend and partially from upsell, cross-sell, volume growth and changes in deployment model. Demand for public cloud in particular is seeing significant growth.

In this context, we have identified three levers to grow above market. Firstly we will extend our leadership in “best of suite”, where we offer a comprehensive front-to-back solution, typically to tier 3–5 banks. We were already very successful in this segment in certain geographies, including the Middle East and Eastern Europe, and our strategy is to replicate this success in other key geographies, in particular the US and Western Europe. Secondly, we will invest in our modular core solutions, in particular in retail and corporate banking, to enhance our offering for tier 1 and 2 banks, which control a significant amount of global spend on third party software. And thirdly, we will accelerate our adjacent point solutions, increasing investment in specific products around our “best of suite” and modular offerings.

To deliver on these levers of growth, we defined four business enablers. This includes focused investment in product and technology, including expanding our retail and corporate functionality and reaffirming our commitment to SaaS and cloud. We already had our first go-live on our SaaS foundation and Enterprise Services in 2024 and our R&D investment will build on this success. We will also increase investment in Go To Market with a plan to roughly double our sales headcount, with a strong focus on the US and Western Europe. We have created a new Chief Revenue Officer (CRO) organization that is responsible for the entire customer lifecycle, from the initial sale through to implementation and ongoing support, and are investing in product quality, implementation and support services to ensure our customers have the best possible experience and gain maximum value from working with Temenos. Lastly, we are transforming our operating model by creating a lean and fit organization including attracting new talent to ensure we have the right skill mix. We are investing in process and systems automation and better leveraging our data for data-driven decision making. In total, we plan to make cumulative gross investments of USD 110–150 million to deliver our new strategic roadmap.

Our new strategy is also designed to maximize our US footprint, and our recent senior hires reflect this, with multiple hires either based in the US or with extensive experience of the US financial services market. Partners will also be key to our success and we have created a new approach to increasing collaboration with Partners across all aspects of our business, from innovation to sales and implementation.

In 2024, we created a new Executive Committee, combining hires of new external talent with experienced existing Temenos executives. We also identified our top 40 leaders below the Executive Committee to become our Senior Leadership Team, responsible along with the Executive Committee for delivering our strategy and driving cultural change, with a focus on increasing autonomy and accountability.

With the launch of our new strategy, we have also defined new FY-28 targets which we have adjusted to exclude any contribution from Multifonds after we announced its sale in February 2025. These are for ARR to reach more than USD 1.2 billion, non-IFRS EBIT to reach c.USD 450 million and FCF to reach c.USD 400 million. The implied growth rates have not changed.

Looking at our performance in 2024 specifically, the sales environment remained stable throughout the year; however, we saw a significant impact from the external short seller attack on the business in Q1, which drove us to reduce our guidance early in the year. Execution issues in the Middle East region in particular also impacted performance in Q3, and we took swift action to fix this issue. We were pleased that the actions we took and increased focus on consistent execution enabled the business to deliver a strong fourth quarter and to meet and exceed all our revised guidance metrics. ARR in particular grew 10% in the year despite the challenges we faced, reflecting the transformation to a recurring revenue business and the increase in our predictable revenue.

I would like to thank you all for the warm welcome you have given me on joining Temenos. I am confident that our new strategy and investment plan will enable Temenos to be even more successful, by embracing our heritage and shaping our future to deliver growth in this next chapter. Corporate culture will be at the heart of everything we do. We already have strong corporate values, and our Executive Committee and Senior Leadership Team will be at the forefront of driving our new culture of autonomy, accountability and execution focus going forward.

Jean-Pierre Brulard
Chief Executive Officer

MARKET REVIEW

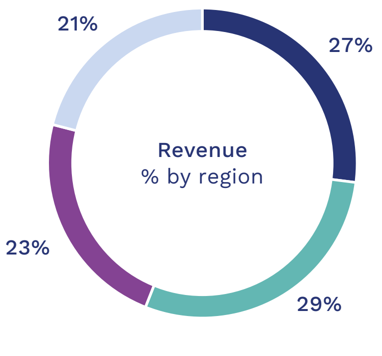
Market trends and opportunity

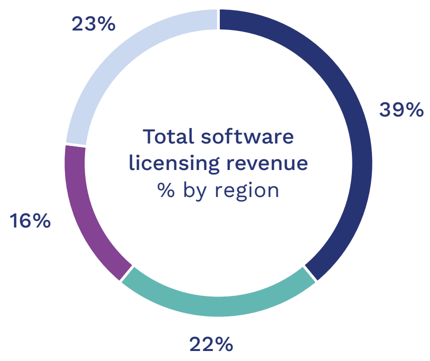
Market trends

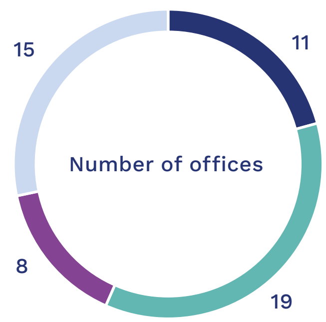
TRENDS IN BANKING	**Increasing cost headwinds**	**Rise of hyperscalers, Gen AI and modular architecture**	**Explosion in digital interactions and threat from non-incumbents**	**Increased regulatory and compliance complexity**
DEMANDS ON BANK TECH PROVIDERS	• Highly **automated and streamlined** banking processes • **Best of suite turnkey solutions** and simpler tech estate • Cost-effective **SaaS solutions** powered by low-code/no-code	• **Cloud-native** solutions; multiple cloud service providers • **Modularity** to offer choice and incremental transformations • **AI/Gen AI** embedded in key use cases across core solutions	• Best-in-class **digital front-ends** backed by **scalable and agile modern core** • **Seamless, personalized, omni-channel** offerings at par with fintechs and payment disruptors • **Real-time data processing and analytics,** driving insights	• **Development of out-of-the-box tools** to address a complex **regulatory landscape** • **Security and fraud detection** covering digital vulnerabilities • Data solutions for **ESG** and **sustainability reporting**

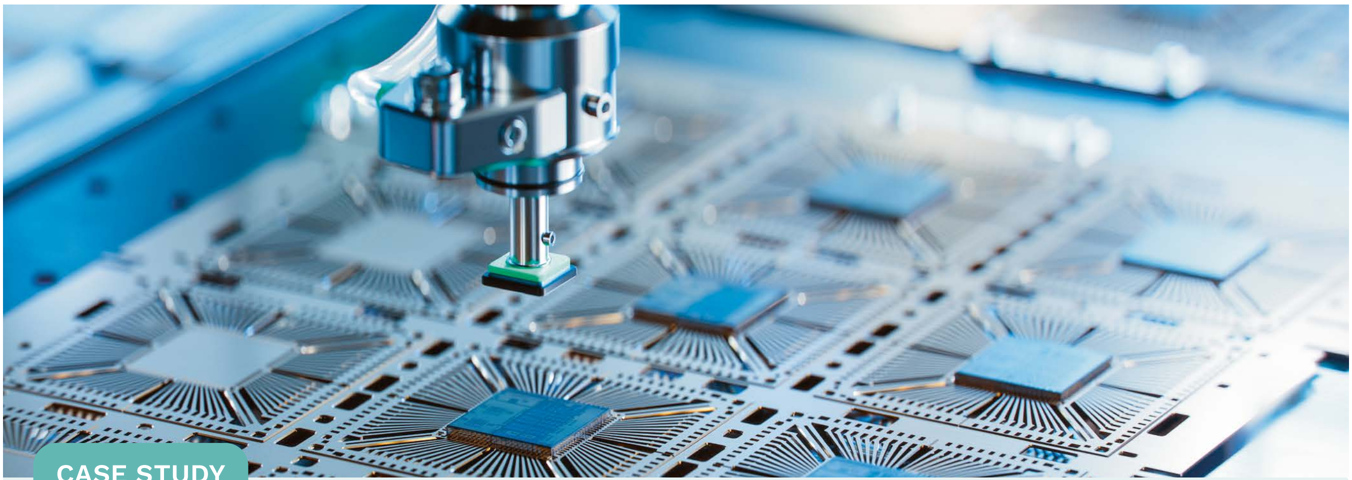
Our global reach

■ The Americas ■ Europe ■ Middle East and Africa ■ Asia Pacific









CASE STUDY

Temenos powers generative AI for real-time banking with NVIDIA accelerated computing

Temenos will deploy its own generative AI on-premise on NVIDIA's accelerated computing platform, providing banks with exceptional speed and precision in delivering AI-driven services.

Temenos announced it is bringing high-performance, on-premise generative AI – built with the NVIDIA AI platform – to banks, empowering them to transform data into real-time insights while retaining full control over their information.

Banks can deliver more personalized, customer-centered experiences by processing unstructured data efficiently and securely on site with Temenos' generative AI built with the NVIDIA accelerated computing platform, including NVIDIA GPUs and NVIDIA AI Enterprise software.

With this announcement, Temenos will deploy its own generative AI on-premise on NVIDIA's accelerated computing platform, providing banks with exceptional speed and precision in delivering AI-driven services.

Temenos' generative AI is executed using NVIDIA NIM microservices, part of the NVIDIA AI Enterprise software platform, which provides optimized AI inference throughput and latency, as well as facilitated deployment, scaling, monitoring and management of AI models. Hence, Temenos' generative AI solutions on NVIDIA's platform give banks the flexibility to scale their AI capabilities and meet customer demands quickly, supporting more effective, responsive and compliant banking.

The collaboration with NVIDIA emphasizes Temenos' commitment to responsible AI, allowing banks to harness the full power of data while ensuring privacy and control. With the high-performance NVIDIA AI platform, Temenos is helping banks future-proof their operations and elevate the customer experience.

Explainable AI is embedded in multiple areas within our solutions including credit scoring, anti-money laundering, payment exceptions, customer engagement and cross-selling. Temenos' generative AI solutions can give business users instant access to unique insights and reports, enabling them to transform operations, increase productivity and enhance customer experience.

Additionally, Temenos' generative AI solutions will run on NVIDIA's verified deployment architecture, enabling them to be distributed and deployed by NVIDIA's network of partners.

> This collaboration exemplifies the strength of combining Temenos' banking expertise with NVIDIA's industry-leading AI infrastructure, giving banks powerful tools to serve customers in real time with precision and control. At Temenos, we believe in responsible, customer-centric AI that empowers banks to innovate on their own terms. With NVIDIA, we're helping enable banks to unlock the future of financial service – where data-driven insights meet unparalleled performance and customer-centric innovation.

Barb Morgan
Chief Product and Technology Officer, Temenos

> AI is reshaping financial services, letting banks reimagine customer interactions and optimize secure, scalable and efficient operations. With Temenos' integration of NVIDIA NIM microservices, banks can access real-time insights, identify areas for improvement, and deliver more personalized and responsive customer experiences.

Malcolm deMayo
Vice President of Global Financial Services, NVIDIA

MARKET OPPORTUNITY

We serve a large and growing market

7% CAGR in Serviceable Addressable Market FY-24 to FY-28 from USD 23 billion to 30 billion.

	Buy (third party)	vs	Build (in house)
Tier 1–2 • Mostly best of breed • c.70% in US and W. Europe	c.USD 8bn		c.USD 40–45bn Mostly maintenance cost driven by FTEs
Tier 3–5[1] • Mostly best of suite • c.50% in Emerging Markets	c.USD 15bn		
Total Core banking c.50% of SAM	c.USD 23bn **USD +7bn by FY-28**	**+USD 3bn** From outsourcing of in-house spend	

+USD 4bn
From upsell/cross-sell, volume growth and deployment model shift

1 Includes tier 3-5 and non-incumbents.

Public cloud is expected to be the fastest-growing deployment method

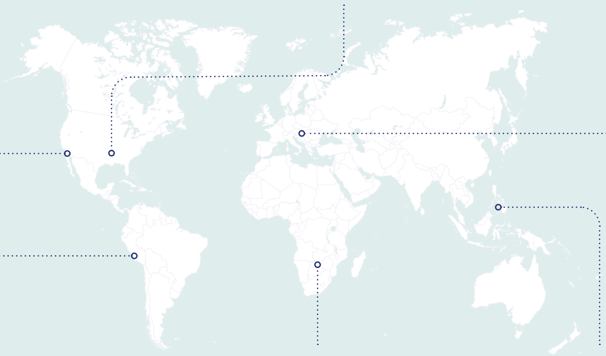
	On-premise	Public cloud	SaaS
FY-24 SAM	USD 15bn	USD 3bn	USD 5bn
CAGR to FY-28	4%	16%	12%
Mix shift FY-24–FY-28	67%–>59%	11%–>15%	22%–>26%

We deliver real and proven value to customers

Mid-tier bank in North America
63%
increase in carbon efficiency

Mid-tier bank in North America
18k
accounts opened in five days

Tier 2 bank in Europe
17%
growth in active mobile app users YoY



Top bank in LATAM
140%
customer growth in six months

Top bank in Africa
47hrs
reduction in payment authorization times

Top thrift bank in Philippines
35%
customer growth in six months

Laser focus on US growth

Our growth levers and operational plan are designed to maximize our US footprint

Temenos growth opportunities

US SAM USD 8 billion, 35% of total market, with higher third party spend

USD 8bn

High demand for best of suite from low-end tier 2 and tier 3 banks

Product investment

- Accelerated investment in quota carriers
- Expand US Partner network for GTM and services

Customer lifecycle

- Deliver best-in-class implementation service
- Invest further in local US support and SaaS operations

Go To Market

- Enhance US model bank to extend product regulatory compliance
- Investing in specific corporate banking functionality

OUR STRATEGY

Delivering our strategy

Introducing our Execution engine to drive above-market growth

Business enablers

1. Product and Technology investment

Build out targeted functionality and architecture to support our three growth levers

- **Broaden corporate banking functionality and US country model bank**
- **Beach-head in lending and cash management**
- **Focus on digital channels, compliance and payments**

2. Go To Market (GTM)

Enhance GTM approach by expanding FTE footprint and investing in sales operations and partnerships

- **Increase sales capacity and effectiveness**
- **Invest in sales operations**
- **Strengthen strategic partnerships and ecosystem**
- **Optimize pricing and packaging**

Culture and leadership

Foster a culture of empowerment that drives long-term growth and efficiency

Accountability

Clarity of direction

3. Customer lifecycle

Deliver exceptional customer experience

- **Enhance integration architecture**
- **Hybrid implementation strategy**
- **Scale our reach through Partners**
- **Optimize operations and support**

4. Operating model

Drive consistent execution across the organization through key metrics

- **Lean and fit organization**
- **Process and systems automation**
- **Master data and data accuracy**

Alignment and collaboration

Transparency

INDUSTRY RECOGNITION

A "Market Leader" and a "Visionary"

Core banking and payments

- Recognized as a Visionary in the first Gartner® "Magic Quadrant for Retail Core Banking Systems, Europe 2025"[1]
- Recognized as a Leader in the Forrester Wave for Digital Banking Processing Platforms, Q4-24[2]
- Recognized as a Leader in IDC's MarketScape for North America Digital Core Banking Platforms Vendor Assessment 2024[6]
- Recognized as a Leader in IDC's MarketScape for EMEA Digital Core Banking Platforms Vendor Assessment 2024[6]
- Recognized as a Leader in IDC's MarketScape for APAC Digital Core Banking Platforms Vendor Assessment 2024[6]
- Ranked as the #1 best-selling Core Banking System for the 19th time in the IBS Sales League Table 2024 and consistently in the top two for the past 23 years[4]
- Recognized as a Leader in the Omdia Universe for Cloud-based Core Banking 2023[3]
- Recognized as a Leader in IDC's MarketScape for Worldwide Integrated Bank Payment Systems Vendor Assessment 2024[6]
- Ranked #1 for Digital-only Banks in the IBS Sales League Table 2024[4]
- Ranked #1 for Retail Payments Systems in the IBS Sales League Table 2024[4]

Digital banking

- Ranked as the #1 best-selling Digital Banking & Channels System in the IBSi Sales League Table 2024[4]
- Recognized as a Leader in IDC's MarketScape for North American Small Business Lending Customer Experience Solutions Vendor Assessment[6] 2023–2024
- Recognized as a Leader in IDC's MarketScape for North American Small Business Lending Decisioning Platforms Vendor Assessment[6] 2023–2024
- Recognized as a Leader in the Omdia Universe for Digital Banking Platforms 2023[3]
- Recognized as Leader in the Forrester Wave for Digital Banking Engagement Platforms, Q3-21[2]
- Recognized as a Leader in the Forrester Wave for Digital Banking Engagement Hubs, Q3-21[2]
- Awarded "Best Customer Service & Experience Technology" at the FSTech Awards 2024 for Temenos Digital (formerly Infinity)
- Recognized by Datos (formerly Aite) as "Best in Class" (the highest ranking) for US Digital Banking Solutions of Core Providers[8]

Wealth management

- A featured vendor in the WealthTech 100 for 2024
- Recognized as a Leader in the Forrester Wave for Digital Wealth Management Platforms, Q1-24[2]
- The only vendor recognized as a Leader and a Transformer (the two highest categories) for WealthTech in the Aperture Market Map for Wealth Management Software 2021[7]
- Recognized as "Best in Class" (the highest ranking) in Datos' (formerly Aite's) Matrix covering Wealth Management-Focused Core Banking Systems[8]
- Recognized as a Leader in the Everest PEAK Matrix for Wealth Management Solutions 2023

Funds, lending, Islamic banking and more

- #1 for Islamic Universal Core Banking and #1 for Islamic Banking – Risk Management in the IBS Sales League Table 2024[4]
- Recognized by Omdia as a Market Challenger in Anti-Financial Crime Solutions[3]
- Recognized as a Leader in the Forrester Wave for Low-Code Development Platforms for AD&D Professionals, Q1-19[2]
- Client recognition: Temenos' client Varo Bank received the Model Bank of the Year Award at the 2021 Celent Model Bank Awards[5]
- Client recognition: Temenos' client EQ Bank received the Celent Model Bank 2020 Award for Banking in the Cloud[5]
- Client recognition: Temenos and its client Comerica won the "Agility and Efficiency" category of the IDC Real Results Awards. Temenos also recognized as joint overall winner of IDC Real Results 2021[6]
- Recognized by IDC as a Leader for Know Your Customer (KYC) Solutions in Financial Services and as a Major Player for Anti-Money Laundering (AML) Solutions in Financial Services[6]
- Awarded "Technology Provider of the Year" at the FSTech Awards 2024
- Recognized by Datos (formerly Aite) as "Best in Class" (the highest ranking) for Investment and Fund Accounting Systems[8]

→ Find sources on page 236

TEMENOS VALUE BENCHMARK

Unlocking business value from IT investment

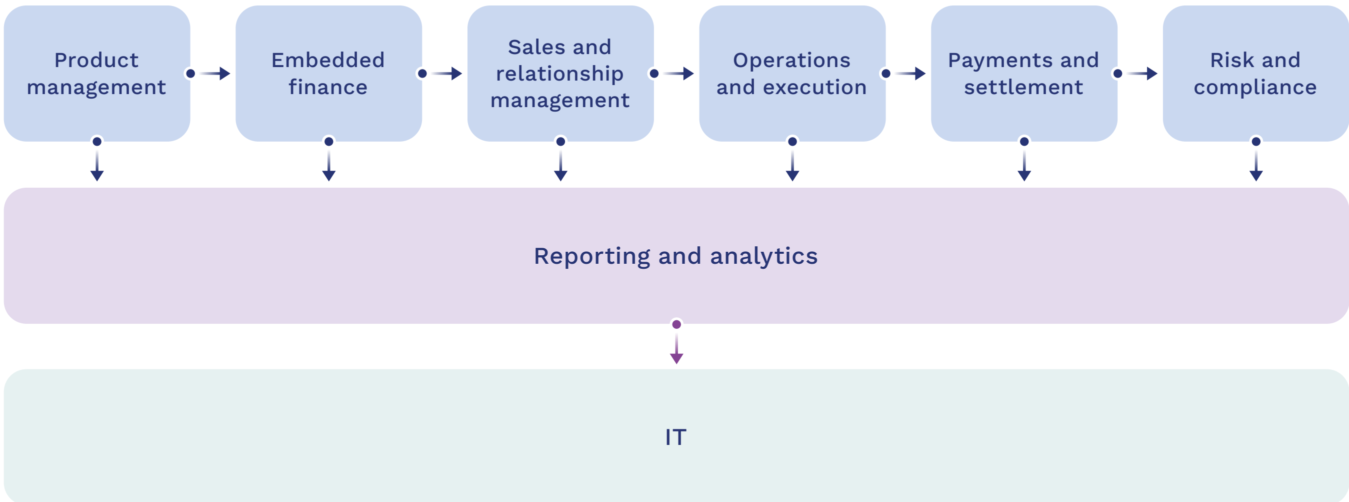
Accelerating value creation by measuring and comparing a bank's business performance with banking peers

Only 24% of banks explicitly connect their growth strategies to key performance indicators (source: PwC). The Temenos Value Benchmark (TVB) is a strategic advisory program offered to our clients and prospects to help them connect their business and IT strategy with tangible KPIs and business recommendations, as well as optimize the tangible business value created by their investment in IT. By leveraging our 30 years of banking domain experience and our banking client base across more than 150 countries, we are able to provide our clients with data-driven insights into business value creation using a proven value-based methodology.

Participants in the program receive a customized confidential report comparing their business performance with anonymized peer group data from other participants, including executive level findings with business and IT insights structured along the banking value chain. They also have access to a team of experts, leveraging Temenos' unique expertise in banking software.

Over 200 quantitative metrics, as well as qualitative best practices, are collected from each participant to enable us to provide correlations and insights to explain banking performance. The program provides a view on high-performing banks and their adoption of best practices, both globally and regionally. It enables banks to identify opportunities for operational improvements in their business in order to derive even more value from their IT investment, by further leveraging Temenos as not just a software provider but as a trusted partner, committed to our clients' success.

Today, we have 170 banks as part of our community across 76 countries and three verticals (Retail & Business, Corporate & Commercial and Wealth Management), we have collected over 80,000 data points and we have met more than 1,600 senior business and IT executives as part of this initiative.



The C-level endorses the Temenos Value Benchmark

Our CEO, Chris Catliff, was quite impressed with the breadth of the Temenos Benchmark Report and, of course, BlueShore's results – so much so that he has asked for 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."

Fred Cook
CIO, BlueShore

What Temenos is able to offer us is something very unique. It's like we have a world-class strategic advisory firm working with us on a daily basis. Temenos' advisory team not only brings us the internal analysis, making us better informed, but also brings a lot of external knowledge. I think Temenos' combination of technology capabilities plus advisory capabilities, and actual on the ground industry knowledge, makes it a very unique and attractive solution.

Benjamin Wey
Senior Advisor, Hamilton Reserve Bank

With data there is a lot of power for us to continue to make change happen. That helps me to make decisions on where to put the resources, where we put the money and where we put the time to automate and gain efficiencies. I think it is great for us to compare and learn from each other, to help each other rise up. We can find out what is important to us through those benchmarking activities and focus on those areas. So yes, we are going to use the Temenos Value Benchmark again.

Wade Saunders
SVP Consumer Lending, Idaho Central Credit Union

Working with Temenos and leveraging the insights associated with Temenos' experience across the world are what we are chasing after. They allowed us to focus on the things that we're doing well and also the things that we are not doing so well, to compare ourselves against so many major global players, to share the knowledge, to share the research and to share the learnings in service of moving the bank forward.

Kirk Henry
CIDO, Ansa Merchant Bank Limited

Delivering tangible business value through our platform

Win on customer experience

Hyper-personalization powered by open banking and Explainable AI.

52% faster onboarding[1]

19% higher NPS[2]

Agility to grow

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

24% faster time to market[3]

68% higher cross-sell rate[1]

Scale without limits

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

24% higher customers/FTEs[1]

33% more IT spend on growth and innovation[3]

Source: Temenos Value Benchmark 2024, sample from 146 banks.

1 Banks with Temenos Digital Banking.

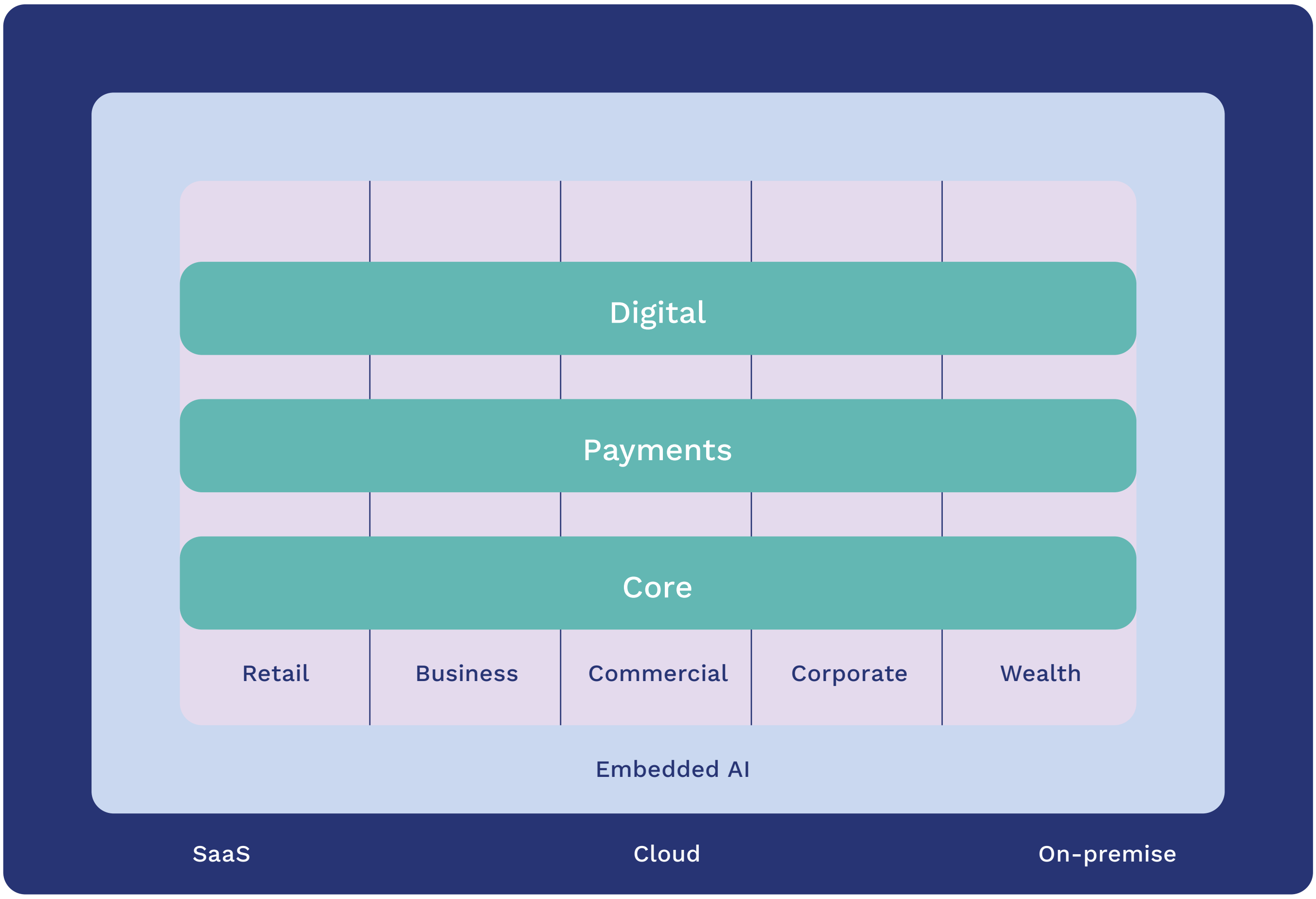
2 Banks with Temenos Core Banking.

3 Banks running Temenos front-to-back.

SOFTWARE AND PRODUCTS

Temenos banking platform

The Temenos banking platform is the delivery foundation for all Temenos products serving all banking segments. It provides the basis for a continuously updated architecture enabling customers to benefit from the most recent software and to extend solutions safely, without impacting operations. New technology is also continuously introduced to keep banks at the leading edge of banking innovation, including AI infused across all areas, analytics and a full API architecture to ensure quick integration.



Banking segments

Offering end-to-end solutions for the following banking areas:

Retail & business banking

→ https://www.temenos.com/solutions/retail-banking/

→ https://www.temenos.com/solutions/business-banking/

- Digital channel management
- Customer onboarding and origination
- Smart customer engagement
- Accounts
- Deposits
- Lending
- Mortgages
- Asset finance

Corporate & commercial banking

→ https://www.temenos.com/solutions/corporate-banking/

- Digital channel management
- Accounts
- Deposits
- Corporate lending
  - Bilateral
  - Club loans
  - Supply chain finance
- Trade finance
- Cash management

Payments

→ https://www.temenos.com/products/payments/

- Domestic
  - Real time/instant
  - Electronic local clearing
  - Check/instrument processing
- Cross-border
  - SWIFT
  - Non-traditional payment rails
- Correspondent banking
  - Standalone correspondent banking

Wealth management

→ https://www.temenos.com/solutions/wealth-management-private-banking/

- Digital and Robo client engagement
- Order management
- Portfolio management
- Holdings
  - Fixed income
  - Equity
  - Funds
  - Non-traditional funds
  - Digital assets
- Corporate actions
- Accounts and deposits

Credit unions (US)

→ https://www.temenos.com/solutions/credit-unions/

- Onboarding
- Loan origination
- Collections

Main products

Digital banking

→ https://www.temenos.com/products/digital-banking/

Broad cross-segment coverage including:

- Digital channel management
- Customer onboarding
- Loan and product origination
- Open architecture for easy ecosystem integration
- Flexible and customized journey design and management

Core banking

→ https://www.temenos.com/products/core-banking/

Available both as an integrated solution and as modular delivery into more complex technology landscapes.

The widest functional coverage across all segments including:

- Product and pricing
  - End-to-end product management
  - Product and personalized pricing
  - Product lifecycle management
- Servicing
  - Booking
  - Straight-through processing
- Reporting
  - Financial accounting
  - Management information and analytics

Payments

→ https://www.temenos.com/products/payments/

Available both as a standalone solution or integrated into an end-to-end solution.

- Order capture
- Flexible payment product definition
- Broad set of payment rails
- Automated straight-through processing

Wealth

→ https://www.temenos.com/solutions/wealth-management-private-banking/

- Full digital client access
- AI-driven Robo tools to assist clients and RMs
- Flexible business model support
  - Discretionary
  - Advisory
  - Execution only
- Industry-leading portfolio management across all asset classes
- Settlement and holding for traditional and new asset classes
- Full banking capabilities to support client needs

SOFTWARE AND PRODUCTS continued

Technology platform

→ https://www.temenos.com/our-technology/

Cloud native and cloud agnostic

A cloud-native and cloud-agnostic approach for real-time, non-stop banking

Temenos provides banks with an architecture designed to support digital transformation and provide the flexible experiences demanded by today's digital customers.

Elastic scalability eliminates the need to provision for peak processing volumes so that banks only pay for actual usage, yielding significant cost savings. Temenos' cloud-agnostic approach enables the highest levels of long-term resilience and redundancy without creating a dependency on a single cloud service provider. This is a key Temenos strategy and an answer to regulatory concerns.

Cloud native

Designed for the digital banking age, our software allows faster updates, lower provisioning, lower infrastructure costs, elastic scaling, active-active resilience and security. This is built using API-first and DevOps principles and engineered to deploy both serverless and in containers and microservices.

Cloud agnostic

We are the only banking platform readily available on all main commercial cloud platforms. With Temenos, institutions can also deliver on-premise, or adopt hybrid cloud deployment patterns, all using the same underlying software.

Temenos SaaS

→ https://www.temenos.com/temenos-saas/

Temenos has delivered market-leading and functionally rich SaaS and cloud banking solutions to clients in all geographies and banking sectors since 2011.

We enable banks and financial services providers to adopt an extremely agile approach to innovation, moving to prototyping and into production quickly and easily – safe in the knowledge that the solutions are priced elastically and can continue to be developed upon with real-world feedback. This makes innovation fast and continuous, further supported by continuous delivery, integration and updates which ensure that the latest capabilities and services are automatically delivered to customers on an ongoing basis.

In 2024, our SaaS Design and Build function established core solutions on Foundation with primary focus areas of prioritizing onboarding of Temenos core products to ensure the widest possible availability of products on our current SaaS platform and automation of operational procedures during onboarding and running of clients and solutions to Temenos SaaS. The achievement has been automation to support deployment of products and modules to defined standards for different environment types. We also had training and enablement via embedding of real-life use cases to drive prioritization of deliverables in roadmap.

We also launched Enterprise Services – a comprehensive end-to-end SaaS packaged offering – which seamlessly integrates business capabilities across retail, business, corporate, and wealth segments. Supported by payments and compliance, it accelerates go-to-market timelines through automation, enabling banks to launch faster, scale efficiently and upgrade with ease.

We launched early access to sandbox SaaS environments to support our clients to validate and build business cases along with focused investment in product and technology, including expanding our retail and corporate functionality, refreshing our Uniform Term contracts and accelerating our onboarding, thereby reaffirming our commitment to SaaS and cloud. We have had several successful go-lives and our continued R&D investment will build on this success.

During 2025 our focus will be continued investment in innovation, automation and quality with a client centric service delivery focus.

Distributed event-driven architecture

The foundation for modular banking delivery

Temenos' banking capabilities are increasingly defined by their message schema which ensures that they are loosely coupled through an event-driven architecture.

The ongoing program to deliver Temenos' capabilities in this way enables customers to upgrade with ease and rely on the agility they need to transform step by step, deliver high-speed change and significantly reduce time to market and value, only consuming those capabilities that they need.

API first

Temenos' Open APIs allow banks to integrate quickly with a wide range of internal or external systems to help drive product and service innovation.

Temenos' Open APIs enable banks to execute strategies to thrive in an age of open banking and finance. Temenos' approach enables banks to meet regulatory requirements such as PSD2, through pre-defined APIs that meet published specifications such as Berlin Group and STET. We enable banks and fintechs to innovate at speed, with a growing developer community, low-code integration resources and a complete catalog of interactive API endpoints to build innovative products and services on top of our open platform and banking capabilities.

Furthermore, banks benefit from the ability to enrich their offering to customers through the integration of new fintech technologies using Temenos Exchange.

Temenos offers an API-first architecture across its entire product range. This means that all significant product capabilities are exposed as standard, documented Open APIs and this forms part of the design and release process.

Temenos developer community

Our Open API catalog brings standardized out-of-the-box APIs to fast track innovation, supported by Temenos experts and a growing developer community with dedicated online support and resources.

Extensibility framework

The extensibility framework enables banks, Partners and solution providers to easily extend and configure solutions for their business needs, whilst protecting the reliability of Temenos software and the ability to upgrade seamlessly over time. A low-code environment and tooling enhance the developer experience and ensure consistency across the software development lifecycle.

Continuous operations

The extensibility framework embeds DevOps to enable high-impact changes to be made frequently and predictably with minimal toil. It enables continuous updates, continuous integration and delivery and unmatched resilience that comes with release validation tests provided with every capability deployed and updated on the platform.

Continuous updates are a core tenet of cloud utilization. DevOps teams delivering on continuous integration can expedite project delivery timelines through self-service and self-management environments and tools, controlling the pace with which development plans progress, from configuration to full testing.

Embedded DevOps provides banks with the ability to manage, configure and assemble Temenos software – either fully deployed and supported by Temenos Banking Cloud, or utilizing their own cloud infrastructure.

Embedded AI

Including embedded Generative and Explainable AI.

Temenos is the first to bring transparency and explainability to AI automated decision making in the banking industry. Our open Generative AI and patented Explainable AI (XAI) capabilities are delivered on the Temenos banking platform and are available with all Temenos software either through an easy-to-use interface or through APIs delivered on-premise, in the cloud or as a SaaS offering.

RESEARCH AND DEVELOPMENT

Investment in innovation

The Temenos software investment approach forms a virtuous cycle in which our client feedback complements our own strategic investment roadmap. Clients benefit from the investments we make in R&D and this in turn contributes to their success. Our clients then advocate for our solutions, enabling us to attract new clients, continuing the cycle.

Revolutionary investment in technology and architecture

In order to keep pace with the rapid rate of change in information technology, Temenos continues to invest significantly to ensure that its software takes advantage of the latest innovations. What is revolutionary at one point becomes standard in the following years and this approach ensures that our clients can continue to leverage the latest technology.

Evolutionary investment in banking functionality

Banking functionality changes more gradually than information technology, with evolutionary advances being made in banking products, industry practice and regulation. Temenos' investment in functionality over the past 30 years reflects this. We enable our existing clients to add new functionality to what they use already through regular updates, whilst also releasing the latest software for new clients.

We also actively invest in growing our country-specific functionality in conjunction with our regional specialist Partner network. This enables banks to go live quickly and to focus on the capabilities which will differentiate them from their competitors. It also provides Temenos with a clear differentiation in the market, successfully blending globally innovative banking capabilities with pre-configured regional and national solutions.

Growing with AI

→ https://www.temenos.com/solutions/temenos-ai/

We respond to the continuing and increasing drive towards digitization and intelligent automation with new offerings to help banks and non-banks to service their customers better. Our AI technologies and partnerships enable increasingly automated and personalized offers to be designed and rolled out. These same technologies help with operational efficiency and stability and have been increasingly embedded across all of our solutions.

Continuous operations

Temenos builds, deploys and tests software on a daily basis. We use this as the foundation for the continuous release of updates to clients, which are then accumulated into one annual maintenance release each year. All releases are cumulative, enabling clients to upgrade when they want. The upgrade process is designed to operate with minimal disruption to a bank's staff and customers.

The highest R&D spend in the industry

Our deep domain knowledge means that our software never becomes legacy, with approximately 20% of revenue invested each year in R&D.

950+
core banking clients

600+
digital clients

150+
countries

1993
Packaged upgradable open

2003
Multiple stack support

2011
Cloud ready

2020
Cloud-native, cloud-agnostic XAI

2021
Cloud native (all products)

2024
AI infused across the product set

RESEARCH AND DEVELOPMENT continued

Focused R&D investments

Temenos has consistently invested c.20% of its revenues in R&D. Furthermore, since we only produce software for banking and finance, all of this investment is targeted at our concentrated product portfolio.

Core principles

Temenos has always produced software according to a set of core principles. We believe in reuse, openness and being agnostic about technology platforms. This means that all developments are made available to all clients. It also means giving our clients choice over which technology they run and never locking them into a particular provider. The openness means that third parties can develop on our platform to accelerate innovation, thus ensuring that our clients always have access to the best technology and functionality.

Temenos developer community

Banking's largest collaborative community empowering the developer ecosystem

→ https://www.temenos.com/community/temenos-developer-community/

The Temenos developer community plays an essential role in enabling our customers, prospects and Partners with expert support, learning programs and a calendar of interactive events designed to help our members scale. Our rapidly growing developer community is united by a common desire to learn and innovate – a desire that we foster through our award-winning Base Camp community platform.

Through the sharing of knowledge and a focus on developer experience, we are empowering the developer community to constantly evolve and innovate and to leverage our market-leading technology to enhance the banking experience for our millions of end users.

OUR PARTNER-FIRST STRATEGY

A Partner-first organization

2024 marked the start of a significant transformation in our approach to building a Partner-first organization. Through strategic collaborations, enhanced scalability and innovative business models, we have strengthened our alliances and positioned ourselves for sustainable growth.

We have shifted our mindset, culture and approach to prioritize partnerships in every aspect of our business. By fostering collaboration, we are creating mutually beneficial opportunities where Partners enhance our capabilities, and we, in turn, empower their success. The core pillars of this transformation include:

- reach: extending our network to unlock new markets through digital channels and localized engagement strategies;
- value: creating differentiated solutions with high-impact potential by leveraging joint research and development initiatives; and
- scaling: enhancing the sales process through streamlined operations, automation, and data-driven decision making.

Strategic focus areas

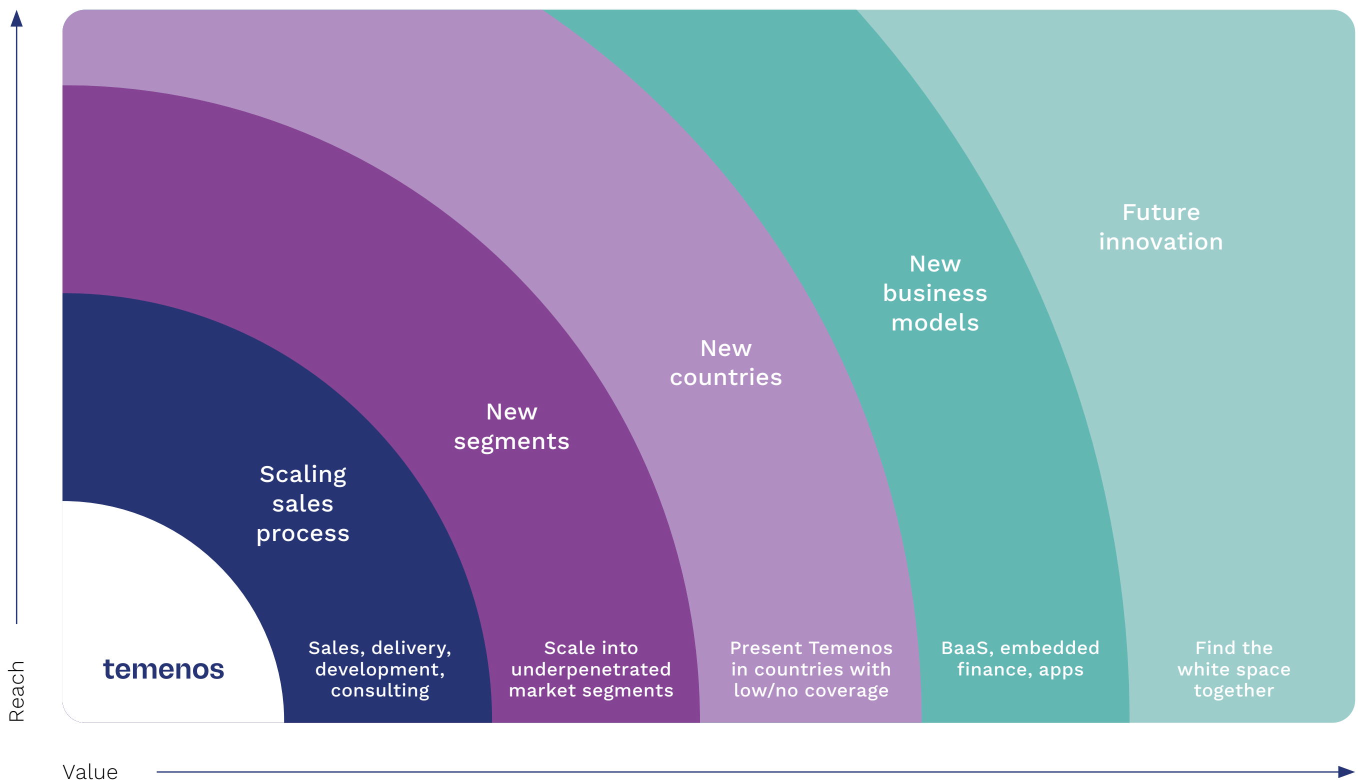
1 Scaling sales process

Temenos has actively enhanced its sales process by engaging in partnerships that drive sales, delivery, development and consulting. Through an integrated approach, we have ensured that our sales framework is scalable, efficient and optimized to meet the needs of both our organization and our Partners.

Key elements in scaling our sales process include:

- SI Partner presence: strengthening our relationships with System Integrators (SIs), both global and regional, to improve penetration into tier 1–3 accounts through their reach, implementation, deployment and support across various markets. This ensures that our solutions are seamlessly integrated into customer environments with expert guidance;
- strategic advisors: leveraging the expertise of strategic advisors to refine market entry strategies, optimize sales efforts, and align with industry best practices;
- technology Partners and hyperscalers: expanding our collaborations with technology vendors and cloud hyperscalers to provide scalable, high-performance solutions that drive operational efficiency and digital transformation; and
- delivery Partner capabilities: investing in Partner capabilities through training programs, certification and technology enablement, ensuring they have the skills and knowledge to drive successful implementations and customer engagement.

Our Partner-first approach



OUR PARTNER-FIRST STRATEGY continued

Strategic focus areas continued

2 New segments

We have made significant strides in scaling into underpenetrated market segments, leveraging our Partner ecosystem to identify growth opportunities. By collaborating with specialized Partners, we extended our reach into segments previously underserved by our solutions. For example in the US, the Temenos sales teams is focused on penetrating the tier 2 and tier 3 segments. However, there are thousands of banks and credit unions in the tier 4 and below segments that can be served through a Partner-led approach creating a scale for Temenos. Underpinning this approach, we are investing in a specialized Partner sales team that will be dedicated to making the Partners successful.

3 Expanding into new countries

A core focus of our new strategy is expanding our presence in countries with low or no coverage from Temenos. Through strategic partnerships, we will be able to introduce Temenos solutions into new geographies, ensuring a strong foothold in emerging economies and regions with high potential for digital banking transformation. Global expansion remains a cornerstone of our growth strategy. In 2024, we successfully entered new markets, leveraging Partner expertise to navigate local business landscapes. Key expansions in 2025 will include:

- Southeast Asia: collaborations with regional banks and fintech firms to deliver localized digital banking solutions;
- Latin America: strategic alliances with payment processors and financial institutions to accelerate digital transformation; and
- Middle East and Africa: partnering with local governments and enterprises to provide cloud-based banking infrastructure.

Similar to the scaling on business in new segments, the key to success in new countries and geographies will be a dedicated Partner sales team that will be incentivized to make the Partners successful.

4 Innovating business models

Our business model innovation has been driven by the need for agility and adaptability in a rapidly evolving financial landscape. To remain competitive, we continue to evolve our business models. In partnership with industry leaders, we are developing innovative go-to-market strategies, subscription-based offerings, and service-driven revenue models that provide greater flexibility and enhanced value to our customers. Our initiatives include:

- SaaS offerings: expansion of cloud-based banking platforms to improve scalability and customer retention;
- usage-based pricing: implementing flexible pricing structures to cater to diverse client needs; and
- ecosystem collaboration: enabling cross-industry partnerships to drive integrated solutions.

Key areas of development include:

- Partner-led offerings: we continue to encourage Partners to develop and lead industry-specific solutions that complement our technology stack. By leveraging Partner expertise and market knowledge, we ensure that our customers receive localized, innovative and value-driven solutions tailored to their needs;
- Temenos Exchange: a robust marketplace where Partners can list, distribute and commercialize their solutions seamlessly. This initiative fosters collaboration, accelerates digital transformation and enables financial institutions to access a wide range of pre-integrated, cutting-edge technologies that enhance operational efficiency and customer experience; and
- accelerated growth: by investing in co-innovation programs, funding initiatives, and joint go-to-market strategies, we are empowering our Partners to scale faster. Our ecosystem approach ensures that innovative solutions reach customers more efficiently, driving digital transformation across the financial services industry.

5 Driving future innovation

As we move forward, our focus is on co-creating solutions and finding the white space together with our Partners. This collaborative approach ensures that we are continually pushing the boundaries of financial technology, fostering an ecosystem where innovation thrives. By leveraging AI, blockchain and sustainable finance initiatives, we will continue to lead the industry into new frontiers. We are committed to four key areas:

- collaborative R&D: by partnering with industry leaders and fintech disruptors, we invest in research and development initiatives that address evolving market needs and drive technological advancements;
- Innovation Labs: our dedicated Innovation Labs serve as incubation centers for pioneering solutions, providing a platform for experimentation, prototyping and scaling transformative financial services;
- AI and ML integration: leveraging Artificial Intelligence (AI) and machine learning (ML) to enhance decision making, improve automation and optimize predictive analytics for financial institutions; and
- open banking initiatives: supporting regulatory and technological advancements that drive open banking ecosystems, ensuring secure and seamless data sharing between financial institutions, fintechs and third party developers.

By integrating these innovation-driven initiatives, we continue to lead the financial technology landscape, shaping the future of banking through meaningful collaborations and breakthrough solutions.

Supporting successful client engagements via the Delivery Ecosystem

The Partner-first strategy continued to evolve in 2024, resulting in greater collaboration between Temenos and its Partners to deliver another impressive portfolio of successful customer go-lives. Combing the capacity and capabilities of our Partners with the expertise of Temenos consultants we can offer project teams to best support our mutual clients' projects dependent on their profile and the solution to be deployed. Continually improving the catalog of packaged services allows Temenos to propose enablement offerings to both clients and Partners, optimizing their knowledge of the software being implemented or upgraded.

Using the client responses from the customer satisfaction survey and feedback captured from regular cadence meetings with our Partners has identified a number of improvements that have been made to the portfolio of packaged services that Temenos offers. This includes the relaunch of Partner Primed Project Governance where the Temenos Advisory Service (TAS) replaces the Temenos Project Consulting Service (TPCS). The TAS provides implementation assurance through continuous alignment to Temenos leading practice and active participation with solution scope and risks.

Close alignment between Professional Services, Partner Management and the Temenos Learning Community allows for continual enablement, keeping them updated on the evolution of Temenos products and technologies. The importance of supplying certified resources has resulted in the year-on-year increase in the number of TLC memberships held by Partner consultants and project managers allowing them to access the latest training content and certification exam to confirm capabilities.

In addition to the trainings and certifications supplied via the Temenos Learning Community, access to the Temenos Knowledge Center (TKC) has been extended to all Partners in 2024 providing a searchable platform to share knowledge and lessons learned across the Delivery Ecosystem.

Temenos continues to operate a calendar of events throughout the year offering a number of events to Partners and clients providing the latest information on Temenos solutions and delivery methods. This includes a series of webinars, workshops and conferences. The Tech Days conference that is held in February and provides an overview of the Product Roadmap allowing those attending to understand the new features, functions and technology of Temenos Software.

Regular webinars have provided our Partners with access to hear from Temenos product, cloud and services experts offering advice on best practices relating to deploying our solutions and maximizing the return on investments made by our mutual clients. Partners have attended workshops throughout the year providing them with an in-depth understanding of the implementation methodology, the Model Bank Platform Approach (MBPA), allowing them to use knowledge to deliver ongoing and future projects.

The importance of Partner Delivery will be further supported in 2025, with the creation of a dedicated team in the Professional Services organization to confirm Partner credentials, manage enablement and engagement and reviewing projects to track Partner performance and drive further successful customer go-lives for projects with Partner involvement.

> Cognizant is excited to continue our long-standing relationship with Temenos to help accelerate core modernization for financial services firms. We're working together with the goal to provide a predictable path for modernization that mitigates complexities and risks, enables banks to deliver enhanced customer experiences and achieves faster time-to-market for new products. Cognizant's deep expertise in banking modernization, combined with Temenos' cloud-native banking platform, positions us to help banks fast-track their transformation journeys."
>
> **Ravi Kumar S**
> CEO, Cognizant

> Today's software provider must not only serve a client's immediate needs, but also possess the vision to be at the forefront of innovation. Temenos' relentless pursuit of excellence in product development has delivered quantifiable business value for the banking ecosystem. Capgemini is a key Temenos Global Strategic Delivery Partner, and our companies have been working together for over 20 years. With our Temenos Centre of Excellence and our proven implementation methodologies we have helped deliver complex projects in an efficient and time-saving manner. Together, we've forged a powerful go-to-market plan with innovative solutions tailored to the North American and European markets. We are aligned with Temenos' strategy and look forward to our continued collaboration, helping banks become digital-first enterprises."
>
> **Kartik Ramakrishnan**
> CEO Financial Services, Capgemini

OUR PARTNER-FIRST STRATEGY continued

The focus for Temenos services

Temenos services team is at the core of our organization committed to delivering customer excellence. Collaborating seamlessly with delivery Partners, our skilled professionals orchestrate the successful implementation of cutting-edge solutions. The services team embraces the following key engagement principles:

- strong enablement for customers to acquire independence;
- collaborative ways of working;
- accelerated time to value and ongoing innovation; and
- simplification and customization led by the client.

Model Bank Platform Approach (MBPA) accelerating time to value

Temenos believes that client enablement is key. In line with it, we have transformed our services implementations through a unique approach – Model Bank Platform Approach (aka MBPA) that focuses on delivering real results for business. MBPA helps clients quickly implement the most important user journeys based on their specific needs and focuses on enabling the client's team/Partners to independently implement the remaining user journeys, customization to drive transformation.

Packaged services enabling hybrid implementation along with Partners

We have launched a catalog of packaged services to drive hybrid implementations along with Partners leveraging MBPA. Packaged services are well-defined sets of activities and deliverables which cover-specific aspects of implementation and there is a catalog of packaged services covering the entire spectrum of implementation. These packaged services offer flexibility to customers to ensure well-defined Temenos expert involvement on need basis while being able to realize implementation at scale leveraging Partners.

Focus on existing customers

Services Development Managers are playing a pivotal role in staying close to existing customers and ensuring them to stay at forefront of technological and functional advancements. They were able to develop a healthy services pipeline by positioning Temenos productized and packaged services while ensuring customer success.

Launching Temenos Advisory Services (TAS)

We are launching TAS (replacing TPCS) to foster a more collaborative and valuable experience for our clients and Partners. By working closely with project teams, we provide hands-on support and proactive guidance rather than just an external review. This transformation shifts the perception of TPCS from an additional project cost to TAS being a key driver of project success. Additionally, we will enhance our reports to be more insightful and tailored, delivering greater value to every project. TAS will enable insider view rather than an outside perspective, ensuring proactive governance instead of retrospective reporting.

Our global services team is the linchpin for translating vision into reality. Collaborating seamlessly with delivery Partners, our skilled professionals orchestrate successful implementation of cutting-edge solutions for our clients.

Temenos Learning Community

The purpose of the Temenos Learning Community (TLC) is to provide a suite of training offerings that caters for the differing and varied needs of learners. TLC addresses both the internal and external demands of learning the Temenos product suite, whether that is supporting a Partner to build a certified and knowledgeable Temenos practice to implement a project or training our internal resources on the latest product functionality, equipping them with the right knowledge to support our clients' demands. 2024 saw an increased demand from our client base to offer structured training for their own resources which gave clients self-sufficiency and confidence in their Temenos products. This growth within the Partner and client ecosystem provided the foundation for TLC to continue investing in the products and services that constitute TLC – TLC Online, TLC Engine and TLC Services.

TLC Online

TLC Online is a cloud-based, self-paced e-learning platform that includes 1,200+ individual courses, product sandboxes and exams. Members benefit from access to the latest Temenos product content, practice sandboxes, and pre-defined role-based business and technical learning pathways designed to enable Partner certification. In 2024, TLC Online was the basis on which the Partner community could gain industry-recognized certification to validate the credentials of the resources within the Partner ecosystem. This certification saw an increase in the number of positive projects and referenceable clients. TLC experienced substantial growth in the number of paying members, surpassing 6,000 Partner and client subscribers. We introduced microlearning combined with interactive learning, delivering content to members as single bite-sized topics with a focused learning objective. This approach offers efficient, effective learning that is easy to fit into a daily schedule and reduces learning fatigue while increasing attention and knowledge retention.

TLC Engine

TLC Engine, an online tool for process mapping and training, incorporates Temenos product processes. It allows our customers to train, test and internally certify their end users en masse and on a continuous basis. Available in an on-premise version, TLC Engine provides our clients with a process-led learning solution and the option to integrate their own specific operating processes into the Temenos product processes.

TLC Classroom

TLC Classroom, our traditional instructor-led training delivered on site or remotely, was increasingly popular in 2024. Our trainers delivered over 6,600 hours of training to over 80 individual clients and Partners. The courses provided under TLC Classroom are fully aligned with the standard courses available within TLC Online whilst also offering an interactive and engaging learning approach with training provided by Temenos experts. The TLC Classroom approach remains very popular and a cost-effective way to train a larger number of Partners and customers. In addition, TLC can provide clients with a more formal training plan to ensure the correct level and type of training is offered. While digital learning has grown, the demand for instructor-led classroom training remains strong, underscoring the irreplaceable value of human interaction. Training Needs Analysis (TNA) is a limited engagement that provides clients with a training plan recommendation based on the roles and required outcomes of individuals. The Training Needs Analysis (TNA) service saw increased uptake, with clients leveraging personalized roadmaps to align training with role-specific outcomes and organizational goals.

The annual investment made into TLC ensures that we can provide our clients and Partners with a vital training platform to equip their resources with the skills and knowledge to benefit fully from all Temenos products. 2024 reaffirmed that TLC is the leading learning and knowledge platform which is confirmed by the positive feedback and evaluations received from participants in the annual TLC survey.

SUSTAINABILITY

Thibault de Tersant
Chairman

Jean-Pierre Brulard
Chief Executive Officer

Innovation and customer centricity in a sustainable way

Our focus on sustainable value for all makes clear business sense and is an integral part of how we operate, innovate and navigate this world of change.

2024 was a year of constant and rapid change, challenges and disruption, but also milestones and achievements.

Undoubtedly, it was a challenging year for sustainability, with unprecedented global temperatures with extreme weather events with significant impacts on public health, ecosystems, economy and infrastructure; with high inflation and political instability, challenging progress; with the "anti-ESG movement" gaining steam; and governments as well as companies retreating or staying silent on ESG goals and reacting to the workload coming from new regulation and reporting requirements.

At Temenos, for 30+ years, we have been creating sustainable value for all our stakeholders. Our focus on sustainable value for all makes clear business sense and is an integral part of how we operate, innovate and navigate this world of change. As banking and the world continue to undergo fundamental change and disruption, our commitment remains unchanged and stronger than ever.

We have ONE mission: to modernize financial institutions by building on our most trusted, industry-leading, innovative solutions, and ONE vision: to power a world where financial institutions trust Temenos to make banking easier and help people live their best financial lives.

The sustainable value we create for all our stakeholders through our operations and product offering is rooted on our winning combination of innovation and customer centricity. Our committed Temenosians with the right skills and expertise, our future-proof strategy with clear goals and targets, the power of our technology as well as the right choice of partnerships play a key role in finding solutions to the global challenges and helping us navigate through change and disruption.

Our sustainability work starts with taking accountability for our own operational footprint. We remain focused on accelerating progress toward our Climate Transition Action Plan and Science-based Targets. We are committed to reducing our GHG emissions, increasing our operational energy and water efficiency and the use of renewable energy in our operations, investing in new approaches to meet the realities of climate change impacts and risks, scaling solutions across our value chain, and being transparent about our progress (more on page 54).

Our role is to help our clients transform digitally in a sustainable way to become smart, inclusive and sustainable organizations. Since the 2021 baseline, Temenos has reduced the carbon impact of its software by over 50% (2024 assessment validated externally by GoCodeGreen). Improving performance with more energy and carbon efficient code and leaner architecture, combined with Temenos' sustainable operations and Science-based Targets and the sustainability of hyperscaler Partners, brings added environmental benefits for banks choosing to deploy Temenos solutions on public cloud or SaaS (more on page 39).

An Economist Impact survey of 300 global banking executives, commissioned by Temenos in 2024, found that customer centricity is driving banks to offer more embedded sustainability propositions to their customers (73%). With the focus on lowering their carbon footprint, as well as the increasing use of data-intensive AI, banks are inevitably moving to public cloud – 51% of respondents agree that banks will no longer own any private data centers after moving to public cloud.

Our clients today face an increasingly complex operating environment as they navigate regulatory pressures and rising operating and compliance costs. We listen to their needs and bring the value and benefit of Temenos' product decarbonization to them. Leveraging the cloud, modernization and engineering efficiencies have resulted in significant carbon emission efficiencies, helping our clients handle the variable demands of digital transactions while supporting them in meeting their reporting requirements and sustainability goals (more on page 40).

We are very proud of our ESG performance and once again for maintaining the leading position in the IT industry by S&P, Dow Jones Best-in-Class Indices, FTSE4Good, MSCI, ISS, Sustainalytics, CDP, EcoVadis and the SXI Switzerland Sustainability Index.

As we collectively navigate a rapidly evolving and increasingly complex sustainability ecosystem, operating in this way makes clear business sense and is good for our stakeholders and our society. In our 2024 Sustainability Report that follows, we are pleased to showcase our progress on our corporate sustainability journey, and continue to reflect on our goal to grow our business in a way that takes care of the world around us, delivering value to anyone associated with us.

We would like to thank our people for their contributions to our sustainability strategy and goals and for all the work they have done to support the shift to a sustainable society, as well as all our stakeholders for their collaboration, support and trust.

We are excited by what it will drive us to achieve next. This is our moment! We are leading the way to a sustainable future, together.

Thibault de Tersant
Chairman

Jean-Pierre Brulard
Chief Executive Officer

SUSTAINABILITY continued

Our ESG approach

Our commitments

Operating responsibly is in our DNA, part of our Temenos culture. We strongly believe that our long-term success requires a sustainable business model that incorporates responsibility as an important part of our business operation. Temenos is committed to achieving business excellence and long-term value through superior financial performance while operating responsibly and with integrity, honoring ethical values and respecting its stakeholders, communities and the environment.

Creating sustainable value for our stakeholders

- 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

Progress and targets

Environment

2024 progress

59.1%
reduction of absolute Scope 1, 2 and 3 GHG emissions vs SBT 2019 baseline year

86.2%
use of renewable electricity in Temenos internal operations

74%
ISO 14001:2015 certification coverage

Targets

50%
reduction of absolute Scope 1, 2 and 3 GHG emissions by 2030 vs 2019 baseline year (officially validated near-term science-based target)

Net-zero
GHG emissions by 2050

Social

2024 progress

35%
gender diversity in global workforce

47%
racial diversity in the US

46%
gender diversity of employees under 30 years old

Targets

40%
gender diversity in global workforce by 2030

>40%
racial diversity in the US by 2030

Governance

2024 progress

38%
gender diversity in Board of Directors

50%
gender diversity in Executive Committee

99%
employees completed Business Code of Conduct and mandatory compliance trainings

Targets

30%
gender diversity in Board of Directors by 2025

>97%
completion rate of Business Code of Conduct and mandatory compliance trainings by 2025

Achievements and endorsements

 SXI Switzerland Sustainability 25® Index	Dow Jones Best-in-Class Indices World and Europe Sustainability Yearbook member	A- for Climate B for Water Security
Highest rating	Prime status	Highest rating in E&S categories
FTSE4Good Top 10%	Top 1%, Platinum medal	Low risk – Top rated
UN Global Compact (UNGC) Participant	**Global Compact Network Switzerland** Member	**Women's Empowerment Principles** Signatory

→ Read more here: Our Achievements

SUSTAINABILITY continued

Innovating with purpose

Our priority areas

For 30+ years, our commitment to the UN SDGs has guided the way we operate internally, innovate and deliver on our business mission. Our corporate responsibility and sustainability strategy focuses on mitigating risks and creating value across priority ESG areas towards five directions:

1

Achieving Business Excellence

We innovate with purpose, championing client-centered design and support, outstanding business practices and long-term sustainable value.

→ Read more on page 37

SDGs

2

Operating Responsibly

We steward stakeholder trust by taking responsibility for our business ethics, procurement and security.

→ Read more on page 42

SDGs

3

Caring for the Planet

We are committed to aligning our business with the vision of a net-zero world by collaborating with our stakeholders across the value chain.

→ Read more on page 54

SDGs

4

Investing in Our People

We strive to create an open, fair, equal opportunity and honest work environment for our people and for the people whom we impact through our work.

→ Read more on page 71

SDGs

5

Empowering Our Local Economies and Communities

We contribute to a more inclusive world by investing in our local communities, while providing equitable and affordable financial services to all.

→ Read more on page 89

SDGs

1

Achieving Business Excellence

We are committed to contributing to global efforts to address social and environmental issues. Financial technology and digital finance can advance sustainable development and accelerate the achievement of global environmental and social goals. At Temenos, we innovate with purpose and our solutions have a positive environmental and social impact. In that way, we are contributing to the global effort to achieve the UN SDGs.

> Accelerating innovation and partnerships, while driving business value and future-proofing our operations, supply chain and product offering.

Business performance and economic impact

Economic impact for Temenos means achieving our medium-term growth targets to generate long-term sustainable value for all of our stakeholders and contributing to the global economy as well as the local economies where our clients conduct their business.

In 2024, non-IFRS total software licensing increased by 2% in comparison to 2023 and non-IFRS total revenues increased by 4%. We have achieved a full year EBIT of USD 354.6 million with a non-IFRS EBIT margin of 34%, a 3pp increase compared to 2023. Long-term profit and cash flow strength support the proposed dividend of CHF 1.30, an 8% annual increase. Leverage decreased to 1.3x at year end, down from 1.6x in 2023 and we generated USD 391 million of operating cash flow in 2024.

Contributing to the UN SDGs

SUSTAINABILITY continued

Achieving Business Excellence continued

Geographical outcomes

The total monetary value of financial assistance received by Temenos from governments during 2024 was as follows:

Europe

Romania: Temenos Romania benefits from an income tax exemption for employees in software creation-related roles. The amount of the exemption for 2024 was USD 86,559 (2023: USD 210,003). In addition, there is also a reduction of 20% of the annual corporate tax if this is redirected to donations. The 20% reduction of the annual corporate tax redirected to CSR spending by Romania in 2024 was USD 20,857 (2023: USD 22,037).

Asia

Singapore: Under Singapore's Central Provident Fund transition offset and progressive wage credit scheme, Temenos claimed USD 6,282 in 2024 (2023: USD 2,502).

Technology and product innovation

In order to keep pace with the rapid rate of change in information technology, Temenos has a long history of investing in its products. This has ensured our position as the leading solution in our sector and, together with the upgradability, means that clients can continue to enjoy the benefits of our industry-leading investment in the future.

Environmental and social impact of product portfolio

Category	USDm	% of total revenue
SaaS	**223.1**	21.37
FCM	**1.2**	0.11
Inclusive banking	**5.1**	0.48
TLC	**8.9**	0.85

Economic contribution to various stakeholders	FY-24 USD 000	FY-23 USD 000
Revenue	**1,044,105**	1,000,224
Employee wages and benefits	**501,626**	487,761
Payment to provider of funds	**823,745**	626,210
Payment to government	**36,971**	68,542
Community investment (monetary donations only)	**505**	697

→ For more information on our financial performance, please visit the respective section

Focus on client satisfaction and engagement

Customer success: driving growth and excellence

Throughout 2024, our customer success team remained a cornerstone of Temenos' sustainable business model. At Temenos, we recognize that satisfied and successful clients are not only more likely to continue their partnership with us but also serve as advocates, promoting our value to the broader market. To strengthen our ability to deliver exceptional outcomes and elevate the customer experience, we made substantial investments in people, processes and technology dedicated to customer success.

These investments have positioned Temenos to further enhance client relationships and outcomes. A key initiative for 2025 is the introduction of specialized customer success representatives assigned to advocate for each client within Temenos. This expert team will foster technology-driven, proactive partnerships aimed at continuous improvement, ensuring long-term success and satisfaction. By deepening our understanding of client needs and maintaining a focus on excellence, this approach will further differentiate Temenos as a trusted partner.

Support services: strengthening the ecosystem

In parallel with our customer success initiatives, the Temenos support team continues to play a vital role in augmenting product capabilities and exceeding client expectations. Through 2024, we integrated real-time customer satisfaction (CSAT) surveys and refined our implementation methodologies, providing actionable insights that enhance client outcomes. These improvements, combined with the expanding Customer Success function, will ensure continued positive impact in 2025 and beyond.

By staying committed to these goals, Temenos will continue to elevate the customer experience, driving both client success and organizational growth. The customer success and support teams remain pivotal to achieving this mission, ensuring that every interaction reflects our dedication to delivering excellence.

Temenos Ambassador Program

We prioritize our clients by placing them at the heart of our business, ensuring we generate long-term value for them. The Ambassador Program aims to foster innovation in banking and highlight the positive impact of Temenos technology on our clients. Ultimately, it celebrates our clients' successes. Notably, 80% of our 920 Ambassadors are C-level executives or department heads from diverse financial institutions and sectors worldwide. This program provides them with an opportunity to contribute to the leaders' community by sharing their experiences.

In 2024, 31 Ambassadors put forward their companies for the Innovation Hero Award. The winners were chosen through an online voting process by peers, garnering over 28,700 votes on social media, as well as by a panel of industry experts. Additionally, we continue to honor one outstanding Ambassador each year with the Visionary Leadership Award.

The Ambassador reception at the Temenos Community Forum, along with regular events and scheduled meetings, offers Ambassadors valuable networking opportunities to gain insights from their peers. The program also features a reward scheme, and our Ambassadors can track their points balance, redeem rewards and easily participate in new activities through the Ambassador portal.

	2023	2024	YoY
Referenceable accounts	633	**638**	+1%
Temenos Ambassadors	850	**920**	+9%

CASE STUDY

Temenos sets sustainability benchmark for cloud-native core banking with Microsoft

During the Temenos Community Forum in Dublin, Ireland, in May 2024, Temenos announced the results of a sustainability benchmark for its cloud-native banking platform running on Microsoft Azure, demonstrating the efficiency to handle the variable demands of digital transactions while also supporting banks to meet their sustainability goals.

The Microsoft benchmark simulated a client using Temenos Retail Enterprise Services with 25 million customers and 38 million accounts, processing 12 million loans on a single instance. Having previously set a record highwater benchmark for the volume of transactions per second (TPS), this latest benchmark showed the advances in Temenos' leaner and more sustainable architecture, with up to 52% like-for-like efficiency improvement for the tested workloads compared to the previous release.

From a 2021 baseline and validated by GoCodeGreen, Temenos has reduced the carbon impact of its software by over 50%. Improving the performance with more efficient code and leaner architecture means less demand for infrastructure, less processing power needed and consequently less energy consumed and lower carbon emissions. Combined with Temenos' sustainable operations and the sustainability of hyperscaler Partners like Microsoft, this brings added environmental benefits for banks choosing to deploy Temenos solutions on public cloud or as SaaS. Temenos continuously invests in its cloud-native platform to ensure it leverages the latest advances and innovations from hyperscalers.

An Economist Impact survey of 300 global banking executives, commissioned by Temenos in 2024, found that more than half (51%) of survey respondents agree that banks will no longer own any data centers because they will have moved to public cloud in the next five years.

Kalliopi Chioti, Chief ESG Officer, Temenos, added: "Compliance with climate regulation and meeting environmental targets have joined the list of reasons why banks are accelerating the shift to the cloud. We are committed to helping our clients reach their own ESG targets, particularly through our cloud-native platform, enabling our clients to significantly reduce their carbon emissions. Further, with our Carbon Emissions Calculator, a free tool embedded within Temenos SaaS, we empower banks to track their direct and indirect cloud emissions from banking activities, helping measure progress towards sustainability goals and comply with growing climate regulations."

Christian Sarafidis, Chief Executive EMEA Financial Services, Microsoft, said: "We are thrilled to see our collaboration with Temenos continue to set new standards for core banking in the cloud. Temenos and Microsoft have a strategic relationship to meet the growing demand from banks for cloud and SaaS banking services. Together, with our combined expertise we are leading the transition to a more sustainable banking industry."

The sustainability benchmark once again this year shows the speed and efficiency of Temenos' cloud-native platform helping banks to decarbonize their operations and grow their businesses sustainably.

→ For more please refer to: The Importance of ESG when Choosing a Technology Provider

SUSTAINABILITY continued

Achieving Business Excellence continued

CASE STUDY

Fostering sustainability through technology and partnerships

Technology has a leading role in the transition to a low-carbon economy. Digital transformation and sustainability can go hand in hand. SaaS and cloud have enormous potential to transform the world of banking in a sustainable way, by reducing the energy and carbon footprint of digital banking, payments and investments, promoting efficiencies in transactions.

At Temenos, ESG by design is a core principle of how we build technology with tangible benefits for our clients: energy efficiency, transparency, risk mitigation, accountable governance and measurable progress and data. Our leaner, greener code means our latest software release is now more than 50% carbon efficient compared to the 2021 baseline, as per the Temenos benchmark study, validated by GoCodeGreen. The benchmark assessment is centered on decarbonization through ongoing engineering and architecture improvements to handle the variable demands of digital transactions while supporting banks to meet their sustainability goals.

Taking the benchmarking assessment of our technology to the next level, in 2024, we partnered once again with GoCodeGreen to measure and provide actionable insights to our clients who are using Temenos SaaS. We partnered with a Temenos client in North America and measured the energy and carbon efficiency moving from on-premise to Temenos SaaS powered by Microsoft Azure.

The Bank achieved an overall 63% carbon efficiency when migrating from running Transact on-premise to Temenos SaaS, powered by Microsoft Azure cloud, while supporting 320% customer and 399% transaction growth. We are working with our client to publicly release the results, detailing the environmental impact of the assessment as well as the impact per transaction.

Digital transformation and sustainability can go hand in hand. With the right technology and partnerships, Temenos clients can achieve a balance that supports both regulatory compliance and operational excellence.

→ For more please refer to: TCF 2024 – Reducing banks' carbon footprint: What can be done to achieve environmental targets?

Measure	Manage	Improve
• **Carbon impact** of on-premise • **Carbon efficiencies** from the transition to SaaS • **Cost of carbon per transaction** for Bank	• **Understand** carbon footprint • **Identify** carbon hotspots • **Inform** strategic decision making • **Optimize** resource usage	• **Minimize** carbon impact to Bank's clients • **Reduce** operational costs • **Enhance** business resilience • **Demonstrate** environmental commitment

CASE STUDY

Temenos @ the 2024 Singapore Fintech Festival

At Temenos, we are committed to building an inclusive and sustainable future. At the Singapore Fintech Festival 2024, Kalliopi Chioti, Chief ESG Officer, was on the ESG Stage sharing the key drivers for the adoption of sustainability by financial institutions, the maturity and resilience of sustainability initiatives across different geographies and how we enable our clients to embrace sustainability in their strategy and operations.

One of the challenges is the different maturity levels of ESG data across regions. Temenos actively collaborates with initiatives like the integrated digital platform launched by the Monetary Authority of Singapore (MAS), which fosters transparency and provides clear frameworks for data consistency. Temenos was the first core banking software vendor to collaborate with Gprnt in 2023, to cooperate on technology solutions, explore data integration and foster product development innovation capable of powering the future of sustainable finance.

→ For more please refer to: How Temenos helps financial institutions integrate ESG standards and technology

SUSTAINABILITY continued

2

Operating Responsibly

Ethical business

For three decades, Temenos has built its reputation on professionalism and strong client relationships, underpinned by a commitment to ethical business conduct and corporate governance. Integrity, honesty and transparency are core to our values. We prioritize the long-term interests of our shareholders while maintaining rigorous internal controls and fostering a culture of accountability across all levels. As a global leader, we adhere to the highest ethical standards, often exceeding regulatory requirements. We are dedicated to building enduring, value-driven relationships with all stakeholders.

Information security, cybersecurity, data privacy and business continuity

This commitment extends to information security, cybersecurity and data privacy. We prioritize the security of our systems and the secure delivery of our solutions, ensuring robust protection of client data. Security and privacy are embedded within our business model, supported by strong governance frameworks, a skilled security team and comprehensive security processes.

Responsible procurement

To maintain the trust of our stakeholders, we are committed to validating that our suppliers engage in sustainable procurement practices. We continuously expand our ability to assess potential risks, identify issues, mitigate concerns and, when necessary, remediate issues, consistent with legal requirements, international standards and the expectations of our clients. We aim to achieve a 100% supplier engagement rate (engaged with data center and IaaS suppliers) by 2025 through our dedicated program.

Contributing to the UN SDGs

2024 key highlights

99%

of employees completed BCC training

80%

sustainability assessment for all tier 1 suppliers

> Promoting accountability at all levels of our organization and fostering responsible decision making.

Sustainability governance

Board of Directors

Membership
- Chaired by the Chairman, Non-Executive Director

→ Read more here: Board of Directors

Responsibilities
- Approves and oversees the sustainability, climate and CSR strategy (“ESG matters”) of the Group, including the climate-related impacts, risks and opportunities and associated metrics and targets
- Appoints and oversees the members of the Executive Committee

Nomination & ESG Committee*

Membership
- Chaired by the Vice-Chair, Independent and Non-Executive Director

Sustainability, climate and CSR strategy

→ Read more here: Corporate Governance Report

Audit Committee

Membership
- Chaired by an Independent and Non-Executive Director

ESG reporting

→ Read more here: Corporate Governance Report

CSR & Ethics Committee

→ Read more here: CSR & Ethics Committee Charter

Responsibilities
- Identifies, designs and leads the sustainability, climate and CSR strategy (“ESG matters”) of the Group, including the climate-related impacts, risks and opportunities and associated metrics and targets
- Reports to the Board of Directors through the Nomination & ESG Committee
- Represents different Temenos functions and departments, ensuring all the voices of internal and external stakeholders are taken into account

Chief ESG Officer

Responsibilities
- Manages the sustainability, climate and CSR strategy (“ESG matters”) of the Group, including the climate-related impacts, risks and opportunities and associated metrics and targets
- Interacts with stakeholders and drives the CSR, sustainability and climate-related policies, programs and reporting

* Post the 2025 Annual General Meeting of Shareholders, it is planned to merge the Compensation Committee and the Nomination & ESG Committee to form the Nomination, Compensation & Sustainability Committee.

SUSTAINABILITY continued

Operating Responsibly continued

Ethical business

Business Code of Conduct

The Temenos Business Code of Conduct with the linked corporate policies is the foundation of our commitment to ethical business practices and legal compliance. The Code defines the standards for business conduct everywhere we operate and provides guidance in addressing the business, legal and ethical issues encountered while performing daily work or making decisions on behalf of Temenos. We operate in accordance with our Code, including where local legislation is less strict, or there is an absence of legal and/or regulatory frameworks.

Our Code and policies are aligned with the ten principles of the UN Global Compact on the four issue areas of human rights, labor, environment and anti-corruption and the OECD guidelines for multinational enterprises. The members of the Board of Directors and the Executive Committee have endorsed the Code. Our Code is available in English and French on our intranet and our corporate website. It applies equally to full-time, part-time and temporary employees and contractors globally. It is a key part of the employment contract and contractor agreement. All employees are required to read and acknowledge the Code and linked policies within the first three months of their employment. They are also required to complete the mandatory trainings upon joining and to repeat every 12 months.

The compliance requirements of the Code are also part of our Partners and Suppliers' Program. Specific compliance provisions are included in the Services Partner Agreement and all new suppliers are required to comply with the Code as well as the Temenos Supplier Code of Conduct. In addition, the rollout of the Suppliers Program includes existing suppliers, as they incrementally need to comply with the Code and related policies and to verify compliance by providing respective information when requested.

The backbone of our Code is the corporate policies linked to it that provide detailed guidance on how to exercise good judgment when working and making decisions for Temenos. The policies are reviewed annually and reflect our continued commitment to ethical business practices and legal compliance.

Human rights

As defined in the UN Guiding Principles on Business and Human Rights (UNGP), we are committed to respecting as well as promoting and advancing human rights, as recognized in international human rights standards, within our organization and our supply chain. We are committed to preventing and mitigating any adverse human rights impacts resulting from our own actions. This commitment extends not only to our direct activities but also to any adverse impacts linked to our operations, products or services through our business relationships, even if we have not directly caused or contributed to those impacts. Our human rights commitment is an integral part of our Business Code of Conduct, mandatory related training and Ethical Business Conduct Program, as well as the Supplier Code of Conduct and supplier performance and risk assessment processes of our Global Procurement Policy and procedure. It clearly outlines the requirements for our own operations (employees, direct activities, products or services) and for our suppliers and Partners, as well as the actions and procedures we undertake to meet our commitment. We expect our employees, Partners, suppliers and clients to share this commitment to ensure that the IT sector and our business respect and promote human rights.

Temenos has developed a due diligence process to proactively and systematically identify potential issues relating to respecting human rights issues and where they could occur in our own operations, value chain or activities related to our business and manage them. Our cross-functional Human Rights Working Group oversees our human rights strategy, helping to coordinate our efforts to identify and mitigate human rights risks in our own operations and our value chain. The results of these efforts are shared with the Executive Committee and the Board of Directors.

Our human rights due diligence process covers various issues such as child and forced labor, discrimination, harassment, collective bargaining and health and safety. We perform internal audits on a regular basis at a global level to identify potential human rights risks, while taking mitigation and remediation actions as required.

In 2024, we renewed our compliance with the UK Modern Slavery Act by issuing a Slavery and Human Trafficking Statement where we outlined Temenos' policies and procedures related to fair labor standards and respect for human rights throughout our operations and supply chain, while describing our efforts to address modern slavery. As a UN Global Compact participant, we respect and support the values of the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work by integrating human rights considerations into our business operations. We respect government policies in the countries where we operate, while seeking ways to honor these global principles. We conduct regular audits to check internal compliance with these standards.

We have established a process to assess on a regular basis our obligations under the Swiss Conflict Minerals and Child Labor Due Diligence Obligations. According to the assessment conducted in 2023 and considering our activities, business model and supply chain needs remain unchanged. Temenos is exempt from the Swiss due diligence and reporting obligations, as we do not import minerals and metals and have not identified reasonable grounds to suspect child labor in our supply chain.

Human rights due diligence process and mitigation measures*

Forced labor

Groups at risk
Temenos employees and third party employees

Objectives
A work environment free from forced or compulsory labor

Management and mitigation actions
- Specific section against forced labor included in Business Code of Conduct
- Temenos employees and suppliers get trained and acknowledge the Code annually
- Specific questions in Human Rights section of the Supplier Questionnaire to ensure no forced labor incidents
- Employment contracts
- Background checks in recruitment process

Child labor

Groups at risk
Children

Objectives
No Temenos employees or workers in the supply chain younger than 18 years old

Management and mitigation actions
- Specific section against child labor included in Business Code of Conduct
- Temenos employees and suppliers get trained and acknowledge the Code annually
- Specific questions in Human Rights section of the Supplier Questionnaire to ensure no child labor incidents
- Employment contracts
- Background checks in recruitment process
- Reporting as per GRI 408-1

Collective bargaining agreements

Groups at risk
Temenos employees

Objectives
All Temenos employees have the right to participate in collective bargaining agreements

Management and mitigation actions
- Specific section for collective bargaining agreements included in Business Code of Conduct
- Temenos employees and suppliers get trained and acknowledge the Code annually
- Reporting as per GRI 2-30

Discrimination

Groups at risk
Temenos employees, third party employees, women and other minorities

Objectives
Eliminate discrimination in the workplace and the supply chain

Management and mitigation actions
- Specific section against discrimination included in Business Code of Conduct
- Temenos employees and suppliers get trained and acknowledge the Code annually
- Specific questions in Labor Standards section of the Supplier Questionnaire to ensure no discrimination incidents
- “Working with Integrity Principles” Policy
- Robust anonymous reporting mechanism including policy and 24/7 available system

Harassment

Groups at risk
Temenos employees, third party employees, women and other minorities

Objectives
Prevent harassment in the workplace and supply chain

Management and mitigation actions
- Specific section against harassment included in Business Code of Conduct
- Temenos employees and suppliers get trained and acknowledge the Code annually
- Specific questions in Labor Standards section of the Supplier Questionnaire to ensure no harassment incidents
- “Working with Integrity Principles” Policy
- Robust anonymous reporting mechanism including policy and 24/7 available system

Health and safety

Groups at risk
Temenos employees

Objectives
Occupational health and safety in the workplace

Management and mitigation actions
- Internal audits on a regular basis to identify potential health and safety issues and ensure zero accidents in the workplace
- ISO 45001 gap assessment to be conducted in Q1 2025 in Chennai offices (where over 2,400 Temenos employees are based) by an external consultant
- Global Health and Safety Policy
- Global wellbeing and engagement team
- Mental health platforms and support offerings in 23 countries, covering 84% of Temenos employees

* Human rights due diligence process and mitigation measures described in the above table are applicable to all Temenos operational sites globally, unless stated otherwise.

SUSTAINABILITY continued

Operating Responsibly continued

Compliance Program

In 2024, the Temenos Compliance Framework continues to be based on the principles of assessment, prevention, detection and correction, ensuring that Temenos continues to:

- operate responsibly in accordance with applicable laws and regulations;
- maintain a culture of honesty, integrity, responsibility and compliance;
- meet high ethical and professional standards;
- prevent fraud and abuse and other compliance issues;
- detect compliance issues at earlier stages and prompt corrective actions; and
- build employee trust and confidence.

The Temenos Compliance Framework has been designed to operate in the form of a "Compliance Ecosystem" and includes:

1. anti-trust and anti-competitive practices;
2. anti-corruption and bribery;
3. due diligence and onboarding;
4. export controls and sanctions;
5. anti-money laundering; and
6. conflict of interest and related party transactions.

Anti-trust and anti-competitive practices

Temenos values customer and market trust and strongly believes that it is fundamental to ensure Temenos safeguards its reputation. Complying with anti-trust laws throughout the world is part of our commitment to operating in an effective, fair and free market economy. This commitment includes contracts with clients and any third party, ensuring Temenos competes independently from other market players and does not seek to control the commercial policy and practices of its resellers or distributors in any illegal or inappropriate manner.

The most significant amount of our revenues derives from direct dealings with our clients ensuring Temenos is in a strong position for enforcing its sales and contracting processes.

Specific provisions of the Temenos Anti-Trust Policy are included in the Business Code of Conduct.

Anti-Corruption and Bribery

For Temenos, anti-corruption is not only a legal obligation but also a matter of ethical business standards. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships – wherever it operates – and to implementing and enforcing effective systems to counter bribery. Temenos' zero tolerance of corruption and ethical standards are set out in our Business Code of Conduct and our Anti-Corruption and Bribery Policy, which apply to all Temenos employees and Group entities.

Anti-Corruption and Bribery training is part of the annual mandatory training that all employees take when joining Temenos and is repeated annually during their employment with Temenos.

As a testament to our commitment to ethical business practices, in 2024, Temenos has not incurred any fines or settlements, nor was it involved in any investigations related to anti-competitive business practices, bribery or corruption.

As part of our ongoing commitment to anti-corruption, we have expanded our commitments in this area beyond Temenos, to include our suppliers, Partners and other third parties that have a direct contractual relationship with Temenos. Integrity is a vital part of our business. We also have anti-corruption and bribery provisions in our Partner and contractor agreements as well as in our procurement process with suppliers.

Temenos does not make any contributions to political parties nor does it engage in any lobbying activities.

Temenos monitors compliance with the Anti-Corruption and Bribery Policy regularly through routine and ad hoc checks and audits across the organization. The Anti-Corruption and Bribery Policy and the effectiveness of the Anti-Corruption Program are assessed and revised on a regular basis.

Due diligence and onboarding

The Temenos Due Diligence Framework is currently implemented on sub-licensing and Partner deals, following a risk-based approach. As part of our commitment to continuously enhance our Compliance Framework, all the assessments carried out in the previous year as part of the due diligence process are examined and – based on the analysis and results – the model's assessment and key risk factors are fine tuned in order to further strengthen its predictability and risk assessment evaluation methodology.

Export controls and sanctions

Temenos complies with all applicable export control laws and sanctions worldwide and meets obligations under sanctions regimes of the jurisdictions in which it does business. To support the Compliance Program, and in order to meet the challenges and complexities of the regulatory requirements when operating at a global scale, Temenos will seek, when required, the advice of external legal counsel with expertise in the relevant fields. Temenos will forgo business which would breach sanctions regimes directly applicable to it.

All Temenos employees, contractors, distributors and Partners are expected and required to comply with the Export Controls and Sanctions Policy, which is also part of the Business Code of Conduct. Failure to observe sanctions and export controls may cause operational delays, expose the Company to regulatory investigations, severely damage our reputation and create substantial legal exposure for Temenos companies, including criminal and civil fines, and fines and imprisonment for individuals.

The Temenos Financial Crime Mitigation (FCM) solution is an integrated part of the Export Controls and Sanctions Compliance Program and covers all the relevant business needs and compliance requirements. The respective implementation enables us to examine the country where the software will be exported as well as the underlying entity.

Anti-money laundering

At the present time, due to the nature of our business activities which are business-to-business dealings with regulated entities (primarily banking and financial services institutions), Temenos assesses it has limited exposure to money laundering risk. To this end, Temenos is following a risk-based counterparty due diligence approach, in terms of assessments and controls in order to mitigate any money laundering risk. It is based on the "Know Your Customer" approach and it is formalized into two distinct phases: a) pre-onboarding assessment; and b) ongoing and systematic monitoring of high-risk counterparties.

Conflict of interest and related party transactions

Conflicts of interest in both the public and private sector have become a major matter of public concern worldwide. As a global market-leading software provider, Temenos might be faced with actual, potential or perceived conflicts of interest. Temenos is sensitive to the ways in which an employee's private financial affairs could create potential conflicts of interest. Also, transactions executed by related parties (legal entities and natural persons) must be reported if such transactions are carried out under the significant influence of a Temenos senior manager. Ensuring that the integrity of the Company's decision making is not compromised by employees' private interests, Temenos has in place business-specific policies and procedures that address the identification and management of actual, potential or perceived conflicts of interest that may arise in the course of business as well as the reporting of any related party transactions.

The Conflict of Interest Policy is linked to the Business Code of Conduct and describes in detail the disclosure mechanism for all Temenos employees, members of senior management and the Board of Directors as well as the appeal process to the Ethics and Compliance Committee.

We have an internal online global system designed to centralize the declaration of conflict of interest and related party transactions as well as the approvals of Outside Directorship Requests made by Temenos employees or members of the Board of Directors to serve as a Director or an officer for an outside organization, which might also result in a conflict of interest. The Chief Compliance Officer prepares and submits on an annual basis a consolidated conflict of interest incidents' report to the Audit Committee.

Partner compliance

In 2024 we invested in improving our Partner compliance measures in several areas including:

- delivering compliance training to our Partners. This training addressed key compliance areas such as anti-bribery and corruption and our anonymous reporting portal and forms the basis for regular Partner level training into the future;
- adding a compliance section to our Partner portal to help Partners understand and manage compliance requirements; and
- closer collaboration between our Compliance function and our Partner Management function throughout the Partner lifecycle.

ONE Compliance

2024 saw the launch of our ONE Compliance initiative to provide an umbrella over our compliance activities within our Compliance, HR, Finance, Sales Operations and Partner Management functions. Key benefits of the ONE Compliance initiative include:

- breaking down silos to collaborate and ensuring a 360-degree view of compliance throughout Temenos;
- improved compliance reporting; and
- clear demonstration of management commitment to compliance.

As part of the ONE Compliance initiative we delivered enhanced, in-person training to key at-risk personnel in all of our regions.

Ethical business conduct monitoring and reporting

Our responsibility is to train our employees on ethical business conduct, provide them with communication channels, build controls to prevent and detect unethical and non-compliant conduct and perform regular internal audits. When we identify or learn of concerns or improper conduct, we investigate them fully and take appropriate action to remediate any issues identified.

Temenos offers employees, Partners and suppliers ways to report compliance concerns. If instances of possible non-compliance with the Business Code of Conduct are detected, an internal grievance mechanism is in place to record verbally, in print or electronically any related concerns through the line manager, Group People department, Group Legal department and Group Internal Audit.

In addition, there is an independent anonymous reporting mechanism in place, the details of which are set out in the Anonymous Reporting Policy and guidelines, which is linked to the Temenos Business Code of Conduct as well as the Temenos Supplier Code of Conduct. It is available on our intranet and our corporate website. Anonymous reporting means raising a concern about suspected wrongdoing involving Temenos people, contractors, Partners and suppliers. Temenos is committed to promoting and maintaining the highest ethical standards in all our work, and ensuring that where concerns are raised, they are investigated and resolved, preserving the anonymity and confidentiality of anyone raising a concern. In addition, an appeal process to the Ethics and Compliance Committee is in place, whose decision is final and binding. All disclosures are reported to the Audit Committee.

Internal audits concerning ethical business issues have been conducted for all of our operational sites in 2024. All filed cases have been successfully resolved. The below table includes concerns raised from Temenos employees (four cases) as well as externals/anonymous (three cases):

Employee concerns 2024 (including externals)	Raised	Upheld	Dismissed	Action taken
Workplace discrimination concerns (perceived feeling of discrimination)	4	–	4	n/a
Other workplace concerns (failure to comply with legal obligations, such as breach of employment law or human rights obligations)	1	–	1	n/a
Fraud, theft, bribery or other ethical misconduct	–	–	–	n/a
Health and safety or perceived damage to the environment	–	–	–	n/a
Violation of the Temenos Business Code of Conduct	–	–	–	n/a
Actual, potential or perceived conflict of interest	2	–	2	n/a
Total	**7**	**–**	**7**	

SUSTAINABILITY continued

Operating Responsibly continued

Shaping up the future – Temenos Integrity Framework

The Temenos Integrity Framework is based on the below four pillars (as set by the World Economic Forum):

1 Commitment to ethics and integrity beyond compliance

2 Building, maintaining and enhancing the culture of integrity

3 Leverage technology

4 Effectively implement collective action initiatives

Risk management and internal control

Risk management and internal controls provide independent oversight over the portfolio of key risks impacting Temenos and manage emerging risks with a potential business impact. Temenos has established a Group Risk Management function overseen and managed by the Risk Director (who reports to the Chief Security and Risk Officer) to monitor and manage enterprise risks including the establishment of a Group level Enterprise Risk Management Framework which is aligned with ISO 31000: Risk Management. In addition to the Group's Enterprise Risk Management Framework, there is also a robust internal control system in place for financial reporting and key operational and fraud risks that goes beyond statutory requirements. All relevant risks are identified, formally assessed and documented. For each risk we have implemented specific controls and mitigation plans and these are documented in formal risk and control matrices. The effectiveness of the controls is regularly evaluated through a formal self-assessment process which is independently reviewed and tested by both internal and external audit.

→ To read more on our Group Risk Management Framework and internal controls, please refer to the Maintaining Robust Risk Management – Principal Risks and Uncertainties section of this report

Compliance training

In addition to acknowledging the Business Code of Conduct when joining the Company and annually thereafter, Temenos employees are required to complete training on the Code and the areas of Anti-Corruption and Bribery, Data Protection and Privacy, Information Systems Security and Business Continuity and Environmental Awareness. All Executive Committee members have completed the compliance trainings in all areas. The completion percentages below include all Temenos employees.

Global Temenos 2024 training completion percentage	%
Business Code of Conduct acknowledgment	**99.9**
Information Systems Security acknowledgment	**99.9**
Business Code of Conduct training	**99.9**
Anti-Corruption and Bribery training	**99.9**
Data Protection and Privacy training	**99.9**
Information Systems Security and Business Continuity training	**99.9**
Environmental Awareness training	**99.9**

The Anti-Corruption and Bribery Policy and the Anti-Corruption Program include several elements such as proportionate procedures, top-level commitment, risk assessment, integrity due diligence, communication, training, monitoring, review, enforcement and sanctions, with the aim of continuous improvement and alignment with prevailing international standards. The Board of Directors has the highest level of executive oversight for the Company's Anti-Corruption Program. As part of our ongoing commitment to anti-corruption, we have expanded our commitments in this area beyond Temenos, to include our suppliers, Partners and other third parties that have a direct contractual relationship with Temenos. Integrity is a vital part of our business. We also have anti-corruption and bribery provisions in our Partner and contractor agreements as well as in our procurement process with suppliers.

Anti-Corruption and Bribery training dashboard

By function*	No.	Employees trained
General administration	725	100%
R&D	2,495	99.9%
Sales and marketing	553	99.6%
Services	1,932	100%
Cloud	500	100%
Grand total	**6,205**	**99.9%**

By region*	No.	Employees trained
APA	343	100%
Europe	1,083	99.8%
India	3,930	100%
MEA	250	100%
NAM	377	99.7%
LATAM	222	100%
Grand total	**6,205**	**99.9%**

* The tables above cover the entirety of 2024. 78 employees were exempt from mandatory compliance trainings due to long-term leave reasons (sickness, maternity, etc.).

Information security, cybersecurity, data privacy and business continuity

Information security

Governance

Temenos upholds rigorous governance and oversight of its Information Security and Risk Management programs. These programs are under the direct purview of the Board of Directors, which is accountable for guiding and approving the Group IT, Security and Risk strategies. The Board of Directors, with its profound expertise in strategy, finance and technology, plays a crucial role in steering these areas.

In alignment with the Board of Directors' direction, Temenos employs a robust "three lines of defense" model to bolster our business strategy and key initiatives through effective management of risks, security and compliance. This model includes distinct first, second and third lines of defense, comprising Information Technology and Temenos Cloud Operations in the first line, Information Security and Risk Management in the second line, and Internal Audit in the third.

The Board of Directors Audit Committee, meeting at least four times annually, exercises comprehensive oversight of the Security and Risk functions, including their strategic direction. These functions regularly report to the Committee, presenting updates on strategy execution, key performance and risk indicators, audit outcomes and significant incidents or findings.

The Temenos Executive Committee, responsible for formulating and tracking the Group's strategic plans, includes information security and risk management as a key element, represented by the Chief Security and Risk Officer.

The Temenos Security and Privacy Committee is dedicated to overseeing the implementation of global Information Security and Privacy programs in alignment with our business strategy. Chaired by the Chief Security Officer, the Committee meets at least quarterly and comprises members from diverse functions within Temenos, including Information Security, Privacy, Temenos Cloud, Information Technology, Legal, People & Culture, Finance, ESG, Marketing and Internal Audit, ensuring a comprehensive, cross-functional approach to security and privacy. The Committee is tasked with ensuring that appropriate security and privacy policies, guidelines and operating procedures are established, advising the business of obligations and requirements, reviewing significant security incidents and ensuring appropriate resources are provided for the Security and Privacy functions.

Chief Security Officer

The Chief Security Officer (CSO) at Temenos is responsible for information security and cybersecurity, maintaining an organizational structure that guarantees continuous support from specialized security functions in line with the organization's strategic plan. Within the CSO's domain, Temenos has developed a comprehensive Security Program. This program encompasses various critical areas: Information Security Governance, Security Incident Response, Cloud Security, Security Operations, Security Architecture & Engineering, and Security Assurance. This multi-faceted approach addresses the security requirements of Temenos systems and services, ensuring robust protection and alignment with our overarching security objectives, including Temenos systems and networks, physical infrastructure and buildings as well as Temenos cloud and its associated services. This structure ensures that all aspects of our operation are robustly protected and aligned with our overarching security objectives.

Information security

The information security governance team is responsible for building and maintaining the Temenos Security Framework, which comprises policies, standards, guidelines, procedures and controls.

The Temenos Security Framework is modeled on the Information Security Forum's Standard of Good Practice, with controls derived from globally recognized industry sources such as the Center for Internet Security (CIS), Cloud Security Alliance (CSA), ISO 27001/2, NIST and other internationally accepted frameworks.

As part of its responsibilities, the information security governance team ensures a proactive approach to information security risk assessment, including third party risk management. This includes identifying, assessing and mitigating risks to Temenos information and systems, while embedding security into our supply chain and internal projects to uphold a robust security posture across all operations.

The team works collaboratively with relevant stakeholders to oversee the implementation of security controls, ensuring risks are systematically managed and aligned with the organization's broader security objectives.

→ For more information please refer to the Maintaining Robust Risk Management section of this report

Cloud security

The cloud security team, an integral part of the Temenos SaaS organization, plays a pivotal role in ensuring Temenos Cloud continues to meet the security obligations of our clients. Dedicated to implementing and upholding the stringent controls outlined in the Temenos Cloud Security Uniform Terms, its focus is on maintaining the confidentiality, integrity and availability of our clients' applications and data, a commitment that is at the heart of our service offerings.

At Temenos, we are deeply committed to security across the entire organization, maintaining a comprehensive array of security controls and programs to address diverse security needs. These measures include privileged identity and access management, data loss prevention, advanced email and web security, endpoint detection and response, anti-malware protection, application whitelisting, file integrity monitoring, network intrusion prevention systems, web application firewalls, mobile device management, denial-of-service protection, multi-factor authentication, and robust vulnerability management. Together, these components form a cohesive defense strategy, protecting our systems, safeguarding data and reinforcing the trust of our clients.

In 2024, Temenos continued to invest heavily in the security measures of the Temenos SaaS platform and operations centers, including new Clean Room facilities for secure operations, phishing-resistant multi-factor authentication and enhanced Privileged Access Management technologies and processes to further safeguard our clients' workloads and data.

Security incident response

At Temenos, we understand that incident response is an essential component of operating in the modern technological landscape. To this end, we have established a comprehensive security incident management capability, seamlessly integrated across our business. This system is designed for rapid and effective response to security incidents, both minor and major, and is aligned with the National Institute of Standards and Technology (NIST) Computer Incident Handling Guide.

SUSTAINABILITY continued

Operating Responsibly continued

Security incident response continued

The Temenos Security Operations Center (SOC) continuously monitors our systems and digital services globally, utilizing leading-edge tools and technology to detect suspicious or harmful activities across the organization.

In the event of a potential or actual security incident, SOC is equipped with procedures to analyze the incident, contain the threat, eradicate any intrusion and work with the business to recover normal operation.

When necessary, incidents are escalated to higher management for further action via the Critical Incident Response Team (CIRT). This team is composed of senior management from key departments, including Information Security, Information Technology, Legal, Risk Management, People & Culture, Finance and Internal Audit.

CIRT is tasked with overseeing the management of critical security incidents, including notification to affected parties which may include clients, regulators and investors, among others.

Post-incident, CIRT conducts reviews to identify and implement preventive measures, assigning ownership to ensure these are prioritized and carried out effectively. This comprehensive approach ensures that Temenos not only responds to incidents efficiently but also continually enhances its security posture.

Assurance

The integrity and security of Temenos networks and systems are of paramount importance. To ensure this, we have instituted a rigorous Vulnerability and Threat Management Program, which is continuously engaged in assessing potential vulnerabilities. This comprehensive program encompasses a range of evaluative techniques, including vulnerability scanning, penetration testing and advanced threat intelligence analysis.

These critical security assessments are conducted by our dedicated in-house team of seasoned security experts. This team works closely with system owners and relevant stakeholders across the organization. Their role is not just to identify vulnerabilities but also to provide expert guidance on the remediation of these vulnerabilities, ensuring that all actions are in strict alignment with our established Security Policy and standards.

This proactive and thorough approach to vulnerability and threat management is a testament to our commitment to maintaining the highest levels of security, safeguarding our systems and protecting the data entrusted to us by our clients. Through this program, Temenos continues to fortify its defenses against evolving security threats, ensuring resilience and trust in our digital ecosystem.

Security training and awareness

At Temenos, we recognize the vital role that comprehensive security awareness plays in maintaining the integrity and safety of our operations. To this end, all Temenos employees, contractors and Partners are mandated to complete thorough Security Awareness training. This training covers topics including phishing, data security, privacy, physical security and business continuity. It is a requirement for all new joiners to Temenos and must be completed annually thereafter.

In addition to our employees, all Partners engaged under the Services Partner Agreement are contractually obligated to provide their employees, especially those involved in Temenos projects, with Security Awareness and Data Protection training. We also provide specialized training for employees or contractors engaged in sensitive activities, such as SaaS operations, product development and our internal security teams. Our security awareness initiatives are further bolstered by regular activities, including phishing simulation exercises, informative email communications and intranet posts that highlight recent security developments both within and outside of Temenos.

Moreover, Temenos is an active participant in industry-specific organizations, such as the Information Security Forum (ISF), Center for Information Security (CIS) and Cloud Security Alliance (CSA). Our involvement in these organizations allows our Security function to leverage industry best practices, stay updated on evolving threats and continuously enhance the knowledge and preparedness of our security staff. This proactive engagement in the wider security community is a key component of our commitment to upholding the highest standards of security and protecting our systems, data and client interests.

Product security

Temenos is steadfast in its commitment to continuous security assessment and improvement within its software products, constantly researching the latest vulnerabilities and attack trends. This vigilance is a key component of our secure development lifecycle. Identifying vulnerabilities involves comprehensive testing of target applications using a diverse array of methods and tools. Our dedication to product security is so deeply ingrained in our product development methodology that we confidently assure a significant reduction in the risk of security issues within our product suite.

Any architectural changes or new products undergo a meticulous review process. These are presented to the Security Design Authority for a global assessment and approval. Our secure design, development and review process is meticulously crafted to ensure the implementation of fundamental security principles, such as:

- identifying potential flaws or vulnerabilities in the initial phase of design and development, prior to the coding process;
- developing code securely and ensuring the implementation of security controls identified during the design phase;
- adhering to secure coding practices;
- conducting unit testing of the security features of the application, performing security audits and code reviews and utilizing automated code review tools; and
- ensuring that security recommendations are implemented and approved.

For enhancements to information systems or new product requests, the product development team collaborates with the product security assurance (PSA) team. These requests are meticulously reviewed for security design and tested using a combination of OWASP ASVS and Top10, SANS and specific test scenarios crafted by Temenos. The testing results are then reviewed and approved by the PSA team.

The security testing of our products, an integral part of the release process, is conducted by the PSA team. This testing includes:

- Secure Code Review;
- Static Code Analysis (SAST);
- Open-Source Library Analysis (OSL);
- Malicious Code Detection;
- Dynamic Application Security Testing (DAST); and
- Internal and External Penetration Testing.

Vulnerability findings, complete with recommendations, are shared with development teams for remediation. All identified issues are meticulously recorded in our Incident Management tool. Additionally, critical applications undergo a malicious code review conducted by the PSA team, which includes examinations for application backdoors and potential for security control bypass. This comprehensive approach ensures the utmost security and integrity of our products, reinforcing our unwavering commitment to safeguarding our clients' interests.

Data privacy

Privacy organization

The Chief Compliance Officer (CCO) leads our global privacy function and has global responsibility for privacy throughout the Company, including our cloud, product and corporate business units. The CCO reports directly to the Audit Committee. Temenos operates an enterprise-wide privacy framework to drive and monitor privacy compliance. Important components of this framework include:

Business area	Key privacy activities and controls
Product	Our privacy team is embedded within our product development teams to ensure that we deliver products that honor Privacy by Default obligations. Key controls include: • an automated system to enforce and manage Privacy Impact Assessments at key stages in the Software Development Lifecycle (SDLC); and • delivering bespoke privacy training to technical product teams to ensure that privacy concepts are well understood and practically applied.
Cloud	Our privacy team supports our cloud business on a daily basis. Key controls include: • undertaking Privacy Impact Assessments when we onboard cloud clients. These assessments are used to identify/honor applicable data privacy regulations and to create records of processing within our enterprise privacy management system; • delivering bespoke privacy training to our global cloud implementation and operation teams; and • supporting security incident investigations.
Corporate	Our privacy team supports our corporate functions such as Sales, Marketing, Procurement, People & Culture and Finance by: • maintaining our records of processing; • completing Privacy Impact Assessment for the introduction of new systems and processes; and • delivering bespoke training to high-risk functions such as Marketing and People & Culture.

How Temenos uses data

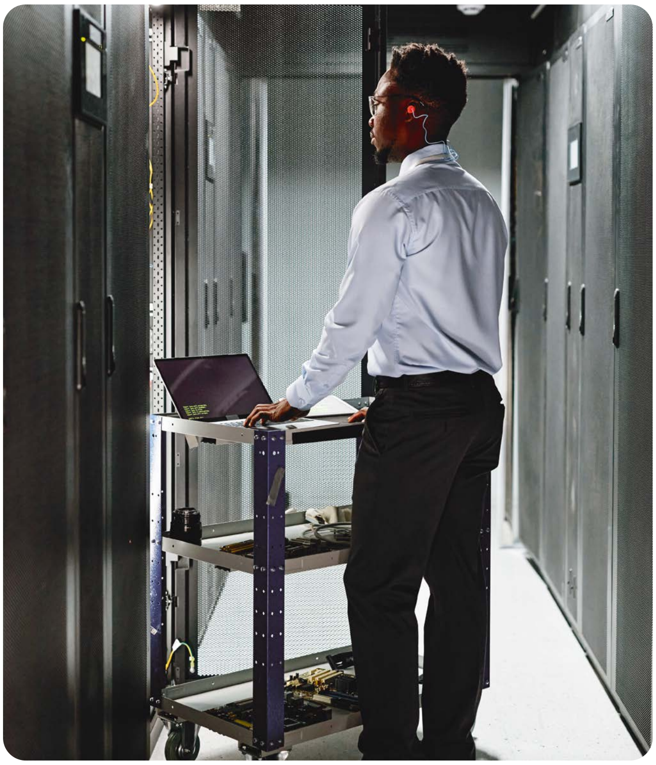
Temenos processes personal data only for the purpose it was originally collected as per the applicable legal basis of processing. Personal data is not processed for any other secondary purpose. Access to that data is restricted to the people responsible for the specific processing activities. Temenos has never received any requests for customer information from government or law enforcement agencies and we comply with all reporting requirements in this regard. In addition, the Company has neither received any substantiated complaint concerning breaches of customer privacy and losses of customer data in 2024, nor have there been any monetary losses as a result of legal proceedings associated with user privacy.

Data request management

We take our role as a data controller seriously and respect all rights of our data subjects including their privacy and broader human rights; for example, we notify our employees of any data that we are required to legally share with government or law enforcement agencies. Additionally, any government data requests are overseen by our Chief Compliance Officer, who is responsible for evaluating and responding to law enforcement or government data requests. Any evaluation takes into account the privacy and human rights of our data subjects by doing a risk assessment. In the event that an investigation results from a government data request, our Chief Compliance Officer is also responsible for leading the investigation and implementing any corrective actions.

E-privacy

The Temenos Privacy Policy is available on our website. We also maintain an Employee Privacy Notice. The users that opt in to our targeting/advertising cookies on temenos.com may see our display advertising banners; additionally, users that search on Google for terms relevant to our business may see our ads. Personal data is not used in either case. The nature of our products and services means that they are not subject to government-required monitoring, blocking, content filtering or censoring.



SUSTAINABILITY continued

Operating Responsibly continued

Artificial Intelligence governance

In 2024, we strengthened our approach to AI governance by introducing an enhanced AI & Data Governance Framework.

- This is a framework of policies, procedures and controls that guide the development, deployment and use of AI systems.
- It ensures ethical, responsible and transparent use of AI technology by promoting data privacy, security and accountability.
- By setting clear guidelines for AI implementation and management, Temenos can mitigate risks associated with AI while maximizing its potential benefits.
- It ensures compliance, trust and efficiency in developing and deploying AI-powered technologies.
- By prioritizing AI governance, Temenos demonstrates its commitment to ethical practices, reinforcing its position as a responsible innovator in its respective industries.

This supervisory control is comprised of two elements: the AI Committee and the AI & Data Design Authority.

AI & Data Design Authority

- This is a team of experts on hand to assist with integrating AI and data technologies into internal AI projects, as well as navigating existing AI and data solutions.
- As with all the design authorities, its goal is to help create the very best business solutions by helping get the design right and selecting the appropriate tools, techniques and technology.

AI Committee

- This is the AI central governing body made up of representatives from key business units including the AI business unit, Legal, Security, Privacy, Procurement, Partner Management, Sales, Marketing and HR.
- The role of the AI Committee is to review any new AI technology (or use case) or third party solutions proposed for use to ensure Temenos is implementing AI in an ethical and responsible way ensuring alignment with Temenos' IP, IT, privacy, security and other crucial policies.
- Any new AI technology or third party solution should be reviewed by the AI Committee first.

This framework supports:

Ensuring responsible use of AI

- Establishes comprehensive guidelines for the ethical and responsible deployment of AI.
- Promotes transparency, accountability and the long-term sustainability of AI advancements.

Building trust with customers

- Showcases unwavering confidence and accountability in the decisions influenced by AI systems.

Enabling value-driven decision making

- Ensures that AI aligns with the principles, goals and objectives of the business, promoting transparency, equity and sustainability.

Improved risk management

- Integrates risk assessment into the AI lifecycle – from development to deployment and beyond.
- Regular audits and assessments ensure that any potential risks are identified early and managed proactively.

Strategic alignment

- Ensures that AI initiatives align with an enterprise's broader business objectives and corporate values.
- Ensures that AI investments are not only innovative but also support the Company's long-term goals and mission.

Improved product quality and development

- Significantly enhances the quality and development of AI-driven products by establishing clear guidelines and standards.

Business continuity

Temenos has an ethical and social responsibility to protect its people, assets, clients and stakeholders from the potential impacts of business disruption. This understanding is at the core of our business continuity activities.

Temenos has established a Business Continuity Management (BCM) Program, which effectively contributes to the protection of the organization, provides a resilience framework reassuring the delivery of services to clients and enables the organization to achieve its strategic objectives. BCM establishes and maintains a framework of procedures and plans that aim to prevent interruptions to mission-critical services and re-establish the efficient and cost-effective resumption of business. The aim is to:

- protect the organization and its business, including employees, assets (information and physical assets), customers and shareholders, by minimizing the impact of major disruptions;
- understand and communicate the recovery needs of the business and ensure appropriate recovery capability is provided to meet those needs;
- recover the business in a planned and controlled manner to meet the requirements of the business and comply with applicable laws, contracts, regulations or other factors in all regions;
- ensure that BCM is an essential part of business planning and development; and
- maintain a robust Business Continuity Management System (BCMS).

Temenos' BCMS is ISO 22301:2019 certified and associated with the operation and support of the Temenos products and services. It covers both on-premise and cloud services to customers.

Responsible procurement

Beyond our operations, our commitment to operate responsibly and sustainably extends to our suppliers and Partners. Temenos integrates sustainability considerations in its Procurement Policy and practices and applies a strategic procurement operating model that proactively engages the business and suppliers for sustained cost efficiency, enabled innovation and operational risk mitigation in the supply chain.

We employ a responsible strategic sourcing process for categories of suppliers considered critical for our business. We categorize our suppliers into four tiers as below:

Tier	Description
Tier 1 – client-critical suppliers	Suppliers that provide critical products/services which underpin the running of the software or services provided to our clients
Tier 2 – high-risk operational suppliers	Suppliers that provide operational dependent products and/or services to the organization and/or our clients
Tier 3 – functional suppliers	Important suppliers to the general functioning of Temenos
Tier 4 – commodity suppliers	Suppliers that provide general services

Sustainability and operational risk assessments are part of the supplier selection process. For the risk assessments, we use a Supplier Questionnaire that covers areas such as business and ethical conduct, environment, human and labor rights, impact on society, client privacy and information security, Artificial Intelligence, financial and legal compliance requirements. Our Supplier Questionnaire is aligned with the ten principles of the UN Global Compact and the EU General Data Protection Regulation 2016/679. The tiering determines the topics covered in the Supplier Questionnaire and the frequency of due diligence updates. Our focus is on tier 1 and tier 2.

Since 2021, we use a third party supplier risk management software to proactively map risks using external data to enable predictive risk management and planning and influence suppliers by implementing a new Compliance Framework to plan, execute, monitor and assess shared strategic sustainability goals.

Our Supplier Code of Conduct lists our commitments and expectations as well as the requirements for our suppliers in adhering to our responsible ways of doing business and is integrated as a clause into contracts and Purchase Order Terms and Conditions. We expect our suppliers to champion these values in their own supply chains, while encouraging them to develop responsible practices of their own and communicate any concerns they might have related to a possible breach of our Code through the anonymous reporting mechanism. The Supplier Code of Conduct and all relevant information related to our Purchase Order Terms and Conditions and invoice guidelines are publicly disclosed on our corporate website in a dedicated supplier section.

Spending on local suppliers

We recognize that a supply chain composed of diverse suppliers promotes competition and quality from our vendors, drives innovation, empowers local economies and helps us better reflect the diversity of our clients. We are proud to work with a range of diverse and dynamic suppliers that can meet the specific needs of each business line. We build and maintain relationships with both small local suppliers and large international suppliers.

The reported local spending contains all purchases performed by the Temenos local entity from local suppliers, i.e. suppliers that are registered in the same country as the Temenos entity that pays them.

Top 15 countries based on headcount[1]	% purchases from local suppliers 2023[2,3]	**% purchases from local suppliers 2024**[3]
India	94%	**98%**
US	94%	**88%**
UK	89%	**95%**
Romania	99%	**99%**
UAE	38%	**60%**
Luxembourg	81%	**52%**
Australia	73%	**97%**
Greece	25%	**25%**
Canada	93%	**68%**
Singapore	79%	**85%**
Switzerland	37%	**47%**
Ecuador	95%	**99%**
Germany	97%	**94%**
Mexico	13%	**46%**
France	58%	**56%**

1 Top 15 countries covering 92% of total headcount. Highest: 3,969; lowest: 54.

2 The figures represent a slightly different metric compared to last year to represent more accurately the local purchases. We have included last year's numbers to show comparability.

3 Where local purchases are low as a percentage, this is largely because the country has entered into a large transaction in the respective year with a Temenos Partner headquartered in a different country for consulting services' work.

Responsible Procurement Framework 2021–2025

We have established a Responsible Procurement Framework to track our current achievements and long-term goals in delivering sustainable outcomes. A detailed view of our goals is provided in the Goals and Targets section.

Supplier Diversity Framework

As part of our ongoing plan to integrate sustainability into our value chain, we have established a comprehensive framework to ensure that we are not only providing opportunities for diverse businesses, but also incorporating supplier diversity as a weighted criterion in the supplier selection and renewal processes. We have developed a section dedicated to supplier diversity and incorporated it into the Supplier Questionnaire that our suppliers need to complete during the onboarding process.

We consider as a diverse supplier any business that is at least 51% owned, controlled or actively managed by any of, but not limited to, the following categories: woman/women; LGBTQIA+; disabled person(s); veteran(s); and Asian/Black or African American/Hispanic or Latino/Native American (US only).

We have invested in a supplier diversity platform powered by Supplier.io, which provides us with a database including more than 2 million suppliers. The platform enables us to better track our diverse suppliers in the US and globally. In addition, we monitor our new diverse suppliers on a regular basis, through our global vendor management system.

Since 2023, we have been collaborating with one of our clients, a top US-based bank, to report our diverse suppliers' spend quarterly. By doing this, we contribute to the bank's tier 2 Supplier Diversity Program.

SUSTAINABILITY continued

3

Caring for the Planet

Environmental responsibility

With the continued global spotlight on the critical issue of climate change and the fast-evolving regulatory landscape, we recognize the importance of understanding and taking action on our material environmental impacts, risks and opportunities. While fully complying with all relevant environmental laws and legislation at our office locations globally, we support a precautionary approach to environmental challenges and an environmentally responsible way of conducting our business.

Our Guiding Decarbonization Framework

As Temenos keeps an eye on the increasing regulatory expectations in the EU, the US and the rest of the world, we have adopted the 4A framework of Ambition, Action, Advocacy and Accountability, to guide our development of a credible transition plan, aligned with national commitments and international climate agreements.

The four pillars

1. **AMBITION** – drives our goals for an economy-wide net-zero transition, prioritizing direct emissions reduction and considering all relevant stakeholders.
2. **ACTION** – translates strategic objectives into concrete short and medium-term steps, integrating the plan with business operations and addressing uncertainties.
3. **ADVOCACY** – enables collaboration with the wider stakeholder groups to achieve long-term success by aligning with evolving regulatory requirements and minimizing risks.
4. **ACCOUNTABILITY** – emphasizes the importance of robust governance mechanisms, incentivization, transparent reporting with quantified metrics and external verification.

Contributing to the UN SDGs

2024 key highlights

SBTi

positive progress towards our validated near-term science-based target

Zero

instances of non-compliance with environmental laws and regulations

74%

ISO 14001:2015 certification coverage

> Taking accountability for our operational footprint, while supporting our clients on their own sustainability journeys.

AMBITION

Temenos is committed to aligning our business with the vision of a net-zero world by collaborating with our stakeholders across the value chain.

1.5°C

aligned officially validated science-based target by the SBTi

50%

GHG emissions reduction by 2030 with 2019 base year

Net-zero

emissions by 2050 with 2019 base year

Integration into the strategy

of climate-related disclosures and risk management

The Temenos Environmental Roadmap underscores our commitment to supporting the UN Sustainable Development Goals (SDGs) and advancing the transition to a net-zero economy. Aligned with this vision, we are embracing the new EU Corporate Sustainability Reporting Directive (CSRD) requirements to enhance transparency and disclosure of climate-related financial risks and opportunities, further solidifying our dedication to sustainability and accountability.

Ambition towards net-zero

2017
Global Environment Policy

2018
Launch of Temenos Global Environment Management System and ISO 14001 certification of India: Chennai and Bangalore offices

2019
SBTi year of reference

2020–2021
>70% ISO 14001 coverage*: India, Romania, Luxembourg and UK

2022
1.5°C-aligned target validated by SBTi (near-term)

2023
TCFD report: quantification of risks and opportunities and scenario analysis

2024
>70% ISO 14001 coverage*: one additional office (Dubai)

2025
EU CSRD alignment and development of Supply Chain Engagement Climate Strategy

2025
25.2% reduction of Scope 1, 2 and 3 GHG emissions vs 2019 and 80% use of renewable electricity

2030
Achieve SBTi 1.5°C-aligned target: 50% reduction of Scope 1, 2 and 3 GHG emissions vs 2019, 100% use of renewable electricity and supply chain engagement: 50% of suppliers with SBTs

2050
Achieve net-zero 90% reduction of Scope 1, 2 and 3 GHG emissions and removal of residual emissions

* Based on total employee workforce, including all acquisitions.

SUSTAINABILITY continued

Caring for the Planet continued

ACTION

Climate change strategy: Mitigation, Adaptation and Energy

For Temenos, environmental sustainability is not just a business imperative but also a moral responsibility. We are committed to leading by example and demonstrating that businesses can operate profitably while also minimizing their environmental impact and contributing to a more sustainable future.

Our commitments:

- operating in a sustainable and responsible manner, recognizing the critical importance of environmental stewardship in addressing the challenges of climate change, nature and biodiversity loss;
- aligning our operations with existing and new regulatory requirements and voluntary frameworks, to achieve net-zero greenhouse gas emissions by 2050, including and not limited to the 1.5°C Business Ambition of the Paris Agreement, the EU CSRD and international guidelines related to disposal of electronic waste;
- developing and deploying innovative technology solutions that help banks and financial institutions manage their environmental footprints, invest in sustainable initiatives and meet their net-zero commitments;
- continuously identifying opportunities to increase our energy efficiency and reduce GHG emissions both in our operations as well as in our value chain, with the aim to improve our overall environmental footprint; and
- monitoring our global environmental footprint and transparently reporting on our progress.

We believe that how we address climate risks matters to our business, to the community and to the planet. It is important for us to understand the material financial implications of climate change on our operations, supply chain and product offering.

As part of our climate change strategy, we are committed to:

- measuring our global impact and implementing climate risk mitigation and adaptation measures through energy reduction and emission avoidance initiatives;
- contributing to the reduction of GHG emissions and investing in energy efficiency measures including a progressive transition to purchasing renewable electricity in our own operations;
- providing our clients with the tools to reduce their or their clients' carbon footprint, improve their environmental performance, reach their sustainability targets and enable them through their net-zero journey; and
- collaborating with our suppliers and Partners to decarbonize the value chain.

Our Climate Transition Action Plan, our TCFD and CDP reporting and our commitment to the SBTi reflect our strong commitment towards our vision of an inclusive and sustainable world together with our stakeholders.

Temenos' Climate Transition Action Plan

Our Climate Transition Action Plan sets out time-bound actions, targets and KPIs designed to deliver an emissions reduction pathway consistent with the 1.5°C ambition of the Paris Agreement. Our primary focus until 2030 will be on emissions' reduction, not offsetting. Our Climate Transition Action Plan has identified four key areas to facilitate the transition to a net-zero economy, by aligning our entire value chain to a 1.5°C emissions trajectory:

1. **strategy:** integration of climate-related disclosures and risk management into the strategy, in order to ensure business decisions and strengthen our company's resilience, while minimizing our impact on the environment;
2. **operations:** manage identified impacts and risks and increase the energy efficiency and the use of renewable energy, in all operations (including offices, own and collocated data centers and cloud);
3. **suppliers:** engage with critical suppliers, supporting them to achieve net-zero, by encouraging them to commit to the SBTi; and
4. **clients:** accelerate the digital transformation from on-premise to cloud solutions, by the use of the Temenos SaaS, enabling our clients to increase their energy efficiency, reduce their GHG emissions and get a deeper insight into carbon emissions data associated with their consumption of our SaaS offering, through our industry-first Carbon Emissions Calculator.

1. Integration of climate-related disclosures and risk management into the strategy

Objective: make better informed business decisions and strengthen resilience. Since 2021, we have adopted the recommendations of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) and published our first qualitative TCFD report on climate-related risks and opportunities. By engaging with external consultants, we are committed to improving our scenario analysis and the quantification of the identified impacts. Based on the risk assessment, we set mitigation and adaptation measures and internal targets to manage these climate-related risks and opportunities. In 2024, Temenos strengthened its approach to environmental and sustainability risk management. We enhanced our risk assessments, including analysis of ESG regulatory compliance, market, technology and nature-related risks. In 2025, we plan to conduct a detailed climate risk assessment for each office location, informing our strategy and resilience efforts. Looking forward, we also plan to align with IFRS S1 and S2 standards, reinforcing our commitment to transparent climate disclosures.

Mitigation measures:

Our aim is to reduce our operational carbon by implementing a series of key initiatives, in order to improve energy efficiency, reduce emissions and invest in carbon capture projects for the carbon emissions we cannot reduce or replace, such as: implementation of our ISO 14001 certified Global EMS, increased internal communication and mandatory environmental training, investment in virtual collaboration and communication technologies, travel and global mobility policies, implementation of a facilities management strategy that incorporates environmental criteria for new property leases and for renewal of existing leases, energy efficiency joint activities with the landlords in the buildings we lease, partnerships with suppliers and event management vendors with the same mindset, internal carbon pricing for flights and investment in carbon credits. In addition, Temenos has committed to, gradually and wherever possible, migrate from carbon-based electricity (generated by fossil fuels) to low-carbon electricity (renewable and decarbonized energy). The goal is to increase the use of renewable energy and the energy efficiency in our operations and hence reach net-zero of our Scope 1, 2 and 3 GHG emissions, at a rate compatible with the SBTi methodology, by 2050, with 2019 as the baseline year.

Adaptation measures:

Based on the Temenos risk management methodology, physical risks have been identified per each region. Our operations in India, the region with the most anticipated adverse effects from climate change out of all Temenos locations, have been rated to have negligible to low financial impacts. However, we are proactively implementing physical climate risk adaptation measures, based on a three-year time frame. As an overall plan, Temenos has in place an ISO 22301 certified business continuity plan to prevent or minimize any adverse impacts and ensure the continuity of services to our clients, should such events occur. Key components of the plan include back-up processes of data centers from primary to secondary locations, switching computing to other sites, using back-up generators and uninterruptible power supply (UPS) systems, internal corporate IT service continuity and disaster recovery plans, supplier contingency planning, crisis management and major incident handling procedures, property insurance covering SFTI risks and employee mobility, specific per location. Also, Temenos offices are located in large, leased office buildings, where such physical risks are included in the lease agreement. For the region-specific plan, please see the table below:

Physical climate risk	Identified region	Adaptation measures
Extreme heat	India, Indonesia, Singapore, United Arab Emirates, Australia	• Incorporation of extreme heat conditions in emergency response plans (part of ISO 14001 and ISO 22301) • Operation of back-up generators and UPS systems in case of power outage
Water shortage	India	• Assessment of high-risk depletion areas (Telangana State vs Tamil Nadu and Karnataka) and proactive reduction of Hyderabad data center • Reuse of recycled wastewater within the building complex • Plan for rainwater harvesting on site
Floods	Europe, India	• Implementation of spill prevention and management procedures (ISO 14001) • Incorporation of flood hazard in emergency response plans for employees and assets
Hurricanes	Americas	• Ensure continuity of business by switching computing to other locations (ISO 22301)

SUSTAINABILITY continued

Caring for the Planet continued

2. Operations

Environmental Policy and Management System

Objective: manage our environmental performance, identified impacts and risks and increase the energy efficiency and use of renewable energy in all operations. We are committed to measuring, monitoring and reporting our environmental footprint and guiding our journey towards net-zero, across the whole value chain, including our own operations, our products and services and our supply chain. Our ISO 14001 certified Global Environmental Management System (EMS), based on the principles of continuous improvement, supports our commitment of minimizing our environmental impact, including efficient management of energy, water and waste, and provides us with a framework for achieving compliance against current and upcoming environmental legal regulations and stakeholders' requirements. It is a key tool for Temenos' environmental performance and the transition to a low-carbon economy, as it enables us to use transparent and accurate environmental data to monitor progress towards our action plans and the achievement of our near-term science-based target. Our CEO is responsible for the Global Environmental Policy and the management team is periodically reviewing the progress and compliance. The local EMS teams, led by dedicated and trained office managers, are responsible for the annual targets, the monitoring of the action plans, the implementation of operational controls and the reporting of the environmental performance (energy, water, waste and GHG emissions) and the ESG team is responsible for the rollout of internal and external audits.

→ Read more here: Sustainability and Environmental Responsibility

Offices

All Temenos offices are located in large, leased office buildings close to city centers and outside protected lands and habitats, following our commitment to respect legally designated protected areas. The Temenos offices are designed internally in such a way as to fully utilize natural resources, like sunlight, or make efficient use of the office space (open space externally used as patios) and to create an excellent working environment.

Green Building Certification

We have incorporated environmental requirements into our corporate facilities management practices and developed a comprehensive facilities management strategy that incorporates both financial and non-financial criteria for new property leases (procedure and standards for selecting a new property) and for renewal of existing leases. At the end of 2024, our offices in Sydney, Mexico City, Canada, Miami, Brazil, Orlando, New York, Madrid, Bucharest, Amsterdam, Switzerland, Kraków, Paris, Singapore, Taiwan, India, Hyderabad, Hong Kong and the Philippines were certified for their environmental performance as per a sustainable/green building standard, such as LEEDS Platinum, Gold and Silver, Energy Star, BREEAM, Certificat Minergie and IGBC Gold, on their own initiative. We continuously pursue initiatives to improve energy efficiency and reduction of carbon emissions at a time of ongoing growth of our business.

To achieve our targets, we mitigate our environmental impact by incorporating operational control measures and clean technology in our facilities, such as:

- installation of electricity and water motion sensors in common areas;
- installation of smart metering with real-time data;
- upgrades of A/C systems and consolidation of critical rooms (data center server rooms and switch rooms);
- use of LED lights;
- use of ID secure printers;
- monthly preventive maintenance of office facilities, servers, diesel generators, UPS and fire preventive equipment;
- use of electricity from renewable sources;
- investing in landscaping and plantations;
- construction of organic waste converter and garbage room to recycle wet waste (India);
- installation of reverse osmosis plant in series with existing STP, to enable HVAC systems to utilize recycled water (India);
- solar energy rooftop plant and application of "solar reflective paint" on the terrace in all the exposed areas (India); and
- installation of EV charging points in the parking lots with more planned as per the increase in EVs (India).

2024 highlights

27%
Green Building Certifications

18,104 m^2
total occupied area certified

CASE STUDY

Temenos India: energy efficiency upgrade

As a global company, Temenos recognizes the impact of energy consumption on its environmental footprint. In India, where air conditioning accounts for over 60% of office energy use, outdated non-inverter AC units led to high energy consumption, increased costs and reliance on non-eco-friendly refrigerants.

To address this, the India EMS team conducted an energy audit and launched a phased AC replacement project, installing inverter-based units with eco-friendly refrigerants. This initiative has resulted in annual energy savings of approximately 568 MWh, leading to a reduction of ~395 tCO_2e in GHG emissions and lower operational costs.

Energy savings:

~568 MWh

Carbon reduction:

395 tCO_2e per year

Renewable energy

As part of our commitment to a low-carbon economy, we continuously explore opportunities to integrate renewable energy into our operations – even in the challenging context of leased properties. In 2024, we proudly sustained our progress towards a more sustainable future, with the majority of our offices successfully transitioning to renewable electricity. This was achieved either through local suppliers or by purchasing Energy Attribute Certificates, allowing us to cover 86.2% of our total energy consumption with clean energy.

Energy efficiency audits

The objective of the energy audit work is to identify, evaluate and substantiate measures to save energy resources, increase energy efficiency and reduce pollutant emissions. During the energy audits, various criteria are taken into account, such as wall thickness, type of masonry, type of roof, condition of basement, condition of heating columns and performance of heating or ventilation system. All this information is obtained by on-site research of authorized auditors, from specific documents, from information from the building owner or by specific measurements.

Our European offices in Germany, Luxembourg and Romania, which qualify under the guidelines set by the EU Energy Efficiency Directive, are undergoing energy efficiency audits following the Directive's guidelines. At our UK offices, as a part of Energy Savings Opportunity Scheme 2015 (ESOS) requirements, we engaged a third party to conduct energy efficiency audits in line with the BS EN 16247 standard and identified opportunities to improve our energy efficiency. By the end of 2024, our UK offices achieved a 9% reduction in energy use vs 2023, by optimizing use of the facilities in collaboration with the building management companies, using LED lighting with automatic sensors and automatic meter reading (AMR) for electricity consumption.

Our UK offices are fully compliant with ESOS Phase 3 and are preparing for ESOS Phase 4, the mandatory energy assessment scheme that requires large organizations to evaluate their energy use every four years and identify opportunities for improvement. We also comply with the Streamlined Energy and Carbon Reporting (SECR) scheme, ensuring the annual reporting of energy consumption, GHG Scope 1 and 2 emissions and energy efficiency initiatives.

During 2024, following a multi-site energy efficiency audit, Temenos continued to implement targeted energy conservation measures in all our offices in India, such as balancing energy loads, upgrading air conditioning systems and optimizing UPS operation, as per ASHRAE level 2 guidelines, in order to guide Temenos' climate change strategic plan.

Data centers and cloud

Strategic planning of data centers (SASB C-SI-130a.3)

We recognize that data centers can make a substantial contribution to climate change mitigation, if implementing a comprehensive set of energy efficiency practices, and that cloud and SaaS products can lead to a more efficient use of energy and can contribute to mitigating climate change effects through replacement by digital services.

Own data centers

We are reducing our data centers' carbon footprint by carefully considering our platform design and leveraging our multi-tenant architecture. We choose to repurpose our existing servers; when a server is no longer suitable for its current workload due to age or performance restrictions, we investigate options of repurposing it for another function inside the organization. By doing so, we can extend its life and reduce e-waste by delaying the purchase of a new one. We also apply hyperconvergence, an IT infrastructure technique that consolidates compute, storage and networking resources into a unified system, helping to reduce data center complexity and footprint. Whenever needed, we opt for selection of the most efficient power supply on server, optimum airflow management and cooling and decommissioning of underutilized servers to avoid waste of power/cooling, thus reducing further our carbon footprint. During the past few years, we have shut down our own data centers in Brussels and Luxembourg and reduced the size and the electrical load of our data centers in Hyderabad, India, considering the high-risk water stress of the area, based on the WRI's Water Risk Atlas tool, Aqueduct. Since 2020, we have rolled out an energy project in our own data centers in India, Chennai/Bangalore/Hyderabad, based on the recommendations of the ASHRAE level 2 guidelines of the 2021 energy efficiency audit. For 2024, the estimated average power usage effectiveness (PUE) ratio was 1.78.

Collocated data centers

Most of our IT infrastructure is in facilities managed by third party companies, specialized in data center services, where we do not procure the energy or control the operations of the buildings, the so-called collocated data centers. Since 2015, we have been running a consolidation project with a goal to keep two collocated data centers per continent. We highly recognize the value added in allowing experts with green initiatives in place to manage the IT environment, including air cooling, gray water usage, power usage effectiveness ratio, renewable energy use, etc. We work very closely with these collocated data centers on our sustainability journey and choose to collaborate with those which have sustainability goals and monitor their performance, in order to best mitigate the risks of climate change. In 2024, we partnered with two collocated data centers in Switzerland which utilize 100% renewable energy. For 2024, we estimated that the average PUE ratio for the collocated data centers we used in Europe, the Americas and Australia was 1.57, based on reports from our providers.

SUSTAINABILITY continued

Caring for the Planet continued

Public cloud

The momentum towards sustainable banking and green IT and cloud is only increasing. Our mission towards a modern banking technology transformation is critical to providing our clients with the products to enable them to decarbonize. Temenos recognizes the environmental benefits of cloud computing and has strategically selected to employ a cloud-agnostic approach for its cloud and SaaS products. Our cloud-native Temenos SaaS offering is a climate-related opportunity, which helps banks become more operationally efficient and sustainable by reducing their carbon footprint and improving their operational and environmental performance, to reach their sustainability targets. Regarding cloud providers, we strategically partner with public cloud providers (Microsoft Azure, AWS), with strong environmental agendas and commitment towards using 100% renewable energy and improving the energy efficiency of their infrastructure. By transitioning to flexible cloud-based infrastructure, we anticipate significant reductions in both our own and our clients' energy use. This shift is expected to lead to higher utilization rates compared to the inefficiencies often seen in on-premise data centers operating below capacity. Migrating to cloud also means less infrastructure, and hence less e-waste. Thus, our clients which adopt the Temenos SaaS will also accrue the inherent business benefits of this technology compared to an on-premise deployment.

→ Read more here: Achieving Business Excellence

Products and services

Objective: Temenos sets sustainability benchmark for cloud-native core banking with Microsoft. In 2024, Temenos announced the results of a sustainability benchmark for its cloud-native banking platform running on Microsoft Azure, demonstrating the efficiency to handle the variable demands of digital transactions while also supporting banks to meet their sustainability goals.

The Microsoft benchmark simulated a client using Temenos Retail Enterprise Services with 25 million customers and 38 million accounts, processing 12 million loans in a single instance. Having previously set a record highwater benchmark for the volume of transactions per second (TPS), this latest benchmark showed the advances in Temenos' leaner and more sustainable architecture, with up to 52% like-for-like efficiency improvement for the tested workloads compared to the previous release.

From a 2021 baseline and validated by GoCodeGreen, Temenos has reduced the carbon impact of its software by over 50%. Improving the performance with more efficient code and leaner architecture means less demand for infrastructure, less processing power needed and consequently less energy consumed and lower carbon emissions. Combined with Temenos' sustainable operations and the sustainability of hyperscaler Partners like Microsoft, this brings added environmental benefits for banks choosing to deploy Temenos solutions on public cloud or as SaaS.

→ Read more here: Achieving Business Excellence

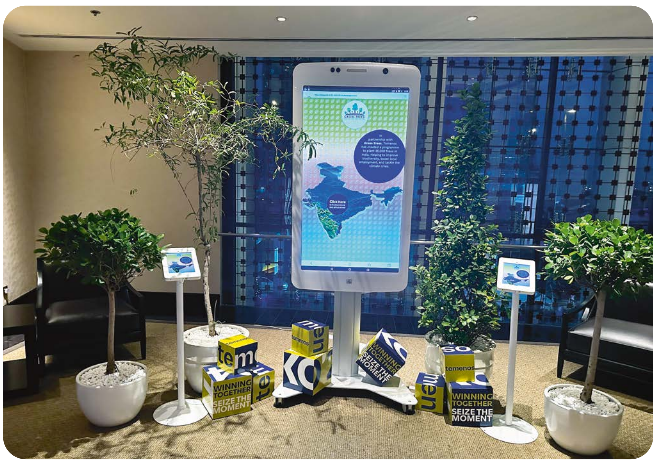
Event Sustainability Management System

Objective: organize ISO 20121 certified sustainable events, in order to minimize our negative environmental impact in the areas of waste, water, energy and air quality and maximize our positive social and economic impacts of such events. At Temenos, sustainability is at the core of everything we do – even our events. Through our Event Sustainability Management System, we ensure that every corporate, sponsored or community event reflects our values and commitment to sustainable development.

Our Sustainable Event Planning Policy, linked to the Global Environment Policy, the Temenos Code of Conduct and the Temenos Supplier Code of Conduct, provides the framework for responsible event planning. This approach ensures that our events operate with the same high sustainability standards that guide our core business activities.

Our dedication is demonstrated through our two biggest corporate events, TKO and TCF, which are ISO 20121 certified. This certification highlights our efforts to minimize environmental impacts while maximizing the positive contributions of these events to society and the economy.

→ Read more here: Sustainable Event Planning



Employee environmental awareness

Objective: engage all Temenosians towards a more sustainable lifestyle inside and outside the workspace.

At Temenos, we believe in the power of collective action to create a more sustainable future. By offering engaging training sessions and opportunities to participate in voluntary environmental initiatives, we provide the tools and knowledge needed to make meaningful, everyday choices that contribute to a healthier planet. Through the T-Stars Awards, we proudly acknowledge the creativity and commitment of employees who lead the way in addressing climate challenges and driving positive environmental impact.

Environmental awareness training

We understand that sustainability starts with awareness and responsibility. This is why Temenos actively invests in equipping employees with the knowledge and tools to make sustainable choices in both their work and daily lives. By fostering this mindset, we aim to minimize environmental impact, conserve natural resources and protect biodiversity and local ecosystems.

In 2023, we introduced an annual, mandatory environmental awareness training for all employees, ensuring everyone understands their role in building a sustainable future. Employees are also required to read and acknowledge our Environmental Policy annually to align with our shared goals. Additionally, we invest in the continuous development of our Environmental Management System (EMS) core team, empowering team members to become ISO 14001 certified internal auditors.

Environmental voluntary initiatives

At Temenos, we believe in turning awareness into action. Our Mission Earth Team, a passionate group of employees, leads the charge in promoting environmental responsibility across our global community. In 2024, through insightful discussions and engaging meetings, the team delved into critical themes such as wellbeing and sustainability, biodiversity, climate change resilience and social impact, AI and its Impact on climate and nature, plastic reduction and many more. These discussions not only deepened our understanding of environmental challenges but also inspired employees to take action in their own lives and within our communities. From celebrating International Earth and Forest Day to exploring the principles of degrowth, the Mission Earth Team fostered a culture of environmental stewardship and empowered us all to contribute to a more sustainable future.

→ Read more here: Volunteering for the Environment

2024 highlights

99.9%
trained employees

100%
of ISO 14001 certified internal auditors per region

8
Mission Earth Team meetings

744
volunteering hours of environmental activities

CASE STUDY

Seeds of change: planting a greener future

For the third consecutive year, Temenos Romania has partnered with Plantăm Fapte Bune in Romania to support reforestation, biodiversity preservation and climate action. In 2024, we contributed to two large-scale planting campaigns, restoring forests and engaging local communities. In the spring, we planted 3,100 saplings in Cozieni, Ilfov County, including oak, ash, wild pear and linden trees. In the autumn, an additional 700 saplings were planted in Băicoi, Prahova County, featuring cherry, pedunculate oak and maple trees.

Three years of collaboration: a growing impact

19,800
trees planted

4 hectares
reforested across five locations

70–90%
survival rates from previous reforestation efforts

Temenos remains committed to restoring ecosystems and driving climate action – one tree at a time. Because when we plant today, we grow a better tomorrow.

SUSTAINABILITY continued

Caring for the Planet continued

3. Suppliers

Objective: engage with our suppliers towards a net-zero economy. As part of our ongoing plan to integrate ESG into our value chain and achieve our science-based target, we are committed to developing a supplier engagement strategy in line with the 1.5°C Business Ambition. This requirement is part of the critical suppliers' initial assessment rating, guided by our procurement selection process, aimed to be incorporated in all the related contracts by 2030. As part of the Temenos Supplier Code of Conduct, we engage with our suppliers, contractors and Partners by setting standards for their environmental performance and by ensuring their compliance. Since 2021, we have implemented a supplier risk management software to proactively map risks using external data to enable predictive risk management and planning.

Temenos recognizes that reducing Scope 3 emissions, particularly from purchased goods and services, is critical to achieving its sustainability targets. As part of the Supplier Engagement Program, we have introduced the Supplier Climate Maturity Framework, a strategic tool designed to assess and improve the climate maturity of our suppliers. This framework helps categorize suppliers based on their climate-related strategies, targets and reporting capabilities. The rationale behind this engagement is to ensure that our suppliers contribute significantly to Temenos' Science Based Targets initiative (SBTi)-validated goals. By evaluating suppliers through the Climate Maturity Survey, we categorize them across different levels – from Complying to Purpose-Driven – and provide tailored support based on their readiness to engage in decarbonization efforts. This approach is informed by the GHG Protocol, the SBTi Supplier Engagement Guidance and the 1.5°C Supply Chain Leaders' Guide. For suppliers at lower levels of climate maturity, Temenos offers targeted training sessions to enhance their understanding of carbon accounting, data management and emission reduction strategies. This support is essential in helping less mature suppliers improve their environmental performance and align with Temenos' climate goals. As a result of this engagement, we are already seeing improvements in supplier Scope 3 emissions reporting and stronger collaboration across our value chain. More mature suppliers are already in the process of integrating climate into their business models and reporting data transparently. Moving forward, we will continue implementing the Supplier Climate Maturity Survey periodically, expand our training programs and introduce additional capacity-building workshops to help all suppliers advance along the Climate Maturity Curve. Our goal is to transition more suppliers towards Purpose-Driven sustainability practices, contributing to our long-term net-zero goals.

Our focus, being a software company, is on the selection of data center/cloud providers, as well as IT manufacturers, as we recognize that these suppliers can make a substantial contribution to climate change mitigation, if implementing a comprehensive set of energy efficiency practices. Hence, we partner with cloud hyperscalers and procure IT equipment compliant with internationally acknowledged standards, such as Energy Star, EPEAT and TCO.

4. Clients

Objective: transform our clients into smart, inclusive and sustainable organizations. Temenos is committed to integrating ESG in its product offering, by combining digital transformation and innovation with sustainability. Through the Temenos SaaS powered by the hyperscalers, our Carbon Emissions Calculator, the use of XAI and the integrated apps in the Temenos Partners Exchange Ecosystem, we are able to provide our clients with the tools to measure their emissions, reduce their or their clients' carbon footprint, improve their environmental performance, reduce operational costs, comply with regulation and reporting and reach their sustainability targets and eventually enable them through their net-zero journey.

Temenos recognizes the importance of client engagement and innovation to address the adverse impacts of climate change. Therefore, we annually honor selected clients at the Temenos Community Forum (TCF) for their contribution to their communities, innovation and commitment to making banking better.

In 2024, the Sustainability Banking Award was awarded to Komerční banka (KB), a top three bank in the Czech Republic, recognizing its commitment to improve sustainability by having reduced its emissions by 59% compared to 2019. The bank has also reduced its carbon footprint through the digitization of its products and processes, massive simplification and the use of renewable energy sources, the bank has introduced a range of sustainable solutions such as ESG investment loans, green mortgages, consumer loans for sustainable technologies, sharing of ATM network and fully recyclable cards.

→ Read more here: Achieving Business Excellence

CASE STUDY

Advocacy for global sustainability

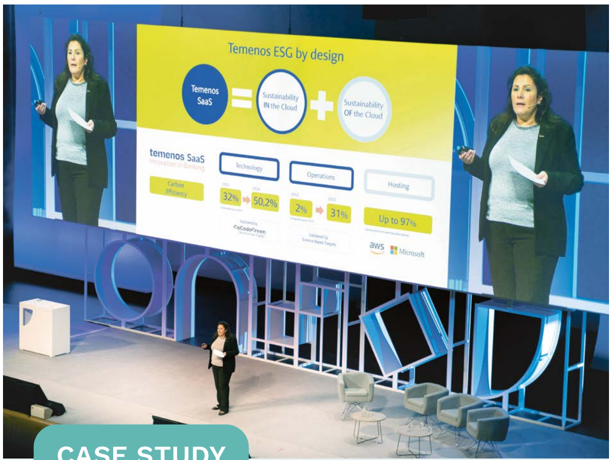
Empowering sustainable finance through global engagement: Temenos actively contributes to addressing climate change by engaging in international conferences and collaborating on global initiatives:

- SIBOS 2024: in Beijing, Temenos joined over 5,000 banking and financial technology professionals and decision makers from across the global financial ecosystem, to discuss the latest trends in sustainable finance and the importance of building climate resilience leveraging the connection between climate change, social welfare and sustainable development.
- Singapore FinTech Festival: partnering with Gprnt, the Monetary Authority of Singapore's digital platform, Temenos is advancing sustainable finance through technology, data integration and cloud-based solutions.

Driving international cooperation: Temenos aligns with global sustainability frameworks and initiatives, reinforcing its commitment to environmental stewardship:

- UN Global Compact (UNGC) endorsement: as a proud signatory of the UNGC, Temenos aligns with its ten principles, submitting an annual Communication on Progress and actively participating in the Global Compact Network Switzerland initiatives.
- World Economic Forum (WEF) engagement: Temenos actively participates in key events and contributes to thought leadership pieces. Our involvement underscores our dedication to advancing sustainability and supporting the UN SDGs.
- TCFD endorsement and TNFD early adopter: Temenos demonstrates commitment to transparency on climate and nature-related risks and opportunities.
- UN International Days support: Temenos actively supports UN International Days, organizing educational campaigns globally to raise awareness about climate change impacts, sustainable practices and environmental conservation. Our goal is to educate and empower local communities, fostering a collective commitment to global causes.

Through our active involvement in global initiatives, commitment to global frameworks and engagement with communities, Temenos is playing a pivotal role in international cooperation for environmental sustainability, enabling the financial industry to lead in creating a sustainable future.



CASE STUDY

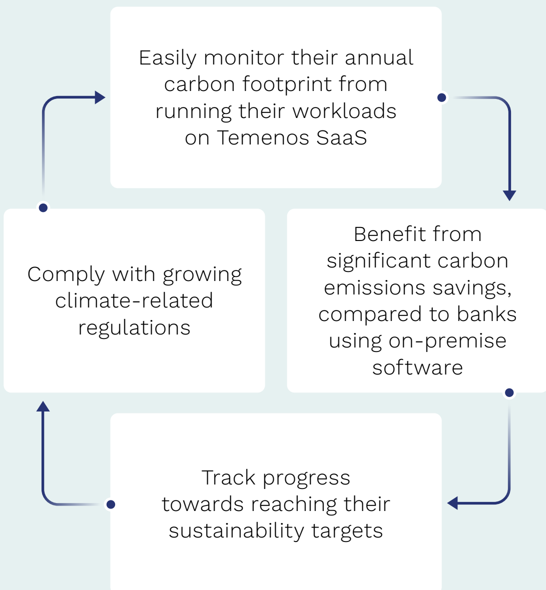
Temenos Carbon Emissions Calculator

Innovating with purpose is fully integrated into our culture. It is how we take care of the world around us and it is how we deliver value to our clients, our Partners and the communities we serve across the globe. Climate change is a pressing global challenge and with new regulations coming into play, banks are looking for new ways to measure and mitigate their carbon emissions.

To support banks in their race to net-zero, Temenos offers its Carbon Emissions Calculator on the Temenos SaaS. This industry-first and independently verified solution is powered by hyperscalers and gives our clients deeper, data-driven insights into their carbon emissions.

The calculator is embedded into the Temenos SaaS and offers these insights at no extra cost to our clients.

Through the Temenos Carbon Emissions Calculator our clients can:



SUSTAINABILITY continued

Caring for the Planet continued

ACCOUNTABILITY

Environmental monitoring and reporting

Objective: digital transformation to facilitate transparent real-time data collection and analytics, to monitor and report on our environmental performance. In order to be transparent, we have invested in a sustainability software platform and we are working towards establishing a real-time BI (Business Intelligence) system for environmental data disclosures and reporting insights to measure, monitor and report our environmental footprint, reduce our carbon emissions and guide our journey towards net-zero, across the whole value chain, as appropriate. In line with our officially validated science-based target, we are also committed to annually reporting on our progress, including Scope 1, 2 and 3 GHG emissions. We are continuously working to improve our methodology to evaluate all relevant Scope 3 categories.

Energy

Objective: increase the energy efficiency and use of renewable energy in Temenos internal operations. The total energy consumption (use of electricity, natural gas and diesel) during 2024 was 26,348 GJ, with 22,700 GJ derived from renewable energy sources, accounting for 86.2% of total energy use, and 3,648 GJ from non-renewable energy sources. The direct energy consumption by primary energy source was 3,528 GJ, with natural gas consumption accounting for 9% of the total energy use and diesel consumption for 4% of the total energy use. The indirect energy consumption (grid electricity) was 22,821 GJ, accounting for 87% of total energy consumption. Heating is powered by natural gas, already reported in the dashboard. Cooling is included in the electricity consumption. Steam is not applicable to Temenos. The total electricity load of all our offices in India was 4,380 kW, from the operation of Heating, Ventilation, and Air Conditioning (HVAC) systems, UPS and lighting.

We have set internal targets on energy consumption per location, to align our performance with our climate change strategy and be able to monitor our progress towards our science-based target. During 2024, as a result of our energy efficiency initiatives, we have reduced the use of energy by 3,317 GJ.

Carbon footprint

Scope 1 and 2

Offices and own data centers

Objective: reduce all GHG emissions by increasing the energy efficiency and use of renewable energy across the entire value chain, reaching net-zero by 2050 at a rate compatible with the SBTi methodology. The primary sources of our emissions are natural gas, on-site electricity generation, purchased electricity, Company-owned cars and fugitive emissions. For 2024, the fugitive emissions from HCFCs, HFCs and Ozone Depleting Substances were 263.3 tCO_2e.

These emissions resulted from the use of the air conditioning systems and were calculated using the methodology provided by the sustainability software we have implemented[1]. Regarding NOx, SOx, VOCs, PM and HAPs emissions, we do not consider them as being significant to our operation, as we are a software company.

Scope 3

Purchased goods and services and capital goods

These two Scope 3 categories account for 55.3% of our total Scope 3 emissions[1]. This year, we improved our Scope 3 purchased goods and services emissions calculation by refining our methodology in collaboration with an external consultant. The methodology covered both an average spend-based and supplier-specific spend-based approach, applying sector-specific emission factors (tCO_2e/$m revenue) from the Extended Input-Output (EEI-O) model, provided by the external consultant company. The assessment aligned with the WRI/WBCSD Corporate Value Chain Guidelines (GHG Protocol) and followed best practices in emissions accounting. This comprehensive approach ensures GHG emissions are calculated across all supply chain tiers, up to raw material extraction, further improving the accuracy and transparency of our Scope 3 reporting. Especially regarding collocated data centers and public cloud hyperscalers, being a software company and relying mainly on their services, we continuously improve our data gathering process of energy consumption and GHG emissions from these operations. The emissions from the use of cloud, based on the Microsoft Azure Emission Impact Dashboard calculator, were estimated as 14.07 tCO_2e.

Other fuel and energy-related activities and waste generated in operations

These two Scope 3 categories account for approximately 12% of our total Scope 3 emissions[1]. They are directly impacted by the initiatives we already have in place regarding energy efficiency and waste management.

Employee commute

As of September 2021, we have adopted a hybrid working model to facilitate the return to the offices and to strengthen our work-life balance. In addition, since 2022, Temenos has introduced in Hyderabad, India, shuttle services from Metro Station to the office, in order to encourage employees to stop using owned vehicles.

Business travel

As an IT software company, we rely on our people who travel to deliver our services, so business travel by air constitutes an environmental impact that cannot be easily reduced. We measure our environmental footprint in relation to business air travel, trains and taxis for all the countries we operate in, representing 100% of the total employee concentration[1]. We implement internal carbon emission reduction initiatives, such as travel and global mobility policies, internal carbon pricing, increased internal communication and environmental training, efficient meeting management that requires travel around big corporate events, use of other lower-carbon modes of transport for travel within Europe and further investment in virtual collaboration and communication technologies.

1 For more information, please refer to About this Report.

→ Read more here: Environmental Dashboard

The journey towards net-zero

Our annual absolute GHG Scope 1 and 2 (market-based) emissions were 520.8 tCO_2e. There has been a 2% decrease in absolute GHG Scope 1 and 2 emissions vs previous year 2023. This reduction is a result of our global facilities optimization project combined with energy efficiency measures and an increase in renewable energy consumption, through purchase of renewable energy certificates. During 2024, 0.07 tCO_2e were emitted per MWh, same as 2023. In 2024, our annual absolute GHG Scope 3 emissions were 17,873 tCO_2e, including all relevant Scope 3 categories (purchased goods and services, capital goods, other fuel and energy-related activities, waste generated in operations, business travel and employee commute), and our total Scope 1, 2 and 3 GHG emissions were 18,394 tCO_2e. In terms of monitoring progress against our near-term Science-Based Target, Temenos managed to achieve a 59.1% reduction vs SBT 2019 baseline year – including Scope 1, 2 and 3 GHG emissions. The GHG Scope 3 emissions reduction was driven by strategic efforts in supply chain management and procurement practices.

Water

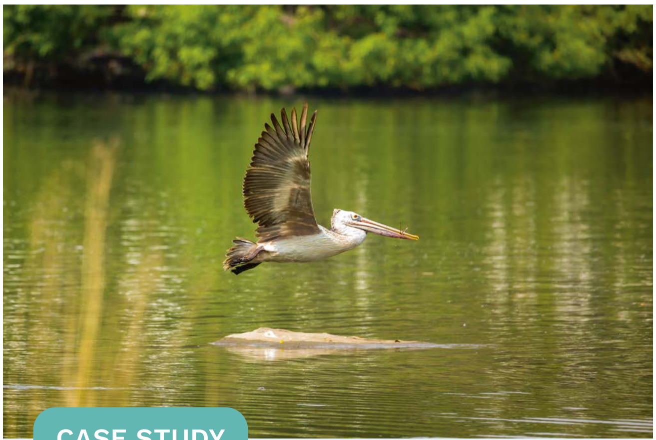
Objective: use water in a sustainable way focusing on water consumption, water risk management, water efficiency and water protection from contamination, while preserving biodiversity. Climate change and a growing population are putting increasing pressure on the global water supply. We follow all legal requirements, standards and regulations related to water quality and quantity permits with zero incidents of non-compliance to report. In our eight significant offices, which account for 74% of our headcount's water consumption, we implement an Environmental Management System (ISO 14001), conduct environmental impact assessments and continuously develop strategies to reduce our water usage and overall environmental impact.

Water management reporting

Since 2019, we have been tracking and reporting water withdrawal from all sources (groundwater and third party supply), as well as water consumption by employees and discharge in our offices. While our water use is limited to office operations, we remain committed to monitoring and minimizing our impact. We collaborate with the building owners, analyze data and implement efficiency measures. To prevent unnecessary water use, we have fit water pedestal, tapping and motion sensor systems on water fixtures and we follow a preventive maintenance schedule to fix dripping taps in our offices.

Water risk management

As climate change intensifies, water stress and effective water risk management are gaining momentum and software companies need to ensure responsible water usage in water-stressed regions, both in their facilities and their collocated data centers. Using the WRI's Water Risk Atlas tool, Aqueduct, we have identified that 87% of our water use from our office facilities is withdrawn and consumed in locations with extremely high (>80%) and 6% in locations with high (40–80%) baseline water stress. We have also strategically selected most of our collocated data centers to be in regions with low water stress.



CASE STUDY

Carbon removal project

As part of our net-zero journey, Temenos reinforced its climate commitment in 2024 by acquiring 1,000 tons of carbon credits from the Delta Blue Carbon project in Pakistan. This certified initiative restores Indus River Delta mangroves, among the world's most effective carbon sinks.

The project will sequester 128 million tons of CO_2 over 60 years and has already restored 75,000 hectares of mangroves while creating 21,000 full-time jobs for local communities.

Mangroves are nature's superheroes – they provide a vital habitat for diverse plants, fish and crustaceans while capturing and storing 5 to 10 times more CO_2 per hectare than terrestrial forests. Investing in their restoration is not just about offsetting emissions; it's about securing the long-term resilience of both ecosystems and economies.

Contribution to 12 SDGs

SUSTAINABILITY continued

Caring for the Planet continued

Water efficiency

Our offices in India operate in IT business parks, where all wastewater is being treated in a sewage treatment plant (STP). It is then reused for toilet flushing and horticulture, in accordance with all legal requirements: Chennai Metropolitan Water Supply and Sewage Board and Chennai Metropolitan Development Authority. As a result, in 2024, we reused 45% of treated domestic wastewater and managed to reduce the consumption of fresh water by 9,693m^3.

Water protection

We have put in place several measures to prevent water pollution and protect marine and coastal ecosystems while preserving biodiversity:

- in locations where diesel generators are under our control, we have implemented Spill Prevention Plans, including specific training of responsible personnel and the provision of spill kits, as well as adequate secondary containers in case of a spillage of diesel;
- we monitor the quality of the effluent from the STP in Chennai and Bangalore, on a regular basis through accredited laboratories, preventing potential contamination of water and land that would have resulted from untreated wastewater; and
- to further minimize any adverse impact on the quality of the water, we also opt for ecological detergents for the cleaning of our offices.

CASE STUDY

Temenos takes the WASH Pledge

At Temenos, we believe clean water, proper sanitation and hygiene are fundamental rights, not privileges. That's why in 2024, we proudly signed the WASH Pledge, ensuring every employee across our global offices has access to safe drinking water, clean facilities and essential hygiene resources.

But our impact goes beyond the workplace. We're also working with local communities to improve water access and hygiene education, creating lasting change where it's needed most. We believe in solutions, not just pledges – creating a world where every employee and every young person has the right to clean water, sanitation and a healthier future.

Waste and e-waste

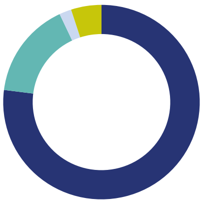
Objective: create a zero-waste workplace. As an IT software company, our waste generation is limited to municipal solid waste and a reasonable amount of e-waste from our internal operations and IT infrastructure, including computers, printers, monitors and phones. Used batteries, lamps and hazardous waste from India's diesel generators make up the rest of the waste. Our Waste Management and Prevention Program is monitored by ISO 14001. We work with authorized waste management vendors to reduce landfill disposal. Used IT equipment is cleaned of all data and software and donated to non-governmental organizations or disposed of by an authorized and certified recycler, which dismantles and removes all hazardous materials according to local and international electronic waste disposal guidelines. We have implemented a hazardous Waste Disposal Program to ensure that authorized vendors dispose of such waste according to international guidelines and regulations. Our Luxembourg and UK offices also undergo external waste audits to identify opportunities to reuse, recycle, recover or eliminate waste produced on site. Finally, all offices have environmental champions who implement environmental initiatives.

→ Read more here: Environmental Dashboard

Environmental Dashboard

Energy and GHG emissions

2024 electricity use by region



% by region

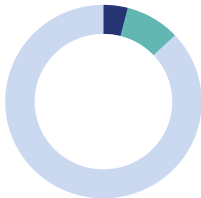
- Asia Pacific 77%
- Europe 16%
- Middle East and Africa 2%
- Americas 5%

2024 renewable energy use

% renewable energy use

- Renewable 86%
- Non-renewable 14%

2024 total energy profile



% by activity

- On-site generation 4%
- Natural gas 9%
- Grid electricity 87%

Scope 3

Scope 3 carbon footprint 2024

- Cat. 1 Purchased goods and services 55.3%
- Cat. 2 Capital goods 0.2%
- Cat. 3 Fuel and energy-related emissions 3.4%
- Cat. 5 Waste generated in operations 8.2%
- Cat. 6 Business travel 21.6%
- Cat. 7 Employee commute 11.3%

Scope 3 GHG emissions

Monthly average tCO_2e per capita

GHG emission (% per Scope)

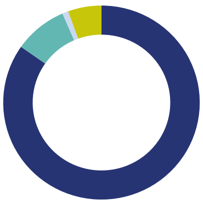
	2018	2019	2020	2021	2022[1]	2023	2024
Scope 1	2	2	7	5	1	0.83	**2.73**
Scope 2[1]	14	22	52	46	5	0.03	**0.10**
Scope 3[2]	84	76	41	49	94	99.14	**97.17**

1 Scope 2 emissions (market-based) are considered as a representation of emissions based on purchased electricity.

2 Since 2022, Scope 3 includes all relevant categories. For previous years 2018–2021, Scope 3 included only business travel and employee commute.

Water and waste

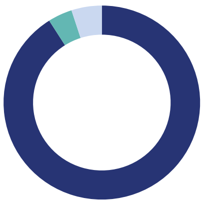
2024 water withdrawal



% by region

- Asia Pacific 85.58%
- Europe 8.85%
- Middle East and Africa 0.02%
- Americas 5.56%

2024 baseline water stress



% baseline water stress

- >80% extremely high 87%
- 40–80% high 6%
- <40% low 7%

2024 waste profile

% waste

- Diverted from disposal 77%
- Directed to disposal 23%

SUSTAINABILITY continued

Environmental Dashboard continued

2024* Region	Energy consumption and GHG emissions: Total annual electricity use GJ	Total electricity (renewable energy sources) GJ	Total annual natural gas use GJ	On-site electricity generation GJ	Scope 2 – electricity (tCO_2e)	Scope 1 – natural gas (tCO_2e)	Scope 1 – diesel (tCO_2e)
Asia Pacific	**17,645**	**17,524**	**–**	**1,128**	**18.6**	**–**	**78.9**
Europe	**3,586**	**3,586**	**1,405**	**–**	**–**	**71.4**	**–**
Americas	**1,152**	**1,152**	**995**	**–**	**–**	**50.5**	**–**
Middle East and Africa	**438**	**438**	**–**	**–**	**–**	**–**	**–**
Temenos	**22,821**	**22,700**	**2,400**	**1,128**	**18.6**	**121.9**	**78.9**

Energy[2]	Normalized metrics (per capita[1])	2019	2023	2024
GRI 302-3	Energy intensity (kWh)[2]	132	104	**97**
GRI 305-4	Scope 1 and 2 emissions	0.088	0.007	**0.007**
GRI 305-4	Scope 3 emissions (business travel and employee commute)	0.262	0.075	**0.078**
GRI 305-4	Scope 3 emissions (business travel)	0.166	0.051	**0.051**
GRI 305-4	Scope 3 emissions (employee commute)	0.096	0.024	**0.027**
GRI 305-4	Scope 3 emissions (including all relevant categories)	–	0.77	**0.24**
	Water withdrawal (KL)	0.71	0.31	**0.29**
	Waste generation (t)[3]	0.046	0.025	**0.021**

GHG emissions (tCO_2e)		2019**	2023	2024
GRI 305-1	Scope 1: natural gas consumption	78.1	166.0	**121.9**
GRI 305-1	Scope 1: on-site electricity generation	304.4	61.2	**78.9**
GRI 305-1	Scope 1: fugitive emissions (HCFCs, HFCs, ODS)	291.3	288.8	**263.3**
GRI 305-1	Scope 1: leased cars	–	–	**38.0**
GRI 305-1	Scope 1: total	382.5	517.0	**502.1**
GRI 305-2	Scope 2: purchased electricity (location-based)	5,738	4,273	**3,974**
GRI 305-2	Scope 2: purchased electricity (market-based)	–	15.8	**18.6**
GRI 305-3	Scope 3: employee commute	6,655	1,938	**2,014**
GRI 305-3	Scope 3: business travel by air, train and taxi	11,527	4,060	**3,855**
GRI 305-3	Scope 3: purchased goods and services	7,880	48,221	**9,891**
GRI 305-3	Scope 3: capital goods	75	4,209	**35**
GRI 305-3	Scope 3: other fuel and energy-related activities	–	1,003	**611**
GRI 305-3	Scope 3: waste generated in operations	–	1,968	**1,467**
GRI 305-3	Scope 3: total[5]	18,182	61,399	**17,873**
GRI 305-3	Scope 1, 2 (market-based) and 3: total	24,302	61,931	**18,394**
GRI 305-5	Emissions offset (carbon removal as of 2024)	14,587	1,000	**1,000**
SBTi target	Scope 1, 2 (market-based) and 3[4]	62,085	42,652	**–**
Revised target	Scope 1, 2 (market-based) and 3[6]	31,338	–	**12,833**

* Including offices and owned data centers.

** 2019 was selected as the base year for emissions calculations as it represents the first year with comprehensive data collection across all relevant categories. A new methodology for calculating Scope 3 emissions, specifically for categories 3.1 (purchased goods and services) and 3.2 (capital goods), has been applied for both the base year 2019 and 2024.

1 Average monthly performance for the period January to December per headcount. For more information on the calculation, please refer to About this Report.

2 Includes all types of energy (grid electricity, natural gas, on-site generation) and is calculated on a monthly basis.

3 Annual waste generated for the period January to December per headcount. For more information on the calculation, please refer to About this Report.

4 For more information, please refer to About this Report.

5 From 2022, a Scope 3 includes all relevant categories. For previous years 2018–2021, Scope 3 includes only business travel and employee commute.

6 New methodology for purchased goods and services introduced in 2024; revised SBTi targets pending submission. For more information please refer to About this Report.

Emission activities	Scope	Emission source
Natural gas consumption	Direct (Scope 1)	Natural gas supply
On-site electricity generation – diesel fuel	Direct (Scope 1)	Diesel-operated generator sets
Fugitive emissions (HCFCs, HFCs, ODS)	Direct (Scope 1)	Air conditioning equipment
Leased cars	Direct (Scope 1)	Company cars
Purchased electricity	Indirect (Scope 2)	Electricity grid
Purchased goods and services	Other indirect (Scope 3)	Upstream use of natural resources
Capital goods	Other indirect (Scope 3)	Upstream use of natural resources
Other fuel and energy-related activities	Other indirect (Scope 3)	Electricity grid
Waste generated in operations	Other indirect (Scope 3)	Waste generated in the offices
Employee commute	Other indirect (Scope 3)	Employees' private vehicles, public transportation and taxis
Business travel	Other indirect (Scope 3)	Commercial airlines and taxis

Sources of water[7]		Volume (m^3)
Purchased water	Municipality water	**18,171.47**
	Purchased water (non-potable)	**2,381.30**
	Purchased water potable:	**381.85**
Ground water	Ground water	**771.46**
Surface water	Surface water (river/lake/sea)	**–**
Harvested rain water	Rainwater collected and stored (water consumed from RWH tanks)	**–**
Recycled water	Other water, >1,000 mg/l total dissolved solids	**9,692.82**
Total water withdrawal (SASB TC-SI-130a.2) (GRI 303-3)	Freshwater, ≤1,000 mg/l total dissolved solids	**21,706.08**
Total wastewater discharge		**20,620.77**

Water withdrawal per region	Volume (m^3)
Asia Pacific	**18,575.42**
Europe	**1,920.33**
Americas	**1,205.78**
Middle East and Africa	**4.55**
Total water consumption	**21,706.08**

Water withdrawal and conscription profile[7]	Percentage (%)
% recycled water (SASB TC-SI-130a.2)	**44.65**
% water in regions with high baseline water stress (SASB TC-SI-130a.2)	**5.71**
% water in regions with extremely high baseline water stress (SASB TC-SI-130a.2)	**87.06**

Water stress	Water withdrawn (m^3)	Total water consumption (m^3)	Water stress (%)
Extremely high (>80%)	**18,898.26**	**944.91**	**87.06**
High (40–80%)	**1,239.42**	**61.97**	**5.71**
Low (<40%)	**1,568.39**	**78.42**	**7.23**

7 For more information on the calculations, please refer to About this Report.

SUSTAINABILITY continued

Environmental Dashboard continued

Water stress per region	High (40-80%)	Extremely high (>80%)
Asia Pacific	0	99.8
Europe	46.0	18.6
Americas	29.5	0
Middle East and Africa	0	100

Waste profile	Quantity (tn)
Total waste generated (GRI 306-3)	131.96
Total waste diverted from disposal (GRI 306-4)	101.89
Total waste directed to disposal (GRI 306-5)	30.07

Waste per category	Quantity (tn)
Food waste (compost)	11.11
Food waste (landfill)	9.98
Paper/carton/plastic/tin (recycle)	63.30
Domestic (landfill)	20.09
Domestic (recycle):	1.49
Domestic (incinerated with energy recovery)	5.79
Hazardous waste[8] (recycle)	0.43
Hazardous waste[8] (incinerated without energy recovery)	0.07
E-waste (recycle)	19.71

8 Hazardous waste is generated from operation and maintenance of diesel generators in India.

4

Investing in Our People

We strive to create an open, fair, equal opportunity and honest work environment for our people and for the people whom we impact through our work. At Temenos, our people are our greatest asset. We believe that investing in their growth, wellbeing and development is key to driving innovation and long-term success. Through continuous learning, inclusive policies and a culture of empowerment, we create an environment where our employees thrive, contribute and shape the future of banking technology.

We believe our people are the key, constituting the Temenos culture and helping the Company reach its business targets and bring exceptional value to our stakeholders. Temenos aims to create an open, fair, inclusive, safe, productive, equal opportunity and honest work environment where all employees are treated with respect and courtesy. All employees and contractors are responsible for upholding this principle and work towards making Temenos a great place to work. Our commitments to communicate openly and respectfully with each other, to provide for diversity and equal employment opportunity at all levels of our organization and to protect the health and safety of our employees are an integral part of the Temenos Business Code of Conduct.

Contributing to the UN SDGs

3 Good health and well-being · 4 Quality education · 5 Gender equality · 8 Decent work and economic growth · 10 Reduced inequalities · 16 Peace, justice and strong institutions · 17 Partnerships for the goals

2024 key highlights

6,427
employees

53
offices

38
countries

81
nationalities

> Working with our employees towards an inclusive, purposeful and sustainable working environment.

SUSTAINABILITY continued

Investing in Our People continued

Diversity, inclusion and equal opportunity

Temenos is a truly global and diverse team of 81 nationalities in 53 offices across 38 countries. Our differences are our strengths.

At the end of 2024, Temenos employed 6,427 people worldwide, including full-time employees, business partners and contractors of Temenos. Our partnerships increasingly allow us to deliver a complete range of implementation and support services to our clients and complement our growth strategies. Most of our employees work as full-time, permanent employees. In 2024, we had 54 part-time employees (36 women and 18 men) and 161 fixed-term employees (124 men and 37 women). Of these, 152 employees are on a statutory fixed-term contract, the majority in Dubai in line with UAE labor law. Fixed-term employment contracts in the UAE are mandatory for all private sector companies. All employee benefits are provided to full-time as well as temporary or part-time employees based on the requirements mandated by the laws in the countries where we operate and the locations where we recruit.

At Temenos, we implement a diversity, equity and inclusion (DEI) strategy, starting with our own people and ending with our clients in over 150 countries and their customers, driving collaboration and enabling all our colleagues to succeed. We are committed to an inclusive workforce that fully represents the many different cultures, viewpoints and backgrounds within our organization, and that of our clients, our Partners and our communities.

Our business philosophy and our organizational structure are based on cultural diversity, as we operate using a matrix of regional and global business functions. We encourage decentralized work processes and cooperation between our people across countries and regions or anywhere in the world when traveling, while maintaining a central process approach for our core activities and decision making.

In addition, thanks to the diversity model we support, Temenos' software has multiple country model platforms, tailored to the individual language, currency, regulatory and reporting requirements of each country. This enables our software to be seamlessly integrated into banks around the world, adding incremental value from the very beginning of each project.

People experience

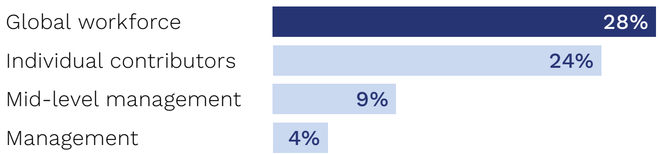
We aim to foster a unique and inclusive people experience where everyone feels valued and heard, regardless of their background, identity or personal situation. In 2024, we focused on enhancing our system landscape to improve the overall employee experience, particularly from a systems and processes perspective. As part of this initiative, we have invested in Workday, a powerful, cloud-based platform that will streamline and elevate our HR and expenses processes. Workday will provide real-time insights, automated workflows and a unified system to simplify tasks such as payroll, recruitment, budgeting and talent management. By leveraging Workday, Temenos will boost efficiency, reduce administrative overhead and enable data-driven decision making for improved business outcomes. The project officially kicked off in Q4 2024, with the Phase 1 go-live scheduled for Q4 2025.

Equal pay and gender pay parity

Our pay practices are reviewed annually to address any gaps among the 38 different countries we operate in, based on the role performed and factors such as skills, tenure, gender and race. Our compensation structure is set to be competitive in the market and equitable internally.

Temenos currently has a mean gender pay gap of around 28%, which represents a 4pp decrease compared to 2023. We are committed to reducing further the gender pay gap through transparent and effective action plans and global initiatives.

Mean gender pay gap



To support our strategy towards pay equity, we have invested in a pay equity platform. This advanced analytical tool is integrated into our compensation processes, allowing us to identify and address pay disparities across different demographics. It enables us to monitor and maintain pay equity on a continuous basis to ensure equitable outcomes for all employees.

Salaries are reviewed annually, taking into consideration the cost of living per country so as to ensure all Temenos employees are paid above the applicable jurisdiction's minimum wage, but also above the living wage. For the UK, it refers to the living wage as determined by the Living Wage Foundation. For Ireland, it refers to the living wage as determined by the Living Wage Technical Group. In all other jurisdictions globally, it refers to a wage which is higher than the legal minimum and takes into consideration all relevant living costs.

Temenos complies with the various statutory pay gap reporting obligations at country level, using the methodology required by local governing law. Temenos publishes the UK Gender Pay Gap Report which analyzes the difference between the mean and median earnings of men and women across our UK operations. In Australia, Temenos submits the annual compliance report, under the Workplace Gender Equality Act.

Women per pay quartile (%)*

Pay quartile	Management	Mid-level management	Individual contributor	Women distribution
Top	23%	21%	28%	18%
Upper middle	21%	25%	35%	23%
Lower middle	22%	28%	44%	29%
Lower	26%	28%	42%	30%
Women distribution	4%	8%	88%	

* Pay quartiles are calculated per employee level. The creation of a leaner organization in 2024 impacted the mid-level management category, resulting in a lower percentage within that group compared to the prior year.

Inclusive culture

Accelerating our diversity journey forward

The technology industry, among others, faces a gender diversity problem. As a global company with a presence in many countries, we are committed to advancing gender diversity in our operations, value chain and community investment programs. As part of our diversity and inclusion strategy, we are actively recruiting and retaining qualified women, while supporting them in their career development, with the aim of achieving an equal representation of male and female employees in our company. The principles and goals of the Universal Declaration of Human Rights are at the center of our diversity initiatives.

According to the latest Global Gender Gap Report 2024 by the World Economic Forum, it will take another 134 years to completely close the global gender gap, which has been closed by 68.6% in 2024. Women have not been hired at equal rates across industries, despite an increase in the proportion of women in leadership positions over time. In particular, only 28% of leadership roles are held by women in the technology industry. At Temenos, we have achieved 57% gender diversity in top management positions (one level away from CEO).

Although the science, technology, engineering and mathematics (STEM) workforce has grown rapidly in recent decades, the share of women is uneven across STEM job types. In particular, women make up 47.3% of total employment across non-STEM occupations, but just 28.2% of all STEM employees. In the technology industry, the share of STEM occupations stands at 22.2% for women. While the percentage of female STEM graduates entering into STEM employment is increasing with every cohort, the numbers on the integration of STEM university graduates into the labor market show that the retention of women in STEM even one year after graduating sees a significant drop. In school, STEM subjects tend to be marketed heavily towards boys rather than girls, according to European Women in Tech. Therefore, the interventions have to start from school all the way up to women's career development.

At Temenos, the female representation in STEM-related positions is at 35% (as of the end of 2024). We have developed a strategy to attract and retain women in STEM-related roles, focusing on the following directions:

- through our detailed diversity dashboard, we monitor closely and understand gender diversity in our company;
- based on the insights and coupled with the Company's business directions, we draft diversity policies internally, focusing on five areas: Recruitment, Retention, Pay, Advancement and Representation, for a more gender balanced work environment;
- we work with schools and universities to fund girls through targeted scholarships to study STEM and motivate them to eventually join the tech industry;
- we also provide job opportunities to build work experiences, internships and mentoring programs that would encourage women towards tech after graduation; and
- we walk the talk and lead by example, by showcasing women in managerial positions as Temenos female role models, offering women the opportunity to progress and succeed in senior roles.

At Temenos, we are committed to increasing gender diversity globally to 36% by 2025 and 40% by 2030, as well as to increasing racial diversity in the US to higher than 40% by 2025. We are extremely satisfied to see that with our diversity strategy put in place as early as 2014, today we have almost reached our targets. At the Company level, the female representation in the total Temenos headcount is at 35%, while the racial diversity in the US is at 47% (as of the end of 2024).

We have focused as early as 2014 on gender diversity in the IT workplace and have fostered an equal opportunity environment for both men and women. Our CEO has the executive oversight for diversity issues throughout the Company, signaling the importance of gender diversity and leading by example. DEI is such an important part of our talent agenda and as such we have dedicated resources which manage DEI. At Group level, it is led by our Head of Talent Attraction and DEI who reports to our Chief People Officer (member of the Executive Committee).

Our DEI strategy consists of five areas: Recruitment, Retention, Pay, Advancement and Representation. Our global, regional and local people & culture teams use quarterly analysis to identify and address challenges, reviewing gender balance and discussing key initiatives to increase the proportion of female employees.

Achieving gender equity in the workplace, at all levels, remains a significant challenge for most businesses. We understand that change takes time, particularly for the initiatives that encourage women to choose a career in IT, which will ultimately improve gender diversity. We are committed to communicating internally and externally the importance as well as the benefits of gender diversity, designing targeted interventions and monitoring progress over time.

Empowering our people

All employees have a role to play in building and maintaining a diverse and inclusive culture. By sharing their backgrounds, interests or concerns, they can connect, embrace their differences and make them forces for positive social and cultural change. By forming employee-led and run groups, they ensure that Temenos is a safe place, where everyone can bring their true self to work every day and work to leverage our diversity as a catalyst for innovation.

We ran an Ambassador Program for our employees in Europe in partnership with Powered by Diversity. The Diversity Ambassador Certification was obtained by a group of 46 employees who completed a nine-week program.

All year long, the Cultural Calendar Club hosts DEI events and workshops where professionals in the field come to speak about the month's DEI events. The Cultural Calendar Club provided Temenosians with the opportunity to learn more about their areas of interest, including mental health, parenting, LGBTQIA+ communities, health, religions and cultures and many others.

SUSTAINABILITY continued

Investing in Our People continued

Employee communities
Employee communities are networks of employees that are formed based on shared characteristics or background and sponsored by Temenos. Its members share common needs in the workplace. The groups advocate for themselves, and in addition to fostering their own professional development, often become a valuable resource, providing information about their identities, performing community outreach, opening new networks for recruiting, supporting business objectives and serving as a visible sign of their employers' commitment to a diverse and inclusive workplace. All of these communities will reflect the unique culture, mission and strategic objectives of Temenos.

Women@Temenos
Over the past 12 months, we continued our Career Fireside Chats, adding webinars related to self-confidence, portfolio life and women's health which brought awareness and helped us to focus more on our physical and mental health in addition to work. Our online community has grown to over 800 women and allies. In 2024, we once again joined thousands of people around the world to support Breast Cancer Awareness Month.

Parents@Temenos
Parents@Temenos has over 230 members from all around the world and aims to provide Temenosians with a safe place to discuss and tackle parenting and family-related topics.

¡ALMA!
¡ALMA! is accessible to everyone who wishes to learn more about the Latin America region and culture. The community has over 100 members, publishes once a week (Viernes con ¡ALMA!) and has over 200 attendees during each of its live events.

The Souls by Temenos
Temenosians who sing and play various instruments form our music employee community band located in Chennai and Bangalore, with the goal of promoting music, and the vast Indian musical culture.

LGBTQIA+ employee community
A dynamic and inclusive space within Temenos, dedicated to fostering a workplace where everyone, regardless of sexual orientation, gender identity or expression, can thrive.

Elimination of discrimination and prevention of harassment
Temenos is proud of the diversity of its people and believes in an equal employment opportunity for all. The work environment at Temenos is free of any type of harassment based on race, religion, national origin, ethnicity, color, gender, age, marital status, sexual orientation, gender identity or disability or any other personal traits or characteristics that are not work related. Any behavior contrary to this principle will not be tolerated.

This forms a part of our Business Code of Conduct, which is publicly available, and all employees have to read and acknowledge it when joining the Company and annually after that. All employees are required to complete anti-harassment training annually, as part of the Business Code of Conduct mandatory training. Through the respective communication channels, as communicated in the Code as well as through our People & Culture department, employees are encouraged to report any concern of discrimination and harassment. Any retaliation with regard to any such report is strictly forbidden. In case a concern is raised or detected, an internal independent investigation will be launched as quickly as possible, which will be conducted carefully and with full discretion, and any corrective or punitive action taken, if appropriate, will be subsequently reported directly to the Board of Directors. Our anti-discrimination and anti-harassment policies apply to employees and contractors, as well as suppliers, Partners and clients. In 2022, we launched our Working with Integrity Principles Policy that covers bullying or harassment of or by anyone engaged to work at Temenos, and also by third parties such as clients or suppliers. The policy encompasses bullying or harassment that occurs in the workplace, and also out of the workplace, such as on business trips or at work-related social events.

Freedom of expression and privacy
We believe that access to information technology can support greater freedom of expression, which in turn depends upon the right to privacy if it is to be exercised effectively. We respect people's right to freedom of expression and their right to freedom from arbitrary and unlawful interference with privacy online. We ensure this through our Code and the respective privacy policies.

Against forced and child labor

At Temenos, we condemn forced or compulsory labor practices. We comply fully with local minimum age laws and requirements and do not employ children. We ensure this through our global and local people & culture and recruitment policies.

Freedom of association and collective bargaining

As stated in our Business Code of Conduct, we respect the right of our employees to join or not to join trade unions or similar external representative organizations as defined in the ILO Declaration on Fundamental Principles and Rights at Work, while we engage in a constructive dialog with employee representatives. Local employment laws and practices, collective bargaining agreements and individual contract terms are followed. Where mandated by local law, we have 100% of employees covered by collective bargaining agreements. We provide policies and communication channels for hearing and addressing the concerns of our employees and resolving their issues in an open, fair and transparent manner. Freedom of association and collective bargaining is a fundamental principle, which is respected and valued by the Company for all of its employees. We comply with all relevant collective bargaining agreements in countries where we operate. We follow as a minimum the local law requirement; we also require subcontractors to comply with all relevant collective bargaining agreements and to provide documentation of compliance. All Temenos employees based in Brazil, France, Spain, Romania and Belgium are covered by collective bargaining agreements that cover various topics such as health and safety, working conditions, talent and development, discrimination and harassment. In France, Germany and Luxembourg, employees maintain work councils and health and safety committees. The local People & Culture departments work as an enabler to make sure that all agreements are followed through as agreed. Working conditions and employment terms are not influenced or determined based on collective bargaining agreements for Temenos employees based in countries except for Brazil, France, Spain, Romania or Belgium.

	Employees covered under collective bargaining agreements	
Country	**No.**	**% of total headcount**
Brazil	21	0.33
France	54	0.86
Spain	28	0.45
Romania	183	2.91
Belgium	16	0.25
Total no. of employees	**302**	**4.80**

Supporting our employees during transitions

Temenos partnered with Randstad RiseSmart, which provides a range of career transition programs to accompany the employees terminated or close to retirement and offers them tools for a successful transition out of the Company. Participants in this program benefit from personalized one-to-one coaching sessions and access to a wealth of live and on-demand resources, empowering them to explore and navigate their diverse career options. This program is designed to facilitate a seamless move to the next chapter of their professional journey, whether it involves other career opportunities, retirement planning, entrepreneurial pursuits or Board appointments, and it is a testament to our commitment to employee growth beyond our corporate walls.

People experience

Talent and learning

Foundations of our learning ecosystem

At Temenos, learning is a strategic enabler of personal and organizational success. In 2024, our learning and development (L&D) initiatives evolved to address the dynamic needs of our employees and the business.

By December 2024, we achieved 54 hours or 6.8 days of average training per employee, excluding on-site coaching and feedback by people managers and other development activities not recorded in our systems. The average training cost for the same period was USD 5,564.

Our L&D strategy is informed by the annual engagement and pulse surveys, the end of year talent reviews and the individual and career development plans as well as industry trends. Our initiatives are all recorded in our Temenos Learning Hub, a centralized learning and knowledge sharing SharePoint page which people can access in real time.

In 2024, we partnered with external learning vendors such as Udemy and Simplilearn to provide extra opportunities for on-demand learning. Additionally, we focused on upskilling our internal team for training purposes, enabling it to deliver sessions in collaboration with external training providers. Examples of such initiatives include the People Managers as Coaches Program consisting of three workshops, and the continuation of the 360-degree feedback process.

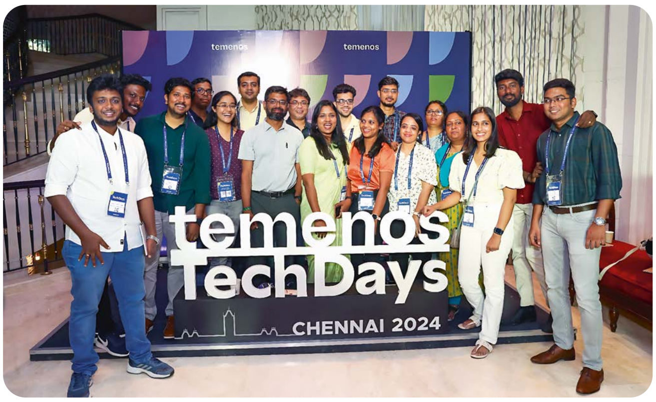
Rolling out new learning initiatives

In 2024, we launched Asynchronous Learning, Social Learning, and Leadership Development programs. More specifically, a key highlight is the release of over 30 new e-learning courses for both individual contributors and people managers.

For individual contributors, these courses focus on key areas such as: communication and collaboration; professional development; and negotiation and influencing.

For people managers, the focus areas have been tailored to strengthen leadership capabilities and team dynamics, including: leadership fundamentals; building strong teams; communication and motivation; managing challenges and conflict; and performance-driven leadership.

On the peer-to-peer learning initiative, we started by running a pilot for presentation skills, which was well received. Building on this success, we expanded our efforts and opened the opportunity for employees across the organization to volunteer to become a facilitator on a topic of their choice. The strong interest highlighted the growing enthusiasm for collaborative, peer-led learning, through breaking down silos. This initiative reflects our commitment to fostering a social learning environment, where knowledge sharing, collaboration and mutual support are prioritized.



SUSTAINABILITY continued

Investing in Our People continued

The way forward

As we prepare for the year ahead, our L&D vision embraces several key enhancements to transform learning into an even more engaging and impactful experience. To address the evolving needs of our workforce, we are focusing on:

- tapping into social learning: expanding peer-to-peer (P2P) learning to foster collaboration and leverage the collective expertise within the organization;
- designing asynchronous learning paths: developing tailored, on-demand learning journeys specifically designed to support our people managers in their growth and leadership by having more enriched ready content; and
- empowering our leaders: continuing to prioritize initiatives that enable our leaders to drive success under the principles of accountability and empowerment, contributing to the unified culture of ONE TEMENOS.

Our efforts remain aligned with building critical skills, supporting ESG values, and enabling employees to thrive in their roles while driving organizational success.

Leadership development

In 2024, we continued our partnership with Randstad RiseSmart to deliver a comprehensive People Managers as Coaches Leadership Development program that further nurtures coaching skills for people managers, empowering them to have effective career conversations. We delivered eleven internal workshops globally to more than 100 unique participants, while at the same time this path was further enriched with a new module of "Navigating Job Satisfaction", aiming to equip leaders with tools to improve team engagement, foster collaboration and drive development by aligning work with individual strengths and motivators.

Additionally, we continued with our Leadership Development programs specifically designed for female talents. The Emerging Leaders Program, developed in collaboration with Actuate Global, offers a 12-month journey to build confidence, expand skills, and accelerate career advancement through a combination of classroom training, e-learning and personalized coaching. The Senior Female Leaders Program, facilitated by Diafora, provides face-to-face training with full-day workshops to enhance leadership skills and confidence for senior women at Temenos.

In collaboration with Blanchard, we launched a new development opportunity called the Emerging Leaders Academy, a transformative five-month program aimed at developing the essential leadership skills and mindset needed to excel in today's rapidly changing business environment. Additionally, in partnership with Dale Carnegie, we introduced the Leadership Excellence training for our leadership teams, focusing on equipping senior leaders with advanced skills to navigate change and effectively lead their teams in this dynamic context. These initiatives reflect our continuous commitment to empowering Temenos employees to thrive and succeed in leadership roles.

Leadership and culture

In 2024, there was a strong focus on leadership and culture. As an outcome of that, we collaborated with external consultants and ran a survey with our top 100 leaders around culture and the importance of it in our organization. Further to this survey we introduced the Temenos Senior Leadership Team (SLT), designed to strengthen our commitment to ONE Temenos. This team complements our Executive Committee members, bringing together cross-functional leaders to drive strategic alignment and operational excellence. SLT is guided by the principles of accountability and empowerment, fostering a collaborative, results-driven culture.

The SLT members play a pivotal role in shaping and executing Temenos' strategy, influencing key decisions that shape and define the future and success of the organization. The most important opportunity ahead is to "Win Together" – not just as a team, but by empowering every team across Temenos to thrive and succeed as ONE team.

After its formation, SLT has been engaged in a series of workshops focusing on leadership, culture and strategy, equipping members with the tools to collaborate effectively and actively contribute to the success of Temenos. Moving forward, SLT will continue having regular interactions to contribute to leadership development and shape the ongoing evolution of our strategy.

In 2024, we also focused on creating a leaner and fit-for-purpose organization to facilitate decision making, improve efficiencies and creating a focused, agile and value-driven structure of fewer layers for sustained growth and reduced complexity.

Performance management

Building on best practices from the market and learnings based on employee feedback as part of the annual employee engagement survey, we continued to enhance our performance management process by providing the means and tools for employees to be empowered in driving their performance and growth. In 2024, we promoted a continuous feedback culture by introducing the "feedback module", a tool that employees can use to request feedback from peers in real time, throughout the year. In parallel, during the annual end of year performance review process, we added the self-rating option, as a way for employees to do a self-review and assessment of their own contributions and value delivered. In all these enhancements, change management was key and therefore we have hosted enablement sessions for people managers and individual contributors to take them through the new processes, explain their role in it and communicate on timeline and next steps. Last but not least, we have developed dedicated e-learnings, toolkits and user guides, available to all staff, in order to ensure our people are supported along the way, throughout the year. This way, performance management at Temenos not only enables an open and two-way dialog but also plays a pivotal role in establishing trustful and reliable relationships as a foundation for employee growth and high performance.

To accommodate business changes, in 2024, we held the performance management process in Q2 and 5,597 eligible employees participated in it. The number of employees who received career progression during the performance management process as well as the number of employees whose performance has been reviewed is reported by gender and by function, while Temenos offered the remaining people career developmental feedback and learning opportunities. In addition, throughout 2024 there were out of cycle career progressions as shown in the training and development dashboard, which reflect our investment in our employees' career growth.

Talent Cards and growth plans

In 2024, we further expanded our commitment to employee growth and development through the introduction of "Talent Cards" and by developing a seamless, fully digital and Company-wide process. Launched in December 2023, this novel approach encompasses all employees, ensuring a consistent, global and common framework when referring to growth and development across Temenos.

Rooted in an employee-centric philosophy, the process empowers individuals to proactively manage their career and individual development plans, fostering a self-driven approach to professional growth. Simultaneously, managers are equipped with robust tools and frameworks, allowing them to strategically navigate their teams' development, by assessing growth potential and determining appropriate development needs, addressing retention through informed and targeted actions, implementing thoughtful succession planning and assessing the flight risk.

Mentoring

In 2024, our Mentoring Program has evolved into a year-round initiative open to all employees. With over 215 mentoring sessions conducted throughout the year and a strong mentee satisfaction rate of 3.9 out of 4, the program continues to thrive. Emphasizing a mentee-led approach, Temenos employees can engage as mentors, mentees, or both at any time. This flexible framework empowers mentees to select mentors based on desired skills, developmental goals, and functional expertise, ensuring a personalized experience.

Beyond skills' development, mentoring offers mentors the opportunity to give back by sharing knowledge and experiences, while mentees gain valuable career support, inspiration, and diverse perspectives to navigate their professional journey. The Mentoring Program remains a cornerstone of our commitment to employee growth and development.

Coaching

Our Executive Coaching Program serves emerging and senior leaders, providing guidance on how to navigate transformative change while enhancing their leadership capabilities. We also offer a Returner Coaching Program for employees returning from long-term absences, such as parental leave, sabbaticals, or extended sick leave, ensuring a smooth transition back to work and supporting them through personal or professional challenges. Our Transition Coaching Program helps employees who are preparing for a new chapter in their lives, whether it is retirement, entrepreneurial ventures or other future pursuits. These coaching programs reflect our dedication to supporting our employees not only within their roles at Temenos but also as they grow beyond the organization.

Job shadowing

Launched in 2024, the Job shadowing program offers Temenosians the opportunity to expand their professional skills and knowledge by learning from experts in different roles and functions across the organization. The "shadows" are paired with subject matter experts from various departments, allowing them to gain valuable insights and hands-on experience in areas outside of their own. Open to all employees, this program encourages professional exploration and skill development, fostering a culture of collaboration and continuous growth within Temenos. So far, more than 320 sessions have been conducted, and we have a high satisfaction rate of 3.95 out of 4.

360° feedback survey

The comprehensive 360° feedback questionnaire is designed based on 15 leadership competencies and aligned with Temenos values. The program is facilitated through the Qualtrics cloud platform, ensuring confidentiality and anonymity of feedback, while utilizing a familiar tool for employees. Feedback is consolidated into a report and shared through one-on-one coaching debriefing sessions facilitated by both internal and external coaches. The aim of the program is to empower employees and their managers to create personalized, targeted and informed development plans, aligning with individual growth needs and career aspirations.

Talent mobility

The global talent mobility guidelines outline the eligibility criteria for talent mobility and the roles and responsibilities of those involved, and they provide a step-by-step guide to support our employees through every stage of the process. We believe that through talent mobility, we can support our people's career progression, help them achieve their goals and drive our business forward. In 2024, we promoted 1,709 people globally; in addition, we provided 676 employees with career growth opportunities. In total, 2,611 individuals gained promotions, changed roles or were recognized for their continued contribution to the Temenos business.

SUSTAINABILITY continued

Investing in Our People continued

Employee engagement

Listening to our employees helps us drive our strategy, shape our initiatives, improve processes and create a better people experience. Our CEO and the Executive team share regular communications at a global level, while employees receive regional and functional communications covering both strategic and operational topics. We use Microsoft 365 tools and other channels to communicate and engage with employees, including a SharePoint intranet, Viva Engage, video updates, targeted newsletters, townhalls and live-streamed events with leaders, the always-on "Bright Ideas" feedback platform (which can be accessed anonymously) and internal surveys.

To ensure that we are offering our employees a seamless people experience, we have partnered with Qualtrics since 2021 to better measure employee engagement. Scores from our 2023 survey were used to inform positive changes across our business, such as launching our Growth module in the year-end review process to empower employees to create career development plans and have meaningful discussions with their managers; launching our Job Shadowing program to expose employees to other roles and functions; piloting a health and accountability coach for the international sales team; piloting the Quan team Wellbeing Program; upgrading existing offices and opening new office spaces in Johannesburg, Sydney, Dubai, Geneva and Denmark; expanding our recognition platform T-Stars, and many more.

2024 engagement (survey period January 2025)

One global cloud-based platform: Qualtrics

Frequency: Annually. This year the survey was held in January 2025 as a result of a strategy announcement that occurred in November 2024. We wanted to leave enough time for this information to be disseminated throughout the business and processed by employees prior to the survey being held.

2024 survey design: 55 questions in 17 categories and one free text question. Survey categories include Employee Engagement, Collaboration, Communication, Company Leadership, Client Focus, Growth and Development, Inclusion, Job Enablement (outcome), Performance and Accountability, Strategic Alignment, Work Process, Compensation and Benefits, Recognition, Workload, Innovation, Ethical Business Conduct and Survey Follow-up.

2024 analysis and reporting: Received 4,870 responses, which was 78% of the total number of employees. 66% of total survey respondents were male and 34% were female.

Confidentiality and anonymity commitment: Survey responses are stored in third party Qualtrics servers, in alignment with GDPR and industry standard security policies. This ensures that all responses remain confidential to continue with our commitment under the Safe Harbor certification.

Temenos leaders are committed to listening to and acting on our employees' feedback. That is why we will again be conducting several enablement sessions in partnership with an external third party, to analyze and explain the results, share best practices and support people managers in developing and registering action plans.

Our employees' feedback showed confidence in the survey, with 80% of respondents believing positive action will come as a result of it, which is far above the global norm and the industry standards. Some of our top performing categories, as per our employees' inputs, are around ethical business practice, respectful and inclusive culture and team enablement.

Moving forward, we will be focusing on the creation of action plans to address our areas of opportunity. For example, we need to do more to focus on total rewards and communication.

For 2024 and onwards, our external consultant has advised removing "intent to stay" out of the engagement index on the basis that statistically, the evidence shows that this item behaves distinctly from engagement and factor analysis suggests that it is measuring a separate construct to the other engagement items. As a result, we removed the following "intent to stay" question as a component of the Employee Engagement score: I rarely think about looking for a new job with another company. Therefore, Employee Engagement is now comprised of the results of the following four questions:

- I am proud to work for this company;
- My work gives me a feeling of personal accomplishment;
- I would recommend this company to people I know as a great place to work;
- This company motivates me to put in a great deal more than what is expected of me.

For consistency, in the table we are defining Employee Engagement scores for 2021, 2022 and 2023 in the same way by excluding "intent to stay".

Given we are changing how Employee Engagement score is defined, to enable comparison with the Employee Engagement score as reported in previous Annual Reports, if "intent to stay" was included in the calculation of Employee Engagement score as it was in previous years, the scores would be 68% for 2021, 71% for 2022, 72% for 2023 and 74% for 2024.

Pulse surveys: In March 2024, we ran a performance and growth pulse survey to collect feedback on the performance review process. 1,504 employees responded, and provided a well-balanced input across functions and locations. In response to the results of this pulse survey, we introduced the ongoing check-in functionality in People Space to enable and remind employees to set, review and refresh their annual objectives on a more frequent basis, developed demonstration videos for each step of the review process, and made e-learning modules on topics such as "How to receive feedback effectively" and "Objectives setting". We also ran a pulse survey for our APAC workforce to understand more about the culture and leadership in this region. There was a 68% response rate. This data helped the APAC leadership team make decisions and prioritize initiatives to improve the employee experience.

Wellbeing survey: in July 2024, we ran our annual wellbeing survey to understand more about employees' wellbeing at Temenos and 1,577 employees responded.

	Unit	FY-21	FY-22	FY-23	FY-24
Employee engagement	% of actively engaged employees	73	76	76	**78**
Data coverage	% of total employees	73	82	90	**78**

Wellbeing at work

Promoting health and wellbeing

At Temenos, we are committed to supporting our employees' wellbeing and creating a healthy and safe work environment.

Our wellbeing initiatives include:

- recharge days;
- a hybrid work model, in order to balance work and personal life;
- international travel and medical insurance, including health screenings in some countries;
- on-site and online team bonding and recreation opportunities;
- on-site recreational rooms and movement rooms with walking and cycling desks;
- initiatives and educational webinars focusing on mental health and wellbeing at work;
- multiple channels of internal communication and engagement with our employees across countries and at all levels;
- recognition of employees, work and contribution;
- opportunities to learn more about Temenos and spend time with the leadership team; and
- employee engagement in community service and volunteering projects.

Wellbeing Weeks

In 2024, we hosted three Wellbeing Weeks. During these Wellbeing Weeks, we hosted over 140 events, including yoga, runs, Zumba, indoor cricket and many more. We also held a two-week global virtual fitness challenge via the GoJoe app which included 490 participants.

Educational virtual webinars and panel discussions

In 2024, we hosted webinars based on our pillars of wellbeing and led by external experts on subjects such as resilience and growth mindset, nutrition for health and high performance, and optimizing sleep. We also held a panel discussion on balancing work and personal life to stay healthy, hosted by our CPO.

Dedicated wellbeing survey

In July 2024, we conducted our annual global wellbeing survey and had 1,577 respondents. The results of this survey are helping to inform the coming year's Wellbeing Program. Other listening channels we also use to inform our wellbeing strategy include our annual employee engagement survey and feedback we gather from employees who participate in our wellbeing events and programs.

SUSTAINABILITY continued

Investing in Our People continued

Promoting mental health

We have a page on our SharePoint intranet Uni-T summarizing what mental health platforms and support are available to employees in each Temenos location. We currently have mental health platforms and support offerings in 23 countries, covering 84% of employees. For any locations where we do not currently have an offering in place, we have advised employees to reach out to their local Human Resource Business Partner for support. We also provide resources to promote mental health and wellbeing via Uni-T including links to recordings of our Wellbeing Week webinars and relevant articles.

From January to August 2024, we piloted Quan (a science-based platform designed to measure and improve team wellbeing including mental health and enable sustainable high performance) with five senior teams in the Company.

In May 2024, we held a Mental Health Wellbeing Week, which included 46 local office activities (some examples include mental health awareness sessions, yoga, art therapy, mindfulness exercises, and breathwork to manage stress) and two global webinars titled "Stress to strength: Resilience and growth mindset for mental wellbeing".

Wellbeing pilots

In 2024, we piloted a virtual coaching and accountability program with a small group of employees for six months to help them achieve sustainable, long-term health and wellbeing. We also piloted virtual family assistant service BlckBx with a small group of employees for six months to improve efficiency and give back time.

Wellbeing Hub

Our Wellbeing Hub on Uni-T has links to wellbeing-related resources, promotion of Wellbeing Weeks and other wellbeing events, and resources and tips for local offices planning events.

Building a strong community

At Temenos, we know that people are the key, so we prioritize creating opportunities for people to come together. In 2024, we held 309 events for our employees – a combination of global and local office events. This included (but was not limited to) Wellbeing Weeks, family days, end of year celebrations, volunteering and fundraising events, and cultural celebrations. In 2024, we continued to hold regular meetings for the people responsible for organizing local office events (including Human Resources and Office Managers) to ensure consistency globally, create efficiencies and promote information sharing for the organization of local office events.

An important element of our Temenos culture is bringing people together who might not typically cross paths in their day-to-day work. Creating opportunities to bond means our employees feel valued and have greater creativity and innovation, better work outcomes and more effective problem solving. Employees are encouraged to create employee resource groups.

Workplace health and safety

In 2024, we engaged an external consultant to conduct an ISO 45001 gap audit of our Chennai offices (where over 2,400 Temenos employees are based). This has been scheduled for Q1 2025.

Supporting our employees as their families grow

To accelerate representation and improve experiences for everyone, our policies, benefits and leave programs contribute to an inclusive work environment where all employees feel they are valued and have equal opportunities.

We believe that supporting our employees' health and happiness is crucial to their success and to Temenos' future so we have a range of benefits in place to support Temenosians in the good times and the bad. These benefits apply as a minimum global standard, but where local statutory allowance exceeds these, they still apply. This information is published on our SharePoint intranet where employees can find information on the benefits that Temenos offers on top of local statutory requirements, both global policies (detailed below) and region-specific insurances and local benefits.

Supporting professional development

Supporting our employees in developing their professional skills and advancing towards their career goals is critical to Temenos. We understand that it can be challenging to find time to dedicate to this, while managing the demands of their day-to-day work. This is why we give the option to our employees to take up to two weeks of paid leave each year for study or personal development to support them in their current role and help them gain the skills they need to grow. This includes higher education and any relevant skill-based courses.

Recharge days

In order for employees to perform at their best, it is important to take some time to "recharge" their batteries and rebalance their bodies and minds. Employees are encouraged to take four days per year to use as recharge days when physically or mentally needed.

Marriage and civil partnership leave allowance

We grant one week of paid leave for marriages and civil partnerships, including same-sex/civil partnerships.

Giving time when our family needs us most

We appreciate that there will be times when our employees' personal needs and those of their families far outweigh the demands of their work life. So, we have extended our Family Care Leave Policy to support them to take time off when either they or their family needs it the most. We support our people to take up to four weeks of paid family care leave, in the case of bereavement or critical illness of their immediate dependent (spouse or child) or a parent or anybody for whom you are a primary caregiver. This leave is also available to mothers following a miscarriage, abortion or pregnancy loss. Our employees can also take up to two weeks of paid family care leave to focus on fertility treatment or surrogacy. Women going through menopause can take up to two weeks of additional paid leave per year.

Maternity Policy
Minimum paid maternity leave comprises 20 calendar weeks at full pay, with no minimum tenure required. We allow a gradual return to work (from the date the employee decides to return), starting at three days per week for the first month then four days per week for the second month and returning to five days per week from the third month onwards, unless the employee is returning part time. These benefits apply to all mothers, including adoptive and foster mothers. We currently have private rooms/medical rooms where breastfeeding mothers can express milk in our Dubai, Singapore, Sydney, Chennai, Bangalore, Hyderabad, Quito and Malvern offices and are working to offer this in more offices moving forward.

Paternity Policy
Minimum paid paternity leave comprises two calendar weeks at full pay, with no minimum tenure required. We also allow a gradual return to work for new fathers, starting at four days per week for the first month after their return and returning to five days from the second month onwards. These benefits apply to all fathers, including adoptive and foster fathers.

Parental leave

Employees on parental leave in 2024

Employees who returned to work after parental leave ended

Employees who returned to work after parental leave ended and were still employed 12 months after their return to work

Return to work rate of employees on parental leave

Retention rate of employees on parental leave

Sabbaticals
At Temenos, we value tenure and loyalty. We also understand that our employees have personal goals and commitments outside of work and might enjoy the opportunity to take some additional time off. Therefore, employees are encouraged to take up to two months of unpaid sabbatical leave after five years of service, up to four months after ten years, and up to twelve months after twenty years of working with us.

Rewarding for attracting new talent
We believe that our people are the most effective recruiters. We encourage our employees to invite new talent into our business through their personal network. According to our Referral Award Policy, our employees are eligible to receive a monetary reward between USD 500–8,000 for referring a new Temenosian. The value of the reward will vary depending on the candidate's band and location, as specified in our Referral Award Policy. The time scale for payment is one-month tenure of the new recruit.

Hybrid working
The flexibility of working from home can enhance work-life balance. At the same time, we believe that we are stronger together at Temenos. Working from the office supports our ability to collaborate, build connections and learn from each other. The hybrid working model we introduced in 2021 is designed to bring the best of both worlds. In addition, it is a major step towards creating a more inclusive organization, as the "ability to travel daily to an office" is not the most important qualification for employment.

Temenosians can opt to work from home up to two days per week. This policy is applicable to all permanent Temenos employees. Any unutilized days cannot be carried forward to the following week or month. Some roles may not be considered eligible to work from home due to the nature of the job or the stage of learning someone is in. Such examples include but are not limited to employees whose roles require a physical presence in the office or face-to-face contact at clients' premises.

Working from anywhere
Temenos encourages flexibility; therefore, we provide our employees with two weeks per annum to work remotely from anywhere. Temenosians are able to extend a holiday or business trip or choose to work from a different location than they normally work. We also encourage them to visit the local office, network, meet new people and get a taste of another Temenos office if they work in the same city.

Part-time options
In some roles, Temenos allows employees to work part time to provide an additional working option for those who prefer not to work full time.

SUSTAINABILITY continued

Investing in Our People continued

A meaningful gift for new parents
We are partnering with the organization From Babies with Love to provide gifts to Temenosians who become parents, get married or lose an immediate family member (bereavement), to be there for employees at times that matter. From Babies with Love is a social enterprise and a purpose-led brand. Its vision is that every child grows up in a loving family. Thus, it donates 100% of its profit to vulnerable children and Temenos has contributed more than USD 15,000 towards this cause since the beginning of our collaboration. Together with From Babies with Love, we can help provide family homes, education, healthcare and support to overcome trauma. This enables children who would otherwise be left to fend for themselves to have a second chance in life.

Supporting global mobility
As a global software company, we rely heavily on our global workforce and leverage our talent to drive business success.

Our Global Mobility Program forms an integral part of our service delivery model to clients. It enables us to meet business objectives while providing our employees with opportunities to develop their skills and advance their careers. Our dedicated team of regional experts supports mobility to any of the 38 countries in which we operate in coherence with our robust policies and processes that address the complex challenges of managing an international workforce. Our team supports strategic assignment planning, budgeting and cost management, global compliance and advisory services.

We stay abreast of ever-changing global tax and immigration legislative statutes to build and execute an effective, compliant and cost-efficient International Mobility Program. We work with the world-class relocation agents, tax and immigration counsels to facilitate personal income tax consulting, immigration and shipping services.

We leverage our Global Mobility Program to tap into a significantly larger talent pool and address the skills shortage through the infusion of diverse talent pools fostering diversity and inclusion to boost innovation and productivity. This is a proven employee retention mechanism to curb attrition to some extent by enabling the assignees to gain on-site experience, professional development, flexible work arrangements and career path visibility. We are committed to protecting top-tier talent by strategically deploying them from stagnant markets to active markets with sought after projects.

Awards and recognition
Employee recognition
Our people and unique culture are what propel us forward as we continue to deliver on our vision to transform the banking industry. Our recognition programs are an opportunity to celebrate the contributions of Temenosians from across the business, not only for performance excellence, but also for the achievement of our social, environmental and climate-related targets. The nominations are done on the basis of our Temenosity values, for reaching key milestones or going above and beyond the role requirements. Everyone is invited to nominate their colleagues and peers. Our employees are highly encouraged to be inclusive and consider those in roles that are less visible but still make valuable contributions.

Culture Champion Awards
The annual Culture Champion Awards (previously known as Temenosian Awards) celebrate individual contributors and people managers who have made a significant impact to our business and acted as role models, embodying the Temenos values and demonstrating leadership qualities. This award is of special importance as it is an occasion to celebrate culture and leadership across Temenos. The award includes both monetary and non-monetary recognition, such as an invitation to our Temenos Kick Off (TKO) event, special celebrations with senior leaders and global announcements.

The Club
The Club celebrates our top performing sales and business solutions colleagues from around the world in a unique way – a trip with our CEO. In previous years, the Club awardees traveled with their partners to Scotland, Iceland, Vietnam, Barbados, Capri, Kenya, India, Morocco, Zambia and Rome.

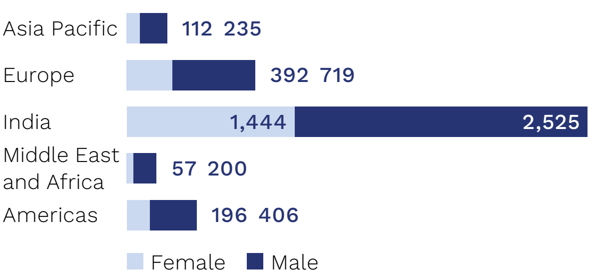
T-Stars
T-Stars is our always-on employee recognition program which not only allows peer-to-peer recognition to happen naturally but develops a culture of gratitude within our organization. T-Stars is a user-friendly cloud platform allowing employees to acknowledge peers seamlessly. It operates on an inclusive “everyone-to-everyone” basis, enabling all employees to give and receive recognition, irrespective of role or location. Linked to our values, T-Stars offers five award levels for employees to choose from when recognizing contributions. An Award Advisor assists in this process, recommending suitable award levels. Some awards have monetary value (exchangeable for goods), and others do not, since we wish to promote our recognition culture to the next level, no matter if this results in a monetary outcome or not. In 2024, we introduced the “Congratulations” award, streamlining the e-Thanks system to make it even more inclusive. This new feature encourages employees to celebrate meaningful moments or express gratitude for a job well done with ease. T-Stars also encourages diversity through its “Inclusion Advisory”, helping employees craft unbiased messages. In 2024, over 8,700 awards were distributed, with 58% of employees receiving recognition from their peers across the organization. The program promotes inter-departmental and intercompany recognition, exemplifying its global reach with 60% of awards being given across functions and locations.

Diversity dashboard

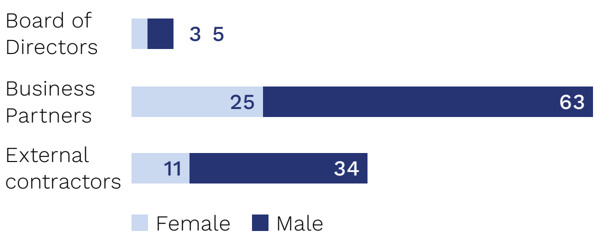
We monitor the effectiveness of our strategy towards diversity through the Temenos diversity dashboard. Our dashboard data is a very important aspect of our diversity and inclusion efforts, but cannot present the full picture. We are always looking for new ways to capture the information, despite legal and country limitations, and in such a way that would help us shape and communicate the Temenos experience the best way possible. This ongoing process is helping us understand better the diversity of our people and make more inclusive decisions.

→ For more details on methodology, assumptions, contextual information and potential fluctuations, please refer to About this Report

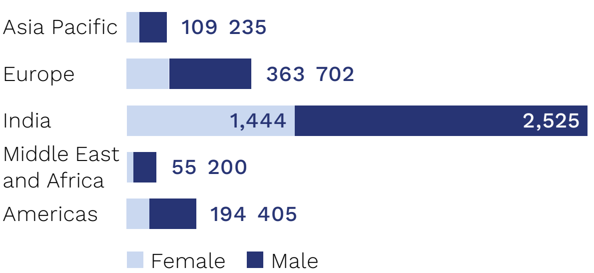
Temenos employees by region and gender



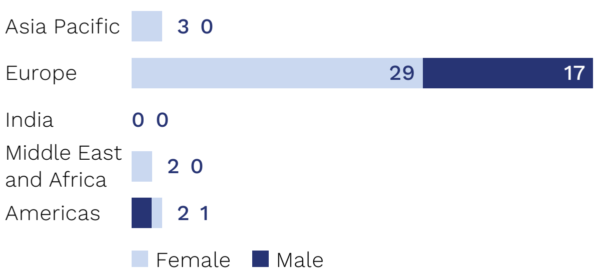
Non-employees



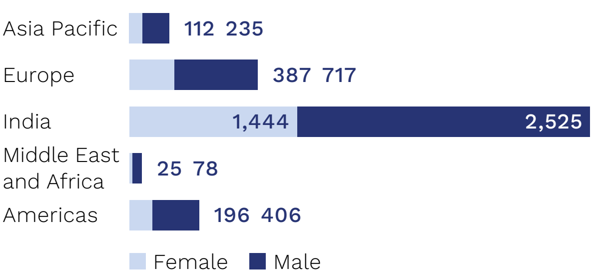
Full-time employees by region and gender



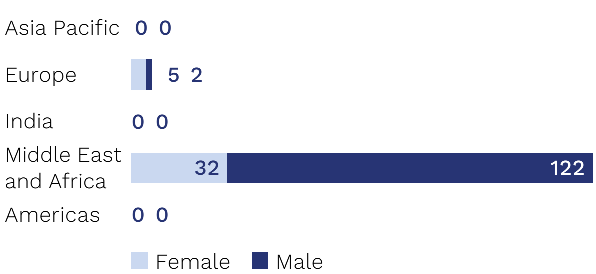
Part-time employees by region and gender



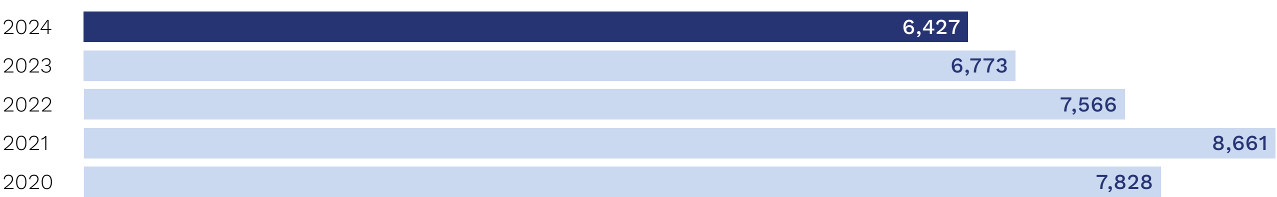
Permanent employees by region and gender



Temporary employees by region and gender



Total headcount*



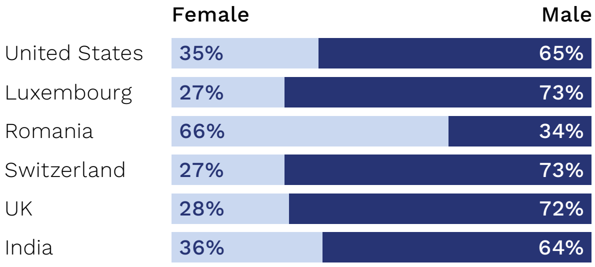
* Including both Temenos employees and non-employees.

SUSTAINABILITY continued

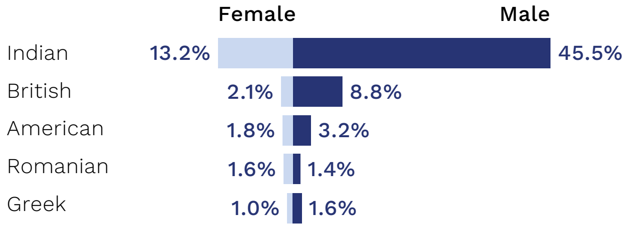
Investing in Our People continued

Temenos employees

By gender in certain regions



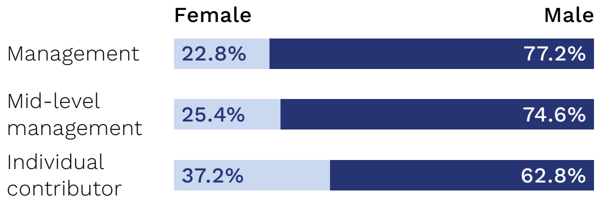
By gender and nationality*



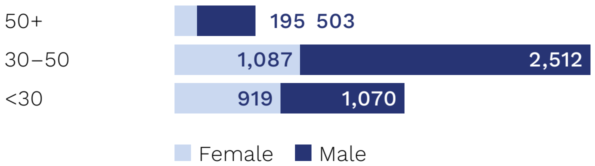
* Top five nationalities in terms of headcount as per S&P CSA requirements.

By gender and employee category

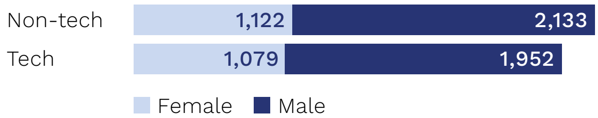
By gender and employee level



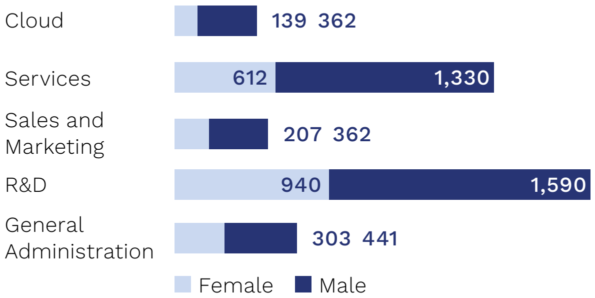
By gender and age



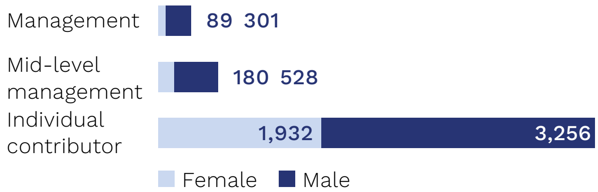
By gender and employee category



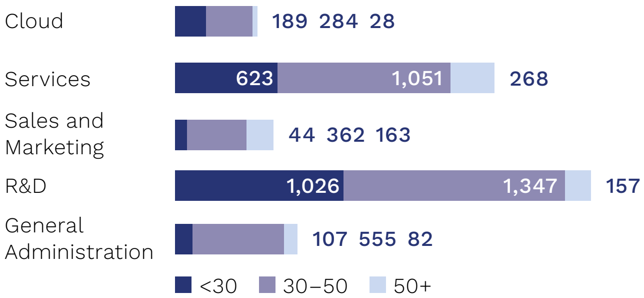
By gender and function



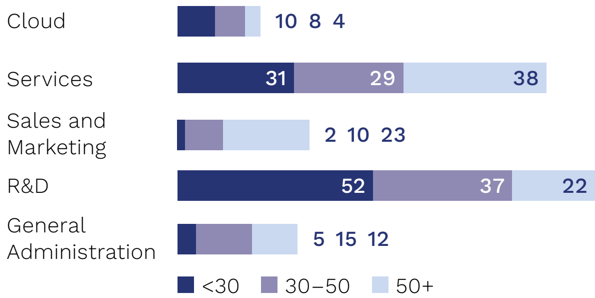
By gender and employee level



By function and age

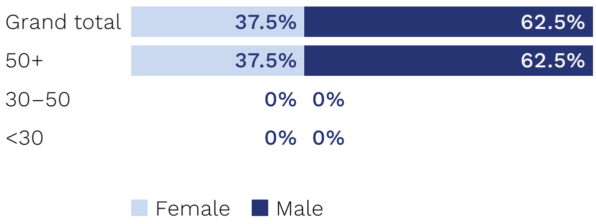


% by function and age

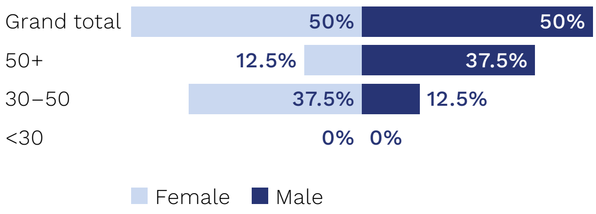


Temenos leadership

Board of Directors by gender and age*



Executive Committee by gender and age*

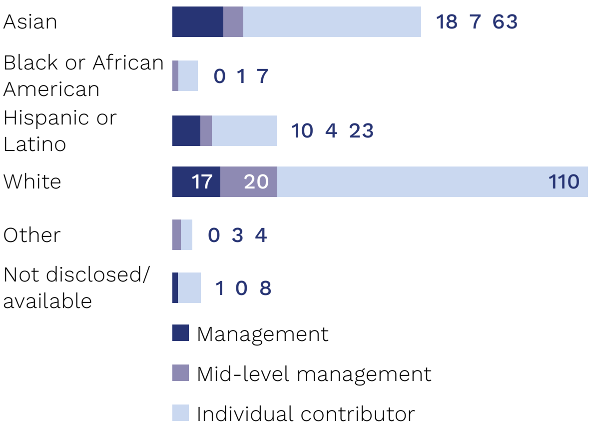


* Board of Directors and Executive Committee as of 31 December 2024.

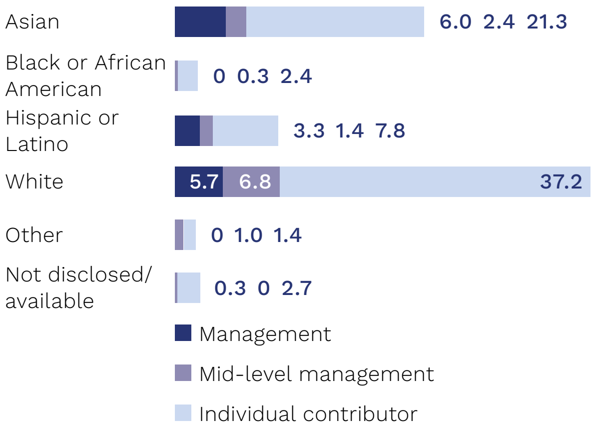
US employees

By race

By race and employee level



% by race and employee level



US new employees hires

By race

US employee turnover

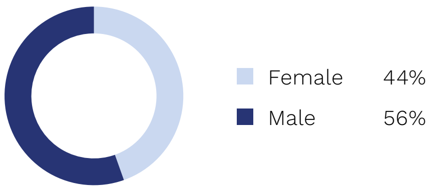
By race

SUSTAINABILITY continued

Investing in Our People continued

New employee hires

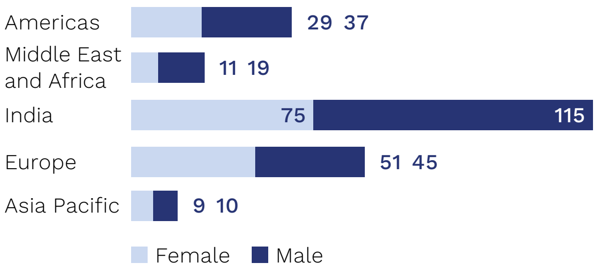
By gender



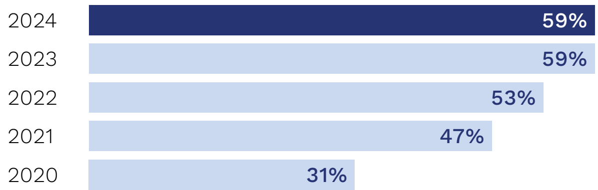
By region*

* New employee hires from a region/total number of new employee hires.

By gender and region

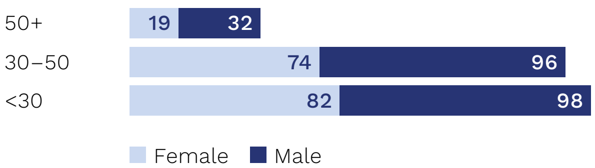


Open positions filled by internal candidates (internal hires)*

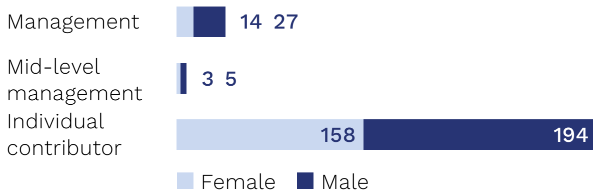


* Internal hires as per S&P CSA requirements.

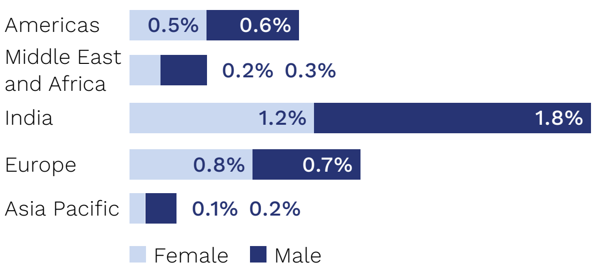
By gender and age



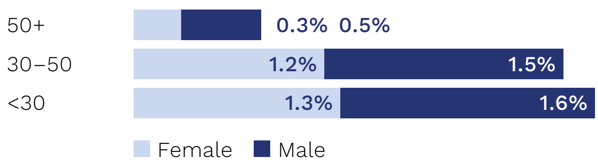
By gender and employee level



Rate by gender and region

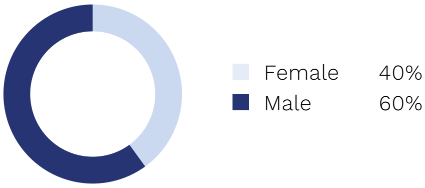


Rate by gender and age



Employee turnover

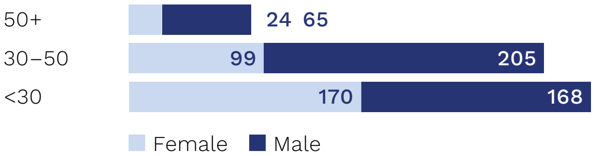
By gender



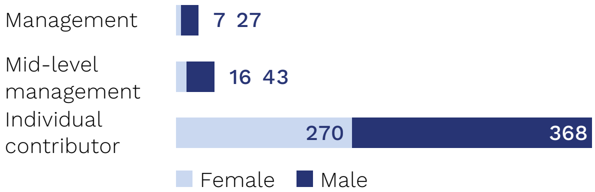
By region*

* Leavers at a region/total number of leavers.

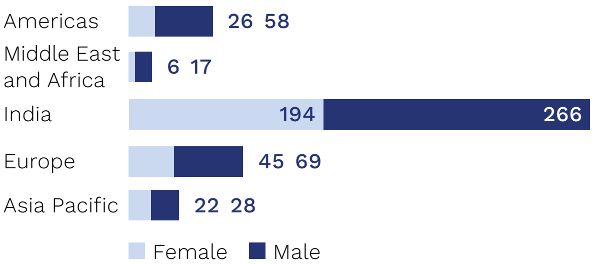
By gender and age



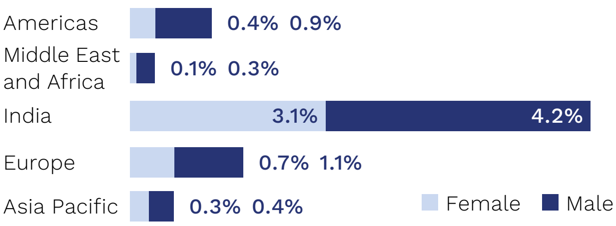
By gender and employee level



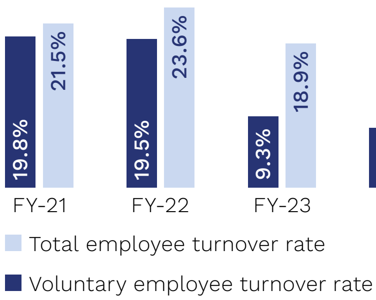
By gender and region



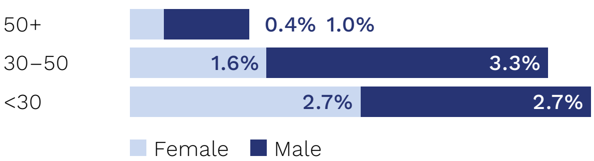
Rate by gender and region



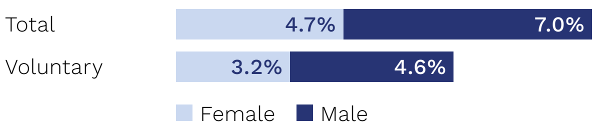
Turnover rate



Rate by gender and age



Turnover rate by gender*



* As per GRI, turnover rate refers to the proportion of employees who leave over a set period, often a year, expressed as a percentage of the total workforce.

SUSTAINABILITY continued

Training & development dashboard

Average training hours

By gender

Female	59
Male	51

By function

Cloud	16
Services	54
Sales and Marketing	5
R&D	87
General Administration	4

By age group

<30	86
30–50	41
50+	28

By employee level

Individual contributor	62
Mid-level management	18
Management	10

During talent review cycle – 2024

Talent review communication

By gender

Female	33%
Male	63%

By function

Cloud	8%
Services	30%
Sales and Marketing	6%
R&D	41%
General Administration	11%

Career progress*

By gender

Female	15%
Male	26%

By function

Cloud	5%
Services	10%
Sales and Marketing	3%
R&D	18%
General Administration	5%

* Employees whose band, job title, salary or department changed through the year.

Out of talent review cycle – 2024

Talent review communication

By gender

Female	15%
Male	28%

By function

Cloud	4%
Services	9%
Sales and Marketing	4%
R&D	18%
General Administration	8%

Career progress

By gender

Female	10%
Male	22%

By function

Cloud	3%
Services	6%
Sales and Marketing	3%
R&D	17%
General Administration	3%

5

Empowering Our Local Economies and Communities

Investing in our communities

We believe in leveraging technology to create a more equitable and inclusive future. Through innovative programs and partnerships, we are striving to close the gap, promote digital equity and empower young minds with the tools and knowledge they need to thrive in the digital age. By developing digital skills, strengthening community networks, and expanding access to education and job opportunities, we aim to transform lives and promote inclusive progress.

Enabling access to financial services

We also champion community-based banking as a foundation for inclusive economies. With modern digital technology and tailored solutions, we empower financial institutions to serve their communities, reach the unbanked, and drive sustainable progress in Emerging Markets.

2024 key highlights

15
computer labs in India since 2017

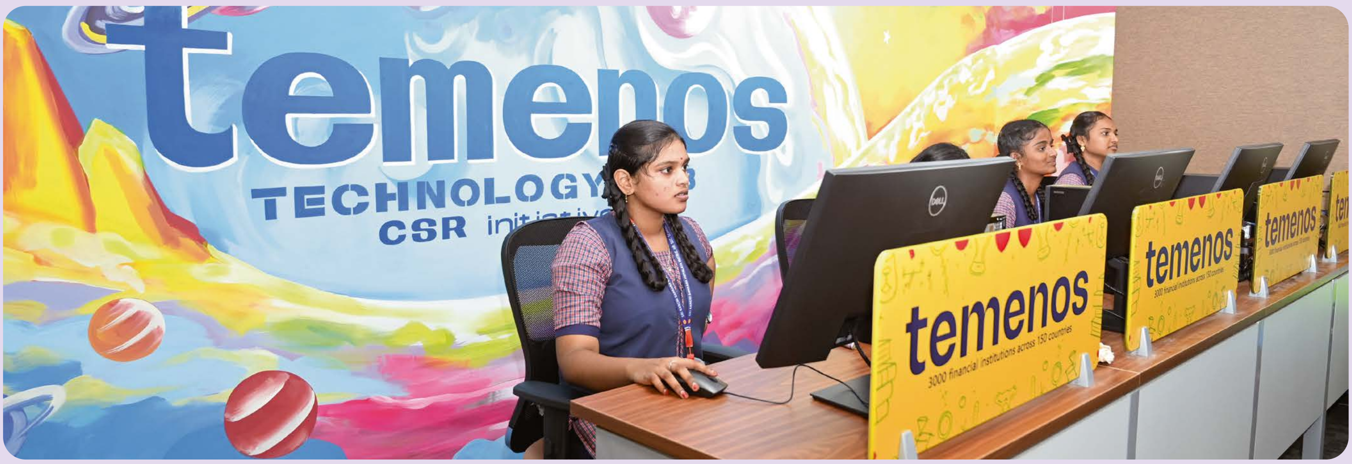
3
solar-powered innovation labs and green data centers

794
volunteers

56,660
students reached through the Adopt-iT CSR India Program since the program was launched

Contributing to the UN SDGs

> We committed to using our time, talent and resources to support and strengthen our local communities.



SUSTAINABILITY continued

Empowering Our Local Economies and Communities continued

Enabling access to financial services

As stated in our previous Annual Report, 2023 projections suggested that in 2030, 574 million people, equivalent to nearly 7% of the world's population, will remain in extreme poverty. The World Bank called for ending poverty by setting a revised goal to reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions by 2030.

Global poverty reduction has slowed to a near standstill, with 2020–2030 set to be a lost decade. In 2024, almost 700 million people – 8.5% of the global population – live on less than USD 2.15 per day, the extreme poverty line for low-income countries. Three-quarters of all people in extreme poverty live in Sub-Saharan Africa or in fragile and conflict-affected countries. Around 3.5 billion people – 44% of the global population – live today on less than USD 6.85 per day, the poverty line relevant for upper-middle-income countries. The total number of people living under this poverty line has barely changed since 1990 due to population growth. Today, incomes around the world, on average, would have to increase five-fold to reach the level of USD 25 per person per day, the minimum prosperity standard for high-income countries.

Around one-fifth of the world's population lives in economies with high inequality, concentrated mostly in Latin America and Sub-Saharan Africa, while only 7% of the global population lives in countries with low inequality. Climate change poses a fundamental risk to poverty and inequality reduction. Nearly one in five people globally are likely to experience a severe weather shock in their lifetime from which they will struggle to recover. Climate change also threatens to increase global inequality, as poorer countries and people are likely to suffer more from the negative consequences.

The global environment is facing multiple and interconnected crises – from low growth prospects and high levels of debt to increased uncertainty, fragility and polarization. Economic growth in the poorest countries is projected to remain weaker than in the decade before the pandemic. In addition, debt interest payments in the poorest settings are reaching an all-time high, diverting spending away from critical needs.

As Ayhan Kose, the World Bank Group's Deputy Chief Economist, said, "The global battle to end extreme poverty will not be won until it is won in the 26 poorest countries. Today, these countries aren't getting the attention they deserve, given the magnitude of their challenges. Many of them are coping with the triple harm of conflict, climate change and debt distress. National policymakers and the global community should act urgently to enable these countries to make the progress necessary for them to join the ranks of middle-income countries".

The goal to eradicate poverty and boost shared prosperity on a liveable planet requires managing trade-offs. Enabling the poor to benefit more from economic growth involves better functioning labor markets, investments in the productive capacity of people, and structural conditions that enable socioeconomic mobility so that everyone can use their productive capacity to their full extent. Protecting people from extreme weather conditions requires action on two fronts: (a) lowering vulnerability by enhancing risk management; and (b) preventing the escalation of future climate hazards by accelerating transformations to reduce emissions.

With limited budgets, high uncertainty and conflicting interests, policymakers must prioritize and make difficult choices. They need to understand the trade-offs between growing incomes and lowering GHG emissions, find ways to scale up synergistic policies that can help advance on multiple fronts, tackle high emission costs, and manage transition costs to specific groups and communities affected by labor market or price shifts. Policies and actions need to recognize that emissions are primarily generated by richer countries and the poorer countries are most at risk.

A key guiding element to set priorities is considering where the poor and vulnerable live and where emissions are and will be generated. Low-income and fragile countries need to prioritize poverty reduction by fostering investment in human, physical and financial capital. To have maximum impact on poverty reduction, the growth must be inclusive by creating employment opportunities while ensuring that the poor can take advantage of the opportunities (quality education). Promoting economic growth, basic investments and insurance are fundamental to sustainably improve the lives of the poor. Middle-income countries must prioritize income growth that reduces vulnerability and pursue synergistic actions. High-income and upper-middle-income countries with high emissions must accelerate mitigation to advance on the interlinked goals while managing transition costs.

Temenos Financial Inclusion

Temenos Financial Inclusion is focused on financial institutions which provide banking services to people who are often excluded from mainstream financial services. It is used at over 350 client sites in 54 countries and offers a mature packaged version of Temenos software which offers extremely fast implementation times.

It is used by clients starting up with no customers or accounts, up to those with as many as 7 million accounts, all with the same configuration. Many NGOs went on to obtain full banking licenses because of the software and no changes were required.

Our solution is specifically aimed at the following financial sectors:

1. microfinance institutions;
2. credit unions;
3. community banks;
4. non-bank financial institutions;
5. small banks;
6. start-up banks; and
7. banks with financial inclusion initiatives.

Our financial inclusion strategy is to provide the same technology infrastructure used by modern digital banks in established financial markets to empower small financial institutions in Emerging Markets to compete and exponentially grow their customer base, providing quality, affordable, digital financial services to the poor. Temenos provides the technology and expertise to build services to compete with the mobile network operators and fintech and commercial banks that are after the very valuable membership base that community banks and credit unions have developed over decades.

It is essential that these community banks keep their customer spend within their own community banking network, generate new revenue, and build on their greatest asset – the trusted customer relationship. We do this as part of our mainstream business. We bundle our latest release Temenos core banking technology in a mature model bank for community and inclusive banking and provide access to integration and digital channels via cloud-based Software as a Service (or to be deployed locally). This gives smaller financial institutions subscription-based access to the same technology utilized by some of the world's largest and most advanced banks.

In 2000, Temenos committed to microfinance and constructed a microfinance model bank as a "bank-in-a-box" for easy and affordable deployment. It served the various non-bank financial institutions that were providing financial services to the disadvantaged. Banks could not serve this market due to cost, culture, and focus. With the expansion of terrestrial mobile networks in most of the developing world, transaction processing costs began to plummet.

The mobile phone for voice and data transformed banking. Transactions and payments for the mass-market opened. Over the past decade, mainstream banking, driven by Kenya's Mpesa and the huge commercial microfinance networks, has discovered transactional banking's promise for the poor.

Throughout this journey, Temenos has led fintech discovery. Temenos is proud of being the first to transfer mainstream core banking technology to the cloud with Microsoft in Mexico, with five microfinance banks in 2011.

Temenos technology has helped every major microfinance network and most of the large mainstream microfinance institutions produce leading financial inclusion solutions. The inclusive banking industry no longer defines inclusion just as having a transaction account. Financial inclusion is "individuals and enterprises having access to usable and affordable financial goods and services that fit their requirements – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way", according to the World Bank. The only fintech that combines core banking and payments in a portfolio of solutions for the sector is Temenos. Temenos Financial Inclusion has developed beyond the typical microfinance end-to-end "bank-in-a-box" solution strategy to a larger digital transformation on payments. Payment digitization reduces market friction, especially in emerging nations where cost affects productivity and investment. Millions are excluded and business development is inhibited in high-density disadvantaged urban and peri-urban regions due to cost and risk of cash.

Extending financial inclusion

People need a safe place to save and a source of financial services to finance the various stages of their life and to have access to investment for provident and productive purposes. It is said the best police officer is a homeowner. The same applies to the market economy. If the majority of people are excluded from the market economy, there is no foundation to the economy. People who have no stake in the economy have no reason to care about the success of the economy. Financial inclusion is fundamental to the social and economic stability of our global economy. Unlocking the potential of the individual to have meaningful participation and giving people a stake in the market economy provided a foundation for development. Fintech is central to this process. To bank, the poor have to be a market. Banking the poor has to be profitable and achieving this conversion from demand into effective demand for financial services requires very sophisticated use of data and ICT to drop the costs of high-volume, low-value transactions to create a competitive market for the business of the poor.

The Temenos experience has been a journey of discovery with our clients and Partners in a common mission to make a meaningful contribution to our community, our global economy and the lives of tens of millions of women and men that our technology has helped to serve. In many parts of the world, internet, cloud, and mobile banking are unlocking this financial inclusion. Temenos will continue to lead with financial technology to continue this mission. Our solution is capable of operating on a 24/7 continuous basis, is fully multicurrency and provides support for multiple languages according to user and customer records. It has in-built digital channel capabilities which can be delivered either using Temenos' solutions or by integration to specialized third party offerings.

SUSTAINABILITY continued

Empowering Our Local Economies and Communities continued

Investing in our communities

We are driven by a vision to create a better, more inclusive world through the transformative power of technology. In today's demanding landscape, we embrace our responsibility to tackle challenges and empower communities to thrive.

Enabling social change through technology

As digital transformation accelerates, Temenos works to bridge the digital divide by providing equitable access to technology and empowering individuals with the skills to thrive in the digital world. We believe an equitable future starts with access to quality education. We work to ensure that young people from all backgrounds are prepared for meaningful careers and economic prosperity.

In India, home to 63% of our workforce, this mission is especially critical. Through our CSR Program in India, "Adopt-iT", we are committed to raising awareness about quality and inclusive education, digital skills, gender equality and empowering girls and women to enter STEM fields of study and careers. We work with schools and universities to provide hygiene and sanitation, fund scholarships to study STEM and provide job opportunities to build work experiences, internships and mentoring programs.

Focus areas

At Temenos, we are passionate about creating meaningful change by focusing on four key areas:

- **poverty alleviation and financial inclusion:** we work to expand access to financial services, empowering underserved communities to build a more secure future;
- **digital inclusion and innovation:** we support young people and communities by providing them with the digital tools and opportunities they need to succeed;
- **diversity, equity and inclusion:** we celebrate differences and create opportunities for everyone to succeed, ensuring no one is left behind; and
- **employee volunteering and community service:** our employees are the heartbeat of our initiatives, dedicating their time, skills and passion to strengthen the communities we serve.

What we achieved in 2024

Expanded the Temenos Adopt-iT Program: we successfully extended our flagship program to more schools and universities across India, reaching hundreds of students.

Enhanced access to education and technology: we collaborated with local communities to provide underserved groups with better access to digital tools, training, and connectivity.

Awarded scholarships to empower talent: we awarded numerous need and merit-based scholarships to students at educational institutions, empowering them to pursue their dreams.

Employee engagement: we created new volunteering opportunities, encouraging employees to actively participate in mentoring programs, digital literacy workshops and community projects.

Promoted STEM education for women and girls: we encouraged young women to explore STEM careers through scholarships, mentorship and career-building initiatives.

Supported local communities: we improved sanitation, funded healthcare programs and created safe spaces for learning in rural areas.

Commitment to the environment: we promoted clean energy, supported green transportation, expanded energy-saving initiatives and raised environmental awareness.

Celebrated international days and supported the UN SDGs: we celebrated global days and aligned our efforts with the UN Sustainable Development Goals, striving to create a meaningful impact.

→ Read more here: Investing in Our Communities

CSR India Program: empowering education and innovation

Through our Adopt-iT Program in India, we have forged a path to empower students, bridge gaps in education, and foster a culture of innovation – all while addressing critical social challenges.

Adopt-iT India CSR School Program

Since 2017, the Adopt-iT School Program has transformed education for thousands of students by giving them the tools and opportunities to succeed. We have built 15 solar-powered computer labs, smart classrooms and Technology Hubs, opening doors to a brighter digital future. But it is not just about technology – we are helping girls stay in school by building restrooms in government schools, breaking down barriers to education. We have also created Sensory and Assistive Labs in Chennai and Bangalore to support children with hearing and visual impairments, ensuring every child has a chance to learn and thrive. At its heart, this program is about people – helping students realize their potential and build a future full of possibilities.

Adopt-iT India CSR University Program

Recognizing the critical role universities play in shaping future talent, our Adopt-iT University Program is designed to nurture the next generation of fintech innovators. Since 2019, we have been partnering with universities to provide students with invaluable real-world experiences. Our state-of-the-art labs offer hands-on fintech training, fostering collaboration with Temenos employee volunteers who act as mentors and guides. Beyond the labs, we actively engage with universities through hackathons that spark creativity, scholarships that open doors to education, targeted training programs that build in-demand skills, and recruitment initiatives that provide pathways to fulfilling careers. We also support green data center initiatives, fostering a commitment to sustainability within the tech sector. This holistic approach empowers students to not only learn about fintech but to actively shape its future.

2024 Temenos Adopt-iT India Labs	
Assistive Lab, Presidency College, Chennai	Solar-powered lab with a training room and equipment for hearing-impaired and visually challenged students.
Excellence Hub, Stella Maris College, Chennai	Solar-powered hub equipped with advanced computing technology and software, offering students access to digital resources.
Technology Hub, Wilson Garden School, Bangalore	Solar-powered 600 sq. ft. hub enhancing digital literacy and skill development.
Technology Hub, Sankara School, Mayiladuthurai, Tamil Nadu	Solar-powered 900 sq. ft. lab equipping 900+ students with digital skills, bridging the digital divide in rural India while promoting sustainability.

901

need- and merit-based scholarships for students of eight educational institutions (2019–2024)

100%

of the students have a family income less than USD 3,000 per year

Adopt-iT Scholarship Program

Since 2019, our Adopt-iT Scholarship Program has been empowering promising engineering and IT students in India to become future tech leaders. In 2024, we awarded 230 need- and merit-based scholarships to second- and third-year engineering students across eight educational institutions, including four universities and four colleges.

Recognizing the importance of gender diversity in tech, we are proud to report that 74% of these scholarships were awarded to young women, encouraging them to pursue careers in this dynamic field. These scholarships support students specializing in key disciplines such as information technology, computer science engineering, and electronics and communications engineering, among others.

Building on this success, which included a 17% increase in scholarships and collaborations with new universities in 2024, we are committed to expanding the program over the next two years to include more universities and colleges in Chennai, Bangalore and Hyderabad. This continued investment reinforces our dedication to nurturing India's next generation of tech talent.

Temenos Adopt-iT scholarships

	Total number of scholarships	Boys	Girls
2019	46	32	14
2020	92	50	42
2021	141	77	64
2022	196	118	78
2023	196	117	79
2024	**230**	**60**	**170**

SUSTAINABILITY continued

Empowering Our Local Economies and Communities continued

CASE STUDY

Driving innovation through Hackathons and tech competitions

At Temenos, we foster creativity, collaboration and technical excellence by supporting hackathons and tech competitions that empower the next generation of innovators. In 2024, we engaged thousands of students across India and globally, empowering them to develop innovative solutions in fintech, AI, sustainability and cybersecurity.

Driving impact through innovation

- Temenos IIT Shaastra – Encryptcon Hackathon (January 2024): focused on AI-driven sustainable banking, open banking security, AI and machine learning, and green finance, attracting 2,800 registrants and 200 teams.
- K Hacks – CEG Tech Forum Hackathon (February 2024): engaged 550 participants across 250 teams, tackling challenges in finance technology, health tech, logistics and space tech.
- CEG HackZ'24 Hackathon (March 2024): recorded 3,426 individual signups and 506 project submissions, addressing themes such as blockchain, fintech, sustainability and climate change and women's safety.
- Hack Summit 5.0 (October 2024): brought together 150 teams, including participants from international universities, fostering global collaboration.
- SSN University Invent (2024): hosted ten events (eight technical, two non-technical), engaging 386 students in machine learning, cryptography and software development.

These events provided a platform for students to solve real-world problems, build prototypes, and gain hands-on experience. By investing in talent development and industry-academia collaboration, Temenos continues to drive innovation and shape the future of financial technology.

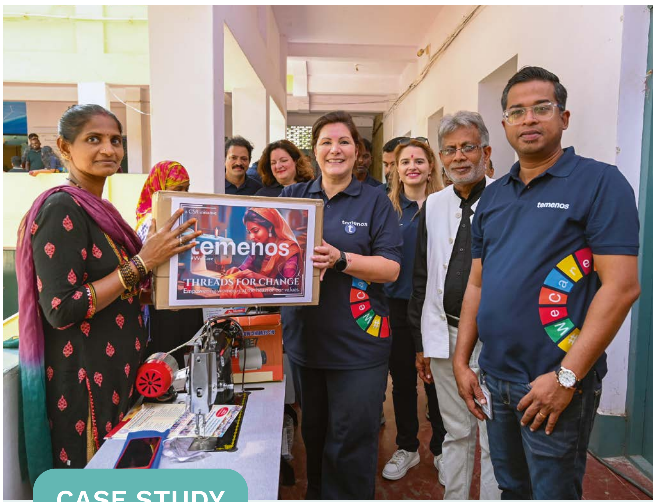
CASE STUDY

Empowering young women through fintech and skill development

On International Women's Day 2024, Temenos engaged with students at Presidency College, reinforcing our commitment to gender inclusion and empowerment.

Aligned with this year's theme, "Inspire inclusion: investing in women to accelerate progress", we hosted skill development sessions for over 200 female students, equipping them with practical knowledge for their careers.

A key highlight was a fintech session, inspiring young women to explore opportunities in this dynamic field. By fostering financial literacy and professional growth, Temenos empowers the next generation of women leaders to thrive in the digital economy.



CASE STUDY

Temenos: empowering women through “Threads for Change”

Poverty and financial struggles disproportionately impact women, particularly single mothers, limiting their access to education and essential resources for their children. To break this cycle, Temenos launched “Threads for Change”, a CSR initiative providing sewing machines to mothers of children studying in our “Adopt-iT” school labs.

In 2024, 20 sewing machines were distributed in Bangalore, primarily to single mothers, offering them a path to financial independence. With the ability to earn a living through tailoring, these women can now support their families, invest in their children’s education and work towards a better future. By empowering women with sustainable skills, Temenos is fostering long-term socio-economic impact for families and communities.

CASE STUDY

Sustainable mobility for women: the SH(E) Riders initiative

Through the SH(E) Riders initiative, Temenos donated ten electric vehicles to single mothers and underprivileged women in India, providing them with independent and sustainable transportation. Aligned with the UN SDGs for Gender Equality, Sustainable Cities and Climate Action, this initiative ensures women have access to safe, affordable and eco-friendly mobility solutions. More than just transportation, SH(E) Riders empowers women to pursue work, education and daily activities with greater freedom, fostering a more inclusive and sustainable future.

10
electric motorbikes

USD 14,724
Income earned: 26 June 2024 to 26 January 2025

SUSTAINABILITY continued

Empowering Our Local Economies and Communities continued

CASE STUDY

World Children's Day 2024

Temenos proudly celebrated World Children's Day 2024 at Kumaran Special School, continuing our long-standing collaboration with the school and deepening our commitment to inclusivity. Our employees and volunteers came together to create a day of joy, creativity and connection for children with special needs, ensuring they felt seen, valued and empowered. The celebration was filled with engaging activities, including games, art sessions and interactive performances, all designed to foster self-expression and bring smiles to the children's faces. Through initiatives like this, Temenos continues to strengthen its relationship with the Kumaran Special School, finding new ways to engage, support and champion inclusivity.

CASE STUDY

International Day of Forests 2024: Tree Plantation Drive

On World Forests' Day 2024, Temenos, in collaboration with SOS Children's Villages and Communitree, reinforced its commitment to environmental responsibility by organizing a Tree Plantation Drive at Elcot, Sholinganallur, Chennai. A dedicated group of Temenos employees and volunteers came together to plant 1,500 saplings, contributing to a healthier and more sustainable ecosystem. This initiative underscores Temenos' approach to practical, community-driven environmental action, emphasizing the role of responsible corporate participation in sustainability efforts. By engaging with local organizations and volunteers, we actively support long-term ecological benefits, ensuring that our contributions extend beyond a single event and contribute to lasting positive change.

CASE STUDY

Mobility and independence: Temenos' assistive e-vehicle donation

At Temenos, we believe in creating a more inclusive and equitable society. Recognizing the significant mobility challenges faced by individuals with disabilities, we donated assistive electric vehicles to two young individuals. These vehicles empower them to overcome transportation barriers, pursue their education, and actively participate in their communities. By investing in their independence and wellbeing, we are creating a positive impact and opening doors to greater opportunities.

Investing in our communities continued

Donations

Corporate monetary contributions

As a global leader, we are committed to supporting and enhancing the quality of life in the communities where our employees, Partners and clients live and work. To support this commitment, we actively engage with these communities through a multi-faceted approach:

- corporate monetary contributions;
- corporate monetary contributions that complement the donations or volunteer efforts of our employees;
- in-kind contributions of used IT equipment;
- employee fundraising (volunteering their time and/or money); and
- volunteering (donation of professional service, skills and time to non-profit organizations or local communities).

Our community investment, aligned with our mission and CSR priorities, combines long-term programs with targeted initiatives. From 2017 to 2024, we invested over USD 2.8 million in projects driving meaningful change. We believe in collaborative action and carefully select projects based on local needs and our strategic priorities: poverty alleviation, child welfare, youth development, technological advancement, environmental sustainability, and emergency relief.

Community investment in USD	2021	2022	2023	**2024**
Monetary donations	417,367.44	452,543.18	697,391.61	**504,996.44**
Employee fundraising	20,122.90	77,325.00	52,165.60	**31,565.23**
Employee volunteering cost	62,411.00	109,918.00	136,938.00	**70,216.16**
In-kind donations	107,300.00	99,121.65	9,243.01	**–**
Management overheads	68,881.00	78,456.00	101,705.00	**101,692.00**
Total	676,082.34	817,363.83	997,443.22	**708,469.83**

Type of philanthropic activities (2024)	**Percentage of total costs**
Charitable donations	10.2
Community investments	89.8
Commercial initiatives	–
Total	**100**

Our commitment to integrity

As per our Anti-Corruption and Bribery Policy and Charitable Donations and Non-Commercial Sponsorships Policy, Temenos does not support political, religious or legislative parties. To ensure transparency and accountability, our internal audit team conducts annual independent audits of corporate monetary contributions, which are reviewed by the CSR & Ethics Committee and the Audit Committee. All donation and sponsorship requests are submitted through our intranet for review and evaluation.

Employee fundraising

We believe in the power of collective action. In 2024, our employees demonstrated a spirit of generosity, actively participating in fundraising initiatives for a variety of non-profit organizations. We are proud to amplify their impact through corporate matching, turning individual contributions into powerful collective action.

CASE STUDY

Adopt a Kid – India: Employee fundraising

Since 2017, the “Adopt a Kid – India” Education Support Program (ESP) has been transforming lives by providing children from low-income households, including orphans and those below the poverty line, with access to education. Led and funded by Temenos India employees, this initiative reflects a deep commitment to social impact.

Even though the Adopt a Kid – India initiative is led and funded by Temenos India employees, the Company recognizes its profound social impact and began financially supporting the program with a goal of matching all employee donations by 2025. We are proud to announce that this target was achieved one year ahead of schedule.

Over the past eight years, the program has transformed the lives of 765 children (335 boys and 430 girls) and raised a total of USD 157,941 – USD 77,636 contributed by employees and USD 80,305 matched by Temenos. As this initiative grows, it will continue to provide children with access to education, empowering them with opportunities and ensuring their fundamental right to learn – a cornerstone of building brighter futures.

765

children were able to go to school and pursue their dreams (2017–2024)

USD 157,941

raised by employees and matched by Temenos (2017–2024)

SUSTAINABILITY continued

Empowering Our Local Economies and Communities continued

Investing in our communities continued

Employee volunteering: driving purpose and impact

At Temenos, we believe that purpose is found not only in what we achieve as a company but also in how we contribute to the communities around us. Volunteering is deeply ingrained in our culture, reflecting our commitment to making a difference beyond the workplace. We encourage and support our employees to dedicate their time, skills and expertise to causes that matter, fostering a sense of connection and impact.

From supporting education and youth development to protecting the environment, our initiatives align with our CSR priorities and inspire collective action. In 2024, 794 Temenosians volunteered 3,396 hours, contributing to projects that create lasting value for people and the planet.

For us at Temenos, volunteering is more than just giving back – it is about building a sense of community, inspiring change, and leaving a meaningful legacy. Together, we are shaping a better future for all.

Employee volunteering by CSR strategic priority areas	Employee time in USD*	Employee time in hours
Environment	18,427	744
Poverty alleviation and local economic development	36,571	2,052
Technology and innovation	14,927	591
Children	290	9
Emergency relief	–	–
Total	**70,216**	**3,396**

Employee volunteering by region	Employee time in USD	Employee time in hours
Americas	2,569	52
Middle East and Africa	517	5
India	49,954	2,991
Europe	11,364	242
Asia Pacific	5,812	106
Total	**70,216**	**3,396**

* To calculate the cost, base salary and social charges were used for each employee.

3,396 volunteering hours in 2024

35+ organizations supported in 2024

40+ projects in 2024

25+ countries where we supported local communities in 2024

About this report

Unless otherwise indicated, the information provided in this report reflects the situation as of 31 December 2024 and covers all Temenos operations as well as all financially consolidated activities globally during FY-24. The report is prepared in accordance with Art. 964b of the Swiss Code of Obligations, which is mandatory for Swiss companies of public interest, in alignment with recommendations and standards issued by the Integrated Reporting Framework, in accordance with the Global Reporting Initiative (GRI) Standards and mapped to the Sustainability Accounting Standards Board (SASB) Software and IT Services Sustainability Accounting Standard. Our Board of Directors acknowledges responsibilities and has approved and signed off the 2024 Temenos Sustainability Report according to the Swiss Code of Obligations. We also adhere to the requirements of Art. 964j-l of the Swiss Code of Obligations (Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor). We have determined that we are exempt from the obligations of due diligence and reporting obligations on minerals and metals from conflict-affected and high-risk areas and in relation to child labor (read more in the Human Rights section).

Please see our online GRI content index for detailed data and additional information. In the Disclosures in accordance with Art. 964b Swiss Code of Obligations section on page 118 we summarize how this report complies with the requirements of Art. 964b of the Swiss Code of Obligations. In addition, it serves as Temenos' annual Communication on Progress under the United Nations (UN) Global Compact. This is our ninth Sustainability Report. No restatements were done. We have assured the content through an internal review process, including Board of Directors and executive oversight of reviews and validation. Apart from the internal review process, an independent third party, PricewaterhouseCoopers SA, has provided its assurance on selected indicators and disclosures of Temenos' Sustainability Report 2024. The scope of the assured information is indicated in the independent practitioner's assurance report. Our first report in accordance with GRI was published in 2017.

Temenos operates 53 offices in large, leased, multi-tenant buildings in 38 countries (including acquisitions). Temenos' energy reporting and Scope 1 and 2 emissions now follow a 1 January–31 December cycle (previously 1 December–30 November until 2023), with no significant impact requiring restatement of comparative periods. In 2024, we measured and reported 98% of the total energy consumption and GHG emissions, excluding only a few individual small offices with limited headcount (ten people or less). Scope 1 and 2 emissions reporting period has changed compared to previous years, as it used to cover 1 December to 30 November. No significant impact occurred due to this change, therefore no restatements were done to prior year's numbers. The energy consumption of these offices includes all types of energy (renewable and non-renewable purchased grid electricity, natural gas and on-site generation) and represents consumption as reported on invoices from utility providers and management companies.

Energy and emissions calculations follow the Greenhouse Gas Protocol with reference to ISO 14064:2018 – "Greenhouse gases, Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". All greenhouse gases are included in the calculations. The consolidation approach used to calculate the GHG inventory is operational control, since Temenos has full authority over the operations, and accounts for all the emissions resulting from all operations across all offices in all countries. In the report, the metric ton/UK ton equivalent to 1,000 kilograms is stated solely as ton. Additionally, energy values in kilowatt-hours (kWh) are equivalent to 0.0036 gigajoules (GJ). Scope 1 and 2 emissions were calculated using latest available IEA and DEFRA emission factors. Emissions from business travel were calculated based on the distance traveled using DEFRA emission factors. All GHG emissions figures are in tons of carbon dioxide equivalents (tCO_2e). Renewable energy is valid only with an official certificate (Energy Attribute Certificate), following the RE100 initiative requirements, or written confirmation from the electricity supplier. Our water withdrawal covers 84% of total headcount. Water discharge was estimated based on a 95% discharge factor, taken from the Sydney water utility provider. The generated waste covers 100% (estimation based on extrapolation from actual data received from 77%) of the total Temenos population (excluding population working in serviced offices with less than ten employees). The intensity ratios were calculated, based on monthly average consumptions of energy, GHG emissions, water per average monthly employee headcount for the period 1 January 2024 to 31 December 2024.

Scope 1 and 2

Our Scope 1 emissions are due to direct natural gas consumption for heating, from diesel fuel consumption for on-site electricity generation and from fugitive emissions from the air conditioning equipment and from company cars usage. The Scope 1 fugitive emissions were calculated using our sustainability software tool, taking into account the surface area of each office, according to Net Zero Cloud's methodology. We collected the refrigerant type per office and the same has been mapped in Net Zero Cloud to compute the GHG emissions based on IPCC AR5 2023 – Global Warming Potential (GWP). In cases where the refrigerant type is unknown, we assume R-407A. Vehicle combustion Scope 1 emissions from Company-leased cars were calculated using input such as distance traveled and commuting days from the employee commute data and CO_2 emission factors from the manufacturer. Our Scope 2 location-based emissions are a result of the consumption of purchased electricity from local grids. Our Scope 2 market-based emissions were calculated taking into account the green energy products from local utility providers, the Energy Attribute Certificates, as well as the residual mix values for each location where available. Temenos does not generate any biogenic CO_2 emissions from the combustion or biodegradation of biomass. Calculation is based on building electricity invoices and includes offices, common areas and owned data centers.

Scope 3

Our Scope 3 business travel-related emissions from flights, trains and taxis cover FY-24 and all the countries where Temenos operates, representing 100% of the total employee concentration. The data was collected from the Company travel management system as well as travel agency providers. For the taxi-related emissions, we have assumed a 40km taxi ride to and from the airport for each flight.

The 2024 GHG emissions from employee commute were calculated based on integrated information from Geocoding Automation with Google Maps and from our internal employee information platform. This methodology covered 95% of total headcount. For cases where the information platform system exceeded 60-mile office to home distance (due to different tax and permanent address), an average 9.5-mile distance was assigned. The remaining 5% was estimated based on extrapolation, taking into consideration the hybrid model frequency. The information platform covered various aspects such as distance between home and the office, modes of transport–private vehicles, mass transit, cycling, carpooling, walking, fuel of private vehicles used, and average monthly office presence. The data gathered covers private vehicles owned by our employees. The emissions have been calculated based on type of vehicles owned by our employees, total distance traveled, fuel types and emission factor.

SUSTAINABILITY continued

In 2024 we have used a new methodology for calculating our Scope 3 categories purchased goods and services and capital goods, covering both average spend-based and supplier-specific spend-based approach, and applying sector-specific emission factors (tCO_2e/$m revenue) from the Environmentally Extended Input-Output (EEI-O) model provided by an external consultant company.

We have used as input actual accounts payable invoices for Q1, Q2, Q3 and extrapolated spend data for Q4. We are continuously improving the methodology used to calculate Scope 3.1 and 3.2 (moving from spend-based to supplier-specific or hybrid method) for more accurate data.

In order to calculate upstream emissions of the Scope 3 category of other fuel and energy-related activities from purchased electricity (e.g. due to T&D losses for every unit of grid electricity procured) we used actual energy consumption as reported on invoices from utility providers and management companies and emission factors from IEA.

In order to calculate upstream emissions of our Scope 3 category of waste generated in our offices, we used our 2024 office collection data for hazardous and non-hazardous waste, e-waste and wastewater treatment, taking into account the disposal methods and emission factors from DEFRA and EPA, specific for each disposal method.

Our Scope 3 science-based target boundary covers 68.6% of Scope 3 emissions, in line with the SBTi criteria, representing 56,345 tCO_2e for 2019. As an outcome of our new methodology for Scope 3 Cat. 1 and 2, we have recalculated the 2019 base line year, now reflecting 31,338 tCO_2e.

Overall, our Scope 3 GHG emissions are a focus area of improvement for the next years. As the methodology continues to improve, a reassessment of the baseline may be necessary.

Although our current science-based target does not cover emissions from on-premise software usage – Scope 3 use of sold products – we acknowledge the increasing demand of our cloud and web-based offerings. In response to this evolving landscape we intend to report on emissions from the use of our web-based software products going forward.

Diversity dashboard

Our headcount-related figures and diversity dashboard are based on the GRI and SASB Standards as well as S&P Global CSA requirements, cover all Temenos operations globally and are in full alignment with the Annual Report and Financial Statements. Employee data are sourced from the corporate internal IT and HR systems.

The Company's highest governance bodies are the Board of Directors and the Executive Committee.

All references to currency are in USD unless specified otherwise.

Methodology and assumptions

- Data used to compile the dashboard represents actual headcount (not FTE) as at 31 December 2024, unless specified otherwise.
- All charts refer to Temenos employees, unless specified otherwise.
- Temporary employees are employees on a fixed-term contract. The rest are permanent employees.
- Part-time employees are employees at less than 100% FTE. The rest are full-time employees.
- Non-employees: included in total Temenos headcount, but are not Temenos employees. This category includes the Board of Directors, business partners and external contractors.
- Business partners: consultants of Temenos Certified companies have been considered as Temenos staff augmentation.
- External contractors: consultants of third party companies (not approved as Temenos Certified Partners) or freelancers that get paid directly from Temenos have been considered as Temenos staff augmentation.
- Employee level: considers Temenos' internal ranking system (employee bands) and number of reporting lines and is mapped to SASB TC-SI-330a.3 categories. Individual contributors refer to the "all other employees" category of SASB TC-SI-330a.3 and are junior/mid-level employees with no reporting lines. Mid-level managers refer to the "non-executive management" category of SASB TC-SI-330a.3 and are mid/senior-level employees with at least one reporting line. Management refers to the "executive management" category of SASB TC-SI-330a.3 and includes senior managers and senior executives regardless of reporting lines.
- Employee category: "tech" refers to "technical employees" category of SASB TC-SI-330a.3 and includes employees working in R&D or Cloud functions; "non-tech" includes employees working in G&A, S&M or Services functions.
- Employee function: internal employee classification system based on employee department.
- Employee race: racial group representation of US employees according to SASB tc-si-330a.3.
- Hires, leavers and turnover rates are calculated by comparing employee headcount as at 31 December 2024 to actual headcount as at 31 December 2023 according to GRI 401-1.

Contextual information

As a rule, the vast majority of our global headcount is made up of permanent, full-time employees. Fixed-term employee contracts, not resulting from legal or statutory requirements, represent a negligible percentage of our global workforce.

All Temenos employees are guaranteed a fixed number of working hours per day, week or month, except for one intern in the US (male) paid on hourly rates.

Part-time employees represent below 1% of global workforce (e.g. employees returned from parental leave and employees opted to work part-time instead of full-time).

Fluctuations in headcount

No significant fluctuations in headcount occurred during the reporting period. Fluctuations in number of employees or workers who are not employees are considered significant if higher than 20%.

Contact

The 2024 Temenos Sustainability Report explains our policies, procedures, programs and performance on our material environmental, social and governance (ESG) issue areas as well as how we address other important CSR issues. We welcome your feedback on the activities and programs described in the report, as well as the issues you expect to see addressed in the future. Please email your comments to the below address.

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Chief ESG Officer
Tel.: +41 22 708 11 50
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Independent practitioner's limited assurance report

on selected aspects in the Temenos Sustainability Report 2024 as at 31 December 2024 to the Board of Directors of Temenos AG, Lancy

We have been engaged by the Board of Directors to perform assurance procedures to provide limited assurance on selected non-financial disclosures and indicators included in the Sustainability Report 2024 (including the GHG statement) of Temenos AG as at 31 December 2024 (the "Sustainability Report"). Our limited assurance engagement focused on selected non-financial disclosures as presented in the GRI Content Index in the Sustainability Report in the Appendix on pages 119 to 125, marked with the check mark ✓, and indicators as presented in the appendix 1 of this report. The Sustainability sections in the Annual Reports 2022 and 2023 for the year ended 31 December 2022 and 31 December 2023 were subject to limited assurance engagements provided by another assurance practitioner who expressed an unmodified conclusion on those on selected non-financial/sustainability data included in the mentioned Annual Reports.

The Sustainability Report 2024 (including the GHG statement) was prepared by the Board of Directors of Temenos AG (the "Company") based on the section "About this Report" on pages 99 to 100 of the Sustainability Report 2024 describing, among others, the relevant guidance contained within 2021 GRI Sustainability Reporting Standards ("GRI Standards") published by the Global Reporting Initiative ('GRI'), in sections of the Greenhouse Gas Protocol Corporate Standard for Greenhouse gas ('GHG') emissions, and in the Software & IT Services SASB Standard published by the Sustainability Accounting Standards Board ('SASB'), here-after summarized as the 'suitable Criteria'. We have evaluated the selected non-financial disclosures and indicators against the suitable criteria.

Inherent limitations

The accuracy and completeness of the non-financial disclosures and indicators (including GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the non-financial disclosures and indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors and the values needed to combine, e.g. emissions of different gases.

Our assurance report will therefore have to be read in connection with the Basis of Reporting document used by Temenos AG, its definitions and the methodology used to select, prepare and disclose the information included in the Sustainability Report 2024 (including the GHG statement).

Board of Directors' responsibility

The Board of Directors of Temenos AG is responsible for preparing and presenting the Sustainability Report 2024 in accordance with the section "About this Report". This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the Sustainability Report that is free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the suitable Criteria as well as making estimates that are reasonable in the circumstances and adequate record keeping.

Independence and quality management

We are independent of Temenos AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PricewaterhouseCoopers SA applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform a limited assurance engagement and to express a conclusion on selected non-financial disclosures and indicators as presented in the GRI Content Index in the Sustainability Report in the Appendix on pages 119 to 125, marked with the check mark ✓, and as presented in the appendix 1 of this report. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected non-financial disclosures and indicators (including GHG emissions) presented in the GRI Content Index in the Sustainability Report in the Appendix on pages 119 to 125, marked with the check mark ✓, and as presented in the appendix 1 of this report, were not prepared, in all material respects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

SUSTAINABILITY continued

Independent practitioner's limited assurance report continued

on selected aspects in the Temenos Sustainability Report 2024 as at 31 December 2024 to the Board of Directors of Temenos AG, Lancy

Practitioner's responsibility continued

We performed the following specific procedures, among others:

- assessed the suitability of the selected disclosures and indicators and the related criteria and the description in the section "About this Report" in the Sustainability Report, respectively, against the above-mentioned standards;
- reviewed the application of Temenos AG's section "About this Report", respectively, as the suitable Criteria;
- interviewed personnel responsible for internal reporting and data collection and preparation at selected locations and at corporate level;
- inquired of personnel involved in the preparation and presentation of the data for the Sustainability Report regarding the preparation process (i.e. collecting, merging, aggregating and checking applied methodology and data) and the selected disclosures and indicators in the Sustainability Report; and
- performed analytical procedures and tests of details on a sample basis of evidence supporting the selected disclosures and indicators concerning completeness, accuracy, adequacy and consistency.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected non-financial disclosures as presented in the GRI Content Index in the Sustainability Report in the Appendix on pages 119 to 125, marked with the check mark ✓, and indicators as presented in the appendix 1 of this report are not prepared in the Sustainability Report, in all material respects, in accordance with the suitable Criteria.

Restriction of use and purpose of the report

This report is prepared for, and only for, the Board of Directors of Temenos AG, and solely for the purpose of reporting to them on the selected non-financial disclosures and indicators as presented in the GRI Content Index in the Sustainability Report Appendix, and as presented in the appendix 1 of this report, and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report, including the conclusion, may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We will permit the disclosure of our report, in full only and in combination with the Sustainability Report 2024 (including the GHG statement and the section "About this Report"), to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the selected non-financial disclosures and indicators in the Sustainability Report 2024, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the Board of Directors of Temenos AG for our work or this report.

PricewaterhouseCoopers SA
Yazen Jamjum Pierrick Misse
Geneva, 24 February 2025

PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, case postale, 1211 Genève 2, Switzerland.

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PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

The maintenance and integrity of Temenos AG's website and its content are the responsibility of the Board of Directors; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of Temenos AG's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported Sustainability Report 2024 (including GHG emissions) (including the GHG statement) or GRI Sustainability Reporting Standards since they were initially presented on the website.

Enclosed:

- Appendix 1 – Selected non-financial indicators included in the Sustainability Report 2024 to the Board of Directors of Temenos AG.

Appendix 1 – Selected non-financial indicators included in the Sustainability Report 2024 to the Board of Directors of Temenos AG

GRI standard reference		Quantitative indicators assured	Report page
2-7	Employees	Total number of employees, and a breakdown of this total by gender and by region	p83
		Total number of: i. permanent employees, and a breakdown by gender and by region; ii. temporary employees, and a breakdown by gender and by region; iii. non-guaranteed hours employees, and a breakdown by gender and by region; iv. full-time employees, and a breakdown by gender and by region; v. part-time employees, and a breakdown by gender and by region.	p. 83, 100
2-8	Workers who are not employees	Total number of workers who are not employees and whose work is controlled by the organization	p. 83, 100
2-16	Communicating critical concerns	Total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.	p. 47
2-27	Compliance with laws and regulations	Total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: i. instances for which fines were incurred; ii. instances for which non-monetary sanctions were incurred.	p. 46
		Total number of fines for instances of non-compliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period; ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods.	p. 46
2-30	Collective bargaining agreements	Percentage of total employees covered by collective bargaining agreements	p. 75
201-1	Direct economic value generated and distributed	Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.	p. 38
204-1	Proportion of spending on local suppliers	Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).	p. 53
205-2	Communication and training about anti-corruption policies and procedures	Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.	p. 48
		Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.	p. 48
		Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region.	p. 46-48
		Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.	p. 48
		Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	p. 48

SUSTAINABILITY continued

Independent practitioner's limited assurance report continued

on selected aspects in the Temenos Sustainability Report 2024 as at 31 December 2024 to the Board of Directors of Temenos AG, Grand-Lancy

Appendix 1 – Selected non-financial indicators included in the Sustainability Report 2024 to the Board of Directors of Temenos AG continued

GRI standard reference	Quantitative indicators assured	Report page
302-1 Energy consumption within the organization	Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.	p. 64, 68
	Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.	p. 64, 68
	In joules, watt-hours or multiples, the total: i. electricity consumption; ii. heating consumption; iii. cooling consumption; iv. steam consumption.	p. 64, 68
	Total energy consumption within the organization, in joules or multiples.	p. 64, 68
302-3 Energy intensity	Energy intensity ratio for the organization.	p. 68
303-3 Water withdrawal	Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third party water.	p. 69
	Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable: i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third party water, and a breakdown of this total by the withdrawal sources listed in i-iv.	p. 69
	A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories: i. Freshwater (≤1,000 mg/L Total Dissolved Solids); ii. Other water (>1,000 mg/L Total Dissolved Solids).	p. 69
305-1 Direct (Scope 1) GHG emissions	Gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent.	p. 68
305-2 Energy indirect (Scope 2) GHG emissions	Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent.	p. 68
	Gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent.	p. 68
305-3 Other indirect (Scope 3) GHG emissions	Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent.	p. 68

GRI standard reference	Quantitative indicators assured	Report page
305-4 GHG emissions intensity	GHG emissions intensity ratio for the organization.	p. 68
306-3 Waste generated	Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.	p. 70
308-1 New suppliers that were screened using environmental criteria	Percentage of new suppliers that were screened using environmental criteria.	p. 53, 107
401-1 New employee hires and employee turnover	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	p. 86
	Total number and rate of employee turnover during the reporting period, by age group, gender and region.	p. 87
401-3 Parental leave	Total number of employees that were entitled to parental leave, by gender.	p. 81
	Total number of employees that took parental leave, by gender.	p. 81
	Total number of employees that returned to work in the reporting period after parental leave ended, by gender.	p. 81
	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.	p. 81
	Return to work and retention rates of employees that took parental leave, by gender.	p. 81
404-1 Average hours of training per year per employee	Average hours of training that the organization’s employees have undertaken during the reporting period, by: i. gender; ii. employee category.	p. 88
404-3 Percentage of employees receiving regular performance and career development reviews	Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	p. 88
405-1 Diversity of governance bodies and employees	Percentage of individuals within the organization’s governance bodies in each of the following diversity categories: i. gender; ii. age group: under 30 years old, 30-50 years old, over 50 years old.	p. 85
	Percentage of employees per employee category in each of the following diversity categories: i. gender; ii. age group: under 30 years old, 30-50 years old, over 50 years old.	p. 84, 85
414-1 New suppliers that were screened using social criteria	Percentage of new suppliers that were screened using social criteria.	p. 53, 107
SASB TC-SI-130a.1 (1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Total amount of energy consumed as an aggregate figure, in gigajoules (GJ).	p. 68
	Percentage of energy consumed that was supplied from grid electricity.	p. 67
	Percentage of energy consumed that was renewable energy.	p. 67

SUSTAINABILITY continued

Independent practitioner's limited assurance report continued

on selected aspects in the Temenos Sustainability Report 2024 as at 31 December 2024 to the Board of Directors of Temenos AG, Grand-Lancy

Appendix 1 – Selected non-financial indicators included in the Sustainability Report 2024 to the Board of Directors of Temenos AG continued

GRI standard reference	Quantitative indicators assured	Report page
SASB TC-SI-130a.2 (1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Amount of water, in thousands of cubic metres, withdrawn from all sources.	p. 69
	Amount of water, in thousands of cubic metres, consumed in operations.	p. 69
	Water withdrawn in locations with High or Extremely High Baseline Water Stress as a percentage of the total water withdrawn.	p. 69
	Water consumed in locations with High or Extremely High Baseline Water Stress as a percentage of the total water consumed.	p. 69
SASB TC-SI-330a.2 Employee engagement as a percentage	Employee engagement as a percentage.	p. 78
SASB TC-SI-330a.3 Gender and racial/ethnic group	Percentage of gender representation and diversity group representation, among its employees for: (a) executive management; (b) non-executive management; (c) technical employees; and (d) all other employees.	p. 84-85

Goals and targets

Operating Responsibly

Indicates target achieved

Ethical business conduct and governance

Indicator	2022	2023	**2024**	2025 target
Percentage of completion of Business Code of Conduct and mandatory compliance trainings	97.3%	99.2%	**99.9%**	>97%

Information security

Indicator	2022	2023	**2024**	2025 target
ISO 27001 certification coverage	13 locations	14 locations	**14 locations**	To continue to expand the scope in order to include new locations/acquisitions based on the business needs and directives from management.
ISO 27017/ISO 27018 certification coverage	10 locations	13 locations	**13 locations**	To continue to integrate newly acquired companies, if any, and certify new locations as required.
EU Cloud Code of Conduct	Level 1 compliance	Level 2 compliance	**Level 2 compliance**	To maintain program compliance.

Responsible procurement

Indicator[1]	2022	2023	**2024**	2025 target
Percentage of suppliers assessed that have commitment to ESG targets	60%	73%	**64%**	100%
Sustainability assessment for all tier 1 suppliers[3]			**80%**	100%
Sustainability assessment for all new suppliers (tier 1, 2 and 3)[2]		23%	**13.5%**	50%
Sustainability assessment for all new tier 2 suppliers[3]			**89.5%**	100%
Sustainability assessment for all new tier 3 suppliers[3]			**29%**	50%
Supplier engagement rate (engaged with data center and IaaS suppliers)			**88%**	100%

1 In 2024, we introduced a new tiering approach to classify our suppliers. In addition, most of our Responsible Procurements had already been achieved in 2023. Therefore, we have decided to disclose slightly different metrics and targets compared to last year. For more information on the achieved targets, please refer to Temenos Annual Report 2023.

2 We exclude suppliers under USD 10,000, which do not have access to data/Temenos systems or provide a product/service that is directly related to products we deliver to our clients.

3 Supplier assessments include screening on both environmental and social criteria.

Achieving Business Excellence

Technology and product innovation

Indicator	2022	2023	**2024**	2025 target
Environmental and social impact of product portfolio – % of total revenue	18.8%	21.5%	**22.8%**	30%

SUSTAINABILITY continued

Goals and targets continued

Caring for the Planet

Indicates target achieved

Environmental management and awareness

Indicator	2022	2023	2024	2025 target	2030 target
Roll out EMS to additional locations and increase the ISO 14001:2015 certification coverage	7 offices	7 offices	**8 offices**[4]	8 offices	10 offices
Increase global waste diversion from landfill	78%	73%	**78%**	80%	90%
Percentage of per capita water consumption for certified ISO 14001 offices, compared to 2018 baseline (first certification) reduction	72%	72%	**61%**	75%	80%
Organize sustainable events[5]	1 event	2 events	**5 events**	4 events	12 events

4 We have implemented an ISO 14001:2015 certified EMS in our eight biggest offices: four in India, one in Romania, one in Luxembourg, one in the UK and one in Dubai.

5 Results displayed annually represent the cumulative count of sustainable events since 2022.

Energy

Indicator	2022	2023	2024	2025 target	2030 target
Percentage of per capita energy consumption for certified ISO 14001 offices, compared to 2018 baseline (first certification) reduction	45%	37%	**34%**	50%	
Percentage of annual sourcing of renewable electricity use in Temenos internal operations (offices and owned data centers)	18.2%	86%	**86%**	80%	100%

Climate change strategy
Business Ambition for 1.5°C

Indicator	2022	2023	2024	2025 target	2030 target
Get validation of Science Based Targets initiative (SBTi) for the reduction of GHG emissions	Official validation	–	**–**	Target revision	
SBTi target: percentage of absolute Scope 1 and 2 GHG emissions reduction, compared to 2019 baseline	17.7%	90.7%	**90.9%**	25.2%	50%
SBTi target: percentage of absolute Scope 1, 2 and 3 GHG emissions reduction, compared to 2019 baseline[6]	1.7%	31.3%	**59.1%**[7]	25.2%	50%

6 Since 2022, data includes all relevant Scope 3 categories aligned with the SBTi. Our Scope 3 target boundary covers 68.6% of total Scope 3 emissions, in line with the SBTi criteria, representing 31,338 tCO_2e for 2019.

7 We have adopted a new methodology for calculating Scope 3 emissions, specifically for Categories 3.1 (purchased goods and services) and 3.2 (capital goods).

Investing in Our People

Indicates target achieved

Gender diversity

Indicator[8]	2022	2023	**2024**	2025 target	2030 target
Women in the Temenos total headcount	36%	35%	**35%**	36%	40%
Women in all management positions, including junior, middle and senior management (as % of total management workforce)	33%	33%	**32%**		
Women in junior management positions[9], i.e. first level of management (as % of total junior management positions)	44%	46%	**30%**		
Women in top management positions, one level away from the CEO (as % of total top management positions)	43%	50%	**57%**		
Women in top management positions, two levels away from the CEO (as % of total top management positions)	29%	34%	**34%**		
Women in management positions in revenue-generating functions[10] (e.g. Sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	28%	28%	**29%**		
Women in STEM-related positions[10] (as % of total STEM positions)	35%	35%	**35%**		

8 To have a consistent year-on-year increase of at least 1% on all indicators.

9 Junior level employees who have at least one reporting line.

10 Based on employee cost center.

Racial diversity

Indicator	2022	2023	**2024**	2025 target
Asian, Black or African American, Hispanic or Latino, or other races/ethnicities in the US total headcount	41%	43%	**47%**	>40%

Wellbeing at work

Indicator	2022	2023	**2024**	2025 target
Percentage of actively engaged employees[11]	76%	76%	**78%**	78%
Number of wellbeing activities	–	316	**309**	>300

11 The way we measure the percentage of actively engaged employees changed slightly compared to prior year. For further details see page 78.

SUSTAINABILITY continued

Goals and targets continued

Empowering Our Local Economies and Communities

Indicates target achieved

Digital inclusion and innovation

Indicator	2022	2023	2024	2025 target
Number of students reached/benefited through the Adopt-iT CSR India Program, since the program was launched	34,347	36,694	**56,660**	50,000

Volunteering and community service

Indicator	2022	2023	2024	2025 target[12]
Percentage of volunteers[12] (% of the total headcount of the year)	16.6%	20.7%	**12.6%**	>20%

12 Employees that participated to at least one volunteering activity.

Employee fundraising and corporate matching

Indicator	2022	2023	2024	2025 target
Percentage of India employees' funds raised and Company matched – Adopt a Kid since program launch	73%	89%	**100%**	100%

International standards and certifications

	2024 goals	Progress against 2024 goals	2025 goals	2026 goals
ISO/IEC 27001:2022 Information Security Management System	The certification will be upgraded to ISO 27001:2022 standards by the end of 2024.	The certification has been upgraded to ISO 27001:2022 standards, as per the plans.	To sustain the existing certification and expand the scope based on business needs.	To continue to expand the scope based on the business needs in order to include new locations/acquisitions based on the business needs and directives from management.
ISO 27017:2015 Cloud Information Security **ISO 27018:2019** Protection of Personally Identifiable Information (PII) in Public Clouds	To sustain the existing certification and expand the scope based on business needs.	The certification has been maintained as per the plans.	To sustain the existing certification and expand the scope based on business needs.	To continue to integrate newly acquired companies, if any, and certify new locations as required.
ISO 22301:2019 Business Continuity Management	Surveillance audit and Change to Approval (CTA) for activities per location in scope of ISO 22301:2019 certificate.	Successful completion of surveillance and CTA audit.	To renew the ISO 22301:2019 certificate.	To maintain the ISO 22301:2019 certificate and complete successfully the annual surveillance audit.
ISO 9001:2015 Quality Management System	To include Hyderabad location during the recertification audits in 2024.	Hyderabad location has now been included in the scope of certification, as per the plans.	To sustain the existing certification and expand the scope based on business needs.	To extend ISO 9001 and CMMI certifications to new locations and remove locations from scope, as deemed appropriate for business reasons.
ISO 20121:2012 Sustainable Event Management System	Maintain ISO 20121 certification for corporate events planned in 2024.	Certification has been successfully maintained as planned.	Certification and verification by an external certification organization of the two largest external Temenos events: Temenos Kick Off (TKO) and the Temenos Community Forum (TCF).	Organize sustainable and carbon-neutral events.
ISO 14001:2015 Environmental Management	Maintain the existing certification and expand it to an additional office based on headcount.	Recertified seven existing offices under ISO 14001:2015 while continuously improving the Environmental Management System (EMS). Successfully obtained ISO 14001 certification for the Dubai office for the first time.	To obtain certification for a total of eight Temenos offices based on headcount.	Maintain current certifications and assess opportunities to expand the scope to additional locations based on business needs.
AICPA SOC Service Provider Security SOC 1 Type 2 SOC 2 Type 2 CSA-CCM	To maintain ongoing SOC 1, SOC 2 and SOC 3 attestation reports for all Temenos cloud delivery centers. To continue inclusion of CSA-CCM compliance attestation into SOC 2 report. To expand the scope to meet new regulatory and business requirements.	SOC and CSA-CCM compliance attestations maintained. SOC 2 report includes five trust service criteria. Scope of the SOC report has been expanded accordingly.	To maintain ongoing SOC 1, SOC 2 and SOC 3 attestation reports for all Temenos cloud delivery centers. To continue inclusion of CSA-CCM compliance attestation into SOC 2 report. To continue to expand the scope to meet new regulatory and business requirements.	To continue the global SOC 2 Type 2 and SOC 1 Type 2 reporting. To integrate and align newly acquired companies – if any – to Temenos standard set of security and privacy controls.

SUSTAINABILITY continued

International standards and certifications continued

	2024 goals	Progress against 2024 goals	2025 goals	2026 goals
CSA-STAR Certificate/ Cloud Security Alliance – Cloud Controls Matrix	To maintain compliance with CSA-STAR Certificate Level 2.	CSA-STAR certificate Level 2 audit was obtained in Q1 2024 and was maintained throughout the year. Temenos achieved the CSA "Trusted Cloud Provider" mark.	Maintain compliance with CSA-STAR Level 2.	To examine the requirements for obtaining CSA-STAR Certificate, Level 3 for Temenos and newly acquired companies, and proceed accordingly.
PCI-DSS level 1 Payment Card Industry – Data Security Standard	To maintain existing certificates and compliance with PCI-DSS standards. Extend as applicable the PCI-DSS program.	PCI-DSS certificate for Temenos Cloud Americas, Azure platform obtained. Temenos AWS platform certification also achieved.	To maintain existing certificates and compliance with PCI-DSS standards. Extend as applicable the PCI-DSS program.	To further extend PCI-DSS certificate. To complete the readiness assessment against PCI – Secure Software Framework and PCI – Secure Software standards. Prepare to attain industry certification.
ISO 20000-1:2018 IT Service Management System	To sustain and expand the scope based on business needs.	The certification has been sustained through the surveillance audits conducted in October 2024.	To continue to sustain and expand the scope based on business needs.	To sustain and expand the scope based on business needs.
EU Cloud Code of Conduct	To maintain program compliance.	Temenos has finalized the submission of all required information and documentation in order to maintain the Level 2. Report is expected to be issued in January 2025.	To maintain program compliance.	Maintain program compliance.
EU-US Data Privacy Framework (DPF) Program	Expedite the self-certification process of compliance with the EU-US DPF framework benefiting from the sets of reliable mechanisms and strengthened safeguards for personal data transfers to the US in compliance with the EU privacy principles and law.	Temenos will examine in 2025 the business requirement for obtaining the respective certificate and proceed accordingly.	Maintain program compliance (if obtained).	Maintain program compliance.
CMMI CL3 (Capability Level 3) for support (PACS)	To retain the CMMI CL3 certification for support, through the scheduled re-appraisal in 2024.	CMMI CL3 has been upgraded to Maturity Level 3 (ML3) for PACS and maintenance has also been included into the scope. The version of the CMMI has also been upgraded to V3.0. Now Temenos is CMMI ML3 V3.0 Svc for PACS and maintenance.	To continue the efforts to sustain the certification.	To continue the efforts to sustain the certification.
CMMI ML3 (Maturity Level 3) for product			To retain the CMMI ML3 certification for product. Upgrade to V3.0 of CMMI. Include new domains as per the business' needs.	

APPENDIX

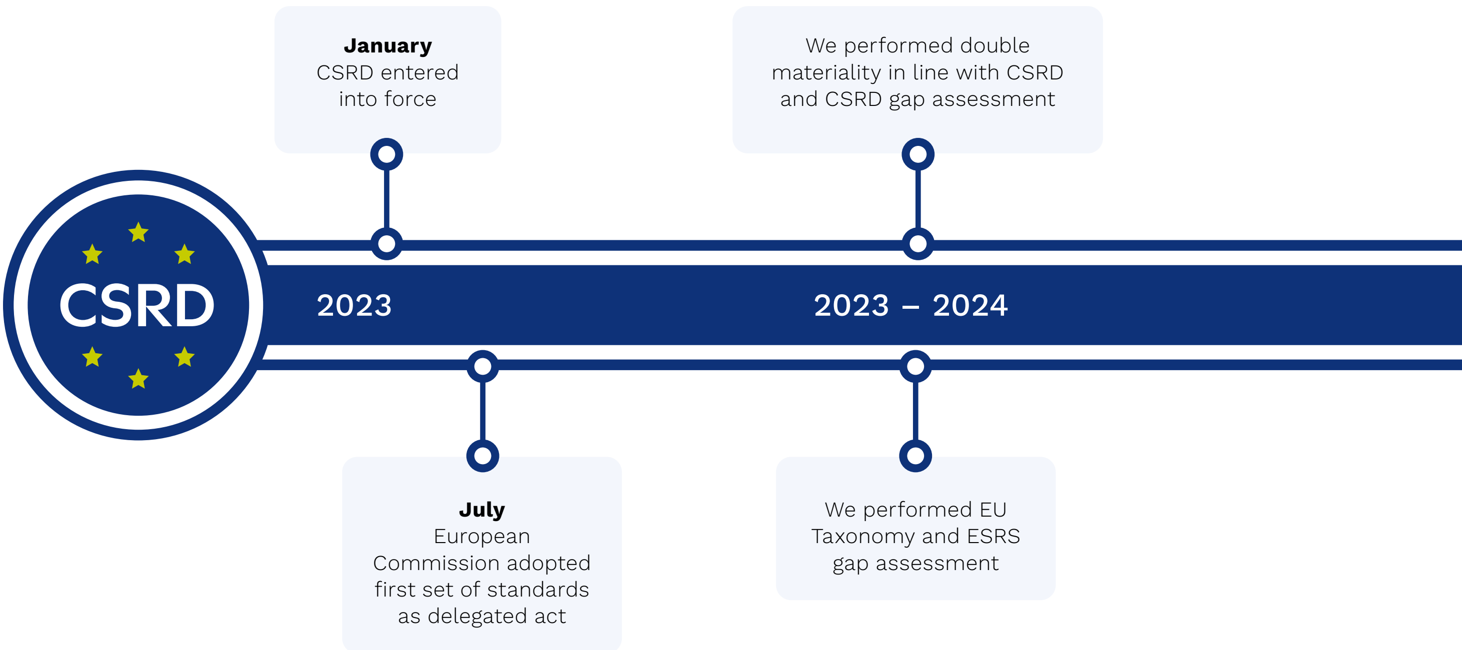
Developments in ESG reporting: Preparing for CSRD

High-quality data and transparent reporting are critical drivers of our corporate action on our ESG issues. They help us track progress against targets, and increase transparency to enable decision making by investors, clients, suppliers and all our stakeholders.

As part of the European Green Deal, the Corporate Sustainability Reporting Directive (CSRD) entered into force on 5 January 2023 with the main goal of revising and strengthening the previous rules concerning sustainability reporting. The European Sustainability Reporting Standards (ESRS) define disclosure requirements encompassing the complete range of environmental, social and governance topics and were developed to have a very high level of interoperability with other global standards.

In 2023, Temenos conducted a comprehensive gap assessment that enabled the Company to gain a deep understanding of the ESRS requirements, identify the gaps in its current reporting in relation to the future ESRS requirements and define a clear implementation roadmap. In 2024, the Company requested its external auditor, PwC, to review and provide high-level observations on its current practices and interpretation of the ESRS requirements, specifically focusing on data points related to the material topics.

These actions have already resulted in improved data quality and progress towards alignment with ESRS, laying a strong foundation for future readiness to meet the expanded scope of data points required for CSRD compliance.



APPENDIX continued

EU Taxonomy

Assessment of EU Taxonomy eligibility and alignment

As identified in the previous reporting period of 2023, operations related to Temenos SaaS were identified to be EU Taxonomy eligible, falling under the definition of economic activity 8.1, "Data processing, hosting and related activities", and aiming at contributing to climate change mitigation (CCM) (Annex I to the Climate Delegated Act 2021/2139).

In 2024, activity 8.1 generated revenue through the provision of SaaS services to banks and financial institutions as well as capital and operating expenditures related to investments and maintenance operations on IT infrastructure. The proportion of Taxonomy-eligible Group revenue for economic activity 8.1 was calculated as the portion of net revenue from the related SaaS services (numerator) divided by total Temenos' Group net revenue (denominator) resulting in a total Taxonomy-eligible revenue proportion of 21.37%.

The criteria for EU Taxonomy alignment of activity 8.1 were not met in FY-24. Temenos is currently progressing to fulfill the criteria set out in the Taxonomy regulation, thereby aiming to increase the share of alignment in the years to come.

In particular, the substantial contribution criteria – (1) the implementation of all expected practices of the European Code of Conduct for data centers; (2) their verification by an independent third party; and (3) not exceeding the threshold of 675 global warming potential (GWP) with the refrigerants used in the data centers – are currently not fully met by Temenos' data centers operators globally. Moreover, the following "Do No Significant Harm" (DNSH) criteria need to be met in order to declare activity 8.1 aligned:

- **Climate change adaptation.** A climate risk assessment is conducted to identify potential physical climate risks that may affect the performance of the economic activity and adaptation solutions are implemented to reduce those risks.
- **Sustainable use and protection of water and marine resources.** The undertaking has identified the environmental degradation risks related to water quality and has developed a protection management plan for the potentially affected water bodies.
- **Transition to a circular economy.** To comply with this criteria the undertaking has to demonstrate all of the following:
  - the equipment used meets the requirements laid down in Directive 2009/125/EC;
  - the equipment used does not contain the restricted substances listed in Annex II to Directive 2011/65/EU;
  - a waste management plan is in place and ensures maximal recycling at end of life of electrical and electronic equipment; and
  - at its end of life, the equipment undergoes preparation for reuse, recovery or recycling operations, or proper treatment.

Acknowledging the complexity of these criteria, Temenos is actively working to implement measures ensuring compliance. In line with this effort, a comprehensive assessment is scheduled to identify necessary actions for addressing current gaps.

Temenos has evaluated the capital expenditure (CapEx) and operational expenditure (OpEx) required to enhance the energy efficiency of its offices. This primarily involves installing, replacing and maintaining LED lighting, HVAC systems and low water/energy consuming kitchen and sanitary water fittings. These actions fall under the Taxonomy-eligible activity 7.3, "Installation, maintenance and repair of energy efficiency equipment", which contributes to climate change mitigation as defined in Annex I of the Climate Delegated Act 2021/2139. Temenos is currently assessing the alignment criteria set out in the regulation. While Temenos activities fulfill the substantial contribution criteria, achieving full alignment with the "Do No Significant Harm" (DNSH) criteria requires additionally addressing the following:

- **Climate change adaptation.** A climate risk assessment is conducted to identify potential physical climate risks that may affect the performance of the economic activity and adaptation solutions are implemented to reduce those risks.
- **Pollution prevention and control.** The activity must not result in the production or use of several hazardous substances, listed in the Appendix C of the Climate Delegated Act (2021/2139).

Finally, the last step of alignment assessment involves compliance with the social minimum safeguards which require the undertaking to have in place procedures that ensure the alignment with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Temenos is committed to operating in accordance with these international standards, as described in the Group's Business Code of Conduct and together with external consultancies it is currently evaluated to document our compliance.

Temenos has been voluntarily disclosing information on the EU Taxonomy reporting. Going forward, and in line with our upcoming regulatory obligations, we are working on gradually fulfilling the technical screening criteria and continuing to report our Taxonomy-aligned economic activities.

			Revenue		CapEx		OpEx	
Activity	No.	Objective	Amount USDm	**EU Taxonomy eligible %**	Amount USDm	**EU Taxonomy eligible %**	Amount USDm	**EU Taxonomy eligible %**
Installation, maintenance and repair of energy efficiency equipment	7.3	CCM	–	**–**	0.4	**0.46%**	3.5	**0.43%**
Data processing, hosting and related activities	8.1	CCM	223.1	**21.37%**	5.2	**5.58%**	59.6	**7.34%**
Temenos overall operations			1,044.1		92.6		812.9	

→ For a more detailed view of how we engage with our stakeholders and what their key concerns are, please refer to the stakeholder groups section

ESG double materiality assessment

Stakeholder engagement

At Temenos, we believe that strong stakeholder relationships are essential for our success and for creating lasting positive impact. We actively nurture open and constructive dialog with our key stakeholders, fostering trust, cooperation and mutual benefit. This ongoing engagement informs our strategic business decisions, shapes our corporate policies and activities and helps us define our ESG focus areas. By working in partnership with stakeholders which share our commitment, we set meaningful targets and transparently document our progress in the Temenos Annual Report, ensuring accountability and continuous improvement.

Stakeholder groups	Priority areas
Employees Frequency: daily	Investing in Our People Empowering Our Local Economies and Communities Caring for the Planet Operating Responsibly
Clients Frequency: daily	Achieving Business Excellence Operating Responsibly Caring for the Planet
Investors – research analysts Frequency: weekly	All priority areas
Suppliers and Partners Frequency: daily	Operating Responsibly Caring for the Planet
Local communities and NGOs Frequency: monthly	Empowering Our Local Economies and Communities
Academic community Frequency: daily	Investing in Our People Empowering Our Local Economies and Communities
Media and industry analysts Frequency: daily	All priority areas

Double materiality assessment: aligning strategy with sustainability

To identify our most material sustainability issues, Temenos conducted a double materiality assessment in 2023, collaborating with an independent third party and adhering to the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). This process involved:

- engaging key stakeholders: we identified and prioritized shareholders, customers, suppliers, employees, communities, financial institutions and state bodies;
- mapping risks and opportunities: we evaluated environmental, social and financial impacts, risks and opportunities (IROs) across varying time horizons;
- impact and financial assessments: we conducted internal workshops and stakeholder surveys to assess IROs based on scale, scope and irremediability (for impacts) and likelihood and magnitude (for financial effects); and
- defining relevance: we established thresholds to confirm material topics and their inclusion in our Sustainability Report.

The assessment enabled Temenos to develop a double materiality matrix and table, which integrated impact and financial materiality scores. For a more detailed overview, refer to the Temenos Annual Report 2023.

Key insights from double materiality

- Material topics identified: among the 21 topics deemed material to the organization, 12 promote positive impacts across environmental, economic and social dimensions, while 9 have potential negative impacts.
- Financial materiality: we identified 7 financial opportunities and 14 financial risks, linking them to the organization's material topics.
- Double materiality matrix: we combined impact and financial materiality scores to determine priority topics. Eleven material topics (seven ESRS and four Company-specific) met the defined threshold for inclusion in the Sustainability Report.

Informing strategy and driving impact

Temenos recognizes the dynamic nature of the double materiality assessment. The results go beyond compliance and play a pivotal role in refining our sustainability strategy. Insights from stakeholders help us focus on critical issues, adopt a proactive approach and enhance long-term performance across economic, environmental and social dimensions.

The next double materiality assessment is scheduled for next year to ensure continued alignment with CSRD requirements and stakeholder expectations.

APPENDIX continued

Stakeholder groups

Stakeholder groups	Examples of engagement	Stakeholder key concerns	Location in report
Employees Frequency: daily	• Employee surveys: employee engagement survey, dedicated wellbeing survey • Performance management: talent review, Talent Cards and growth plans, 360° feedback survey, job shadowing, mentoring, coaching, talent mobility • Talent and learning: Temenos Learning Hub (TLH), Temenos Learning Community (TLC), leadership development training • Internal communications: Microsoft 365 tools, SharePoint intranet, Viva Engage, video updates, targeted newsletters, townhalls and live-streamed events with leaders, always-on "Bright Ideas" feedback platform • Wellbeing: Wellbeing hub, wellbeing webinar series, wellbeing pilots, Wellbeing Weeks, health and safety, special leaves, referral bonus, hybrid working, working from anywhere • Global mobility • Employee recognition: T-Stars, Culture Champion Awards, the Club, Hackathons • Employee communities: Mission Earth Team, Women@Temenos, Parents@Temenos, ¡ALMA!, The Souls by Temenos, LGBTQIA+ community • Temenos Business Code of Conduct and linked policies • Compliance training • Anonymous reporting mechanism • Employee CSR volunteering and fundraising matching scheme	• People experience • Talent and learning • Internal communications • Employee pay and benefits • Employee engagement • Employee recognition • Diversity, equity and inclusion • Talent mobility • Wellbeing at work • Purpose-driven talent management • Environmental management and awareness • Information security, cybersecurity, data privacy and business continuity	Investing in Our People Empowering Local Economies and Communities Caring for the Planet Operating Responsibly
Clients Frequency: daily	• Product Innovation Board and Steering Committees • Annual Temenos Community Forum (TCF) • Annual Temenos Kick Off Meeting (TKO) • Annual Partners' Meeting • Temenos Learning Community (TLC) • Temenos Exchange • Temenos Ambassador Program • Newsletters, marketing updates and social media • Customer support portal • Internal and external audits • Temenos Security and Privacy Committee • Business Code of Conduct, data privacy and protection and corporate security policies • Temenos Carbon Emissions Calculator • Corporate website • ESG indices and ratings	• Client communication • Client satisfaction • Customer support • Quality, security and responsibility in delivery and implementation • Cybersecurity, data privacy and business continuity	Achieving Business Excellence Operating Responsibly Caring for the Planet

Stakeholder groups	Examples of engagement	Stakeholder key concerns	Location in report
Investors – research analysts Frequency: weekly	• Annual General Meeting of Shareholders (AGM) • Annual Capital Markets Day (CMD) • Roadshows, investor and analyst visits, meetings, calls • Financial press releases, videos, webcasts and social media • Annual Report • Corporate website • Business Code of Conduct and linked policies • ESG indices and ratings	• Economic performance • Transparent and ethical corporate governance • Accurate, timely and responsible communication	Annual Report
Suppliers and Partners Frequency: daily	• Annual Temenos Community Forum (TCF) • Annual Temenos Kick Off Meeting (TKO) • Annual Partners' Meeting • Responsible procurement framework • Supplier diversity framework • Temenos Learning Community (TLC) • Temenos exchange • Trainings and seminars • Procurement policies • Audits and risk assessments • Event sustainability management system	• Ethical and responsible business conduct • Long-term partnership	Operating Responsibly Caring for the Planet
Local communities and NGOs Frequency: monthly	• Cooperation with NGOs • Community service and employee volunteering • Employee fundraising • Community investment projects • Scholarships • Internships • Social media • Temenos Financial Inclusion	• Access to education and jobs • Improve local living conditions • Support in emergency situations	Empowering Local Economies and Communities
Academic community Frequency: daily	• Services Incubation Center • Temenos Services Masterclass • Temenos Innovation Labs • Temenos developer community • Hackathons • Scholarships • Collaboration in research programs • Lectures, presentations, company visits • Career days • Social media	• Collaboration and job opportunities • Joint research and development projects	Investing in Our People Empowering Local Economies and Communities
Media and industry analysts Frequency: daily	• Temenos events • Roadshows, visits, meetings, calls • Press releases, videos, webcasts, blogs and social media • Annual Report • Corporate website	• Accurate, timely and responsible communication	Annual Report

APPENDIX continued

UN Global Compact Index

The table below describes the location of relevant report content for each of the UN Global Compact's ten principles.

Principle	Description	Report section	GRI Standards/SASB metrics
Human rights			
1	Businesses should support and respect the protection of internationally proclaimed human rights.	Investing in Our People	2-23, 2-24, 2-25, 2-27, 2-28, 203-1, 205-2
2	Make sure they are not complicit in human rights abuses.	Investing in Our People	2-16, 2-26, 406-1, 414-1
Labor			
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Investing in Our People	2-30
4	The elimination of all forms of forced and compulsory labor.	Investing in Our People	409-1
5	The effective abolition of child labor.	Investing in Our People	408-1
6	The elimination of discrimination in respect of employment and occupation.	Investing in Our People	401-1, 404-1, 404-3, 405-1, 406-1/TC-SI-330a.3
Environment			
7	Businesses should support a precautionary approach to environmental challenges.	Caring for the Planet	302-1, 302-3, 303-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 306-5/ TC-SI-130a.1, TC-SI-130a.2, TC-SI-130a.3
8	Undertake initiatives to promote greater environmental responsibility.	Caring for the Planet	302-1, 302-3, 303-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 306-5, 308-1/ TC-SI-130a.1, TC-SI-130a.2, TC-SI-130a.3
9	Encourage the development and diffusion of environmentally friendly technologies.	Caring for the Planet	302-1, 302-3, 303-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-3, 306-4, 306-5, 308-1/ TC-SI-130a.3
Anti-corruption			
10	Businesses should work against corruption in all its forms, including extortion and bribery.	Operating Responsibly	2-23, 2-26, 205-2, 205-3, 206-1

Disclosures in accordance with Art. 964b Swiss Code of Obligations

Art. 964b requirement	Reference
General information required to understand our business	Annual Report: Overview; Temenos banking platform; Group Structure and Shareholders; Responsible Procurement
Description of the business model	Our strategy; Temenos banking platform; Our Governance Framework; Sustainability Governance
Environmental matters (incl. CO_2 goals)	Caring for the Planet
Social issues	Investing in Our People; Empowering Our Local Economies and Communities
Employee-related issues	Investing in Our People; Operating Responsibly
Respect for human rights	Ethical Business; Ethical Business Conduct Monitoring and Reporting; Maintaining Robust Risk Management
Combating corruption	Ethical Business; Ethical Business Conduct Monitoring and Reporting; Anti-Corruption and Bribery; Operating Responsibly: Human Rights
Material risks	ESG Double Materiality Assessment; Maintaining Robust Risk Management
Main performance indicators	Goals and Targets; Investing in Our People: Diversity Dashboard; Caring for the Planet: Environmental Dashboard
References to national, European or international regulations	Preparing for CSRD; EU Taxonomy; Operating Responsibly: Human Rights; About this Report
Coverage of subsidiaries	Group Companies; Segment information

GRI content index

GRI 1: Foundation

GRI 1: Foundation statement of use	Unless otherwise indicated, the information provided in this report reflects the situation as of 31 December 2024 and covers all Temenos operations globally during FY-24. The report is prepared in accordance with the Global Reporting Initiative (GRI) Standards and is mapped to the Sustainability Accounting Standards Board (SASB) Software and IT Services Sustainability Accounting Standard
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI sector standards	No applicable GRI sector standard(s)

GRI 2: General Disclosures 2021	Reference	Notes and omissions	External assurance
1. The organization and its reporting practices			
2-1 Organizational details	About this Report; Group Structure and Shareholders; Temenos World Offices		✓
2-2 Entities included in the organization's sustainability reporting	Temenos World Offices		✓
2-3 Reporting period, frequency and contact point	About this Report		✓
2-4 Restatements of information	About this Report		✓
2-5 External assurance	Independent Assurance Report		✓
2. Activities and workers			
2-6 Activities, value chain and other business relationships	About this Report; Annual Report: Overview; Temenos banking platform; Group Structure and Shareholders; Group Companies; Segment information; Responsible Procurement		✓
2-7 Employees TC-SI-330a.3 (gender only)	About this Report; Diversity Dashboard		✓
2-8 Workers who are not employees TC-SI-330a.3	About this Report; Diversity Dashboard		✓
3. Governance			
2-9 Governance structure and composition	Our Governance Framework; Sustainability Governance		✓
2-10 Nominating and selecting the highest governance body	Our Governance Framework; corporate website		✓
2-11 Chair of the highest governance body	Message from the Chairman and CEO; Our Governance Framework; Internal Organizational Structure		✓
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance; Our Governance Framework; Maintaining Robust Risk Management		✓

APPENDIX continued

GRI content index continued

GRI 2: General Disclosures 2021		Reference	Notes and omissions	External assurance
3. Governance continued				
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance; Business Code of Conduct		✓
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance		✓
	2-15 Conflicts of interest	Conflict of Interest and Related Party Transactions		✓
	2-16 Communication of critical concerns	Ethical Business Conduct Monitoring and Reporting		✓
	2-17 Collective knowledge of the highest governance body	Sustainability Governance		✓
	2-18 Evaluation of the performance of the highest governance body		We have plans to incorporate ESG targets in executive compensation.	
	2-19 Remuneration policies	Compensation Report	Partially reported this year. We have planned to incorporate ESG targets in executive compensation.	
	2-20 Process to determining remuneration	Audit Committee; Compensation Committee	Partially reported this year. Currently, we do not publicly disclose the results of votes of stakeholders. Confidential information.	
	2-21 Annual total compensation ratio		Median annual total compensation not disclosed. Confidential information.	
4. Strategy, policies and practices				
	2-22 Statement on sustainable development strategy	Message from the Chairman and CEO		✓
	2-23 Policy commitments	Ethical Business; Human rights due diligence process and mitigation measures; Human Rights; Maintaining Robust Risk Management; corporate website; Environmental Responsibility		✓
	2-24 Embedding policy commitments	Ethical Business; Ethical Business Conduct Monitoring and Reporting; Anti-Corruption and Bribery; Maintaining Robust Risk Management		✓
	2-25 Processes to remediate negative impacts	Ethical Business Conduct Monitoring and Reporting; Human Rights		✓
	2-26 Mechanisms for seeking advice and raising concerns	Ethical Business Conduct Monitoring and Reporting		✓
	2-27 Compliance with laws and regulations	Environmental Responsibility; Anti-Corruption and Bribery		✓
	2-28 Membership of associations	Achievements and endorsements; Human Rights		✓

GRI 2: General Disclosures 2021		Reference	Notes and omissions	External assurance
5. Stakeholder engagement				
	2-29 Approach to stakeholder engagement	Stakeholder Groups		✓
	2-30 Collective bargaining agreements	Freedom of Association and Collective Bargaining		✓

GRI 3: Material Topics 2021	Reference	Notes and omissions	External assurance
3-1 Process to determine material topics	About this Report; ESG Double Materiality Assessment		✓
3-2 List of material topics	About this Report; ESG Double Materiality Assessment		✓
3-3 Management of material topics			✓

Topics standards		Reference	Notes and omissions	External assurance
Business performance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report: Financial Statements		✓
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Impact; Annual Report: financial statements		✓
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report: Governance, financial statements		
	201-4 Financial assistance received from government	Economic Impact		
Social responsibility and community investment				
GRI 3: Material Topics 2021	3-3 Management of material topics	Community Investment; Responsible Procurement		✓
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community Investment		✓
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Responsible Procurement		✓
Ethical business conduct and governance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance Program; Compliance Training; Elimination of Discrimination and Prevention of Harassment; Ethical Business Conduct Monitoring and Reporting		✓
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Compliance Training		✓
	205-3 Confirmed incidents of corruption and actions taken	Ethical Business Conduct Monitoring and Reporting	No confirmed incidents.	

APPENDIX continued

GRI content index continued

Topics standards		Reference	Notes and omissions	External assurance
Ethical business conduct and governance continued				
GRI 206: Anti-Competitive Behavior 2016 SASB: Intellectual Property Protection and Competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practice TC-SI-520a.1	Compliance Program		
GRI 406: Non-Discrimination 2016	406-1 Incidents of non-discrimination and corrective actions taken	Elimination of Discrimination and Prevention of Harassment; Ethical Business Conduct Monitoring and Reporting		
Tax strategy and governance				
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate website: Tax Strategy and Governance		
GRI 207: Tax 2019	207-1 Approach to tax	Corporate website: Tax Strategy and Governance		
	207-2 Tax governance, control and risk management	Corporate website: Tax Strategy and Governance		
	207-3 Stakeholder engagement and management of concerns related to tax	Corporate website: Tax Strategy and Governance		
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility; Environmental Monitoring and Reporting; Energy; Environmental Dashboard; Climate Change Strategy		✓
GRI 302: Energy 2016 SASB: Environmental Footprint of Hardware Infrastructure	302-1 Energy consumption within the organization TC-SI-130a.1	Environmental Responsibility; Environmental Monitoring and Reporting; Energy; Environmental Dashboard		✓
	302-3 Energy intensity	Environmental Dashboard		✓
Water				
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility; Environmental Monitoring and Reporting; Water		✓
GRI 303: Water 2018 SASB: Environmental Footprint of Hardware Infrastructure	303-1 Interactions with water as a shared resource	Environmental Monitoring and Reporting; Water		✓
	303-3 Water withdrawal TC-SI-130a.2	Environmental Monitoring and Reporting; Water; Environmental Dashboard		✓
	303-5 Water consumption	Environmental Monitoring and Reporting; Water; Environmental Dashboard		

Topics standards		Reference	Notes and omissions	External assurance
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility; Environmental Monitoring and Reporting; Waste		
GRI 306: Waste 2020	306-3 Waste generated	Environmental Monitoring and Reporting; Waste; Environmental Dashboard		✓
	306-4 Waste diverted from disposal	Environmental Monitoring and Reporting; Waste; Environmental Dashboard		
	306-5 Waste directed to disposal	Environmental Monitoring and Reporting; Waste; Environmental Dashboard		
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Responsibility; Environmental Monitoring and Reporting; Carbon Footprint; Climate Change Strategy		✓
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Monitoring and Reporting; Carbon Footprint; Environmental Dashboard		✓
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Monitoring and Reporting; Carbon Footprint; Environmental Dashboard		✓
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Monitoring and Reporting; Carbon Footprint; Environmental Dashboard		✓
	305-4 GHG emissions intensity	Environmental Monitoring and Reporting; Carbon Footprint; Environmental Dashboard		✓
	305-5 Reduction of GHG emissions	Environmental Monitoring and Reporting; Carbon Footprint; Environmental Dashboard		
Responsible procurement				
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Procurement		✓
GRI 308: Supplier Environmental Assessment 2016	308-1 Percentage of new suppliers that were screened using environmental criteria	Responsible Procurement		✓
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Procurement		✓
Equal treatment and equal opportunities for all: Talent and development				
GRI 3: Material Topics 2021	3-3 Management of material topics	People Experience: Talent and Learning; People Experience: Performance Management		✓

APPENDIX continued

GRI content index continued

Topics standards		Reference	Notes and omissions	External assurance
Equal treatment and equal opportunities for all: Talent and development continued				
GRI 404: Training and Education 2016 SASB: Recruiting and Managing a Global, Diverse and Skilled Workforce	404-1 Average hours of training per year per employee	Training & development dashboard		✓
	404-3 Percentage of employees receiving regular performance and career development reviews TC-SI-330a.2	Training & development dashboard		✓
Equal treatment and equal opportunities for all: Diversity and inclusion				
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity Dashboard; Diversity, Inclusion and Equal Opportunity; Inclusive Culture; Wellbeing at Work		✓
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Diversity Dashboard		✓
	401-3 Employee parental leave	Wellbeing at Work		✓
GRI 405: Diversity and Equal Opportunity 2016 SASB: Recruiting and Managing a Global, Diverse and Skilled Workforce	405-1 Diversity of governance bodies and employees TC-SI-330a.3 (gender and racial/ ethnic group)	Diversity Dashboard		✓
Equal treatment and equal opportunities for all: Human rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights; Against Forced and Child Labor; Business Code of Conduct; Responsible Procurement		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights; Inclusive Culture: Against Forced and Child Labor; Responsible Procurement		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights; Inclusive Culture: Against Forced and Child Labor; Responsible Procurement		

Topics standards		Reference	Notes and omissions	External assurance
Working conditions: Health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	Wellbeing at Work		✓
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Wellbeing at Work		✓
Information security and data privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	Information Security, Cybersecurity, Data Privacy and Business Continuity; International Standards and Certifications		
GRI 418: Customer Privacy 2016 SASB: Data Security	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data TC-SI-230a.1	Information Security, Cybersecurity, Data Privacy and Business Continuity: Privacy		
	Description of policies and practices relating to behavioral advertising and user privacy TC-SI-220a.1	Information Security, Cybersecurity, Data Privacy and Business Continuity: Privacy		
	Number of users whose information is used for secondary purposes TC-SI-220a.2	Information Security, Cybersecurity, Data Privacy and Business Continuity: Privacy		
SASB: Data Privacy and Freedom of Expression	Total amount of monetary losses as a result of legal proceedings associated with user privacy TC-SI-220a.3	Information Security, Cybersecurity, Data Privacy and Business Continuity: Privacy		
	(1) Number of law enforcement requests for user information, (2) Number of users whose information was requested, (3) Percentage resulting in disclosure TC-SI-220a.4	Information Security, Cybersecurity, Data Privacy and Business Continuity: Privacy		
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering or censoring TC-SI-220a.5	Information Security, Cybersecurity, Data Privacy and Business Continuity: Privacy		

FINANCIAL REVIEW

A strong end to a challenging year

Highlights

Full year highlights (non-IFRS) include:

- Annual Recurring Revenue (ARR) growth of 10% in FY-24
- Total software licensing increase by 2% in FY-24
- EBIT growth of 13% in FY-24
- EPS growth of 23% in FY-24
- Free cash flow grew 20% in FY-24 (new definition including IFRS 16 leases and interest costs)
- Proposed dividend of CHF 1.30 for FY-24 to be voted on at the AGM

Introduction

Opening thoughts

2024 presented a challenging year for the business, despite the stable sales environment, with the short seller attack in Q1 delaying most of our sales processes by at least two months, until the publication of the independent report which refuted the allegations. Once the report was published, clients re-engaged with us and most of our sales processes continued; however, we were unable to recoup the time lost earlier in the year. This led to us revising our revenue guidance when announcing our Q2 results in July, and slightly revising our revenue and FCF guidance again at the Q3 results announcement in October, which was impacted by execution issues in our MEA region. Our EBIT and EPS guidance remained unchanged throughout the year.

In Q4 we rapidly addressed the MEA execution issues and ensured the organization was focused on execution to deliver a strong last quarter of the year, and met or exceeded all of our revised guidance.

I was particularly pleased with the strong growth in ARR, which grew 10% to reach USD 804 million by the end of the year. We have now nearly completed our subscription transition, and our SaaS revenue also grew 9% in the year.

Non-IFRS total revenue was up 4% for the year, and non-IFRS costs were flat year on year, as we saw early benefits from the efficiencies program we launched early in H2 as part of our move to a lean and fit organization, offsetting investment in Sales and Marketing in particular. Our non-IFRS EBIT increased 13% for the year, and our non-IFRS EPS increased by 23% for the year, benefiting from a one-off tax gain.

We also delivered very strong free cash flow growth, up 20% on our new definition of free cash flow which was introduced at the Capital Markets Day in November 2024 to now include IFRS 16 leases and interest costs.

Our DSOs were at 152 days by year end, largely driven by the subscription transition, and we closed the year with USD 114 million of cash on our balance sheet and leverage of 1.3x net debt to non-IFRS EBITDA.

IFRS vs non-IFRS

To ensure that the presentation of results reflects the underlying operating performance of the business, Temenos publishes its key metrics on a non-IFRS basis as well as on an IFRS basis. For key metrics on a non-IFRS basis, where comparable IFRS measures are presented in the consolidated financial statements, a full reconciliation is published between IFRS and non-IFRS measures which highlights the adjustments. Non-IFRS adjustment definitions and reconciliations can be found on page 131.

I was particularly pleased with the strong growth in ARR, which grew 10% to reach USD 804 million by the end of the year.

Key figures

USDm, except EPS	2024	2023
Non-IFRS revenue	**1,044.1**	1,000.2
Non-IFRS EBIT	**354.6**	313.0
Non-IFRS EBIT margin	**34.0%**	31.3%
Total assets	**2,276.7**	2,326.8
Non-IFRS earnings per share (USD)	**3.92**	3.19

Revenues

IFRS

IFRS Group revenues were USD 1,044.1 million for 2024, an increase of 4% versus 2023 on a reported basis.

IFRS total software licensing increased 2% in the year, as we faced both external and internal challenges that impacted execution in the first three quarters, despite a stable sales environment through the year. We saw continued good growth in demand for SaaS, resulting in IFRS SaaS revenue growth of 9%. This was driven by a combination of new logos as well as increased consumption from existing SaaS clients, and despite headwinds due to attrition and down-sell linked to a small number of clients early in the year. We also had a strong acceleration in subscription licenses in the fourth quarter, with management focused on consistency of execution across the business.

IFRS maintenance revenues grew 10% on a reported basis as we benefited from value uplift on renewals of term licenses as subscription, CPI linkages in our contracts and increased sales of premium maintenance. IFRS services revenues declined 3% as we continued to execute on our Partner-first strategy, with more implementation work carried out by our Partners.

Non-IFRS

Total non-IFRS Group revenue in 2024 was USD 1,044.1 million, an increase of 4% compared to 2023 on a reported basis.

Cost base

IFRS

Full year costs on an IFRS basis were USD 812.9 million, up from USD 800.8 million in 2023. Whilst we increased investment in the business in the year, in particular Sales and Marketing and some areas of Research and Development, our cost base benefited from the efficiencies program we launched early in the second half of the year, which was aimed at reducing span-of-control across the business, breaking down silos and increasing collaboration. We also had a benefit from the ongoing improvement in profitability in our services business. Share-based payment charges were USD 50.4 million.

Non-IFRS

Full year costs on a non-IFRS basis were USD 689.5 million, up from USD 687.3 million in 2023. Of the USD 123.4 million difference between the IFRS and non-IFRS cost base, USD 43.4 million is due to adjustments made for the amortization of acquired intangibles costs, USD 50.4 million is due to share-based payment charges and USD 29.5 million is due to the net adjustments made for restructuring costs and M&A-related costs and charges.

FINANCIAL REVIEW continued

EBIT (operating profit) and earnings per share (EPS)

IFRS

Full year IFRS EBIT was USD 231.2 million compared to USD 199.4 million in 2023. IFRS EPS for 2024 was USD 2.43, compared to USD 1.85 in 2023.

Non-IFRS

EBIT on a non-IFRS basis was USD 354.6 million, up from USD 313.0 million in 2023, an increase of 13%. EPS was USD 3.92, up from USD 3.19 in 2023, an increase of 23%.

Non-IFRS EBIT margin was 34.0%, up from 31.3% in 2023.

Cash flows

We changed our definition of free cash flow at our CMD in November, to include IFRS 16 leases and interest costs, bringing us in line with market best practice. We generated free cash flow (new definition) of USD 243.2 million in the year, up 20% from 2023, despite the headwind on free cash flow from the one-off payment related to the third party independent investigation into the short seller allegations. We continue to benefit from our transition to a recurring revenue business model, with maintenance in particular seeing strong growth which, combined with growth in SaaS and subscription, helped to deliver strong free cash flow growth.

DSOs ended the year at 152 days, an increase of 11 days from 2023 largely driven by the transition to a subscription model throughout the year.

Balance sheet and financing

Temenos is highly cash generative with a strong balance sheet which enables:

- organic investment in the business;
- the servicing of our debt obligations;
- share buybacks to ensure capital efficiency of our balance sheet and to return shareholder value;
- funding for selected bolt-on acquisitions;
- the payment of an annual dividend; and
- share buybacks to ensure capital efficiency of our balance sheet and to return shareholder value.

We ended 2024 with a leverage ratio of 1.3x net debt to non-IFRS EBITDA. At our CMD in November 2024, we announced the decision to reduce our leverage target range to 1.0–1.5x going forward, from 1.5–2.0x. This will drive lower interest expense, benefiting free cash flow, and supports our commitment to maintaining our investment grade credit rating of BBB. We will also have capacity to pursue selective inorganic growth opportunities to accelerate our organic growth in line with our M&A strategy if they arise.

Dividend

We have announced a proposed dividend of CHF 1.30 per share for 2024, representing an increase of 8% over last year. This is subject to shareholder approval at the AGM on 13 May 2025. The shares will trade ex-dividend on 15 May 2025 and the dividend record date will be set on 16 May 2025. The dividend will be paid on 19 May 2025. The dividend will be taken from the retained earnings (cash dividend) and is therefore taxable (WHT 35%). Temenos' policy is to distribute a growing dividend.

	Non-IFRS			IFRS		
USDm, except EPS	**2024**	2023	Change	**2024**	2023	Change
Subscription	**193.4**	160.4	21%	**193.4**	160.4	21%
Term license	**34.0**	78.1	-56%	**34.0**	78.1	-56%
SaaS	**223.1**	205.1	9%	**223.1**	205.1	9%
Total software licensing	**450.5**	443.6	2%	**450.5**	443.6	2%
Maintenance	**464.3**	423.7	10%	**464.3**	423.7	10%
Services	**129.3**	132.9	-3%	**129.3**	132.9	-3%
Total revenues	**1,044.1**	1,000.2	4%	**1,044.1**	1,000.2	4%
EBIT	**354.6**	313.0	13%	**231.2**	199.4	16%
EBIT margin	**34.0%**	31.3%	3% pts	**22.1%**	19.9%	2% pts
EPS (USD)	**3.92**	3.19	23%	**2.43**	1.85	31%

Looking forward

We announced new FY-28 targets at our Capital Markets Day in November 2024, and have since adjusted them to exclude any contribution from Multifonds. The implied growth rates have not changed.

Engines of growth

Temenos continues to benefit from multiple drivers of growth, which will enable us to meet our medium-term targets.

The serviceable addressable market of banking spend on third party software is estimated to be USD 23 billion in 2024, growing at around 7% CAGR to reach USD 30 billion in 2028, as banks continue to face increasing cost headwinds, increased regulatory and compliance complexity, an ongoing acceleration in digital interactions and threats from non-incumbents, and the rise of new technology including cloud and Gen AI which are lowering barriers to entry. Spend on public cloud as a deployment model is now expected to grow at 16% CAGR, whilst only contributing USD 3 billion of the USD 23 billion today, compared to SaaS which is now expected to only grow at 12% CAGR, due to the challenging funding environment for fintechs, and lower demand from established banks than previously expected. Tier 3–5 banks (i.e. those with assets of USD 50 billion or less) today account for USD 15 billion of total third party spend, versus tier 1–2 banks (i.e. those with assets of USD 50 billion or more) accounting for USD 8 billion of third party spend, and both are expected to grow at 7% CAGR to FY-28.

We have a well-defined new strategy to deliver above-market growth, focused around three levers: extend our leadership in "best of suite", enhance our modular core solutions, in particular for tier 1–2 banks in retail and corporate, and accelerate adjacent point solutions. We have committed to cumulative gross investments of USD 110–150 million to FY-28 to deliver on our growth ambitions, with the majority of this focused on Sales and Marketing, followed by Research and Development. This will be partially offset by annualized operational efficiencies of c.USD 35 million by FY-28.

Sale of Multifonds

In February 2025 we announced the sale of Multifonds for an enterprise value of around USD 400 million including an earnout. This simplifies our product portfolio and aligns with our strategy to deliver above-market growth by focusing on our three growth levers.

FY-28 targets

We announced new FY-28 targets at our Capital Markets Day in November 2024, and have since adjusted them to exclude any contribution from Multifonds. The implied growth rates have not changed. The FY-28 targets are as follows:

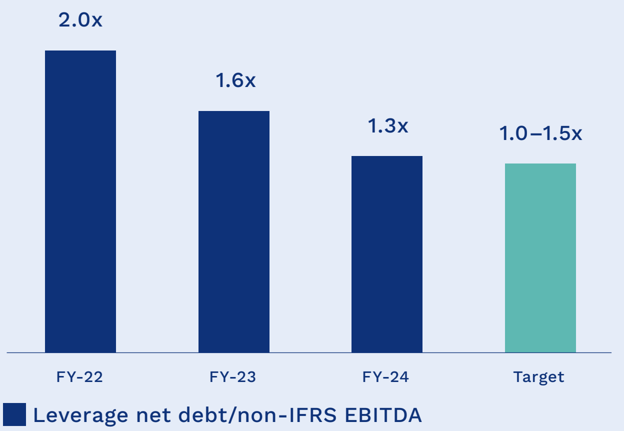
- Annual Recurring Revenue (ARR) to reach at least USD 1.2 billion, implying a 13% CAGR;
- non-IFRS EBIT to reach c.USD 450 million, implying a 10% CAGR; and
- free cash flow (including IFRS 16 leases and interest expense) to reach c.USD 400 million implying a 16% CAGR.

Final remarks

We delivered a strong finish to 2024, despite the various challenges we faced throughout the year. With our new Executive Committee and Senior Leadership Team in place and a clear plan for increased investment in the business, partially self-funded, and having nearly completed our transition to subscription, we are very well set up to deliver strong growth over the coming years.

Panagiotis "Takis" Spiliopoulos
Chief Financial Officer

Target lower leverage ratio of 1.0–1.5x going forward



- Targeting net debt/non-IFRS EBITDA range of 1.0–1.5x, down from 1.5–2.0x
- Weighted average interest cost of 2.1% as of 31.12.24
- Weighted average debt maturity of 1.8 years as of 31.12.24
- Maintain investment-grade credit rating (BBB from Fitch)

FINANCIAL REVIEW continued

Disciplined capital allocation

Organic investment	Investment in the business, in particular S&M and R&D; ability to invest for higher returns organically
Selective bolt-on acquisitions	Selective opportunities to support growth lever C – adjacent point solutions
Share buybacks	Share buybacks to ensure capital efficiency and enhance shareholder returns
Dividends	Shareholder returns through progressive dividend policy reflecting the stability and recurring business model

>1.2 billion free cash flow* expected to be generated FY-24–FY-28

* FCF growth rate is organic and reported. FCF includes the impact of IFRS 16 (lease) and interest expense. FY-28 target implies FY24E–FY-28E FCF CAGR of 16%.

Alternative performance measures (APMs)
The performance of the Group is assessed using a variety of alternative performance measures that are not defined under IFRS and are therefore classified as non-IFRS. The alternative performance measures used by the Group are explained as follows:

Annual Contract Value (ACV)
Annual value of incremental business taken in year. Includes new customers and up-sell/cross-sell. Only includes the recurring element of the contract and excludes variable elements.

Annual Recurring Revenue (ARR)
Annualized contract value committed at the end of the reporting period from active contracts with recurring revenue streams. Includes new customers, up-sell/cross-sell and attrition. Excludes variable elements.

Days sales outstanding (DSO)
Days sales outstanding is the average number of days that receivables remain outstanding. It has been calculated as the closing net trade receivables and contract assets at year end divided by total annual revenue multiplied by 365 days.

USDm	2024	2023
Trade receivables and contract assets – net	**436.1**	387.4
Non-IFRS revenue	**1,044.1**	1,000.2
Number of days per year	**365**	365
Days sales outstanding (DSO) (days)	**152**	141

Free cash flow
Net cash flows from operating activities and cash flows from investing activities associated with capital expenditure on non-current assets (property, plant and equipment, intangible assets and capitalized development costs). The new definition includes IFRS 16 leases and interest costs.

USDm	2024	2023
Net cash generated from operating activities	**363.4**	331.0
Purchase of property, plant and equipment	**(4.9)**	(9.6)
Purchase of intangible assets	**(3.1)**	(2.2)
Capitalized development costs	**(70.3)**	(76.6)
Free cash flow	**285.0**	242.6
Lease payment	**(15.1)**	(15.4)
Interest received	**2.1**	1.9
Interest paid	**(25.3)**	(22.6)
Payment of other financing costs	**(3.5)**	(3.2)
Free cash flow (new)	**243.2**	203.3

Operating cash flow conversion
Cash generated from operations divided by adjusted IFRS EBITDA (adjusted to exclude non-recurring specific items).

USDm	2024	2023
Cash generated from operations	**391.3**	391.5
IFRS EBITDA	**362.1**	330.5
Adjusted IFRS EBITDA	**362.1**	330.5
Operating cash flow conversion (%)	**108**	118

Leverage

Net debt divided by non-IFRS EBITDA.

USDm	2024	2023
Net debt	**(594.7)**	(623.4)
Non-IFRS EBITDA	**441.4**	398.8
Leverage (ratio)	**1.3**	1.6

EBITDA*

Earnings before interest, tax, depreciation and amortization (EBITDA) is defined as operating profit excluding depreciation of property, plant and equipment and amortization of intangible assets.

* Reconciled with comparable IFRS measures.

Reconciliation from IFRS to non-IFRS – EBIT/EBITDA

USDm	2024	2023
IFRS EBIT	**231.2**	199.4
Amortization of acquired intangibles	**43.4**	45.0
Restructuring/M&A-related costs	**29.5**	14.7
Share-based payment	**50.4**	53.9
Non-IFRS EBIT	**354.6**	313.0
IFRS EBIT	**231.2**	199.4
Depreciation and amortization	**130.9**	131.2
IFRS EBITDA	**362.1**	330.5
Restructuring	**28.9**	14.4
M&A-related charges/(credits)	**–**	–
Share-based payment	**50.4**	53.9
Non-IFRS EBITDA	**441.4**	398.8

Reconciliation from IFRS earnings to non-IFRS earnings

USDm	2024	2023
IFRS EBIT	**231.2**	199.4
Finance cost – net	**(21.6)**	(26.5)
Taxation	**(32.4)**	(38.2)
IFRS net earnings (profit)	**177.2**	134.7
Number of shares – diluted (000)	**72,831**	72,633
IFRS EPS (USD)	**2.43**	1.85
IFRS net earnings (profit)	**177.2**	134.7
Amortization of acquired intangibles	**43.4**	45.0
Restructuring/M&A-related costs	**29.5**	14.7
Share-based payment	**50.4**	53.9
Acquisition/investment-related finance cost	**9.3**	4.9
Taxation	**(24.1)**	(21.5)
Non-IFRS net earnings (profit)	**285.8**	231.7
Number of shares – diluted (000)	**72,831**	72,633
Non-IFRS EPS (USD)	**3.92**	3.19

DEFINITIONS

Non-IFRS adjustments

Deferred revenue write-down
Adjustments made resulting from acquisitions.

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

Acquisition/investment-related finance cost
Mainly relates to acquisition and investment-related financing expenses and fair value changes on investments.

Amortization of acquired intangibles
Amortization charges as a result of acquired intangible assets.

Restructuring/M&A-related costs
Costs incurred in connection with a restructuring program or other organizational transformation activities planned and controlled by management, or cost related mainly to advisory fees, integration, separation, carve-out costs and earn out credits or charges. Severance charges, for example, would only qualify under this expense category if incurred as part of a Company-wide restructuring plan.

Gain/loss from business disposal
Gain or loss from disposal of part of the business.

Share-based payment charges
Adjustment made for share-based payments and social charges.

Taxation
Adjustments made to reflect the associated tax charge mainly on deferred revenue write-down, amortization of acquired intangibles, fair value changes on investments and share-based payments, on the basis of Temenos' expected effective tax rate.

Other definitions

Constant currencies
Prior year results adjusted for currency movement.

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

SaaS
Revenues generated from Software as a Service.

Subscription
Revenue from software sold on a subscription basis. License and maintenance are recognized separately, with the license obligation reported as subscription under total software licensing.

Term license
Revenues from sale of on-premise software license on a fixed term or perpetual basis. License and maintenance are recognized separately, with the license obligation reported as term license under total software licensing.

Product revenues
Revenues from total software licensing and maintenance combined, i.e. total revenues excluding services revenue.

Net debt
Total borrowings (current and non-current) and cross-currency swaps less cash and cash equivalents.

PRINCIPAL RISKS AND UNCERTAINTIES

Maintaining robust risk management

At Temenos we have developed and implemented an Enterprise Risk Management Framework, which is aligned with ISO 31000: Risk Management guidelines and establishes the vision, mission, objectives, scope and approach for managing enterprise level risks within the organization. We have a Group Risk Management function in place responsible for the operation of the framework as well as the monitoring of key enterprise risks. The Group Risk Management function is overseen and managed by the Group Risk Director, who reports to the Chief Security and Risk Officer, a member of the Executive Committee.

Governance, roles and responsibilities

We have a governance and oversight structure in place which is aligned to three lines of defense principles to ensure transparency and accountability within the organization for risk management activities and reporting.

Board

The Board is responsible for reviewing and approving the Enterprise Risk Management Framework and risk appetite annually as well as reviewing risk reporting and monitoring the Group risk appetite against assessed exposure levels.

Enterprise Risk Management Committee

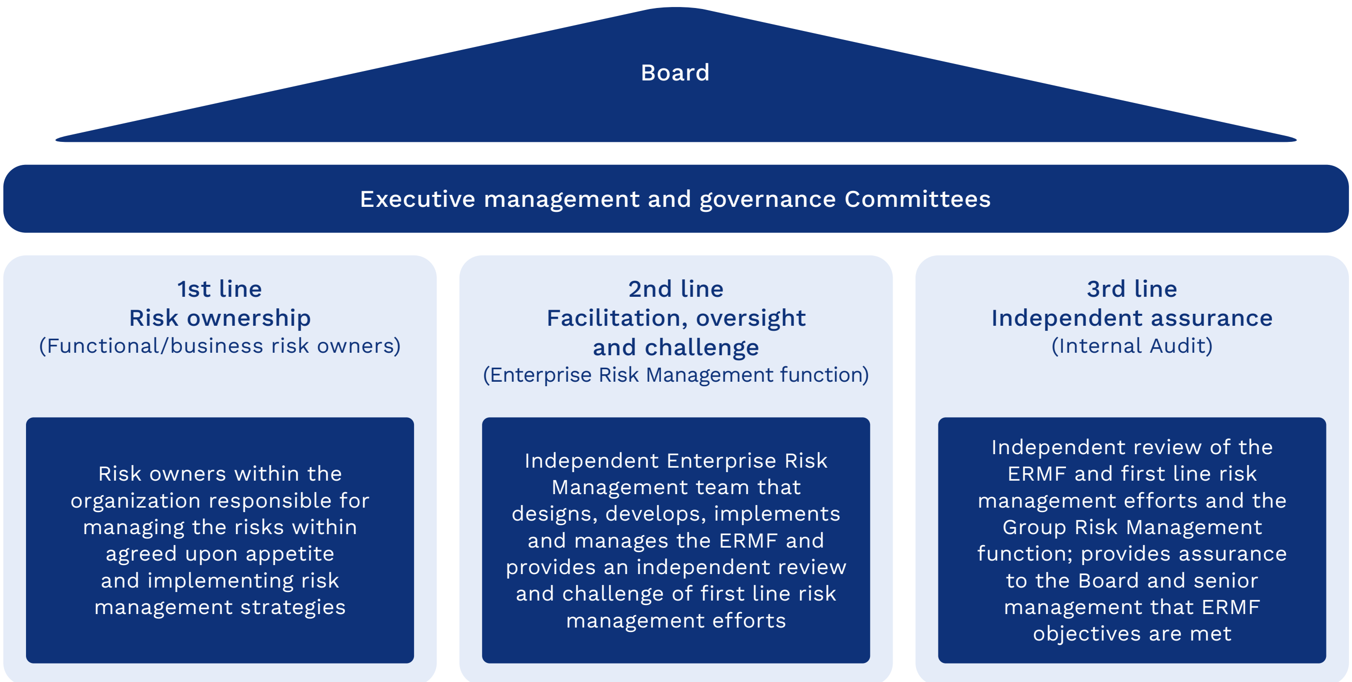
The Enterprise Risk Management Committee is chaired by the Chief Security and Risk Officer and is comprised of a cross-section of senior management members and is responsible for establishing the tone at the top within Temenos related to enterprise risk management, monitoring risk exposure levels against the defined and approved risk appetite and developing and overseeing risk management plans to ensure the organization can operate within approved risk levels.

Enterprise Risk Management function

The Enterprise Risk Management function reports to the Chief Security and Risk Officer and is responsible for the design, development, implementation and management of the Enterprise Risk Management Framework including developing enterprise risk taxonomies, facilitating various risk assessments, monitoring and aggregating risk exposure levels, preparing Group level risk reporting and risk appetite monitoring to management and the Board and facilitating key risk management activities. The Enterprise Risk Management function represents the second line of defense within the three lines of defense risk management structure and is responsible for performing an independent challenge over risk management activities taken by various risk owners.

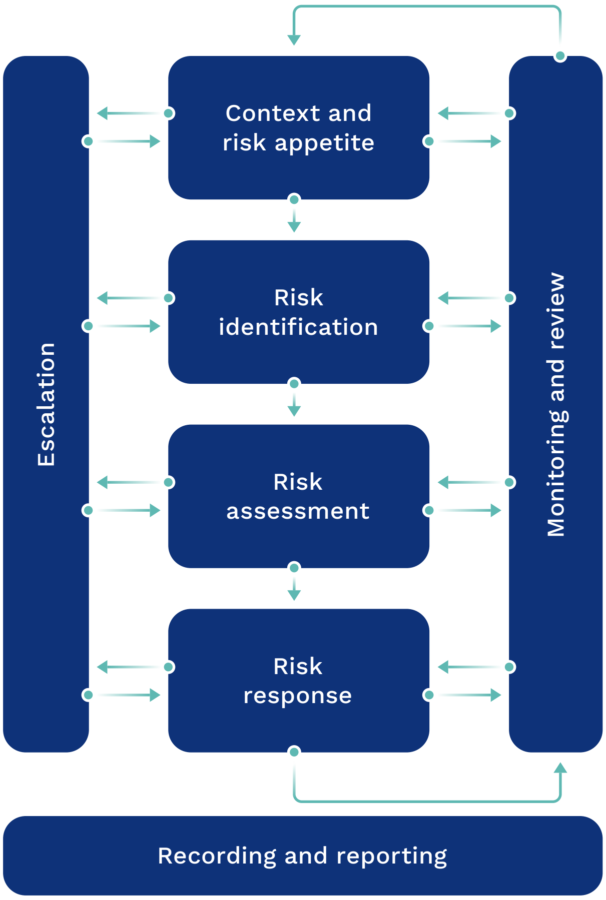
Risk owners

Risk owners are defined within the enterprise risk taxonomy and are accountable for managing risks within their areas of responsibility as the first line of defense. Risk owners are responsible for risk identification, risk assessment and risk management activities, including the development and implementation of risk management plans and strategies where assessed risk levels are outside of the defined Group level risk appetite.



Risk management process

The following diagram highlights the risk management processes used to identify, assess, monitor, mitigate and report on key risks.



- **Context and risk appetite** – The basis for developing the Enterprise Risk Management Framework involves aligning strategic business objectives with risk management strategies, tools, capabilities and priorities. Risk management identification will start by understanding business objectives and context within which risks exist. At this stage risk appetite levels are also agreed for a defined set of risk categories which will be used for specific risk identification.
- **Risk identification** – We have a process to identify and define key enterprise level risks, aggregate risks within the Group risk taxonomy to ensure alignment between risk management activities, risk monitoring and reporting and assess risk exposure against defined risk appetite.
- **Risk assessment** – Risk assessments are conducted regularly across the organization at various levels of detail and granularity to assess inherent risk levels, map risks to controls and assess residual risk levels within Temenos.
- **Risk response** – Risk management response strategies involve risk mitigation, risk transfer, risk avoidance and risk acceptance.
- **Risk monitoring and review** – We aggregate and monitor risks on a quarterly basis to determine if the organization is operating within the defined risk appetite. To the extent that risks are identified and assessed that are outside of the defined risk appetite levels, action plans are developed, monitored and tracked to ensure residual risk levels remain aligned with the Group level risk appetite.
- **Risk reporting** – Risks are reported regularly to the Audit Committee of the Board and the Group Risk Management Committee. Risk reporting includes aggregated Group level risks, risk heatmaps and monitoring aggregated risk exposure levels against risk appetite to ensure effective awareness and oversight of risk impact for Temenos. Management action plans are included within risk reporting as needed to ensure effective oversight over risk mitigation activities.
- **Risk escalation** – In instances where a significant deviation occurs between the agreed upon business risk appetite and current risk exposure levels (as identified through various risk management monitoring capabilities outlined above), risks will be escalated utilizing the risk governance structure.

Internal controls

In addition to the Enterprise Risk Management Framework, there is also a robust internal control system in place for financial reporting and key operational and fraud risks that goes beyond statutory requirements. All relevant risks are identified, formally assessed and documented. For each risk, we have implemented specific controls and mitigation plans and these are documented in formal risk and control matrices. The effectiveness of the controls is regularly evaluated through a formal self-assessment process which is independently reviewed and tested by both internal and external audit.

While it is management's responsibility to design, implement and operate effective risk management practices and controls, it is the role of Group Internal Audit to evaluate the effectiveness of risk management and internal controls, assess compliance with policies and procedures and provide assurance to senior management and the Board of Directors on their overall effectiveness.

To ensure the independence and objectivity of Internal Audit, the Group Head of Internal Audit reports functionally to the Audit Committee. The role, responsibilities and authority of the Head of Internal Audit and the function are set out in the Internal Audit Charter, which is reviewed and approved annually by the Committee. All Temenos employees, contractors, Partners and suppliers are required to cooperate fully with Group Internal Audit when requested and to provide access to all records, property and personnel, as required.

Insurance

Temenos' corporate insurance team manages all global policies. The main global policies provide coverage across core business areas such as professional indemnity liability (errors and omissions), cyber liability insurance, crime insurance, global travel and directors' and officers' insurance.

As with any large organization, Temenos strives to secure that its activity, offices and employees are adequately covered, given the liability exposure and the insurance market capacities.

Temenos counts on reliable insurance partners; hence, most of Temenos' insurance providers are A or A+ AM Best rated companies.

Across the various legal jurisdictions in which Temenos operates, compliance with the local legal requirements is ensured by holding certain insurance policies such as workers' compensation policies and third party liability, employees' health and accident benefits protection.

Temenos' local offices manage their legally required policies with oversight and review by Group management. Each office/ Temenos entity is insured against property damage, business interruption and public liability risks. Information and IT infrastructure is also covered by regional and/or local policies.

PRINCIPAL RISKS AND UNCERTAINTIES continued

Risks to achieving our strategic objectives

Risk	Potential impact	Mitigation activities
Breach of regulatory obligations	• Adverse client reaction • Sales impairment and reduced revenues • Regulatory sanctions and fines • Reputational damage	• Regulatory Change Management Framework in place to monitor, assess, identify and implement applicable regulatory requirements and maintain compliance. • The framework continues to be enhanced as the degree of regulatory scrutiny increases with new requirements, for example, related to operational resilience, cybersecurity and AI. • Regulatory compliance capabilities continue to mature as the legislative and regulatory landscape evolves and new requirements are implemented.
Product defects and/or security vulnerabilities	• Adverse client reaction • Sales impairment and reduced revenues • Financial loss from liability claims or increased warranty costs • Reputational damage	• Robust Secure Software Development Lifecycle (SSDLC) and program which drives strong security culture across development and operations teams in place. • Quality and product security assurance teams which are independent functions test adherence to secure practices. • Temenos products undergo comprehensive security testing both internally and using external reputed third party firms at least annually. • New vulnerabilities are monitored as they emerge, and analysis is performed to measure the impact on Temenos products, if any. Products are patched and updates provided as priority to mitigate security risk in case of new vulnerabilities.
Inability to attract and retain the talent needed for strategy delivery	• Business, operating results and financial condition impairment	• Compensation, incentives and recognition programs are utilized to align staff efforts to organizational objectives and to enable effective recruitment and retention; these are reviewed regularly and adjusted as necessary. • Employees receive a range of training and development to ensure they have the necessary skills to perform their duties and to develop their careers within Temenos. • Various CSR initiatives are in place to demonstrate our commitment to a purposeful workplace. • Career and succession planning is reviewed regularly to provide for continuity of operations and mitigate key person risk.

Risk	Potential impact	Mitigation activities
Breach of law(s), litigation and intellectual property infringement claims	• Adverse effect on the Group's reputation, business, operating results and financial condition • Litigation costs and payment of fines and/or damages • Significant spend of management resources/time • Discontinuation of the use of challenged trade names or technology	• Temenos' legal teams are aligned to business operations and are involved early in decisions which may incur legal implications. The legal teams review and provide guidance on complex client, Partner and supply contracts to ensure contractual agreements align to local commerce laws and regulations. To the extent possible, Temenos limits its liabilities contractually. • Specific policies and procedures are in place to ensure compliance with export control and sanctions, anti-bribery and corruption, anti-money laundering, data protection and privacy regulations and other applicable legislation. • Group level controls, compliance policies and procedures are in place to manage risk of potential breach of legal or regulatory requirements through general operations, such as breach of listing requirements or Group level legal requirements. • Temenos maintains robust controls in relation to intellectual property. To the best of our knowledge its software products do not infringe upon the intellectual property rights of any third parties and Temenos has secured all the rights required to utilize intellectual property owned by third parties (for example Microsoft) as currently done in the conduct of its business.
Unauthorized use of Temenos' intellectual property	• Adverse effect on the Group's reputation, business, operating results and financial condition • Significant financial and management resources cost to enforce Temenos' proprietary rights	• Secure Source Code Management Policy and procedures in place. • Regular training in relation to source code protection in place for all relevant employees. • Intellectual property clauses are included in all contracts with customers, Partners, vendors and any other third party.
Unforeseen events delaying client implementations	• Adverse client reaction • Late revenues • Reputational damage	• Temenos focuses heavily on training the staff and Partners responsible for implementation of software to ensure a strong mix of qualified project managers and technical product expertise. Temenos ensures the adequacy of skills through requiring certification of staff and Partners in Temenos Implementation Methodology and products. Our provision of the Temenos Learning Community (TLC) shows our ongoing commitment to this area. • Implementation teams are also trained to identify and effectively manage any unforeseen events and a suite of risk management tools is used to monitor and track potential issues which may adversely impact the successful installation of software. Project governance boards are held regularly to oversee the delivery of the implementation against milestones. • Temenos Implementation Methodology is periodically reviewed and updated in order to maintain high standards for Temenos staff and Partners. Identified initial project risks receive an increased level of review and analysis in order to more effectively mitigate and monitor them throughout the life of the implementation project.

PRINCIPAL RISKS AND UNCERTAINTIES continued

Risks to achieving our strategic objectives continued

Risk	Potential impact	Mitigation activities
Unauthorized release of confidential, personal or otherwise protected information and corruption of data, networks or systems	• Business disruption • Reputational damage • Loss of business • Regulatory sanctions and fines • Liability and financial losses • Harm to individuals or property	• The Security and Privacy Committee provides Group level oversight. This Committee is chaired by the Chief Security Officer, who reports to the Chief Security and Risk Officer – a member of the Executive Committee. Board level oversight is exercised by the Audit Committee. • Security assurance is embedded across key business processes, including qualifying business projects and procurement activities, product development and Temenos SaaS delivery. Vulnerability management processes are conducted on a continual basis. Additionally, Temenos strengthens its cybersecurity assurance framework through internal audits and external certifications conducted by independent third party organizations. • Employees and consultants are required to comply with security policies and requirements established by Temenos and receive appropriate training so that the concept of security is deeply rooted throughout Temenos. As part of due diligence, Temenos ensures that Partners have robust security and compliance policies and training. • Temenos will take appropriate action against those who violate cyber assurance policies. Employees may also incur personal legal liability for violation of relevant laws and regulations. • The physical security of IT infrastructure and personnel is kept secure through standardized general IT controls across Temenos in line with best practice standards. • Temenos has implemented a Business Continuity Management System (BCMS) to cover business continuity and resilience requirements, and this is certified to ISO 22301:19. The framework touches on all aspects of business continuity and resilience and is tested and audited regularly. • Temenos holds an annually renewed SSAE18 – SOC 1 Type 2, SOC 2 Type 2 and SOC 3 along with a Cloud Security Alliance (CSA) Cloud Controls Matrix (CCM) STAR Level 2 compliance attestation. During the year we have also achieved adherence to the EU Cloud Code of Conduct Level 2. ISO 9001, ISO 27001, ISO 27017, ISO 27018, ISO 20000-1 and ISO 22301 certifications also provide a greater degree of assurance to clients. Temenos also includes in its independent compliance validation program the certification of the Azure, AWS and Kony infrastructure against Payment Card Industry Data Security Standard (PCI DSS).
Foreign exchange and/or interest rate fluctuations	• Additional costs from operating expenses incurred in currencies other than US dollars • Group's interest expense increases from financing arrangements, reducing Group cash flow • Adverse effect on Temenos' financial condition and results of operations and on the comparability of its results between financial periods	• Temenos makes efforts to mitigate its foreign exchange risk by aligning its revenue streams to currencies that match its cost base and hedges most of the material residual exposure by the use of derivative instruments. • Temenos uses a combination of various techniques to protect against currency and interest rate fluctuations including using derivatives to mitigate the risk when it is deemed to be significant in compliance with the terms of Temenos credit facilities.

Risk	Potential impact	Mitigation activities
Failure to maintain and expand sound strategic partnerships and/or reputational issues arising from them	• Adversely affects Temenos' products and services • Negatively affects the results of operations and financial condition • Reputational damage	• Robust Partner governance arrangements in place including due diligence and ongoing performance monitoring. • Temenos Learning Community membership license and certification in place for implementation Partners. • Ongoing assessment of current Partner coverage.
Service providers/ third parties fail to deliver contractual obligations and/or reputational issues arising from them	• Business disruption • Reputational damage • Negatively affects the results of operations and financial condition	• Global Procurement Policy and processes in place, including Supplier Code of Conduct. • Standardized programs and processes to manage critical cloud service providers that compose the Temenos cloud ecosystem.
Failure to comply with regulation and reporting requirements in relation to environmental and sustainability matters and failure to meet stakeholders' expectations	• Legal penalties, fines, taxes and regulatory scrutiny, resulting in stringent audits and investigations, operational disruptions, as regulatory bodies may impose corrective measures • Adverse impact on the demand for our products, our ratings in sustainable investment indices and our corporate reputation, resulting in reduced growth and profitability	• As part of our environmental responsibility and climate change strategy, we have set up an internal Company-wide mechanism, in order to measure, monitor and report on our global impact. • We monitor environmental regulations, trends and other related governmental developments in the countries we operate in and take proactive actions. • We communicate our environmental responsibility strategy to all our stakeholders and raise awareness internally and externally. • Through our cloud and SaaS product offering, we help our clients integrate environmental sustainability into their business strategies, by enabling them to reduce their environmental impact, as well as helping their customers track their environmental footprint. • We participate in global efforts to improve environmental protection and understanding and align with the United Nations' global agenda for sustainable development. • We ensure that our clients, suppliers, Partners and contractors are committed to following our environmental policies and setting environmental targets, by conducting sustainability risk assessments as well as audits and reporting annually to the Board of Directors. → Refer to the Sustainability Report on page 54 for further details
Failure to acquire, integrate and/or derive the desired value of targeted businesses and/or assets	• Unforeseen operating difficulties and expenditures, impairment or losses adversely affecting Temenos' business, results of operations and financial condition	• Mergers and Acquisitions Risk Management Policy and M&A Integration Playbook to guide process and integration efforts are in place. • In case there is a perceived fit of an acquisition opportunity, an M&A Steering Committee will be put in place to oversee the M&A process.

PRINCIPAL RISKS AND UNCERTAINTIES continued

Emerging risks

Identification of emerging risks involves taking a broader approach to risk identification where potential risks are identified that have the possibility of impacting Temenos in the three to five-year range and developing proactive risk management strategies to minimize potential business impact

Emerging risks are taken into consideration as part of our Enterprise Risk Management Framework. The following are considered important in developing a forward-looking approach to manage risks that could impact Temenos.

Risks associated with Artificial Intelligence (AI)

(next three years)

There is an increased concern about the adverse outcomes that AI can have impacting individuals, businesses, ecosystems and/or economies. AI technology can lead to: unfair and discriminatory outcomes given that the system can inherit biases present in data input; lack of transparency on how decisions have been taken, eroding trust and hindering accountability; job displacement in certain professions; new security risks where malicious actors can manipulate input data to deceive the system; increased privacy concerns given that AI requires high volumes of data for training; and environmental impact as significant computational resources may be needed to support the system, increasing energy consumption. While this is identified as a risk impacting the business, this risk is expected to further materialize within the next three to five years and potentially impact Temenos' position within the marketplace and possibly impact strategic growth plans.

Potential business impact

The use of AI in our product offerings will offer numerous benefits to our clients; however, the inability to effectively manage the risks associated during its development and deployment could result in legal liability, increased regulatory scrutiny, challenges in selling products and services and reputational damage.

Mitigation measures

We will review and enhance as appropriate our AI management processes and product offerings. This includes developing appropriately focused risk management activities around the development, deployment and use of AI both internally and within our product suite; regulatory horizon scanning and analysis of emerging regulation and legislation to ensure effective compliance; reviewing and updating our contract documentation as needed; and developing appropriately detailed product documentation to support client needs and expectations.

2024

2025

Frontier technologies integration challenges

(three to five years)

As new technologies such as augmented and virtual reality, quantum computing and others emerge, we may face integration challenges. Keeping up with these technologies and seamlessly integrating them into existing platforms may be complex, expensive and time consuming. While not identified as an immediate risk impacting the business, this risk is expected to further materialize within the next three to five years and potentially impact Temenos' position within the marketplace and possibly impact strategic growth plans.

Potential business impact

The inability for Temenos to successfully integrate new technologies into its offerings may lead to client erosion and loss of market share.

Mitigation measures

We will continue to invest in R&D to ensure that we can effectively integrate new technologies into our offerings where it is believed to be beneficial for our clients to ensure they can benefit from the latest technological developments.

2028

2030

BOARD OF DIRECTORS

Thibault de Tersant
Chairman, Non-Executive Director

Nationality
French

Experience
Thibault de Tersant has been the Chairman of the Board of Directors since May 2023.

He was a member of the Board of Dassault Systèmes from 1993 until July 2020 and he was CFO from 1988 until 2018. He was named Senior Executive Vice President and General Secretary in January 2018.

During his tenure at Dassault Systèmes, Thibault, who, as CFO, managed an organization in charge of finance, legal, sales administration, pricing, contracts negotiations, internal control and M&A, conducted more than 80 successful acquisitions totaling around USD 5 billion. He oversaw Dassault Systèmes' successful initial public offering on the Paris and Nasdaq stock exchanges in 1996, as well as a secondary offering in 1997. Thibault is responsible for corporate structure and governance and compliance and oversees various Dassault Systèmes businesses. He is also Co-Chair of the Dassault Systèmes Sustainability Committee and Chairman of the Dassault Systèmes Foundation. He is also a member of the Board and Bureau of the Semaines Sociales de France, a non-profit association. He has more than 30 years of experience in the software industry.

Thibault is also a member of the Board and Executive Committee of Numeum, the French syndicate of companies working in the digital domain.

Thibault is a graduate of the ESSEC Business School and of the Institut d'Études Politiques de Paris.

Cecilia Hultén
Vice-Chair, Independent and Non-Executive Director

Nationality
Swedish

Experience
Cecilia Hultén is a distinguished business leader with a career spanning over two decades in the financial industry. Her experience includes executive roles at major institutions such as UBS and Nordea, where she developed strong financial acumen and expertise in building international businesses within capital markets. Cecilia has transitioned from a global banking executive to a prominent entrepreneur, investor and board member. Her focus has shifted to transformative businesses addressing real-world challenges. Cecilia's venture portfolio holds investments in the fintech, tech, and health tech sectors.

Of her portfolio companies, she is on the Board of kompasbank, a pan-European neo-bank for SMEs, and Cbio A/S. In 2023, she successfully exited her investment in Hejdoktor, a digital healthcare provider, following its acquisition by a strategic investor. She has co-founded two companies: a biotech company in 2019, Cbio A/S, a next-generation T-Cell therapy company now a clinical-stage company, and a data management company commercializing a project from MIT's fintech program, where she has taken the role of CFO.

Cecilia holds a BSc from the Gothenburg School of Economics and studied on the Stern School of Business MBA program at NYU. Additionally, Cecilia spent five years as an executive coach at Stanford Graduate School of Business in Corporate Innovation in its LEAD program, where she graduated.

Peter Spenser
Independent and Non-Executive Director

Nationality
British and American

Experience
Dr. Peter Spenser has over 40 years of experience in the financial services sector and technology including an in-depth understanding of information and cybersecurity, and as such is acting as the Board executive sponsor for these matters.

Until June 2016 he was a senior Partner at Deloitte Consulting in the US where in addition to serving a number of major clients (global banks, brokerages and wealth and asset managers), he led a number of practice areas including the Investment Management practice and also the Global Financial Services IT and Data Analytics practices. Prior to this, he was Director of Engineering at AcquiData, Inc. which he co-founded (1985–1990), Director of Software Systems at Magnaflux, Inc. (1982–1985) and a developer/analyst at Logica (1979–1982).

Peter holds a BA and MA in Theoretical Physics from Cambridge University and a PhD in Astrophysics from University College London.

Maurizio Carli
Independent and Non-Executive Director

Nationality
Italian

Experience
Maurizio Carli served as strategy advisor to VMware until July 2020, a position he held after stepping down as Executive Vice President, Worldwide Sales and Services for VMware early in 2020. Prior to this global role, Maurizio served as Corporate Senior Vice President and General Manager for two of VMware's three sales regions between 2008 and 2015. He was Senior Vice President and General Manager, EMEA at Business Objects prior to joining VMware. In his early career, Maurizio served in a number of leadership positions in sales, marketing and global strategy at IBM between 1984 and 2002.

Maurizio currently serves as a Board Director for Board International (Switzerland). He previously served as an independent Board member for Telecom Italia (2021–2024), Blue Prism (2021–2022) and Telecity Group (2011–2016) and as a Board member for the newly launched European Software Association (2005–2006).

Maurizio holds a Bachelor of Science in Electronic Engineering from Politecnico di Milano, Italy, where he graduated with honors.

Key

A	Audit Committee	**C**	Compensation Committee
N	Nomination & ESG Committee	**T**	Technology, Innovation & Cybersecurity Committee

Chair of the Committee

Xavier Cauchois
Independent and Non-Executive Director

Nationality
French

Experience
Xavier Cauchois has over 40 years of experience in the technology sector.

Until May 2018 he was a senior Partner at PwC in France where he started and spent over 35 years, combining auditing and advisory activities. There, he supported French and international clients, start-ups, mid-sized companies and large groups in their growth, specializing in the technology, telecommunication and media sector, and as such brings a deep knowledge of accounting, auditing and associated regulatory aspects to the Board of Directors.

Xavier held several management responsibilities and was Head of PwC Europe and France in the technology sector until 2009 and a member of the Global Strategic Committee for Audit from 2005 to 2008. He was a member of the France Executive Committee in charge of Partners and Strategy from 2013 to 2016 and an independent Director of Technicolor Creative Services until 2023.

He is currently an independent Director of Dassault Systèmes.

Xavier is a graduate from the ESCP Business School and is a French chartered accountant.

Dorothee Deuring
Independent and Non-Executive Director

Nationality
Austrian

Experience
Dorothee Deuring is a corporate finance specialist, with deep knowledge of the banking, pharmaceutical, chemical and utilities sectors.

She has been elected in 2024 as a member of the Supervisory Board of OMV Aktiengesellschaft (Austrian listed company, ATX) and is a non-executive member of the Board of Directors and Audit and Remuneration Committees of Elementis plc (UK listed company, FTSE 250) since 2017.

Former mandates include PolyPeptide AG (Swiss listed company, 2023–2024), Axpo Holding AG (Switzerland, 2017–2023), Lonza Group AG (Swiss SMI listed company, 2020–2022), Immofinanz AG (Austria, 2021–2022), Bilfinger SE (Germany, 2016–2021), Piqur Therapeutics AG (Switzerland, 2019–2021), Selecta Group AG (Switzerland, 2020) and Röchling SE & Co. KG (Germany, 2016–2019).

Between 2011 and 2014, Dorothee led the European Corporate Finance Advisory Group of UBS AG Wealth Management as Managing Director. Prior to UBS, she served the Investment Banking arm of Bank Sal. Oppenheim jr. & Cie. as Managing Director and Head of Healthcare M&A. In 2003, she joined Roche Diagnostics as a Vice-Director of Business Development and served Roche Corporate Finance Development until 2007. Dorothee started her career at McKinsey & Company in Switzerland in 1997.

Dorothee holds a Master's degree in Chemistry from Université Louis Pasteur, Strasbourg, and a Master of Business Administration from INSEAD, Fontainebleau.

Acknowledging the importance of ESG matters, Dorothee is also acting as the Board executive sponsor for ESG matters and is a member of the Nomination & ESG Committee.

Laurie Readhead
Independent and Non-Executive Director

Nationality
American

Experience
Laurie Readhead, recently retired, is a highly skilled senior global banking and finance executive with over 30 years of experience at Bank of America. Her responsibilities within the Consumer Banking business and her roles as Chief Financial Officer for Consumer Banking and Chief Financial Officer for Global Capital and Investment Banking provided a deep understanding of business drivers and were key in the accomplishment of business outcomes.

Most recently she was the Chief Data Officer leading a USD 1.5 billion transformation of the bank's data management capabilities. Additionally, her work included the establishment of an enterprise Artificial Intelligence (AI) governance function, focused on ensuring effective risk management in the design and deployment of AI solutions.

Responsibilities as Chief Financial Officer for Consumer Banking and Global Capital and Investment Banking included accountability for all business financial planning and reporting. In her various roles, Laurie engaged with the Bank of America Board and its Audit, Finance and Risk Committees to provide strategic and operational updates.

Laurie's passion for diversity and inclusion (D&I) drove her Chief Executive Officer appointment as Vice Chair for the Corporate Global Diversity and Inclusion Council, responsible for coordinating D&I efforts across the bank. Laurie was also an active sponsor of various employee networks, including LEAD, for women, and HOLA, supporting the bank's Hispanic workforce.

Laurie serves on the United Negro College Fund (UNCF) Board. She chairs its Audit Committee and is a member of its Executive, Finance and Nominating Committees. She also serves as an executive advisor to the EY Tech Icons Council. She held Charlotte non-profit Board roles with the Arts & Science Council and Girl Scouts, serving on their strategic planning committees.

Laurie graduated from the University of Arizona with a BA in Accounting.

Michael Gorriz
Independent and Non-Executive Director

Nationality
German and Spanish

Experience
Michael Gorriz has been shaping IT organizations for over 20 years with deep technical expertise, business mindset and empathetic leadership. He has now dedicated himself to innovative companies which use technology to improve our lives and serves as a Board member of technology and financial companies.

From 2015 to 2021, Michael has served as the Chief Information Officer for Standard Chartered Bank and was a member of the management team. He was globally responsible for systems strategy, development and the operation of the technical infrastructure. Michael laid the foundations of the bank's digital and innovation agenda including a cloud-first strategy.

In 2000 he joined the IT management team of DaimlerChrysler and was Vice President and Chief Information Officer of Daimler AG from 2008 to 2015. In this role he was globally responsible for strategy, planning and development of the Daimler Group's IT systems, as well as the operation of its technical infrastructure.

Michael is currently an Independent Non-Executive Director of Mercedes-Benz Automobile Finance Co., Ltd in China and Swiss IT Security AG, an IT security service group based in Luxembourg. He is a Non-Executive Director of Mox Bank, a leading virtual bank in Hong Kong, and Audax Financial Technology, a digital banking technology solutions provider in Singapore.

Michael is also on the Board of some of his portfolio companies (Kyberlife and Pivot Digital Pte Ltd, all headquartered in Singapore).

Michael holds a diploma in Physics from the University of Freiburg and obtained a PhD in Engineering from the University of Stuttgart.

EXECUTIVE COMMITTEE

Jean-Pierre Brulard
Chief Executive Officer

Nationality
French

Experience
Jean-Pierre Brulard was appointed Chief Executive Officer in May 2024. Jean-Pierre has a strong track record of leading global businesses across the largest technology companies in the world.

With a relentless customer-first focus, he has spent his career in Go To Market leadership, navigating complex and competitive environments to scale multi-billion-dollar businesses.

Jean-Pierre has extensive experience of the financial services sector and deep knowledge of international markets. He spent the past 14 years as Executive Vice President of Worldwide Sales and a member of the Executive Committee for VMware, a USD 61 billion US listed cloud computing and virtualization software company, based in Palo Alto, California.

Prior to VMware, Jean-Pierre was Senior Vice President and General Manager, EMEA at Business Objects (now part of SAP) from 2000–2008. He also previously held sales and management roles at Sun Microsystems and IBM.

As a people leader, Jean-Pierre is committed to diversity and inclusion, as well as being a strong advocate for women leaders in technology.

Jean-Pierre holds a Master's in Business Studies from the Normandy Business School in France, completed by British and Spanish Chamber of Commerce graduation.

Panagiotis "Takis" Spiliopoulos
Chief Financial Officer

Nationality
Greek

Experience
Panagiotis "Takis" Spiliopoulos has been Chief Financial Officer since 2019. Before this appointment, he was Head of Research and a member of the investment banking management team at leading Swiss bank Vontobel, where he successfully built the #1 franchise in Swiss equities over the last ten years, as recognized by Thomson Extel. Over the course of this employment he advised clients on capital market transactions including the successful execution of several IPOs. He advised institutional clients as key opinion leader on technology investments. Before that, he led the technology research practice at the same bank and had the lead on numerous capital market transactions. Before joining Vontobel in 2001, Takis was Head of Investments and a member of the Executive Management Board at a venture capital technology company where he was responsible for due diligence, company valuation, investment proposals, deal negotiations and set-up of deal structure.

Before switching to the investment side in 1999, Takis worked as a management and technology consultant for leading international players, including, among others, Accenture (formerly Andersen Consulting, where he started his career in 1995), advising financial institutions on strategy and information technology matters, including the implementation of new processes and applications.

Takis holds a Master's degree in Computer Science and Business Economics from the Swiss Federal Institute of Technology (ETH Zürich), Switzerland. He also holds an Executive MBA and a degree in Financial Analysis (CEFA/EFFAS).

Barb Morgan
Chief Product and Technology Officer

Nationality
American

Experience
Barb Morgan is Chief Product and Technology Officer at Temenos. Barb leads the Product and Technology organizations to drive customer success through Temenos' scalable cloud-based platform. By delivering innovative and enhanced products, Barb focuses on empowering financial institutions to meet the evolving needs of their clients.

Barb brings over 25 years of experience leading global product development organizations, particularly in banking and financial services. With a strong background in integrating cutting-edge AI and cloud technologies, she has consistently transformed business operations and driven customer-centric innovation. Prior to Temenos Barb served as the Group Head of Product for Data and Analytics at London Stock Exchange Group (LSEG), leading the Microsoft-LSEG partnership. Prior to LSEG, she served as Chief Technology Development Officer at Fidelity National Information Services Inc. (FIS), where she led global payments and banking product engineering, leveraging her in-depth knowledge of the US financial technology market. Throughout her career, Barb has held leadership roles at renowned companies including Capital One, Boeing and Lucent Technologies and has consistently empowered diverse teams to deliver cutting-edge technologies.

Barb holds a Bachelor of Science in Computer Science from the University of Central Oklahoma. In addition to her executive career, Barb has held several board positions across volunteer organizations, venture-backed companies and PE-backed firms.

William Moroney
Chief Revenue Officer

Nationality
Irish

Experience
William Moroney is Chief Revenue Officer at Temenos and holds the responsibility for the Company's global revenue, cash, profitability and customer delivery.

Leading a large team of Temenos professionals, he plays a key role in ensuring customer success and helps financial institutions of all sizes leverage innovative technologies to advance business growth.

A member of the Executive Committee, William also has responsibility for Partners, with a focus on generating new revenue streams through partnerships as well as increasing the Company's presence in large tier 1 and 2 banks.

William is a seasoned professional, with over 25 years of sales and leadership experience. He joined Temenos in 2020 and has held senior management roles including Managing Director for Middle East & Africa (MEA), and President International for Europe, MEA and Asia Pacific. Prior to Temenos, William held senior positions at a number of international banking systems, technology and outsourcing businesses.

William holds a Bachelor's degree in Business Studies from the University of Limerick, with a major in Accounting and Finance and a minor in Information Technology.

Jayde Tipper
Chief People Officer

Nationality
British

Experience
Jayde Tipper is Chief People Officer, responsible for leading the all-important people-related functions, including Talent Acquisition, Talent Development, Total Rewards and Diversity, Equity and Inclusion.

Jayde joined Temenos in 2015, initially in HR business partnering, then led Talent Acquisition and executive hiring globally before moving to own our end-to-end people strategy. Jayde is passionate about helping to make Temenos a place where all our Temenosians can feel proud, happy and fulfilled with the work they do.

Jayde holds an MSc in International Human Resource Management and an MBA from London Business School.

Deirdre Dempsey
Chief Legal Officer

Nationality
Swiss

Experience
Deirdre Dempsey is Chief Legal Officer. Deirdre joined Temenos in 2001 as Legal Counsel, was General Counsel between 2008–2019 and has been Chief Legal Officer since 2020.

Prior to joining Temenos, Deirdre was Legal Director for Interbrand Wood in Switzerland, where she was responsible for the review of trademarks for pharmaceuticals and related regulatory matters. Deirdre also spent several years as a jurist working in law firms in San Francisco and New York, mainly in the litigation field.

Deirdre holds an LL.B. (Hons.) from Trinity College, University of Dublin (1994), and a Master's Degree in Law (LL.M.) from the University of San Francisco (1997). Deirdre was admitted to the New York Bar in 1999.

Isabelle Guis
Chief Marketing Officer

Nationality
American and French

Experience
Based in the US for over two decades, Isabelle Guis is Chief Marketing Officer of Temenos overseeing marketing communications, product and solutions marketing and Go To Market.

Before Temenos, Isabelle was the global CMO and CEO for North America at Brevo, a CRM platform. During her time in B2B technology marketing, she has gained extensive experience spearheading multiple Go To Market growth strategies and overseeing product marketing and management for global SaaS organizations. Isabelle was the CMO of Commvault, a public data protection company, and has enjoyed leadership roles at Salesforce, Egnyte, EMC, Avaya, Cisco Systems and Nortel Networks. She was voted one of the top 100 most influential B2B tech marketers in North America in 2016 and was nominated Foreign Trade Advisor to the French government in July 2024. Isabelle also shares her expertise and passion for marketing and business strategy as an adjunct professor for graduate students at Santa Clara University. Having moved to the Bay Area from her native France, she contributes pro bono consulting work to local public and non-profit organizations as well as enjoying socially responsible traveling.

Isabelle holds a Master of Science in Electrical Engineering and Computer Science from Supélec (France), as well as an MBA from Harvard Business School.

Colin Jarrett
Chief Security and Risk Officer

Nationality
British

Experience
Dr. Colin Jarrett is Chief Security and Risk Officer. He is responsible for managing all aspects of our cyber and physical security across both our corporate and SaaS systems. In addition, he is responsible for risk identification and management across the Company.

Prior to this role, Colin has built extensive leadership experience across our organization delivering key strategic objectives in the Americas, as our Chief Operations Officer, Americas, and earlier as our Chief Client Delivery Officer leading our Global Services business. Before that, he was responsible for driving the rapid expansion in the Global SaaS business as our Chief Cloud Officer. Previous roles include Managing Director of Global Client Services and Support and, earlier, Global Head of Product Development.

Colin joined Temenos in 2016 from Accenture, where he was Managing Director. He spent 20 years working in large-scale technology delivery projects across the financial services industry with Accenture and has extensive experience of global delivery. Colin spent five years working in India, building Accenture's Financial Services Delivery Excellence practice. He also spent five years in the Philippines leading the Company's Banking and Payments Technology Delivery group.

Colin holds a Ph.D. from Cambridge University where he studied Condensed Matter Physics and was elected as a bye-fellow of Magdalene College. He is also a named inventor holding patents both with Accenture and Philips.

CORPORATE GOVERNANCE REPORT

Governing the Group

Our governance framework

General Meeting of Shareholders

Main responsibilities:
- approves the annual financial statements;
- elects the members of the Board of Directors and of the Compensation Committee;
- approves the report on non-financial matters (Sustainability Report);
- approves the prospective compensation of the members of the Board of Directors and of the Executive Committee; and
- adopts and amends the Articles of Association.

Board of Directors

Main responsibilities:
- approves the strategy of the Group;
- appoints and oversees the members of the Executive Committee;
- approves acquisitions and major investments/divestments; and
- approves the risk management framework.

Chief Executive Officer

Main responsibilities:
- is responsible for managing the day-to-day business of the Group; and
- chairs the Executive Committee.

Executive Committee

Main responsibilities:
- develops the three-year strategic plan of the Group and monitors performance against it;
- submits to the Board of Directors proposed acquisitions, divestments and product CapEx investments; and
- deals with any other matters as assigned by the Board of Directors.

Compensation Committee

Main responsibilities:
- recommends to the Board of Directors compensation practices and policies that are performance based and in line with market norms;
- reviews the competitiveness of the executive compensation programs;
- submits to the Board of Directors proposals for approval by the Annual General Meeting of Shareholders of the total prospective compensation of the Board of Directors and, separately, of the Executive Committee members; and
- prepares the Compensation Report to be submitted to the Board of Directors for approval and to the Annual General Meeting of Shareholders for consultative vote.

Audit Committee

Main responsibilities:
- reviews and challenges, where necessary, the actions and judgments of management, in relation to the financial statements;
- reviews the internal controls environment;
- oversees ESG reporting;
- monitors the performance and effectiveness of the Internal Audit function; and
- reviews the findings of the external audit and monitors their implementation.

Nomination & ESG Committee

Main responsibilities:
- reviews the structure, size and composition of the Board of Directors;
- establishes the qualification criteria for Board of Directors membership;
- reviews and proposes to the Board of Directors candidates to be recommended for election;
- considers succession planning for both Board of Directors and Executive Committee members; and
- considers the strategy and targets for the sustainability, climate and CSR strategy (“ESG matters”), monitors progress and achievements, oversees ESG and climate reporting, stays abreast of trends in ESG matters and reports accordingly to the Board of Directors.

Technology, Innovation & Cybersecurity Committee

Main responsibilities:
- reviews the Temenos product development roadmaps from a content, technology, architecture and infrastructure perspective;
- oversees the quality of the products and services delivered to customers, including the upgrade and implementation projects;
- monitors product innovation activities including innovation projects that could represent significant opportunities or risks for Temenos. This includes Artificial Intelligence for internal use or used in customer products;
- monitors industry and market trends in technology related to the Temenos products; and
- reviews and monitors Temenos’ cybersecurity resilience and the cyber risk management with special emphasis on controls and procedures including the cyber risk which is inherent in products and services for customers.

Introduction

This report has been prepared in compliance with the Directive on Information Relating to Corporate Governance (DCG) available at https://www.ser-ag.com/dam/downloads/regulation/listing/directives/dcg-en.pdf, its Guidelines available at https://www.ser-ag.com/dam/downloads/publication/obligations/guidelines/guideline-dcg-en.pdf and the Swiss Code of Obligations (CO) available at https://www.fedlex.admin.ch/eli/cc/27/317_321_377/fr.

In the present Annual Report, the corporate governance information has been summarized in a separate section, and references to other parts of the Annual Report have been included in an effort to avoid duplication.

In order to enhance readability, the present Corporate Governance section follows the suggested structure as described in the annex of the DCG.

There are some references to the Articles of Association and to the Organization bylaws of the Company; both documents are available at https://www.temenos.com/about-us/investor-relations/corporate-governance/.

Unless otherwise indicated, the information provided in this report reflects the situation as of 31 December 2024.

Temenos AG is hereinafter referred to as the “Company”.

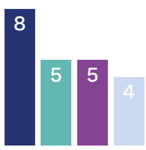
Temenos AG and its affiliated companies are hereinafter referred to as “Temenos Group”, “Temenos” or the “Group”.

The executive management of the Group is hereinafter referred to as the “Executive Committee”.

Governance dashboard

2024 Executive Committee remuneration mix at grant

Fixed salary	11%
Other compensation	8%
Variable short-term incentives	11%
LTI (SARs and PSUs)	46%
LTI (RSUs)	24%
At-risk compensation (performance based)	57%



Meetings held in 2024

Board of Directors	8
Audit Committee	5
Compensation Committee	5
Nomination & ESG Committee	4

1. Group structure and shareholders

1.1 Group structure

The ultimate holding company, Temenos AG, is registered in Grand-Lancy (Canton of Geneva), where the Group is also headquartered.

1.1.1 Description of the issuer’s operational group structure

The Temenos Group is organized and managed by the Executive Committee which is chaired by the Chief Executive Officer.

As of the publication date of this Annual Report, the Executive Committee is composed of the following members:

The Group is managed using a matrix of regional and global business functions incorporating activities of sales, service operations, product development, product management, services management, marketing, key client relationship management and product support functions.

The Group’s product sales and services operations are divided into the following main geographic regions:

- Europe;
- Middle East and Africa;
- Asia Pacific; and
- Americas.

Temenos, being a truly global multi-product company, leverages skills from around the world, having its principal software development facilities in Chennai, Bangalore and Hyderabad (India). The Group has additional software development facilities in the United States, Canada, the United Kingdom, Ireland, Switzerland, Denmark, the Netherlands, France, Romania, Belgium, Luxembourg, Australia, Ecuador, Greece, Poland, Spain, Germany, Brazil, the United Arab Emirates and Singapore.

CORPORATE GOVERNANCE REPORT continued

1. Group structure and shareholders continued

1.1 Group structure continued

1.1.2 All listed companies belonging to the issuer's group, including the company names, their registered offices, where they are listed, their market capitalization, the percentage of shares held by subsidiaries and the security or ISIN numbers of the securities

Temenos AG is the sole listed company of the Group.

Name	Temenos AG
Domicile	Esplanade de Pont-Rouge 9C, 1212 Grand-Lancy, Switzerland
Listed at	SIX Swiss Exchange
First listing date	26 June 2001
Market capitalization	CHF 4,818,466,484*
Security number	1245391
ISIN number	CH0012453913
Symbol	TEMN
Reuters	TEMN.S
Bloomberg	TEMN SW

* Based on the issued and registered share capital as of 31 December 2024 composed of 75,171,084 shares.

Please refer to the Information for Investors section on page 259 for statistics on Temenos shares.

1.1.3 The non-listed companies belonging to the issuer's group, including the company names, their registered offices, their share capital and the percentage of shares held by subsidiaries

Please find below the main non-listed companies belonging to the Group as of 31 December 2024:

(All companies are directly or indirectly wholly owned subsidiaries of Temenos AG, unless otherwise indicated. A complete list of all companies belonging to the Group is available in note 5 to the consolidated financial statements.)

Name	Domicile	Country of incorporation	Share capital
Avoka (Germany) GmbH	Frankfurt am Main	Germany	25,000 EUR
Avoka (USA), Inc.	Sacramento	USA	0.10 USD
Avoka Europe Limited	London	United Kingdom	1,900,199 GBP
Avoka Technologies Pty Limited	Sydney	Australia	43,737,975.23 AUD
Edge IPK Limited	London	United Kingdom	2,764.11 GBP
Financial Objects (UK) Limited	London	United Kingdom	466,666.70 GBP
Igefi France Sàrl	Paris	France	7,500 EUR
Igefi Group Sàrl	Bertrange	Luxembourg	31,000 EUR
Igefi Ireland Limited	Dublin	Ireland	100 EUR
Kony, Inc.	Wilmington	USA	1 USD
Kony India Private Limited	Hyderabad	India	33,368,980 INR
Kony Services India LLP	Hyderabad	India	6,000,000 INR
Kony Solutions BV	Amsterdam	Netherlands	18,000 EUR
Kony Solutions Limited	Port-Louis	Mauritius	676,466 USD
Logical Glue Limited	London	United Kingdom	623.63 GBP
Odyssey Financial Technologies Limited	London	United Kingdom	50,000 GBP
Odyssey Financial Technologies SA	La Hulpe	Belgium	2,062,000 EUR
Odyssey Group SA	Bertrange	Luxembourg	500,000 EUR
Rubik ESOP Trusco Pty Limited	Sydney	Australia	100 AUD
Rubik IP Holdings Pty Limited	Sydney	Australia	100 AUD
Rubik Mortgages Pty Limited	Sydney	Australia	100 AUD
Sky Technologies Pty Limited	Sydney	Australia	12 AUD
Sky Technologies Consulting Pty Limited	Sydney	Australia	10 AUD
Sky Technologies Holdings Pty Limited	Sydney	Australia	1,344,293.80 AUD
Temenos Australia Symmetry Pty Limited	Sydney	Australia	261 AUD
Temenos (Malaysia) Sdn Bhd	Shah Alam	Malaysia	19,591,400 MYR
Temenos (NL) BV	Amsterdam	Netherlands	18,152 EUR
Temenos (Thailand) Co. Limited	Bangkok	Thailand	100,000,000 THB
Temenos Africa (Pty) Limited	Johannesburg	South Africa	100 ZAR
Temenos Australia Pty Limited	Sydney	Australia	2 AUD
Temenos Australia Financial Pty Limited	Sydney	Australia	85,977,680.23 AUD

Name	Domicile	Country of incorporation	Share capital
Temenos Australia Operations Pty Limited	Sydney	Australia	7,500,181 AUD
Temenos Australia Services Pty Limited	Sydney	Australia	100 AUD
Temenos Australia Messaging Pty Limited	Sydney	Australia	100 AUD
Temenos Australia Technology Solutions Pty Limited	Sydney	Australia	1 AUD
Temenos Belgium SA	La Hulpe	Belgium	200,000 EUR
Temenos Bulgaria EOOD	Sofia	Bulgaria	10,000 BGN
Temenos Canada Inc.	Vancouver	Canada	560,586 shares (no par value)
Temenos Cloud Americas, LLC	Wilmington	USA	100 units (no par value)
Temenos Cloud Switzerland SA	Grand-Lancy	Switzerland	100,000 CHF
Temenos Colombo (Pvt) Limited	Colombo	Sri Lanka	1 share (no par value)
Temenos Costa Rica SA	San José	Costa Rica	500,000 CRC
Temenos Denmark ApS	Copenhagen	Denmark	50,000 DKK
Temenos Deutschland GmbH	Frankfurt am Main	Germany	25,000 EUR
Temenos East Africa Limited	Nairobi	Kenya	10,000 KES
Temenos Ecuador SA	Quito	Ecuador	672,000 USD
Temenos Egypt LLC	Cairo	Egypt	200 EGP
Temenos Finance Hong Kong Limited	Hong Kong	Hong Kong	4,767,600,001 HKD
Temenos Finance Luxembourg Sàrl	Bertrange	Luxembourg	37,500 EUR
Temenos France SAS	Paris	France	500,000 EUR
Temenos Headquarters SA	Grand-Lancy	Switzerland	100,000 CHF
Temenos Hellas SA	Athens	Greece	105,000 EUR
Temenos Hispania SL	Madrid	Spain	10,000 EUR
Temenos Holdings France SAS	Paris	France	500,000 EUR
Temenos Holdings USA, Inc.	Wilmington	USA	1 USD
Temenos Holland BV	Amsterdam	Netherlands	19,000 EUR
Temenos Hong Kong Limited	Hong Kong	Hong Kong	2 HKD
Temenos India Private Limited	Chennai	India	2,962,000 INR
Temenos Investments BV	Amsterdam	Netherlands	18,000 EUR
Temenos Israel Limited	Ramat Gan	Israel	100 ILS
Temenos Japan KK	Tokyo	Japan	10,000,000 JPY
Temenos Korea Limited	Seoul	Republic of Korea	50,000,000 KRW
Temenos Luxembourg SA	Bertrange	Luxembourg	1,181,250 EUR
Temenos Mexico SA de CV	Mexico City	Mexico	234,820,098 MXN
Temenos Middle East Limited	Nicosia	Cyprus	17,103.42 EUR
Temenos New Zealand Limited	Auckland	New Zealand	1,000 shares (no par value)
Temenos North Africa LLC	Casablanca	Morocco	10,000 MAD
Temenos Philippines, Inc.	Makati City	Philippines	10,000,000 PHP
Temenos Polska Sp. z o. o.	Warsaw	Poland	100,000 PLN
Temenos Romania SRL	Bucharest	Romania	120,000 RON
Temenos Singapore Pte Limited	Singapore	Singapore	65,010,000 SGD
Temenos Singapore FT Pte Limited	Singapore	Singapore	1 SGD
Temenos Software Brasil Limitada	São Paulo	Brazil	150,000 BRL
Temenos Software Luxembourg SA	Bertrange	Luxembourg	500,000 EUR
Temenos Software (Shanghai) Co. Limited	Shanghai	China	140,000 USD
Temenos Solutions Australia Pty Limited	Sydney	Australia	245,057,936 AUD
Temenos Systems Ireland Limited	Dublin	Ireland	4 EUR
Temenos UK Limited	London	United Kingdom	2,198,843.60 GBP
Temenos USA, Inc.	Wilmington	USA	1 USD
Temenos Vietnam Company Limited	Hanoi	Vietnam	890,000,000 VND
Viveo France SAS	Paris	France	500,000 EUR
Viveo Group SAS	Paris	France	500,000 EUR

CORPORATE GOVERNANCE REPORT continued

1. Group structure and shareholders continued

1.2 Significant shareholders

Please find below the list of shareholders who hold 3% or more of the voting rights as of 31 December 2024 as per information that has been published on the reporting and publication platform of the Disclosure Office of SIX Swiss Exchange pursuant to Art. 120 ff. of the Financial Market Infrastructure Act.

Significant shareholders	Number of voting rights	Percentage of share capital
Martin and Rosemarie Ebner	15,050,000	20.02%
BNP Paribas SA	10,703,045	14.24%
UBS Fund Management (Switzerland) AG	5,475,557	7.28%
BlackRock Inc.[1]	4,141,849	5.51%
Baillie Gifford & Co[2]	3,485,355	4.64%
FIL Ltd[3]	2,479,862	3.30%

1 Out of this number, 573,903 voting rights are delegated by a third party and can be exercised at one's own discretion.

2 Out of this number, 3,485,355 voting rights are delegated by a third party and can be exercised at one's own discretion.

3 Out of this number, 2,272,892 voting rights are delegated by a third party and can be exercised at one's own discretion.

Based on the registered capital as of 31 December 2024 composed of 75,171,084 shares.

For more recent information on major shareholders, please refer to page 259.

Notifications made in accordance with Article 120 ff. of the Financial Market Infrastructure Act are publicly available on the SIX website at https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

1.3 Cross-shareholdings

Nothing to report.

2. Capital structure

2.1 Capital

On 31 December 2024, the registered ordinary share capital amounted to CHF 375,855,420 consisting of 75,171,084 registered shares, each with a par value of CHF 5. All the shares are fully paid up. Each recorded share with voting rights entitles its holder to one vote.

The Company has a capital range ranging from CHF 351,664,080 (lower limit) to CHF 400,046,760 (upper limit), a conditional share capital based on the capital range as well as a conditional share capital of CHF 13,394,200.

The Articles of Association of the Company are available on: https://www.temenos.com/wp-content/uploads/2023/02/TSAG-Articles-20230214.pdf.

2.2 Capital band and conditional capital in particular

Capital range

Pursuant to the Articles of Association (Article 3ter) as at 31 December 2024, the Company has a capital range ranging from CHF 351,664,080 (lower limit) to CHF 400,046,760 (upper limit). The Board of Directors shall be authorized within the capital range to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly, until 7 May 2029 or until an earlier expiry of the capital range. The capital increase or reduction may be effected by issuing fully paid-in registered shares with a nominal value of CHF 5 each or canceling registered shares with a nominal value of CHF 5 each, as applicable.

In the event of an issue of shares, the subscription and acquisition of the new shares as well as any subsequent transfer of the shares shall be subject to the restrictions pursuant to articles 6 and 7 of these Articles of Association.

In the event of a capital increase within the capital range, the Board of Directors shall, to the extent necessary, determine the issue price, the type of contribution (including cash contributions, contributions in kind, set-off and conversion of reserves or of profit carried forward into share capital), the date of issue, the conditions for the exercise of subscription rights and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these shares to the existing shareholders or third parties (if the subscription rights of the existing shareholders have been withdrawn or have not been duly exercised). The Board of Directors is entitled to permit, to restrict or to exclude the trade with subscription rights. It may permit the expiration of subscription rights that have not been duly exercised, or it may place such rights or shares as to which subscription rights have been granted, but not duly exercised or waived, at market conditions or may use or allocate them otherwise in the interest of the Company.

In the event of a share issue the Board of Directors is authorized to withdraw or restrict subscription rights of existing shareholders and allocate such rights to third parties, the Company or any of its group companies:

- if the issue price of the new shares is determined by reference to the market price;
- for raising equity capital in a fast and flexible manner, which would not be possible, or would only be possible with great difficulty or at significantly less favorable conditions, without the exclusion of the subscription rights of existing shareholders;
- for the acquisition of companies, part(s) of companies or participations, for the acquisition of products, intellectual property or licenses by or for investment projects of the Company or any of its group companies, or for the financing or refinancing of any of such transactions through a placement of shares; or
- for purposes of broadening the shareholder constituency of the Company in certain financial or investor markets, for purposes of the participation of strategic Partners including financial investors, or in connection with the listing of new shares on domestic or foreign stock exchanges.

After a change of the nominal value, new shares shall be issued within the capital range with the same nominal value as the existing shares; this shall also apply to the issue of rights or obligations to acquire new shares based on article 3quater of these Articles of Association.

The Board of Directors may carry out an increase from conditional capital within the capital range in accordance with article 3quater of these Articles of Association.

In the event of a reduction of the share capital within the capital range, the Board of Directors shall, to the extent necessary, determine the use of the reduction amount. The Board of Directors may also use the reduction amount for the partial or full elimination of a share capital shortfall in the sense of article 653p CO or may, in the sense of article 653q CO, simultaneously reduce and increase the share capital to at least the previous amount.

Conditional share capital based on the capital range

Pursuant to the Articles of Association (article 3quater) as at 31 December 2024, the share capital may be increased within the limitations of the capital range through the issuance of fully paid-in registered shares with a nominal value of CHF 5 each through the exercise or mandatory exercise of conversion, exchange, option, subscription or other rights to acquire shares, or through obligations to acquire shares, which were granted to or imposed on shareholders or third parties alone or in connection with bonds, notes, options, warrants or other securities or contractual obligations of the Company or any of its group companies (hereinafter collectively the "Financial Instruments"). The subscription rights of shareholders shall be excluded upon the exercise of any Financial Instruments in connection with the issuance of shares. The then current owners of such Financial Instruments shall be entitled to acquire the new shares issued upon the exercise of any Financial Instruments. The main conditions of the Financial Instruments shall be determined by the Board of Directors. The Board of Directors shall be authorized to withdraw or restrict advance subscription rights of shareholders in connection with the issuance of Financial Instruments by the Company or one of its group companies if (1) there is an important reason pursuant to article 3ter para. 4 of these Articles of Association or (2) the Financial Instruments are issued on appropriate terms. If the advance subscription rights are neither granted directly nor indirectly by the Board of Directors, the following shall apply:

- the acquisition price of the shares shall be set taking into account market conditions; and
- the Financial Instruments may be converted, exchanged or exercised during a limited period.

The declaration of acquisition of the shares based on this article 3quater shall refer to this article 3quater and be made in writing or by electronic means or by a declaration of intent that can be determined in any other way. A waiver of the right to acquire shares based on this article 3quater may also occur informally or by lapse of time; this also applies to the waiver of the exercise and forfeiture of this right.

The direct or indirect acquisition of shares based on this article 3quater and any subsequent transfer of shares shall be subject to the restrictions of articles 6 and 7 of these Articles of Association.

The grant of rights to acquire shares or the imposition of obligations to acquire shares on the basis of this article 3quater is only permitted as far as article 3ter of these Articles of Association concerning the capital range is in force. The lapse of the capital range shall, however, not affect the validity or the duration of rights to acquire shares granted or obligations to acquire shares imposed on the basis of this article 3quater. If such rights or obligations have been granted or imposed during the term of the capital range, this article 3quater shall not cease to be effective upon the lapse of the capital range.

Conditional share capital

Pursuant to the Articles of Association (article 3quinquies) as at 31 December 2024, the share capital may be increased by an amount not exceeding CHF 13,394,200 by issuing up to 2,678,840 new registered shares to be fully paid in with a nominal value of CHF 5 each through the exercise of the rights that the direct or indirect subsidiaries of the Company (the "Subsidiaries") or the Company itself may grant to officers, directors and employees at all levels of the Company and the Subsidiaries. The pre-emptive rights as well as the right for advance subscription of existing shareholders are precluded.

The issue of shares or respective option rights through the Subsidiaries or through the Company to officers, directors and employees of the Company and the Subsidiaries is subject to one or more regulations to be issued by the Board of Directors on the basis of the following general rules:

- new shares may only be issued to the Subsidiaries or to the Company for purposes of distribution to directors, officers or employees of the Company and the Subsidiaries; and
- new shares to be issued through the Subsidiaries or through the Company to employees of the Company or the Subsidiaries shall be issued against paying in the nominal value of CHF 5 per share in cash.

The declaration of acquisition of shares based on this article 3quinquies may be made by written or electronic means. A waiver of the right to acquire shares based on this article 3quinquies may also occur informally or by lapse of time; this also applies to the waiver of the exercise and forfeiture of this right.

All shares newly to be issued in the context of employee share plans or through exercise of conversion and/or option rights as well as each subsequent transfer of such shares are subject to the restrictions of articles 6 and 7 of these Articles of Association.

2.3 Changes in capital

	31.12.24 CHF 000	31.12.23 CHF 000	31.12.22 CHF 000
Issued ordinary share capital	**375,855**	375,855	374,679
Capital range	**351,664 to 400,047**	–	–
Remaining conditional share capital	**13,394**	46,434	47,610
Authorized share capital	**–**	–	35,500

As at **31 December 2022**, the registered share capital amounted to CHF 373,711,340 consisting of 74,742,268 registered shares, each with a par value of CHF 5 further to the registration on 15 February 2022 of 536,002 shares that were created out of conditional capital during 2021 (for Employee Share Option Schemes).

As at **31 December 2023**, the registered share capital amounted to CHF 374,737,010 consisting of 74,947,402 registered shares, each with a par value of CHF 5 further to the registration on 14 February 2023 of 205,134 shares that were created out of conditional capital during the period from 1 January 2022 to 31 January 2023 (for Employee Share Option Schemes).

As at **31 December 2024**, the registered share capital amounted to CHF 375,855,420 consisting of 75,171,084 registered shares, each with a par value of CHF 5 further to the registration on 14 February 2024 of 223,682 shares that were created out of conditional capital during the period from 1 February 2023 to 31 December 2023 (for Employee Share Option Schemes).

At the 2024 Annual General Meeting of Shareholders, several amendments to the Articles of Association have been approved; notably, the introduction of a capital range, a conditional capital within the capital range and the suppression of the conditional capital related to Financial Instruments (old article 3quater (2)).

2.4 Shares and participation certificates

All equity securities of Temenos are in the form of registered shares, each with a par value of CHF 5. Each share confers the right to one vote at the Annual General Meeting of Shareholders and all shares are fully entitled to receive dividends. The Articles of Association do not provide for privileged voting rights shares. The Company does not issue participation certificates.

CORPORATE GOVERNANCE REPORT continued

2. Capital structure continued

2.4 Shares and participation certificates continued

In compliance with Temenos policy to distribute a growing dividend and taking into account the growing maturity of the Group and the strength of future cash flows, the Company intends to pay an annual dividend of CHF 1.30 per share on 19 May 2025, subject to shareholders' approval at the Annual General Meeting of Shareholders on 13 May 2025. The dividend record date will be set on 16 May 2025 with the shares trading ex-dividend on 15 May 2025.

2.5 Dividend-right certificates

Nothing to report.

2.6 Limitations on transferability and nominee registrations

2.6.1 Limitations on transferability for each share category, along with an indication of group clauses in the Articles of Association, if any, and rules for granting exceptions

Not applicable.

2.6.2 Reasons for granting exceptions in the year under review

Not applicable.

2.6.3 Admissibility of nominee registrations, along with an indication of percent clauses, if any, and registration conditions

According to Article 6 of the Articles of Association, every entry of an acquirer of shares is subject to the Board of Directors' consent. The Board of Directors may refuse its consent if, at its request, the acquirer does not explicitly declare to acquire and to hold the shares in his own name and for his own account or if the form filed by the acquirer to request registration contains untrue information or statements.

2.6.4 Procedure and conditions for canceling privileges and limitations on transferability laid down in the Articles of Association

Not applicable.

2.7 Convertible bonds and options

Regarding options, please refer to note 27 of the consolidated financial statements.

There are no outstanding convertible bonds.

In **April 2017**, the Company issued a senior unsecured bond with a nominal value of CHF 150 million and a coupon rate of 1.75% paid annually on 5 April. The bond was repaid on 5 April 2024 at a redemption price of 100% of the principal amount.

In **November 2019**, the Company issued a senior unsecured bond with a nominal value of CHF 220 million and a coupon rate of 1.50% paid annually on 28 November. The bond will mature on 28 November 2025 at a redemption price of 100% of the principal amount.

In **October 2023**, the Company issued a senior unsecured bond with a nominal value of CHF 200 million and a coupon rate of 2.85% paid annually on 11 October. The bond will mature on 11 October 2028 at a redemption price of 100% of the principal amount.

3. Board of Directors

3.1 Members of the Board of Directors

As at 31 December 2024, the Board of Directors comprised the following members:

Name	Position
Thibault de Tersant	Chairman, Non-Executive Director
Cecilia Hultén	Vice-Chair, Independent and Non-Executive Director
Peter Spenser	Independent and Non-Executive Director
Maurizio Carli	Independent and Non-Executive Director
Xavier Cauchois	Independent and Non-Executive Director
Dorothee Deuring	Independent and Non-Executive Director
Laurie Readhead	Independent and Non-Executive Director
Michael Gorriz	Independent and Non-Executive Director

Mr. Ian Cookson and Ms. Debbie Forster did not stand for re-election at the Annual General Meeting held on 7 May 2024.

Ms. Laurie Readhead and Mr. Michael Gorriz were elected as new members of the Board of Directors at the Annual General Meeting held on 7 May 2024.

Ms. Cecilia Hultén was elected Vice-Chair by the Board of Directors on 7 May 2024.

Please refer to pages 140 and 141 for the biographies of the current members of the Board of Directors.

None of the Non-Executive members of the Board of Directors has or has had any senior management position within the Group, nor any significant business connections with the Group.

Given his tenure, Thibault de Tersant is a Non-Executive and non-independent member of the Board of Directors. The other members have explicitly confirmed their independence by formally stating they meet all the independence criteria as listed in section 3.1 of the Company's bylaws (https://www.temenos.com/wp-content/uploads/2023/12/BOD-Bylaws-20230503.pdf).

3.2 Other activities and vested interests

Except those mentioned in the biographies section of this Annual Report, no member of the Board of Directors has any:

- activities in governing and supervisory bodies of important Swiss and foreign organizations, institutions and foundations under private and public law;
- permanent management and consultancy functions for important Swiss and foreign interest groups; or
- official functions and political posts.

3.3 Number of permitted activities

According to Article 29 of the Articles of Association, no member of the Board of Directors may hold more than four additional mandates in listed companies and ten additional mandates in non-listed companies.

The following mandates are not subject to these limitations:

a. mandates in companies which are controlled by the Company or which control the Company;

b. mandates held at the request of the Company or any companies controlled by it. No member of the Board of Directors or of the executive management shall hold more than ten of such mandates; and

c. "mandates" in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Board of Directors or executive management shall hold more than ten of such mandates.

"mandates" shall mean mandates in the supreme governing body of a legal entity with an economic purpose which is required to be registered in the commercial register or a comparable foreign register or mandates with comparable functions. Mandates in different legal entities that are under joint control are deemed one mandate.

All members of the Board of Directors comply with these provisions.

3.4 Elections and terms of office

Name	First elected
Thibault de Tersant	2012
Peter Spenser	2017
Maurizio Carli	2020
Cecilia Hultén	2022
Xavier Cauchois	2023
Dorothee Deuring	2023
Laurie Readhead	2024
Michael Gorriz	2024

Additionally for issuers subject to the provisions of the company law pursuant to Art. 620–762 CO:

Any rules in the Articles of Association that differ from the statutory legal provisions with regard to the appointment of the Chairman, the members of the Compensation Committee and the independent proxy

Not applicable.

3.5 Internal organizational structure

3.5.1 Allocation of tasks within the Board of Directors

The Board of Directors shall elect a Vice-Chair from amongst its members and a secretary. It may also appoint one or more Committees from amongst its members.

Chair

The Chair is responsible for preparing and convening the meetings of the Board of Directors as well as for the implementation of the resolutions of the Board of Directors. In case of his absence, the Vice-Chair shall call the meetings of the Board of Directors. The Chair monitors the preparation of the General Meeting of Shareholders.

Vice-Chair

In case the Chair is unavailable or absent, the Vice-Chair calls meetings of the Board of Directors; also, in case the Chair is unavailable or absent, the Vice-Chair chairs meetings of the Board of Directors.

3.5.2 Members list, tasks and area of responsibility for each Committee of the Board of Directors

The Audit Committee, Compensation Committee, Nomination & ESG Committee and Technology, Innovation & Cybersecurity Committee are governed by terms of reference defining their duties and compositions, which are available at https://www.temenos.com/about-us/investor-relations/corporate-governance/. These Committees report regularly and make recommendations to the Board of Directors which is empowered to make decisions.

Name	Audit Committee	Compensation Committee	Nomination & ESG Committee	Technology, Innovation & Cybersecurity Committee
Thibault de Tersant				
Peter Spenser	Member	Chair		
Maurizio Carli		Member	Member	Member
Cecilia Hultén		Member	Chair	Member
Xavier Cauchois	Chair			
Dorothee Deuring	Member	Member	Member	
Laurie Readhead	Member			Member
Michael Gorriz			Member	Chair

- The Technology, Innovation & Cybersecurity Committee has been in force since 1 January 2025.
- Post the 2025 Annual General Meeting of Shareholders, it is planned to merge the Compensation Committee and the Nomination & ESG Committee to form the Nomination, Compensation & Sustainability Committee.

Audit Committee

The Audit Committee is currently composed of four members, each of whom being independent and holding relevant financial expertise and understanding of the IFRS accounting standards. The Audit Committee reviews the Group's financial reports and internal controls and oversees ESG reporting and any other matters that may be brought to its attention by the internal and/or external auditors. The Chair of the Audit Committee regularly reports to the Board of Directors on the Audit Committee's findings and recommendations; the Board of Directors is responsible for approving the annual financial statements before submission to the Annual General Meeting for approval. Please also refer to paragraph 8.4 below.

Compensation Committee

The Compensation Committee shall support the Board of Directors in reviewing and making recommendations on compensation practices, guidelines and procedures and in preparing the proposals to the General Meeting of Shareholders regarding compensation of the members of the Board of Directors and of the Executive Committee. It may submit proposals and recommendations to the Board of Directors in other compensation-related issues.

Nomination & ESG Committee

The main duties of the Nomination & ESG Committee are: (i) to annually review the structure, size and composition of the Board of Directors with a view to establish a Board of Directors that can provide effective governance and perform all Board of Directors duties taking into account expertise, experience and skills needed and work towards achieving a balance in terms of diversity, including gender and origin, and make recommendations to the Board of Directors with regard to any changes; (ii) to review and propose to the Board of Directors candidates for membership on the Board of Directors to be recommended for election at the Annual General Meeting; (iii) to give full consideration to succession planning for both members of the Board of Directors and Executive Committee; and (iv) to consider the strategy and targets for the ESG matters set by the Chief Executive Officer to monitor progress and achievements, to oversee ESG and climate reporting, to stay abreast of trends in ESG matters and to report accordingly to the Board of Directors.

CORPORATE GOVERNANCE REPORT continued

3. Board of Directors continued

3.5 Internal organizational structure continued

3.5.2 Members list, tasks and area of responsibility for each Committee of the Board of Directors continued

Technology, Innovation & Cybersecurity Committee

The main duties of the Technology, Innovation & Cybersecurity Committee are: (i) to review the Temenos product development roadmaps from a content, technology, architecture and infrastructure perspective; (ii) to oversee the quality of the products and services delivered to customers including the upgrade and implementation projects; (iii) to monitor product innovation activities including innovation projects that could represent significant opportunities or risks for Temenos, including Artificial Intelligence for internal use or used in customer products; (iv) to monitor industry and market trends in technology related to the Temenos products; and (v) to review and monitor Temenos' cybersecurity resilience and the cyber risk management with special emphasis on controls and procedures including the cyber risk which is inherent in products and services for customers and to report accordingly to the Board of Directors.

3.5.3 Working methods of the Board of Directors and its Committees

The Board of Directors meets as often as business requires, but at least four times a year. The Audit Committee meets at least four times a year. The Compensation Committee and the Nomination & ESG Committee meet at least three times a year. The Technology, Innovation & Cybersecurity Committee meets at least twice a year.

In 2024, the following meetings were held:

	Number of meetings	Attendance	Average duration
Board of Directors	8	100%	2.9h
Audit Committee	5	100%	3h
Compensation Committee	5	92%	1.4h
Nomination & ESG Committee	4	100%	1h

Name	Audit Committee	Compensation Committee	Nomination & ESG Committee	Board of Directors
Ian Cookson[1]	100%		100%	100%
Thibault de Tersant	100%			100%
Peter Spenser	100%	100%		100%
Maurizio Carli		80%	100%	100%
Debbie Forster[1]		100%	100%	86%
Cecilia Hultén		100%	100%	100%
Xavier Cauchois	100%			100%
Dorothee Deuring	100%	80%	100%	100%
Laurie Readhead[2]	100%			100%
Michael Gorriz[2]			100%	100%

1 Member of the Board of Directors and of one or more Committees until the Annual General Meeting held on 7 May 2024.

2 Member of the Board of Directors and of one or more Committees from the Annual General Meeting held on 7 May 2024.

All physical meetings were held in Geneva.

Both the external and internal auditors attended all the Audit Committee meetings in 2024.

At the meetings of the Board of Directors and of its Committees, those members of the Executive Committee who have the relevant information and expertise required for the respective body to perform its duties are present. However, these persons do not take part in any resolutions.

At each Board of Directors meeting, a business report is presented by the Chief Executive Officer. Together with the financial report presented by the Chief Financial Officer, this information enables the members of the Board of Directors to assess the course of the Company's business activities on a regular basis.

The Board of Directors conducts an annual evaluation of its performance. Such process is carried out by way of an anonymous self-evaluation questionnaire on the performance and effectiveness of the Board of Directors to be completed by each of its members. The results and comments are consolidated by the Company Secretary and then discussed at the next meeting during which proposed improvements are agreed. The 2024 evaluation results were discussed at the meeting held in December 2024.

3.6 Definition of areas of responsibility

The Board of Directors is the ultimate governing body of the Company. Together with its Committees, it exercises inalienable and non-transferable functions as provided by law, by the Company's Articles of Association and by its bylaws. The Board of Directors decides in particular on significant acquisitions, disposals, strategic partnerships, changes in the Group's structure and share repurchase programs, though its responsibilities are not limited to this. The Board of Directors is responsible for all aspects of security, risk management and system of internal controls.

Based on Article 17 of the Articles of Association and Article 3.6 of the bylaws of the Company, the Board of Directors has delegated the day-to-day operational management and conduct of business operations of the Company to the Chief Executive Officer who heads and is supported by the Executive Committee, except where the law or the Articles of Association provide differently.

The Executive Committee is responsible for execution of strategy and monitoring performance against it. The Executive Committee also sets targets for Group organic and inorganic growth on a three-year basis, i.e. a strategic plan to be then formally approved by the Board of Directors. Finally, the Executive Committee approves all product investments as well as acquisitions to be proposed to the Board of Directors.

3.7 Information and control instruments vis-à-vis the Executive Committee

The Board of Directors is responsible for the Group's risk management, security and system of internal controls. Overseeing the risk management process, effectiveness and efficiency of operations, accurate reporting, compliance with laws and regulations and safeguarding the interests of the Group are some of the main responsibilities of the Board of Directors.

Prior to each meeting, members of the Board of Directors receive reports that allow them to discharge their above duties. The Chief Executive Officer and Chief Financial Officer report at each meeting of the Board of Directors.

The performance management process ensures that the Company's targets, as agreed with the Board of Directors, are delegated to senior management during the first quarter of every financial year.

The Internal Audit function provides an independent assurance to the Board of Directors and Audit Committee on the continuing appropriateness and effectiveness of Temenos' systems of governance, risk management and internal controls. The Group Head of Internal Audit reports functionally to the Chair of the Audit Committee.

Findings and related action plans from internal audit reviews and/or internal control self-assessments are reported to senior management; summary reports are provided to the Audit Committee at every meeting. Implementation of action plans is monitored on a regular basis and status is reported to the Audit Committee.

Risk management is an integral part of the business process. Key risks are reviewed by the Board of Directors itself at least once a year.

The organizational structure ensures that specialized functions such as Security and IT continuously support the management of risks.

3.8 Gender guidelines
Not applicable.

4. Executive Committee
4.1 Members of the Executive Committee
As at 31 December 2024, the Executive Committee comprised the following members:

Name	Position
Jean-Pierre Brulard	Chief Executive Officer
Panagiotis "Takis" Spiliopoulos	Chief Financial Officer
Barb Morgan	Chief Product and Technology Officer
William Moroney	Chief Revenue Officer
Jayde Tipper	Chief People Officer
Deirdre Dempsey	Chief Legal Officer
Isabelle Guis	Chief Marketing Officer
Colin Jarrett	Chief Security and Risk Officer

Mr. William Moroney was appointed as a member of the Executive Committee (President International) effective 15 January 2024.

Mr. Philip Barnett was appointed as a member of the Executive Committee (President Americas) effective 15 January 2024.

Mr. Andreas Andreades resigned as Chief Executive Officer effective 30 April 2024.

Mr. Jean-Pierre Brulard was appointed as a member of the Executive Committee (Chief Executive Officer) effective 1 May 2024.

Mr. William Moroney was appointed Chief Revenue Officer effective 9 July 2024.

Ms. Deirdre Dempsey was appointed as a member of the Executive Committee (Chief Legal Officer) effective 9 July 2024.

Mr. Philip Barnett stepped down as President Americas effective 9 July 2024.

Ms. Isabelle Guis was appointed as a member of the Executive Committee (Chief Marketing Officer) effective 10 July 2024.

Ms. Barb Morgan was appointed as a member of the Executive Committee (Chief Product and Technology Officer) effective 7 October 2024.

Ms. Prema Varadhan stepped down as President Product and Chief Operating Officer effective 7 October 2024.

Please refer to pages 142 and 143 for the biographies of the current members of the Executive Committee.

4.2 Other activities and vested interests
Except those mentioned in the biographies section of the Annual Report, no member of the Executive Committee has any:

- activities in governing and supervisory bodies of important Swiss and foreign organizations, institutions and foundations under private and public law;
- permanent management and consultancy functions for important Swiss and foreign interest groups; or
- official functions and political posts.

4.3 Number of permitted activities
According to Article 29 of the Articles of Association, no member of the executive management may hold more than one additional mandate in a listed company and five additional mandates in non-listed companies.

The following mandates are not subject to these limitations:

a. mandates in companies which are controlled by the Company or which control the Company;

b. mandates held at the request of the Company or any companies controlled by it. No member of the Board of Directors or of the executive management shall hold more than ten of such mandates; and

c. mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Board of Directors or executive management shall hold more than ten of such mandates.

"mandates" shall mean mandates in the supreme governing body of a legal entity with an economic purpose which is required to be registered in the commercial register or a comparable foreign register or mandates with comparable functions. Mandates in different legal entities that are under joint control are deemed one mandate.

All members of the Executive Committee comply with these provisions.

4.4 Management contracts
Nothing to report.

4.5 Gender guidelines
Not applicable.

5. Compensation, shareholdings and loans
5.1 Content and method of determining the compensation and the shareholding programs
The executive management compensation plans seek to align executive management and shareholders' interests by making a significant portion of compensation depend on achieving increased shareholder value for the long term and to enforce a performance-oriented environment that rewards superior value creation and the achievement of outstanding results.

Compensation of the Non-Executive members of the Board of Directors comprises fixed compensation only.

The executive management may be paid fixed and variable compensation. Variable compensation is dependent on the achievement of certain performance criteria.

Temenos applies a policy for share ownership and retention that is applicable to both the members of the Board of Directors and of the Executive Committee. Further information is available in the Compensation Report on page 168.

CORPORATE GOVERNANCE REPORT continued

5. Compensation, shareholdings and loans continued

5.2 Additionally for issuers subject to the provisions of the company law pursuant to Art. 620–762 CO:

5.2.1 Rules in the Articles of Association on the principles applicable to performance-related pay and to the allocation of equity securities, conversion rights and options, as well as the additional amount for payments to members of the Executive Committee appointed after the vote on pay at the General Meeting of Shareholders

According to Article 27 of the Articles of Association, performance criteria shall be determined by the Board of Directors or, where delegated to it, the Compensation Committee and may include criteria relating to individual performance, performance of the Company or parts thereof and performance in relation to the market or other companies, taking into account the position and level of responsibility of the employee. The Board of Directors or, where delegated to it, the Compensation Committee, shall determine the performance criteria impact on variable compensation, including actual achievement and potential maximum achievement, the relative weight of the performance criteria and the respective target levels.

Compensation may be paid or granted in cash, shares or in the form of other types of benefits. Compensation of executive members of the Board of Directors or members of the executive management may also be granted in the form of options and similar financial instruments or units. The Board of Directors or, where delegated to it, the Compensation Committee, shall determine grant, vesting, blocking, exercise and forfeiture terms and conditions of these kinds of compensation; in particular, it may provide for continuation, acceleration or removal of vesting and exercise conditions, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change of control or termination of an employment or mandate agreement.

The Company may procure the required shares through treasury shares or upon creation of shares out of conditional capital.

Compensation may be paid by the Company or companies controlled by it.

According to Article 26 of the Articles of Association, if the maximum aggregate amount of compensation already approved by the General Meeting of Shareholders is not sufficient to also cover compensation of one or more members who become members of the executive management during a compensation period for which the General Meeting of Shareholders has already approved the compensation, the Company or companies controlled by it shall be authorized to pay to such member(s) a supplementary amount during the compensation period(s) already approved. The total supplementary amount per compensation period shall not exceed 40% of the aggregate amount of compensation of the executive management last approved by the General Meeting of Shareholders.

5.2.2 Rules in the Articles of Association on loans, credit facilities and post-employment benefits for members of the Board of Directors and Executive Committee

Nothing to report.

5.2.3 Rules in the Articles of Association on the vote on pay at the General Meeting of Shareholders

According to Article 25 of the Articles of Association, the General Meeting of Shareholders shall approve annually and separately the proposals of the Board of Directors in relation to the maximum aggregate amount of:

- compensation of the Board of Directors for the next fiscal year; and
- compensation of the executive management for the next fiscal year.

The Board of Directors may submit for approval by the General Meeting of Shareholders proposals in relation to maximum aggregate amounts of compensation relating to different periods, in relation to amounts for specific compensation elements for the same or different periods.

In the event a proposal of the Board of Directors has not been approved by the General Meeting of Shareholders, the Board of Directors shall determine, taking into account all relevant factors, the respective maximum aggregate amount of compensation or partial maximum amounts for specific compensation elements, and submit the amount(s) so determined for approval by a General Meeting of Shareholders.

Notwithstanding the above provisions, the Company or companies controlled by it may pay out compensation prior to approval by the General Meeting of Shareholders subject to subsequent approval by a General Meeting of Shareholders.

If variable compensation is approved prospectively, the Board of Directors shall submit the compensation report to the General Meeting of Shareholders for a consultative vote.

6. Shareholders' participation rights

6.1 Voting rights restrictions and representation

6.1.1 Rules in the Articles of Association on restrictions to voting rights, along with an indication of group clauses and rules on granting exceptions, as well as exceptions actually granted during the year under review

According to the Company's Articles of Association, only shareholders entered in the share register as shareholders or as usufructuaries may exercise the voting rights linked to the shares or the other rights connected with these voting rights. The Articles of Association do not contain any restrictions to voting rights.

6.1.2 Disclosures on restrictions to voting rights and rules on granting exceptions for institutional proxies, as well as exceptions actually granted during the year under review

Not applicable.

6.1.3 Reasons for granting exceptions in the year under review

Nothing to report.

6.1.4 Procedure and conditions for abolishing voting rights restrictions laid down in the Articles of Association

Nothing to report.

6.1.5 Rules in the Articles of Association on participation in the General Meeting of Shareholders, if they differ from the statutory legal provisions

Shareholders registered in the share register with voting rights on a determined date are entitled to attend the General Meeting of Shareholders and to exercise their votes. Each shareholder may be represented at the General Meeting of Shareholders by any other person who is authorized by a written proxy, by a legal representative or by the independent proxy holder.

6.1.6 Additionally for issuers subject to the provisions of the company law pursuant to Art. 620–762 CO:

Information on any rules which might be laid down in the Articles of Association on the issue of instructions to the independent proxy and any rules in the Articles of Association on the electronic participation in the General Meeting of Shareholders

There are no rules in the Articles of Association about electronic participation in the General Meeting of Shareholders or instructions to the independent proxy holder. However, the shareholders may provide electronically their voting instructions to the independent proxy holder.

6.2 Quorums required by the Articles of Association

There are no statutory quorums. The General Meeting of Shareholders shall pass its resolutions and carry out its elections by a simple majority, unless a qualified majority is required by law for a specific agenda item.

6.3 Convocation of the General Meeting of Shareholders

The General Meeting of Shareholders is convened by publication of the invitation and the agenda, at least 20 days before the date of the meeting, in the Swiss Official Gazette of Commerce (Schweizerische Handelsamtsblatt, Feuille Officielle Suisse du Commerce).

6.4 Inclusion of items on the agenda

One or more shareholders representing shares of an aggregate nominal value of at least CHF 1 million may, up to 45 days before the date of the General Meeting of Shareholders, request an item to be included on the agenda. Such request must be in writing and shall specify the items and the proposals of these shareholders.

6.5 Entries in the share register

Pursuant to Article 13 paragraph 1 of the Articles of Association, shareholders entered in the share register as shareholders with voting rights on a specific date determined by the Board of Directors are entitled to attend and vote at the General Meeting of Shareholders.

7. Changes of control and defense measures

7.1 Duty to make an offer

There is no “opting out” or “opting up” clause in the Articles of Association.

7.2 Clauses on changes of control

In case of change of control in Temenos, all outstanding restricted share units (RSUs), performance share units (PSUs) and stock appreciation rights (SARs) will become immediately vested and exercisable.

RSUs, PSUs and SARs are considered to be outstanding only if the corresponding/relevant service period has started (where such relevant service period is specified as part of the grant documentation). If not specified, they will be considered as outstanding automatically.

7a. Transparency on non-financial matters

Not applicable.

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor

8.1.1 Date of assumption of the current audit mandate

PricewaterhouseCoopers SA was re-elected as the statutory and Group auditors at the Annual General Meeting of Shareholders held on 7 May 2024 for a period of one year (first elected in 2003).

8.1.2 Date on which the lead auditor responsible for the current audit mandate took up office

Since 2019 the lead auditor for the Group audit has been Mr. Yazen Jamjum.

8.2 Auditing fees

Included in general and administrative expenses is an amount of USD 2,758,992 representing audit fees charged to the Company by PricewaterhouseCoopers for:

(i) the audit of the Group consolidated financial statements and of statutory accounts in various jurisdictions (USD 2,478,992); and

(ii) other audit fees related to work that can only be performed by the Group auditor (total of USD 280,000).

8.3 Additional fees

In addition, other fees of USD 468,905 have been incurred by PricewaterhouseCoopers through the provision of non-audit assurance engagement, ESG sustainability assurance, CSRD pre-assurance and other professional services. Please find below a breakdown of the additional fees:

Actual 2024	USD 000
General information services	3
Agreed upon procedures services	3
Tax compliance	3
Total recurring non-audit fees	9
ESG – sustainability assurance	195
ESG – CSRD pre-assurance	100
Non-audit assurance engagements	165
Total non-audit fees	469
Total audit fees	2,759
Total non-audit fees as a % of total audit fees	17%

8.4 Information instruments pertaining to the external audit

The Audit Committee is responsible for monitoring the performance of the external auditors, checking its independence, approving its annual audit plan and fees and reviewing its findings on internal control procedures as well as ensuring relevant actions are taken by the external auditor to meet any new applicable regulatory audit standards and other requirements. At least once a year, the Audit Committee members meet with the external auditors without the presence of management. The external auditors formally report to the Audit Committee and have direct access to its Chair when necessary. The Chair then reports on each Audit Committee meeting to the Board of Directors. Please also refer to paragraphs 3.5.2 and 3.5.3 above.

CORPORATE GOVERNANCE REPORT continued

8. Auditors continued

8.4 Information instruments pertaining to the external audit continued

At the beginning of the year, the Audit Committee pre-approves a budget amount of permitted services that may be performed by the external auditors. Such services are then reviewed on a regular basis at Audit Committee meetings. The Audit Committee reviews annually the policy on non-audit services, which reflects the updates in the external auditors' independence guidelines and documents a robust framework for the scope of non-audit services which the external auditors are permitted to provide as well as an appropriate approval process for the level of services provided, including certain types of pre-approved non-audit services. Prior to committing to a piece of work beyond a certain limit, authorization must be given by the Audit Committee Chair on proposal of the Chief Financial Officer.

9. Information policy

Temenos is committed to open and transparent communication with its shareholders and wider stakeholders.

Updates

Temenos publishes an audited Annual Report for the year to 31 December and an unaudited Interim Report for the six months to 30 June. Temenos also reports figures on a quarterly basis. All of this information and additional Company-specific information is available at https://www.temenos.com/about-us/investor-relations/.

Those interested to receive financial news, information on client signings and all press releases issued in accordance with the ad hoc publicity rules can sign up for press releases on the Temenos website by clicking on the Subscribe button at https://www.temenos.com/about-us/investor-relations/investor-news/; moreover, all ad hoc press releases are available at https://www.temenos.com/news/?page=1&category=ad-hoc-announcements.

Dates of the publication of quarterly results, Annual and Interim Reports, General Meeting of Shareholders and Temenos conferences are published on the Company's website and updated regularly at https://www.temenos.com/about-us/investor-relations/#financial-calendar.

Contacting Temenos

For any investor relations inquiries please contact the Company at TemenosIR@temenos.com and for management dealings inquiries/disclosures of shareholdings notifications contact companysecretarial@temenos.com.

The Company's headquarters are located at:

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Tel: +41 22 708 11 50

Contact details of our offices worldwide are available at https://www.temenos.com/contact-us/.

Meeting Temenos

On 13 May 2025, Temenos will hold its Annual General Meeting. The General Meeting of Shareholders is convened by publication of the invitation and the agenda, at least 20 days before the date of the meeting, in the Swiss Official Gazette of Commerce (Schweizerische Handelsamtsblatt, Feuille Officielle Suisse du Commerce).

Meetings between Directors, institutional shareholders and other market professionals are held regularly as a part of Temenos' investor relations program. Furthermore, all Directors are available to meet shareholders if requested.

10. Quiet periods

According to the Temenos Insider Information Policy and in addition to the general prohibition of insider trading (i.e. ad hoc blackout periods related to special projects), no purchase or sale of Temenos AG securities shall be made during the following quiet periods irrespective of holding or not any insider information:

- During the period beginning the first day of the month following the end of the quarter (i.e. 1 January inclusive, 1 April inclusive, 1 July inclusive and 1 October inclusive) and ending on the day of public announcement of the related quarterly financial results, once published.

For members of the Company's Board of Directors, members of executive management, members of Group finance consolidation, financial planning, analysis groups and any other person who has access to information related to the quarterly, interim and full year financial results, the quiet periods are as follows:

- During the period beginning 15 days prior to the end of the quarter (i.e. 17 March inclusive, 16 June inclusive, 16 September inclusive and 17 December inclusive) and ending on the day of public announcement of the related quarterly financial results, once published.

COMPENSATION REPORT

Dear Shareholders,

Our compensation policy remains a key pillar in attracting, retaining and rewarding top talent, ensuring alignment with Temenos' long-term growth strategy and shareholder value creation. In 2024, our approach to compensation continued to emphasize performance-based incentives while supporting leadership retention.

2024: a year of strategic progress

2024 was a pivotal year for Temenos, marked by leadership transition and continued execution of our cloud-first strategy. We welcomed Jean-Pierre Brulard as our new CEO and several additions to the Executive Committee (CMO and CPTO), reinforcing our leadership as Temenos embarks on its next phase of growth.

Throughout the year, Temenos strengthened its position in cloud banking software, expanding its SaaS and subscription-based offerings to meet evolving client demands. The increasing adoption of our cloud-native solutions by tier 1 and tier 2 banks further solidified our market position.

While the year presented external challenges, including macroeconomic factors and market scrutiny, we remained focused on delivering value to clients and executing our strategy. Through resilience and operational discipline, we navigated a complex environment and ended the year in a position of strength.

Our scalable business model, ongoing investment in innovation, and strong customer relationships ensure we remain well positioned for sustainable growth.

Shareholder engagement

The Compensation Committee values ongoing dialog with shareholders, incorporating their insights into our compensation framework. In early 2025, we engaged with investors to gather their views on our approach, reinforcing our focus on governance and accountability. This dialog has helped shape our ongoing commitment to a compensation structure that supports both the Company's strategic objectives and the expectations of our shareholders.

Pay for performance and at-risk compensation

The Long-Term Incentive (LTI) Plans granted in 2022 were scheduled to vest in February 2025. However, as the performance targets were not met, these awards did not vest. This reflects the Company's continued approach of linking LTI outcomes directly to performance.

This underscores the Compensation Committee's commitment to a long-term incentive structure that aligns leadership rewards with Company performance and shareholder value creation, while also supporting the retention of key talent to drive execution of our strategic objectives. As Temenos evolves, we remain focused on ensuring our LTI framework is both competitive and strategically aligned to attract and retain the leadership necessary for sustainable growth.

Commitment to shareholder alignment and governance

We have carefully considered shareholder feedback over the past year and remain committed to maintaining a compensation framework that balances performance incentives with responsible governance. The Committee continues to ensure that our structure supports long-term value creation, aligns with market best practices and remains transparent.

Outlook

Temenos remains a leader in global banking software, delivering innovation and value to clients and stakeholders. Our compensation framework ensures the right incentives are in place to drive execution and long-term success.

The Compensation Committee remains dedicated to shareholder engagement and continuous refinement of our approach.

On behalf of the Compensation Committee, I thank you for your trust, support and valuable feedback. We look forward to continuing our engagement with you and appreciate your support at the AGM.

Thibault de Tersant
Non-Executive Chairman

Dr. Peter Spenser
Chair of the Compensation Committee

At Temenos, our people are the foundation of our success in delivering mission-critical enterprise software to banks in more than 150 countries. As a global specialist in banking technology, we compete for talent in the highly competitive software sector against larger horizontal software companies. Temenos software is trusted by some of the world's largest banks to power key aspects of their operations.

Our LTI plan is designed to align employee contributions with long-term shareholder value while remaining competitive in the global talent market. The plan incorporates a balanced mix of performance-based and retention incentives, ensuring a structure that drives accountability, supports market competitiveness, and fosters an entrepreneurial mindset. This approach reinforces the alignment of our employees' efforts with our shareholders' interests, while adapting to the evolving regulatory landscape of the financial services sector.

COMPENSATION REPORT continued

Contents

A. Compensation policy and principles

A.1. Compensation objectives

This Compensation Report has been prepared in accordance with the Swiss Code of Obligations (CO) related to the remuneration in listed companies, the SIX Exchange regulations, the Swiss Code of Best Practice and the Articles of Association of Temenos.

The report describes the compensation system and the criteria that apply to the compensation of Temenos' Executive Committee and the Board of Directors; and discloses the amount of compensation paid in 2024. It also details changes to the compensation system for 2025.

Temenos' executive compensation programs are designed to attract, retain and motivate top talent while aligning with the Company's strategic goals and shareholder interests.

Executive compensation consists of three primary components:

(i) fixed cash compensation and benefits;

(ii) variable cash linked to short-term performance targets (i.e. current financial year); and

(iii) equity-based variable compensation that is linked to long-term performance targets and shareholder value creation.

Compensation of the Non-Executive members of the Board of Directors comprises fixed compensation only.

The Board of Directors defines the criteria for all compensation components, including variable and equity-based programs. These criteria may include:

- Company performance metrics;
- market comparisons; and
- individual contributions to strategic objectives.

The Board determines the weighting of these criteria and oversees key aspects of equity-based incentives, such as grant conditions, vesting schedules and forfeiture provisions.

A.2. Organization and competencies

The Executive Committee members are hereinafter referred to as the "Executives".

The Executives who served in the 2024 financial year are:

- Jean-Pierre Brulard, Chief Executive Officer (CEO) from 1 May 2024;
- Panagiotis "Takis" Spiliopoulos, Chief Financial Officer (CFO);
- Barb Morgan, Chief Product and Technology Officer (CPTO) from 7 October 2024;
- William Moroney, President Internal Sales from 15 January 2024 until 9 July 2024, and thereafter Chief Revenue Officer (CRO);
- Jayde Tipper, Chief People Officer (CPO);
- Deirdre Dempsey, Chief Legal Officer (CLO) from 9 July 2024;
- Isabelle Guis, Chief Marketing Officer (CMO) from 10 July 2024;
- Colin Jarrett, Chief Security and Risk Officer (CSRO);
- Prema Varadhan, President Product and Chief Operating Officer (PPCOO) until 7 October 2024;
- Philip Barnett, President Americas from 15 January until 9 July 2024; and
- Andreas Andreades, Chief Executive Officer (CEO) until 30 April 2024.

Executive Committee gender ratio as at 31 December 2024

The Non-Executive Directors who served in the 2024 financial year are:

- Thibault de Tersant, Chairman;
- Cecilia Hultén, Vice-Chair from 7 May 2024;
- Peter Spenser;
- Maurizio Carli;
- Xavier Cauchois;
- Dorothee Deuring;
- Laurie Readhead from 7 May 2024;
- Michael Gorriz from 7 May 2024;
- Ian Cookson until 7 May 2024; and
- Deborah Forster until 7 May 2024.

Board of Directors gender ratio as at 31 December 2024

COMPENSATION REPORT continued

A. Compensation policy and principles continued

A.3. External mandates – audited

This section (section A.3.) has been audited by Temenos' auditor, PricewaterhouseCoopers SA.

As of 31 December 2024, the members of the Executive Committee and Board of Directors held the following comparable positions in other organizations:

Board of Directors

Member	Company	Position
Thibault de Tersant	Numeum (France)	Member of the Board of Directors and Executive Committee
	Semaines Sociales de France, non-profit association (France)	Member of the Board of Directors
	La Fondation Dassault Systèmes (France)	Chairman of the Board of Directors
	Numspot (France)	Member of the Board of Directors
Cecilia Hultén	kompasbank (Denmark)	Member of the Board of Directors
	Cbio A/S (Denmark)	Chief Financial Officer and Member of the Board of Directors
	Konsolidator (Denmark)[1]	Member of the Board of Directors
	CIP Executive Search AB (Denmark)[1]	Member of the Board of Directors
Peter Spenser	–	–
Maurizio Carli	Board International (Switzerland)	Member of the Board of Directors
Xavier Cauchois	Dassault Systèmes (France)	Member of the Board of Directors and Chair of the Audit Committee
Dorothee Deuring	Elementis plc (UK)	Member of the Board of Directors
	OMV (Austria)	Member of the Board of Directors
	Cornucopia SICAV SEF (Luxembourg)	Member of the Board of Directors
	PolyPeptide AG (Switzerland)[1]	Member of the Board of Directors
Laurie Readhead	EY (US)	Executive Advisor – EY Technology Icons Council
Michael Gorriz	Mox Bank Ltd (Hong Kong)	Non-Executive Director
	Swiss IT Security Group AG (Luxembourg)	Member of the Board of Directors
	Mercedes-Benz Auto Finance (China)	Independent Non-Executive Director
	Audax (Singapore)	Member of the Board of Directors
	Kyberlife Ltd (Singapore)	Member of the Board of Directors
	Pivot Digital Labs Pte Ltd (Singapore)	Managing Partner

1 These mandates were resigned from during the financial year 2024.

Executives

Member	Company	Position
Jean-Pierre Brulard	–	–
Panagiotis "Takis" Spiliopoulos	Blueberg Management AG (Switzerland) Blueberg Assets AG (Switzerland)	Member of the Board of Directors Member of the Board of Directors
Barb Morgan	–	–
William Moroney	–	–
Jayde Tipper	Sixty Learn Ltd (UK)	Member of the Board of Directors
Deirdre Dempsey	–	–
Isabelle Guis	–	–
Colin Jarrett	–	–

A.4. The role of the Compensation Committee

The Compensation Committee is authorized by the Board of Directors:

- to approve compensation practices, policies and procedures that relate to the Executive Committee and other employees of the Company;
- to review and recommend to the Board of Directors the applicable performance targets and the compensation levels;
- to review the competitiveness of the Company's executive compensation programs;
- to ensure the attraction and retention of members of the Executive Committee to achieve the Company's business objectives;
- to align the interests of key management to the long-term interests of the Company;
- to review and approve recommendations from the CEO on compensation packages for members of the Executive Committee; and
- to make recommendations to the Board of Directors on total compensation for Executive Directors and members of the Executive Committee.

To fulfill its duties, the Compensation Committee typically aims to meet four to five times during the year. The compensation structure and benchmarking are reviewed annually. Other topics such as peer group and share ownership programs are reviewed as required. The table below shows the meetings held in financial year 2024:

Month	No. of meetings	Topics discussed
February	1	Approval of previous fiscal year performance achievements and payouts. Approval of the current fiscal year performance targets for variable short-term incentives (STI). Approval of the long-term variable compensation grant performance targets.
March	1	Approval of the Annual General Meeting (AGM) annex.
July	1	Review of the Compensation Committee terms of reference. Review of the executive compensation structure. Review of the Swiss regulations on compensation.
October	1	Review of the executive compensation peer group. Review of the Executives' and Non-Executives' benchmarks.
December	1	Approval of the executive compensation peer group. Review of expected outcome for 2024 STI and 2022–2024 LTI plans. Review of compensation practices and policies for the forthcoming financial years.

The agenda and conclusions of each Committee meeting are shared with the full Board of Directors.

The Compensation Committee comprised five Independent and Non-Executive Directors:

- Peter Spenser, Chair;
- Cecilia Hultén;
- Maurizio Carli;
- Dorothee Deuring; and
- Deborah Forster, until 7 May 2024.

The Compensation Committee members are elected annually by shareholders. Other members of the Board of Directors have the right to attend the relevant meetings and members of the Executive Committee attend upon request. There were five meetings held in 2024, with the Board Chairman attending two, the CEO attending three, and the CPO attending four. All three were present at the meeting where their respective compensation was discussed. When discussions involved the CEO and CPO's respective compensation, they recused themselves and left the room before deliberations took place. They rejoined the meeting only after a decision had been made, solely to provide input on governance and implementation aspects, ensuring transparency and mitigating any conflicts of interest. No other members of the Executive Committee attended any of the Compensation Committee meetings held in 2024. Attendees that are not Compensation Committee members do not have voting rights.

Approval process

The recommendation of compensation packages for Board of Directors and Executive Committee members is governed as follows:

Compensation of	Recommended by	Endorsed by	Approved by
Members of the Board of Directors	Compensation Committee	Board of Directors	Shareholders at AGM
Members of the Executive Committee	Compensation Committee	Board of Directors	Shareholders at AGM

COMPENSATION REPORT continued

A. Compensation policy and principles continued

A.4. The role of the Compensation Committee continued

Benchmarking process and external consultants

To ensure executive compensation is set competitively to attract and retain talented professionals over the long term, the Compensation Committee reviews benchmark data collated from a range of organizations in the technology sector every year. Benchmarks are performed on total compensation and on compensation structure, such as proportion of variable compensation, proportion of performance-linked compensation, performance metrics and thresholds for variable compensation. For Non-Executive Directors, the Company reviews benchmarks with the SMIM and with the peer group used for executive compensation described below.

In 2024, the Compensation Committee continued its engagement with FW Cook as its independent compensation consultant to assist with the benchmarking process. FW Cook attended four of the five Compensation Committee meetings. FW Cook holds no other mandates with Temenos and no other external advisors were consulted.

The Compensation Committee reviewed the peer group for 2024, using the same criteria as the previous years to support continuity year over year:

- focus on software/SaaS companies, with a business-to-business focus, prioritizing those working with or within the financial services sector;
- other software companies that have similar operating characteristics to Temenos in terms of global reach, target markets, competitive dynamics, growth and complexity;
- they are of similar size, measured by market capitalization of between 0.33 and 4.0x of Temenos. Revenue is tracked within a slightly larger range (up to approximately 5.0x); and
- a combination of European-headquartered and US-headquartered companies.

The peer group of 12 companies reflects key competitors for business and senior executive talent:

Organization	Country	Organization	Country
ACI Worldwide	USA	NCINO, INC.	USA
Broadridge Financial Solutions	USA	Q2 Holdings	USA
Edenred	France	SS&C Technologies	USA
Guidewire Software, Inc.	USA	TeamViewer	Germany
Jack Henry and Associates	USA	The Sage Group	UK
Logitech International	Switzerland	Worldline	France

In 2024, Temenos revised its executive compensation peer group to ensure alignment with companies of comparable size, complexity and business focus. This adjustment included the removal of FIS and Fiserv whose significantly larger revenues and market capitalizations had created distortions in compensation benchmarks. To improve relevance, Edenred was added, reflecting a stronger alignment with our selection criteria.

The revised peer group consists of seven US organizations and five European firms, acknowledging the limited availability of comparable European peers. This ensures a more accurate benchmark aligned with global market trends and supports our strategy to attract and retain top executive talent.

Shareholder engagement and outlook for fiscal years 2024 and 2025

Ongoing shareholder dialog is a key priority of the management and the Board of Directors and therefore we routinely engage with shareholders to discuss business, performance, compensation and governance matters, ensuring alignment with investor expectations.

The Company continued its ongoing dialog with shareholders throughout the year. Additionally, the Company invited its major shareholders, representing approximately 60% of outstanding shares, to a meeting with the Chair of the Compensation Committee with active follow-up thereafter. The Chair of the Compensation Committee engaged in multiple meetings with shareholders and proxy advisors.

These discussions focused on Temenos' leadership team, long-term strategy, peer group alignment, and broader governance topics. The Compensation Committee remains committed to ensuring that Temenos' compensation framework supports strategic objectives while remaining competitive and aligned with shareholder interests.

A.5. Votes on compensation

As set out in the Articles of Association, the General Meeting of Shareholders shall approve annually and separately the proposals of the Board of Directors in relation to the maximum aggregate amount of:

- compensation of the Board of Directors for the next fiscal year; and
- compensation of the Executive Committee for the next fiscal year.

The Articles of Association can be found on the Temenos website under Corporate Documents:

https://www.temenos.com/about-us/investor-relations/corporate-governance/.

Section V and VI, Articles 25 to 28, relate to compensation.

The Board of Directors may submit for approval by the General Meeting of Shareholders proposals in relation to maximum aggregate amounts of compensation relating to different periods, or in relation to amounts for specific compensation elements for the same or different periods.

In the event a proposal of the Board of Directors has not been approved by the General Meeting of Shareholders, the Board of Directors shall determine, taking into account all relevant factors, the respective maximum aggregate amount of compensation or partial maximum amounts for specific compensation elements and submit the amount(s) so determined for approval by a newly scheduled General Meeting of Shareholders. The Company may pay out compensation prior to approval by the General Meeting of Shareholders subject to subsequent approval by the General Meeting of Shareholders.

As stated in the Articles of Association, if the maximum aggregate amount of compensation already approved by the General Meeting of Shareholders is not sufficient to also cover compensation of one or more members who become members of the Executive Committee during a compensation period for which the General Meeting of Shareholders has already approved the compensation, the Company is authorized to pay the member or members a supplementary amount during the compensation period already approved. The total supplementary amount per compensation period shall not exceed 40% of the aggregate amount of compensation of the Executive Committee last approved for the corresponding compensation period by the General Meeting of Shareholders, i.e. for the compensation of the financial year 2024 the supplementary amount that may be utilized would be 40% of the amount approved by shareholders for 2024 at the AGM 2023.

COMPENSATION REPORT continued

B. Compensation components

B.1. Summary of compensation elements for employees

The table below explains the compensation elements for the fiscal year 2024:

		Fixed salary and benefits	Variable short-term incentive (bonus or commission)	Variable long-term equity incentive
Eligibility		All employees	All employees	Executive Committee members and senior management
Basis for funding		Continuity of service, role and experience	Role and experience plus achievement of fiscal year operating metrics targets	Continuity of service over three years plus achievement of three fiscal year operating metric targets
Payout		Monthly or bi-weekly depending on jurisdiction	After performance for the financial year has been audited	On Board of Directors' approval of the results for the final year of the LTI plan
Payout subject to	Forfeiture rules	No	Yes	Yes
	KPIs	No	Yes	Yes
Performance range for Executive Committee members and senior managers		None	90% target threshold at which 50% is paid (80% for regional results) Linear payout between 90% and 100% and 2:1 ratio performance above 100%; 125% of target performance is required for maximum 150% of target payout	Up to 33% of target LTIs can be funded in each of the three years covered if all annual targets are achieved at 100% Up to 175% of target LTIs can be earned if cumulative three-year performance is at 137.5% of target for all measures, with 50% of target LTIs funding if cumulative three-year performance is below 85% of target
Settlement		Cash	Cash and deferred shares	Shares
Malus and clawback clauses[1]		Not applicable	Yes	Yes

1 Malus and clawback clauses for both STI and LTI withhold or recover funds for any cases where fraudulent behavior results in numbers being restated for external reporting purposes.

B.2. Compensation elements for the Executive Committee members

The elements of the above table, together with their objectives, are as follows:

Fixed salary

- To compensate Executives for their expected day-to-day responsibilities, leadership and contribution to the business.

Benefits

- To provide a level of security in health and retirement and, should it be required, in disability and death.

Variable short-term incentive

- To make a significant portion of Executive overall annual compensation variable and dependent on delivery of the Company's annual key targets, which for 2024 included ARR, Net Operating Cash Flow, non-IFRS Operating Profit, and an Individual Operational Objective.
- The Executives are given the choice to receive the bonus 100% in cash or to receive 50% in cash and 50% in deferred shares. The share element is eligible for a 20% premium in return for a vesting period until 1 March 2026 for the STI for 2024. All Executives elected to receive 100% in cash.

Variable long-term equity incentive

- Designed to emphasize long-term performance, with earnout tied directly to the achievement of key long-term financial performance results, with value delivery also contingent on share price appreciation to support alignment with shareholders.
- Aimed at fostering Executive retention and commitment over the long term.

B.3. Summary of key organization and compensation changes in 2024

Executive Committee members changed roles early 2024:

- Mr. William Moroney was appointed as a member of the Executive Committee (President International) effective 15 January 2024.
- Mr. Philip Barnett was appointed as a member of the Executive Committee (President Americas) effective 15 January 2024.
- Mr. Andreas Andreades resigned as Chief Executive Officer effective 30 April 2024.
- Mr. Jean-Pierre Brulard was appointed as a member of the Executive Committee (Chief Executive Officer) effective 1 May 2024.
- Mr. William Moroney was appointed Chief Revenue Officer effective 9 July 2024.
- Ms. Deirdre Dempsey was appointed as a member of the Executive Committee (Chief Legal Officer) effective 9 July 2024.
- Mr. Philip Barnett stepped down as President Americas effective 9 July 2024.
- Ms. Isabelle Guis was appointed as a member of the Executive Committee (Chief Marketing Officer) effective 10 July 2024.
- Ms. Barb Morgan was appointed as a member of the Executive Committee (Chief Product and Technology Officer) effective 7 October 2024.
- Ms. Prema Varadhan stepped down as President Product and Chief Operating Officer effective 7 October 2024.

B.4. Variable short-term incentive

Performance criteria

Annual targets for Executives are set by the Board of Directors based on recommendations by the Compensation Committee.

The 2024 short-term incentive plan for the Executives rewards on-target performance at 100% of fixed salary. The KPI weighting, global targets and respective achievements for the Executives in 2024 are set out in the table below:

2024 target	Percentage of bonus	Target USD	Actual USD	Threshold %	Achievement %	To be paid %
ARR	40%	836.30m	804.20m	90%	96.16%	80.81%
Non-IFRS Operating Profit	20%	345.06m	354.60m	90%	102.76%	105.53%
Net Operating Cash Flow	20%	425.15m	404.30m	90%	95.10%	75.48%
Individual Operational Objective	20%					103%
Total						**89.03%[1]**

1 Excluding Mr. Andreades, whose short-term incentive was determined in alignment with his contractual arrangement at the time of his transition. Refer to section D.3 for further details.

B.5. Long-term equity incentive

The instruments used in 2024 for the long-term incentive scheme consisted of a mix of SARs, PSUs and RSUs.

The Executive Committee members have a mix of 35% SARs, 35% PSUs and 30% RSUs consistent with discussions during shareholder engagement meetings in early 2023. Management with a grant exceeding USD 250,000 received a mix of 50% PSUs and 50% RSUs while other senior management participants were awarded solely RSUs. SARs and PSUs for Executives and senior management incorporate vesting and grant conditions that align with the Company's long-term strategic goals. SARs require share price growth to generate value to the recipient. In this way, the Company incentivizes the management team to deliver strong revenue growth and profitability over the long term while PSUs focus on the achievement of pre-defined operating metrics. RSUs, which vest in two and three years, serve as a retention tool and offer a straightforward equity instrument for a broader group of participants. Together, these instruments aim to align management incentives with long-term shareholder interests. The Board also adjusted the vesting periods in favor of a yearly vesting on a transitional basis for an Executive Board member joining Temenos in 2024.

Additionally, a limited number of RSUs and PSUs were issued for other members of senior management on joining to compensate them for financial disadvantage incurred when transitioning from previous employers, as well as to support retention effort.

Grant conditions are linked to the achievement of annual and three-year cumulative targets (other than mentioned above), with SARs and PSUs vesting on the third anniversary of the grant.

SARs are valued on a fair value basis by an independent organization, Algofin AG, using the Enhanced American Model, a sophisticated binomial model, to comply with IFRS 2. Algofin AG is a consulting company domiciled in St. Gallen, Switzerland, specializing in quantitative finance, modern financial instruments and consulting in asset management. To ensure pricing integrity, long-term equity awards are not issued at a discount to market price; they are priced at the closing market price on the grant date. The fair value at time of grant is expensed over the vesting period based on the latest probable outcome of the final number of SARs to be granted. PSUs and SARs are valued by deducting the net present value of expected dividend payments over the vesting period.

Temenos' LTI program is stock settled. For SARs, employees are given the shares at the time of exercise, the number of shares given being calculated as the appreciation of the share price from grant date multiplied by number of SARs and divided by the stock price at the time of exercise. The participants can choose to exercise and sell or exercise and hold. If the share price is lower than the price at grant, then no gain is realized; however, participants have ten years from the grant date in which to exercise. For PSUs and RSUs, employees receive the shares (one PSU/RSU results in one share) on the vesting date and they can choose to hold (net of taxes) or sell the shares.

COMPENSATION REPORT continued

B. Compensation components continued

B.5. Long-term equity incentive continued

Temenos ensures it can meet its demand for shares through available conditional capital or treasury shares. Conditional capital increases are approved by shareholders at the AGM. Treasury shares were used for all SAR exercises and share vestings in 2024. UBS holds the treasury shares and administers the conditional capital issuance when required in relation to the share scheme.

The tables below provide an overview of the LTI schemes in place together with their performance criteria and pricing. The level and value of awards are commensurate with an Executive's contribution to the business.

Overview of Executive LTI schemes

The schemes that are not vested as at 31 December 2024 are outlined in the table below, including the 2024 scheme granted in this compensation year:

Year of grant	Scheme	No. awarded for Executives[1]	No. of Executives awarded	Exercise price	Fair value USD	Grant date	Vesting date
2024	PSUs	3,280	1	–	65.19	7 October 2024	1 December 2027
2024	PSUs	3,405	1	–	68.53	10 July 2024	1 June 2027
2024	PSUs	836	1	–	69.76	10 July 2024	1 June 2026
2024	PSUs	821	1	–	71.01	10 July 2024	2 June 2025
2024	PSUs	8,010	3	–	65.6	1 July 2024	1 June 2027
2024	PSUs	24,873	1	–	59.1	1 May 2024	30 April 2027
2024	PSUs	56,283	6	–	66.85	20 February 2024	1 March 2027[3]
2024	RSUs	1,406	1	–	65.19	7 October 2024	1 December 2027
2024	RSUs	1,379	1	–	66.45	7 October 2024	1 December 2026
2024	RSUs	1,824	1	–	68.53	10 July 2024	1 June 2027
2024	RSUs	1,792	1	–	69.76	10 July 2024	1 June 2026
2024	RSUs	704	1	–	71.01	10 July 2024	2 June 2025
2024	RSUs	17,149	4	–	65.60	1 July 2024	1 June 2027
2024	RSUs	16,835	4	–	66.82	1 July 2024	1 June 2026
2024	RSUs	10,660	1	–	59.10	1 May 2024	30 April 2027
2024	RSUs	10,446	1	–	60.31	1 May 2024	30 April 2026
2024	RSUs	24,121	6	–	66.85	20 February 2024	1 March 2027[3]
2024	RSUs	23,695	6	–	68.05	20 February 2024	1 March 2026[3]
2024	SARs	10,580	1	69.27	20.21	7 October 2024	1 December 2027
2024	SARs	11,168	1	72.15	20.89	10 July 2024	1 June 2027
2024	SARs	3,299	1	72.15	17.68	10 July 2024	1 June 2026
2024	SARs	4,250	1	72.15	13.73	10 July 2024	2 June 2025
2024	SARs	26,136	3	69.22	20.1	1 July 2024	1 June 2027
2024	SARs	80,769	1	62.80	18.2	1 May 2024	30 April 2027
2024	SARs	186,541	6	70.56	20.17	20 February 2024	20 February 2027[3]
2023	RSUs	21,971	3	–	64.81	16 January 2023	50% on 1 March 2025 and 50% on 1 March 2026
2023	PSUs	25,632	3	–	74.34[2]	16 January 2023	1 March 2026[3]
2023	SARs	264,106	4	66.91	26.07[2]	16 January 2023	15 February 2026[3]
2022	PSUs	15,560	1	–	96.40[2]	1 March 2022	1 March 2025[3]
2022	SARs	60,756	1	96.40	24.03[2]	1 March 2022	1 March 2025[3]
2022	PSUs	17,850	4	–	107.65[2]	15 February 2022	1 March 2025[3]
2022	SARs	590,000	7	107.65	27.57[2]	15 February 2022	15 February 2025[3]

1 The number of instruments granted includes the number of instruments granted to those who were Executives at the time of grant; this is not equal to the current members.

2 The fair value of SARs and PSUs in 2023 was assessed on 21 February 2023 when the targets were issued to participants.

3 The vesting date is the date of approval by the Temenos AG Board of Directors of the financial results for the year ending 31 December of the prior year, and no later than 31 March following above-mentioned vesting date.

Vesting conditions for SARs, PSUs and RSUs

Vesting of the SAR and PSU awards occurs after three years, subject to continued employment and the achievement of performance targets described below.

The targets for the SAR schemes outstanding on 31 December 2024 are outlined below:

KPIs	Weighting SARs
ARR	60%
Non-IFRS EPS	20%
Free Cash Flow	20%

Rigorous performance goals underline the 2024 LTI plan, with the target three-year CAGR set for ARR at 12%, for non-IFRS EPS at 11% and for Free Cash Flow at 20%.

Vesting of the RSUs is 50% after two years and 50% after three years.

Vesting outcome for SARs and PSUs

The vesting outcome for the SARs and PSUs granted is the greater of:

i. the sum of the result of each of the three individual years, where one-third is based on achievement of annual results for each year. There is no overachievement element on the awards linked to annual targets, where funding is binary at either 0 or 100%; and

ii. three-year cumulative goals, which requires achievement being greater than 85% of the sum of the annual targets, with the potential for funding at up to 175% of the target SARs as explained below.

Over/underachievement for the cumulative performance of SAR and PSU schemes

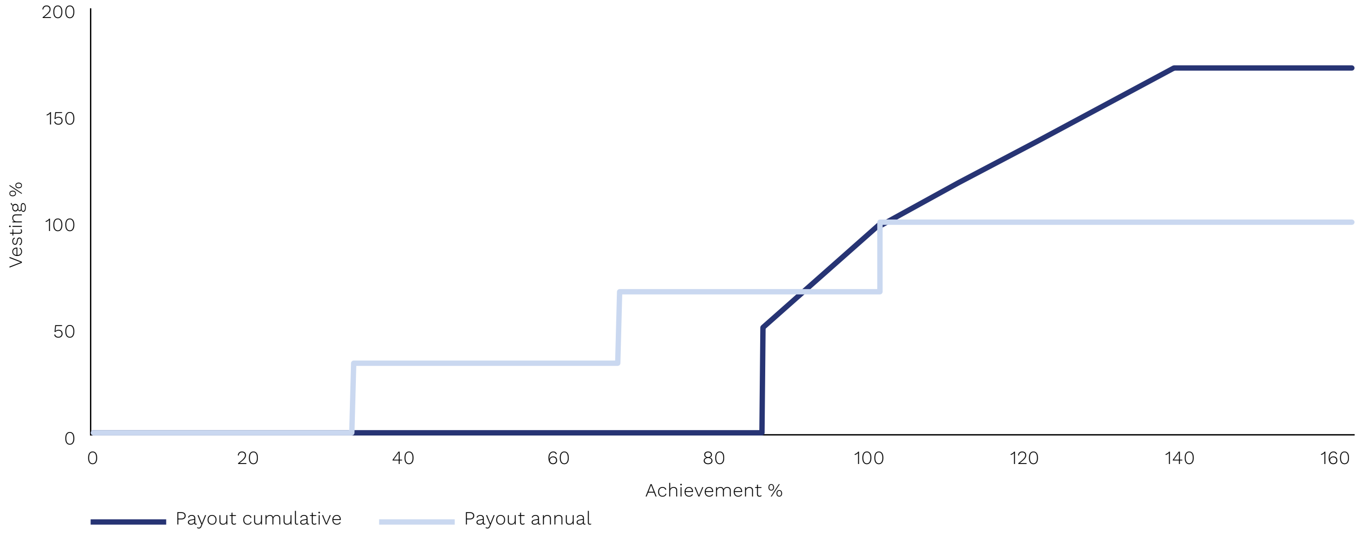
For achievement between 85% and 100% of target a pro-rated reduced amount will vest. Above 100% achievement, for every 1% overachievement of the three years cumulative for each KPI target, an additional 2% of SARs may be granted up to a maximum of 175% of the total grant. Below 100% achievement, for every 1% underachievement, 3.33% of the number of SARs is forfeited so that funding equals 50% at 85% of target. Intermediate performance is pro-rated on a straight-line basis between the data points shown.

Cumulative achievement for each KPI:

Achieved as % of cumulative target	85%	92.5%	100%	110%	120%	137.5%
Proportion vesting	50%	75%	100%	120%	140%	175%

Below the vesting shown pictorially:

Annual and cumulative vesting of SARs and PSUs



COMPENSATION REPORT continued

B. Compensation components continued

B.5. Long-term equity incentive continued

Achievement of the 2022 LTI SAR scheme

Under the 2022 LTI SAR scheme, which vested on 18 February 2025, the performance targets at grant had been set as 60% Bookings, 20% non-IFRS EPS, and 20% Free Cash Flow.

Despite progress in these areas, the overall achievement remained below the required thresholds, and the plan did not vest.

As a result, there was no payout for the 2022 LTI SAR plan. This marks the continuation of a multi-year trend where long-term incentive awards have not delivered realized value to Executives, either due to underperformance against financial targets or past awards vesting out of the money.

This outcome underscores the rigorous performance conditions embedded in our compensation framework, ensuring that payouts are directly linked to financial and operational performance. The Compensation Committee remains committed to maintaining a structure that balances alignment with shareholder interests, retention of key talent and the long-term success of the Company.

B.6. Share ownership

Executives

The following minimum amounts of shares must be held:

CEO	5 times annual fixed salary
CFO	2 times annual fixed salary
Other Executives	1 times annual fixed salary

Members must satisfy the requirement by the later of three years after appointment to the Executive Committee or as soon as the first SARs received for a new joiner deliver the required number of shares to cover the above-mentioned minimum.

The number of shares to be held is calculated based on the closing stock price of 31 December of the prior year and the fixed salary for the year. For example, the number of shares required to be held on 31 December 2025 is calculated based on the share price of 31 December 2024 and fixed salary for the year 2025 as at 1 January 2025. This allows the Executives sufficient time to take any required actions. Only owned Temenos shares (including in the form of ADRs) are counted when evaluating compliance with the guideline. Unexercised SARs do not count.

Non-Executive Directors

Non-Executive Directors must hold shares with a value equivalent to the annual retainer fee. New Non-Executive Directors must adhere to this guideline within three years of election at the AGM.

The shareholdings for both Executives and Non-Executive Directors are shown in section F.1.

B.7. Dilution and capital requirements

A SAR is an incentive given to employees that aligns their interest with shareholders, with realized pay equal to the appreciation of Company stock over an established time period. Similar to employee stock options, SARs are beneficial to the employee when the Company stock price rises; the difference with SARs is that employees do not pay the exercise price but only receive the sum of the increase in stock or cash. The dilution on outstanding SARs is only known at the time of exercise as it is dependent on the share price at that time. As an example, if 1,000 SARs at a grant price of USD 100 are exercised when the share price is USD 150, then the gain is USD 50,000, equivalent to a 333 share dilution (USD 50,000 divided by USD 150).

When issuing LTIs, the Compensation Committee reviews the potential dilution to ensure that it remains within our target of no more than 2% per annum (pa) increase on a CAGR basis. The dilution for the period 2022–2024, the period over which the 2022 LTI SAR scheme vested on a CAGR basis, was zero.

The total cumulative dilution as of 31 December 2024 from all outstanding SARs, PSUs and RSUs has been calculated at the balance sheet date and subsequently based on various simulations in the table below. 0.7 million of the LTIs are included already in the EPS dilution. Of the 4 million instruments below, 2.4 million are SARs and 1.6 million are shares.

Simulations	No. of shares excluding treasury shares million	No. of instruments million	Weighted average exercise price USD	No. of instruments included in diluted EPS million	Assumed share price on exercise USD	No. of shares to be created million	Dilution
Closing share price	70.7	4.0	60.86	0.9	70.8	1.2	1.7%
12% growth	70.7	4.0	60.86	0.9	99.5	1.4	2.0%
24% growth	70.7	4.0	60.86	0.9	135.0	1.7	2.4%
Maximum dilution with full overachievement (infinite share price)	70.7	3.9	60.86	0.9	n/a	3.9	5.3%

The conditional capital of 2.7 million shares and the treasury shares of 1.2 million that are available for use for employee share schemes as at 31 December 2024 cover the requirement no matter how high the share price grows. The maximum is calculated as the number of instruments outstanding including maximum overachievement divided by this plus the number of outstanding shares, i.e. (4.0 million + 0.9 million)/(4.0 million + 0.9 million + 70.7 million). A more realistic estimate is a dilution of 1.5 million shares based on a CAGR share price growth of 12% over the next three years, which would translate into dilution of 2.0%.

B.8. Contract terms for the Executive Committee members

The contractual notice periods of the members of the Executive Committee do not exceed 12 months; there are no non-statutory severance payment clauses.

In case of a change of control of Temenos AG, all LTI instruments granted will become immediately vested and exercisable provided that their respective vesting period has started. A case of change of control occurs when a third party acquires the control of more than 50% ownership in Temenos AG.

In case of termination by Temenos for cause, all unvested LTI instruments are forfeited. In other termination scenarios the treatment of the unvested LTI instruments varies by role and is described in each plan and, as the case may be, in the corresponding grant letter(s).

Additionally, the Company has entered into a post-contractual non-compete agreement with a former Executive Committee member, Mr. Chuard, which includes compensation in line with the duration and scope of the restriction, ensuring compliance with Swiss legal requirements and corporate governance best practices.

B.9. Compensation elements for Non-Executive Directors

The Non-Executive Directors were compensated in 2024 with a fee for their Board duties, together with a supplementary fee for their role as Chair of the Audit, Compensation, and Nomination & ESG Committees respectively. Directors traveling long-haul received an additional fee.

The detail by person is provided in section D.1.

C. Pay for performance appraisal

To align with shareholders' interests, Temenos' executive compensation program is structured to drive long-term value creation and support the Company's strategic objectives. A significant portion of executive compensation remains performance-based, tied to challenging financial and operational targets. This ensures strong accountability while also supporting long-term leadership stability.

The chart below shows a percentage split of aggregate compensation of the Executives for 2024.

2024 Executive Committee
Compensation at grant

The fixed salary and benefits are the only unconditional (i.e. non-risk) components; variable short-term incentives (STI) are dependent on the achievement of the results for 2024. Long-term incentives taking the form of SARs and PSUs are dependent on the achievement of the results for the three-year period 2024 to 2026 inclusive, reinforcing a strong link between executive rewards and Company performance. SARs are subject to both performance and time-vesting criteria and will not vest until February 2027, while PSUs will not vest until March 2027. RSUs are time based supporting leadership stability and ensuring continuity in executing Temenos' strategic vision.

In 2024, the mix of long-term incentives reflects a more balanced distribution across instruments, maintaining a strong emphasis on performance-based compensation. While at-risk compensation stands at 57%, compared to 81% in the previous year, this adjustment reflects a more balanced distribution across long-term incentive instruments. The change is primarily attributed to two Executives who, in the prior year, opted for a single LTI instrument, one selecting 100% PSUs and the other 100% SARs – thereby significantly increasing the at-risk component. In 2024, their allocations align more closely with the broader LTI structure, leading to a more even distribution.

Despite this shift, the majority of long-term incentives continue to be performance based, ensuring alignment between executive rewards and the Company's long-term success. This balanced approach reinforces our commitment to sustainable growth while promoting stability and strategic continuity within the leadership team.

COMPENSATION REPORT continued

C. Pay for performance appraisal continued

SAR payout vs EPS and share price growth

With regard to the LTI plan, the chart below shows the long-term alignment of LTI funding versus the annual growth of our non-IFRS EPS and share price performance.

SAR plan	Weighted average achievement	Payout	Exercise price USD	Price at vesting USD
2013	101%	101%	10.96	43.69
2014	100%	100%	35.33	70.87
2015	105%	110%	35.45	127.00
2016	111%	121%	43.69	136.94
2017	110%	121%	70.87	168.81
2018	99%	87%	127.00	120.31[1]
2019	n/a as different targets by year	60%	136.94	106.52[1]
2020	n/a as different targets by year	47%	168.81	73.83[1]
2021	95%	77%	143.54	74.91
2022	Not met	0%	107.65	88.38[1]

1 All these SAR plans were out of the money on vesting.

EPS growth vs SAR payout and share price growth

KPI targets are set at challenging levels to ensure a strong link between pay and performance. Historically, Temenos experienced strong EPS growth and shareholder returns through 2018, leading to higher SAR payouts. However, from 2019 onwards, share price volatility and performance fluctuations impacted LTI payouts, reinforcing the rigor of performance-based compensation.

While EPS has steadily increased in recent years, overall financial and market performance did not meet the required thresholds for SAR payouts. The 2022 LTI SAR scheme, which was scheduled to vest in February 2025, followed a similar trend, with some financial metrics showing progress, but the cumulative performance remaining below the vesting threshold, resulting in no payout under this plan.

This trend underscores the strong pay-for-performance alignment in our compensation framework. Looking ahead, Temenos remains committed to maintaining a disciplined and transparent approach to long-term incentives, ensuring that executive compensation continues to support both shareholder value creation and sustainable business growth.

D. Compensation for financial year under review – audited

This section (section D) has been audited by Temenos' auditor, PricewaterhouseCoopers SA.

As individuals are paid in currencies other than US dollars, the amounts in the tables below are converted into US dollars using the average exchange rate for 2024 and the average exchange rate for 2023 respectively. Comparison between these two years may be distorted through the exchange rate fluctuations.

The LTI value included in the compensation tables below represents the full fair value of the on-target achievement at the time of grant, i.e. for 2024 the LTI includes the fair value of the SARs, PSUs and RSUs. With respect to SARs, it includes 100% of the fair value of the 2024 grant calculated by a third party using the binomial method. The PSUs' and RSUs' fair value is the share price at grant adjusted by deducting the net present value of expected dividend payments over the vesting period. The valuation method, conditions and grant details are explained in the paragraph titled Compensation components, B.5.

D.1. Board of Directors

The total compensation for the Board of Directors including social security charges totals USD 2.05 million compared to a total maximum compensation of USD 2.3 million approved by the shareholders at the AGM on 3 May 2023.

All numbers are gross in USD Name Board function	Year	Fixed fee/ salary	Variable short-term incentive	All other compensation[1]	Total compensation before LTI	LTI value	Total compensation	Employer social security charges[2]	Total compensation including social security charges	Maximum shareholder approval
T. de Tersant[3] Chairman	**2024**	**800,000**	**–**	**–**	**800,000**	**–**	**800,000**	**60,095**	**860,095**	
	2023	598,333	–	–	598,333	–	598,333	44,237	642,570	
C. Hultén[4] Vice-Chairman from 8 May 2024 (previously member)	**2024**	**162,653**	**–**	**–**	**162,653**	**–**	**162,653**	**14,293**	**176,946**	
	2023	140,000	–	–	140,000	–	140,000	12,450	152,450	
P. Spenser[5] Member	**2024**	**185,000**	**–**	**10,000**	**195,000**	**–**	**195,000**	**–**	**195,000**	
	2023	170,000	–	10,000	180,000	–	180,000	–	180,000	
M. Carli	**2024**	**140,000**	**–**	**–**	**140,000**	**–**	**140,000**	**9,304**	**149,304**	
Member	2023	140,000	–	–	140,000	–	140,000	11,465	151,465	
X. Cauchois[6]	**2024**	**195,000**	**–**	**–**	**195,000**	**–**	**195,000**	**13,536**	**208,536**	
Member	2023	128,917	–	–	128,917	–	128,917	8,862	137,778	
D. Deuring Member	**2024**	**140,000**	**–**	**–**	**140,000**	**–**	**140,000**	**12,311**	**152,311**	
	2023	92,556	–	–	92,556	–	92,556	8,056	100,612	
L. Readhead Member from 8 May 2024	**2024**	**91,000**	**–**	**6,237**	**97,237**	**–**	**97,237**	**–**	**97,237**	
M. Gorriz Member from 8 May 2024	**2024**	**91,000**	**–**	**–**	**91,000**	**–**	**91,000**	**–**	**91,000**	
D. Forster Member until 7 May 2024	**2024**	**49,389**	**–**	**–**	**49,349**	**–**	**49,389**	**4,400**	**53,789**	
	2023	140,000	–	–	140,000	–	140,000	12,450	152,450	
I Cookson[7] Vice-Chairman until 7 May 2024	**2024**	**61,736**	**–**	**–**	**61,736**	**–**	**61,736**	**4,200**	**65,936**	
	2023	175,000	–	–	175,000	–	175,000	12,180	187,180	
H. Akbari[8] Member until 3 May 2023	2023	63,208	–	3,389	66,597	–	66,597	–	66,597	
J. Benson Member until 3 May 2023	2023	47,833	–	3,389	51,222	–	51,222	–	51,222	
E. Hansen Member until 3 May 2023	2023	51,136	–	–	51,136	–	51,136	–	51,136	
Total Board of Directors	**2024**	**1,915,778**	**–**	**16,237**	**1,932,015**	**–**	**1,932,015**	**118,139**	**2,050,154**	**2,300,000**
	2023	1,746,983	–	16,778	1,763,761	–	1,763,761	109,700	1,873,461	9,300,000

COMPENSATION REPORT continued

D. Compensation for financial year under review – audited continued

D.1. Board of Directors continued

1 Peter Spenser and Laurie Readhead have an additional fee of USD 10,000 for traveling long-haul. Homaira Akbari and James Benson benefited from this fee during the period they were members.

2 Social security charges comprise actual charges on base salary and other compensation.

3 Thibault de Tersant's fees comprise a basic fee of USD 800,000 annually for his duties as Chairman of Temenos AG.

4 Cecilia Hultén fees comprise a basic fee of USD 140,000 annually. Effective from 8 May 2024, her fees include USD 35,000 for her duties as Chair of the Nomination & ESG Committee.

5 Peter Spenser's fees comprise a basic fee of USD 140,000 annually plus USD 45,000 annually for his duties as Chair of the Compensation Committee.

6 Xavier Cauchois' fees comprise a basic fee of USD 140,000 annually plus USD 55,000 annually for his duties as Chair of the Audit Committee.

7 Ian Cookson's fees comprised a basic fee of USD 140,000 annually plus USD 35,000 annually for his duties as Chair of the Nomination & ESG Committee until 7 May 2024.

8 Homaira Akbari's fees comprised a basic fee of USD 140,000 annually plus USD 45,000 annually for her duties as Chair of the Compensation Committee until 3 May 2023. It comprised an additional USD 10,000 annually for traveling long-haul.

D.2. Executive Committee

The total compensation for the eight members and four former members of the Executive Committee including social security charges totals USD 39.9 million. This includes USD 24.3 million for the eight current members and USD 15.6 million for the four former members.

At the Annual General Meeting (AGM) on 3 May 2023, shareholders approved USD 30 million for six members. In accordance with the Articles of Association, if the maximum aggregate amount of compensation already approved by the General Meeting of Shareholders is not sufficient to also cover compensation of one or more members who become members of the Executive Committee during a compensation period for which the General Meeting of Shareholders has already approved the compensation, the Company is authorized to pay the member or members a supplementary amount during the compensation period already approved. The total supplementary amount per compensation period shall not exceed 40% of the aggregate amount of compensation of the Executive Committee last approved for the corresponding compensation period by the General Meeting of Shareholders, i.e. for the compensation of the financial year 2024 the supplementary amount that may be utilized would be 40% of the amount approved by shareholders for 2024 at the AGM 2023. Hence for 2024, USD 42 million was the amount that Temenos was entitled to spend.

Temenos made use of this supplementary amount to remunerate newly appointed Executive Committee members during the financial year 2024. The following members received part of the supplementary amount:

- the Chief Revenue Officer (CRO);
- the Chief Legal Officer (CLO);
- the Chief Marketing Officer (CMO);
- the Chief Product & Technology Officer (CPTO); and
- the Chief Executive Officer (CEO) (newly appointed).

This approach ensured that the remuneration of newly appointed Executive Committee members remained within the governance framework established by shareholders and in compliance with Swiss legal requirements.

All numbers are gross in USD	Base salary	Variable short-term incentive[1]	All other compensation[2]	Total compensation before LTI	LTI value[3]	Total compensation	Employer social security charges[4]	Total compensation including social security charges	Maximum shareholder approval
2024	**4,289,726**	**4,317,130**	**2,890,375**	**11,497,231**	**26,988,642**	**38,485,873**	**1,413,767**	**39,899,640**	**30,000,000 plus max. of 12,000,000 for new members**
2023	2,642,057	2,851,577	3,457,684	8,951,318	16,695,780	25,647,098	1,727,802	27,374,900	30,000,000

1 In 2024, the variable short-term incentive targets were achieved and paid out at 89.03%, excluding Mr. Andreades, whose short-term incentive was fixed at the time of his notice – refer to section D.3 for further details.

2 All other compensation includes life, medical, disability, accident insurance, pension and car allowance. This category also includes a retention cash payment to a current Executive member, and termination benefits for Mr. Andreades and Mr. Chuard.

3 Further details are outlines in the table in section B.5.

4 Social security charges comprise actual charges on base salary and other compensation and estimated social security charges to be paid for bonus and LTIPs (based on the fair value) granted in the year of compensation.

Average compensation per member for eight current members in 2024 was USD 3 million (2023: USD 4.8 million).

D.3 Highest paid member of the Executive Committee

Mr. Andreas Andreades, former CEO, was the highest paid member of the Executive Committee in 2024.

Mr. Andreades took on the role of CEO while the Board searched for a permanent CEO; hence his compensation package was short term in nature. He was given RSUs valued at USD 2 million with a vesting period of one year but with early vesting if the Board gave Mr. Andreades notice once a permanent CEO had been found. He was given PSUs valued at USD 5.2 million which vested pro rata between 1 April and 31 December dependent on ARR for the previous quarter prior to notice.

Mr. Andreades' compensation, in US dollars, is shown below.

All numbers are gross in USD	Base salary[1]	Variable short-term incentive[2]	All other compensation	Total compensation before LTI	LTI value[3]	Total compensation	Employer social security charges	Total compensation including social security charges
2024 former CEO – at grant	**328,918**	**740,064**	**812,521**	**1,881,503**	**7,127,117**	**9,008,620**	**–**	**9,008,620**
2024 former CEO – after forfeiture	**328,918**	**740,064**	**812,521**	**1,881,503**	**2,463,018**	**4,344,521**	**–**	**4,344,521**
2023 CEO – after targets issued	783,448	811,243	195,661	1,790,352	6,481,122	8,271,474	4,366	8,275,840
2023 CEO – at grant	783,448	811,243	195,661	1,790,352	5,662,051	7,452,403	4,366	7,456,769

1 Andreas Andreades' base salary is until 30 April 2024 when he stepped down from the Executive Committee. His compensation while on garden leave is included in "All other compensation". While Mr. Andreades remains in his notice period for the first four months of 2025, all non-periodic payments related to his compensation were processed in 2024.

2 The variable short-term incentive target was fixed at the time he was given notice at USD 740,064 and will be paid in February 2025.

3 The LTI for the CEO consists of 22,169 RSUs which were granted on 3 January 2024 at a value of USD 1,962,621 and vested on 23 April 2024. He was granted 74,320 PSUs on 20 February 2024; at a value of USD 5,164,496. The grant value has been included in D2. Of the PSUs, 7,201 vested on 23 April 2024 and the remainder were forfeited. The SARs that were vested on his notice date were paid at fair value and hence all outstanding SARs canceled.

Unlike with Mr. Andreades' exceptional package, other Executive Committee members did not derive any financial benefit from Long-Term Incentive (LTI) plans in 2024. As previously mentioned, the LTIs granted in 2022 were tied to ambitious performance conditions, which were not met, resulting in no vesting. This continues a multi-year trend where Executives have not realized value from LTI awards, reinforcing the Company's strong pay-for-performance philosophy. The structure ensures that long-term incentives remain strictly performance driven, aligning leadership rewards with sustained value creation for shareholders.

Following last year's vote, the compensation structure for the new CEO has been refined to ensure full alignment with the broader Executive Committee, reinforcing consistency with our long-term framework and market best practices. These refinements support a structured and transparent approach to executive compensation while concluding transitional arrangements.

COMPENSATION REPORT continued

D. Compensation for financial year under review – audited continued

D.4. Compensation in CHF

Pursuant to Article 958d alinea 3 of the Swiss Code of Obligations, compensation amounts may be quoted in the most significant currency of the business activity; in Temenos' case it is USD, but it must also be quoted in CHF. The amounts quoted below in CHF for the Board of Directors, Executive Committee and highest paid Executive Committee member respectively are calculated taking the USD gross amount converted at the average exchange rate for the year. The exchange rate used in 2024 was 0.8807 (2023: 0.8988).

Function CHF	Year	Fixed fee/ salary	Variable short-term incentive	All other compensation	Total compensation before LTI	LTI value	Total compensation	Employer social security charges	Total compensation including social security charges
Board of Directors	**2024**	**1,687,162**	**–**	**14,299**	**1,701,461**	**–**	**1,701,461**	**104,041**	**1,805,502**
	2023	1,570,201	–	15,080	1,585,281	–	1,585,281	98,599	1,683,880

Function CHF	Year	Base salary	Variable short-term incentive	All other compensation	Total compensation before LTI	LTI value	Total compensation	Employer social security charges	Total compensation including social security charges
Executive Committee	**2024**	**3,777,818**	**3,801,953**	**2,545,457**	**10,125,228**	**23,767,998**	**33,893,226**	**1,245,057**	**35,138,283**
	2023	2,374,700	2,563,018	3,107,791	8,045,509	15,006,287	23,051,796	1,552,960	24,604,755

Function CHF	Year	Base salary	Variable short-term incentive	All other compensation	Total compensation before LTI	LTI value	Total compensation	Employer social security charges	Total compensation including social security charges
Former CEO	**2024 at grant**	**289,667**	**651,750**	**715,560**	**1,656,977**	**6,276,614**	**7,933,591**	**–**	**7,933,591**
Former CEO	**2024 after forfeiture**	**289,667**	**651,750**	**715,560**	**1,656,977**	**2,169,098**	**3,826,075**	**–**	**3,826,075**
CEO	2023	704,168	729,151	175,862	1,609,181	5,825,279	7,434,460	3,924	7,438,384
CEO	2023 at grant	704,168	729,151	175,862	1,609,181	5,089,092	6,698,273	3,924	6,702,197

D.5. Loans granted to members of governing bodies

As of 31 December 2024 and 31 December 2023 the Company has no outstanding loans to members of the Board of Directors and Executive Committee. No loans were granted to persons related to the Board of Directors or Executive Committee.

E. The year ahead: compensation of the Board of Directors and Executive Committee for fiscal year 2025

At the AGM in 2024, the shareholders approved total compensation including social charges for fiscal year 2025 for the Board of Directors of USD 2.4 million and for the Executive Committee of seven members of USD 34 million.

E.1. Changes that affect 2025 Board of Directors compensation

The Board of Directors consists of the following members as of February 2025:

- Thibault de Tersant, Chairman;
- Cecilia Hultén, Vice-Chair;
- Peter Spenser;
- Maurizio Carli;
- Xavier Cauchois;
- Dorothee Deuring;
- Laurie Readhead; and
- Michael Gorriz.

As approved at the AGM in 2024, Board fees are increasing from USD 140,000 to USD 170,000. The fees for the Committee Chairs and the additional fees for Directors traveling long-haul remain the same.

E.2. Changes that affect 2025 Executive Committee compensation

The Executive Committee, whose remuneration falls under the 2025 Executive Committee compensation, consists of the following members as at February 2025:

- Jean-Pierre Brulard, Chief Executive Officer;
- Panagiotis “Takis” Spiliopoulos, Chief Financial Officer;
- Barb Morgan, Chief Product and Technology Officer;
- William Moroney, Chief Revenue Officer;
- Jayde Tipper, Chief People Officer;
- Deirdre Dempsey, Chief Legal Officer;
- Isabelle Guis, Chief Marketing Officer; and
- Colin Jarrett, Chief Security and Risk Officer.

E.3. 2025 Variable short-term incentive for Executives

For 2025, the weighting for the short-term incentive has been reviewed and will remain consistent with the 2024 structure, as shown below:

KPIs for STI 2025	Weighting 2024	Weighting 2025
ARR[1]	40%	40%
Non-IFRS EBIT[1]	20%	20%
Net Operating Cash Flow[1]	20%	20%
Individual Operational Objectives[2]	20%	20%

1 The targets are considered commercially sensitive and are not disclosed in advance. The minimum threshold remains at 90%, where funding will be set at 50%. Maximum performance is set at 125% of target and results in 150% funding.

2 Introduced in 2024, Individual Operational Objectives are designed to ensure that each member of the Executive Committee is accountable for their respective critical areas while contributing to the Company’s overall objectives. Starting in 2025, these objectives will be linked to Objective Key Results (OKRs), making them measurable, outcome-driven, and aligned with Temenos’ broader goals. This approach enhances accountability across the Executive Committee and ensures that its members’ contributions support the execution of the Company’s strategic priorities for the financial year.

COMPENSATION REPORT continued

E. The year ahead: compensation of the Board of Directors and Executive Committee for fiscal year 2025 continued

E.4. 2025 Long-Term Incentive/Equity Plan awards for Executives

The Long-Term Incentive Plans for 2025 are subject to the same performance conditions, minimum and maximum performance thresholds, funding schedule and the three-year vesting period as for 2024 and are described below.

The KPIs for fiscal year 2025 for the Executive Committee and senior management are as below:

KPIs for LTI 2024–2026	Weighting
ARR	60%
Non-IFRS EPS	20%
Free Cash Flow	20%

Vesting curve

The vesting curve for all KPI metrics under the 2025 LTI plan has been structured to further strengthen alignment with Temenos' long-term performance and shareholder value creation. From 2025 onwards, the plan will operate on a fully cumulative performance assessment over the three-year period, replacing the prior structure that included annual targets.

This refined vesting approach reflects a disciplined and transparent framework that emphasizes sustainable value creation. By maintaining a strong performance orientation while ensuring a clear, long-term focus, the Compensation Committee believes this structure better supports both strategic execution and shareholder expectations.

For the 2025 LTI plan, the target CAGR growth for ARR is set at 14%, for non-IFRS EPS is set at 12% and for Free Cash Flow is set at 17%.

F. Other information – audited

This section (section F) has been audited by Temenos' auditor, PricewaterhouseCoopers SA.

F.1. Shareholdings and equity incentives

Non-Executive Directors

Name	Position	**Number of shares 31 December 2024**	Number of shares 31 December 2023
T. de Tersant	Chairman	**13,000**	9,000
C. Hultén	Vice-Chair	**2,500**	1,200
P. Spenser[1]	Member	**3,300**	1,800
M. Carli	Member	**1,910**	1,000
X. Cauchois	Member	**2,100**	600
D. Deuring	Member	**1,000**	–
L. Readhead	Member from 7 May 2024	**3,200**	n/a
M. Gorriz	Member from 7 May 2024	**10,000**	n/a
I. Cookson	Vice-Chairman until 7 May 2024	**n/a**	17,400
D. Forster	Member until 7 May 2024	**n/a**	60

1 Peter Spenser held shares in the form of American depositary receipts (ADRs).

Executive Committee members

Name	Position as at 31 December 2024	**Number of shares 31 December 2024**	**Number of vested PSUs 31 December 2024[1]**	**Number of unvested RSUs/PSUs 31 December 2024[1]**	Number of shares 31 December 2023	Number of vested PSUs 31 December 2023	Number of unvested RSUs/PSUs 31 December 2023
J. P. Brulard	CEO	**–**	**–**	**45,979**	n/a	n/a	n/a
P. Spiliopoulos	CFO	**–**	**–**	**56,240**	–	–	–
B. Morgan	CPTO	**9,660**	**–**	**6,065**	n/a	n/a	n/a
W. Moroney	CRO	**1,362**	**–**	**19,460**	n/a	n/a	n/a
J. Tipper	CPO	**782**	**–**	**21,299**	–	–	9,101
D. Dempsey	CLO	**–**	**–**	**4,935**	n/a	n/a	n/a
I. Guis	CMO	**–**	**–**	**9,382**	n/a	n/a	n/a
C. Jarrett	CSRO	**3,888**	**–**	**24,049**	2,138	–	14,365
P. Varadhan	President Product and COO until 7 October 2024	**n/a**	**n/a**	**n/a**	–	–	38,470
A. Andreades	Former CEO until 30 April 2024	**n/a**	**n/a**	**n/a**	846,752	87,498[2]	–
P. Barnett	President Americas until 9 July 2024	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a

1 The PSUs and RSUs shown above only include PSUs and RSUs granted during membership of the Executive Committee.

2 Andreas Andreades' PSUs vested on 31 December 2023 and resulting shares were transferred on the first working day thereafter.

COMPENSATION REPORT continued

F. Other information – audited continued

F.1. Shareholdings and equity incentives continued

Executive Committee members continued

Name	Position as at 31 December 2024	Plan[1]	Exercise price USD	**Number of vested SARs 31 December 2024**	**Number of unvested SARs 31 December 2024**	Number of vested SARs 31 December 2023	Number of unvested SARs 31 December 2023
J. P. Brulard	CEO, since 1 May 2024	2024 scheme	62.80	**–**	**80,769**	–	–
P. Spiliopoulos	CFO	2019 scheme	147.43	**42,000**	**–**	42,000	–
		2020 scheme	168.81	**33,600**	**–**	33,600	–
		2021 scheme[2]	143.54	**60,629**	**–**	–	79,000
		2022 scheme[3]	107.65	**–**	**107,100**	–	107,100
		2023 scheme	66.91	**–**	**171,951**	–	171,951
		2024 scheme	70.56	**–**	**52,058**	–	–
B. Morgan	CPTO	2024 scheme	69.27	**–**	**10,580**	–	–
W. Moroney	CRO	2024 scheme	69.22	**–**	**8,712**	–	–
		2024 scheme	70.56	**–**	**26,029**	–	–
J. Tipper	CPO	2022 scheme[3]	107.65	**–**	**9,050**	–	9,050
		2023 scheme	66.91	**–**	**13,165**	–	13,165
		2024 scheme	69.22	**–**	**8,712**	–	–
		2024 scheme	70.56	**–**	**13,014**	–	–
D. Dempsey	CLO	2024 scheme	69.22	**–**	**8,712**	–	–
I. Guis	CMO	2024 scheme	72.15	**–**	**18,717**	–	–
C. Jarrett	CSRO	2020 scheme	168.81	**11,667**	**–**	11,667	–
		2021 scheme[2]	143.54	**11,512**	**–**	–	15,000
		2022 scheme[3]	107.65	**–**	**18,150**	–	18,150
		2023 scheme	66.91	**–**	**18,807**	–	18,807
		2024 scheme	70.56	**–**	**17,353**	–	–
P. Varadhan	President Product and Chief Operating Officer, until 7 October 2024	2022 scheme[3]	107.65	**–**	**15,400**	–	15,400
		2023 scheme	66.91	**–**	**60,183**	–	60,183
		2024 scheme	70.56	**–**	**52,058**	–	–
A. Andreades[4]	CEO, until 30 April 2024	2018 scheme	127.00	**–**	**–**	135,203	–
		2019 scheme	136.94	**–**	**–**	83,160	–
		2020 scheme	168.81	**–**	**–**	61,507	–
		2021 scheme[2]	143.54	**–**	**–**	–	144,700
		2022 scheme[3]	107.65	**–**	**–**	–	186,700

1 The SARs shown above only include SARs granted during membership of the Executive Committee.

2 The SARs granted under the 2021 scheme vested on 19 February 2024. The final vesting was at 76.7%. The 2023 numbers were reduced by 23.3% in 2024.

3 The SARs and PSUs granted under the 2022 scheme were due to vest on 18 February 2025. However, as targets were not met, they are fully forfeited, and this will be reflected in 2025.

4 Andreas Andreades was not a member of the Executive Committee on 31 December 2024, as he was on garden leave. The SARs that were vested on his termination were paid at fair value and hence all outstanding SARs were canceled.

No options and/or shares were held on 31 December 2024 and 2023 by persons related to the members of the Board of Directors or the Executive Committee.

F.2. Equity instruments outstanding

The following table lists all employee equity instruments outstanding as at 31 December 2024. This includes the instruments outstanding for Executive Committee members shown in the tables in section F.1 and all other staff eligible.

Plan	Exercise price USD[1]	Total number of outstanding instruments	Number of unvested SARs[2]	Number of vested SARs	Number of PSUs	Number of RSUs
2016	43.69	14,649	–	14,649	–	–
2016	57.07	31,342	–	31,342	–	–
2016	65.92	3,634	–	3,634	–	–
2017	70.87	86,825	–	86,825	–	–
2017	80.86	2,394	–	2,394	–	–
2018	127.00	335	–	335	–	–
2018	127.00	107,122	–	107,122	–	–
2018	127.68	1,305	–	1,305	–	–
2018	164.00	4,349	–	4,349	–	–
2018	138.63	868	–	868	–	–
2019	136.94	141,280	–	141,280	–	–
2019	146.46	600	–	600	–	–
2019	147.43	42,000	–	42,000	–	–
2019	149.37	2,400	–	2,400	–	–
2019	164.57	1,200	–	1,200	–	–
2019	160.90	4,500	–	4,500	–	–
2019	151.75	1,200	–	1,200	–	–
2019	144.09	6,200	–	6,200	–	–
2020	168.81	138,064	–	138,064	–	–
2020	143.97	934	–	934	–	–
2020	115.91	41,867	–	41,867	–	–
2020	142.68	453	–	453	–	–
2020	160.35	234	–	234	–	–
2020	144.77	640	–	640	–	–
2020	135.00	624	–	624	–	–
2020	124.50	16,800	–	16,800	–	–
2021	143.54	958	–	958	–	–
2021	143.54	348,890	–	348,890	–	–
2021	156.81	7,674	–	7,674	–	–
2021	158.87	3,069	–	3,069	–	–
2021	157.66	769	–	769	–	–
2021	144.36	1,534	–	1,534	–	–
2021	136.61	1,534	–	1,534	–	–
2021	156.81	22,000	–	22,000	–	–
2021	156.81	22,000	–	22,000	–	–
2022	54.90	40,001	–	40,001	–	–
2022	54.90	73,334	–	73,334	–	–
2022	54.90	5,000	5,000	–	–	–
2022	54.90	143,330	143,330	–	–	–

COMPENSATION REPORT continued

F. Other information – audited continued

F.2. Equity instruments outstanding continued

Plan	Exercise price USD[1]	Total number of outstanding instruments	Number of unvested SARs[2]	Number of vested SARs	Number of PSUs	Number of RSUs
2022	107.65	396,350	396,350	–	–	–
2022	96.40	30,378	30,378	–	–	–
2022	96.00	8,650	8,650	–	–	–
2022	94.72	5,750	5,750	–	–	–
2023	66.91	264,106	264,106	–	–	–
2024	70.56	186,541	186,541	–	–	–
2024	62.80	80,769	80,769	–	–	–
2024	69.22	26,136	26,136	–	–	–
2024	72.15	4,250	4,250	–	–	–
2024	72.15	3,299	3,299	–	–	–
2024	72.15	11,168	11,168	–	–	–
2024	69.27	10,580	10,580	–	–	–
2023	n/a	91,114	–	–	–	–
2023	n/a	7,187	–	–	–	7,187
2024	n/a	5,363	–	–	–	5,363
2022	n/a	22,500	–	–	–	22,500
2023	n/a	422,899	–	–	–	422,899
2024	n/a	524,865	–	–	–	524,865
2022	n/a	194,976	–	–	194,976	–
2023	n/a	174,429	–	–	174,429	–
2024	n/a	195,993	–	–	195,993	–
		3,989,215	**1,176,307**	**1,173,582**	**565,398**	**1,073,928**

1 The weighted average exercise price considering all instruments is USD 60.86, and taking only SARs is USD 103.33.

2 The SARs and PSUs from the 2022 plan were due to vest on 18 February 2024; however, as targets were not met, they are fully forfeited, and this will be reflected in 2025.

REPORT ON THE AUDIT OF THE COMPENSATION REPORT

Report of the statutory auditor

to the General Meeting of Temenos AG, Lancy

Opinion

We have audited the compensation report of Temenos AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables marked 'audited' on section A.3 on page 160, section D on pages 171 to 174 and section F on pages 177 to 180 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying compensation report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

REPORT ON THE AUDIT OF THE COMPENSATION REPORT continued

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers SA

Yazen Jamjum	Hamza Benhlal
Licensed audit expert Auditor in charge	Licensed audit expert

Geneva, 24 February 2025

Enclosure:

- Compensation report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

pwc

Report of the statutory auditor

to the General Meeting of Temenos AG, Lancy

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Temenos AG and its subsidiaries (the Group), which comprise the consolidated statement of profit or loss and the consolidated statement of other comprehensive income for the year ended 31 December 2024, and the consolidated statement of financial position as at 31 December 2024, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall group materiality: USD 8.8 million

We concluded audit procedures over selected financial statement line items. Our audit scope addressed 100% of the Group's revenue.

As key audit matters the following areas of focus have been identified:

- Subscription and term license revenue recognition
- Recoverability of trade receivables and contract assets
- Valuation of Level 3 investments in convertible notes

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REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS continued

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	USD 8.8 million
Benchmark applied	Three-year average profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the relevant benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly assessed and it is a generally accepted benchmark. We used a three-year average to address the impact of the volatility in the benchmark applied.

We agreed with the Audit Committee that we would report to them misstatements above USD 0.5 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The group audit performed centralised audit procedures over selected financial statement line items such as revenue, trade receivables, contract assets and contract liabilities, cash balances, capitalized development costs and property, plant and equipment, in addition to auditing the consolidation, pension, goodwill and share based compensation. We also considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In addition, we instructed audit teams in two countries to perform a specific scope audit (principally operating expenses and trade and other payables).

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Subscription and term license revenue recognition

Key audit matter	How our audit addressed the key audit matter
For the year ended 31 December 2024, revenue from Subscription was USD 193.4 million and revenue from term license was USD 34.01 million (together referred to thereafter as “license revenue”). We focused on license revenue because of its significance and the risks related to the numerous inherent complexities and critical judgements involved in the measurement, timing and presentation of revenues from multi-element contracts found in the software industry. Transactions with customers often are multiple element arrangements that typically include license, implementation and/or development services and maintenance elements. The identification and the allocation of the transaction price to the different performance obligations require management to use significant estimates in relation to the determination of the standalone selling price of each component. Also, there are critical judgements in determining whether existing uncertainties and contingencies preclude license revenue from being recognised. In addition, reseller and partner deals may add further complexities with respect to the nature of the licensing right, ability and intent to pay, and measurement of the transaction price. There is a risk that license revenue is overstated or recognised prematurely due to either the inappropriate assessment of the risks and uncertainties involved and/or inappropriate allocation between the various components. There is also a risk that judgements or estimates in relation to license revenue are not free from bias or that license revenue booked is manipulated to achieve financial targets. Refer to note 2.17 (accounting policies) and note 4 (critical accounting estimates and judgements) of the consolidated financial statements.	Firstly, we evaluated the compliance of Temenos’s accounting policies with the key considerations of IFRS 15 “Revenue from Contracts with Customers”. For all license revenue contracts that we considered to be individually significant and for a sample of the remaining population we performed the following: • Inspected the existence of a signed version of the customer contract together with evidence of software delivery. • Assessed whether the license deal meets the definition of subscription or term license according to the Group’s accounting policy. • Reviewed the contracts and assessed potential impact of any unusual clause on revenue recognition. When necessary, we also discussed with internal legal counsel their view of certain contractual terms to assess their impact on revenue recognition. • Reviewed and evaluated the fair value allocations between the various performance obligations identified in accordance with Temenos’s revenue recognition policy. • With respect to reseller and partner deals, we also reviewed the commercial nature of the licensing right and agreed it to the contract terms, assessed the customers intent and ability to pay and verified that the transaction price reflects the requirement of IFRS 15. We also performed cut-off testing procedures to ensure that revenue is recognised in the correct reporting period by reference to the contract and evidence of delivery. In addition, we looked for evidence to validate the authenticity of a sample of customer contracts. We presented the results of our testing to the Audit Committee and highlighted deals involving significant judgements and estimates together with our view on those judgements and estimates made.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS continued

Recoverability of trade receivables and contract assets

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2024, trade receivables and contract assets amounted to USD 339.7 million and USD 52 million, respectively. We focused on this risk as the balances are material and there are many significant judgements involved in assessing recoverability of trade receivables and contract assets in the software industry. This is especially the case as some of these balances could be significant or overdue. There are many factors that need to be considered when concluding that a balance needs to be impaired including default or delinquency in payments, length of the outstanding balances and implementation difficulties that could result in future concessions. In addition, some of the customers might also be undergoing restructuring, a change in strategy or management, or facing liquidity issues that undermine their intent or ability to pay the amounts due. Given the complexity, the size and the length of certain implementation projects, there is a risk that an impairment charge or a revenue reversal is not recognised timely and/or accurately. Refer to note 2.5 (accounting policies) and note 14 (trade and other receivables) of the consolidated financial statements.	We reviewed management's analysis for all projects with potential exposure at risk. This analysis includes background information of the customer, existing contractual relationships, balance outstanding, delays in collection, and operational issues together with a detailed legal analysis, where required. In addition, we challenged management's assessment of the recoverability of selected trade receivables and contract assets balances (significant and randomly selected). When deemed necessary, we also discussed certain potential exposures with the internal legal counsel and agreed it to available confirmations from external lawyers. We evaluated management's assessment of whether the resulting impact of the recoverability of the receivable is a result of a credit default and therefore bad debt expense or alternatively a concession, in the form of variable consideration, that reduces revenue under IFRS 15. We confirmed selected material customer balances to verify their intention to settle the outstanding balances in the future. We also reviewed the ageing of trade receivables and obtained external market evidence confirming the lack of significant doubt about the financial stability for selected customers. We presented the results of our procedures to the Audit Committee.

Valuation of Level 3 investments in convertible notes

Key audit matter	How our audit addressed the key audit matter
As described in the note 3.4, the Group entered into convertible notes agreements with equity conversion features. These investments in convertible notes are accounted for at fair value through profit and loss. The fair value of these investments as of 31 December 2024 was USD 41.4 million (2023: USD 49.3 million) resulting in USD 9.3 million fair value loss recognised in the income statement within the net finance costs line item. Investments in early-stages businesses are inherently risky due to their dependence on fundraising to achieve their growth potential in the future. In addition, a fair value based on a level 3 financial asset is dependent on unobservable inputs that requires significant judgements and estimates by management. We considered the valuation of those investments in convertible notes to be a key audit matter since there is a risk that material fair value losses may need to be recorded either due to future funding not being available and/or failure to deliver on future growth ambitions.	We obtained the discounted cash-flow valuation model prepared by management and reviewed key assumptions supporting the Group's fair value calculations including management's assessment of the investee's financial situation. With the assistance of our internal valuation specialist, we performed the following procedures: • Checked the reasonableness of the inputs and significant assumptions including the discount rate, long-term growth rate, cumulative average growth rate of revenue, EBITDA margin and terminal value calculation. • Benchmarked the valuation model with generally accepted valuation techniques and compared current year budget estimates used by management to actual results. • Tested the mathematical accuracy of the model. • Performed an independent sensitivity analysis for the discount rate, long term growth rate, EBITDA margin and cumulative average growth rate of revenue. • Assessed the appropriateness of disclosures included in the financial statements. We presented the results of our procedures to the Audit Committee.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS continued

basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Yazen Jamjum	Hamza Benhlal
Licensed audit expert Auditor in charge	Licensed audit expert

Geneva, 24 February 2025

Enclosure:

- Consolidated financial statements (consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December

	2024 USD 000	2023 USD 000
Revenues		
Subscription	**193,383**	160,378
Term license	**34,010**	78,145
SaaS	**223,117**	205,108
Total software licensing	**450,510**	443,631
Maintenance	**464,280**	423,697
Services	**129,315**	132,896
Total revenues (note 7)	**1,044,105**	1,000,224
Operating expenses		
Cost of sales	**(291,697)**	(291,135)
Sales and marketing	**(212,948)**	(222,104)
General and administrative	**(108,065)**	(94,347)
Other operating expenses	**(200,181)**	(193,261)
Total operating expenses (note 9)	**(812,891)**	(800,847)
Operating profit	**231,214**	199,377
Finance income	**16,578**	10,500
Finance costs	**(38,185)**	(36,994)
Finance costs – net (note 11)	**(21,607)**	(26,494)
Profit before taxation	**209,607**	172,883
Taxation (note 21)	**(32,428)**	(38,206)
Profit for the year	**177,179**	134,677
Attributable to:		
Equity holders of the Company	**177,179**	134,677
Earnings per share (in USD) (note 12):		
Basic	**2.46**	1.87
Diluted	**2.43**	1.85

Notes on pages 195 to 245 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	2024 USD 000	2023 USD 000
Profit for the year	**177,179**	134,677
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment defined benefit obligations (note 23)	**(2,062)**	(5,063)
	(2,062)	(5,063)
Items that may be subsequently reclassified to profit or loss		
Cash flow hedge reserve (note 26)	**2,979**	(3,037)
Cost of hedging reserve (note 26)	**(80)**	(800)
Net investment hedge reserve (note 26)	**(21,699)**	17,783
Currency translation differences (note 26)	**5,714**	(39,929)
	(13,086)	(25,983)
Other comprehensive loss for the year, net of tax	**(15,148)**	(31,046)
Total comprehensive income for the year	**162,031**	103,631
Attributable to:		
Equity holders of the Company	**162,031**	103,631

Notes on pages 195 to 245 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	2024 USD 000	2023 USD 000
Assets		
Current assets		
Cash and cash equivalents (note 13)	**114,154**	106,885
Trade and other receivables (note 14)	**231,477**	286,249
Other financial assets (note 15)	**56,150**	69,786
	401,781	462,920
Assets classified as held for sale (note 6)	**235,269**	–
Total current assets	**637,050**	462,920
Non-current assets		
Property, plant and equipment (note 16)	**50,841**	58,017
Intangible assets (note 17)	**1,280,873**	1,523,602
Trade and other receivables (note 14)	**236,979**	188,604
Other financial assets (note 15)	**17,054**	21,752
Deferred tax assets (note 21)	**53,891**	71,946
Total non-current assets	**1,639,638**	1,863,921
Total assets	**2,276,688**	2,326,841
Liabilities and equity		
Current liabilities		
Trade and other payables (note 18)	**206,675**	188,993
Other financial liabilities (note 15)	**7,415**	11,339
Deferred revenue (note 8)	**437,931**	460,829
Income tax liabilities	**115,645**	83,533
Borrowings (note 19)	**257,157**	194,990
Provisions for other liabilities and charges (note 22)	**4,226**	3,695
	1,029,049	943,379
Liabilities relating to assets classified as held for sale (note 6)	**44,390**	–
Total current liabilities	**1,073,439**	943,379
Non-current liabilities		
Other financial liabilities (note 15)	**161**	679
Deferred revenue (note 8)	**18,956**	21,003
Borrowings (note 19)	**469,566**	569,686
Provisions for other liabilities and charges (note 22)	**1,561**	1,504
Deferred tax liabilities (note 21)	**55,876**	90,685
Employee defined benefit obligations (note 23)	**18,155**	17,925
Total non-current liabilities	**564,275**	701,482
Total liabilities	**1,637,714**	1,644,861
Shareholders' equity		
Share capital	**254,764**	254,764
Treasury shares	**(403,945)**	(402,006)
Share premium and other reserves (note 25)	**(250,427)**	(144,560)
Other equity (note 26)	**(219,402)**	(206,023)
Retained earnings	**1,257,984**	1,179,805
Total equity	**638,974**	681,980
Total liabilities and equity	**2,276,688**	2,326,841

Notes on pages 195 to 245 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December

	2024 USD 000	2023 USD 000
Cash flows from operating activities		
Profit before taxation	**209,607**	172,883
Adjustments:		
Property, plant and equipment depreciation, intangible asset amortization and impairment of intangible and financial assets	**132,586**	132,172
Loss on retirement/disposal of property, plant and equipment	**14**	130
Cost of share options (note 27)	**52,727**	52,914
Foreign exchange loss / (gain) on non-operating activities	**3,042**	(1,136)
Interest expenses, net (note 11)	**12,573**	18,879
Net loss on derivatives not designated as hedging instruments and movement in fair value from financial instruments (note 11)	**298**	8,155
Other finance costs	**3,141**	3,511
Other non-cash items	**3,133**	4,261
Changes in:		
Trade and other receivables	**(71,494)**	(61,182)
Trade and other payables, provisions and employee defined benefit obligations	**32,548**	7,068
Deferred revenues	**13,161**	53,879
Cash generated from operations	**391,336**	391,534
Income taxes paid	**(27,985)**	(60,503)
Net cash generated from operating activities	**363,351**	331,031
Cash flows from investing activities		
Purchase of property, plant and equipment	**(5,026)**	(9,739)
Disposal of property, plant and equipment	**163**	165
Purchase of intangible assets	**(3,133)**	(2,227)
Capitalized development costs (note 17)	**(70,322)**	(76,617)
Repayments for long-term loans	**–**	3,000
Purchase and settlement of financial instruments	**5,071**	(674)
Interest received	**2,069**	1,900
Net cash used in investing activities	**(71,178)**	(84,192)
Cash flows from financing activities		
Dividend paid (note 28)	**(96,938)**	(88,273)
Disposal of treasury shares	**67,447**	34,713
Acquisition of treasury shares	**(226,783)**	–
Proceeds from borrowings	**487,695**	147,087
Repayments of borrowings	**(305,027)**	(311,893)
Proceeds from issuance of bond	**–**	220,840
Repayment of bond	**(166,181)**	(200,192)
Proceeds from long-term loans	**467**	–
Payment of lease liabilities (principal) (note 13)	**(15,076)**	(15,372)
Interest payments	**(25,344)**	(22,626)
Purchase and settlement of financial instruments	**3,966**	3,318
Payment of other financing costs	**(3,472)**	(3,226)
Net cash used in financing activities	**(279,246)**	(235,624)
Effect of exchange rate changes	**(5,658)**	5,747
Net increase in cash and cash equivalents in the year	**7,269**	16,962
Cash and cash equivalents at the beginning of the year	**106,885**	89,923
Cash and cash equivalents at the end of the year	**114,154**	106,885

Notes on pages 195 to 245 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital USD 000	Treasury shares USD 000	Share premium and other reserves (note 25) USD 000	Other equity (note 26) USD 000	Retained earnings USD 000	Total USD 000
Balance at 1 January 2023	253,466	(464,778)	(166,637)	(181,160)	1,137,492	578,383
Profit for the year	–	–	–	–	134,677	134,677
Other comprehensive income for the year, net of tax	–	–	–	(25,983)	(5,063)	(31,046)
Total comprehensive income for the year	–	–	–	(25,983)	129,614	103,631
Dividend paid (note 28)	–	–	–	–	(88,273)	(88,273)
Hedging loss transferred to deferred revenues (note 26)	–	–	–	1,120	–	1,120
Cost of share options (note 27)	–	–	52,914	–	–	52,914
Exercise/cash settlement of share-based payments (note 25)	1,298	3,742	(6,505)	–	–	(1,465)
Tax impact on items taken to equity (note 21)	–	–	–	–	972	972
Disposal of treasury shares	–	59,030	(24,317)	–	–	34,713
Costs associated with equity transactions	–	–	(15)	–	–	(15)
	1,298	62,772	22,077	(24,863)	42,313	103,597
Balance at 31 December 2023	254,764	(402,006)	(144,560)	(206,023)	1,179,805	681,980
Profit for the year	–	–	–	–	177,179	177,179
Other comprehensive income for the year, net of tax	–	–	–	(13,086)	(2,062)	(15,148)
Total comprehensive income for the year	–	–	–	(13,086)	175,117	162,031
Dividend paid (note 28)	–	–	–	–	(96,938)	(96,938)
Hedging gain transferred to deferred revenues (note 26)	–	–	–	(293)	–	(293)
Cost of share options (note 27)	–	–	52,727	–	–	52,727
Exercise/cash settlement of share-based payments (note 25)	–	52,740	(53,685)	–	–	(945)
Acquisition of treasury shares	–	(226,783)	–	–	–	(226,783)
Disposal of treasury shares	–	172,104	(104,657)	–	–	67,447
Costs associated with equity transactions	–	–	(252)	–	–	(252)
	–	(1,939)	(105,867)	(13,379)	78,179	(43,006)
Balance at 31 December 2024	**254,764**	**(403,945)**	**(250,427)**	**(219,402)**	**1,257,984**	**638,974**

Notes on pages 195 to 245 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

1. General information

Temenos AG (the "Company") was incorporated in Glarus, Switzerland, on 7 June 2001 as a stock corporation (Aktiengesellschaft). Since 26 June 2001, the shares of Temenos AG have been publicly traded on the SIX Swiss Exchange. The registered office is located at Esplanade de Pont-Rouge 9C, 1212 Grand-Lancy, Switzerland.

The Company and its subsidiaries (the "Temenos Group" or the "Group") are engaged in the development, marketing and sale of integrated banking software systems. The Group is also involved in supporting the implementation of the systems at various customer locations around the world and the implementation and running of systems in cloud environments, as well as in offering help desk support services to existing users of Temenos software systems. The customer base consists of mostly banking and other financial services institutions.

These consolidated financial statements have been approved for issue by the Board of Directors on 18 February 2025.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention, except where IFRS explicitly requires use of other measurement principles.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the consolidated financial statements, are disclosed in note 4.

Standards, amendments and interpretations relevant to the Group's operation and adopted by the Group as at 1 January 2024

Amendments to IAS 1 'Presentation of Financial Statements', effective for accounting periods beginning on or after 1 January 2024. The amendments clarify that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within 12 months. These amendments have not had any material impact on the Group.

Amendments to IFRS 16 'Leases', effective for accounting periods beginning on or after 1 January 2024. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. These amendments have not had any material impact on the Group.

Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures', effective for accounting periods beginning on or after 1 January 2024. The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The Group does not have any such arrangements in place.

Standards, amendments and interpretations relevant to the Group's operation that are not yet effective

The following new standards and amendments have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2025. Unless otherwise indicated, these publications are not expected to have any material impact on the Group's financial statements:

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates', effective for accounting periods beginning on or after 1 January 2025. The amendments add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', effective for accounting periods beginning on or after 1 January 2026. These amendments clarify the date of recognition and derecognition for some financial assets and liabilities, add new disclosures for certain instruments with contractual terms that can change cash flows and update the disclosures for equity instruments designated at fair value through other comprehensive income.

IFRS 18 'Presentation and Disclosure in Financial Statements', effective for accounting periods beginning on or after 1 January 2027. This standard replaces IAS 1 'Presentation of Financial Statements', with a focus on updates to the statement of profit or loss. The key new concepts in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- the requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for management-defined profit or loss performance measures; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group is assessing the impact of the new standard, particularly with respect to the structure of the Group's primary financial statements and the additional disclosures required for management-defined performance measures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

2. Accounting policies continued
2.2 Basis of consolidation
The consolidated financial statements include the financial statements of the Company as well as its subsidiaries.

Subsidiaries
Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. If the consideration is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

Any contingent consideration is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in profit or loss in accordance with IFRS 9 'Financial Instruments'. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Changes in ownership interests in subsidiaries without loss of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries
When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Non-current assets (or disposal groups) held for sale and discontinued operations
Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the consolidated statement of profit or loss.

2.3 Foreign currency
Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in US dollars, which is the currency in which the majority of the Group's transactions are denominated. The Company's functional currency is Swiss francs.

Transactions in foreign currencies are translated into the respective functional currencies using the exchange rates prevailing at the dates of the transactions. When the Group pays or receives consideration in advance, the date of the transaction is the date when the consideration is realized. Monetary assets and liabilities denominated in foreign currencies are translated into the respective entity's currency at the exchange rate at the reporting date.

Foreign exchange differences are recognized in the profit or loss within "Net finance costs", except when deferred in other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges.

The financial statements of the Group's subsidiaries (none of which has the currency of a hyperinflationary economy) are translated into the Group's presentation currency as follows:

- assets and liabilities, including goodwill and fair value adjustment on acquisition, are translated using the closing rate at the date of the reporting date;
- income and expenses for each statement presenting profit or loss and other comprehensive income are translated on a monthly basis at the average exchange rates of the month (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

2. Accounting policies continued

2.3 Foreign currency continued

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in profit or loss as part of the gain or loss on sale.

Gains or losses resulting from long-term intragroup balances for which settlement is neither planned nor likely to occur in the foreseeable future are treated as a net investment in foreign operations (i.e. quasi-equity loans). The gains or losses recognized in the separate financial statements of the subsidiary are reclassified as a cumulative translation adjustment to other comprehensive income in the Group's consolidated financial statements.

Goodwill and fair value adjustments arising on acquisition are considered as assets and liabilities of the acquired entity. They are recognized in the functional currency of the acquired entity.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank current accounts, time deposits and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to negligible risks of change in value.

As the Group's objective and business model are to hold this asset to collect the contractual cash flows, cash and cash equivalents are carried at amortized cost.

Cash that does not meet the definition of "cash and cash equivalents" as per IAS 7 'Statement of Cash Flows' is reclassified to other receivables and subject to impairment review in accordance with IFRS 9.

2.5 Trade and other receivables

Trade receivables and contract assets

Trade receivables are recognized initially at the transaction price or at fair value if they contain significant financing components. They are subsequently measured at amortized cost using the effective interest method as the Group's objective and business model are to hold this asset to collect the contractual cash flows.

Contract assets represent consideration which is conditional upon factors other than passage of time.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses the lifetime expected credit loss allowance for all trade receivables including trade receivables with significant financing components and contract assets. The Group exercises judgment in determining the expected credit loss allowance. In this judgment, the Group identifies the default rate by analyzing historical experience with credit losses, considering it to represent a reasonable approximation for future expected defaults, and applies it to current receivables. The Group also takes into consideration forward-looking factors, including changes in the overall economic environment and customer country credit risk and, if material, reflects these in the expected credit loss allowance.

A credit impairment is recognized when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization.

The carrying amount of the asset is either reduced through the use of an allowance account or directly written off when there is no expectation of future recovery. The expense from the expected credit loss allowance as well as from credit impaired debtors is recognized in the profit or loss within "Sales and marketing". Subsequent recoveries are credited in the same account previously used to recognize the impairment charge.

Non-current trade receivables represent balances to be recovered after 12 months.

Other receivables

Other receivables include other receivables (financial assets) and other assets (non-financial assets).

Other receivables (financial assets) represent receivables raised from transactions outside the ordinary activities of the Group.

As the Group's objective and business model are to hold this type of asset to collect the contractual cash flows, they are initially measured at fair value and subsequently measured at amortized cost. Interest income, foreign exchange gain or loss, and impairment are recognized in the profit or loss within "Finance costs – net".

When the impact of applying the effective interest method is not significant, the gross carrying amount equals the contractual amount or the fair value at initial recognition.

Balances to be collected after 12 months after the reporting period are presented as non-current.

The Group applies the same impairment policy that is used to measure the expected credit loss for its trade receivables.

Other assets (non-financial assets) primarily represent prepayments and contract costs according to IFRS 15. Contract costs expected to be recognized in profit or loss after more than 12 months are reported as non-current assets. All other amounts are reported as current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

2. Accounting policies continued
2.6 Property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation on assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows (in years):

Buildings	50
Furniture and fixtures	10
Office equipment	5
IT equipment	4–5
Vehicles	4

Leasehold improvements are depreciated over the shorter of the remaining lease term and useful life (ten years).

Asset residual values and useful lives are reviewed and adjusted if necessary at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Repairs and maintenance costs are charged to profit or loss as incurred.

Gains or losses on disposals are determined by comparing the consideration received or receivable with the carrying amount and are recognized within "General and administrative" in the profit or loss unless otherwise specified.

2.7 Intangible assets
Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount is allocated to the cash-generating unit (CGU) that is expected to benefit from the synergies of the business combination. The CGU to which the goodwill is allocated to represents the lowest level at which the goodwill is monitored for internal management purposes. The carrying value of the CGU is then compared to the higher of its fair value less costs of disposal and its value in use. Any impairment attributed to goodwill is recognized immediately as an expense and is not subsequently reversed.

Computer software
Software licenses separately acquired are capitalized when the Group can demonstrate that:

- it controls the asset;
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group; and
- the cost of the asset can be reliably measured.

The cost of the asset comprises its purchase price (including non-refundable purchase taxes) and any directly attributable costs of preparing the asset for its intended use. The cost of the asset is amortized using the straight-line method over its estimated useful life.

Computer software separately acquired is amortized over the shorter of the license term and four years, except for software considered to be a significant technology which is amortized over seven years.

Software technologies acquired through business combinations are initially measured at fair value and then amortized using the straight-line method over their estimated useful lives. Currently reported technologies acquired through business combinations have useful lives between five and eight years.

Customer-related intangible assets
Customer-related intangible assets are assets acquired through business combinations. They are initially measured at fair value and then amortized using the straight-line method over their estimated useful lives. The assessment of useful life is set out at the time of acquisition, specific for each acquisition. Currently reported customer-related intangible assets are amortized over a period between five and fourteen years.

2. Accounting policies continued

2.7 Intangible assets continued

Internally generated software development

The Group follows a strategy of investing a substantial part of its revenue in research and development which is directed towards the enhancement of its product platforms.

The costs associated with the development of new or substantially improved products or modules are capitalized when the following criteria are met:

- technical feasibility to complete the development;
- management intent and ability to complete the product and use or sell it;
- the likelihood of success is probable;
- availability of technical and financial resources to complete the development phase;
- costs can be reliably measured; and
- probable future economic benefits can be demonstrated.

Directly attributable development costs that are capitalized include employee costs and an appropriate portion of relevant overheads. Directly attributable development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Development expenditures that are not directly attributable are recognized as an expense when incurred.

Internally generated software development costs are amortized using the straight-line method after the product is available for distribution. Development costs are amortized over three to seven years, depending on Product business segment.

The Group assesses the need to revisit its estimated useful lives annually in line with IFRS and would adjust the estimated useful lives in case it identifies shifts in its business model or other internal or external factors impacting this estimate. The Group's business model has shifted towards SaaS and cloud which impacts the way software products are developed, deployed and maintained. The Group has concluded that Product business segment is the most appropriate basis for the Group's expected usage of the related development assets.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Taxation

The tax expense for the period comprises current and deferred tax. Current income tax and deferred income tax are recognized under IAS 12 'Income Tax' and IFRIC 23 'Uncertainty over Income Tax Treatments'.

Tax is recognized in the profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken or expected to be taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation or uncertainty. It establishes provisions for uncertain tax positions where appropriate on the basis of amounts expected to be paid to the tax authorities, taking into account any discussions with these authorities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group's financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group incurs withholding tax in various jurisdictions. An assessment is made to assess the ability to recover these withholding taxes against the normal tax liabilities occurring within the Group, and a provision is made to the extent that withholding tax is not recoverable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31 December 2024

2. Accounting policies continued

2.10 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

When the effect of the time value is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense within "Finance costs".

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced to those affected by it.

2.11 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred, and they are subsequently measured at amortized cost. Effective interest costs are recognized within "Finance costs" in the profit or loss over the period of the relevant instrument.

Fees directly attributable to the establishment of a financing facility are recognized as a prepayment for liquidity services and they are subsequently amortized within "Finance costs" over the life of the instrument.

Accrued commitment fees for the unutilized portion of credit facility are reported within trade and other payables in the statement of financial position and within "Finance costs" in the statement of profit or loss.

Roll-over of loan is reported net in the statement of cash flows.

Borrowings are classified as non-current liabilities unless the Group does not have the right at the end of the period to defer the settlement for at least 12 months after the reporting period.

2.12 Leases

Identification of a lease

The Group assesses whether a contract is or contains a lease based on the definition of a lease under IFRS 16. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To apply this definition the Group assesses whether the contract meets these evaluations:

- the contract contains an identified asset that is either explicitly specified or implicitly specified at the time that the asset is made available for use by the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use; and
- the Group has the right to direct the use of the identified asset throughout the period of use or the Group has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions.

The Group has elected to separate the non-lease components and they are accounted as an expense in the profit or loss.

If the Group acts as an intermediate lessor, it classifies the sub-lease either as operating or a finance lease based on the lease term and the right-of-use-asset being sub-leased. If the sub-lease is classified as a finance lease the future discounted cash flow is recognized as a receivable with a corresponding decrease in the right-of-use asset.

Recognition and measurement of a lease

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group uses the incremental borrowing rate which consists of the risk-free rate of currency of the lease plus the premium arising from the Group's credit risk. Lease payments included in the measurement comprise fixed payments, variable lease payments that depend on an index or a rate and amounts to be paid under a residual value guarantee (if any).

The right-of-use asset is initially measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to restore the asset to the condition required at the end of the lease and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis over the lease term.

The lease term determined at the commencement of lease represents the non-cancelable period of a lease and includes the period covered by an option to extend, where exercising such option is reasonably certain, and option to terminate, where not exercising such option is reasonably certain.

2. Accounting policies continued

2.12 Leases continued

Leases of low value and short term

Short-term leases are leases with a lease term of 12 months or less. The Group defines assets with an estimated market value of USD 5 thousand when new as low-value assets. The payments in relation to these leases are recognized as an expense in profit or loss on a straight-line basis over the lease term and treated as an outflow from operating activities in the statement of cash flows.

Remeasurement of a lease

The lease liability and right-of-use assets initially recognized are remeasured on occurrence of the below events:

- change in lease term (renewal or termination options taken into consideration) – remeasured using discount rate at the time of remeasurement; and
- change in index rate affecting future lease payments – discount rate is unchanged (initial recognition).

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are reported as a reduction of the share premium (note 25).

Where any subsidiary of the Group purchases the Company's shares (treasury shares), the consideration paid (including any directly attributable incremental costs) is presented as a deduction from equity. Where such shares are subsequently sold or reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is recognized as an increase in equity and the resulting gains or losses are presented within share premium (note 25).

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The related interest expense is recognized in profit or loss within "Finance costs".

2.15 Employee share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Group. The instruments are in the form of restricted shares, performance shares or stock appreciation rights (SARs). The fair value of employee services received in exchange for the grant of the instruments is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the instrument granted:

- including any market performance conditions; and
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non-market vesting conditions are included in assumptions about the number of instruments that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of instruments that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the share instruments vest or SARs are exercised, the Group either issues new shares or uses treasury shares. The consideration received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium and capital reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31 December 2024

2. Accounting policies continued

2.16 Employee benefits

Post-employment obligations

The Group operates various pensions and post-employment benefit schemes including both defined benefit and defined contribution plans.

Defined contribution plan is a scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay the benefits relating to the employee's service in the current and prior periods. The relevant contributions are recognized as personnel costs when they are due. On realization of the liability, the Group has no further payment obligations. Prepaid contributions are recognized as an asset within trade and other receivables to the extent that a cash refund or a reduction in the future payments is available. Unpaid contributions are reported within trade and other payables.

Defined benefit plan is a scheme that is not a defined contribution plan (e.g. pension plan or gratuities). It defines the benefit payable to the employee after the completion of their employment, principally dependent on age, years of service and remuneration. The liability recognized in respect of such plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of any plan assets when the plan is funded. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. For currencies where there is no deep market in such high-quality corporate bonds, the market yields on government bonds that are consistent with the currency and the estimated terms of the post-employment benefit obligations shall be used.

When a surplus in a plan exists, the Group measures the net benefit asset at the lower of the surplus and the present value of the future economic benefits available to the Group in the form of a reduction in future contributions or a cash refund.

Actuarial gains and losses arising from experience and demographic adjustments as well as changes in financial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in profit or loss.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.17 Revenue recognition

The Group derives revenue from the following key sources:

Software license

Software license revenue represents fees earned from granting customers a right-to-use license of the Group's software, either through an initial license or through the purchase of additional modules or user rights. For software license arrangements that do not require significant modification or customization of the underlying software, revenue is recognized at a point-in-time when the software is made available to the customer and the performance obligation is satisfied.

Software license revenue includes software sold either on a subscription, term basis, or perpetual basis. Software developments are included within this revenue line and are recognized when they meet the same criteria as the licensed software.

Subscription revenue represents fees earned from granting customers a right-to-use license of the Group's software billed on a subscription basis over the contract term. Revenue recognized exceeding the billed amount is recognized as an unbilled receivable within "Trade and other receivables" in the statement of financial position.

Revenue on subscription contracts is recognized at a point-in-time when the software is made available to the customer and the performance obligation is satisfied. Where applicable, maintenance included within the bundled subscription fee is allocated based upon the established standalone selling price (SSP) and recognized ratably on a straight-line basis over the term of the arrangement as the performance obligation is satisfied.

Subscriptions accounting policy reflects revenue arising from contracts where a customer obtains a right-to-use software license, and typically also ongoing maintenance of that software, for a fixed term which may vary depending on the facts and circumstances. The associated consideration payable to Temenos (which in most cases would represent a single fee combining license and maintenance) is due over time, in contrast to a term license where a majority of the license cash flows are typically expected to be earned upfront or within a short period after delivering the license (typically within 12 months). Subscription contracts may also include payments which significantly vary over time, with examples including entitlement changes over a term, or general variability in payment terms.

Subscription contracts are assessed to determine whether these contain a significant financing component. Where this is determined to be the case, the significant financing component is recognized over the term of the contract and disclosed separately from revenue from contracts with customers, within "Finance income" in the statement of profit or loss.

In instances of software license renewals with existing customers where the licensed software is consistent with that initially purchased and delivered to the customer, license revenue is recognized at a point-in-time when the renewal is signed and an enforceable contract deemed to exist.

2. Accounting policies continued

2.17 Revenue recognition continued

SaaS

Software as a Service (SaaS) revenue is earned through the use of the Group's software to provide a service to the customer, whereby the customer does not have the ability to take possession of the software under a license arrangement without significant penalty. This includes the support and development of the software as well as the hosting infrastructure. This revenue stream also includes hosting services for the Group's license customers, who elect to have Temenos host their copy of the software. SaaS and hosting revenues are recognized over time, commencing from the point the service is made available to the customer.

The Group has several contracts for which the customer has purchased both a right-to-use software license and hosting services. In instances where the customer has the contractual right to take possession of the software at any time during the contract term without significant penalty and could utilize another vendor to host the software during the contract term, the Group considers that the software license and hosting services are separable performance obligations and allocates revenue accordingly. Where this is not the case, the contract is determined to be a SaaS arrangement in its entirety.

The Group has entered into several arrangements with a fixed fee for a minimum amount of usage and variable fee for overages. The Group has recognized revenue for the fixed fee over the contract term and has applied the variable consideration guidance under IFRS 15 to determine whether the variable fee should be allocated to the period to which it relates. In situations where the variable consideration conditions were not met, the overages were estimated and recognized over the term of the contract.

Customers are typically invoiced annually in advance for SaaS contracts.

Maintenance

Software maintenance is included in most software license arrangements. Within subscription license arrangements, license and maintenance fees are typically combined as a single fee, with maintenance revenue allocated based upon the established standalone selling price. Within term license arrangements, maintenance is priced as a percentage of the initial software license fees.

The standard maintenance offering is a stand ready obligation to provide technical support and unspecified updates, upgrades and enhancements on a when-and-if-available basis. The customer simultaneously receives and consumes the benefits of these maintenance services as performed; hence revenue is recognized ratably on a straight-line basis over the term of the arrangement as the performance obligation is satisfied.

Services

Services revenue represents income from consulting, training and implementation services sold to customers under services contracts. Fixed-price arrangements are accounted for over time on a percentage-of-completion basis as determined by the percentage of project costs incurred to date compared to the estimated total project costs. For time and material-based contracts, revenue is recognized as services are rendered.

Services projects are typically invoiced based on set project milestones with an initial portion invoiced upon contract signature.

IFRS 15 requires estimates and judgments are consistently applied by the Group in accounting for the revenue from contracts with customers. The areas that require estimates and judgments by the Group are detailed below:

Identification of contract

The Group enters multiple contracts with a customer and will assess these for the need to combine if the contracts are negotiated in and around the same time, are for the same economic purpose or are dependent upon one another.

Initial/master agreements often have additional purchases, addendum or terms modified throughout their term. At each point a contract is modified, the Group assesses the contract under the standard to determine if modifications are treated as a contract modification or a separate contract.

The Group initially makes an assessment to determine if the customer has the ability and intent to pay the consideration in the contract. In instances where the Group determines that the customer does not meet either of these criteria, it is deemed that a contract does not exist and no revenue is recognized until such a time as the customer has both the ability and intent to pay, or the Group has received consideration relating to the contract which is non-refundable.

Determining the transaction price

Judgment is required in assessing the total consideration that will be paid in exchange for the satisfied performance obligations. This includes not only assessing the variable amounts which may be included in the consideration but also assessing if any concessions, discounts, or other variable factors may reduce the fixed fees in the contract, applying IFRS 15 variable consideration guidance where required. Temenos assesses internal track record as well as external factors in making the necessary estimates.

Allocating the transaction price to the performance obligation

The Group allocates consideration to each performance obligation in a contract on a relative SSP basis, maximizing the use of observable inputs to do so.

The exercise of determining the appropriate method with which to estimate the SSP for each performance obligation requires judgment. The Group utilizes available data points such as renewal rates, relevant historical transactions, available market data and cost inputs to establish the SSP for each revenue stream. The pricing of software licenses is highly variable and therefore the residual approach is used to allocate the transaction price to the software license performance obligation.

Where identified within a contract, the SSP of material rights is determined by factoring in the likelihood of the customer exercising the option by utilizing relevant historical data and considering the nature of the material right.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31 December 2024

2. Accounting policies continued

2.17 Revenue recognition continued

Incremental costs of obtaining customer contracts

Incremental costs to obtain a contract are made up of sales commissions earned by the Group's sales teams which can be directly linked to an individual sale, primarily relating to revenues earned from maintenance and SaaS. The asset is included within "Trade and other receivables" in the statement of financial position.

The asset is amortized over the life of the contract committed for by the customer on a straight-line basis. The asset is also periodically reviewed for impairment.

Costs to fulfill a contract

The costs to fulfill a contract with a customer that are associated with customization developments are deferred on the balance sheet as work in progress until the development performance obligation is met, at which point the costs are recognized in line with the revenue. The costs to fulfill a contract associated with set-up of SaaS contracts are deferred on the balance sheet until the go-live milestone, and amortized over the period from the go-live date until the end of the committed contract period with the customer in line with the revenue.

Contract balances – assets and receivables

The Group classifies the right to consideration in exchange for products or services transferred to a customer as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional on factors other than passage of time whereas a contract asset is a right to consideration that is conditional upon other factors.

Contract assets represent revenue where the right to consideration is subject to future performance being satisfied such as the completion of milestones on services contracts or satisfaction of maintenance for future periods.

Deferred revenue

Deferred revenue (referred to as "contract liabilities" as per IFRS 15) represents prepayments from customers for wholly unsatisfied or partially satisfied performance obligations mainly in relation to annual in advance billing on maintenance and SaaS contracts.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by dividing the profit or loss attributable to equity holders of the Company, adjusted for the effect that would result from the conversion of dilutive ordinary shares, by the weighted average number of ordinary shares plus the weighted average of number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Chief Executive Officer (CEO).

2.20 Other financial assets

Other financial assets include derivatives held with positive value and convertible notes.

Other financial assets are initially recorded at fair value. Any transaction costs are expensed in the statement of profit or loss.

Regular-way purchases and sales of financial assets are recognized on the trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial instruments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Derivative assets held for trading

A derivative is held-for-trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term; and/or
- not designated and effective hedging instrument.

While the objective of holding these assets is to provide effective economic hedges under the Group's risk management strategy, these derivatives are not designated as hedging instruments according to IFRS 9 since all relevant conditions are not met. Therefore, subsequent changes in the fair value are immediately recognized within "Finance costs – net". Related cash flows are reported as cash flows from investing activities.

Derivatives held for trading are reported as current assets.

Derivative assets used for hedging

Derivative assets used for hedging are subsequently measured at fair value with changes accounted for according to the provisions for hedge accounting under IFRS 9. They are reported as non-current assets when they are expected to be settled more than 12 months after the reporting period.

Convertible notes

Convertible notes are subsequently measured at fair value through profit or loss. They are reported as non-current assets when the final redemption date is more than 12 months after the reporting period and the Group intends to hold the asset until maturity.

2. Accounting policies continued

2.21 Other financial liabilities

Other financial liabilities include derivatives held with negative value.

At initial recognition, other financial liabilities are measured at fair value. Any transaction costs are expensed in the statement of profit or loss.

Derivative liabilities held for trading

A derivative is held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term; and/or
- not designated and effective hedging instrument.

While the objective of holding these liabilities is to provide effective economic hedges under the Group's risk management strategy, these derivatives are not designated as hedging instruments according to IFRS 9 since all relevant conditions are not met. Therefore, subsequent changes in the fair value are immediately recognized within "Finance costs – net". Related cash flows are reported as cash flows from investing activities.

Derivatives held for trading are reported as current liabilities.

Derivative liabilities used for hedging

Derivative liabilities used for hedging are subsequently measured at fair value with changes accounted according to the provisions for hedge accounting under IFRS 9. They are reported as non-current liabilities when they are expected to be settled more than 12 months after the reporting period.

2.22 Hedging activities

At inception of the hedge relationship, the Group documents the economic relationship between the hedging instrument and the hedged item, the risk management objective and strategy as well as the methodology to assess the hedge effectiveness requirements.

Fair value hedge

The change in fair value of the interest rate derivatives is recognized in profit or loss within finance cost, together with the fair value change of the fixed-rate borrowings that is attributable to the risk being hedged.

When the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity using a recalculated effective interest rate.

Cash flow hedge and hedge of a net investment

The effective portion of change in fair value of the hedging instrument is recognized in other comprehensive income. The ineffective portion is immediately recognized in profit or loss.

Accumulated amounts deferred in other comprehensive income are reclassified to profit or loss in the periods when the hedged item affects profit or loss to the extent that it does not result in the recognition of a non-financial asset or a non-financial liability (e.g. fixed assets or deferred revenue) in which case the gains and losses are removed to the initial cost of the asset or the carrying amount of the liability.

When the Group separates the time value of an option, the forward element of a forward contract or the currency basis spread of a swap instrument from the designation of the hedging instrument, the movement in fair value of these elements is recognized in other comprehensive income as "cost of hedging" to the extent it relates to the hedged item. It is subsequently recognized in profit or loss or included in the initial cost or carrying amount of a non-financial asset or liability either over the period of the hedging relationship for a "time period-related" hedge or when the hedge item occurs for a "transaction-related" hedge. The fair value change of any unaligned portion of the time value of an option is recognized in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires, or is sold or terminated, or when the risk management objective is no longer met. The amount accumulated in other comprehensive income remains in equity until the hedge item occurs. If there is no longer expectation that the forecast transaction will realize, the amount is immediately reclassified to profit or loss.

Hedge effectiveness is tested every quarter or upon a significant change in the assumptions. The existence of an economic relationship between the hedge item and the hedging instrument is assessed using either the "critical term match" method or the "dollar offset" method when the terms of the hedging instrument do not closely match the terms of the hedged item. Possible source of ineffectiveness may arise from: an increase in credit risk for the derivative counterparty or a significant change in the timing of the cash flow realization.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31 December 2024

2. Accounting policies continued

2.23 Fair value measurement

The Group measures certain financial instruments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible to or by the Group.

The fair value of an asset or a liability is measured using similar inputs that the market participants would use when pricing the asset or liability and assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Group's consolidated financial statements are categorized within the fair value hierarchy, as follows:

- level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; or
- level 3 inputs: inputs for the asset or liability that are not based on observable market data.

The Group's policy is to recognize transfers into and out of fair value hierarchy levels as at the end of the reporting period when the event or change in circumstances occurred.

For items categorized within level 3, the Group's finance team reviews the estimates and assumptions on a regular basis but, in all cases, at each interim period. Any changes that may have a significant effect on the reported fair value are reported to management.

The Group has elected to use the exception provided by paragraph 48 of IFRS 13 'Fair Value Measurement' to measure the credit risk element attributable to the Group's own credit risk (net short position) or the counterparty's credit risk (net long position) on a net basis for the financial assets and financial liabilities governed by a master netting agreement.

2.24 Offsetting financial instruments

Financial assets and financial liabilities are offset in the statement of financial position when, and only when, the Group:

- currently has a legally enforceable right to set-off the financial assets and financial liabilities; and
- intends either to settle on a net basis, or to realize the financial assets and settle the financial liabilities simultaneously.

An enforceable right to offset financial assets and financial liabilities must not be contingent on future events and must be currently legally enforceable in the normal course of business, in the event of default and in the event of insolvency or bankruptcy.

2.25 Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3. Financial instruments

3.1 Accounting classifications

The Group holds the following financial instruments to which the accounting policies under IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments' and IAS 32 'Financial Instruments: Presentation' apply:

	2024 USD 000	2023 USD 000
Financial assets		
Financial assets measured at fair value through profit or loss (FVTPL)	**49,565**	53,788
Derivative instruments used for hedging	**23,639**	37,750
Financial assets measured at amortized cost	**516,835**	516,597
Total	**590,039**	608,135
Financial liabilities		
Financial liabilities measured at fair value through profit or loss (FVTPL)	**5,107**	5,743
Derivative instruments used for hedging	**2,469**	6,275
Financial liabilities measured at amortized cost	**924,399**	945,271
Total	**931,975**	957,289

3. Financial instruments continued

3.2 Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's risk management policies and guidelines focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the Group's financial statements.

Market risk

Market risk management is carried out by a global treasury department under policies and guidelines approved by the Group's management. Risk policies, internal guidelines and hedging strategies are set out to identify, evaluate and monitor the financial risks. They are regularly reviewed to reflect changes in market conditions and the Group's activities. They are also regularly overseen by the Group's internal audit team for compliance as well as detection of control deficiencies.

(i) Foreign exchange risk

By operating internationally, the Group is exposed to risks associated with fluctuations in foreign currencies. Foreign exchange risk arises from:

- forecast transactions denominated in foreign currency; and/or
- monetary assets and liabilities denominated in foreign currency.

The Group's strategy is to continuously monitor the exposure arising from currency fluctuation and pursue a strategy to mitigate the effect of the variability in cash flows. This is implemented by 1) aligning the revenue streams to currencies that match the cost base and 2) offsetting the change in value of the material exposures by the use of derivative instruments.

Forecast transactions

The Group seeks to lock its 12–18-month projection of future cash transactions in foreign currencies within specific "coverage" ratios. The strategy is executed in layers using derivative instruments, principally currency forward contracts and currency options.

The Group applies hedge accounting when applicable and, except for maintenance and SaaS revenues for which the effective portion of the hedge becomes part of the carrying amount reported in the "Deferred revenues" line, forecasted transactions are expected to be recognized in profit or loss during the same period as the hedging instrument.

Monetary assets and liabilities

Material currency exposures arising from monetary items in the statement of financial position (e.g. trade receivables, trade payables or intercompany balances) are hedged using derivatives, principally currency forward contracts, currency options and cross-currency swaps. Except for limited exceptions, hedge accounting is not applied as the fair value change of both the instruments and the underlying items are recognized in the same period and within the same line in the profit or loss statement.

The Group may apply net investment hedge to mitigate significant exposure for which the translation fluctuation may have an adverse effect in financial ratios.

The table below illustrates the Group's most sensitive currency exposures:

	Net exposure			
	2024 FCY* 000	**2024 USD 000**	2023 FCY* 000	2023 USD 000
Euro	**5,111**	**5,308**	26,535	29,285
UK pounds	**(18,790)**	**(23,553)**	(7,965)	(10,140)
Swiss francs	**12,212**	**13,493**	27,170	32,277
Indian rupee	**99,525**	**1,162**	219,386	2,633

* Foreign currency.

A negative value represents a liability exposure.

These exposures represent monetary assets and liabilities, including derivatives held for trading, that are either:

- denominated in one of the currencies above and measured in an entity with a different functional currency; or
- denominated in any foreign currency and measured in an entity whose functional currency is one of the above and that are not part of an IFRS 9 existing hedging relationship.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31 December 2024

3. Financial instruments continued

3.2 Financial risk factors continued

Market risk continued

(i) Foreign exchange risk continued

Sensitivity analysis

The following table represents the effect of a reasonable shift in the currencies above against the US dollar.

	2024			
	Euro USD 000	**UK pounds USD 000**	**Swiss francs USD 000**	**Indian rupee USD 000**
Sensitivity assumption	**+10%**	**+10%**	**+10%**	**+10%**
Profit or (loss)	**571**	**(2,357)**	**5,801**	**116**
Other components of equity*	**(8,445)**	**1,885**	**18,982**	**5,960**
Equity	**(7,874)**	**(472)**	**24,783**	**6,076**
Sensitivity assumption	**-10%**	**-10%**	**-10%**	**-10%**
Profit or (loss)	**(571)**	**2,357**	**(5,801)**	**(116)**
Other components of equity*	**11,785**	**(2,029)**	**(18,891)**	**(6,577)**
Equity	**11,214**	**328**	**(24,692)**	**(6,693)**

	2023			
	Euro USD 000	UK pounds USD 000	Swiss francs USD 000	Indian rupee USD 000
Sensitivity assumption	+10%	+10%	+10%	+10%
Profit or (loss)	2,929	(1,014)	3,227	264
Other components of equity*	(7,820)	1,701	24,541	7,363
Equity	(4,891)	687	27,768	7,627
Sensitivity assumption	-10%	-10%	-10%	-10%
Profit or (loss)	(2,929)	1,014	(3,227)	(264)
Other components of equity*	7,820	(1,701)	(24,541)	(7,363)
Equity	4,891	(687)	(27,768)	(7,627)

* Arises from hedging relationships designated as cash flow hedge and net investment hedge.

Given the volatility of these currencies, the current economic environment and the foreign exchange market conditions, the sensitivity assumption represents management's assessment of reasonably possible changes in spot rates.

(ii) Cash flow and fair value interest risk

Except for the convertible notes (note 3.4), the Group is not significantly exposed to fair value risk arising from "non-derivative" interest-bearing financial instruments measured at fair value.

The Group is principally exposed to cash flow interest rate risk arising from cash and cash equivalents.

The Group's policy is to set the limit for the "fixed-floating" mix of interest risk exposure in order to minimize the effect from unfavorable moves in the interest curve while optimizing the opportunity from a favorable shift. The Group may use interest derivatives to achieve this objective. At 31 December 2024, the Group holds a portfolio of "fixed to floating" interest rate derivatives for a nominal amount of CHF 100 million (2023: nil). The Group applies fair value hedge accounting as per IFRS 9 and the effective portion related to the hedged borrowings (basis adjustment) is reported as part of borrowings. The effect for a shift of 1 basis point in the interest curve is approximately USD 40 thousand gain for a negative shift and the opposite for a positive shift.

The Group may hedge the cash flow risk on coupon payments from future issuance of interest-bearing liabilities arising from the variability in the forward interest curve. Such strategy is conducted under specific policies that depict the size limitation, the hedge horizon as well as the quantitative and qualitative factors to demonstrate the "highly probable" criteria so that hedge accounting can be applied. At 31 December 2024, the Group holds a portfolio of interest rate derivatives for a nominal amount of nil (2023: CHF 70 million).

3. Financial instruments continued

3.2 Financial risk factors continued

Credit risk

Credit risk is the risk of financial loss to the Group if a customer to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables.

The carrying amount of the financial assets, as reported in section 3.1 above, represents the maximum credit exposure.

Trade receivables and contract assets

The Group determines the creditworthiness of any prospective or existing customer at the initial phase of each bid process. Assessment of credit risk is mainly based on assessing the creditworthiness of customers through external ratings and publicly available financial information and, in the case of existing customers, also assessing our past experience.

If a company is not rated, then historical payment experience, if available, together with country stability are taken into consideration to assess the credit risk.

Every credit check performed on prospective or existing customers at the initial phase of the negotiation goes through an approval process. The credit rating is taken into account during the revenue recognition process once contracts are signed.

Credit quality and past experience are considered when determining payment terms and financial security requirements. At present, the Group does not hold any collateral security.

The Group assess the credit risk for customers with significant balances on a regular basis.

In cases when delinquency in payments occurs, the Group may withhold services delivery under current implementation or limit the right to use its software.

As at 31 December 2024 and 2023, there is no geographical concentration of credit risk as the Group's customer base is internationally dispersed. At 31 December 2024 and 31 December 2023, there was no concentration of credit risk at individual customer level.

The Group performs impairment analysis using a default rate to measure expected credit loss for all trade receivables including those with significant financing components and contract assets. The Group identifies the default rate by analyzing the historical and current experience with credit losses, considering it to represent a reasonable approximation for future expected defaults and applicable to its current receivables. The Group also takes into consideration forward-looking factors, including changes in the economic environment or changes in regulation, and if material reflects these in the expected credit loss allowance.

A credit impairment is recognized when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Evidence of impairment includes severe financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization.

At 31 December 2024, the credit risk exposure on the Group's trade receivables and contract assets is as follows:

	2024 USD 000	2023 USD 000
Expected credit loss rate	**1.36%**	1.22%
Gross carrying amount for trade receivables and contract assets	**391,666**	392,220
Provision for credit losses	**5,313**	4,774

The Group's exposure to credit risk from balances due from its customers is limited. Therefore, the Group has applied the expected credit loss rate calculated above to the overall receivable and contract asset balances without using a grouping criteria and hence a provision matrix is not presented for disclosure purposes.

Refer to note 14 for the movement in the loss allowance in respect of trade receivables and contract assets.

Cash and cash equivalents and financial instruments

To the extent possible, the Group mitigates counterparty risk by:

- holding balances with reputable or "investment grade" rated institutions based in high-rated countries; and
- carrying out a policy for diversification and limitation of cash concentration by counterparty and country.

Derivatives are entered into with reputable or "investment grade" counterparties and are governed by enforceable "ISDA" agreements or equivalent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

3. Financial instruments continued
3.2 Financial risk factors continued
Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk is managed by holding sufficient cash balances and availability of committed banking facilities.

The Group's policy aims to guarantee a level of liquidity that meets the Group's present and near-term financial obligations under both normal and stressed conditions. This is monitored weekly on the basis of actual liabilities in the accounting ledger as well as rolling forecasts for future transactions. Excess of cash is primarily used to repay any drawn borrowing facilities (note 19).

The following table details the remaining contractual maturity of the Group's non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months USD 000	Between 6 and 12 months USD 000	Between 1 and 2 years USD 000	Between 2 and 5 years USD 000	More than 5 years USD 000
At 31 December 2024					
Trade and other payables	**173,141**	**24,535**	**–**	**–**	**–**
Borrowings					
Lease liabilities	**7,144**	**6,496**	**13,726**	**5,406**	**2,522**
Other borrowings	**226,888**	**253,090**	**6,320**	**233,639**	**–**
Total non-derivative financial liabilities	**407,173**	**284,121**	**20,046**	**239,045**	**2,522**

	Less than 6 months USD 000	Between 6 and 12 months USD 000	Between 1 and 2 years USD 000	Between 2 and 5 years USD 000	More than 5 years USD 000
At 31 December 2023					
Trade and other payables	159,032	21,563	–	–	–
Borrowings					
Lease liabilities	7,238	6,513	16,395	3,326	2,427
Other borrowings	231,993	10,741	272,122	258,004	–
Total non-derivative financial liabilities	398,263	38,817	288,517	261,330	2,427

3. Financial instruments continued
3.2 Financial risk factors continued
Liquidity risk continued

The following table details the Group's liquidity analysis for its derivative financial liabilities. These amounts represent the contractual undiscounted net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed or in foreign currency, the amount disclosed has been determined or converted by reference to quoted prices in active markets for identical instruments.

	Less than 3 months USD 000	Between 3 and 6 months USD 000	Between 6 and 12 months USD 000	Between 1 and 2 years USD 000	Between 2 and 5 years USD 000	More than 5 years USD 000
At 31 December 2024						
Gross settlement of cross-currency swaps (interest only)*						
-Outflows	**–**	**–**	**7,172**	**6,326**	**–**	**–**
-Inflows	**–**	**–**	**(2,562)**	**(2,232)**	**–**	**–**
	–	**–**	**4,610**	**4,094**	**–**	**–**
Gross settled foreign exchange derivatives						
-Outflows	**137,740**	**13,285**	**14,735**	**–**	**–**	**–**
-Inflows	**(133,769)**	**(12,861)**	**(14,289)**	**–**	**–**	**–**
	3,971	**424**	**446**	**–**	**–**	**–**
Net settled foreign exchange derivatives	**1,927**	**239**	**364**	**129**	**–**	**–**
Total derivatives	**5,898**	**663**	**5,420**	**4,223**	**–**	**–**

	Less than 3 months USD 000	Between 3 and 6 months USD 000	Between 6 and 12 months USD 000	Between 1 and 2 years USD 000	Between 2 and 5 years USD 000	More than 5 years USD 000
At 31 December 2023						
Gross settlement of cross-currency swaps (interest only)*						
-Outflows	–	3,412	–	2,874	2,470	–
-Inflows	–	(1,456)	–	(2,317)	(980)	–
	–	1,956	–	557	1,490	–
Gross settled foreign exchange derivatives						
-Outflows	189,831	17,230	34,682	–	–	–
-Inflows	(183,415)	(16,571)	(33,312)	–	–	–
	6,416	659	1,370	–	–	–
Net settled foreign exchange derivatives	45	45	90	1	–	–
Total derivatives	6,461	2,660	1,460	558	1,490	–

* It only represents the contractual liability arising from the interest payments for instruments reported as an asset.

3.3 Capital risk management

The Group's principal objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group is also subject to financial covenants under its facility agreement that are debt leverage and interest cover ratio.

The capital structure of the Group consists of the net debt (note 13) and the capital and reserves attributable to equity holders of the parent.

The capital risk management policy remains unchanged from the previous period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31 December 2024

3. Financial instruments continued

3.4 Fair value measurement

The following table provides the level of the fair value hierarchy within which the carrying amounts of the financial assets and liabilities measured at fair value are categorized.

Year ended 31 December 2024	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial assets at FVTPL				
Foreign currency forwards (note 15)	–	7,389	–	7,389
Foreign currency options (note 15)	–	757	–	757
Convertible notes (note 15)	–	–	41,419	41,419
Derivatives used for hedging				
Foreign currency forwards (note 15)	–	3,552	–	3,552
Foreign currency options (note 15)	–	2,200	–	2,200
Cross-currency swaps (note 15)	–	14,018	–	14,018
Interest rate swaps (note 15)	–	3,869	–	3,869
Total	–	31,785	41,419	73,204

	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial liabilities at FVTPL				
Foreign currency forwards (note 15)	–	5,107	–	5,107
Derivatives used for hedging				
Foreign currency forwards (note 15)	–	1,624	–	1,624
Foreign currency options (note 15)	–	845	–	845
Total	–	7,576	–	7,576

Year ended 31 December 2023	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial assets at FVTPL				
Foreign currency forwards (note 15)	–	4,510	–	4,510
Convertible notes (note 15)	–	–	49,278	49,278
Derivatives used for hedging				
Foreign currency forwards (note 15)	–	2,279	–	2,279
Foreign currency options (note 15)	–	763	–	763
Cross-currency swaps (note 15)	–	34,372	–	34,372
Interest rate swaps (note 15)	–	336	–	336
Total	–	42,260	49,278	91,538

	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial liabilities at FVTPL				
Foreign currency forwards (note 15)	–	5,743	–	5,743
Derivatives used for hedging				
Foreign currency forwards (note 15)	–	2,618	–	2,618
Foreign currency options (note 15)	–	466	–	466
Interest rate swaps (note 15)	–	3,191	–	3,191
Total	–	12,018	–	12,018

Valuation techniques and key inputs

Foreign currency forwards

Discounted future cash flows (based on the forward exchange rate) using observable yield curves adjusted for credit risk.

Foreign currency options

Garman-Kohlhagen pricing model (an adaptation of the Black-Scholes model for currency option).

Cross-currency swaps

Discounted future cash flows using observable yield curves (including currency basis spreads). The fair value of the leg measured in foreign currency is translated using the spot exchange rate.

3. Financial instruments continued

3.4 Fair value measurement continued

Valuation techniques and key inputs continued

Interest rate swaps

The present value of future cash flows based on observable yield curves adjusted for credit risk.

There were no changes in valuation techniques during the period.

Assets and liabilities in level 3

Convertible notes

Investments in convertible notes contain embedded derivatives and are hence designated at fair value through profit and loss in entirety as the embedded derivatives are not separated. In line with the accounting standards, this initial designation is not reassessed in the future.

The Group entered into agreements in an early-stage business to purchase convertible notes with equity conversion features, for total investment entitlement of USD 59.9 million. The Group recognized the investment on its balance sheet for the amounts of USD 19.9 million in 2021 and USD 22.8 million in 2022, being the fair value of these investments at inception. The fair value at 31 December 2024 was USD 41.4 million (2023: USD 49.3 million).

As of 31 December 2024, the convertible notes have matured and are hence presented as current. The Group has maintained its valuation approach applied in the prior year by determining the fair value of these unconverted instruments assuming a scenario of conversion. The valuation adopted a discounted cash flow approach relying on unobservable inputs relating to the equity value of the company and the most significant assumptions were: discount rate of 22.5% (2023: 20.0%), long-term growth rate of 2% (2023: 3%), cumulative average growth rate for revenue of 24.8% (2023: 31.5%) and an EBITDA margin of 30% (2023: 35%). The valuation at 31 December 2024 resulted in a fair value loss of USD 9.3 million (2023: USD 4.9 million loss) recognized in the profit or loss statement in the net finance costs line item.

Given the nature of the investment, which is a level 3 financial asset in an early-stage business, there are inherent uncertainties with respect to the fair value assigned to these instruments. The fair value determination requires significant judgments and includes a degree of uncertainty as it relies on company-specific data and unobservable inputs based on information currently available. In addition, early-stage businesses are typically exposed to uncertainties associated with raising additional funding to enable them to deliver on their growth plans. There can be no assurance that such financing will be available on acceptable terms, or at all.

The Group performed the following sensitivities with respect to the impact of a reasonable change in these significant assumptions individually keeping other inputs unchanged on the fair value of the investment:

Unobservable inputs

		2024		2023	
		Impact on profit or (loss)		Impact on profit or (loss)	
	Change in assumption	**Increase USD 000**	**Decrease USD 000**	Increase USD 000	Decrease USD 000
Discount rate (WACC)	2.00%	**(5,200)**	**6,400**	(7,000)	8,900
Long-term growth rate	0.50%	**600**	**(400)**	800	(800)
EBITDA margin	2.50%	**4,200**	**(4,200)**	4,000	(4,200)
Cumulative average growth rate of revenue (CAGR)	5.00%	**11,000**	**(8,500)**	4,200	(4,400)

Reconciliation from opening to closing balances

	Convertible note USD 000
At 1 January 2023	51,629
Interest	2,549
Net change in fair value (FVTPL)	(4,900)
At 31 December 2023	49,278
Interest	1,441
Net change in fair value (FVTPL)	(9,300)
At 31 December 2024	**41,419**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

3. Financial instruments continued
3.5 Hedging
At 31 December, the Group held the following derivatives as hedging instruments:

Year ended 31 December 2024

	Time band		
	1–6 months	6–12 months	More than one year
Foreign currency risk			
Purchase of foreign currency forwards:			
Nominal amount expressed in USD equivalent (in thousands)	47,599	23,106	6,914
USD/CHF weighted average forward rate	0.856	0.843	–
GBP/USD weighted average forward rate	1.245	1.265	–
USD/INR weighted average forward rate	85.053	85.893	86.786
EUR/USD weighted average forward rate	1.089	–	–
Sale of foreign currency forwards:			
Nominal amount expressed in USD equivalent (in thousands)	(38,948)	(27,618)	(11,102)
EUR/USD weighted average forward rate	1.095	1.105	1.110
Purchase of foreign currency options:			
Call			
Nominal amount expressed in USD equivalent (in thousands)	25,961	21,500	3,659
USD/CHF weighted average forward rate	0.847	0.847	–
GBP/USD weighted average forward rate	1.300	1.301	–
USD/INR weighted average forward rate	81.011	81.128	82.000
Put			
Nominal amount expressed in USD equivalent (in thousands)	21,450	27,060	10,700
EUR/USD weighted average strike	1.073	1.082	1.070
Sale of foreign currency options:			
Call			
Nominal amount expressed in USD equivalent (in thousands)	(11,991)	(17,165)	(11,513)
EUR/USD weighted average strike	1.199	1.144	1.151
Put			
Nominal amount expressed in USD equivalent (in thousands)	(22,828)	(18,649)	(3,333)
USD/CHF weighted average strike	0.847	0.847	–
GBP/USD weighted average strike	1.276	1.277	–
USD/INR weighted average strike	87.064	87.381	90.000
Cross-currency swaps			
Nominal amount in CHF (in thousands)	–	20,000	135,000
USD/CHF weighted average strike	–	0.960	0.964
Interest rate derivatives			
Nominal amount in CHF (in thousands)	–	–	100,000
Weighted average fixed rate	–	–	2.51%
Weighted average floating premium	–	–	1.38%

Since the critical terms of the hedging instrument closely match those of the hedge items, the Group applies a hedge ratio of 1:1.

3. Financial instruments continued
3.5 Hedging continued
Year ended 31 December 2023

	Time band		
	1–6 months	6–12 months	More than one year
Foreign currency risk			
Purchase of foreign currency forwards:			
Nominal amount expressed in USD equivalent (in thousands)	46,445	34,170	15,865
USD/CHF VWAP	0.936	0.920	–
GBP/USD VWAP	1.154	1.207	1.240
USD/INR VWAP	84.348	85.338	85.463
Sale of foreign currency forwards:			
Nominal amount expressed in USD equivalent (in thousands)	44,167	33,312	–
EUR/USD VWAP	1.077	1.075	–
Purchase of foreign currency options:			
Call			
Nominal amount expressed in USD equivalent (in thousands)	19,993	20,799	4,444
VWAP USD/CHF strike	0.849	0.842	–
VWAP GBP/USD strike	1.265	1.265	–
VWAP USD/INR strike	78.665	78.949	81.000
Put			
Nominal amount expressed in USD equivalent (in thousands)	5,693	8,280	10,450
VWAP EUR/USD strike	1.035	1.035	1.045
Sale of foreign currency options:			
Call			
Nominal amount expressed in USD equivalent (in thousands)	6,320	9,192	11,991
VWAP EUR/USD strike	1.149	1.149	1.199
Put			
Nominal amount expressed in USD equivalent (in thousands)	13,675	14,371	4,179
VWAP USD/CHF strike	0.835	0.835	–
VWAP GBP/USD strike	1.196	1.196	–
VWAP USD/INR strike	82.949	83.336	86.150
Cross-currency swaps			
Nominal amount in CHF (in thousands)	70,000	–	130,000
USD/CHF VWAP	0.992	–	0.963
Interest rate derivatives			
Nominal amount in CHF (in thousands)	60,000	–	10,000
Average fixed rate	1.67%	–	2.05%

Since the critical terms of the hedging instrument closely match those of the hedge items, the Group applies a hedge ratio of 1:1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

3. Financial instruments continued
3.5 Hedging continued
The effect of hedge accounting on the financial position and performance
The table below shows the effect on the financial statements from the items designated as hedged items and hedging instruments.

Items designated as hedging instrument

Year ended 31 December 2024	Carrying amount Assets USD 000	Carrying amount Liabilities USD 000	Line item in the statement of financial position	Period change in value used to determine hedge ineffectiveness USD 000
Foreign exchange risk				
Foreign currency forwards – cash flow hedge	**3,552**	**1,624**	**Other financial assets and liabilities (note 15)**	**1,722**
Foreign currency options – cash flow hedge	**2,200**	**845**	**Other financial assets and liabilities (note 15)**	**1,613**
Cross-currency swaps – net investment hedge	**14,018**	**–**	**Other financial assets and liabilities (note 15)**	**1,292**
Interest rate risk				
Interest rate swaps – cash flow hedge	**–**	**–**	**Other financial assets and liabilities (note 15)**	**(20)**
Interest rate swaps – fair value hedge	**3,869**	**–**	**Other financial assets and liabilities (note 15)**	**3,869**

Items designated as a hedge item

Year ended 31 December 2024	Period change in value used to determine hedge ineffectiveness USD 000	Cash flow hedge reserve () = cumulative loss USD 000	Costs of hedging reserve () = cumulative loss USD 000
Foreign exchange risk			
Forecast transactions – cash flow hedge	**3,335**	**3,503**	**(718)**
Investment in foreign operations – net investment hedge	**1,292**	**10,602**	**(291)**
Interest rate risk			
Forecasted issuance of interest-bearing liabilities – cash flow hedge	**(20)**	**2,916**	**–**

Year ended 31 December 2024	Period change in value used to determine hedge ineffectiveness USD 000	Carry amount of the hedge item USD 000	Accumulated fair value adjustment	Line item in the statement of financial position
Interest rate risk				
Interest rate swaps – fair value hedge	**3,869**	**110,970**	**3,869**	**Borrowings**

Items designated as hedging instrument

Year ended 31 December 2023	Carrying amount Assets USD 000	Carrying amount Liabilities USD 000	Line item in the statement of financial position	Period change in value used to determine hedge ineffectiveness USD 000
Foreign exchange risk				
Foreign currency forwards – cash flow hedge	2,279	2,618	Other financial assets and liabilities (note 15)	628
Foreign currency options – cash flow hedge	763	466	Other financial assets and liabilities (note 15)	237
Cross-currency swaps – net investment hedge	34,372	–	Other financial assets and liabilities (note 15)	25,069
Interest rate risk				
Interest rate swaps – cash flow hedge	336	3,191	Other financial assets and liabilities (note 15)	(5,672)

3. Financial instruments continued
3.5 Hedging continued
Items designated as a hedge item

Year ended 31 December 2023	Period change in value used to determine hedge ineffectiveness USD 000	Cash flow hedge reserve () = cumulative loss USD 000	Costs of hedging reserve () = cumulative loss USD 000
Foreign exchange risk			
Forecast transactions – cash flow hedge	865	(105)	(78)
Investment in foreign operations – net investment hedge	25,069	28,574	(1,193)
Interest rate risk			
Forecasted issuance of interest-bearing liabilities – cash flow hedge	(5,672)	4,180	–

Note 26 provides details on changes in fair value and amounts reclassified to profit or loss by risk category.

There was no ineffectiveness recognized during the period (2023: USD nil).

The Group does not have any forecast transactions for which cash flow hedge accounting has been used in previous periods but which are no longer expected to occur.

Included in the cash flow hedge reserve is a USD 3.8 million gain (2023: USD 6.9 million gain) representing the remaining balance of hedging relationships for which hedge accounting is no longer applied. USD 2.9 million gain relates to the effective portion of the interest rate swaps entered into for the purpose of hedging the interest rate risk related to future issuance of debts. This balance is recycled to the profit or loss over the period of the related debts and expected to be fully consumed within the next five years. USD 0.9 million gain relates to the net investment hedge relationships that have ceased and for which the balance will be recycled upon divestment of the related investment.

3.6 Offsetting financial assets and financial liabilities
Derivative transactions are governed by “ISDA” or similar master agreements. Such agreements may permit the Group to use net settlement in respect of multiple transactions in the normal course of business and more importantly provide the right to close-out netting when the agreement is terminated as a result of an event of default or a termination event.

The Group has a set-off agreement with one of its partners. Under the terms of this agreement, all amounts payable are offset against receivables and the net amount are settled between the parties.

Year ended 31 December 2024	Gross amount USD 000	Amount set-off USD 000	Amount reported USD 000	Amount not set-off USD 000	Net amount USD 000
Financial assets					
Trade receivables (note 14)	**386,576**	**(223)**	**386,353**	**–**	**386,353**
Derivative financial assets (note 15)	**31,785**	**–**	**31,785**	**(413)**	**31,372**
Total	**418,361**	**(223)**	**418,138**	**(413)**	**417,725**
Financial liabilities					
Trade payables (note 18)	**51,321**	**(223)**	**51,098**	**–**	**51,098**
Derivative financial liabilities (note 15)	**7,576**	**–**	**7,576**	**(413)**	**7,163**
Total	**58,897**	**(223)**	**58,674**	**(413)**	**58,261**

Year ended 31 December 2023	Gross amount USD 000	Amount set-off USD 000	Amount reported USD 000	Amount not set-off USD 000	Net amount USD 000
Financial assets					
Trade receivables (note 14)	388,594	(1,148)	387,446	–	387,446
Derivative financial assets (note 15)	42,260	–	42,260	(3,424)	38,836
Total	430,854	(1,148)	429,706	(3,424)	426,282
Financial liabilities					
Trade payables (note 18)	25,023	(1,148)	23,875	–	23,875
Derivative financial liabilities (note 15)	12,018	–	12,018	(3,424)	8,594
Total	37,041	(1,148)	35,893	(3,424)	32,469

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

4. Critical accounting estimates and judgments
Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates may differ from actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.8. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see note 17).

If future sales and size of market opportunities are significantly lower than management's estimates, the carrying value of goodwill may need to be reduced accordingly. However, unless any downturn is particularly severe and pervasive, it is unlikely to have a material impact on the carrying value of goodwill.

At 31 December 2024, the carrying amount of goodwill amounted to USD 1,036.7 million (2023: USD 1,066.4 million), of which USD 150.3 million (2023: nil) is reported within assets classified as held for sale.

Revenue recognition
Under IFRS 15, the ability and intent of customers to pay the consideration per the contract is addressed at contract inception. If Temenos does not consider the customer to have the necessary ability or intent to pay the consideration promised for the performance obligations, then Temenos is not in possession of a contract and revenue recognition cannot commence. If there is doubt about the total amount of consideration to be paid, then this is assessed under the variable consideration guidance, requiring judgment to be applied by Temenos.

There is estimation required in identifying the performance obligations within contracts and then allocating the transaction price between these performance obligations. Many contracts signed by Temenos are multi-element arrangements which require allocation of the transaction price between multiple performance obligations, requiring an estimation of effort to be incurred with regards to implementation and/or development services to identify the standalone selling price (SSP) of these obligations, and estimation of the SSP of other identified performance obligations.

Management also exercises judgment with respect to the determination of the appropriate method to estimate the SSP for the various performance obligations in a contract, which ultimately impacts the amount of revenue recognized in the consolidated financial statements for each performance obligation.

Internally generated software development
As detailed in note 2.7, the Group is required to make an assessment for each ongoing project in order to determine the stage a project meets the criteria outlined in the Group's accounting policies. Such an assessment may, in certain circumstances, require significant judgment. In making this judgment, the Group evaluates, amongst other factors, the stage at which technical feasibility has been achieved, management's intention to complete and use or sell the product, likelihood of success, availability of technical and financial resources to complete the development phase and management's ability to reliably measure the expenditure attributable to the project. Total development expenses for the period were USD 286.4 million (2023: USD 277.9 million) and total capitalized development costs were USD 70.3 million (2023: USD 76.6 million).

The Group also applies judgment to the estimate of useful economic lives for its capitalized software development – see note 2.7 for further details.

Level 3 financial assets
The Group makes investments in unlisted businesses which are classified as level 3 in the IFRS fair value hierarchy. Given the nature of these investments, the fair value determination requires significant levels of judgments and estimates over the inputs used in the fair value model, particularly those that are unobservable. To the extent these investments are classified as financial instruments measured through profit or loss, the Group's future results may be impacted due to significant fluctuations in fair value which could be driven by changes in market or company-specific data.

See note 3.4 for further details on level 3 financial assets.

5. Group companies

The consolidated financial statements include the accounts of TEMENOS AG and the following entities as at 31 December 2024:

Company name	Country of incorporation	**2024 Ownership interest**	2023 Ownership interest
AVOKA TECHNOLOGIES PTY LIMITED	Australia	**100%**	100%
INFINITIVE PTY LIMITED	Australia	**100%**	100%
RUBIK ESOP TRUSCO PTY LIMITED	Australia	**100%**	100%
RUBIK IP HOLDINGS PTY LIMITED	Australia	**100%**	100%
RUBIK MORTGAGES PTY LIMITED	Australia	**100%**	100%
SKY TECHNOLOGIES CONSULTING PTY LIMITED	Australia	**100%**	100%
SKY TECHNOLOGIES HOLDINGS PTY LIMITED	Australia	**100%**	100%
SKY TECHNOLOGIES PTY LIMITED	Australia	**100%**	100%
TEMENOS AUSTRALIA FINANCIAL PTY LIMITED	Australia	**100%**	100%
TEMENOS AUSTRALIA MESSAGING PTY LIMITED	Australia	**100%**	100%
TEMENOS AUSTRALIA OPERATIONS PTY LIMITED	Australia	**100%**	100%
TEMENOS AUSTRALIA PTY LIMITED	Australia	**100%**	100%
TEMENOS AUSTRALIA SERVICES PTY LIMITED	Australia	**100%**	100%
TEMENOS AUSTRALIA SYMMETRY PTY LIMITED	Australia	**100%**	100%
TEMENOS AUSTRALIA TECHNOLOGY SOLUTIONS PTY LIMITED	Australia	**100%**	100%
TEMENOS SOLUTIONS AUSTRALIA PTY LIMITED	Australia	**100%**	100%
ODYSSEY FINANCIAL TECHNOLOGIES SA	Belgium	**100%**	100%
TEMENOS BELGIUM SA	Belgium	**100%**	100%
TEMENOS SOFTWARE BRASIL LIMITADA	Brazil	**100%**	100%
TEMENOS HOLDINGS LIMITED	British Virgin Islands	**100%**	100%
TEMENOS BULGARIA EOOD	Bulgaria	**100%**	100%
TEMENOS CANADA INC.	Canada	**100%**	100%
TEMENOS SOFTWARE (SHANGHAI) CO. LIMITED	China	**100%**	100%
TEMENOS COLOMBIA SAS	Colombia	**100%**	100%
TEMENOS COSTA RICA SA	Costa Rica	**100%**	100%
TEMENOS MIDDLE EAST LIMITED	Cyprus	**100%**	100%
TEMENOS DENMARK APS	Denmark	**100%**	100%
TEMENOS ECUADOR SA	Ecuador	**100%**	100%
TEMENOS EGYPT LLC	Egypt	**100%**	100%
IGEFI FRANCE SARL	France	**100%**	100%
TEMENOS FRANCE SAS	France	**100%**	100%
TEMENOS HOLDINGS FRANCE SAS	France	**100%**	100%
VIVEO FRANCE SAS	France	**100%**	100%
VIVEO GROUP SAS	France	**100%**	100%
AVOKA (GERMANY) GmbH	Germany	**100%**	100%
TEMENOS DEUTSCHLAND GmbH	Germany	**100%**	100%
TEMENOS HELLAS SA	Greece	**100%**	100%
TEMENOS FINANCE HONG KONG LIMITED	Hong Kong	**100%**	100%
TEMENOS HONG KONG LIMITED	Hong Kong	**100%**	100%
TEMENOS INDIA PVT LIMITED	India	**100%**	100%
KONY INDIA PVT LIMITED	India	**100%**	100%
KONY SERVICES INDIA LLP	India	**100%**	100%
IGEFI IRELAND LIMITED	Ireland	**100%**	100%
TEMENOS SYSTEMS IRELAND LIMITED	Ireland	**100%**	100%
TEMENOS ISRAEL LIMITED	Israel	**100%**	100%
TEMENOS JAPAN KK	Japan	**100%**	100%
TEMENOS KAZAKHSTAN LLP	Kazakhstan	**100%**	100%
TEMENOS EAST AFRICA LIMITED	Kenya	**100%**	100%
TEMENOS KOREA LIMITED	Korea	**100%**	100%
IGEFI GROUP SARL	Luxembourg	**100%**	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

5. Group companies continued

Company name	Country of incorporation	2024 Ownership interest	2023 Ownership interest
ODYSSEY GROUP SA	Luxembourg	**100%**	100%
TEMENOS FINANCE LUXEMBOURG SARL	Luxembourg	**100%**	100%
TEMENOS LUXEMBOURG SA	Luxembourg	**100%**	100%
TEMENOS SOFTWARE LUXEMBOURG SA	Luxembourg	**100%**	100%
TEMENOS (MALAYSIA) SDN BHD	Malaysia	**100%**	100%
TEMENOS MEXICO SA DE CV	Mexico	**100%**	100%
TEMENOS NORTH AFRICA LLC	Morocco	**100%**	100%
KONY SOLUTIONS BV	Netherlands	**100%**	100%
TEMENOS (NL) BV	Netherlands	**100%**	100%
TEMENOS HOLLAND BV	Netherlands	**100%**	100%
TEMENOS INVESTMENTS BV	Netherlands	**100%**	100%
TEMENOS NEW ZEALAND LIMITED	New Zealand	**100%**	100%
TEMENOS PANAMA SA	Panama	**100%**	100%
TEMENOS PHILIPPINES INC.	Philippines	**100%**	100%
TEMENOS POLSKA SP. Z O.O.	Poland	**100%**	100%
KONY SOLUTIONS LIMITED	Republic of Mauritius	**100%**	100%
TEMENOS ROMANIA SRL	Romania	**100%**	100%
TEMENOS SINGAPORE FT PTE LIMITED	Singapore	**100%**	100%
TEMENOS SINGAPORE PTE LIMITED	Singapore	**100%**	100%
TEMENOS AFRICA (PTY) LIMITED	South Africa	**100%**	100%
TEMENOS HISPANIA SL	Spain	**100%**	100%
TEMENOS COLOMBO (PVT) LIMITED	Sri Lanka	**100%**	100%
TEMENOS CLOUD SWITZERLAND SA	Switzerland	**100%**	100%
TEMENOS HEADQUARTERS SA	Switzerland	**100%**	100%
TEMENOS (THAILAND) CO. LIMITED	Thailand	**100%**	100%
TEMENOS EURASIA BANKA YAZILIMLARI LTD SIRKETI	Turkey	**100%**	100%
AVOKA EUROPE LIMITED	United Kingdom	**100%**	100%
EDGE IPK LIMITED	United Kingdom	**100%**	100%
FINANCIAL OBJECTS (UK) LIMITED	United Kingdom	**100%**	100%
FINANCIAL OBJECTS LIMITED*	United Kingdom	**0%**	100%
IGEFI UK LIMITED*	United Kingdom	**0%**	100%
LOGICAL GLUE LIMITED	United Kingdom	**100%**	100%
ODYSSEY FINANCIAL TECHNOLOGIES LIMITED	United Kingdom	**100%**	100%
TEMENOS FOGT LIMITED*	United Kingdom	**0%**	100%
TEMENOS UK LIMITED	United Kingdom	**100%**	100%
WEALTH MANAGEMENT SYSTEMS LIMITED*	United Kingdom	**0%**	100%
AVOKA (USA), INC.	U.S.A.	**100%**	100%
KONY, INC.	U.S.A.	**100%**	100%
TEMENOS CLOUD AMERICAS, LLC	U.S.A.	**100%**	100%
TEMENOS HOLDINGS USA INC.	U.S.A.	**100%**	100%
TEMENOS U.S.A., INC.	U.S.A.	**100%**	100%
TEMENOS VIETNAM COMPANY LIMITED	Vietnam	**100%**	100%

* Company liquidated in 2024.

In addition to the Group companies listed above, some Group subsidiaries maintain branches or representative offices at the following locations: Beirut (Lebanon), Dubai (United Arab Emirates), Riyadh (Saudi Arabia), Milan (Italy), Moscow (Russia), Taipei (Taiwan), Islamabad (Pakistan), Jakarta (Indonesia), Tunis (Tunisia), Helsinki (Finland), Malmö (Sweden) and Renens (Switzerland).

Significant restrictions
Other than those described in note 13, there is no significant restriction on the Group's ability to access or use assets and settle liabilities of the above entities.

6. Assets and liabilities classified as held for sale

The Group has classified assets and liabilities relating to its fund administration software business as held for sale, as the Group planned to sell this business within 12 months at year end. On 6 February 2025, the Group announced it has signed an agreement to sell Multifonds, its fund administration software business, to Montagu Private Equity, a leading European private equity firm, for a total enterprise value of about USD 400 million inclusive of an earnout. The sale is subject to customary closing conditions. The relevant assets and associated liabilities were reclassified on separate lines of the balance sheet and are detailed in the table below.

	2024 USD 000
Trade and other receivables	**58,623**
Property, plant and equipment (note 16)	**744**
Intangible assets (note 17)	**175,902**
Assets classified as held for sale	**235,269**
Trade and other payables	**(15,223)**
Deferred revenue	**(28,317)**
Borrowings	**(70)**
Employee defined benefit obligations (note 23)	**(780)**
Liabilities relating to assets classified as held for sale	**(44,390)**

The assets and liabilities classified as held for sale mainly relate to the Group's Product segment.

The cumulative foreign exchange losses recognized in other comprehensive income in relation to the assets and liabilities classified as held for sale as at 31 December 2024 were USD 8.5 million.

7. Segment information

The Chief Operating Decision Maker (CODM) has been identified as the Group's Chief Executive Officer (CEO). He regularly reviews the Group's operating segments in order to assess performance and to allocate resources.

The CODM considers the business from a product perspective and, therefore, recognizes the reporting segments as: "Product" and "Services". Other representations of the Group's activity such as regional information are also presented to the CODM, but are not primarily used to review the Group's performance and to make decisions as to how to allocate resources. These two reporting segments are the Group's only operating segments; hence there is no segmental aggregation.

The "Product" segment is primarily engaged in marketing, licensing and maintaining the Group's software solutions, including software development fees for requested functionality, as well as providing hosting and subscription arrangements. The "Services" segment represents various implementation tasks such as consulting and training.

The CODM assesses the performance of the operating segments based on the operating contribution. This measure includes the operating expenses that are directly or reasonably attributable to the reporting segments. Unallocated expenses mainly comprise restructuring costs, termination benefits, acquisition-related costs, share-based payment expenses, office-related expenses and any other administrative or corporate overheads that cannot be directly attributable to the operating segments. Segment revenues provided to the CODM exclude the fair value adjustment recognized on deferred income liabilities acquired in business combinations, if any.

Assets attributed to the reporting segments represent net trade receivables and contract assets (note 14).

The table below summarizes the primary information provided to the CODM:

	Product		Services		Total	
	2024 USD 000	2023 USD 000	**2024 USD 000**	2023 USD 000	**2024 USD 000**	2023 USD 000
Revenues	**914,790**	867,328	**129,315**	132,896	**1,044,105**	1,000,224
Direct people costs	**(319,164)**	(301,903)	**(86,764)**	(83,076)	**(405,928)**	(384,979)
Other costs	**(173,587)**	(181,946)	**(24,126)**	(36,872)	**(197,713)**	(218,818)
Operating contribution	**422,039**	383,479	**18,425**	12,948	**440,464**	396,427
Depreciation and amortization	**125,832**	126,443	**4,536**	4,724	**130,368**	131,167
Total assets	**376,908**	301,639	**59,195**	85,807	**436,103**	387,446

Total assets above include USD 49.8 million included in assets classified as held for sale.

All revenues are generated from contracts with external customers. The Group has a large number of customers and no individual customer contributed more than 10% of the Group's total revenue in the current or prior year.

The accounting policies applied to the reportable segments are the same as the Group's accounting policies described in note 2, with the exception of the fair value adjustment on deferred income liabilities acquired in business combinations, if any.

Intersegment transactions are recognized as part of allocated expenses, and are based on internal cost rates that exclude any profit margin.

For goodwill impairment testing purposes, goodwill of USD 1,036.7 million (2023: USD 1,066.4 million) was allocated to the product segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

7. Segment information continued

Reconciliation to Group's consolidated financial statements	2024 USD 000	2023 USD 000
Total operating contribution from the reportable segments	**440,464**	396,427
Depreciation and amortization (notes 16 and 17)	**(130,368)**	(131,167)
Unallocated expenses	**(78,882)**	(65,883)
Finance costs – net (note 11)	**(21,607)**	(26,494)
Profit before taxation	**209,607**	172,883

Total assets	2024 USD 000	2023 USD 000
Total assets allocated to the reportable segments	**436,103**	387,446
Unallocated items:		
Other receivables	**82,103**	87,407
Cash and cash equivalents	**114,154**	106,885
Other financial assets	**73,204**	91,538
Property, plant and equipment	**50,841**	58,017
Intangible assets	**1,280,873**	1,523,602
Deferred tax assets	**53,891**	71,946
Assets classified as held for sale*	**185,519**	–
Total assets per the statement of financial position	**2,276,688**	2,326,841

* Excludes trade receivables.

Geographical information

Revenues from external customers	2024 USD 000
Switzerland (country of the Group's domiciliation)	**51,067**
United States of America	**176,223**
Luxembourg	**52,771**
United Kingdom	**42,513**
Canada	**35,394**
Singapore	**33,638**
Australia	**33,177**
Total – material countries	**424,783**
Rest of Middle East and Africa	**239,366**
Rest of Europe	**157,349**
Rest of Asia Pacific	**153,756**
Rest of Americas	**68,851**
Total revenues	**1,044,105**

Revenues from external customers	2023 USD 000
Switzerland (country of the Group's domiciliation)	51,963
United States of America	185,023
Luxembourg	44,444
United Kingdom	44,404
Saudi Arabia	39,988
Australia	31,945
Total – material countries	397,767
Rest of Middle East and Africa	202,208
Rest of Europe	162,854
Rest of Asia Pacific	142,839
Rest of Americas	94,556
Total revenues	1,000,224

Revenues are based on the location where the license and maintenance are sold or the service is provided.

7. Segment information continued

Geographical information continued

Non-current assets other than financial instruments and deferred tax assets	2024 USD 000
Switzerland (country of the Group's domiciliation)	**242,971**
United States of America	**573,226**
Australia	**213,235**
Luxembourg	**89,315**
United Kingdom	**66,884**
France	**56,533**
Other countries	**89,550**
Total	**1,331,714**

Non-current assets other than financial instruments and deferred tax assets	2023 USD 000
Switzerland (country of the Group's domiciliation)	270,378
United States of America	601,982
Luxembourg	253,649
Australia	231,018
United Kingdom	70,184
France	60,982
Other countries	93,426
Total	1,581,619

8. Revenue from contracts with customers

Future performance obligations

The aggregate amount of the transaction price allocated to performance obligations that were partially unsatisfied or wholly unsatisfied as at the reporting year end is as follows:

	2024			2023		
	Within one year USD 000	**More than one year USD 000**	**Total USD 000**	Within one year USD 000	More than one year USD 000	Total USD 000
Revenue expected to be recognized	**631,998**	**1,466,694**	**2,098,692**	639,253	1,422,829	2,062,082

The remaining performance obligations mainly relate to ongoing maintenance and SaaS contracts.

Contract balances

	2024 USD 000	2023 USD 000
Contract assets (note 14)	**52,006**	56,621
Deferred revenue	**456,887**	481,832

Revenue of USD 405.2 million (2023: USD 375.0 million) was recognized during the year ended 31 December 2024 from the deferred revenue balance included at the beginning of the period.

Revenue of USD 5.3 million (2023: USD 5.9 million) was recognized during the year ended 31 December 2024 from performance obligations satisfied (or partially satisfied) in previous periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

8. Revenue from contracts with customers continued
Contract costs
The Group has recognized an asset in relation to the costs incurred to obtain and fulfill contracts, which is presented within "Other receivables" on the statement of financial position.

Assets recognized from costs incurred to fulfill a contract	2024 USD 000	2023 USD 000
Current	**5,312**	4,916
Non-current	**8,050**	5,685
	13,362	10,601

Costs associated with customization developments are recognized in the profit or loss when delivery is performed. Costs for set-up of SaaS contracts are recognized over the life of the committed contract with the customer. In 2024, the amount recognized in the statement of profit or loss was USD 2.8 million (2023: USD 1.7 million).

Assets recognized from costs to obtain the contract	2024 USD 000	2023 USD 000
Current	**9,065**	10,469
Non-current	**19,019**	19,707
	28,084	30,176

Capitalized commission is amortized over the life of the contract committed with the customer, as commissions are driven by the commitment period. In 2024, the amount recognized in the profit or loss from amortization of capitalized commissions was USD 11.8 million (2023: USD 11.3 million).

The Group applies the practical expedient in paragraph 94 of IFRS 15; the incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset, that the Group otherwise would have recognized, is one year or less.

9. Expenses by nature

	2024 USD 000	2023 USD 000
Third party licenses and commissions	**78,306**	69,821
Personnel costs and external consultants	**548,408**	551,684
Depreciation, amortization and impairment of intangible assets (notes 16 and 17)	**130,868**	131,167
Travel expenses	**24,595**	23,780
Rent and other occupancy costs	**6,228**	7,726
Marketing and other professional costs	**43,288**	41,001
Other costs	**51,520**	52,285
Capitalized development costs (note 17)	**(70,322)**	(76,617)
	812,891	800,847

10. Employee benefit expenses

	2024 USD 000	2023 USD 000
Wages and salaries	**378,316**	370,752
Termination benefits	**11,764**	7,531
Social charges	**44,308**	42,047
Defined contribution pension costs	**10,345**	9,214
Defined benefit pension costs (note 23)	**4,166**	5,303
Cost of employee share option scheme (note 27)	**52,727**	52,914
	501,626	487,761

10. Employee benefit expenses continued

Included in employee benefit expenses is the remuneration of the key management personnel as illustrated below:

	2024 USD 000	2023 USD 000
Key management personnel of Temenos AG		
– Short-term cash compensation and benefits	**11,368**	8,604
– Post-employment benefits	**133**	170
– Share-based payments	**16,688**	16,052
	28,189	24,826
Non-Executive Directors		
– Short-term benefits	**1,932**	1,764

Remuneration of the Board of Directors and the Executive Committee (together defined as “key management personnel”) in accordance with the Swiss Code of Obligations can be found in the Compensation Report of the Annual Report.

11. Finance costs – net

	2024 USD 000	2023 USD 000
Finance income:		
– Interest income on bank deposits and short-term investments	**2,191**	1,901
– Interest income on trade and other receivables measured at amortized cost	**3,944**	1,999
– Interest income on convertible notes	**1,441**	2,549
– Net gain on derivatives not designated as hedging instruments	**9,002**	–
– Foreign exchange gain, net	**–**	4,051
Total finance income	**16,578**	10,500
Finance costs:		
– Interest expense on financial instruments measured at amortized cost	**(20,149)**	(25,328)
– Other financing costs*	**(3,141)**	(3,511)
– Net loss on derivatives not designated as hedging instruments	**–**	(3,255)
– Foreign exchange loss, net	**(5,595)**	–
– Net fair value loss on convertible notes	**(9,300)**	(4,900)
Total finance costs	**(38,185)**	(36,994)
Finance costs – net	**(21,607)**	(26,494)

* Other financing costs include fees attributable to the issuance and maintenance of banking facilities and other expenses related to general financing activities.

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31 December 2024

12. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Profit attributable to equity holders of the Company (USD 000)	**177,179**	134,677
Weighted average of ordinary shares outstanding during the year (in thousands)	**71,965**	71,970
Basic earnings per share (USD per share)	**2.46**	1.87

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the periods presented in these consolidated financial statements, the Group has only one category with a potential dilutive effect: "Instrument granted to employee under share-based payment".

For the periods ended 31 December 2023 and 31 December 2024, this category was fully dilutive.

	2024	2023
Profit used to determine diluted earnings per share (USD 000)	**177,179**	134,677
Weighted average of ordinary shares outstanding during the year (in thousands)	**71,965**	71,970
Adjustments for:		
– Share options and restricted shares (in thousands)	**866**	663
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**72,831**	72,633
Diluted earnings per share (USD per share)	**2.43**	1.85

13. Net debt analysis

	2024 USD 000	2023 USD 000
Cash at bank and in hand (note 2.4)	**109,119**	96,712
Short-term deposits (note 2.4)	**5,035**	10,173
Cash and cash equivalents*	**114,154**	106,885
Borrowings – repayable within one year (note 19)	**(257,157)**	(194,990)
Borrowings – repayable after one year (note 19)	**(469,566)**	(569,686)
Hedging derivatives (note 15)	**17,887**	34,372
Gross debt	**(708,836)**	(730,304)
Net debt	**(594,682)**	(623,419)

* Included in "cash and cash equivalents" is USD 3.7 million (2023: USD 3.2 million) held in jurisdictions where regulatory exchange controls exist and therefore are not available for general use by the Group outside of such jurisdiction at the reporting date.

The carrying value of cash and cash equivalents approximates their fair value.

13. Net debt analysis continued

	Changes in liabilities from financing activities					
	Cross-currency swaps and interest rate swaps USD 000	Lease liabilities USD 000	Other borrowings USD 000	Gross debt USD 000	Other liabilities* USD 000	Total USD 000
At 31 December 2022	13,329	(38,917)	(801,886)	(827,474)	5,370	(822,104)
Cash flows from financing activities						
– Proceeds	–	–	(367,927)	(367,927)	–	(367,927)
– Repayments	–	–	512,085	512,085	–	512,085
– Interest payments	–	–	17,886	17,886	4,740	22,626
– Other financing costs	–	–	–	–	3,226	3,226
– Payments of lease liabilities	–	15,372	–	15,372	–	15,372
– Settlement of financial instruments	–	–	–	–	(3,318)	(3,318)
Fair value and foreign exchange movement	21,043	(681)	(71,815)	(51,453)	(7,759)	(59,212)
Interest on lease liabilities (note 20)	–	(1,156)	–	(1,156)	–	(1,156)
Interest accruals	–	–	(19,259)	(19,259)	(8,638)	(27,897)
Net (additions)/disposals of lease liabilities	–	(8,516)	–	(8,516)	–	(8,516)
Other movements	–	138	–	138	(252)	(114)
At 31 December 2023	34,372	(33,760)	(730,916)	(730,304)	(6,631)	(736,935)
Cash flows from financing activities						
– Proceeds	–	–	(487,695)	(487,695)	–	(487,695)
– Repayments	–	–	471,208	471,208	–	471,208
– Interest payments	–	–	20,013	20,013	5,331	25,344
– Other financing costs	–	–	–	–	3,472	3,472
– Payments of lease liabilities	–	15,076	–	15,076	–	15,076
– Settlement of financial instruments	(7,006)	–	–	(7,006)	3,040	(3,966)
Fair value and foreign exchange movement	(9,479)	1,209	49,938	41,668	3,928	45,596
Interest on lease liabilities (note 20)	–	(1,336)	–	(1,336)	–	(1,336)
Interest accruals	–	–	(18,301)	(18,301)	(4,084)	(22,385)
Net (additions)/disposals of lease liabilities	–	(12,368)	–	(12,368)	–	(12,368)
Other movements	–	209	–	209	(2,713)	(2,504)
At 31 December 2024	**17,887**	**(30,970)**	**(695,753)**	**(708,836)**	**2,343**	**(706,493)**

* Included in "Other payables", "Other financial liabilities" and "Other financial assets".

14. Trade and other receivables

	2024 USD 000	2023 USD 000
Trade receivables	**339,660**	335,599
Contract assets (note 8)	**52,006**	56,621
Loss allowance	**(5,313)**	(4,774)
Trade receivables and contract assets – net	**386,353**	387,446
VAT and other taxation recoverable	**13,591**	16,905
Other receivables	**2,736**	5,361
Prepayments and capitalized contract cost	**65,776**	65,141
Total trade and other receivables	**468,456**	474,853
Less non-current portion	**(236,979)**	(188,604)
Total current trade and other receivables	**231,477**	286,249

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
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14. Trade and other receivables continued
Trade and other receivables are recognized initially at the transaction price or at fair value if they contain a significant financing component. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures these subsequently at amortized cost using the effective interest method.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset mentioned above. The Group's exposure to credit and market risk is disclosed in note 3.2.

Fair values of trade and other receivables qualified as financial assets and measured at amortized cost

	Carrying amount		Fair value	
	2024 USD 000	2023 USD 000	**2024 USD 000**	2023 USD 000
Current trade and other receivables	**192,770**	246,500	**192,770**	246,500
Non-current trade and other receivables	**209,911**	163,212	**188,320**	161,743
	402,681	409,712	**381,090**	408,243

The carrying amount of current trade and other receivables approximate their fair value. The fair value measurement of non-current trade and other receivables is based on a discounted cash flow approach using a risk-free yield curve adjusted for credit risk, and is within level 2 of the fair value hierarchy. The majority of balances in non-current trade and other receivables relate to license subscriptions, where payments are due over several years.

Movements in the provision for impairment
The allowance account is used for impairment of trade receivables and contract assets.

	Trade receivables and contract assets	
	2024 USD 000	2023 USD 000
Balance at 1 January	**4,774**	5,771
Increase in loss allowance	**1,018**	1,005
Utilized	**(468)**	(2,002)
Exchange loss	**(11)**	–
Balance at 31 December	**5,313**	4,774

Included in "Sales and marketing" is USD 1.7 million (2023: USD 1.9 million) impairment loss related to trade receivables and contract assets.

15. Other financial assets and liabilities

	2024		2023	
	Assets USD 000	**Liabilities USD 000**	Assets USD 000	Liabilities USD 000
Foreign currency forwards – hedging instruments	**3,552**	**1,624**	2,279	2,618
Foreign currency options – hedging instruments	**2,200**	**845**	763	466
Foreign currency forwards – held for trading	**7,389**	**5,107**	4,510	5,743
Foreign currency options – held for trading	**757**	**–**	–	–
Cross-currency swaps – hedging instruments	**14,018**	**–**	34,372	–
Interest rate swaps – hedging instruments	**3,869**	**–**	336	3,191
Convertible notes (note 3.4)	**41,419**	**–**	49,278	–
At 31 December	**73,204**	**7,576**	91,538	12,018
Reported as follows:				
Current	**56,150**	**7,415**	69,786	11,339
Non-current	**17,054**	**161**	21,752	679
At 31 December	**73,204**	**7,576**	91,538	12,018

The maximum exposure to credit risk at the reporting date is the fair value of the assets as reported in the statement of financial position.

16. Property, plant and equipment

Year ended 31 December 2024	Leasehold improvements USD 000	Vehicles USD 000	Fixtures, fittings and equipment USD 000	Land and buildings USD 000	Right-of-use assets USD 000	Total USD 000
Cost						
At 1 January 2024	17,569	344	69,097	1,648	74,119	162,777
Foreign currency exchange differences	(323)	(3)	(1,596)	(43)	(1,964)	(3,929)
Additions	1,158	–	4,744	–	13,182	19,084
Transfer*	–	–	–	–	(5,158)	(5,158)
Retirements/disposals	(526)	–	(5,611)	–	(8,853)	(14,990)
Reclassified as assets classified as held for sale (note 6)	–	–	(2,418)	–	(426)	(2,844)
31 December 2024	**17,878**	**341**	**64,216**	**1,605**	**70,900**	**154,940**
Depreciation and impairment						
At 1 January 2024	13,125	344	50,693	470	40,128	104,760
Foreign currency exchange differences	(258)	(3)	(1,306)	(13)	(933)	(2,513)
Charge for the year	1,334	–	7,397	28	14,865	23,624
Transfer*	–	–	–	–	(5,158)	(5,158)
Retirements/disposals	(507)	–	(5,340)	–	(8,667)	(14,514)
Reclassified as assets classified as held for sale (note 6)	–	–	(1,925)	–	(175)	(2,100)
31 December 2024	**13,694**	**341**	**49,519**	**485**	**40,060**	**104,099**
Net book value						
31 December 2024	**4,184**	**–**	**14,697**	**1,120**	**30,840**	**50,841**

Year ended 31 December 2023	Leasehold improvements USD 000	Vehicles USD 000	Fixtures, fittings and equipment USD 000	Land and buildings USD 000	Right-of-use assets USD 000	Total USD 000
Cost						
At 1 January 2023	17,250	442	67,643	1,659	79,106	166,100
Foreign currency exchange differences	136	(1)	685	(11)	979	1,788
Additions	2,226	–	6,282	–	9,873	18,381
Transfer*	–	–	–	–	(4,870)	(4,870)
Retirements/disposals	(2,043)	(97)	(5,513)	–	(10,969)	(18,622)
31 December 2023	17,569	344	69,097	1,648	74,119	162,777
Depreciation and impairment						
At 1 January 2023	13,847	391	47,351	444	40,965	102,998
Foreign currency exchange differences	46	(1)	574	(3)	499	1,115
Charge for the year	1,132	28	8,074	29	14,319	23,582
Transfer*	–	–	–	–	(4,870)	(4,870)
Retirements/disposals	(1,900)	(74)	(5,306)	–	(10,785)	(18,065)
31 December 2023	13,125	344	50,693	470	40,128	104,760
Net book value						
31 December 2023	4,444	–	18,404	1,178	33,991	58,017

* The transfer relates to the accumulated depreciation that was eliminated against the gross carrying amount of the remeasured asset as at the modification date.

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17. Intangible assets

Year ended 31 December 2024	Internally generated software development costs USD 000	Goodwill USD 000	Computer software USD 000	Customer related USD 000	Total USD 000
Cost					
At 1 January 2024	874,490	1,066,373	404,098	316,527	2,661,488
Foreign currency exchange differences	(7,104)	(29,686)	(9,090)	(10,570)	(56,450)
Additions	70,322	–	3,149	–	73,471
Reclassified as assets classified as held for sale (note 6)	(49,429)	(150,265)	–	–	(199,694)
31 December 2024	**888,279**	**886,422**	**398,157**	**305,957**	**2,478,815**
Accumulated amortization and impairment					
At 1 January 2024	621,227	–	315,765	200,894	1,137,886
Foreign currency exchange differences	(6,608)	–	(8,660)	(8,128)	(23,396)
Charge for the year	59,995	–	32,483	14,266	106,744
Impairment charge	–	–	500	–	500
Reclassified as assets classified as held for sale (note 6)	(23,792)	–	–	–	(23,792)
31 December 2024	**650,822**	**–**	**340,088**	**207,032**	**1,197,942**
Net book value					
31 December 2024	**237,457**	**886,422**	**58,069**	**98,925**	**1,280,873**

Year ended 31 December 2023	Internally generated software development costs USD 000	Goodwill USD 000	Computer software USD 000	Customer related USD 000	Total USD 000
Cost					
At 1 January 2023	794,847	1,052,616	398,498	313,139	2,559,100
Foreign currency exchange differences	3,026	13,757	3,389	3,388	23,560
Additions	76,617	–	2,211	–	78,828
31 December 2023	874,490	1,066,373	404,098	316,527	2,661,488
Amortization					
At 1 January 2023	559,685	–	278,881	181,784	1,020,350
Foreign currency exchange differences	2,991	–	3,404	3,556	9,951
Charge for the year	58,551	–	33,480	15,554	107,585
31 December 2023	621,227	–	315,765	200,894	1,137,886
Net book value					
31 December 2023	253,263	1,066,373	88,333	115,633	1,523,602

An amortization charge of USD 104.2 million (2023: USD 104.4 million) is included in “Cost of sales”; USD 0.2 million (2023: USD 0.5 million) in “Sales and marketing”; USD 0.3 million (2023: USD 0.5 million) in “Other operating expenses”; and USD 2.0 million (2023: USD 2.2 million) in “General and administrative”.

17. Intangible assets continued

Impairment tests for goodwill

Management has determined that there are two separate cash-generating units (CGUs), “Product” and “Services”. These CGUs have been determined to be the smallest group of assets which generate cash inflows largely independent of cash inflows from other assets within the Group. Goodwill is allocated to the “Product” CGU, which is the same as the Product reportable segment.

	2024			2023		
	Carrying amount USD 000	**Growth rate**	**Discount rate**	Carrying amount USD 000	Growth rate	Discount rate
“Product” CGU	**1,036,687**	**1%**	**10.81%**	1,066,373	1%	10.91%

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on the most recent financial budget and plan approved by the management covering a four-year period (2023: a four-year period) and then extrapolated over a perpetual period using the estimated growth rate assigned to the countries where the cash-generating unit operates. The growth rate does not exceed the long-term average growth rate for the software industry in which the CGU performs its operations. The perpetuity growth rate and the pre-tax discount rate used in the calculation are presented above.

Budgeted cash flow projections are determined based on the expectation of future client signings of the Group’s current pipeline. Budgeted gross margin is in line with our history and takes into consideration market developments and efficiency leverage. The Group is well positioned for growth in future years.

Management believes that any reasonable change in any of the key assumptions described above on which the recoverable amount is based would not cause the reported carrying amount to exceed the recoverable amount of the cash-generating unit.

The discount rate represents the Group’s weighted average cost of capital adjusted for tax effect to determine the pre-tax rate as required by IFRS.

18. Trade and other payables

	2024 USD 000	2023 USD 000
Trade payables	**51,098**	23,875
Accrued expenses	**133,735**	140,621
Other payables	**21,842**	24,497
Total trade and other payables	**206,675**	188,993

Trade and other payables are initially recorded at fair value and subsequently measured at amortized cost. As the total carrying amount is due within the next 12 months from the balance sheet date, the impact of applying the effective interest method is not significant and, therefore, the carrying amount equals the contractual amount or the fair value initially recognized.

Fair values of trade and other payables qualified as financial liabilities and measured at amortized cost

	Carrying amount		Fair value	
	2024 USD 000	2023 USD 000	**2024 USD 000**	2023 USD 000
Current trade and other payables	**197,676**	180,595	**197,676**	180,595

The carrying amount of current trade and other payables is considered to be at fair value, due to their short-term nature.

The carrying amount of the items measured at fair value as well as their level in the fair value hierarchy is disclosed in note 3.4.

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19. Borrowings

	2024 USD 000	2023 USD 000
Current		
Other loans	–	4
Bank borrowings	216	–
Unsecured bonds	244,630	182,367
Lease liabilities	12,311	12,619
	257,157	194,990
Non-current		
Other loans	–	–
Bank borrowings	226,502	50,639
Unsecured bonds	224,405	497,906
Lease liabilities	18,659	21,141
	469,566	569,686
Total borrowings	726,723	764,676

Fair value of borrowings

	Carrying amount		Fair value	
	2024 USD 000	2023 USD 000	2024 USD 000	2023 USD 000
Other loans	–	4	–	4
Bank borrowings	226,718	50,639	226,327	50,532
Unsecured bonds	469,035	680,273	473,885	685,685
	695,753	730,916	700,212	736,221

The fair value measurement of other loans and bank borrowings is based on a discounted cash flow method using observable interest curve adjusted for credit risk and is within level 2 of the fair value hierarchy. The fair value measurement of the bonds represents their dirty price that is derived from their quoted clean price on the SIX Swiss Exchange and is within level 1 of the fair value hierarchy.

The carrying amounts of borrowings are denominated in the following currencies:

	2024 USD 000	2023 USD 000
Swiss francs	698,792	719,844
US dollars	6,258	21,989
Other currencies	21,673	22,843
	726,723	764,676

Unsecured bonds
The Group holds the following unsecured bonds:

- CHF 220 million with a coupon of 1.50% paid annually on 28 November. The bond will mature on 28 November 2025 at par and was issued in 2019; and
- CHF 200 million with a coupon of 2.85% paid annually on 11 October. The bond will mature on 11 October 2028 at par and was issued in 2023.

On 5 April 2024, the Group repaid the senior unsecured bond issued in April 2017 with a nominal value of CHF 150 million and a coupon rate of 1.75%; the repayment was funded by drawing against the Group facility. The redemption price was 100% of the principal amount.

19. Borrowings continued

Bank facilities

The Group holds a multicurrency committed revolving facility of USD 660 million. The pertinent details are as follows:

- interest expense based on observable risk-free rate plus margin, which is calculated by reference to financial covenants;
- the facility terminates on 5 July 2026; and
- commitment fees are due on the undrawn portion.

As at 31 December 2024, a total of USD 226.5 million (2023: USD 50.6 million) was drawn under this agreement.

The facility is subject to debt leverage and interest cover financial ratio covenants, which must be reported at 30 June and 31 December. The Group complied with these covenants throughout the reporting periods.

20. Leases

The Group primarily leases properties (office space) in the jurisdictions from which it operates. The Group also has leases for equipment and vehicles.

Information about leases for which the Group is a lessee is presented below.

Amounts recognized in the statement of financial position

	2024 USD 000	2023 USD 000
Right-of-use asset		
Property	**30,279**	33,233
Equipment	**33**	41
Vehicles	**528**	717
Total	**30,840**	33,991
Lease liabilities		
Current	**12,311**	12,619
Non-current	**18,659**	21,141
Total	**30,970**	33,760

Amounts recognized in profit or loss

	2024 USD 000	2023 USD 000
Leases under IFRS 16		
Depreciation charge for right-of-use-assets		
Property	**14,478**	13,944
Equipment	**16**	16
Vehicles	**371**	359
Total depreciation	**14,865**	14,319
Interest on lease liabilities	**1,336**	1,156
Expenses relating to short-term leases	**133**	484
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**128**	147

Amounts recognized in statement of cash flows

The total cash outflow for leases in 2024 was USD 15.1 million (2023: USD 15.4 million).

At 31 December 2024, the commitment on short-term leases was USD nil (2023: USD nil) which has not been included in the measurement of lease liabilities.

At 31 December 2024, the Group had committed to leases which had not yet commenced. The total future cash outflows for leases not reflected in lease liabilities is USD 0.3 million (2023: USD 8.3 million).

Extension and termination options

Some office property leases contain extension and termination options exercisable at a certain point-in-time of the contract period. Where practicable, the Group seeks to include extension and termination options in new leases to provide operational flexibility. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension or termination options. The Group reassesses the likelihood of the option to extend or terminate if a significant event or significant change in circumstances occurs which is within its control.

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21. Taxation
Tax expense

	2024 USD 000	2023 USD 000
Current tax on profits for the year	**71,553**	37,662
Adjustments in respect of prior years	**(3,022)**	(10,566)
Total current tax	**68,531**	27,096
Deferred tax – origination and reversal of temporary differences	**(36,103)**	11,110
Total tax expense	**32,428**	38,206

Temenos AG is incorporated in Switzerland but the Group operates in various countries with various tax laws and rates. Consequently, the effective tax rate may vary from period to period to reflect the generation of taxable income in tax jurisdictions. A reconciliation between the reported income tax expense and the amount computed using the effective Swiss statutory corporate tax rate for the Group of 15.0% (2023: 14.0%) is as follows.

	2024 USD 000	2023 USD 000
Profit before tax	**209,607**	172,883
Tax at the domestic rate of 15.0% (2023: 14.0%)	**31,441**	24,204
Non-deductible expenses	**3,648**	628
Prior period adjustments[1]	**(3,022)**	(10,566)
Movement in temporary differences related to unprovided deferred tax	**(12,898)**	15,695
Losses not recognized in period[1]	**8,139**	9,331
Unprovided losses utilized[1]	**(11,553)**	(8,297)
Effects of different tax rates	**8,088**	(564)
Overseas withholding tax	**8,885**	8,148
Other tax and credits	**(300)**	(373)
Total tax expense[2]	**32,428**	38,206

1 Prior period adjustments and unprovided losses utilized in 2024 primarily relate to prior period filings and reassessment of uncertain tax provisions. In 2023, losses not recognized mainly related to a deferred tax liability recognized on an outside basis difference which was likely to reverse in the foreseeable future.

2 The total 2024 ETR (15.5%) is lower than the 2023 ETR (22.1%) due to the net impact of the prior period adjustments and unprovided losses utilized above.

The net tax debit reflected in the Group statement of comprehensive income in the year amounted to an income tax charge of USD 18.4 million (2023: USD 17.6 million tax credit), comprising a USD 18.4 million charge relating to the fair value of financial instruments (2023: tax credit USD 16.6 million), USD nil (2023: USD 3.0 million credit) in relation to deferred remuneration and USD nil (2023: USD 2.0 million charge) in relation to the tax impact on movement ultimately arising from the Group's investment in treasury shares.

Developments in the Group tax position
Pillar Two legislation has been enacted for most of the jurisdictions in which the Group operates and the legislation is effective for the Group's financial year beginning 1 January 2024.

We have conducted a Pillar Two impact high-level assessment based on the 2023 CbCR data and based upon the 2024 financial data for the constituent entities within the Temenos Group. Notably, the implementation of qualified domestic minimum top-up taxes in 2024 (income inclusion rules in Switzerland only becoming effective 1 January 2025) is not expected to materially impact the Group's FY-24 effective tax rate (ETR). The Group is continuing to evaluate the potential effects of the Pillar Two income tax legislation on its future financial performance.

21. Taxation continued

Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes relate to the same fiscal authority.

The movement in the deferred tax is as follows:

	Tax losses USD 000	Intangible assets USD 000	Financial instruments USD 000	Accounting provisions USD 000	Retirement benefits USD 000	Other STTDs USD 000	Total USD 000
At 1 January 2023	29,422	(51,360)	(1,111)	(4,699)	672	1,617	(25,459)
(Charged)/credited to the income statement	(4,151)	8,514	(13,404)	11,242	737	(14,048)	(11,110)
Credited to equity	16,622	–	–	–	–	972	17,594
Foreign currency exchange differences	399	24	265	(1,161)	(10)	719	236
At 31 December 2023	42,292	(42,822)	(14,250)	5,382	1,399	(10,740)	(18,739)
(Charged)/credited to the income statement	(4,907)	3,281	19,208	5,254	(285)	13,552	36,103
(Charged)/credited to equity	(15,091)	–	(3,512)	–	176	–	(18,427)
Foreign currency exchange differences	(1,188)	741	(565)	639	(33)	(516)	(922)
At 31 December 2024	**21,106**	**(38,800)**	**881**	**11,275**	**1,257**	**2,296**	**(1,985)**
Shown in the balance sheet as within:							
Deferred tax asset	21,106	3,616	3,563	14,465	1,257	9,884	53,891
Deferred tax liability	–	(42,416)	(2,682)	(3,190)	–	(7,588)	(55,876)
Net asset/(liability)	**21,106**	**(38,800)**	**881**	**11,275**	**1,257**	**2,296**	**(1,985)**

USD 49.2 million of deferred tax assets are expected to be recovered after more than 12 months (2023: USD 55.0 million).

USD 52.8 million of deferred tax liabilities are expected to be recovered after more than 12 months of (2023: USD 78.4 million).

An assessment of the realizability of deferred tax assets is made on a country by country basis, based on the weight of available evidence including factors such as recent earnings history and expected future taxable income. Deferred tax assets are recognized to the extent that realization of the related tax benefit through future taxable profits is probable.

The Group has not recognized deferred tax assets of USD 99.2 million (2023: USD 69.0 million) in respect of losses amounting to USD 553.8 million (2023: USD 412.0 million) that can be carried forward against future taxable income. The expiry of these losses is as follows:

	2024 USDm	2023 USDm
Within 5 years	**0.1**	0.2
Between 5 years and 10 years	**264.3**	27.5
Between 10 years and 20 years	**247.4**	153.3
No expiry date	**42.0**	231.0
	553.8	412.0

At the balance sheet date, the amount of temporary differences in relation to the investment in subsidiaries for which deferred tax liabilities have been recognized was USD 145.6 million (2023: USD 136.9 million) resulting in a deferred liability of USD 20.6 million (within "Other STTDs" above).

Deferred tax is not recognized in respect of the value of the Group's investments in subsidiaries where we are able to control the timing of the reversal of the temporary difference and the Group considers that it is probable that such differences will not reverse in the foreseeable future; the aggregate amount of these differences is USD 888.6 million (2023: USD 814.7 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

22. Provisions for other liabilities and charges

	Legal provision USD 000	Property provision USD 000	Termination benefits USD 000	Total USD 000
At 1 January 2024	2,800	2,216	183	5,199
Foreign currency exchange differences	–	(70)	(24)	(94)
Increase in provision recognized in profit or loss	1,000	489	1,713	3,202
Used during the year	(1,500)	(597)	(356)	(2,453)
Unused amounts reversed during the year	–	(37)	(30)	(67)
At 31 December 2024	**2,300**	**2,001**	**1,486**	**5,787**

Reported as follows:

	Legal provision USD 000	Property provision USD 000	Termination benefits USD 000	Total USD 000
2024				
Current	2,300	440	1,486	4,226
Non-current	–	1,561	–	1,561
At 31 December 2024	**2,300**	**2,001**	**1,486**	**5,787**
2023				
Current	2,800	712	183	3,695
Non-current	–	1,504	–	1,504
At 31 December 2023	**2,800**	**2,216**	**183**	**5,199**

Legal provision
The amounts represent provisions for legal claims brought against the Group. The balance at 31 December 2024 is expected to be utilized in 2025. Management believes that the outcome of these claims will not give rise to any significant loss beyond the amounts provided at 31 December 2024.

Property provision
The property provision represents the net present value of estimated future costs associated with dilapidations. Provisions for dilapidations represent the estimated costs to be incurred at the date of exit.

The non-current portion has not been discounted as the effect of the time value was not material.

The non-current portion of USD 1.6 million (2023: USD 1.5 million) relates to dilapidation costs that will be settled when the related leases are terminated, which is not expected to occur within the next 12 months.

Termination benefits
The termination benefits provision represents the benefits payable for the period with no future economic benefits to the Group. The carrying amount has been treated as a non-cash item in the cash flow statement and is expected to be fully utilized in 2025.

23. Post-employment defined benefit obligations

The Group operates numerous defined benefit plans out of which the Swiss plans and one Indian plan are funded.

Swiss pension plans represent the majority of the Group's total defined benefit obligations. They entitle retired employees to receive either a capital or an annual pension payment. Final benefit is based on retirement savings accumulated over the working life period of the employees. The plans are administrated by separate funds that are legally separated from the entity. Plans are funded through institutional investments.

Swiss pension plans are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP), which stipulates that pension plans are to be managed by independent and legally autonomous units. Plan participants are insured against the financial consequences of old age, disability and death. The various insurance benefits are governed in regulations, with the LPP specifying the minimum benefits that are to be provided. The employer and employees pay contributions to the pension funds. In case the plan's statutory funding falls below a certain level, various measures can be taken such as an increase of the current contribution, lowering the interest rate on the retirement account balances or a reduction of the additional prospective benefits. The Group can also make additional restructuring contributions.

The Swiss pension plans are managed and administrated by collective semi-autonomous foundations established by one of the leading insurance companies for pension plans based in Switzerland. The Board of Trustee of each foundation is composed of equal numbers of employee and employer representatives.

One plan selected a foundation whereby the investment strategy and the appropriation of the return are delegated to the fund commission, which is composed of Temenos representatives, and all within the framework set out by the LPP and the Board of Trustee. In this model, the plan directly bears the investment risk. The other plan follows a solution where the investment strategy and the allocation of return are established by the Trustees of the foundation. In this scheme, the investment risk, as well as the return, fall within all the affiliated participants of the foundation. In both plans the risk benefits of disability and death are fully insured by an insurance company.

As all the plans within the Group are not exposed to materially different risks, management has decided not to present additional disaggregation of the disclosures unless explicitly required by IAS 19 'Employee Benefits'.

The amounts recognized in the statement of financial position at 31 December are as follows:

	2024 USD 000	2023 USD 000
Present value of funded obligations	**61,498**	66,819
Fair value of plan assets	**(54,429)**	(58,038)
Deficit of funded plans	**7,069**	8,781
Present value of unfunded obligations	**11,866**	9,144
	18,935	17,925
Reclassified to liabilities relating to assets classified as held for sale	**(780)**	–
Net liability	**18,155**	17,925

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31 December 2024

23. Post-employment defined benefit obligations continued

The movement in the net defined benefit liability over the year is as follows:

	Present value of obligation USD 000	Fair value of plan assets USD 000	Total USD 000	Effect of asset ceiling USD 000	Total USD 000
Balance at 1 January 2024	**75,963**	**(58,038)**	**17,925**	**–**	**17,925**
Items recognized in profit or loss:					
Current service costs	**4,651**	**–**	**4,651**	**–**	**4,651**
Past service costs	**(1,427)**	**–**	**(1,427)**	**–**	**(1,427)**
Other costs	**2,147**	**(1,268)**	**879**	**–**	**879**
Interest expense	**–**	**63**	**63**	**–**	**63**
	5,371	**(1,205)**	**4,166**	**–**	**4,166**
Remeasurements included in OCI:					
– Return on plan assets, excluding interest income	**–**	**(1,473)**	**(1,473)**	**–**	**(1,473)**
Actuarial loss/(gain) from:					
– Demographic assumptions	**518**	**–**	**518**	**–**	**518**
– Financial assumptions	**1,642**	**–**	**1,642**	**–**	**1,642**
– Experience adjustments	**1,375**	**–**	**1,375**	**–**	**1,375**
	3,535	**(1,473)**	**2,062**	**–**	**2,062**
– Exchange differences	**(3,869)**	**3,645**	**(224)**	**–**	**(224)**
Contributions:					
– Employers	**–**	**(3,203)**	**(3,203)**	**–**	**(3,203)**
– Plan participants	**1,079**	**(1,079)**	**–**	**–**	**–**
Payments:					
– Benefit paid	**(8,715)**	**6,924**	**(1,791)**	**–**	**(1,791)**
	(11,505)	**6,287**	**(5,218)**	**–**	**(5,218)**
Balance at 31 December 2024	**73,364**	**(54,429)**	**18,935**	**–**	**18,935**
Balance at 1 January 2023	61,895	(51,319)	10,576	1,641	12,217
Items recognized in profit or loss:					
Current service costs	3,799	–	3,799	–	3,799
Past service costs	955	–	955	–	955
Other costs	–	65	65	–	65
Interest expense/(income)	1,961	(1,516)	445	39	484
	6,715	(1,451)	5,264	39	5,303
Remeasurements included in OCI:					
– Return on plan assets, excluding interest income	–	(542)	(542)	–	(542)
Actuarial loss (gain) from:					–
– Demographic assumptions	314	–	314	–	314
– Financial assumptions	4,549	–	4,549	–	4,549
– Experience adjustments	2,539	–	2,539	–	2,539
– Change in asset ceiling	–	–	–	(1,797)	(1,797)
	7,402	(542)	6,860	(1,797)	5,063
– Exchange differences	4,215	(4,285)	(70)	117	47
Contributions:					
– Employers	–	(2,766)	(2,766)	–	(2,766)
– Plan participants	1,079	(1,079)	–	–	–
Payments:					
– Benefit paid	(5,343)	3,404	(1,939)	–	(1,939)
	(49)	(4,726)	(4,775)	117	(4,658)
Balance at 31 December 2023	75,963	(58,038)	17,925	–	17,925

23. Post-employment defined benefit obligations continued

The defined benefit obligation is calculated using the projected unit credit method. This reflects service rendered by employees to the date of valuation and incorporates actuarial assumptions primarily regarding discount rates and projected rates of remuneration growth. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds or government bonds in countries where there is not a deep market in corporate bonds.

Plan assets comprise:

	2024	2023
Equity securities:		
– Quoted	**26%**	27%
Fixed income securities:		
– Quoted	**20%**	21%
Real estate	**22%**	25%
Insurance contracts	**26%**	21%
Cash and cash equivalents	**3%**	3%
Other	**3%**	3%
	100%	100%

The governance of the plans annually performs an asset-liability assessment as well as a review of the investment strategies. The objectives are to select an appropriate asset allocation to match future cash outflows, to ensure an appropriate diversification of the invested assets as well as maximizing the return/risk profiles.

Actuarial assumptions

These defined benefit plans expose the Group to actuarial risks, such as currency risk, interest rate risk, demographic risk and market risk (investment risk).

Actuarial assumptions are based on the requirement set out by IAS 19 'Employee Benefits'. They are unbiased and mutually compatible estimates of variables that determine the ultimate cost of providing post-employment benefits. They are based on market expectations at the reporting date for the period over which the obligations are to be settled. They are set on an annual basis by independent actuaries.

Actuarial assumptions consist of demographic assumptions such as employee turnover, disability, mortality and financial assumptions such as interest rates, salary growth and consumer price inflation. The actuarial assumptions vary based upon local economic and social conditions.

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2024	2023
Discount rate	**2.68%**	3.17%
Future salary growth	**2.53%**	3.03%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

		2024 Change in assumption	
		Increase USD 000	Decrease USD 000
Discount rate	**50bps**	**(3,676)**	**4,072**
Future salary growth	**0.50%**	**1,135**	**(1,097)**

		2023 Change in assumption	
		Increase USD 000	Decrease USD 000
Discount rate	50bps	(3,807)	4,213
Future salary growth	0.50%	905	(869)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur since some of the assumptions are correlated. The sensitivity analysis has been calculated using the same methodology as applied when determining the pension liability in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

23. Post-employment defined benefit obligations continued
Sensitivity analysis continued
Expected contributions to funded post-employment defined benefit plans for the year ending 31 December 2025 are USD 3.1 million.

Expected benefit payments paid directly by the Group in respect of unfunded post-employment defined benefit plans for the year ending 31 December 2025 are USD 1.3 million.

At 31 December 2024, the weighted average duration of the defined benefit obligation was eleven years (2023: eleven years).

24. Share capital
As at 31 December 2024, the issued shares of Temenos AG comprised 75,171,084 ordinary shares with a nominal value of CHF 5 each. All issued shares are fully paid.

The changes in the number of issued and outstanding shares in the year ended 31 December 2024 are summarized below:

	Number
Total number of shares issued at 31 December 2023	75,171,084
Treasury shares	(2,677,276)
Total number of shares outstanding at 31 December 2023	72,493,808
Disposal of treasury shares	1,474,865
Acquisition of treasury shares (share buyback)	(3,263,937)
Total number of shares outstanding at 31 December 2024	**70,704,736**

As at 31 December 2024 the number of treasury shares held by the Group amounted to 4,466,348 (2023: 2,677,276).

In the year ended 31 December 2024 and outside any employee compensation programs, the Group disposed of treasury shares for CHF 61 million.

In June 2024, the Group announced a new share buyback program of up to CHF 200 million, which commenced on 10 June 2024 and was completed on 30 August 2024.

25. Share premium and other reserves

	Share premium USD 000	Employee share options reserve USD 000	Discount on shares issued to employees USD 000	Negative premium arising on creation of Temenos Group AG USD 000	Total USD 000
Balance at 1 January 2023	842,953	388,118	(1,329,252)	(68,456)	(166,637)
Cost of share options (note 27)	–	52,914	–	–	52,914
Exercise of share-based payment transactions	17,157	(1,465)	(22,197)	–	(6,505)
Loss on disposal of treasury shares	–	–	(24,317)	–	(24,317)
Costs associated with equity transactions	(15)	–	–	–	(15)
Balance at 31 December 2023	860,095	439,567	(1,375,766)	(68,456)	(144,560)
Cost of share options (note 27)	–	52,727	–	–	52,727
Exercise/cash settlement of share-based payments	–	(945)	(52,740)	–	(53,685)
Loss on disposal of treasury shares	–	–	(104,657)	–	(104,657)
Costs associated with equity transactions	(252)	–	–	–	(252)
Balance at 31 December 2024	**859,843**	**491,349**	**(1,533,163)**	**(68,456)**	**(250,427)**

Share premium
The share premium account comprises the following:

- premium on issuance of new shares at a price above par value;
- the equity component determined at the issuance of the convertible bond in 2006 and the premium resulting from the early redemption which occurred in 2010;
- expenses associated with equity transactions; and
- gains or losses on the sale, issuance or cancelation of treasury shares.

25. Share premium and other reserves continued

Share options reserve

As detailed in note 27, the Group has issued instruments to employees. The fair value of these instruments is charged to the profit or loss over the period that the related service is received, with a corresponding credit made to the share options reserve.

Discount on shares issued to employees

As detailed in note 27, the Group has issued instruments to employees. When the instruments are exercised, the Group fulfills its obligations by issuing newly created shares out of conditional capital or by reissuing treasury shares purchased by the Group. To the extent that the consideration received by the Group in respect of these shares issued or reissued is less than their fair value at the time of exercise, this amount is allocated to discount on shares issued to employees reserve.

Negative premium arising on creation of Temenos AG

Temenos AG was incorporated on 7 June 2001. The issued and outstanding shares of Temenos Holdings Limited (previously known as Temenos Holdings NV) were exchanged shortly before the initial public offering for TEMENOS AG shares, thus rendering Temenos Holdings Limited a wholly owned subsidiary of Temenos AG. The new shares in Temenos AG were issued at nominal value of CHF 5 which resulted in a negative premium. Expenses related to the initial public offering of Temenos AG and share premium items arising prior to the creation of Temenos AG were recorded against this account.

26. Other equity

	Cumulative translation adjustment USD 000	Costs of hedging reserve USD 000	Cash flow hedge reserve USD 000	Total USD 000
Balance at 1 January 2023	(186,682)	(470)	5,992	(181,160)
Interest rate risk				
Changes in fair value of hedging instruments	–	–	(6,654)	(6,654)
Transfer to profit or loss within “Finance costs”	–	–	(883)	(883)
Foreign currency risk				
Currency translation differences	(39,929)	–	–	(39,929)
Transfer to profit or loss within “Personnel costs”	–	–	413	413
Transfer to profit or loss within “Software licensing revenue”	–	–	49	49
Transfer to “Deferred revenues”	–	–	1,120	1,120
Interest payment from cross-currency swaps	(3,840)	–	–	(3,840)
Changes in fair value of hedging instruments	21,623	(800)	4,038	24,861
Balance at 31 December 2023	(208,828)	(1,270)	4,075	(206,023)
Interest rate risk				
Changes in fair value of hedging instruments	–	–	(20)	(20)
Transfer to profit or loss within “Finance costs”	–	–	(1,242)	(1,242)
Foreign currency risk				
Currency translation differences	5,714	–	–	5,714
Transfer to profit or loss within “Personnel costs”	–	138	(1,996)	(1,858)
Transfer to profit or loss within “Software licensing revenue”	–	–	(420)	(420)
Transfer to “Deferred revenues”	–	342	(635)	(293)
Changes in fair value of hedging instruments	(21,699)	(218)	6,657	(15,260)
Balance at 31 December 2024	**(224,813)**	**(1,008)**	**6,419**	**(219,402)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31 December 2024

26. Other equity continued

Cumulative translation reserve

It includes the foreign currency differences arising from the translation of foreign operations' financial statements into US dollars as well as the effective portion of the cumulative gain or loss from the hedging instruments in a net investment hedge.

Costs of hedging reserve

It includes the fair value change of the time value of options and the currency basis spreads of cross-currency swaps when they are separated from the designation of the hedging instrument.

Cash flow hedge reserve

It includes the effective portion of the cumulative gain or loss from the hedging instrument that is not yet recognized either in the profit or loss or as part of the carry amount of a non-financial asset or a non-financial liability.

27. Share-based payments

Share appreciation rights

Share appreciation rights (SARs) are granted to Executive Committee members and selected employees. Share appreciation rights are conditional on the employee completing a specified period of service, and are only exercisable if the Group achieves specified cumulative Annual Recurring Revenues (ARR), non-IFRS earnings per share, and free cash flow targets. In case of overachievement of targets, certain share appreciation right grants may be increased by a maximum of 75% of the original grant. The vesting period for share appreciation rights is a minimum of three years (other than 7,549 SARs granted for one and two years as joining incentive). The share appreciation rights have a maximum contractual term of ten years. The Group has no legal or constructive obligation to repurchase or settle the share appreciation rights in cash.

A summary of the movement in the number of share appreciation rights outstanding and their related weighted average exercise prices is as follows:

	2024		2023	
	Number of rights	**Weighted average exercise price**	Number of rights	Weighted average exercise price
Outstanding at the beginning of the year	**3,184,498**	**$110.95**	4,619,556	$120.36
Granted during the year	**322,743**	**$68.56**	264,106	$66.91
Net over/(under)achievement relating to vesting of 2021 (2020) grants	**(228,985)**	**$144.66**	(300,005)	$162.93
Forfeited during the year	**(665,068)**	**$129.61**	(1,255,881)	$131.05
Exercised during the year	**(263,299)**	**$50.19**	(143,278)	$44.54
Outstanding at the end of the year	**2,349,889**	**$103.33**	3,184,498	$110.95

1,134,582 of the outstanding share appreciation rights (2023: 1,223,066) were exercisable at the balance sheet date with a weighted average exercise price of USD 124.51 (2023: USD 115.82). The share appreciation rights exercised during the year had a weighted average share price at the time of exercise of USD 70.88 (2023: USD 80.69).

As described above, in case of overachievement of targets, certain share appreciation rights granted may be increased by a maximum of 75% of the original grant. For the 2022 annual SAR plan, none of the targets were met resulting in 441,128 shares being forfeited on 18 February 2025, the vesting date. Additionally 22,000 SARs from previous grants were forfeited. There are 496,608 remaining share appreciation rights (2023: 1,961,432) that may be subject to the overachievement provisions in the future with a weighted average exercise price of USD 83.55 (2023: USD 107.91).

27. Share-based payments continued

Share appreciation rights continued

Share appreciation rights outstanding at the end of the year have exercise prices and weighted average remaining contractual lives as follows:

	2024	
Exercise price	**Number**	**Remaining contractual life (years)**
$40–$49.99	**14,649**	**1.13**
$50–$59.99	**293,007**	**6.65**
$60–$69.99	**385,225**	**8.41**
$70–$79.99	**292,083**	**7.08**
$80–$89.99	**2,394**	**2.24**
$90–$99.99	**44,778**	**3.14**
$100–$109.99	**396,350**	**5.91**
$110–$119.99	**41,867**	**5.29**
$120–$129.99	**125,562**	**3.22**
$130–$139.99	**144,306**	**3.79**
$140–$149.99	**404,609**	**5.22**
$150–$159.99	**56,712**	**6.15**
$160–$169.99	**148,347**	**4.73**
	2,349,889	**6.00**

	2023	
Exercise price	Number	Remaining contractual life (years)
$30–$39.99	61,034	0.92
$40–$49.99	52,598	1.99
$50–$59.99	441,427	8.25
$60–$69.99	267,740	8.97
$70–$79.99	111,781	2.89
$80–$89.99	2,394	3.24
$90–$99.99	44,778	4.15
$100–$109.99	589,850	7.86
$110–$119.99	45,867	6.18
$120–$129.99	281,822	4.05
$130–$139.99	291,552	4.86
$140–$149.99	688,187	6.93
$150–$159.99	61,832	7.35
$160–$169.99	243,636	5.95
	3,184,498	6.55

Fair value of stock options and share appreciation rights

The fair value of options and share appreciation rights granted during the period is determined using an "Enhanced American Pricing Model".

The weighted average fair value of share appreciation rights granted during the period was USD 19.59 (2023: USD 26.07). The significant inputs into the model were: weighted average share price at grant date of USD 68.56 (2023: USD 66.91 and USD 77.50 at valuation date when targets were issued), weighted average exercise price of USD 68.56 (2023: USD 66.91), standard deviation of expected share price returns of 38% (2023: 36%), weighted average option lives of 3.96 years (2023: 3.98 years), weighted average annual risk-free interest rate of 4.05% (2023: 4.22%) and weighted average expected dividend yield of 1.86% (2023: 1.38%). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the relevant historical period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

27. Share-based payments continued
Restricted shares (RSUs and short-term incentive)

	2024 Number of shares	2023 Number of shares
Outstanding at the beginning of the year	**616,847**	362,959
Granted during the year	**669,589**	518,536
Forfeited during the year	**(50,959)**	(43,561)
Vested/transferred during the year	**(161,549)**	(221,087)
Outstanding at the end of the year	**1,073,928**	616,847

For the year ended 31 December 2024, a specific short-term incentive plan was in place for the Executive Committee (excluding the CEO) and certain senior management. They were given specific bonus targets at the beginning of the year and offered a choice of receiving the final bonus fully in cash or 50% in cash and 50% in deferred shares with a 20% uplift on the share element. In 2024, 5,363 (2023: 6,258) deferred shares were committed under the scheme of which 1,283 will be forfeited in 2025. The remaining 4,080 shares are expected to vest at 100%. These shares will vest in 2026 subject to continued service. For the 2023 short-term incentive plan, the final overachievement of 929 deferred shares was granted in 2024 (8,940 shares of the 2022 grant were forfeited in 2023) resulting in 7,187 shares that will vest in 2025. Targets for the 2022 short-term incentive plan were not met; hence 8,940 deferred shares were forfeited in 2023. As such there was no vesting in 2024 relating to this plan (5,396 shares relating to the year ended 31 December 2021 grant vested in 2023).

Other senior staff who fall under the Employee Short Term Variable Plan are paid 50% of their bonus in cash and 50% in shares with a 20% uplift on the share element. In 2024, 92,567 deferred shares (2023: 32,927) were granted and 1,569 deferred shares were forfeited due to employees leaving prior to vesting (583 in 2023). 32,281 special shares granted in 2023 vested in 2024 and 48 shares granted in 2024 vested early as a result of retirement and death in 2024 (52,651 in 2023). The remaining 91,114 shares will vest in 2025 (32,445 in 2024), subject to continued service.

570,730 restricted share units (RSUs) were granted during the year (479,351 in 2023). The RSUs are subject to continued service and vest after two and three years respectively other than 23,146 RSUs which were granted for one year as retention or joining bonuses. 49,390 RSUs were forfeited in 2024 due to employees leaving prior to vesting (34,038 in 2023). 22,169 RSUs granted to the former CEO for 2024 vested on his termination date in April 2024. An additional 1,765 RSUs vested also in 2024 for two senior managers that were granted RSUs for retention and joining bonus respectively in 2023. Of the RSUs granted in 2021 for recognition and loyalty, 105,286 vested in 2024 (163,040 in 2023). The outstanding shares will vest as follows: 266,157 shares in 2025, 454,679 shares in 2026, and a further 249,428 shares in 2027.

Performance share units

	2024 Number of shares	2023 Number of shares
Outstanding at the beginning of the year	**382,764**	259,263
Granted during the year	**272,483**	267,073
Net over/(under)achievement relating to vesting of 2023 grants	**–**	2,877
Forfeited during the year	**(82,648)**	(57,771)
Vested/transferred during the year	**(7,201)**	(88,678)
Outstanding at the end of the year	**565,398**	382,764

PSUs are granted to Executive Committee members and selected employees. They are conditional on the employee completing a specified period of service and vest if the Group achieves specified ARR, non-IFRS earnings per share and free cash flow targets. In case of overachievement of targets, certain PSU grants may be increased by a maximum of 75% of the original grant for the PSUs. The vesting period for PSUs is three years other than 8,167 PSUs that were issued for one and two years as a joining incentive. Included in the grant were 74,320 shares for the former CEO of which 7,201 PSUs vested on 23 April 2024, the notice date, the remainder being forfeited. The Group has no legal or constructive obligation to repurchase or settle the PSUs in cash.

Expense
The total expense recorded in the income statement in respect of share appreciation rights and the short-term incentive share plan is USD 52.7 million (2023: USD 52.9 million).

28. Dividend per share
Dividends are proposed by the Board of Directors and must be approved by the Annual General Meeting of the Shareholders. The dividend proposed for the 2024 financial year amounts to CHF 92.0 million (CHF 1.30 per share) and has not yet been recorded as a liability. This amount may vary depending on the number of shares outstanding as of the ex-dividend date.

A dividend of CHF 87.5 million (USD 96.9 million, CHF 1.20 per share) was paid in 2024 relating to the 2023 financial year.

29. Commitments and contingencies

The Group's principal contingent liabilities arise from property rental guarantees, performance guarantees and bid bonds issued in the normal course of business. The Group is also involved in various lawsuits, claims (including acceptance of mediation claims), investigations and proceedings incidental to the normal conduct of its operations. These matters also include any ongoing tax audits and assessments.

Although an estimate of the future financial effects cannot be reliably and precisely estimated at the reporting date, it is not anticipated that any material liabilities will arise from these contingent liabilities other than those provided for in note 22.

As at 31 December 2024, total guarantees in issue were USD 5.9 million (2023: USD 9.1 million).

30. Related party transactions and balances

See note 10 for remuneration of Executive and Non-Executive Directors. See note 27 for equity compensation for Executive and Non-Executive Directors granted in the form of options, SARs and shares.

There was no other significant transaction with related parties during the years ended 31 December 2024 and 31 December 2023.

31. Events after the reporting period

On 6 February 2025, the Group announced it has signed an agreement to sell Multifonds, its fund administration software business, to Montagu Private Equity, a leading European private equity firm, for a total enterprise value of about USD 400 million inclusive of an earnout.

The transaction is subject to the satisfaction of customary closing conditions and is expected to be completed before 30 June 2025.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Report of the statutory auditor

to the General Meeting of Temenos AG, Lancy

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Temenos AG (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall materiality: CHF 13 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Valuation of investments in convertible notes

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

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Overall materiality	CHF 13 million
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark to determine the overall materiality as we consider total assets to be the most appropriate measure for a holding company and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 0.65 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in convertible notes

Key audit matter	How our audit addressed the key audit matter
As described in the note 3, the Company entered into convertible notes agreements with equity conversion features. These investments in convertible notes are initially recognized at cost, then assessed annually and, in case of impairment, adjusted to their recoverable amount. The recoverable amount of these investments as of 31 December 2024 was CHF 37.5 million (2023: CHF 41.5 million) resulting in a loss of CHF 8.4 million (2023: CHF 0.4 million) loss recognized in the income statement in the financial income / (expense) line item. Investments in early-stages businesses are inherently risky due to their dependence on fundraising to achieve their growth potential in the future. In addition, the recoverable value on these convertible notes is dependent on unobservable inputs that requires significant judgements and estimates by management. We considered the valuation of those investments in convertible notes to be a key audit matter since there is a risk that material fair value losses may need to be recorded either due to future funding not being available and/or failure to deliver on future growth ambitions.	We obtained the discounted cash-flow valuation model prepared by management and reviewed key assumptions supporting the Group's recoverable amount calculations including management's assessment of the investee's financial situation. With the assistance of our internal valuation specialist, we performed the following procedures: • Checked the reasonableness of the inputs and significant assumptions including the discount rate, long-term growth rate, cumulative average growth rate of revenue, EBITDA margin and terminal value calculation. • Benchmarked the valuation model with generally accepted valuation techniques and compared current year budget estimates used by management to actual results. • Tested the mathematical accuracy of the model. • Performed an independent sensitivity analysis for the discount rate, long term growth rate, EBITDA margin and cumulative average growth rate of revenue. • Assessed the appropriateness of disclosures included in the financial statements. We presented the results of our procedures to the Audit Committee.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS continued

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Yazen Jamjum Licensed audit expert Auditor in charge	Hamza Benhlal Licensed audit expert

Geneva, 24 February 2025

Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Board of Directors' proposal in accordance with article 728a para. 1 item 2 CO

UNCONSOLIDATED BALANCE SHEET

As at 31 December

	2024 CHF 000	2023 CHF 000
Assets		
Current assets		
Liquid funds	**182**	186
Receivables from other Group entities	**38,424**	29,779
Tax receivable	**1,079**	–
Other financial assets (note 3)	**37,494**	41,481
Prepayments	**492**	551
Total current assets	**77,671**	71,997
Non-current assets		
Long-term receivables from other Group entities	**1,188,150**	1,169,481
Investments in subsidiaries (note 2)	**1,415,522**	1,415,522
Total non-current assets	**2,603,672**	2,585,003
Total assets	**2,681,343**	2,657,000
Liabilities and shareholders' equity		
Current liabilities		
Trade payables	**1,655**	443
Payables to other Group entities	**615,018**	243,096
Short-term interest-bearing liabilities (note 8)	**221,407**	153,511
Other liabilities	**2,377**	4,008
Tax payable	**–**	173
Total current liabilities	**840,457**	401,231
Non-current liabilities		
Long-term interest-bearing liabilities (note 8)	**199,601**	419,122
Long-term interest-bearing payables to other Group entities	**52,600**	52,600
Total non-current liabilities	**252,201**	471,722
Shareholders' equity		
Share capital (note 4)	**375,855**	375,855
Ordinary legal reserve (note 5)	**51,411**	51,141
Share premium (note 5)	**834,872**	834,872
Reserve for treasury shares (note 5)	**158,874**	242,615
Retained earnings (note 5)	**370,580**	351,747
Treasury shares (note 6)	**(202,907)**	(72,183)
Total shareholders' equity	**1,588,685**	1,784,047
Total shareholders' equity and liabilities	**2,681,343**	2,657,000

UNCONSOLIDATED INCOME STATEMENT

For the year ended 31 December

	2024 CHF 000	2023 CHF 000
Income from investments in subsidiaries (note 9)	**72,500**	10,000
Financial (expense)/income	**(3,493)**	114
Expenses associated with the maintenance of the Register of Shareholders and other expenses	**(20,130)**	(4,462)
Profit before taxation	**48,877**	5,652
Taxation	**(166)**	(258)
Profit of the year	**48,711**	5,394

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

1. Legal status and principal activities

Temenos AG (the "Company") was incorporated in Glarus, Switzerland, on 7 June 2001 as a stock corporation (Aktiengesellschaft). Since 26 June 2001, the shares of Temenos AG have been publicly traded on the SIX Swiss Exchange. The registered office is located at Esplanade de Pont-Rouge 9C, 1212 Grand-Lancy, Switzerland.

Temenos AG is the ultimate holding company of the Group and is not otherwise engaged in trading, financing or investing activities, except as the holder of all the issued and outstanding shares of the subsidiaries described in note 2.

The financial statements of Temenos AG comply with the requirements of the Swiss Accounting Legislation (Title 32 of the Swiss Code of Obligations (SCO)).

Valuation principles

Assets are valued at no more than their acquisition cost.

Investments in subsidiaries are valued individually except when they are combined due to their similarity in terms of activities, financial interconnection or grouped as an economic unit for valuation purposes.

Other investments are initially recognized at cost, then assessed annually and, in case of impairment, adjusted to their recoverable amount.

Treasury shares are valued at historical acquisition cost without subsequent valuation adjustment.

Upon disposal, the cost of treasury shares is determined using the FIFO method except if the specific identification method represents more faithfully the cost of the disposed shares. This would only be the case in limited circumstances where the disposed shares can be specifically identified (for example, if the shares are specifically purchased with the intention of being disposed of shortly thereafter). The resulting gains and losses on all disposals of treasury shares are recorded directly in equity.

Liabilities are valued at nominal value.

All assets and liabilities denominated in foreign currencies are translated according to the exchange rates applicable at the balance sheet date. Income and expenses denominated in foreign currencies and all foreign exchange transactions are translated at the exchange rates prevailing on their respective transaction dates. Resulting foreign exchange differences are recognized in the income statement, except unrealized gains that are deferred on the balance sheet as per the Swiss Code of Obligations.

2. List of direct subsidiaries

The following are the direct subsidiaries of the Company, which are wholly owned unless otherwise indicated (percentage of voting rights).

	Voting rights
Temenos Holdings Limited, British Virgin Islands (holding company)	
40,105 shares of a nominal value of USD 1 each	100%
Temenos Headquarters SA, Switzerland (holding and licensing company)	
1,000 shares of a nominal value of CHF 100 each	100%
Temenos Investments BV, Netherlands (holding company)	
180 shares of a nominal value of EUR 100 each	100%
Temenos Egypt LLC, Egypt (operating company)	
1 share of a nominal value of EGP 100	50%
Temenos Luxembourg SA, Luxembourg (operating company)	
47,250 shares of a nominal value of EUR 25 each	100%
Temenos Finance Luxembourg Sàrl, Luxembourg (financing company)	
37,500 shares of a nominal value of EUR 1 each	100%
Temenos USA Inc., USA (operating company)	
100 shares of a nominal value of USD 0.01 each	100%
Temenos Panama SA, Panama (dormant company)	
100 shares of a nominal value of USD 100 each	100%

3. Other financial assets

The Company entered into agreements in an early-stage business to purchase convertible notes with equity conversion features, for total investment entitlement of CHF 56.8 million (USD 59.9 million). The Company recognized the investment on its balance sheet for the amounts of CHF 17.9 million (USD 19.9 million) in 2021 and CHF 22.1 million (USD 22.8 million) in 2022, being the value of these investments at inception.

The value at 31 December 2024 was CHF 37.5 million (USD 41.4 million) (2023: CHF 41.5 million (USD 49.3 million)).

As of 31 December 2024, the convertible notes have matured and are hence presented as current. The Company has maintained its valuation approach applied in the prior year and has determined the recoverable amount of these unconverted instruments assuming a scenario of conversion. This resulted in a loss of CHF 8.4 million (USD 9.3 million) (2023: CHF 0.4 million loss (USD 0.5 million loss)) recognized in the income statement in the financial (expense)/income line item.

Given the nature of the investment, in an early-stage business, there are inherent uncertainties with respect to the value assigned to these instruments. The recoverable value determination requires significant judgments and includes a degree of uncertainty as it relies on company-specific data and unobservable inputs based on information currently available. In addition, early-stage businesses are typically exposed to uncertainties associated with raising additional funding to enable them to deliver on their growth plans. There can be no assurance that such financing will be available on acceptable terms, or at all.

4. Share capital

As at 31 December 2024, the issued share capital amounts to CHF 375,855,420 and comprises 75,171,084 shares with a nominal value of CHF 5.

The shares issued by the Company during the year are set out below:

	2024		2023	
	Quantity	**Value in CHF**	Quantity	Value in CHF
Total number of Temenos AG shares issued, as at 1 January	**75,171,084**	**375,855,420**	74,935,760	374,678,800
Shares issued and allotted under Employee Share Option Schemes	**–**	**–**	235,324	1,176,620
Total number of Temenos AG shares issued, as at 31 December	**75,171,084**	**375,855,420**	75,171,084	375,855,420

Temenos AG also has conditional capital and capital range, comprising:

	2024
Conditional capital	**2,678,840 shares**
Capital range	**From CHF 351,664,080 (lower limit) to CHF 400,046,760 (upper limit)**

The holdings of more than 3% of the voting rights of all registered shares, as at 31 December 2024 are as follows:

	Voting right percentage
Martin and Rosemarie Ebner	**20.02%**
BNP Paribas SA	**14.24%**
UBS Fund Management (Switzerland) AG	**7.28%**
BlackRock Inc.	**5.51%**
Baillie Gifford & Co	**4.64%**
FIL Ltd	**3.30%**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS continued
31 December 2024

5. Share premium and capital reserves

	Share capital CHF 000	Ordinary legal reserve CHF 000	Share premium CHF 000	Reserve for treasury shares CHF 000	Retained earnings CHF 000	Treasury shares CHF 000	Total CHF 000
Balance at 1 January 2023	374,679	51,080	819,334	358,135	328,902	(63,860)	1,868,270
Appropriation of available earnings:							
– to General legal reserve	–	61	–	–	(61)	–	–
Distribution of an ordinary dividend in cash as per 2023 Annual General Meeting (AGM) resolution	–	–	–	–	(79,068)	–	(79,068)
Share capital and share premium on creation of conditional capital	1,177	–	15,538	–	–	–	16,715
Acquisition of treasury shares	–	–	–	–	–	(60,316)	(60,316)
Disposal of treasury shares	–	–	–	–	–	51,993	51,993
Loss from disposal of treasury shares	–	–	–	–	(18,940)	–	(18,940)
Reserve for treasury shares movement of the year	–	–	–	(115,520)	115,520	–	–
Profit for the year	–	–	–	–	5,394	–	5,394
Balance at 31 December 2023	375,855	51,141	834,872	242,615	351,747	(72,183)	1,784,047
Appropriation of available earnings:							
– to General legal reserve	–	270	–	–	(270)	–	–
Distribution of an ordinary dividend in cash as per 2024 Annual General Meeting (AGM) resolution	–	–	–	–	(87,497)	–	(87,497)
Acquisition of treasury shares	–	–	–	–	–	(241,785)	(241,785)
Disposal of treasury shares	–	–	–	–	–	111,061	111,061
Loss from disposal of treasury shares	–	–	–	–	(25,852)	–	(25,852)
Reserve for treasury shares movement of the year	–	–	–	(83,741)	83,741	–	–
Profit for the year	–	–	–	–	48,711	–	48,711
Balance at 31 December 2024	**375,855**	**51,411**	**834,872**	**158,874**	**370,580**	**(202,907)**	**1,588,685**

The reserve for treasury shares amounts to CHF 158,874,129 in line with the value of treasury shares held by Temenos AG through a subsidiary as at 31 December 2024 (2023: CHF 242,614,688).

6. Treasury shares, including shares held by subsidiaries (carrying value)

Temenos AG holds directly or through a subsidiary a total of 4,466,348 shares at 31 December 2024 (2023: 2,677,276) out of which 3,263,937 shares will be proposed for cancelation at the 2025 AGM (capital reduction). The remaining 1,202,411 shares may be used in conjunction with M&A or for allotting to members of the Temenos Employee Share Option Schemes.

	2024		2023	
	Quantity	**Value in CHF 000**	Quantity	Value in CHF 000
Temenos AG				
January 1	**912,644**	**72,183**	600,000	63,860
Acquisitions	**3,868,204**	**241,785**	800,000	60,316
Disposals	**(1,474,865)**	**(111,061)**	(487,356)	(51,993)
December 31	**3,305,983**	**202,907**	912,644	72,183
Other consolidated companies				
January 1	**1,764,632**	**242,615**	2,564,632	358,135
Acquisitions	**–**	**–**	–	–
Disposals	**(604,267)**	**(83,741)**	(800,000)	(115,520)
December 31	**1,160,365**	**158,874**	1,764,632	242,615
Total balance as of 31 December	**4,466,348**	**361,782**	2,677,276	314,798

7. Contingent liabilities

Together with several of its subsidiaries, Temenos AG is a guarantor under the Group facility agreement concluded by Temenos Finance Luxembourg Sàrl as borrower, for a maximum total amount up to USD 660 million.

8. Bonds issued by Temenos AG

In April 2024, the Group repaid the senior unsecured bond issued in April 2017 with a nominal value of CHF 150 million and a coupon rate of 1.75%. The redemption price was 100% of the principal amount.

In November 2019, the Group issued a senior unsecured bond with a nominal value of CHF 220 million and a coupon rate of 1.50% paid annually on 28 November. The bond will mature on 28 November 2025 at a redemption price of 100% of the principal amount.

In October 2023, the Group issued a senior unsecured bond with a nominal value of CHF 200 million and a coupon rate of 2.85% paid annually on 11 October. The bond will mature on 11 October 2028 at a redemption price of 100% of the principal amount.

	2024 CHF 000	2023 CHF 000
Bond CHF 220,000,000 – 1.500% – 28 November 2019 – 28 November 2025	**–**	219,625
Bond CHF 200,000,000 – 2.850% – 11 October 2023 – 11 October 2028	**199,601**	199,497
Long-term interest-bearing liabilities	**199,601**	419,122
Bond CHF 150,000,000 – 1.750% – 5 April 2017 – 5 April 2024	**–**	151,935
Bond CHF 220,000,000 – 1.500% – 28 November 2019 – 28 November 2025	**219,832**	–
Accrued bond interests at year end	**1,576**	1,576
Short-term interest-bearing liabilities	**221,407**	153,511
Total bonds issued by Temenos AG	**421,008**	572,633

9. Income from investments in subsidiaries

In 2024, Temenos AG recognized income from investments in subsidiaries of CHF 72,500,000 following the decision of one of its direct subsidiaries to distribute a dividend in relation to the 2024 fiscal year.

In 2023, Temenos AG recognized income from investments in subsidiaries of CHF 10,000,000 following the decision of one of its direct subsidiaries to distribute a dividend in relation to the 2023 fiscal year.

10. Proposal for the appropriation of available earnings

Based on the approved and audited financial statements for the financial year 2024, the Board of Directors proposes to the General Meeting to distribute an ordinary dividend in cash amounting to CHF 1.30 per share, for a total amount of CHF 92,000,000 (this amount may vary depending on the number of treasury shares and of shares created out of the conditional capital and/or out of the capital range as of the ex-dividend date).

	2024 CHF 000	2023 CHF 000
Retained earnings		
Retained earnings carried forward	**263,980**	249,773
Net result for the year	**48,711**	5,394
Loss from disposal of treasury shares	**(25,852)**	(18,940)
Retained earnings available to the general meeting	**286,839**	236,227
Allocation to general legal reserve	**(2,436)**	(270)
Dissolution of reserve for treasury shares	**83,741**	115,520
Dividend distributed to shareholders*	**(92,000)**	(87,497)
Retained earnings to be carried forward	**276,144**	263,980

* 2023 comparative has been updated from CHF 87,000,000 to CHF 87,496,875 to reflect the actual payment made in 2024. The dividend paid was CHF 1.20 per share as approved by the General Meeting. The difference is explained by the amount of treasury shares as of the ex-dividend date.

Provided that the proposal of the Board of Directors is approved, the shares will be traded ex-dividend as of 15 May 2025 (ex date). The dividend record date will be set on 16 May 2025 (record date). The dividend will be payable as of 19 May 2025 (payment date).

Temenos treasury shares are not entitled to dividends.

11. Number of full-time equivalent

Temenos AG does not have any employees as of 31 December 2024 and 2023 and consequently no pension liabilities.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS continued

31 December 2024

12. Additional information, cash flow statement and management report

According to article 961d paragraph 1 of the Swiss Code of Obligations, additional information, the cash flow statement and the management report are not presented, as Temenos AG prepares the consolidated financial statements in accordance with a recognized financial reporting standard.

13. Significant events after the balance sheet date

These financial statements were approved for issue by the Board of Directors on 18 February 2025 and will be submitted to the Annual General Meeting of shareholders for approval on 13 May 2025.

There were no other significant events after the balance sheet date.

14. Disclosure of participations held by Non-Executive Directors and Executive Committee members

Non-Executive Directors

Name	Position	**Number of shares 31 December 2024**	Number of shares 31 December 2023
T. de Tersant	Chairman	**13,000**	9,000
C. Hultén	Vice-Chair	**2,500**	1,200
P. Spenser[1]	Member	**3,300**	1,800
M. Carli	Member	**1,910**	1,000
X. Cauchois	Member	**2,100**	600
D. Deuring	Member	**1,000**	–
L. Readhead	Member from 7 May 2024	**3,200**	n/a
M. Gorriz	Member from 7 May 2024	**10,000**	n/a
I. Cookson	Vice-Chairman until 7 May 2024	**n/a**	17,400
D. Forster	Member until 7 May 2024	**n/a**	60

1 Peter Spenser held shares in the form of American depositary receipts (ADRs).

Executive Committee members

Name	Position as at 31 December 2024	**Number of shares 31 December 2024**	**Number of vested PSUs 31 December 2024[1]**	**Number of unvested RSUs/PSUs 31 December 2024[1]**	Number of shares 31 December 2023	Number of vested PSUs 31 December 2023	Number of unvested RSUs/PSUs 31 December 2023
J. P. Brulard	CEO	**–**	**–**	**45,979**	n/a	n/a	n/a
P. Spiliopoulos	CFO	**–**	**–**	**56,240**	–	–	–
B. Morgan	CPTO	**9,660**	**–**	**6,065**	n/a	n/a	n/a
W. Moroney	CRO	**1,362**	**–**	**19,460**	n/a	n/a	n/a
J. Tipper	CPO	**782**	**–**	**21,299**	–	–	9,101
D. Dempsey	CLO	**–**	**–**	**4,935**	n/a	n/a	n/a
I.Guis	CMO	**–**	**–**	**9,382**	n/a	n/a	n/a
C. Jarrett	CSRO	**3,888**	**–**	**24,049**	2,138	–	14,365
P. Varadhan	President Product and COO until 7 October 2024	**n/a**	**n/a**	**n/a**	–	–	38,470
A. Andreades	Former CEO until 30 April 2024	**n/a**	**n/a**	**n/a**	846,752	87,498[2]	–
P. Barnett	President Americas until 9 July 2004	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a

1 The PSUs and RSUs shown above only include SARs granted during membership of the Executive Committee.

2 Andreas Andreades' PSUs vested on 31 December 2023 and resulting shares were transferred on the first working day thereafter.

14. Disclosure of participations held by Non-Executive Directors and Executive Committee members continued

Executive Committee members continued

Name	Position as at 31 December 2024	Plan[1]	Exercise price USD	**Number of vested SARs 31 December 2024**	**Number of unvested SARs 31 December 2024**	Number of vested SARs 31 December 2023	Number of unvested SARs 31 December 2023
J-P. Brulard	CEO, since 1 May 2024	2024 scheme	62.80	**–**	**80,769**	–	–
P. Spiliopoulos	CFO	2019 scheme	147.43	**42,000**	**–**	42,000	–
		2020 scheme	168.81	**33,600**	**–**	33,600	–
		2021 scheme[2]	143.54	**60,629**	**–**	–	79,000
		2022 scheme[3]	107.65	**–**	**107,100**	–	107,100
		2023 scheme	66.91	**–**	**171,951**	–	171,951
		2024 scheme	70.56	**–**	**52,058**	–	–
B. Morgan	CPTO	2024 scheme	69.27	**–**	**10,580**	–	–
W. Moroney	CRO	2024 scheme	69.22	**–**	**8,712**	–	–
		2024 scheme	70.56	**–**	**26,029**	–	–
J. Tipper	CPO	2022 scheme[3]	107.65	**–**	**9,050**	–	9,050
		2023 scheme	66.91	**–**	**13,165**	–	13,165
		2024 scheme	69.22	**–**	**8,712**	–	–
		2024 scheme	70.56	**–**	**13,014**	–	–
D. Dempsey	CLO	2024 scheme	69.22	**–**	**8,712**	–	–
I. Guis	CMO	2024 scheme	72.15	**–**	**18,717**	–	–
C. Jarrett	CSRO	2020 scheme	168.81	**11,667**	**–**	11,667	–
		2021 scheme[2]	143.54	**11,512**	**–**	–	15,000
		2022 scheme[3]	107.65	**–**	**18,150**	–	18,150
		2023 scheme	66.91	**–**	**18,807**	–	18,807
		2024 scheme	70.56	**–**	**17,353**	–	–
P. Varadhan	President Product and Chief Operating Officer, until 7 October 2024	2022 scheme[3]	107.65	**–**	**15,400**	–	15,400
		2023 scheme	66.91	**–**	**60,183**	–	60,183
		2024 scheme	70.56	**–**	**52,058**	–	–
A. Andreades[4]	CEO, until 30 April 2024	2018 scheme	127.00	**–**	**–**	135,203	–
		2019 scheme	136.94	**–**	**–**	83,160	–
		2020 scheme	168.81	**–**	**–**	61,507	–
		2021 scheme[2]	143.54	**–**	**–**	–	144,700
		2022 scheme[3]	107.65	**–**	**–**	–	186,700

1 The SARs shown above only include SARs granted during membership of the Executive Committee.

2 The SARs granted under the 2021 scheme vested on 19 February 2024. The final vesting was at 76.7%. The 2023 numbers were reduced by 23.3% in 2024.

3 The SARs and PSUs granted under the 2022 scheme were due to vest on 18 February 2025. However, as targets were not met, they are fully forfeited, and this will be reflected in 2025.

4 Andreas Andreades was not a member of the Executive Committee on 31 December 2024, as he was on garden leave. The SARs that were vested on his termination were paid at fair value and hence all outstanding SARs were canceled.

No options and/or shares were held on 31 December 2024 and 2023 by persons related to the members of the Board of Directors or the Executive Committee.

FINANCIAL HIGHLIGHTS

(in millions of US dollars except earnings per share)

	2024	2023	2022	2021	2020
Revenues	**1,044.1**	1,000.2	949.6	967.0	887.4
Operating expenses	**(812.9)**	(800.8)	(786.2)	(728.9)	(653.8)
Operating profit	**231.2**	199.4	163.4	238.1	233.6
Profit before taxation	**209.6**	172.9	146.0	211.5	204.2
Net profit after tax	**177.2**	134.7	114.4	173.4	175.0
EBITDA	**362.1**	330.5	302.0	382.1	382.6
Diluted earnings per share (in USD)	**2.43**	1.85	1.59	2.40	2.39
Cash generated from operations	**391.3**	391.5	316.6	473.0	406.2
Current assets	**637.1**	462.9	438.5	478.6	446.3
Non-current assets	**1,639.6**	1,863.9	1,793.3	1,755.5	1,769.4
Total assets	**2,276.7**	2,326.8	2,231.8	2,234.1	2,215.7
Current liabilities (excluding deferred revenues)	**635.5**	482.6	508.4	501.2	247.2
Deferred revenues	**437.9**	460.8	411.1	371.6	324.1
Total current liabilities	**1,073.4**	943.4	919.5	872.8	571.3
Non-current liabilities (excluding deferred revenues)	**545.3**	680.5	721.3	835.0	1,088.3
Deferred revenues	**19.0**	21.0	12.7	26.1	32.7
Total non-current liabilities	**564.3**	701.5	733.9	861.1	1,121.0
Total liabilities	**1,637.7**	1,644.9	1,653.4	1,734.0	1,692.3
Total equity	**639.0**	682.0	578.4	500.1	523.4
Total equity and liabilities	**2,276.7**	2,326.8	2,231.8	2,234.1	2,215.7

INFORMATION FOR INVESTORS

Capital structure
The registered share capital is divided into 75,171,084 shares with a par value of CHF 5.

Appropriation of profits
Temenos expects to pay a dividend of CHF 1.30 in 2025.

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Investor relations
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Annual General Meeting
13 May 2025

Statistics on Temenos shares

Registered shares of CHF 5 nominal	2024
Sector	Technology/ software
Market segment	SIX Main Market
Index member	SMIM/SPI/SLI
Swiss security no.	124 5391
ISIN no.	CH0012453913
Symbol	TEMN
Number of issued shares at 31.12.2024	75,171,084
Number of registered shares at 31.12.2024	75,171,084
Market price high/low (CHF)	89.00/53.95
Market price at 31.12.2023 (CHF)	78.22
Market price at 31.12.2024 (CHF)	64.10
Market capitalization high/low (CHFbn)*	6.650/5.875
Share capital nominal value at 31.12.2024 (CHFm)*	376

* Based on the number of registered shares at the time.

Key figures per share	2024
Basic earnings per share (USD)	2.46
Diluted earnings per share (USD)	2.43
Non-IFRS earnings per share (USD)	3.92
Consolidated shareholders’ equity (USDm)	639.0
Consolidated shareholders’ equity per share (USD)	8.05

Major shareholders of Temenos AG* (as of 11 February 2025)

Name	Number of voting rights	Percentage of share capital
Martin and Rosemarie Ebner	15,050,000	20.02%
BNP Paribas SA	8,568,072	11.40%
UBS Fund Management (Switzerland) AG	5,475,557	7.28%
BlackRock Inc.	4,141,849	5.51%
Baillie Gifford & Co	3,485,355	4.64%
FIL Ltd	2,479,862	3.30%

* On the basis of Temenos AG registered capital of 75,171,084 shares and based on the disclosure notifications received pursuant to Art. 120 ff. of the Financial Market Infrastructure Act (excluding Temenos treasury shares).

Please refer to page 148 for the status as of 31 December 2024.

Development of Temenos share price
Temenos share price and volume data

TEMENOS WORLD OFFICES

The following list is as of February 2025. For any updated information please visit our website: www.temenos.com/contact-us.

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NOTES

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