TEMENOS
Capital Markets Day
2021
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.
Non-IFRS Information

Readers are cautioned that the supplemental non-IFRS information presented in this presentation is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company’s supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies.

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

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

Global Finance Crisis  European sovereign debt crisis  Covid-19 pandemic

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

Rapid scaling of remote working, 98% of workforce by April

307 go-lives, remote first as standard

64 new client wins across products

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

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

- Increase in consumer digital adoption (2-3 years worth) in 3 months^1
- Reduction in cash usage^1
- 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>
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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

Cloud/SaaS
API/Microservices
DevOps
Big Data
AI/Machine Learning
Blockchain/Distributed DB

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

Addressable market increased due to opening of new markets and solutions

Source: IDC, Ovum, Celent, McKinsey, Temenos estimates
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
- +Alpian
- STC pay
- 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

Transact

Objectives

Simplify and consolidate IT landscape.

Deliver leading edge, innovative products faster.

Streamline STP.

Achieve market-leading cost-income ratio.
Aims to be Canada’s first full service bank for business owners.

Objectives
- Replace its heavily customized legacy systems.
- Launch new services quickly and cost effectively.
- Differentiated customer insights and experience.

Temenos Products
- TEMENOS Transact
- TEMENOS Infinity
- TEMENOS Data Lake
| Alpian |
| +alpian |

**New Swiss digital bank for private banking and wealth management**

**CHF 660bn market**

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<th>Temenos Products</th>
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<td>TEMENOS SaaS</td>
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<th>Objectives</th>
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<td>Short time-to-market and hyper-efficient cost.</td>
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<td>Accessible, appealing banking app.</td>
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<td>Expand outside Switzerland.</td>
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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 for Integrated Payment Platforms
- #1 Core Banking System in IBS Sales League Table 2020

**Temenos Fund Administration**
- Leader in IDC MarketScape for Integrated Payment Platforms
- #1 Retail payments system in IBS Sales League Table 2020

**Forrester**
- Leader in Forrester Wave for Digital Banking Engagement Platforms
- Leader in Forrester Wave – Retail & Corporate

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

**Aite**
- Best-In-Class for Aite Matrix

**Adox**
- 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

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Note: Non-IFRS
Thank You

temenos.com