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

In particular, the forward-looking financial information provided by the company in the conference event (Capital Markets Day) represent the company’s estimates as of 18 February 2021. We anticipate that subsequent events and developments will cause the company’s estimates to change.

However, while the company may elect to update this forward-looking financial information at some point in the future, the company specifically disclaims any obligation to do so. This forward-looking information should not be relied upon as representing the company’s estimates of its future financial performance as of any date subsequent to 18 February 2021.
Readers are cautioned that the supplemental non-IFRS information presented in this presentation is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company’s supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies.

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

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

Max Chuard
CEO
We exist to make Banking Better, Together

1.2 billion individuals, families, businesses rely on Temenos

That’s 30% of the world’s banking population

Banks that use Temenos are industry leaders

Achieving return on equity 3X the industry average

Our 3000 banks include 41 of the top 50 global banks

They rely on the World’s #1 cloud-native intelligent banking platform

Dow Jones Sustainability Indexes
FTSE4Good
Great Place To Work.
Relentless Focus on Innovation

$2.1 billion cumulative R&D investment 1990-2019

Sustained Highest Level of R&D Investment

Outselling the competition by 6x

Over $1 billion of R&D investment over mid-term

Cloud/SaaS  API/Microservices  DevOps  Big Data  AI/Machine Learning  Blockchain/Distributed DB
Consistent and Profitable Growth Trajectory in next 5 years

Achieving more than USD1bn of bookings by 2025

Expanding EBIT margin to at least 41% by 2025

Generating more than USD600m of Free Cash Flow by 2025

Our Vision …from Category Killer to the Industry Standard in Banking Software…

Note: Non-IFRS.
Temenos has successfully navigated global crises and come out stronger

A resilient business model

Resilient business model backed by consistent innovation-focused strategy
2020 – an unprecedented year driven by COVID-19

Rebound in second half of year with deal execution and pipeline recovering strongly

- **Total bookings**
  - H1 2020: 150 USDm
  - H2 2020: 250 USDm

- **Total Software Licensing**
  - H1 2020: 100 USDm
  - H2 2020: 200 USDm

- **SaaS ACV**
  - H1 2020: 5 USDm
  - H2 2020: 10 USDm

- **EBIT**
  - H1 2020: 5 USDm
  - H2 2020: 25 USDm

**Notes:**
- Non-IFRS, in constant currencies

- **Rapid scaling of remote working, 98% of workforce by April**
- **307 go-lives, remote first as standard**
- **64 new client wins across products**

*Note: Non-IFRS, in constant currencies*
COVID-19 has accelerated Digital Transformation of Banks

- **15%**
  - Increase in consumer digital adoption (2-3 years worth) in 3 months

- **30-40%**
  - Reduction in cash usage

- **56%**
  - Consumers concerned about their ability to pay back loans

Banks need to accelerate digital transformation and customer experience across complex product and customer journeys.

COVID-19 has changed consumer mindsets & circumstances forcing banks to speed up and scale digitization.

---

1) McKinsey Consumer Financial Pulse Survey April 2020
Source: MGI, McKinsey PFIC – Global Banking Pools, Central Banks, Annual Reports
Current Reality at Incumbent Banks

- High Operational costs
- Complex, Monolithic, Inflexible, Batch Legacy Based IT Landscapes
- Long times to market
- High operational risk
- Poor business insights
- Poor customer experience

- Dependencies on end-of-life systems major cause for concern
- Basel committee introduces new rules to standardize operational risk related to IT system failures
### Digital Transformation Enabled by Technology Key for ROE Recovery post COVID-19

**European Banking\(^1\), ROE in %**

<table>
<thead>
<tr>
<th>Year</th>
<th>Impact of COVID-19(^2)</th>
<th>2022E</th>
<th>Digital first sales and service; zero ops</th>
<th>Other cost initiatives</th>
<th>Enhanced collections</th>
<th>New growth opportunities leveraging analytics</th>
<th>New growth opportunities leveraging adjacencies</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019A</td>
<td>~5-8</td>
<td>~2-4</td>
<td>~5-8</td>
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<td>~5-8</td>
</tr>
</tbody>
</table>

1) Average Europe based on largest 5 countries (UK, Spain, Italy, France and Germany)
2) Specific McKinsey Scenario from "Safeguarding our lives and our livelihoods: The imperative of our time"

Source: MGI, McKinsey PFIC – Global Banking Pools, Central Banks, Annual Reports

**COVID-19 presents us with a unique opportunity**
Disruptive Technologies key to the Future of Banking

84% believe cloud platforms and the shift towards DevOps are transformative

77% think unlocking value from AI will be the differentiator between winning and losing banks

66% think new technologies will have the biggest impact on banking in next 5 years over changing customer demand and regulations

Economist Intelligence Unit - Forging new frontiers: advanced technologies will revolutionize banking survey of 300+ banking executives, February-March 2020
Structural trends driving market growth

27% third party penetration in banking vs. 70-80% in other industries at maturity

Source: IDC, Ovum, Celent, McKinsey, Temenos estimates
Addressable market increased due to opening of new markets and solutions
Segmenting the market

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

**Mid to lower tier banks**
- Largely on-premise renovation of lines of business
- Increasing use of cloud and SaaS
- Innovation, competitive positioning, maximising impact of limited IT budget

**Challenger banks and fintechs**
- SaaS for entire operation
- Rapid time to market and innovation with hyper-efficient cost model
Why Temenos?

Only focused on banking

Leading functionality, localization, advanced technology

Packaged product, single code base

Relentless focus on innovation, highest R&D over 27 years

Scaling through ecosystem of technology and implementation partners

Leader in our market, 3,000+ clients
Leading Functionality + Latest Technology = The Winning Combination
Outselling the competition

Traditional vendors
Cross-industry, not packaged or cloud & SaaS ready

Why we win

- Highest R&D in the industry
- Market leadership
- Technology innovation
- Leader in SaaS, cloud and AI

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

Why we win

- Cloud native, 27 years of Banking IP
- Depth and breadth of functionality
- Massive scalability
- Local presence i.e. Model Banks
- Extensive AI capabilities
- Market leader with size, scale and track record
Ready for SaaS Acceleration

Temenos runs the software
SaaS Revenue

Bank runs the software
License Revenue

Single code base, same product
Significant benefits from running Temenos on-premise and SaaS

From legacy to Temenos SaaS

10% of legacy cost

... more budget for banks to innovate

Banks running Temenos on-premise already benefit from modern architecture

Flexibility
1000s of Configuration, Migration and Extension APIs

Time To Market
Continuous integration and Online Migration through automated DevOps and AI

Agility
Lowest risk independently deployable and upgradeable Microservices

Scalability
Massive scalability and elasticity

70% of benefit derived from running modern technology on-premise
Proven at Banks of all Sizes, across all Geographies

### Large Banks
- Santander
- KB
- Standard Chartered
- BNP Paribas
- HSBC

#### 41 of the world's top 50 banks

### Mid Tier banks
- Bci
- BlueShore Financial
- Banco Ripley
- NLB
- KBZ Bank

#### The de facto for over 3000+ banks

### Challenger Banks
- Varo
- FlowBank
- FlowE
- bAlpian
- stcPay
- Orange Bank

#### A market-leading 60 Challenger banks
Komercni Banka

Part of the Societe Generale Group

1.6 million Retail and Corporate customers

Temenos Products

Objectives

- Simplify and consolidate IT landscape.
- Deliver leading edge, innovative products faster.
- Streamline STP.
- Achieve market-leading cost-income ratio.
CWB aims to be Canada’s first full service bank for business owners. It plans to replace its heavily customized legacy systems, launch new services quickly and cost effectively, and achieve differentiated customer insights and experience. The Temenos products Transact, Infinity, and Data Lake support these objectives.
Alpian

New Swiss digital bank for private banking and wealth management

CHF 660bn market

Temenos
Products

- TEMENOS Transact
- TEMENOS Payments
- TEMENOS SaaS

Objectives

- Short time-to-market and hyper-efficient cost.
- Accessible, appealing banking app.
- Expand outside Switzerland.
Temenos software delivers tangible value to banks

OUR HIGH-PERFORMING CLIENTS

- Achieve cost-income ratios **half** the industry average
- Achieve returns on equity **3x** industry average
- Allocate IT spend **2x** industry average to growth & innovation
Key strategic initiatives to drive growth across SaaS and licence

- Profitable SaaS acceleration
- Product growth engines
- North America
- Game-changing strategic partnerships
Profitable SaaS Acceleration

Leveraging cloud-native and SaaS-ready product

Leveraging the sales organization for customer success

Hyper-scaling operations

Profitable SaaS Growth with Margin Expansion

Achieving 41% Group EBIT margin by 2025

Note: Non-IFRS
Continued market leadership across all our growth engines

**Temenos Infinity**

- Leader in Omdia Universe for Digital Banking Platforms 2020-21

**Temenos Transact**

- Leader in Gartner Magic Quadrant

**Temenos Payments**

- Leader in Forrester Wave – Retail & Corporate

**Temenos Fund Administration**

- Leader in IDC MarketScape for Integrated Payment Platforms

- #1 Core Banking System in IBS Sales League Table 2020

- #1 Retail payments system in IBS Sales League Table 2020

- Best-In-Class for Aite Matrix

- Achieved ‘Differentiated’ Status in Adox 8*8
Accelerating our North America growth

Investing in our people
- Expansion of Sales & Marketing headcount
- Investment in sales leadership across all key segment

Go-to-market strategy
- Refining approach to market segments
- New strategic partnerships to drive US growth

SaaS and cloud
- Significant US SaaS pipeline, largest contributor to global pipeline
- US-focused SaaS offering
- Scaling cloud operations

Customer success
- Proven localisation of software with US regulations
- Built successful references
### 2021 Partner Program

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Game-changing Global Strategic Partnerships

- Integration of Temenos Infinity and Salesforce CRM platforms to create NEW Digital Workspace
- Be #1 Digital Banking Platform for ALL banking clients

- Accelerate digital transformation of DXC’s existing large bank customers
- Combines DXC’s implementation and integration strengths with the power of Temenos industry leading banking software
And we will achieve this ethically and responsibly

Five pillars of our ESG strategy

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

Enhancing our ESG reporting

Existing

- GRI Reporting
- Mapping GRI with the UN Global Compact
- External Assurance of CSR report

Enhancements in 2021

- SASB Reporting and mapping SASB with GRI standards
- Incorporate TCFD recommendations
- Mapping our contribution (product offering) to the UN SDGs
Consistent and Profitable Growth Trajectory in next 5 years

- Achieving more than **USD1bn** of bookings by 2025
- Expanding EBIT margin to at least **41%** by 2025
- Generating more than **USD600m** of Free Cash Flow by 2025

Our Vision …from Category Killer to the Industry Standard in Banking Software…

Note: Non-IFRS
Customer success

Alexa Guenoun
COO
Market Context

01 Customer Expectations Hit all Time High

80% of customers say the experience a company provides is as important as its products and services.

02 Experience Impacts the Bottom Line, for Better or Worse

74% of customers say they’ll pay more for a great experience.

03 Commitment to Customer Success or Satisfaction Strengthens Loyalty

61% of customers say commitment to success or satisfaction strengthens their loyalty.

Customer Success – Market Best Practise

“Customer success is when our customers achieve their desired outcome through their interactions with Temenos”

A customer centric and customer obsessed dedicated organization delivers:

- Proactive Customer Goal Achievement  |  Ensures Customer Value from our Products
- Long-term Perspective  |  Cross-team Orchestration  |  Post-Sale Financial Growth Mindset
Customer Success Strategy at Temenos: Reinforces culture & purpose

“When our customers are successful we are successful. Therefore ensuring our customers achieve their desired outcome through their interactions with Temenos and our portfolio is key”

Goal

Strategy

1. Customer Obsession
   - Accelerate the move to a model that drives customer value realisation at every touchpoint
   - Consolidate org; and standardise processes & analytics
   - Enforce best practice and set clear annual targets

2. Protect & Grow
   - Grow portfolio size by c.10%
   - Protect recurring Revenues & lower attrition
   - Grow a relevant and deep reference base

3. SaaS / On-prem
   - On-Prem & Multi-Product
   - Protect & Grow
   - Ensure our customers are:
     - Realising value from our products early
     - Guiding customers in adopting further XaaS
     - Providing a relevant VoC with the product team
     - Aligned to consumption based services

'Strengthening on Our Promise'

'Growth Engine'

'Future-Proofing'
567 customer references

834 active customer ambassadors

20% increase in ambassadors in 2020

Bank of Singapore winning the “Visionary Leadership Award”

Recognition for their outstanding contribution to the industry and their attributes of a visionary leader
567 active Customer References

**Large banks**
- ABN AMRO
- UBS
- Santander
- BNP PARIBAS
- HSBC
- Julius Bär
- Shanghai Bank
- BMO
- Schroders
- Itaú
- KBC
- KB
- Northern Trust
- Volkswagen Financial Services
- Elevations Credit Union
- ING
- Standard Bank
- HSBC
- Standard Chartered
- Shanghai Bank

**Mid-tier banks**
- TSB
- MB Bank
- CFG Bank
- Close Brothers
- Eurobank
- NLB
- Raiffeisen
- Banco Ripley
- Butterfield
- Credicoop
- ClBanco
- CBW
- Bank of Montreal
- Northern Trust
- Loop Financial
- American Express
- Credit Suisse
- BlueShore Financial
- American Union Bank
- AlliedBank

**Challenger banks**
- Varo
- FlowBank
- Motive Financial
- ALBA
- EQ Bank
- WeLab Bank
- Swissquote
- prestanómico
- BCI
- Alpian
- LUNAR
- Pepper
- Savin Financial
- STC Pay
Remote implementation is the new normal

- Remote first approach now available to clients in every region
- All teams in delivery organization (incl. partners) with remote implementation experience
- Guidance provision for banks to speedily become ‘remote ready’
- Implementation methodology fully remote compliant
- Temenos Saas, technology and tools in place to collaborate and execute remotely
- Projects, including go-lives, continue with everyone working from home
Success in 2020

Go-lives across all products – 99 customers using Temenos for the first time

307 Go-lives across all customers

Partners involved in majority of implementations

6,500+ skilled Temenos consultants

Temenos skilled consultants ecosystem (January 2017 - January 2021)

Go-lives across all products – 99 customers using Temenos for the first time

307 Go-lives across all customers

Partners involved in majority of implementations

6,500+ skilled Temenos consultants

Temenos skilled consultants ecosystem (January 2017 - January 2021)
The new Partner Program Model

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<th>Technology</th>
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<td>TEMENOS GLOBAL PARTNER SERVICES</td>
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<td>Technology Partner</td>
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# 2021 Services Partner Program

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Our Products and Technology

Mark Winterburn
Chief Product and Technology Officer
WHY WE LEAD THE MARKET

$2.1bn
Invested in our products since 1990

> $1bn
Planned to be invested in the medium term

513k
Person Days invested in 2020
Over 25 years of leadership in banking software

REVOLUTIONARY TECHNOLOGY

1993 2003 2013 2020

Client Server Multi-Tier Cloud Ready Cloud Native

EVOLUTIONARY FUNCTIONALITY
Product Investments

513k
Person Days invested in 2020

180
New Functional Enhancements

20
Platform Enhancements
Evolution of Microservices

Separation of solutions into

Temenos Infinity
Temenos Transact

2019

Agility, flexibility and reusability

2020 - 2021

Infinity Distribution Services
Transact Enterprise Microservices
Temenos Technology – ready for the future

- Cloud native, Cloud agnostic platform
- Containers & Micro services
- Distributed Database, immutable logging
- API First
- Explainable Artificial Intelligence as a service
- Event streaming, embedded analytics
- Continuous Integration and Deployment
Temenos Delivery & Sales Options

Temenos runs the software

**SaaS Revenue**

- Proven SaaS technology

- The SaaS contract & other 3rd parties is owned/managed by Temenos

Bank runs the software

**License Revenue**

- Classical installation on-premise

- Installation on Bank’s public or private cloud

Same code and configuration base on SaaS and On-premise
Our Products and Technology

Prema Varadhan
Chief Product Architect
Revolutionary Technology, Evolutionary Functionality

**TECHNOLOGY revolution**

<table>
<thead>
<tr>
<th>Client Server</th>
<th>Multi-Tier</th>
<th>JEE &amp; Frameworks</th>
<th>Cloud Native</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unix</td>
<td>Linux, Windows, Azure</td>
<td>JEE</td>
<td>Continuous Upgrade</td>
</tr>
<tr>
<td>Proprietary database</td>
<td>Oracle, DB2, SQLServer</td>
<td>JDBC</td>
<td>Containerization</td>
</tr>
<tr>
<td>GUI</td>
<td>Web browser</td>
<td>User eXperience Platform</td>
<td>Microservices</td>
</tr>
<tr>
<td>OFS messaging</td>
<td>SOAP web services</td>
<td>RESTful API &amp; MarketPlace</td>
<td>Cloud agnostic</td>
</tr>
<tr>
<td>Automated Batch</td>
<td>24/7</td>
<td>Event-driven integration</td>
<td></td>
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**FUNCTIONAL evolution**

- Retail banking, Corporate banking, Treasury, Lending, Securities
- Trade Finance
- Syndicated Lending
- Portfolio and Investment Management
- Anti Money Laundering
- Internet and Mobile banking
- Treasury Front-end
- Analytics
- Relationship-pricing, Loyalty & Rewards
- Payments: hub and instant
- Real-time marketing
- Explainable AI
- Enterprise Pricing
- Corporate Lending refresh
- Microservices ongoing release
- Embedded Analytics
- Distribution Services
- Continuous Upgrade
- And more....
Temenos Banking platform characteristics

- Lower cost to run...
  - 10% of legacy cost
  - ... more for banks to innovate

- Flexibility
  - 1000s of Configuration, Migration and Extension APIs

- Time To Market
  - Continuous integration and Online Migration through automated DevOps and AI

- Agility
  - Lowest risk independently deployable and upgradeable Microservices

- Elasticity
  - Auto-elastic scalability and hyper-scaling 51200 TPS

- Partnership for future
  - Over $1 bn R&D budget earmarked for Innovation in the platform in medium term

- Security
  - Full security framework

- Resilience
  - Active-active multi-cloud

- Openness
  - 1000+ Open APIs
Technology & Microservices architecture underpinning the Temenos platform offers tangible business benefits to banks

Platform Features
- Cloud native, Cloud agnostic, Multi-Cloud platform
- Containers & Micro services
- Distributed Database, immutable logging
- API First
- Explainable Artificial Intelligence as a service
- Event streaming, embedded analytics
- Continuous Integration and Deployment

Technology Enablers
- Flexibility
- Reusability
- Elastic scaling
- High availability
- No need for planned downtime
- Shorter learning curve for developers
- Explainable business insights in real-time

Business Benefits
- Dramatically lower TCO
- Launch new products and digital features quickly and frequently
- 24x7 Digital operations
- Faster response to business & regulatory change
- Optimize existing IT skill-sets in bank; build new competencies
We are on a continuous microservices journey to serve all Tiers in all regions

Banks can select a sub-set of banking capabilities in any sequence or combination they require from Temenos as per their strategy.
Temenos Software
- Central core with more than 200 optional modules
- Parameter-driven
- Example: customizable parameters to create account products

Temenos Model Bank
- 1000+ pre-defined processes
- 90% pre-defined parameters
- 45+ role-based dashboards
- Example: pre-configured savings account products

Country Specifics
- >280 country modules
- Compliance, regulation and tax calculations
- Local clearing and payments
- Specific processes and products
- Example: Country-specific savings accounts with premiums and withholding tax calculations

Bank Specific
- Bank branding
- Differentiated products and processes
- Example: bank-specific rates

---

1 Maturity rating 3 or above (out of 5) on ability to enter new markets quickly with efficient adherence to local regulation and compliance
2 Difference between banks with highest maturity rating on ability to enter a new market (3 or above, out of 5) and average

Banks with strongest capability to enter new markets quickly have a 20% better Cost-Income Ratio and a 15% higher customer growth
Harnessing disruptive technologies to “transform” transformation

Next generation data migration technologies

Cloud-native domain microservices/architecture

Low code differentiation capability

Temenos will help banks make transformation cheaper, faster and less risky
Our Products and Technology

Tony Coleman
Product Director: Technology
Cloud native, Cloud agnostic platform

Containers & Microservices

Distributed Database, immutable logging

API First

Explainable Artificial Intelligence as a service

Event streaming, embedded analytics

Continuous Integration and Deployment

Temenos Technology – ready for the future
Temenos Software: Overview

- Temenos Runs Software
  - Temenos Saas
  - Public Cloud
  - Hybrid
  - Cloud Like
  - On Premise

- Client Runs Software
  - AWS
  - Microsoft Azure
  - Alibaba Cloud
  - OpenShift
  - Kubernetes
  - Anthos
  - Anthos
Scalable, Resilient Operations a Top Priority: Confirmed By Our Clients

92% Adaptive and resilient operating model

92% Scalable, secure infrastructure (Cloud)

Proportion of Temenos Value Benchmark participants (retail divisions of 18 banks) rated the capability as top priority (importance of 4 or 5 out of 5)
Cloud Native, Cloud Agnostic

- IAM, WAF, KMS
- Logging, Monitoring

- Internet Gateway
- Load Balancer
- B2B Gateway
- Queue
- Private Server-less (Application)
- Private Cluster
- SQL / SQL JSON

- Public Cluster (User Agents & APIs)
- APIs
- Message Flows
- User Agents
- Event Store
- Event Stream

- External Users
- Internal Users
- External Systems
Tooling Accelerates Adoption of Continuous Operations

- Single tool for all Temenos products
- End-to-end change management
- Web based
- Cloud or On Premise
Hyperscale SaaS Operations Through Automation

Investment in technology benefits SaaS Operations:

- Safe extensibility on packaged software with automated acceptance testing allows high-impact changes frequently and predictably.
- Using cloud native managed services simplifies operations.
- Infrastructure as code automates deployments.
- Smart elastic scaling automatically responds to spikes in demand.
Temenos Offers Choice

Who Runs Software
- Temenos or Client

Architecture
- Integrated
- Decoupled
- Hybrid

Deployment
- Public Cloud
- Private Cloud
- Hybrid
- Cloud Like

Package
- Updatable
- Country Model Banks
- Extensions
Ross Mallace
Business Line Director, Temenos SaaS
Accelerating SaaS Growth

70+ Core Banking clients

65% Annual Contract Value growth in 2020
Driven by client success

Exceeding client goals through customer growth

Single Country Client

Global Multi-Country Client
Strong tailwinds for the market adopting SaaS solutions

Market drivers:

- Speed and impact of regulatory changes
- General cloud adoption for financial services
- Growing ecosystem with new players (Non-banks, Neobanks, Fintechs)
- Cost and margin pressure
- Breadth, depth, and dynamic of customer expectations
- Security – need for secure software and quick recovery in case of breaches
Temenos Delivery & Sales Options

Temenos runs the software

SaaS Revenue

Proven SaaS technology

The SaaS contract & other 3rd parties is owned/managed by Temenos

Bank runs the software

License Revenue

Classical installation on-premise

Installation on Bank’s public or private cloud

Cloud

On-premise

Bank’s Private cloud

Public

Private

Same code and configuration base on SaaS and On-premise
Why Temenos SaaS

Temenos SaaS is a Global Shared Service, proven and running banks around the world.

- One global team using pre-built standardised people, processes and tooling automation
- Client Data, Networks, Environments are dedicated, compliant and secure.
- Continuous R&D, constantly investing in and rapidly rolling out new services

Temenos SaaS

- Future Proof
  - Continuous Innovation
  - Never upgrade again.
- Accelerated Time to Value
  - Deploy in minutes, go live in days
- Trust & Compliance
  - Un-rivalled industry certifications
  - Un-matched pedigree running regulated banks
Temenos is outselling the competition with over 60 challenger banks signed

Vendor of choice for regulated banks globally
Competing against new SaaS vendors

UNRIVALLED CAPABILITIES

Huge functional capability
Leading cloud-native technology
Single Codebase
Evergreen

STRONG CREDENTIALS AND TRACK RECORD

Unmatched Certifications & Operation
Scale & Ability to deliver
Breadth and Depth
Regulation & Compliance
Temenos SaaS and Cloud Operations

Colin Jarrett
Chief Cloud Officer
Global SaaS Operations

Our Global SaaS Operations are positioned to support significant global growth through our Global Command Center in India and our Regional Cloud Centers (Americas, Europe and APAC).
SaaS Operational Investments in 2020

We have invested significantly across our Product, Tools and Processes to deliver improved Operational Maturity (i.e. operational excellence, scalability and efficiency)

Product Engineering
- Automated End to End Release Management
- Improved Auto-Scaling
- Enhanced Upgrade Capability

Security
- Security event feed to client SOC
- Extension of ISO 27k and completion of PCI-DSS (where required)
- Implementation of privileged identity and access management tooling

Automation Tooling
- Proactive, AI driven monitoring, solutions (e.g. Dynatrace, PagerDuty)
- Deployment Automation
- Single Jira instance

Operational Processes
- 24x7 Incident Management
- Service Delivery Management
- Operational Readiness
- Solution standardization and Simplification
Integrating SaaS Operations and Engineering

- To deliver further scalability and efficiencies, we have established a **SaaS Engineering Team** within the overall SaaS Operations Organization.

- **SaaS Engineering** designs, builds, runs and supports the Platform combining Cloud Engineering and Operations with the goal of improving the reliability.

  - Delivers Automation and continuous integration and delivery (CI/CD)
  - Builds Zero Touch self-provisioning capabilities
  - Drives Zero downtime
  - Continuously drives measurable improvements in quality, security & resilience
  - Supports the end to end SDLC with CI/CD pipelines
Digital Banking Trends

Digital as the New Normal

Disruptive Technologies

Rising Customers Expectations
The Digital Customer Requires new Capabilities

Mobile, World Class Self-Servicing
Omni-Channel
Customer Onboarding
Product Origination
Open Banking
Ecosystem
Dynamic Pricing
Activity/Behaviour Management
Customer 360° View
Opportunity Management
Real Time Interactions
Actionable Insights
Customer Success in Digital Banking

Infinity Success: Helping 650 banks to transform their businesses
Market Analysts recognize our investments and the great job we are doing
How can Temenos Infinity help YOU?

- Digitalize the Customer Journey
- Personalize the Experience
- Go Beyond Banking
Digitalize the Customer Journey

Welcome Customers with a Delightful Experience
✓ Onboard new customers frictionless and start to know them

Make it Easy Banking with you
✓ Tailor you offers in real time to maximize the customer live-time value, sell and deliver instant fulfillment

Help Customers Help Themselves
✓ Provide them with digital self-service capabilities and the human touch when needed
Personalize the Experience across Channels
Make Banking Personal

Know Your Customers
✓ Have a comprehensive view of your customers’ financial information and goals, and analyze their digital behavior

Discover New Insights
✓ Leverage AI to estimate LTV, churn risk, the next best product and identify customer insights and act upon them
✓ Empower customers and colleagues to make the best decisions with customizable XAI-led scenarios.

Become an Emphatic Bank
✓ Approach proactively customers with prescriptive solutions and automatize action on behalf of the customer
Go Beyond Banking
The Banking Ecosystem

Banking as a Service
- Let your customers integrate your services and sell your product through third party ecosystems

Banking as a Platform
- Provide your customers with end-to-end solution blending financial and non-financial products and orchestrating third-party services
Infinity GTM Model – 3 Dimensions, #OneTeam

1. Growth and Customer Success Obsessed Organization
   - Sales Specialists
   - Talent & Capabilities
   - Global Operations
   - Engineering
   - Packaging & Pricing
   - Product Mgmt
   - Customer Success
   - Services
   - Value Selling
   - Marketing
   - Innovation Hub
   - BSG
   - GTM

2. Scale GTM Operations
   - Sales Plays
     - Drive our strategy and alignment across the region
   - Partners
     - Identity and enable key players
   - Scale through Channels
     - Scale the business through multiple channels

3. Focus Accounts and Geographies
   - Focus Countries
     - Grow the business in dedicated GEOs
   - Growth Accounts
     - Incubate strategic accounts
   - Global Team Impact
     - Measure and optimize team impact on selling cycle
Temenos and Salesforce, Strategic Partnership Agreement

#1 Digital Banking

#1 CRM Platform
Customer Centricity – New capabilities are needed
Compete on Experience, supercharge the RM, differentiate in a more and more digital world

Hyperpersonalized • Mobile First
Omnichannel • Truly
Digital
Meaningful • Advised

- Actionable Insights leveraging every piece of data
- Truly Omnichannel (Digital and Physical Channels Integration)
- End to End Conversion Funnel
- Streamlined Business Process
- Integrated Onboarding & origination Platform
- Relationship pricing and Enterprise Product catalog
- World class servicing
- Open banking & Ecosystem Ready

Customers demand flexibility & simplicity in the face of their complex, unpredictable and unique needs
NEW Digital Workspace to enable business transformation in Physical channels, engage with customers and employees in a whole new way, and deliver an amazing End to End Experience

✓ Improved 360 customer View
✓ Supercharged employees
✓ Truly Phygital engagement
✓ Streamlined Business Processes
✓ End To End Funnel
✓ One Platform, all capabilities at your fingertips

What is in?
✓ Salesforce Financial Services Cloud
✓ Temenos Infinity
Scope

Physical Channels Only
- Branches (Mass affluent & Premier)
- Virtual branches
- Advisory Centers
- Contact Centers
- Wealth Management Offices

Personas:
- **Front Office**: Relationship Manager, Teller, Mortgage Specialist, Branch Manager, Customer Sales representative, Premier Banking Advisor, Wealth Advisor
- **Middle Office & back Office**: Credit officer, onboarding team, lending backoffice
Partnership Goal:

Infinity to be the preferred Banking Solution for ALL Customers
## Why Customers Choose Temenos Infinity

<table>
<thead>
<tr>
<th>Lower Risk</th>
<th>Greater Speed</th>
<th>Reduced Cost</th>
<th>Full Flexibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Shield Icon]</td>
<td>![Clock Icon]</td>
<td>![Money Icon]</td>
<td>![Molecule Icon]</td>
</tr>
</tbody>
</table>
| **Banking is all we do!**  
25 years of banking domain knowledge and expertise | **Built for Banking**  
Retail, Business, Corporate and Wealth specific functionality pre-built as part of the core product | **Cost to Change**  
Low code platform that empower the business and reduces time to value | **Any Deployment Model**  
Could be deployed on premise, hosted or in the cloud as a SaaS solution |
| **Market Leader**  
Leader in the banking software industry with more than 3000 institution using Temenos software in more than 150 countries | **Continuous Innovation**  
Temenos invests 20% of its revenues in R&D to provide continuous innovations to our customer | **Standardized and Fully Customizable**  
Out of the box standardized omni-channel servicing, onboarding and origination which could be fully customized | **Easy Integration**  
Pluggable API-led architecture to digitalize any core banking solution |
## Infinity competitive landscape

<table>
<thead>
<tr>
<th>Feature</th>
<th>TEMENOS</th>
<th>Backbase</th>
<th>Q2</th>
<th>EdgeVerve</th>
<th>Crealogix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Front to Back</td>
<td>✔️</td>
<td>✗</td>
<td>✗</td>
<td>✔️</td>
<td>✗</td>
</tr>
<tr>
<td>Distribution based Architecture</td>
<td>✔️</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Crosses all Banking Verticals</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Proven Digital Onboarding with Journey Analytics</td>
<td>✔️</td>
<td>✗</td>
<td>✔️</td>
<td>✗</td>
<td>✔️</td>
</tr>
<tr>
<td>Extensive partner ecosystem</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✗</td>
</tr>
</tbody>
</table>
Meeting the needs of Large Banks

Philip Barnett
President of Strategic Growth
Current Reality at Incumbent Banks

- High operational costs
- Complex, Monolithic, Inflexible, Batch Legacy Based IT Landscapes
- Long times to market
- High operational risk
- Poor business insights
- Poor customer experience

- Dependencies on end-of-life systems major cause for concern
- Basel committee introduces new rules to standardize operational risk related to IT system failures
Today, banks are following a combination of three strategies to respond to industry pressures:

- **Collaborate with fintechs**: Source capabilities from fintechs to augment/complement own creating new revenue streams or reducing cost of funding.

- **Build greenfield**: Launch a **greenfield challenger bank** (new brand/market).

- **Renovate existing business**: Adopt cloud, microservices and API technologies to renovate existing IT architecture.
Temenos supports two ways of renovating large banks

**Build and renovate**
Integrated Temenos stack

**Continuous renovation**
Selected banking capabilities as loosely coupled *microservices*

Banks can select a sub-set of banking capabilities in any sequence or combination they require from Temenos as per their strategy.
Open APIs and MarketPlace

API First – everything is an API

479 published APIs*

Tooling to modify and extend

100+ financial software products from 50+ trusted fintech partners

Differentiation via innovative and complementary fintech solutions

Fastest integration with lowest maintenance

---

1 Fully API-enabled architecture (maturity rating from 1 to 5)
2 Capability to access well populated and curated digital marketplaces to enhance and extend their functional capabilities with innovative third party solutions where appropriate (maturity rating from 1 to 5)
3 Difference between best performers and average

Banks with strong API capabilities¹ have **47% higher³ customer growth**

Banks with strong access to well populated and curated digital marketplaces² have **13% lower³ customer attrition**
Leveraging Global Strategic Partnerships

- Integration of Temenos Infinity and Salesforce CRM platforms to create NEW Digital Workspace
- Be #1 Digital Banking Platform for ALL banking clients

- Accelerate Core Banking transformation of DXC’s global banking customers
- Enable ~40 of the world’s largest banks, incl. 15 of the top US banks to embark on digital transformation
Why we win

Industry leading technology

Broadest functionality

Market leading R&D

Extensive country model banks

Flexible renovation strategies

Global strategic partnerships
Temenos Value Benchmark

Kanika Hope
Chief Strategy Officer
What is the Temenos Value Benchmark program?
What is the Temenos Value Benchmark?

A strategic survey-based program to discuss business performance and value creation enabled by the bank’s investment in IT, structured around business and IT metrics and qualitative best practices.
Temenos Value Benchmark – Why is it relevant

Proven methodology
- A structured approach to provide insights into our clients’ business and IT performance
- Aligns with the value lifecycle for business-led technology transformation

Banking is all we do!
- 27 years of banking domain knowledge and experience

Market leader
- Leader in the banking software industry
- Unrivalled database of 700+ banks running core banking packaged software

Data as an asset
- For banks, data is the biggest asset. We help banks make sense of their data!
Temenos Value Benchmark framework

- Example of quantitative metrics
  - Time to market for new products (weeks)
  - Digital campaign conversion rate (%)
  - Customer growth (%)
  - Operations and Execution STP rate (%)
  - Payments error rate (%)
  - False positive rate (% of alerts)
  - Self-service users (% total FTE)
  - IT application spend on Front Office (% IT spend)

- Example of qualitative best practices
  - Capability to run what-if analysis on product profitability
  - Capability to launch targeted marketing campaigns
  - 360° view on customers
  - Embedded workflow capabilities for all business processes
  - Single universal solution for end-to-end payments processing
  - Commercially consolidated watchlists for exhaustiveness
  - Managerial decisions supported by facts and data
  - Capability to support increasing business volumes

- Structured to cover the end-to-end banking value chain covering 8 business domains
- Key business process and diagnostic metrics linked to best practice maturity
70+ participants in the Temenos Value Benchmark program today and counting…

- 72 banks participated
- 1117 hours of consulting workshops
- 5 regions, 47 countries covered
- 122 C-level and 657 senior executives met
- 15,931 quantitative, 16,237 qualitative data points
- 3 banking verticals—Retail, Corporate, Wealth
What clients get?
Detailed insights on trends, quantitative metrics and qualitative best practices

A 100-page detailed and free-of-charge report

1. Drivers of Banking performance & INDUSTRY TRENDS
   - Identification of key operational drivers of performance (CIR/ROE/ROA)
   - Selection of top trends based on statistical correlations

2. QUANTITATIVE METRIC comparison by domain
   - Your metrics compared with:
     - Top quartile
     - Average
     - Bottom quartile

3. QUALITATIVE BEST PRACTICE comparison by domain
   - Your ratings (importance and maturity) compared with:
     - Top quartile
     - Average
     - Bottom quartile
Drivers of banking performance

Performance indicators

Cost-Income Ratio

Return on Equity

Performance drivers

Innovation and Growth

Customer Centricity

Operational Efficiency

Effective Risk and Compliance

Advanced Analytics

Operational metrics

Time to market (existing products - weeks)

% Digitally active customers

% Front Office STP rate

% Risk & Compliance staff time on administrative tasks

% Staff using analytics

Payments growth rate

Loan origination time

% Operations STP rate

% False positive alerts

Analytics reports / FTE

% Digital sales

% Front Office staff time on administrative tasks

% Products digitally originated & transacted

% Products digitally originated & transacted

Fines

% Data duplication

Note: All listed operational metrics correlate with one or more performance indicators
1. Correlation with relative financial data from the country average performance indicators normalized for local market
KPI comparison across banking value chain

<table>
<thead>
<tr>
<th>Domain</th>
<th>Sample KPI</th>
<th>Positioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Management</td>
<td>Time to market for new products (# of weeks)</td>
<td>52.7</td>
</tr>
<tr>
<td>Marketing</td>
<td>Digital campaigns lead conversion (%)</td>
<td>34.0</td>
</tr>
<tr>
<td>Sales &amp; Relationship Management</td>
<td>Customer growth (%)</td>
<td>1.9</td>
</tr>
<tr>
<td>Ops &amp; Execution</td>
<td>Straight-through Processing rate (%)</td>
<td>4.7</td>
</tr>
<tr>
<td>Payments &amp; Settlement</td>
<td>Error rate (%)</td>
<td>0</td>
</tr>
<tr>
<td>Risk &amp; Compliance</td>
<td>False positive rate (%)</td>
<td>7.2</td>
</tr>
<tr>
<td>Reporting &amp; Analytics</td>
<td>Data duplication (%)</td>
<td>99.6</td>
</tr>
<tr>
<td>IT</td>
<td>End-of-day critical path processing time (# of minutes)</td>
<td>420.0</td>
</tr>
</tbody>
</table>

You ➤ Top quartile ➤ Average ➤ Bottom quartile
### Importance and maturity of best practices

#### Best Practice

1. **We offer great quality support to clients.** Requests are solved efficiently, with high ownership, and feedback is collected to continuously improve the quality of service.

2. **We are able to offer a seamless onboarding and origination experience for every product, providing full transparency to customers at every step of the process.**

3. **Customer feedback** is collected, centralized, and qualified for further analysis. We manage end-to-end customer journeys and continuously update identification pain points and moments of truth, tracking customer experience metrics such as NPS.

4. **We provide our relationship managers / advisors with a 360° view of their clients,** so that they have all the information required to make the best sales and service decisions.

5. **Customers can register feedback and complaints regarding customer service through digital and assisted channels.** Complaints are followed up on any channel of communication with the customer.

#### Importance

<table>
<thead>
<tr>
<th>Best Practice</th>
<th>Importance</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5.0</td>
<td>4.2</td>
</tr>
<tr>
<td>2</td>
<td>4.9</td>
<td>3.9</td>
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<tr>
<td>3</td>
<td>4.9</td>
<td>4.1</td>
</tr>
<tr>
<td>4</td>
<td>4.9</td>
<td>4.3</td>
</tr>
<tr>
<td>5</td>
<td>4.8</td>
<td>4.7</td>
</tr>
</tbody>
</table>

#### Maturity

- Top Quartile
- Average
- You

Note: Best practices sorted by average importance for the entire benchmark sample.
What clients say?
Using the technology we have now and with the Temenos Value Benchmark, we are able to pull data we did not have access to in a meaningful way: to customize our products and services, to grow market share, and to deliver a reliable and stable level of performance.

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

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

Kalliopi Chioti
Sustainability & Social Responsibility Director
Our **GOAL**

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

- Build long-term, sustainable relationships with our stakeholders
- Manage our operations in a responsible, secure and sustainable way
- Help our clients transform into smart, sustainable organizations
- Achieve both financial and non-financial value for our stakeholders
Generating financial & non-financial value

For 27 years, these commitments have guided the way we operate internally, innovate and deliver on our business mission towards 5 directions:

- Achieving Business Excellence
- Operating Responsibly
- Investing in our People
- Investing in our Communities
- Enabling Access to Financial Services
Engaging with our stakeholders to define our focus areas

**ENVIRONMENT**
- Environmental Management & Awareness
- Climate Change & Carbon Neutrality

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

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

integrated ESG into our corporate strategy

documenting our non-financial performance along with our financial performance
Innovating with purpose

Financial technology & digital finance can advance sustainable development and accelerate the achievement of global environment & social goals.

Sustainable Development Goals

- Alleviating poverty
  - Temenos Inclusive Banking
- Safeguarding peace
  - Temenos Financial Crime Mitigation
- Delivering education
  - Temenos Learning Community (TLC)
- Climate change
  - Temenos Cloud & SaaS

- Climate change

- Delivering education

- Safeguarding peace

- Alleviating poverty
Ensuring effective transparency

**Sustainability Reporting**

- **GRI Reporting**, the most globally adopted standards
- Mapping our contribution (**operations**) to the **UN SDGs**
- Mapping GRI with the **UN Global Compact**
- **External Assurance** of CSR report

**2021**

- **SASB** Reporting and mapping **SASB with GRI standards**
- Incorporate **TCFD** recommendations into our reporting
- Mapping our contribution (**product offering**) to the **UN SDGs**
Our Journey: Key learnings & recognitions

- SXI Switzerland Sustainability 25® Index
- Dow Jones Sustainability Index World & Europe
- MSCI A Rating
- ISS ESG PRIME Rating
- ISS E&S Rating
- Ecovadis Platinum
- FTSE4GOOD Index

Sustainability Award
Bronze Class 2021
S&P Global
Sustainability Award
Industry Mover 2021
S&P Global
Financial growth plan

Takis Spiliopoulos
CFO
Consistent and Profitable Growth Trajectory in next 5 years

- Achieving more than USD1bn of bookings by 2025
- Expanding EBIT margin to at least c.41% by 2025
- Generating more than USD600m of Free Cash Flow by 2025

Our Vision ...from Category Killer to the Industry Standard in Banking Software...

Note: Revenue, cost and profit numbers are non-IFRS
Temenos has successfully navigated global crises and come out stronger

A resilient business model

Resilient business model backed by consistent innovation-focused strategy

Note: Numbers are non-IFRS
**Why Temenos?**

- Only focused on banking
- Leading functionality, localization, advanced technology
- Packaged product, single code base
- Relentless focus on innovation, highest R&D over 27 years
- Scaling through ecosystem of technology and implementation partners
- Leader in our market, 3,000+ clients
Sustained strong growth across revenue KPIs...

**Total Software Licensing**
- C.15% CAGR 2014-19 LFL basis since 2014

**Total Revenues**
- C.10% CAGR 2014-19 LFL basis since 2014

Note: Numbers are non-IFRS. 2021E bar chart based on mid-point of guidance
Sustained strong growth across revenue KPIs…

Annual Contract Value

<table>
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<tr>
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<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>1</td>
<td>4</td>
<td>13</td>
<td>21</td>
<td>35</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

158% 16-20 CAGR

40-50%

Saas Revenues

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>21</td>
<td>31</td>
<td>67</td>
<td>96</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

76% 16-20 CAGR

30%

Note: KPIs are non-IFRS

* Historical SaaS revenues adjusted for estimated IFRS15 impact

Note: 2021E based on mid-point of guidance
... and delivering very robust profit growth

Note: Historical Non IFRS EBIT and EBIT margin shown above is based on the old definition of Non IFRS EBIT – refer to Appendix for further details
Business model generates strong cash-flow profile

Operating Cash Flow: 12% 15-20 CAGR

Operating cash conversion: Average 115%

DSO days: DSOs down 9 days 15-20 p.a., 6 days

Note: 2021E based on mid-point of guidance
Disciplined capital allocation (2015-2020)

Targeted acquisitions for USD1.2bn+ and returned USD700m+ to shareholders

- **Share buyback - Outflow**: 24%
- **Dividend - Outflow**: 14%
- **Acquisition - Outflow**: 62%

Balance sheet (31-Dec-20)

- Weighted average interest rate: 2.1%
- Weighted average debt maturity: 3 years
- Leverage ratio: 2.1x
<table>
<thead>
<tr>
<th>Date</th>
<th>Price (m)</th>
<th>Capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 19</td>
<td>$560</td>
<td>US scale, digital banking and low code development, cloud operations excellence</td>
</tr>
<tr>
<td>Jul 19</td>
<td>£12</td>
<td>Explainable AI expertise across all products</td>
</tr>
<tr>
<td>Feb 19</td>
<td>N.D.</td>
<td>Data lake capabilities</td>
</tr>
<tr>
<td>Dec 18</td>
<td>$245</td>
<td>Digital front office, cloud operations excellence</td>
</tr>
<tr>
<td>Feb 17</td>
<td>$50</td>
<td>Core banking, wealth management, scale in Australia</td>
</tr>
<tr>
<td>Mar 15</td>
<td>$260</td>
<td>Fund and securities</td>
</tr>
<tr>
<td>Feb 15</td>
<td>$55</td>
<td>Core banking, analytics, US credit union expertise</td>
</tr>
</tbody>
</table>

15-20% EBIT contribution over 6 years from USD1.2bn of M&A
Drivers of growth
Application software is significantly underpenetrated in banks

Sources: Temenos estimates
An attractive and continuously growing market

USD 63bn

2020

Total Addressable Market

2021

Third party spend

Third party spend

2020

Third party spend

2025 E

USD 19bn

USD 17bn

USD 26bn

137

Core banking
Digital Front Office
Payments
Fund Admin

On premise market
SaaS market

CAGR 7%
CAGR 8%

SaaS on the rise globally

Overall serviceable market
- On premise market
- SaaS market

<table>
<thead>
<tr>
<th>Year</th>
<th>On Premise</th>
<th>SaaS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>USD 17bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025E</td>
<td>USD 26bn</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR 8% 2020-2025

Building momentum with tier 1 and 2 clients

Non-IFRS total software licensing revenues by client tier

Average 2014-20

- Tier 1/2: 45%
- Others: 55%

2025E

- Tier 1/2: 40-50%
- Others: 50-60%
Building momentum in North America

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

- 2014: 10%
- 2020: 28%
- 2025E: 40-45%
SaaS growth is largely incremental

- Prior total software licensing guidance at 15%+
  - FY25:
    - License growth: 10-15%
    - SaaS contribution: 3%
    - Total Software: 15%
  - Note: Non-IFRS.

- New total software licensing guidance at 15-20%
  - FY25:
    - License growth: 12%
    - SaaS contribution: (1-1.5%)
    - Total Software: 17.5%
License vs Saas Profitability

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

For illustrative purpose assuming 1USD of License revenues
Future reporting KPIs

<table>
<thead>
<tr>
<th>Sales</th>
<th>P&amp;L</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total bookings*</td>
<td>Total software licensing</td>
<td>Operating cash conversion</td>
</tr>
<tr>
<td>SaaS ACV</td>
<td>EBIT margin</td>
<td>Free cash flow</td>
</tr>
<tr>
<td>Total ARR*</td>
<td>EPS</td>
<td>DSOs</td>
</tr>
</tbody>
</table>

*New KPIs

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

**Total ARR** – Annual recurring revenue committed at the end of the period for both SaaS and Maintenance. Includes New Customers, up-sell/cross-sell, and attrition. Only includes the recurring element of the contract and exclude variable elements.
## 2025 Targets

<table>
<thead>
<tr>
<th>Mid-term Guidance</th>
<th>2020 base (CCY)</th>
<th>2025 Targets</th>
<th>Previous guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Software Licensing</td>
<td>359.3</td>
<td>15-20% CAGR 2020-25</td>
<td>&gt;=15% CAGR</td>
</tr>
<tr>
<td>Total revenue</td>
<td>905.5</td>
<td>10-15% CAGR 2020-25</td>
<td>10-15% CAGR</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>36.0%</td>
<td>c.41% by 2025</td>
<td>36%+ (39%+ equivalent excluding IFRS2 costs)</td>
</tr>
<tr>
<td>Total Bookings</td>
<td>491.5</td>
<td>17-22% CAGR 2020-25</td>
<td>-</td>
</tr>
<tr>
<td>ARR</td>
<td>494</td>
<td>&gt;=15% CAGR 2020-25</td>
<td>-</td>
</tr>
<tr>
<td>FCF</td>
<td>297</td>
<td>&gt;=15% CAGR 2020-25 to reach &gt;USD600m</td>
<td>-</td>
</tr>
<tr>
<td>Tax rate*</td>
<td>13.9%</td>
<td>18-20%</td>
<td>18-20%</td>
</tr>
<tr>
<td>DSO</td>
<td>111</td>
<td>c.85 days</td>
<td>90 days</td>
</tr>
</tbody>
</table>

Targets are non-IFRS. Tax rates estimate: FY21 guidance at 16-18%, 18-20% for FY22-25.
FY2021 Guidance represents 120bps Non IFRS EBIT margin expansion from 36% in FY20

- FY22-23 margins at 70-100bps per annum increase from FY21
- FY24-25 margins at c.41% representing a further acceleration of margin expansion at 100-150bps per annum from FY2023

Note: Non-IFRS. FY20 EBIT margin based on EBIT restated for forex.
<table>
<thead>
<tr>
<th>SaaS Gross Margin % evolution</th>
</tr>
</thead>
</table>

- Hyper-scalers: unit costs to reduce by 25-35% as volumes increase
- Automation to drive significant efficiencies in operation centres
- Operations optimized into centralized offshore function with local hubs to provide “follow the sun” service and drive economies of scale

Gross margin includes: All costs relating to datacentres costs, cloud infrastructure such MS Azure, risk management and security tooling, all people costs and related expenses dedicated to providing SaaS operations.

FY20 run rate adjusted for Kony non-banking and efficiencies from sunsetting of products not sold actively

146
Key cost lines as a percentage of revenue

<table>
<thead>
<tr>
<th>FY20</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;M</td>
<td>~14%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>~5%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>18%</td>
</tr>
<tr>
<td>Services</td>
<td>22%+</td>
</tr>
</tbody>
</table>

36% Margin%

- 15%
- 7%
- 22%
- 20%

c.41% Margin

- ~14%
- ~5%
- 18%
- 22%+

Note: Non-IFRS.
Drivers of non-IFRS EBIT margin evolution

- On-Premise and services gross margin to remain constant
- SaaS Margin to expand to c.75-80%
- Continued leverage of R&D and G&A infrastructure
- Sustained investments in Sales & Marketing

Note: Non-IFRS.
Drivers of FCF evolution and DSO reduction

Free cash flow growth of at least 15% CAGR

DSO Reduction from 111 to < 85 by 2025

<table>
<thead>
<tr>
<th>2020 DSO</th>
<th>License</th>
<th>SaaS mix</th>
<th>Services DSO</th>
<th>2025 DSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>111</td>
<td></td>
<td></td>
<td></td>
<td>~85</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2020 FCF</th>
<th>IFRS EBITDA</th>
<th>Deferred revenue</th>
<th>DSO reduction</th>
<th>Payable day reduction</th>
<th>2025 FCF</th>
</tr>
</thead>
<tbody>
<tr>
<td>297</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&gt; 600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2020 DSO</th>
<th>License</th>
<th>SaaS mix</th>
<th>Services DSO</th>
<th>2025 DSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>111</td>
<td></td>
<td></td>
<td></td>
<td>~85</td>
</tr>
</tbody>
</table>
Growth contribution from SaaS is growing rapidly

Non-IFRS Software licensing vs. SaaS revenues

- **2015**: 5%
- **2020**: 27%
- **2025E**: c. 50%
2025 non-IFRS EBIT margin relatively insensitive to revenue mix

<table>
<thead>
<tr>
<th></th>
<th>Medium term guidance</th>
<th>Lower License growth scenario</th>
<th>Higher License growth scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>License growth</td>
<td>10%+ CAGR</td>
<td>7% CAGR</td>
<td>13% CAGR</td>
</tr>
<tr>
<td>SaaS growth</td>
<td>30%+ CAGR</td>
<td>35%+ CAGR</td>
<td>25%+ CAGR</td>
</tr>
<tr>
<td>Total Software Licensing growth</td>
<td>15-20% CAGR</td>
<td>15-20% CAGR</td>
<td>15-20% CAGR</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>c.41% by FY25</td>
<td>c.40.7%</td>
<td>c.41.5%</td>
</tr>
<tr>
<td>FCF</td>
<td>&gt;=15% CAGR</td>
<td>&gt;=15% CAGR</td>
<td>&gt;=15% CAGR</td>
</tr>
</tbody>
</table>

Note: Non-IFRS, in constant currencies
A three-pronged approach to M&A to accelerate organic growth

- Accelerated R&D roadmap in key markets and segments
- Increased scale
- Adjacent markets and complementary products
EBIT reconciliation

Changes of Non-IFRS definitions

- From FY-21, we will be excluding the costs of share-based payments (IFRS2) and related social charges from our Non-IFRS presented financials. The change of methodology is supported by the fact that this expense is a primarily non-cash item. Our current Non-IFRS adjustments already exclude all other non-cash related expenses (such as Amortisation of acquired intangibles, and deferred revenue write-downs resulting of acquisitions).

- This approach is common practice in a large number of listed companies. As such, **more than 60% of companies in our peer group adjust their earnings for the cost of share-based payments**.
Non-IFRS EBIT reconciliation

FY20 restated on a constant currency basis

- Last 10 year average IFRS 2 cost as a % of revenues was c.4%
- FY22-25 estimated IFRS 2 costs of 3-3.5% on total revenues
- Total IFRS2 charges for companies in peer group is 4.5%

Note: Non-IFRS

<table>
<thead>
<tr>
<th>Non-IFRS EBIT reconciliation</th>
<th>Old definition EBIT</th>
<th>IFRS 2</th>
<th>New definition EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 IFRS2 reconciliation</td>
<td>315</td>
<td>11</td>
<td>326</td>
</tr>
<tr>
<td></td>
<td>34.8%</td>
<td>36.0%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-IFRS EBIT reconciliation</th>
<th>Old definition EBIT</th>
<th>IFRS 2</th>
<th>New definition EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 IFRS2 reconciliation</td>
<td>348</td>
<td>20</td>
<td>368</td>
</tr>
<tr>
<td></td>
<td>35.2%</td>
<td>37.2%</td>
<td></td>
</tr>
</tbody>
</table>

FY21 represents mid point of guidance
Temenos R&D overview

- R&D cash cost in FY 20 was USD 232m
- Total R&D headcount was 3,758 at year end FY 20
- This is split between 83% based in India and 17% based globally outside of India
- R&D costs also include all other associated costs to run the R&D operations including travel, contractors, rent, insurance, software, tooling and hyperscaler costs

<table>
<thead>
<tr>
<th>R&amp;D cash cost FY20</th>
<th>USDm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software development and maintenance</td>
<td>(274.9)</td>
</tr>
<tr>
<td>Capitalised development costs</td>
<td>(76.3)</td>
</tr>
<tr>
<td>Amortised development costs</td>
<td>53.8</td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td>65.6</td>
</tr>
<tr>
<td>Cash R&amp;D cost</td>
<td>(231.8)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>R&amp;D headcount</th>
<th>No. of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total R&amp;D headcount</td>
<td>3,758</td>
</tr>
<tr>
<td>% based in India</td>
<td>83%</td>
</tr>
<tr>
<td>% based globally</td>
<td>17%</td>
</tr>
</tbody>
</table>
Non-IFRS Definitions

Non-IFRS adjustments

IFRS2 charges
Adjustment made for IFRS2 expenses and social charges linked to long term incentive plans

Deferred revenue write-down
Adjustments made resulting from acquisitions

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

Acquisition related charges
Relates mainly to advisory fees, integration costs and earn outs

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

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

Taxation
Adjustments made to reflect the associated tax charge relating to the above items

Other

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

Constant currencies
Prior year results adjusted for currency movement

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

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

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

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

Annual value of incremental business taken in-year. Includes New Customers, up-sell/cross-sell. Only includes the recurring element of the contract and exclude variable elements.  
**Disclosure:** quarterly reporting, annual guidance

**Total Contract Value (TCV)**

Total value of incremental business taken in-year (Bookings). Includes New Customers, up-sell/cross-sell. Only includes the recurring element of the contract and exclude variable elements.  
**Disclosure:** annual reporting

**Annual Recurring Revenue (ARR)**

Annual recurring revenue committed at the end of the period for both SaaS. Includes New Customers, up-sell/cross-sell, and attrition. Only includes the recurring element of the contract and exclude variable elements  
**Disclosure:** quarterly reporting, annual reporting

**Software-as-a-Service Revenue (SaaS)**

Software-as-a-Service revenues booked in a period  
**Disclosure:** quarterly reporting, annual reporting