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 15 February 2022. 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 15 February 2022.
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 and Vision

Max Chuard
CEO
Temenos: Everyone’s banking platform

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, 70+ challengers

They rely on the World’s #1 open platform for banking
Relentless Focus on Innovation

Sustained high level of R&D Investment

$2.5B

cumulative R&D investment 1990-2021

$1.0B

R&D investment 2022-25

We invest 20% of revenues in R&D...highest in the industry

2011
Temenos Cloud
(Virtual machines, Core Banking, Managed Service, etc.)

2020
Cloud Native
(Containers & serverless, multi-product, continuous operations, cloud agnostic, etc.)

2022
Temenos Banking Cloud
(Continuous updates, composable banking, enterprise banking services, self-service, sandbox, etc.)

Next...
(XAI Ops, Specialist Micro-clouds, Hyperplexed architecture, Quantum computing, AR + VR, Edge Computing / IOT, etc.)
Market opportunity
Disruptive technologies key to the future of banking...

2022 - 2025

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

2025 - 2030

- Quantum Computing
- 5G
- Augmented/Virtual Reality
- Internet of Things
- Biometrics
- Wearables
…leading to unbundling of the banking value chain, which has fundamentally changed our market.
Sizeable and fast-growing addressable market

Total Addressable Market

- **2021**: USD 18bn
- **2025E**: USD 26bn

**CAGR 10%**

**Source**: IDC, Ovum, Celent, McKinsey, Temenos estimates
From our market leading position at traditional banks, we have successfully penetrated the non-incumbent market.
Varo: Growth and path to profitability on The Temenos Banking Cloud

**Background & Context**
- First and only consumer fintech with a **national bank charter in the US**
- Customer-centric strategy to deliver a **real-time, omni-channel** customer experience

**Why Temenos**
- **Continued R&D investment** to support current product set and long-term growth
- U.S. model bank
- Rapid **speed-to-market** for new products and services

**Outcomes**
- Varo reached **four million accounts in the 13 months** since obtaining its bank charter
  - **Doubled accounts** and **tripled revenues** in the last 12 months
  - Among top 5 highest growth companies in California
- Estimated **cost to service a customer is only 25%** vs a traditional bank
- Won **Celent Model Bank of the Year Award** for 2021, **Forbes Fintech 50,** etc.

"The Temenos Banking Cloud enables Varo to scale based on customer demands, deploy new products, and substantially drive down operational costs. The functionality of the Temenos core banking platform allows Varo to circumvent the use of multiple third-party providers for payments and processing and accelerates time to market."

- Colin Walsh, CEO & Founder
Openbank: Successful greenfield implementation of a scalable platform for international expansion

Background & Context
- Largest full-service digital bank in Europe, with 1.6 million customers
- Considered the flagship digital offering of the Santander Group
- Multi-country project

Why Temenos
- Open, API driven cloud-native platform, with continuous deployment to support innovation
- Proven implementations across multiple business segments and geographies in parallel
- Scalability (multi-million customers)
- Operating on AWS leveraging Temenos’ multi-cloud capabilities

Outcomes
- Currently live on our platform, with standardized global IT and operating model
- Successfully scaled to handle multi-million customers from multiple thousands initially
- Increased speed-to-market – launch products 10x faster

“With Temenos software, we have leveraged new technologies such as artificial intelligence and machine learning to help retail and mass affluent customers save and invest automatically based on their life goals, or get a mortgage in 7 days from the web or their app to buy the house of their dreams.”
- Ezequiel Szafir, CEO
Our Digital Consumer Bank: building on a strong foundation

A

Openbank

- Global consumer financing business serving offline and e-commerce merchants
- >55k Merchant POS
- c. EUR 20 bn Loans

B

Santander Auto

- Largest full-service global digital bank in the world
- 1.2 mn Customers
- c. EUR 10 bn Deposits

>75 k Dealer & OEM POS
- c. EUR 85 bn Loans

6 mn new consumers /yr in 15 markets
Low-cost funding for loan growth

C

Digital Banking APIs (SaaS model)

- Openbank technology and data capabilities grow revenues by adding services and improving productivity

Source: Santander
Continued market leadership

Digital Banking
- Leader in Gartner Magic Quadrant for Global Retail Core Banking
- Leader in Omdia Universe for Digital Banking Platforms 2020-21
- #1 Core Banking System in IBS Sales League Table 2021
- Leader in Forrester Waves for Digital Banking Processing Platforms – Retail & Corporate
- #1 Digital banking and channels in IBS Sales League Table 2021
- Best-In-Class for Aite Matrix: US Digital Banking Solutions of Core Providers Matrix
- Achieved ‘Differentiated’ Status in Adox 8*8 for Portfolio Management & Accounting Solutions

Core Banking
- Leader in Gartner Magic Quadrant for Global Retail Core Banking
- Leader in IDC MarketScape for Integrated Payment Platforms
- Best-In-Class for Aite Matrix: Investment & Fund Accounting Systems

Payments

Funds
Our composable banking platform
Open composable banking platform for continuous innovation

<table>
<thead>
<tr>
<th>EXPLORE</th>
<th>DEVELOP</th>
<th>DEPLOY &amp; TEST</th>
<th>COLLABORATE &amp; SELL</th>
</tr>
</thead>
<tbody>
<tr>
<td>API Catalogue</td>
<td>Base Camp</td>
<td>Sandbox Environment</td>
<td>Temenos Exchange</td>
</tr>
</tbody>
</table>

Temenos Open Platform for Composable Banking

**TEMENOS COMPOSED BANKING SERVICES**
precomposed services based on capabilities

**TEMENOS ENTERPRISE SERVICES**
end-to-end solutions for banking segments

**TEMENOS BANKING CAPABILITIES**
grouped by domains

- Channels
- Customer Engagement
- Products
- Operations
- Business Support
- XAI
- Risk & Compliance
- Data & Analytics
- Localization

---

TEMENOS Banking Cloud

TEMENOS manages the software

BANK manages the software

...driven by the highest R&D investment in the industry - 20% of revenue
Key differentiators of the platform

- **Pre-built** Banking Services
- **Broader set** of banking capabilities in the market
- **Localization** through Country Model Banks
- **Scales** with business growth
- **Continually Updated** solutions
- **Extensible** with Banking Capabilities from Temenos and Exchange
Single code and configuration base drives higher margin, competitive edge and profitable growth

- Segment agnostic

- Type agnostic
  - Traditional
  - Non-incumbent

- Deployment agnostic
  - Temenos runs
  - Client runs

- Size agnostic
  - Total Assets
    - Tier 1
    - Tier 2
    - Tier 3+

- Location agnostic

Higher margin
Competitive advantage
Profitable growth
Why we outsell the competition

Traditional vendors
Cross-industry, not packaged nor cloud native nor SaaS ready

Why we win
- 100% Banking focused
- Market leadership, including non-incumbents
- Proven SaaS delivery
- Highest R&D in the industry
- Future proof technology

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

Why we win
- Depth and breadth of functionality
- Out-of-the-box Localization
- Proven scalability
- Proven migration credentials in every segment and tier
- Highest levels of security and compliance
Vendor of choice for core and digital banking globally

IBS Sales League Table 2021: Global new named deals 2020

Outselling top global core banking competitors by a factor of ~4x, and global digital banking competitors by a factor of ~7x on average

1. As per IBS methodology, domestic deals of the US, India, UK, and Russia are excluded from Global Sales League Tables

Source: IBS Global Sales League Tables 2021
Subscription pricing model
Move to subscription captures greater value and accelerates our growth

Clients across all tiers and business models are increasingly asking for subscription contracts rather than traditional upfront license.

Temenos will sell five year subscription contracts for on-premise license and maintenance as standard from 2022, including for renewals.

Growth in subscription and SaaS will drive recurring revenue; Subscription model accelerates shift to more predictable financial performance.

Significant acceleration in Annual Recurring Revenue
ARR forecast to grow 20-25% CAGR 2021-2025

ARR % of Total Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Subscription license model</th>
<th>Term &amp; Perpetual license model</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>57%</td>
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</tr>
<tr>
<td>2022E</td>
<td>64%</td>
<td>60%</td>
</tr>
<tr>
<td>2023E</td>
<td>70%</td>
<td>62%</td>
</tr>
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<td>85%</td>
<td>65%</td>
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2021
2022E
2024E
2025E

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Value creation will drive acceleration in Total Software licensing and EBIT

Total Software Licensing

Non IFRS EBIT

Note: Numbers are non-IFRS. 2020 and 2021 at constant currency
* Mid-point 2022 guidance
Benefits to client

- Enhanced value proposition for customers significantly expanding flexibility
- Lower upfront cost, reflecting a shift to OPEX from CAPEX and the time value of money
- Easier to scale with demand
- Flexible maintenance options
- Easier path to SaaS

Benefits to Temenos

- Greater upsell opportunity
- Better customer retention
- Significantly expanding long-term value creation potential through incremental growth, higher margins and cash flows
- Accelerate the shift to more predictable financial performance driven by a much higher proportion of recurring revenues
- Increase total contract values
Key strategic initiatives
Key strategic initiatives

- Continued SaaS acceleration
- North America focus
- Partner centric approach
- Increasing penetration in Larger banks
Continued focus on profitable SaaS growth with margin expansion

Sustained SaaS revenue growth
SaaS Revenue (USD M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>67</td>
<td>96</td>
<td>124</td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>+36%</td>
<td></td>
<td></td>
<td>30%+ CAGR 2021-2025</td>
</tr>
</tbody>
</table>

Key levers for profitable growth

- **Our platform**
  - Composable Banking
  - Self service portal
  - Click & go capability
  - Cloud native

- **Hyper-scaler relationships**
  - Deepening partnerships with committed volumes (AWS & Azure)
  - Higher margin

- **SaaS operations**
  - Focus on pre-assembly (SaaS deployment readiness)
  - Further automation of SDLC and delivery
  - Improved productivity
  - Higher margin
  - Improved NPS

- **Our target market**
  - Focus on mid-tier incumbents as they increasingly transition to SaaS
  - Larger deal sizes
  - Higher margin through larger volumes
Building momentum in North America

Significant increase in North America’s contribution to our Software licensing

Total software licensing: North America vs. Rest of World

<table>
<thead>
<tr>
<th>Year</th>
<th>North America</th>
<th>Rest of World</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>2021</td>
<td>33%</td>
<td>67%</td>
</tr>
<tr>
<td>2025E</td>
<td>40-45%</td>
<td>55-50%</td>
</tr>
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</table>

Accelerating our North America growth

Maintain advantage in non-incumbents
- Significant growth in pipeline
- Strong referenceable client base for Challenger banks

Leverage platform, presence and strategic partnerships to target Tier 1s
- Platform aligned to Tier 1 priorities: targeted transformation, standardized global expansion and seamless post-merge integrations
- Credibility of delivering large transformation projects in the US with live clients on US model bank
- Deepen relationships with top tier integration partners (e.g., IBM)

Shape and drive the BaaS and BNPL market
- Strategic partnership with Mbanq for Credit-Union-as-a-Service
- Increased interest for our BNPL offering and expertise based on success with global top 10 provider

1. Non-IFRS
Commerce is focused on staying at the forefront of technology to ensure the best service to our customers. We recognize that a modern core banking platform is an accelerator for innovation and digital customer experiences. The Temenos platform will enable Commerce to deliver innovative solutions for our customers today and well into the future.

- David Roller, Chief Information Officer
Enhancing capabilities to serve Larger banks

Strong track record among Large banks

- > 35% of Tier 1-2 banks, including 41 of the top 50 global banks are Temenos clients
- Targeting 40-50% of Total Software Licensing from Tier 1-2 banks
- Broadest range of referenceable clients

Increasing penetration within larger banks

- Targeted incremental transformations
- Standardized global expansion (reuse, localization)
- Seamless post merger integrations

- Targeted Sales Plays and Marketing
- Dedicated account management for selected accounts globally
- Strengthening sales skills with ex-bankers, specialist Enterprise Architects with large bank experience
- Deepening partnerships with Top tier consulting firms

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> 35% of Tier 1-2 banks, including 41 of the top 50 global banks are Temenos clients
Open platform powers network effects

Partner centric approach

Sales Partners
- Cognizant
- Deloitte
- syncordis
- Capgemini
- sapphire partner
- IBM
- DXC.technology

Delivery Partners
- Cognizant
- Deloitte
- syncordis
- Capgemini
- DXC.technology
- Tech Mahindra
- Mahindra

Solution Providers
- Formpipe
- HID
- codat
- Wise
- Strands
- Software Group
- Edgelab
- abris

Technology Partners
- Microsoft
- AWS
- Cognizant
- Google Cloud
- IBM
- Red Hat
- Oracle

Strategic Advisors
- BCG
- McKinsey & Company
- BAIN & COMPANY
- Oliver Wyman
- EY

Partner led delivery model
Extensibility framework & Open APIs to help partners configure, customize and extend Temenos platform

Temenos SCALE program
Collaboration and co-innovation with fintechs, developers and experts

Partner Portal & Partner Academy
Training, communication and enablement

Extend sales capability
Selling with and through partners
ESG integral to our goal of achieving our vision and delivering business value

ESG Mission:
- Help our clients transform into smart, inclusive and sustainable organizations
- Manage our operations ethically and sustainably
- Contribute to global social and environmental initiatives

Consistent overperformance in leading global benchmarks

Ethical governance: committed to transparency & disclosure

Consistency over performance in leading global benchmarks

Leadership
Top 10%
Top performer in industry

Included in Swiss Sustainability 25 index

Sustainability Award

S&P Global Sustainability Award

Industry Mover 2022 S&P Global

(Top 1% of industry)

Corporate ESG Performance

Top 1% (top 20%)
Accelerating growth trajectory

To grow ARR at a **CAGR of 20-25%** from 2021-25,
To reach **c. USD1.3bn** by 2025 (85%+ of total revenues)

To grow Total Software Licensing revenue at a **CAGR of 15-20%** from 2021-25

Expanding EBIT margin to **c. 41%** by 2025

Note: Revenue, cost and profit numbers are non-IFRS
Thank You
An Industry in Flux: Banking Trends 2022

Kanika Hope
Chief Strategy Officer
Disruptive technologies key to future of banking...

### 2021 - 2025

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

**65%** think **new technologies** will have the biggest impact on banking in next 5 years over changing **customer demand and regulations**.

**86%** believe **DevOps methodologies** and **modern cloud-based platforms** will drive core banking transformation.

**81%** think unlocking value from **AI** will be the differentiator between winning and losing banks.

---

### 2025 - 2030

- **Quantum Computing**
- **5G**
- **Augmented/Virtual Reality**
- **Internet of Things**
- **Biometrics**
- **Wearables**

---

*The Economist Intelligence Unit*
...intensifying the pressures banks have always faced

Demanding Customers
- Reliability & Trust
- Responsiveness & Convenience
- Hyper-personalization & Holistic experience
- Access or financial inclusion

Rise of New Competitors
- Payment specialists
- “Tech-fin” - Technology giant + Ecommerce platforms
- Fintech - start-ups, neo-banks, BaaS providers

Regulation and Market Practice
- Open Banking & PSD2
- Instant payments
- Central Bank Digital Currencies (CBDC)
- Cybersecurity & resilience
- Basel, IFRS, SOX, Dodd Frank

Tough Market Conditions
- COVID-19 impact
- Market & geopolitical volatility
- Economic slowdown and low profitability
- Increased cyber crime
The unbundling of the banking value chain

Distribution

Sales & Marketing

Servicing

Sales & Marketing

Operations

Product Management

Manufacturing

Real estate and mortgages

Personal Finance

Payments processing and networks

Digital banking

Mobile Wallets & Remittances

Open Banking and BaaS

Real estate and mortgages

Regulatory compliance

Credit score and analytics

POS and consumer lending

Retail investing

Crypto

Payroll & benefits

General Lending & Finance

“Banks are playing an increasingly smaller role in the financial system” – Jamie Dimon, CEO, JP Morgan & Chase
The rise of Banking-as-a-Service

BaaS provider (specialist cloud API platform)

BaaS API

Banking capability (and/or embedded BPO)

BaaS API

Licence holder

The BaaS market is expected to reach $3.6T by 2030
Profitable segments of the banking value chain at risk due to nimble new entrants

<table>
<thead>
<tr>
<th>Estimated business volumes lost to disintermediation by 2025¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payments</strong> 34-50%</td>
</tr>
<tr>
<td><strong>Investments</strong> 34-50%</td>
</tr>
<tr>
<td><strong>Consumer lending</strong> 17-34%</td>
</tr>
<tr>
<td><strong>SME lending</strong> 17-36%</td>
</tr>
<tr>
<td><strong>Mortgages</strong> 12-34%</td>
</tr>
</tbody>
</table>

¹ Citi Research Global Digital Strategy “Bang and Fuse” Model

"I would highlight the rapid growth of our Buy Now Pay Later product. We saw tremendous and growing demand throughout the quarter and witnessed the fastest start to any product we have ever launched."

Dan Schulman, CEO, PayPal

---

Account growth from April 2020 to Today.
Incumbent banks’ strategic responses

1. **Consolidation**
   - Mergers between banks to capture economies of scale, strengthen niche focus areas, improve capital positions and/or increase investment capacity

2. **Divest utility segments**
   - Withdraw from non-differentiating utility activities or participate in one

3. **Focus on niche segments**
   - Focus on core segments to build scale and scope over time and differentiate against the specialist plays of challengers

4. **Collaboration with fintechs**
   - Bilateral partnerships, investment or acquisition

5. **Building greenfield**
   - Leverage existing license to enter a new market segment with a new brand

6. **Open Banking business models**
   - Banking-as-a-Service (BaaS)
   - Banking-as-a-Platform

Source: Company website research
The Banking Capability Model for the Digital & Open Banking age to support all strategic responses

- Digitally augmented customer experience
  - Omni-Channel: Harmonized, seamless, proactive, intimate (95%)
  - Contextual user-experience: Analytics-driven, omniscient, proactive (92%)
  - Mass personalization: Tailored products and services (87%)
  - Open banking: Collaboration with ecosystem partners via APIs (77%)

- Analytics
  - Flexible, modular product engines (84%)
  - Straight-through, real-time processing (91%)
  - Scalable, secure infrastructure (Cloud) (94%)
  - Adaptive and resilient operating model (90%)

- Efficient and effective operations
  - Front-to-back digitization (91%)

Source: Temenos Value Benchmark
Market Landscape: Banking revenue moving beyond incumbents

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sub-segment</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incumbents</td>
<td>Traditional Banks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tier 1, 2, 3+</td>
<td>Standard Chartered, Santander, Lloyds Bank Group</td>
</tr>
<tr>
<td></td>
<td>Credit unions &amp; community banks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Specialty Finance</td>
<td>oplo, Toyota Financial Services, Ford Credit</td>
</tr>
<tr>
<td></td>
<td>Micro finance</td>
<td></td>
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<tr>
<td></td>
<td>Bank owned Challenger banks</td>
<td>Hello Bank, QBank</td>
</tr>
<tr>
<td></td>
<td>Not bank owned Challenger Banks</td>
<td>Revolut, monzo, Starling Bank, Kakao Bank, Payoneer</td>
</tr>
<tr>
<td>Non-incumbents</td>
<td>Pureplay BaaS providers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>BaaS brands excluding platforms</td>
<td></td>
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<tr>
<td></td>
<td>Fintechs</td>
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<tr>
<td></td>
<td>Platform players (including Payment disruptors)</td>
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</tbody>
</table>

Source: Press research, Industry reports, Temenos analysis
Growth-share matrix of key segments and tiers

- Digital Lenders
- Wealth Tech
- PWM
- Corporate T5
- Corporate T4
- Corporate T3
- Not-bank owned Challenger banks & BaaS providers
- Retail T5
- Retail T4
- Retail T3
- Credit Union
- Retail T1 & 2
- Corporate T1 & 2

Relative market share in 2020

Market growth 2020-24 (%)
Current Reality at Incumbent Banks

- High Operational costs
- Complex, Monolithic, Inflexible, Batch Legacy Based IT Landscapes
- Dependencies on end-of-life systems major cause for concern
- Basel committee introduces new rules to standardize operational risk related to IT system failures

Source: Temenos analysis, Press research
Today, banks are following a combination of three technology strategies:

1. **Source from fintechs**
   - **Acquire** modern cloud-native technology stack to augment/enhance in-house capabilities.

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

3. **Renovate existing business**
   - Modernize existing IT architecture using disruptive technologies.

---

**IT implementation strategy**

- Build & migrate
  - Build & migrate OR Continuous renovation
Technology attributes required for today and tomorrow

**Attributes**

- Openness & Interoperability
- Agility and time to market
- Security
- Hyper-scalability, resilience & availability
- Modularity
- Software-as-a-Service (SaaS)
- No/Low code Hyper-personalization
- Data aggregation & data quality

**Temenos Characteristics**

- Composable banking
- Extensibility Framework
- Low code Configuration, workflow and rules
- Embedded Explainable Artificial Intelligence
- Multi-entity Global processing
- Smart Data Migration
- Cloud-native, Cloud-agnostic platform
- Continuous Integration and Deployment
Thank You
The Evolution of Temenos Products and Services

Prema Varadhan, Chief Product and Technology Officer
Changing Ecosystem of Banking Service Providers

**INSTITUTION TYPE**

- Incumbents
- Non-incumbents

**KEY ELEMENTS**

- Cloud Core Banking
- Open Banking APIs
- Banking-as-a-Service

**ROLE**

- Product builder?
- Builder-Aggregator?
- Distributor?
- Distributor-Aggregator?

Extensible banking services and capabilities
Cloud-native but with choice
Open platform for collaboration
Global scalability
THE TEMENOS BANKING CLOUD PLATFORM
FOR COMPOSABLE BANKING

UNIQUE PLATFORM CHARACTERISTICS

- Composable Services
- Extensibility Framework
- Embedded XAI Services
- Low-code Configuration, Workflow and Rules
- Multi-entity Global Processing
- Smart Data Migration

EXPLORE
API Catalogue

TEMENOS COMPOSED BANKING SERVICES
precomposed services based on capabilities

DEVELOP
Base Camp

TEMENOS ENTERPRISE SERVICES
end-to-end solutions for banking segments

TEMENOS BANKING CAPABILITIES
grouped by domains

Channels
Customer Engagement
Products
Operations
Business Support
XAI
Risk & Compliance
Data & Analytics
Localization

PLATFORM TECHNOLOGY FOUNDATION

- Cloud Native
- Cloud Agnostic
- Database Agnostic
- Distributed Event Architecture
- Continuous Integration & Operations
- Continuous Delivery & Updates
- Open APIs
- Security
- Serverless (Function-as-a-Service and Knative)
- Containers (Kubernetes & OpenShift)

PLATFORM USERS

Banks
Enterprises
Solution Providers
FinTechs
Systems Integrators
Individual Developers

EXPLORE
API Catalogue

DEVELOP
Base Camp

DEPLOY & TEST
Sandbox Environment

COLLABORATE & SELL
Temenos Exchange

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Sandbox Environment

COLLABORATE & SELL
Temenos Exchange
Composed Banking Services for 2022

Temenos Enterprise Services
- Temenos Enterprise
- Digital Mortgages

Temenos Composed Banking Services
- Buy Now Pay Later
- Demand Deposit Accounts
- Retail Lending
- Temenos Enterprise Pricing
- Explainable AI
- Financial Crime Mitigation
- TARGET Instant Payments Settlement

Temenos Independent Banking Capabilities
- Retail Loans
- Retail Deposits and Savings Accounts
- Virtual Account Management
- IDFS (Salesforce)

Localization
The **broadest set** of open and composable banking capabilities in the market

**Localized** configurations

**Extensible** with Banking Capabilities from Temenos and Exchange

**Scales** with business growth

The ability to Compose banking services allows banks, Temenos, and partners to rapidly assemble solutions when they are needed, and to re-use the value in existing capabilities and services easily and with agility.
ABN AMRO: A true partnership with Temenos driving innovation and agility on cloud

Background & Context
- Long term strategic partnership through transformation
- Phase 1: Transact, Phase 2: Payments, Phase 3: Temenos Continuous Deployment (TCD) on Cloud, Phase 4: Wealth

Why Temenos
- Market-leading solution with most complete functionality
- Future proof product roadmap
- Global reach

Outcomes
- TCD helped the bank’s 24 innovation teams to innovate more frequently and effectively
- 30% estimated increase in efficiency
- 300% growth in international business since 2012
- 25% reduction in IT development costs for regulatory changes
- Increased agility allowing new countries or acquired banks to be onboarded quickly

“Thanks to Temenos’ innovative Continuous Deployment product, we can gain greater product agility and improved time-to-value, accelerating the speed of innovation and making business changes rapidly.”
- Friso Westra, Head of IT Development, Core Banking International
Flowe: Launching one of the world’s most ethical and innovative banks in rapid time

**Background & Context**
- Italian Challenger bank targeting Millennial and Generation Z
- Built unique mobile app that allows users to transfer funds while making positive impact on society & planet

**Why Temenos**
- Proven experience helping other challenger banks launch quickly
- Rich API capabilities to support ongoing innovation, including Open Banking initiatives
- High levels of security and compliance

**Outcomes**
- 700K customers onboarded in the first six months, including peak of 150K in one week
- Fully automated onboarding enabled account opening in 7 to 8 minutes
- 3rd party integrations allowed customers to track carbon emissions
- Several high-profile awards for innovation, e.g., IBS Intelligence Global FinTech Innovation Awards 2020

“Working with Temenos has enabled us to turn our unique vision into reality. Today, we are one of the most ethical and innovative banks in the world.”
- Cristina Toniazzo, Head of Happiness, Caring & Service Operations
Thank you
Temenos Offers…

**Choice:**
- A single code base
- Investments benefit everyone

**Cloud Native Technology:**
Scale, evolution, future proof, proven track record

**Extensibility:**
- Continuously upgrade safely
- Opens the platform for partner innovation
- Embedded DevOps for implementations, upgrades and BAU

**Composable Banking:**
Compose services from the most comprehensive set of banking capabilities, augmented with capabilities with Exchange partners

**Efficiency:**
- Simpler to implement
- Leaner and greener to deploy
- Hyperscale operations
### Choice

<table>
<thead>
<tr>
<th>Who runs it?</th>
<th>Deployment</th>
<th>Architecture</th>
<th>Packaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Temenos Banking Cloud (SaaS) Client Partners</td>
<td>Public Cloud Private Cloud Hybrid Cloud-like / On-prem</td>
<td>Decoupled Embedded Hybrid</td>
<td>Differentiate / Commodity Country Model Safe Extensions Continuously Upgradeable</td>
</tr>
</tbody>
</table>

**Single Code Base. Investment benefits everyone.**
THE TEMENOS BANKING CLOUD PLATFORM
FOR COMPOSABLE BANKING

**PLATFORM USERS**
- Banks
- Enterprises
- Solution Providers
- FinTechs
- Systems Integrators
- Individual Developers

**UNIQUE PLATFORM CHARACTERISTICS**
- Composable Services
- Extensibility Framework
- Embedded XAI Services
- Low-code Configuration, Workflow and Rules
- Multi-entity Global Processing
- Smart Data Migration

**EXPLORE**
- API Catalogue

**DEVELOP**
- Base Camp

**DEPLOY & TEST**
- Sandbox Environment

**COLLABORATE & SELL**
- Temenos Exchange

**TEMENOS COMPOSED BANKING SERVICES**
- precomposed services based on capabilities

**TEMENOS ENTERPRISE SERVICES**
- end-to-end solutions for banking segments

**TEMENOS BANKING CAPABILITIES**
- grouped by domains
  - Channels
  - Customer Engagement
  - Products
  - Operations
  - Business Support
  - XAI
  - Risk & Compliance
  - Data & Analytics
  - Localization

**PLATFORM TECHNOLOGY FOUNDATION**
- Cloud Native
- Cloud Agnostic
- Database Agnostic
- Distributed Event-driven Architecture
- Continuous Integration & Operations
- Continuous Delivery & Updates
- Open REST APIs
- Security
- Serverless (Function-as-a-Service and Knative) Containers (Kubernetes & OpenShift)
Compose solutions by choosing Temenos Banking Capabilities...

Decoupled capabilities - each defines its own runtime and dependencies

Enables Infrastructure-as-Code (IaC) to be created on the fly...
Compose solutions by choosing Temenos Banking Capabilities…

... from a broad range of business areas ...

... and modified as needed
Composable Banking

Compose solutions by choosing Temenos Banking Capabilities...

... from a broad range of business areas ...

... add supporting capabilities, from both Temenos and Exchange Partners
Extensibility Framework

**What:**
“Make high-impact changes frequently and predictably with minimal toil”

**How:**
“Extend & test solutions safely at the perimeter”

- Upgrade safely, with ease
- Protect SLAs
- Enhance developer experience
- Use industry standard skills
Extensibility Framework & Partners

Empowers the ecosystem to create IP with Temenos

✓ Co – Innovate
✓ Co – Create
✓ Co – Monetize

Exchange adapters, apps, localization.....

A digital ecosystem for banking centered around Temenos
Embedded DevOps & Continuous Updates

<table>
<thead>
<tr>
<th>WHAT OUR CLIENTS NEED</th>
<th>HOW WE DO IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seamless updates</td>
<td>Release Validation Tests</td>
</tr>
<tr>
<td>Always on the last version</td>
<td>Automated Test Framework</td>
</tr>
<tr>
<td>High Availability / Disaster recovery</td>
<td>Temenos Workbench</td>
</tr>
<tr>
<td>Evergreen</td>
<td>Extensibility framework</td>
</tr>
<tr>
<td></td>
<td>SLAs</td>
</tr>
</tbody>
</table>

Temenos distributes Release Validation Tests with Temenos Banking Capabilities. These run on the automated test framework and may be extended for each deployment.
Efficiency

Improved efficiency of Temenos software, regardless of who, how or where it runs

**Build**
- Less Infrastructure
- Less middleware
- Overarching design principle

**Deploy**
- Simpler to implement
- Operational simplicity
- Reduced TCO
- Scale as needed

Leaner and greener throughout the Temenos SDLC and the implementation
Proven Track Record: Cloud Native Technology

<table>
<thead>
<tr>
<th>2011</th>
<th>2020</th>
<th>2022</th>
<th>2022+</th>
</tr>
</thead>
</table>
| Temenos Cloud | Cloud Native | Temenos Banking Cloud | Next ...
| ✓ Virtual Machines | ✓ Containers & Serverless | ✓ Continuous Updates | ✓ Multi-Cloud Workload Allocations |
| ✓ Core banking | ✓ Multi-Product | ✓ Composable Banking Services | ✓ XAI ops and NoOps |
| ✓ Managed Service | ✓ Continuous operations | ✓ Enterprise Banking Services | ✓ Specialist Micro-Clouds |

HYPERSCALERS:
- Azure
- AWS
- Google Cloud
- Alibaba Group
- IBM Cloud
- HUAWEI CLOUD
- OPENSHIFT
- ORACLE
- HUAWEI
- IBM
Thank you
Composable Challenger Bank DEMO

Ramki Ramakrishnan
Global Business Solutions Director
Spotlight on Composability

**Composability**
- Exploring
- Learning
- Assembling

**Low-touch SaaS**
- Self Service Portal
- Open Access to all capabilities

**Open Platform**
- Composed Services
- Banking Capabilities
- Continuous Updates
Buy Now
Pay Later
DEMO

Ramki Ramakrishnan
Global Business Solutions Director
Summary

Macbook Pro

€1699.99

The Apple M1 chip gives the 13-inch MacBook Pro 512 GB storage and 8GB RAM. With up to 2.8x performance, up to 5x the graphics speed. Our most advanced Neural Engine for up to 11x faster machine learning.

Payment at NeoStore

- Currency: EUR
- Order Amount: 1746.99

Select payment tenure:
- €582.33 over 3 months (6% APR)
- €291.18 over 6 months (6% APR)
- €582.33 over 12 months (6% APR)

Setup account for autpayment:
- PayWow
- Account ending 12/21

MAK PAYMENT

Temenos
Thank you
Temenos SaaS

Ross Mallace,
Business Line Director,
Temenos SaaS
SaaS is rapidly growing

Over 700 SaaS clients

Growing margins through automation efficiency gains, economies of scale & larger clients.

Solutions supporting all incumbent and non-incumbent business models.

70%+ Year on Year growth for SaaS

All geographies mobilized for SaaS

Global Acceleration
Accelerating SaaS Consumption

- **700+** SaaS Clients
- **70+** Challenger Banks
- **10** Years of Operation

[Image of various logos and timelines from 2011 to 2021]
Providing SaaS for all types of banks

Non-incumbents
- ALBA
- Virgin Money
- green dot
- M1 Finance
- alpian
- Varo
- ARKO Loans
- EQ Bank
- FlowBank
- judo bank
- KAF
- flowe
- truevo
- orange bank
- LUNAR
- saven

Incumbents
- prestanómico
- CU Credit Union Plus
- ABN-AMRO
- BlueShore
- Klein Finance
- PBCOM
- Capital Credit Union
- Banco de la Nación
- MyStateBank
- ANSA
- Tullamore Credit Union
- Euro Pacific Bank
- Itaú
TEMENOS Open Platform for Composable Banking

The TEMENOS BANKING CLOUD

The Open Platform for Composable Banking

- Try new ideas in a sandbox
- Test and send into production quickly
- Extend from the Exchange ecosystem
Why are we winning?

- **Prebuilt Composed Banking Services**
- **Low-touch SaaS** to enable self-service composability to banks
- **Extensible** with Banking Capabilities from Temenos and Exchange
- **Cloud Native**
  - Continuous updates
  - Elastically scalable
  - Extreme scalability
  - Multi cloud (Azure & AWS)
- **Consumption based Subscription pricing** for cost predictability without unnecessary lock ins
- **Powered by the broadest set of banking capabilities in the market**
Sharing our clients’ success

- Extremely scalable platform to support successful client growth
- Driving further SaaS consumption from our clients’ success
- Margin growth through economies of scale

“Temenos’ SaaS technology helped us to rapidly onboard a significant number of users in a matter of days.”
- Ivan Mazzoleni, CEO of Flowe Bank
Thank you
Temenos’ approach to ESG

Kalliopi Chioti
Chief ESG Officer
To grow our business in a way that takes care of the world around us, delivering value to anyone associated with us
The 3 dimensions of our ESG strategy

VALUE CREATION
Impact on business model

COMMUNITY INVESTMENT
Impact on society

RISK MANAGEMENT
Impact on operations
Integrating ESG into our operations and product offering

WHAT IT MEANS TO US:

- Helping our clients transform into smart, inclusive and sustainable organizations
- Managing our operations ethically and responsibly
- Contributing to global social and environmental initiatives

ESG PRIORITY STRATEGIC AREAS:

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

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

**ENVIRONMENT**
- Climate Change & Carbon Neutrality: Business Ambition for 1.5°C
- Science-based targets by end 2022
- Net-zero emissions by 2050
- 46.2% emissions reduction by 2030

**SOCIAL**
- Diversity, Equity & Inclusion:
  - Employees
- 36% gender diversity by 2025: globally
- 40% gender diversity by 2030: globally
- 40% racial diversity by 2025: in the US

**GOVERNANCE**
- 30% gender diversity in Board by 2025
- ESG target in executive compensation (planned)

Our **TARGETS**

Reporting progress in the Temenos Annual Report
Mitigating Climate Change

- Aligned our climate strategy and reporting with TCFD recommendations
- Set Science-based targets for own operations and suppliers by end of 2022
- Temenos Banking Cloud as a climate-related opportunity
  - Provide our clients with the tools to reduce their or their customers’ carbon footprint, improve their environmental performance, reach their sustainability targets and enable them through their net zero journey
  - Work with our partners on the above for bigger environmental benefit for our clients.

[Links to articles about the need for banks to act on climate change and Temenos' Temenos Banking Cloud as a climate-related opportunity]
Reporting on our ESG Progress

- GRI & SASB reporting
- TCFD reporting
- UN SDGs mapping (operations & product offering)
- ESG targets (2030)
- Science-based targets (by end of 2022)
- 3rd party external assurance

Benchmarking against global indices and ratings

**OUR ACHIEVEMENTS**

- **Top 25 Swiss stocks**
  - SXI Switzerland Sustainability 25<sup>th</sup> Index

- **2<sup>nd</sup> in the SOF category globally**
  - Dow Jones Sustainability Index World & Europe

- **Top 10%**
  - FTSE4GOOD Index

- **Highest rating**
  - CDP Leadership (A/A-)

- **Top performer**
  - Bloomberg Gender Equality Index

- **2x Sustainability Award Winner**
  - 2022 S&P Global Silver Class + Industry Mover

- **Top 20%**
  - MSCI AA Rating

- **Highest rating**
  - ISS E&S Rating

- **PRIME status**
  - ISS ESG PRIME Status

- **Low risk**
  - Sustainalytics low risk

- **Top 1%**
  - Ecovadis Platinum medal

- **Top 20%**
  - Vigeo Eiris

<table>
<thead>
<tr>
<th>Delivering business value along our value chain with targeted initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product &amp; Cloud</strong></td>
</tr>
<tr>
<td>- Measure and showcase green benefits of Temenos Banking Cloud</td>
</tr>
<tr>
<td>- Onboard ESG partners, focus on Exchange</td>
</tr>
<tr>
<td>- Incorporate sustainable software engineering practices</td>
</tr>
<tr>
<td>- Increase sales opportunities</td>
</tr>
<tr>
<td>- Increase win rate</td>
</tr>
<tr>
<td>- Remain competitive</td>
</tr>
<tr>
<td><strong>Sales &amp; Marketing</strong></td>
</tr>
<tr>
<td>- ESG to be integral part of our brand and marketing</td>
</tr>
<tr>
<td>- Organize 1st ESG impact event for Temenos community</td>
</tr>
<tr>
<td>- Increase sales opportunities</td>
</tr>
<tr>
<td><strong>HR</strong></td>
</tr>
<tr>
<td>- Introduce purpose-driven talent management</td>
</tr>
<tr>
<td>- Increase retention</td>
</tr>
<tr>
<td>- Attract best talent</td>
</tr>
<tr>
<td><strong>Finance</strong></td>
</tr>
<tr>
<td>- Implement TCFD recommendations</td>
</tr>
<tr>
<td>- Set Science-Based (Climate) targets by end FY 2022</td>
</tr>
<tr>
<td>- Identify sustainable financing options</td>
</tr>
<tr>
<td>- Increase financing options</td>
</tr>
<tr>
<td><strong>Procurement</strong></td>
</tr>
<tr>
<td>- Require critical suppliers to have SBTs by 2025</td>
</tr>
<tr>
<td>- Set up supplier diversity framework</td>
</tr>
<tr>
<td>- Remain competitive with clients and partners</td>
</tr>
<tr>
<td><strong>Support Ops &amp; Analytics</strong></td>
</tr>
<tr>
<td>- Establish real time BI system for ESG data disclosures &amp; reporting</td>
</tr>
<tr>
<td>- Remain competitive</td>
</tr>
<tr>
<td>- Drive internal efficiency</td>
</tr>
</tbody>
</table>
Because it is no longer enough to have the best, fastest or cheapest product...

It is about operating responsibly

Doing business with our people, clients, partners and communities that share our values

Innovating with purpose

And winning the right way, not just the easy way.
TOGETHER WITH TEMENOS

www.temenos.com/corporate-social-responsibility/
Financial growth plan

Takis Spiliopoulos
CFO
Accelerating growth trajectory

To grow ARR at a **CAGR of 20-25%** from 2021-25,
To reach **c.USD1.3bn** by 2025 (85%+ of total revenues)

To grow Total Software Licensing revenue at a **CAGR of 15-20%** from 2021-25

Expanding EBIT margin to **c.41%** by 2025

Note: Revenue, cost and profit numbers are non-IFRS
Accelerating ARR and Total Software Licensing...

Total ARR

- 2017: 345
- 2018: 391
- 2019: 462
- 2020: 494
- 2021: 553
- 2022E: 316
- 2025E: 383

CAGR: c.16% 17-19
12%
19%
C.25% 22-25

Note: Numbers are non-IFRS.
* Mid-point 2022 guidance

Total Software Licensing

- 2017: 316
- 2018: 383
- 2019: 445
- 2020: 356
- 2021: 414
- 2022E: 383
- 2025E: 445

CAGR: c.19% 17-19
17%
17%
>19% 22-25

Note: Numbers are non-IFRS, 2020 and 2021 at constant currency
...driving acceleration in EBIT and Free Cash Flow

**Non IFRS EBIT**
- 2017: 224
- 2018: 265
- 2019: 318
- 2020: 323
- 2021: 357
- 2022E: 10%
- 2025E: >15% 22-25 CAGR

**FCF**
- 2017: 227
- 2018: 280
- 2019: 269
- 2020: 297
- 2021: 358
- 2022E: >25% 23-26 CAGR

Note: Numbers are non-IFRS. 2020 and 2021 at constant currency
* Mid-point 2022 guidance
Move to subscription captures greater value and accelerates our growth

Client across all tiers and business models are increasingly asking for subscription contracts rather than traditional upfront license

Temenos will sell five year subscription contracts for on-premise license and maintenance as standard from January 2022, including for renewals

Significant acceleration in Annual Recurring Revenue
ARR % of Total Revenue

Growth in subscription and SaaS will drive recurring revenue; Subscription model accelerates shift to more predictable financial performance
Tangible benefits to clients and Temenos

Benefits to client

- Enhanced value proposition for customers significantly expanding flexibility
- Lower upfront cost, reflecting a shift to OPEX from CAPEX and the time value of money
- Easier to scale with demand
- Flexible maintenance options
- Easier path to SaaS

Benefits to Temenos

- Significantly expanding long-term value creation potential through incremental growth, higher margins and cash flows
- Accelerate the shift to more predictable financial performance driven by a much higher proportion of recurring revenues
- Increase total contract values inline with peers
- Greater upsell opportunity
- Better customer retention
Subscription will become a material contributor to ARR

Subscription and SaaS to become main contributors through 2025 and beyond
Subscription model illustration

Term / Perpetual model – P&L

Year 1: Maintenance  
Year 2: Term License

Year 1: 1  
Year 2: 1  
Year 3: 1  
Year 4: 1  
Year 5: 1

Subscription model – P&L

Year 1: Maintenance  
Year 2: Subscription License

Year 1: 5  
Year 2: 1  
Year 3: 1  
Year 4: 1  
Year 5: 1

Year 6: 1

Term / Perpetual model – Cash

Year 1: Cashflow

Year 1: 6

Year 2: 1

Year 3: 1

Year 4: 1

Year 5: 1

Subscription model – Cash

Year 1: Cashflow

Year 1: 2

Year 2: 2

Year 3: 2

Year 4: 2

Year 5: 2

Year 6: 2

Term / Perpetual model – ARR

Year 1: ARR

Year 1: 1

Year 2: 1

Year 3: 1

Year 4: 1

Year 5: 1

Subscription model – ARR

Year 1: ARR

Year 1: 2

Year 2: 2

Year 3: 2

Year 4: 2

Year 5: 2

Year 6: 2

Note: Based on our standard 5 year term contract and based on IFRS15 standards
Drivers of growth
Application software is significantly underpenetrated

Third Party Software penetration by industry in 2021

<table>
<thead>
<tr>
<th>Industry</th>
<th>2021</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>53%</td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Banking</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>Payments</td>
<td></td>
<td>40%</td>
</tr>
<tr>
<td>Corporate Banking</td>
<td></td>
<td>39%</td>
</tr>
<tr>
<td>Wealth Management</td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td>Retail Banking</td>
<td></td>
<td>32%</td>
</tr>
<tr>
<td>Temenos*</td>
<td>28%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Includes only the spend addressable by Temenos with the current product portfolio.

Total spend, including horizontal solutions (e.g. ERP, CRM)

Source: IDC, Ovum, Gartner, Celent, McKinsey, Temenos estimates
### Sizeable and fast-growing addressable market

<table>
<thead>
<tr>
<th>Total Addressable Market</th>
<th>USD 64bn</th>
<th>USD 18bn</th>
<th>USD 26bn</th>
<th>USD 18bn</th>
<th>USD 26bn</th>
<th>USD 18bn</th>
<th>USD 26bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
</tr>
<tr>
<td>Third party software spend</td>
<td>Core banking</td>
<td>Digital Front Office</td>
<td>Payments</td>
<td>Fund admin</td>
<td>Core banking</td>
<td>Digital Front Office</td>
<td>Payments</td>
</tr>
<tr>
<td>2025E</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
<td>CAGR 10%</td>
</tr>
<tr>
<td>USD 18bn</td>
<td>Incumbents</td>
<td>Non incumbents</td>
<td>Incumbents</td>
<td>Non incumbents</td>
<td>Incumbents</td>
<td>Non incumbents</td>
<td>Incumbents</td>
</tr>
</tbody>
</table>

Source: IDC, Ovum, Celent, McKinsey, Temenos estimates

Incumbents refers to traditional banks, non-incumbents refers to new business models offering banking services and products
Building momentum with tier 1 and 2 clients

Non-IFRS total software licensing revenues by client tier

- **2014**: 26%
- **2021**: 36%
- **2025E**: 40-50%
Building momentum in North America

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

- **2014**: 10%
- **2021**: 33%
- **2025E**: 40-45%

North America vs. ROW
## Future Reporting - Subscription

<table>
<thead>
<tr>
<th>Total Software Licensing (old)</th>
<th>Total Software Licensing (new)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ License revenue</td>
<td>+ Term &amp; Perpetual License revenue</td>
</tr>
<tr>
<td>+ SaaS</td>
<td>+ SaaS</td>
</tr>
<tr>
<td>+ SaaS</td>
<td>+ SaaS</td>
</tr>
<tr>
<td>= Total Software Licensing revenue</td>
<td>= Total Software Licensing revenue</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARR (old)</th>
<th>ARR (new)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Term &amp; Perpetual Maintenance</td>
<td>+ Term &amp; Perpetual Maintenance</td>
</tr>
<tr>
<td>+ SaaS</td>
<td>+ Subscription</td>
</tr>
<tr>
<td>+ SaaS</td>
<td>+ SaaS</td>
</tr>
<tr>
<td>= Annual Recurring Revenue</td>
<td>= Annual Recurring Revenue</td>
</tr>
</tbody>
</table>
# Focused Guidance Metrics

<table>
<thead>
<tr>
<th>KPI</th>
<th>Reporting</th>
<th>Annual Guidance</th>
<th>2025 Targets (absolute / CAGR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SaaS ACV</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Bookings</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARR</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Total Software Licensing</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>EBIT</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Operating Cash Conversion</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Recurring Revenue</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DSO</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Rate</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Medium Term Targets

<table>
<thead>
<tr>
<th>Mid-term Guidance</th>
<th>2020 (CCY)</th>
<th>2021 (CCY)</th>
<th>Medium Term Targets</th>
<th>Previous guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARR</td>
<td>494</td>
<td>553</td>
<td>20-25% CAGR 2021-25 c.USD1.3bn of ARR by 2025</td>
<td>&gt;=15% CAGR 2020-25</td>
</tr>
<tr>
<td>Total Software Licensing</td>
<td>356</td>
<td>414</td>
<td>15-20% CAGR 2021-25</td>
<td>15-20% CAGR 2020-25</td>
</tr>
<tr>
<td>Total revenue</td>
<td>900</td>
<td>962</td>
<td>10-15% CAGR 2021-25</td>
<td>10-15% CAGR 2020-25</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>35.9%</td>
<td>37.1%</td>
<td>c.41% by 2025</td>
<td>c.41% by 2025</td>
</tr>
<tr>
<td>FCF</td>
<td>297</td>
<td>358</td>
<td>10-15% CAGR 2021-26 to reach &gt;USD600m by 2026</td>
<td>&gt;=15% CAGR 2020-25 to reach &gt;USD600m</td>
</tr>
</tbody>
</table>

Targets are non-IFRS. Tax rates estimate: FY22 guidance at 18-20%, 19.5-21.5% for FY23-25.
After years of margin expansion (FY14-21 averaging >100bps p.a.), FY22 represents a year of investment (e.g. wage inflation, variable cost increases such as travel)

- FY23-25 resumption of margin expansion trajectory

Note: Non-IFRS. FY21 EBIT margin based on EBIT restated for forex
Hyper-scalers: unit costs to reduce as volumes increase
Automation to drive significant efficiencies in operation centres
Operations optimised into centralised offshore function with local hubs to provide “follow the sun” service and drive economies of scale

Gross margin includes all SaaS dedicated operations costs including cloud platform costs, datacentre infrastructure, people & associated costs, security tooling and compliance costs.
FY21 exit run rate adjusted to include all contracted revenues and cost optimisations currently in implementation.
Drivers of non-IFRS EBIT margin evolution

- On-Premise and services gross margin to remain constant
- SaaS Gross Margin to expand to at least 80%
- Continued leverage of R&D and G&A infrastructure
- Sustained investments in Sales & Marketing
Disciplined capital allocation (2015-2021)

- Targeted acquisitions for USD1.2bn+ and returned c.USD1bn to shareholders

Balance sheet (31-Dec-21)

- Weighted average interest rate: 2.1%
- Weighted average debt maturity: 2.2 years
- Leverage ratio: 1.8x
## 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
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
Driving shareholder value through accelerating growth

A sizeable and fast growing market that is changing rapidly

Single code base drives higher margin, competitive edge and profitable growth

Temenos is a leader across all client types, incumbent and non-incumbent

Move to subscription will further accelerate our growth
Appendix
Key cost lines as a percentage of revenue

**37% Margin**
- FY21:
  - S&M: 14%
  - R&D: 7%
  - G&A: 21%
- FY25:
  - Services: 21%

**c.41% Margin**
- FY25:
  - S&M: ~12%
  - R&D: ~5%
  - G&A: <17%
  - Services: 25%+

Note: Non-IFRS.
Non-IFRS EBIT reconciliation

- Last 10 year average IFRS2 cost as a % of revenues was c.4-5%
- Total IFRS2 charges for companies in peer group is 4.5%
Thank You