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.
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

Global Finance Crisis
European sovereign debt crisis
Covid-19 pandemic

Total Revenue  EBIT

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

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>148</td>
<td>214</td>
<td>256</td>
<td>316</td>
<td>383</td>
<td>445</td>
<td>356</td>
<td></td>
</tr>
</tbody>
</table>

25% 14-19 CAGR

c.15% CAGR 2014-19 LFL basis since 2014

Total Revenues

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>469</td>
<td>559</td>
<td>635</td>
<td>737</td>
<td>847</td>
<td>981</td>
<td>900</td>
<td></td>
</tr>
</tbody>
</table>

16% 14-19 CAGR

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**
- 2016: 1
- 2017: 4
- 2018: 13
- 2019: 21
- 2020: 35
- 2021E: 40-50% growth

**Saas Revenues**
- 2016: 10
- 2017: 21
- 2018: 31
- 2019: 67
- 2020: 96
- 2021E: 30% growth

*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

- 2015: 227
- 2016: 256
- 2017: 300
- 2018: 365
- 2019: 364
- 2020: 406
- 2021E: 154

12% 15-20 CAGR

Operating cash conversion

- 2015: 133%
- 2016: 114%
- 2017: 114%
- 2018: 117%
- 2019: 100%
- 2020: 112%
- 2021E: 100%+

Average: 115%

DSO days

- 2015: 154
- 2016: 127
- 2017: 119
- 2018: 114
- 2019: 120
- 2020: 111
- 2021E: 6

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

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

**Balance sheet (31-Dec-20)**

- Weighted average interest rate: 2.1%
- Weighted average debt maturity: 3 years
- Leverage ratio: 2.1x

**Outflow Composition**

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

**Note:** The pie chart visually represents the allocation of capital, with acquisition leading at 62%, followed by dividend at 14%, and share buyback at 24%. The balance sheet data includes key financial ratios: weighted average interest rate 2.1%, weighted average debt maturity 3 years, and leverage ratio 2.1x.
## Using M&A to accelerate organic growth

<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

Third party spend

2020

2025 E

USD 14bn

USD 19bn

Core banking

Digital Front Office

USD 17bn

USD 26bn

2021

2025 E

CAGR 7%

CAGR 8%

CAGR 2020-25

On premise market

SaaS market

6%

25%

SaaS on the rise globally

Overall serviceable market

| On premise market | SaaS market |

CAGR 8% USD 17bn 2020

CAGR 2020-25

6% USD 26bn 2025 E

25%

Building momentum with tier 1 and 2 clients

Non-IFRS total software licensing revenues by client tier

Average 2014-20

45%

2025E

40-50%
Building momentum in North America

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

- **2014**: 10% North America, 90% Rest of World
- **2020**: 28% North America, 72% Rest of World
- **2025E**: 40-45% North America, 55-60% Rest of World
SaaS growth is largely incremental

License growth to SaaS cannibalization FY21-25
- License growth FY25: 10-15%

Prior total software licensing guidance at 15%+
- License growth: 12+%
- Saas contribution: 3%
- Total Software: 15+% (Note: Non-IFRS)

New total software licensing guidance at 15-20%
- License growth: 12%
- Saas contribution: (1-1.5%)
- Total Software: 7.5% (Note: Non-IFRS)
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
SaaS Gross Margin % evolution

- 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 as 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
Key cost lines as a percentage of revenue

- **36% Margin%**
  - FY20:
    - S&M: 15%
    - R&D: 7%
    - G&A: 22%
    - Services: 20%
  - FY25:
    - ~14%
    - ~5%
    - 18%
    - 22%+

- **c.41% Margin**
  - FY20:
    - S&M
  - FY25:
    - 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

<table>
<thead>
<tr>
<th>Year</th>
<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></td>
<td>297</td>
<td></td>
<td></td>
<td></td>
<td>&gt; 600</td>
<td></td>
</tr>
</tbody>
</table>

DSO Reduction from 111 to < 85 by 2025

<table>
<thead>
<tr>
<th>Year</th>
<th>2020 DSO</th>
<th>License</th>
<th>SaaS mix</th>
<th>Services DSO</th>
<th>2025 DSO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<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% (Licensing) vs. 5% (SaaS)
- **2020:** 27% (Licensing) vs. 73% (SaaS)
- **2025E:** c. 50% (Licensing) vs. 50% (SaaS)

### 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
Appendix
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
- **FY21** represents mid point of guidance

- 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
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>
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</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
SaaS Financial metrics definitions and reporting

**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*