21 July 2021
Quarter ended 30 June 2021
Disclaimer

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 call represent the company’s estimates as of 21 July 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 21 July 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 for share-based payments, the carrying value of acquired companies’ deferred revenue, the amortization of acquired intangibles, discontinued activities, acquisition related charges, restructuring costs, 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.
1. Business update...............................................Max Chuard, CEO
2. Financial update..............................................Takis Spiliopoulos, CFO
3. Summary..........................................................Max Chuard, CEO
4. Q&A
Business update

Max Chuard
CEO
# Strong momentum in Q2-21

## Review of Q2-21

- Strong momentum in the second quarter
- Significant growth in SaaS ACV in particular
- Excellent growth in Total Bookings of 104%, up on Q2-19 levels
- Very strong US performance in the quarter
- EBIT growth and margin expansion continued to drive operating and free cash flow generation
- FY-21 guidance revised for increased SaaS momentum – SaaS ACV now expected to grow 50-60%, up from 40-50% previously
- Rest of FY-21 guidance reconfirmed

## Q2-21 non-IFRS financial highlights

- SaaS ACV of USD17.4m, up 409%
- Total Bookings growth of 104%
- SaaS revenue growth of 24%
- Total software licensing up 16%
- ARR growth of 8%
- EBIT growth of 16%, EBIT margin up 300bps point
- Operating cash flow up 19%
- FCF growth of 24%

*Revenue, and EBIT figures are non-IFRS c.c. growth rates*
Significant growth in SaaS

- 409% growth in SaaS in Q2-21 with ACV of USD17.4m
- US continued to be the strongest contributor
- Combination of new logo and volume growth in existing clients
- SaaS ACV now expected to grow 50-60% in FY-21, up from 40-50% previously

Note: non-IFRS c.c. growth rates. Please refer to slide 39 in appendix for quarterly ACV numbers
SaaS growth is largely incremental

### Large banks
- Progressive renovation based on packaged business capabilities
- Selective use of cloud and SaaS
- Cost and complexity reduction, competitive pressure from challenger banks and fintechs, as well as obsolescence
- AI for smarter, faster projects and digital insights

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

### Challenger banks and fintechs
- SaaS for entire operation
- Time to market and innovation with hyper-efficient cost model
- Rapid SaaS ACV growth with successful clients as they scale their business
Excellent growth in Total Bookings

- Excellent growth in Total Bookings of 104% in Q2-21, up on Q2-19 levels
- Driven by broad based demand across most geographies and products, in particular Transact and Infinity
- Increasing backlog and long term visibility for growth
- Underpins FY-21 guidance, building pipeline for FY-22 and confidence in 2025 targets
- Combination of strong growth in SaaS and licenses, as well as continued increase in average tenure vs. an average of 3.7 years in FY-20*

Note: non-IFRS c.c. growth rates. *refer to slide 40 in appendix for quarterly Total Bookings numbers and slide 41 in appendix for historic average tenures

Total Bookings – includes 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.
Q2-21 sales and operational review

- Continued momentum in the second quarter with sales environment improving in most regions
- All regions delivered double digit growth in the quarter
- US continued to be the largest contributor to total software licensing in the quarter
- US SaaS and cloud was particularly strong across new clients and growth in existing clients
- Europe recovery is following the US with a short time lag, deal pipeline is building with strong sales growth expected in H2
- Activity with Tier 1 and 2 banks increasing across regions
- Sales to the installed base contributed 63% of total software licensing
- 16 new client wins in the quarter across license and SaaS
- 15 implementation go-lives in the quarter

Q2-21 total software licensing

Geographic split
- APAC: 18%
- Europe: 43%
- Americas: 21%
- MEA: 18%

Competitive / non-competitive
- Competitive deals: 63%
- Non competitive, installed based: 37%
Recognised for our global leadership

- #1 Core Banking for 16 years
- #1 Neo banks & Challenger banks
- #1 Best-selling Digital Banking & Channels
- #1 Best-selling Retail Payments System
- #1 Best-selling Risk Management

Forrester®

New-name clients:
Top global power seller for the 15th consecutive year
Temenos recognized as the only Global Power Seller with a 20% increase in new named deals

New and existing clients:
Top global player for the 9th consecutive year
Top global cross-seller for the 1st time (new category)

Source: IBS Sales League Table, June 2021, Forrester Global Banking Platform Deals Survey, June 2021
Progressing strategic partnerships

- Partnership with Salesforce brings together all the CRM capabilities provided by Salesforce and a broad set of transactional capabilities provided by Infinity
- Integration is nearly complete and combined product will be released shortly
- Sales activities have now commenced

Strategic Partnership with DXC Technology to accelerate the digital transformation of DXC’s banking clients by offering a progressive transformation path for core banking
- Multiple large US and international banks running legacy core banking systems with DXC
- Workshops and early stage sales processes progressing with a number of potential targets
- Looking into expanding relationship with potential new offerings for the US market
US business continues to accelerate

- US was again the largest contributor to total software licensing in the quarter
- Strong growth in both license and SaaS
- New US logos signed in the quarter
- US continues to be the largest contributor to global ACV pipeline for FY-21
- Continued expansion of sales team is driving pipeline growth
- Activity with strategic partnerships also accelerating growth in the region
- Sales activity with large clients is increasing
Aligning our sales leadership with the market opportunity

- Temenos has announced two key expanded roles in the Executive Committee to strengthen global sales leadership and proactively respond to the return of large Tier 1 and 2 deals in the market.

- Philip Barnett takes on the role of “President Global Accounts” in addition to his current Partner responsibilities.

- Philip is creating a dedicated sales team focusing on strategic and complex large accounts to capture the increased demand.

- Jean-Paul Mergeai is promoted to “President International Sales”, taking on covering EMEA and APAC, having had great success since assuming responsibility for APAC in addition to MEA.

- Jacqueline White continues as President of the Americas, with responsibility for sales across North and South America.
Financial update

Takis Spiliopoulos
CFO
Q2-21 non-IFRS financial highlights

Revenue and profit
- SaaS revenue up 24% in Q2-21
- Total software licensing up 16% in Q2-21
- Maintenance growth of 3% in Q2-21
- Total revenue up 8% in Q2-21
- EBIT up 16% in Q2-21
- Q2-21 EBIT margin of 36.2%, up 300bps point
- EPS (reported) up 11% in Q2-21

Cash flow
- Q2-21 operating cash flow of USD 112m, up 19% y-o-y
- LTM operating cash conversion of 107% of IFRS EBITDA
- Q2-21 Free Cash Flow of 87m, up 24% y-o-y
- DSOs at 106 days, down 1 day y-o-y and q-o-q

Debt and leverage
- Net debt of USD 1,009m as of 30.6.21
- Leverage at 2.3x, expected to be at around 2.1x by year end

Capital allocation
- 2020 dividend of CHF 0.90 approved at AGM and paid in Q2-21
- Up to USD 200m share buyback launched in February, USD 194m executed by end of Q2-21

Note: figures are non-IFRS c.c. growth rates unless otherwise stated
### Non-IFRS income statement – operating

<table>
<thead>
<tr>
<th>In USDm</th>
<th>Q2-21</th>
<th>Q2-20</th>
<th>Y-o-Y reported</th>
<th>Y-o-Y c.c.</th>
<th>FY-21 YTD</th>
<th>FY-20 YTD</th>
<th>Y-o-Y reported</th>
<th>Y-o-Y c.c.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software licensing</td>
<td>66.6</td>
<td>58.1</td>
<td>15%</td>
<td>13%</td>
<td>110.2</td>
<td>91.6</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>SaaS and subscription</td>
<td>29.3</td>
<td>23.1</td>
<td>27%</td>
<td>24%</td>
<td>57.5</td>
<td>45.8</td>
<td>26%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Total software licensing</strong></td>
<td>95.9</td>
<td>81.2</td>
<td>18%</td>
<td>16%</td>
<td>167.7</td>
<td>137.4</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>98.5</td>
<td>95.1</td>
<td>4%</td>
<td>3%</td>
<td>195.7</td>
<td>189.2</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Services</td>
<td>41.5</td>
<td>39.4</td>
<td>5%</td>
<td>3%</td>
<td>82.0</td>
<td>82.7</td>
<td>-1%</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>236.0</td>
<td>215.7</td>
<td>9%</td>
<td>8%</td>
<td>445.4</td>
<td>409.4</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Operating costs</td>
<td>150.6</td>
<td>139.8</td>
<td>8%</td>
<td>3%</td>
<td>303.1</td>
<td>289.0</td>
<td>5%</td>
<td>1%</td>
</tr>
<tr>
<td>EBIT</td>
<td>85.4</td>
<td>75.9</td>
<td>13%</td>
<td>16%</td>
<td>142.3</td>
<td>120.4</td>
<td>18%</td>
<td><strong>22%</strong></td>
</tr>
<tr>
<td>Margin</td>
<td>36.2%</td>
<td>35.2%</td>
<td>1% pts</td>
<td>3% pts</td>
<td>32.0%</td>
<td>29.4%</td>
<td>3% pts</td>
<td>4% pts</td>
</tr>
<tr>
<td>EBITDA</td>
<td>108.6</td>
<td>96.7</td>
<td>12%</td>
<td>15%</td>
<td>186.8</td>
<td>161.3</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Margin</td>
<td>46.0%</td>
<td>44.8%</td>
<td>1% pts</td>
<td></td>
<td>41.9%</td>
<td>39.4%</td>
<td>3% pts</td>
<td></td>
</tr>
<tr>
<td>Services margin</td>
<td>16.4%</td>
<td>14.2%</td>
<td>2% pts</td>
<td></td>
<td>15.1%</td>
<td>12.5%</td>
<td>3% pts</td>
<td></td>
</tr>
</tbody>
</table>
Impact of HCL on Q2-21 growth rates

**Underlying Q2-21 SaaS growth of 28%**

- Headline Q2-21 actual: 24%
- Add back: HCL headwind: 4%
- Underlying SaaS growth: 28%

**Underlying Q2-21 TSL growth of 25%**

- Headline Q2-21 actual: 16%
- Add back: HCL headwind: 9%
- Underlying TSL growth: 25%

**Underlying Q2-21 Total Revenue growth of 12%**

- Headline Q2-21 actual: 8%
- Add back: HCL headwind: 4%
- Underlying Total Revenue growth: 12%

**Underlying Q2-21 EBIT growth of 27%**

- Headline Q2-21 actual: 16%
- Add back: HCL headwind: 10%
- Underlying EBIT margin: 27%

Note: c.c. growth rates, non-IFRS
Like-for-like revenue and costs

- Q2-21 LFL non-IFRS revenues up 8%
- Q2-21 LFL non-IFRS costs up 3%
# Non-IFRS income statement – non-operating

<table>
<thead>
<tr>
<th>In USDm, except EPS</th>
<th>Q2-21</th>
<th>Q2-20</th>
<th>Y-o-Y</th>
<th>FY-21 YTD</th>
<th>FY-20 YTD</th>
<th>Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>85.4</td>
<td>75.9</td>
<td>13%</td>
<td>142.3</td>
<td>120.4</td>
<td>18%</td>
</tr>
<tr>
<td>Net finance charge</td>
<td>-6.5</td>
<td>-8.0</td>
<td>-19%</td>
<td>-12.7</td>
<td>-15.2</td>
<td>-16%</td>
</tr>
<tr>
<td>FX gain / (loss)</td>
<td>-0.7</td>
<td>-0.4</td>
<td>N.A.</td>
<td>-1.3</td>
<td>0.7</td>
<td>N.A.</td>
</tr>
<tr>
<td>Tax</td>
<td>-13.8</td>
<td>-9.2</td>
<td>49%</td>
<td>-21.6</td>
<td>-14.5</td>
<td>49%</td>
</tr>
<tr>
<td>Net profit</td>
<td>64.4</td>
<td>58.3</td>
<td>11%</td>
<td>106.6</td>
<td>91.2</td>
<td>17%</td>
</tr>
<tr>
<td>EPS (USD)</td>
<td>0.89</td>
<td>0.80</td>
<td>11%</td>
<td>1.47</td>
<td>1.25</td>
<td>18%</td>
</tr>
</tbody>
</table>
DSOs continue to decline

We expect DSOs to continue declining to below 105 by year end 2021
**IFRS cash conversion**

Cash conversion well above 100% target

- LTM Q2 2019: 111%
- LTM Q2 2020: 115%
- LTM Q2 2021: 107%
Group liquidity

Leverage at 2.3x, expected to around 2.1x by year end 2021
Strong growth in ARR, deferred revenue and FCF

- Strong ARR growth of 8% and despite HCL headwind*
- Maintenance continued to grow at similar rates to Q1, expected to continue in Q3 and increase in Q4
- Strong maintenance collection and increasing SaaS contribution driving deferred revenue growth and FCF
- ARR growth underpins confidence in FY-21 guidance

Note: ARR is non-IFRS c.c. growth rate. Deferred revenue and FCF are reported growth rate. * refer to slide 19 for impact of HCL. Please refer to slide 40 in appendix for quarterly ARR and FCF numbers.
## Overview of 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** – includes fair value of license 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.
## Revised 2021 non-IFRS guidance (c.c.)

<table>
<thead>
<tr>
<th></th>
<th>FY-21 guidance</th>
<th>FY-20 base</th>
</tr>
</thead>
<tbody>
<tr>
<td>SaaS ACV</td>
<td>+50-60% (increased from 40-50%)</td>
<td>34</td>
</tr>
<tr>
<td>ARR</td>
<td>+10-15%</td>
<td>494</td>
</tr>
<tr>
<td>Total software licensing (%)</td>
<td>+14-18%*</td>
<td>358</td>
</tr>
<tr>
<td>Total revenue (%)</td>
<td>+8-10%*</td>
<td>904</td>
</tr>
<tr>
<td>EBIT – margin and growth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Revised 2021 non-IFRS guidance (c.c.).

- Cash conversion to remain at 100%+ of EBITDA into operating cash flow
- FY-21 tax rate expected to be between 16-18%
- DSOs expected to be below 105 days by year end
- Non-IFRS EBIT is adjusted for share-based payment costs. For comparison purposes, FY-20 non-IFRS EBIT would be adjusted by excluding USD11m share-based payment costs. Estimated FY-21 IFRS2 costs are c.USD 20m.

**Note:** Currency assumptions on slide 36. See slide 54 for definition of non-IFRS.

*HCL impact c.5% headwind on SaaS, c.5% headwind on total software licensing growth, 3% headwind on total revenue growth, 3% headwind on EBIT growth*
## Re-confirming 2025 Targets

<table>
<thead>
<tr>
<th>Mid-term Guidance</th>
<th>2020 base (CCY)</th>
<th>2025 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Software Licensing</td>
<td>358</td>
<td>15-20% CAGR 2020-25</td>
</tr>
<tr>
<td>Total revenue</td>
<td>904</td>
<td>10-15% CAGR 2020-25</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>35.9%</td>
<td>c.41% by 2025</td>
</tr>
<tr>
<td>Total Bookings</td>
<td>492</td>
<td>17-22% CAGR 2020-25</td>
</tr>
<tr>
<td>ARR</td>
<td>494</td>
<td>&gt;=15% CAGR 2020-25</td>
</tr>
<tr>
<td>FCF</td>
<td>297</td>
<td>&gt;=15% CAGR 2020-25 to reach &gt;USD600m</td>
</tr>
<tr>
<td>Tax rate*</td>
<td>13.9%</td>
<td>18-20%</td>
</tr>
<tr>
<td>DSO</td>
<td>111</td>
<td>c.85 days</td>
</tr>
</tbody>
</table>

Targets are non-IFRS. Tax rates estimate: FY21 guidance at 16-18%, 18-20% for FY22-25.
EBIT Bridge 2020/2021 – New Non-IFRS Definition

EBIT Margin

- EBIT FY20 Reported: 331
- Impact of currencies: 7
- FY20 CCY: 324
- Recurring Revenue: c. 38
- License growth: 12
- Invest. (Net of cost reversals): 13
- Variable compensation: 366
- EBIT FY21 (Guidance Mid-Point): 366

Strong visibility on margin expansion through recurring revenue.
Share buyback update

- The share buyback for up to a total of USD 200m at the market price commenced on 19 February 2021 and will end on 30 December 2021 at the latest

- USD 194m of shares repurchased in Q1 and Q2 2021

- Temenos intends to use the repurchased shares to finance potential acquisitions and/or to cover future employee stock ownership plans.
Summary

Max Chuard
CEO
Looking forward

- USD63bn market with 73% of spend still in-house
- Structural demand drivers of digital, regulatory, cost and competition are accelerating
- Demand is accelerating driving strong new pipeline growth
- Strong momentum in SaaS, largely incremental
- Significant momentum in Total Bookings driving growth in backlog and increasing visibility
- Banks across tiers and geographies continuing with strategic IT transformation projects

Strong growth expected to continue in second half of 2021
Ready for SaaS Acceleration

Temenos runs the software
SaaS Revenue

Bank runs the software
License Revenue

Bank’s Private cloud
On-Premise
Public
Private
Cloud

Single code base, same product
Conclusions:

- Strong momentum in the second quarter
- Substantial growth in SaaS in particular
- Excellent growth in Total Bookings, up 104%, higher than Q2-19
- EBIT growth and margin expansion continued to drive operating and free cash flow generation
- FY-21 guidance revised for increased SaaS momentum – SaaS ACV now expected to grow 50-60%, up from 40-50%
In preparing the 2021 guidance, the Company has assumed the following FX rates:

- EUR to USD exchange rate of 1.19
- GBP to USD exchange rate of 1.38; and
- USD to CHF exchange rate of 0.92
## FX exposure

<table>
<thead>
<tr>
<th>% of total</th>
<th>USD</th>
<th>EUR</th>
<th>GBP</th>
<th>CHF</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total software licensing</td>
<td>67%</td>
<td>21%</td>
<td>2%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>75%</td>
<td>17%</td>
<td>2%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Services</td>
<td>55%</td>
<td>28%</td>
<td>3%</td>
<td>2%</td>
<td>13%</td>
</tr>
<tr>
<td>Revenues</td>
<td>68%</td>
<td>20%</td>
<td>2%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Non-IFRS costs</td>
<td>23%</td>
<td>17%</td>
<td>13%</td>
<td>7%</td>
<td>39%</td>
</tr>
<tr>
<td>Non-IFRS EBIT</td>
<td>149%</td>
<td>26%</td>
<td>(19)%</td>
<td>(7)%</td>
<td>(50)%</td>
</tr>
</tbody>
</table>

NB. All % are approximations based on 2020 actuals

Mitigated FX exposure – matching of revenues / costs and hedging
EBIT Bridge 2020/2021 – Old Non-IFRS Definition

EBIT Margin

- EBIT FY20 Reported: 320
- Impact of currencies: -6
- FY20 CCY: 314
- Recurring Revenue: c.38
- License growth: c.28
- Invest. (Net of cost reversals): 12
- Variable compensation: 13
- Stock based compensation growth: 9
- EBIT FY21 (Mid-Point of Guidance): 346

Strong visibility on margin expansion through recurring revenue
### Quarterly SaaS ACV

<table>
<thead>
<tr>
<th>USDm</th>
<th></th>
<th>Q3 18</th>
<th>Q4 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>SaaS ACV</td>
<td></td>
<td>2.5</td>
<td>3.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>SaaS ACV</td>
<td>2.7</td>
<td>2.9</td>
<td>6.6</td>
<td>8.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>SaaS ACV</td>
<td>5.3</td>
<td>3.5</td>
<td>14.3</td>
<td>11.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
<th>Q4 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>SaaS ACV</td>
<td>12.1</td>
<td>17.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Quarterly ARR, Total Bookings, FCF

<table>
<thead>
<tr>
<th>ARR, USDm</th>
<th>Q1-20</th>
<th>Q2-20</th>
<th>Q3-20</th>
<th>Q4-20</th>
<th>Q1-21</th>
<th>Q2-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARR</td>
<td>468.1</td>
<td>475.4</td>
<td>486.4</td>
<td>493.5</td>
<td>500.1</td>
<td>514.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Bookings, USDm</th>
<th>Q1-20</th>
<th>Q2-20</th>
<th>Q3-20</th>
<th>Q4-20</th>
<th>Q1-21</th>
<th>Q2-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Bookings</td>
<td>60.5</td>
<td>80.0</td>
<td>128.8</td>
<td>222.0</td>
<td>127.5</td>
<td>165.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FCF, USDm</th>
<th>Q1-20</th>
<th>Q2-20</th>
<th>Q3-20</th>
<th>Q4-20</th>
<th>Q1-21</th>
<th>Q2-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCF</td>
<td>36</td>
<td>70</td>
<td>34</td>
<td>158</td>
<td>46</td>
<td>87</td>
</tr>
</tbody>
</table>
Below is the average tenure in FY-20 for the components of total bookings:

- Average tenure of SaaS contracts in FY-20 was 3.9 years
- Average tenure of license and maintenance contracts in FY-20 was 3.6 years
- Average tenure of total bookings in FY-20 was 3.7 years
Total software licensing revenue breakdown by geography

Q2-20

- APAC: 19%
- Europe: 21%
- Americas: 42%
- MEA: 18%

Q2-21

- APAC: 18%
- Europe: 21%
- Americas: 43%
- MEA: 18%

LTM Q2-20

- APAC: 15%
- Europe: 22%
- Americas: 33%
- MEA: 30%

LTM Q2-21

- APAC: 16%
- Europe: 19%
- Americas: 35%
- MEA: 30%
Total software licensing revenue breakdown by customer tier

Q2-20
- 1 and 2: 41%
- 3, 4 and 5: 59%

Q2-21
- 1 and 2: 20%
- 3, 4 and 5: 80%

LTM Q2-20
- 1 and 2: 64%
- 3, 4 and 5: 36%

LTM Q2-21
- 1 and 2: 34%
- 3, 4 and 5: 66%
Software licensing revenue breakdown by competitive deals / add-ons to installed base

Q2-20

- Competitive deals: 35%
- Non competitive, installed based: 65%

LTM Q2-20

- Competitive deals: 29%
- Non competitive, installed based: 71%

Q2-21

- Competitive deals: 63%
- Non competitive, installed based: 37%

LTM Q2-21

- Competitive deals: 30%
- Non competitive, installed based: 70%
Balance sheet – debt and leverage

Net debt and leverage ratios

USDm

Q4 2020: 2.1x
Q1 2021: 2.1x
Q2 2021: 2.3x
Q2 21 v Q2 20 assets

USDm

Comments:
- Trade receivable reduction driven by DSO improvement
- Other assets increase primarily driven by prepaid cloud services
- No other significant changes
Comments:

- Deferred revenues increase driven by strong growth in SaaS revenues
- Equity is lower due to share buy back
# Capitalization of development costs

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap’ dev’ costs</td>
<td>(14.1)</td>
<td>(14.3)</td>
<td>(15.2)</td>
<td>(21.0)</td>
<td>(64.6)</td>
</tr>
<tr>
<td>Amortisation</td>
<td>11.7</td>
<td>12.0</td>
<td>12.2</td>
<td>13.7</td>
<td>49.6</td>
</tr>
<tr>
<td><strong>Net cap’ dev’</strong></td>
<td>(2.5)</td>
<td>(2.3)</td>
<td>(3.0)</td>
<td>(7.3)</td>
<td>(15.1)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>FY 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap’ dev’ costs</td>
<td>(17.7)</td>
<td>(18.0)</td>
<td>(20.8)</td>
<td>(19.9)</td>
<td>(76.3)</td>
</tr>
<tr>
<td>Amortisation</td>
<td>12.9</td>
<td>13.6</td>
<td>13.6</td>
<td>13.7</td>
<td>53.8</td>
</tr>
<tr>
<td><strong>Net cap’ dev’</strong></td>
<td>(4.8)</td>
<td>(4.4)</td>
<td>(7.2)</td>
<td>(6.2)</td>
<td>(22.6)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
<th>Q4 21</th>
<th>FY 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap’ dev’ costs</td>
<td>(19.2)</td>
<td>(20.9)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation</td>
<td>13.8</td>
<td>15.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net cap’ dev’</strong></td>
<td>(5.4)</td>
<td>(5.4)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Reconciliation from IFRS to non-IFRS

### IFRS revenue measure

<table>
<thead>
<tr>
<th>+</th>
<th>Deferred revenue write-down</th>
</tr>
</thead>
<tbody>
<tr>
<td>=</td>
<td><strong>Non-IFRS revenue measure</strong></td>
</tr>
</tbody>
</table>

### IFRS profit measure

<table>
<thead>
<tr>
<th>+/-</th>
<th>Share-based payments and related social charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>+/-</td>
<td>Deferred revenue write down</td>
</tr>
<tr>
<td>+/-</td>
<td>Discontinued activities</td>
</tr>
<tr>
<td>+/-</td>
<td>Amortisation of acquired intangibles</td>
</tr>
<tr>
<td>+/-</td>
<td>Acquisition related charges</td>
</tr>
<tr>
<td>+/-</td>
<td>Restructuring</td>
</tr>
<tr>
<td>+/-</td>
<td>Taxation</td>
</tr>
<tr>
<td>=</td>
<td><strong>Non-IFRS profit measure</strong></td>
</tr>
</tbody>
</table>
Accounting elements not included in non-IFRS guidance

Below are the accounting elements not included in the 2021 non-IFRS guidance:

- FY 2021 estimated share-based payments charge of USD 20m
- FY 2021 estimated amortisation of acquired intangibles of USD 50m
- FY 2021 estimated restructuring costs of USD 10-12m

For comparative purposes, historic share-based payments charge was as follows:

- FY 2020 USD 11m

Restructuring costs include realising R&D, operational and infrastructure efficiencies.

These estimates do not include impact of any further acquisitions or restructuring programmes commenced after 21 July 2021. The above figures are estimates only and may deviate from expected amounts.
## Earnings Reconciliation – IFRS to non-IFRS

<table>
<thead>
<tr>
<th>In USDm, except EPS</th>
<th>3 Months Ending 30 June 2021</th>
<th>3 Months Ending 30 June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IFRS</td>
<td>Non-IFRS adj.</td>
</tr>
<tr>
<td>Software licensing</td>
<td>66.6</td>
<td>66.6</td>
</tr>
<tr>
<td>SaaS and subscription</td>
<td>29.2</td>
<td>29.2</td>
</tr>
<tr>
<td><strong>Total Software Licensing</strong></td>
<td><strong>95.9</strong></td>
<td><strong>95.9</strong></td>
</tr>
<tr>
<td>Maintenance</td>
<td>98.5</td>
<td>98.5</td>
</tr>
<tr>
<td>Services</td>
<td>41.5</td>
<td>41.5</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>236.0</strong></td>
<td><strong>236.0</strong></td>
</tr>
<tr>
<td><strong>Total Operating Costs</strong></td>
<td><strong>(171.3)</strong></td>
<td><strong>20.8</strong></td>
</tr>
<tr>
<td>Restructuring</td>
<td>(1.9)</td>
<td>1.9</td>
</tr>
<tr>
<td>Acq. related costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amort of Acq’d Intang.</td>
<td>(12.8)</td>
<td>12.8</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>(6.0)</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td><strong>64.7</strong></td>
<td><strong>20.8</strong></td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td><strong>27%</strong></td>
<td><strong>36%</strong></td>
</tr>
<tr>
<td>Financing Costs</td>
<td>(7.2)</td>
<td>(7.2)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(10.2)</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Net Earnings</td>
<td>47.2</td>
<td>17.2</td>
</tr>
<tr>
<td><strong>EPS (USD per Share)</strong></td>
<td><strong>0.65</strong></td>
<td><strong>0.24</strong></td>
</tr>
</tbody>
</table>
## EBIT & EBITDA reconciliation from IFRS to non-IFRS

<table>
<thead>
<tr>
<th>USDm</th>
<th>Q2 21 EBIT</th>
<th>Q2 21 EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IFRS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share-based payments</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Deferred revenue write-down</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td>12.8</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Acquisition related costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-IFRS</strong></td>
<td>85.4</td>
<td>108.6</td>
</tr>
</tbody>
</table>
## Net earnings reconciliation IFRS to non-IFRS

<table>
<thead>
<tr>
<th>In USDm, except EPS</th>
<th>Q2 21</th>
<th>Q2 20*</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS net earnings</td>
<td>47.2</td>
<td>42.9</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>6.0</td>
<td>8.6</td>
</tr>
<tr>
<td>Deferred revenue write down</td>
<td>0.0</td>
<td>4.2</td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td>12.8</td>
<td>16.4</td>
</tr>
<tr>
<td>Restructuring</td>
<td>1.9</td>
<td>10.6</td>
</tr>
<tr>
<td>Acquisition related costs</td>
<td>-</td>
<td>-20.4</td>
</tr>
<tr>
<td>Taxation</td>
<td>-3.6</td>
<td>-4.1</td>
</tr>
<tr>
<td><strong>Net earnings for non-IFRS EPS</strong></td>
<td>64.4</td>
<td>58.3</td>
</tr>
<tr>
<td>No. of dilutive shares</td>
<td>72.4</td>
<td>73.2</td>
</tr>
<tr>
<td><strong>Non-IFRS diluted EPS (USD)</strong></td>
<td>0.89</td>
<td>0.80</td>
</tr>
</tbody>
</table>

*Q2-20 restated for impact of share-based payments
Non-IFRS Definitions

Non-IFRS adjustments

Share-based payment charges
Adjustment made for shared-based payments and social charges

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 out credits or charges

Acquisition related finance cost
Mainly relates to fees incurred on acquisition funding

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 mainly on deferred revenue write-down and amortization of acquired intangibles, and on the basis of Temenos’ expected effective tax rate

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, annual guidance*

**Software-as-a-Service Revenue (SaaS)**
Software-as-a-Service revenues booked in a period
*Disclosure: quarterly reporting, annual reporting, annual guidance*
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
Thank You

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