

temenos.com

# Interim Report 2022



temenos

Everyone's Banking Platform

Temenos at a glance  
Everyone's banking platform

**Temenos** is on a transformation journey, shifting its business model towards SaaS and becoming "the open platform for composable banking", offering banking services to **everyone**.



## Purpose

To power a world of banking that creates opportunities for everyone

Our passion for making banking better drives us to be the banking platform for all kinds of players in the industry – for large and small banks, for non-banks and fintechs, for partners and developers, for everyone.



### For more information

Check out our website

[www.temenos.com](http://www.temenos.com)

## Meet the world's #1 banking software

**1.2+bn**

Temenos makes banking possible for over 1.2 billion people

**3<sup>rd</sup>**

largest European software company

**3,000**

clients in 150 countries

**7,000+**

Temenos-skilled partner consultants

**150+**

countries on our model bank framework

**20%**

invested in R&D

**100+**

fintechs on Temenos Exchange

**41**

Our 3,000 banks include 41 of the top 50 global banks

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## Our Temenosity values



**We care**  
We care and listen to each other, our clients, partners and the communities we serve



**We challenge**  
We challenge the status quo, try to look at things differently, and drive change



**We collaborate**  
We collaborate within Temenos and across a wider partner ecosystem



**We commit**  
We commit with determination and persistence to make things happen

## Highlights of H1 2022

Strong momentum in the first half of the year

**ARR** **+13%**

<b>H1 2022</b>	<b>USD 581.9m</b>
H1 2021	USD 514.4m

**Total Bookings** **+16%**

<b>H1 2022</b>	<b>USD 338.7m</b>
H1 2021	USD 292.7m

**SaaS ACV** **+0%**

<b>H1 2022</b>	<b>USD 29.6m</b>
H1 2021	USD 29.6m

**SaaS revenue** **+31%**

<b>H1 2022</b>	<b>USD 75.6m</b>
H1 2021	USD 57.6m

**Total software licensing** **+10%**

<b>H1 2022</b>	<b>USD 184.5m</b>
H1 2021	USD 167.7m

**Maintenance** **+2%**

<b>H1 2022</b>	<b>USD 199.5m</b>
H1 2021	USD 195.7m

**Total revenue** **+3%**

<b>H1 2022</b>	<b>USD 458.8m</b>
H1 2021	USD 445.4m

**EBIT margin** **-2% pts**

<b>H1 2022</b>	<b>30.0%</b>
H1 2021	32.0%

**Earnings per share** **-1%**

<b>H1 2022</b>	<b>USD 1.45</b>
H1 2021	USD 1.47

**LTM operating cash conversion** **+9%**

<b>H1 2022</b>	<b>116%</b>
H1 2021	107%

**FCF** **-38%**

<b>H1 2022</b>	<b>USD 82.2m</b>
H1 2021	USD 132.1m

### H1-22 non-IFRS financial highlights

- ARR growth of 13%
- Total Bookings growth of 16%
- SaaS ACV of USD 29.6 million
- SaaS revenue growth of 31%
- Total software licensing growth of 10%
- Maintenance growth of 2%
- Total revenue growth of 3%
- EBIT margin down 2 percentage points
- EPS of USD 1.45, down 1%
- LTM operating cash conversion of 116%, with DSOs at 114 days
- Free cash flow of USD 82.2 million generated
- Dividend of CHF 1.00 per share, totaling USD 74 million, paid to shareholders.

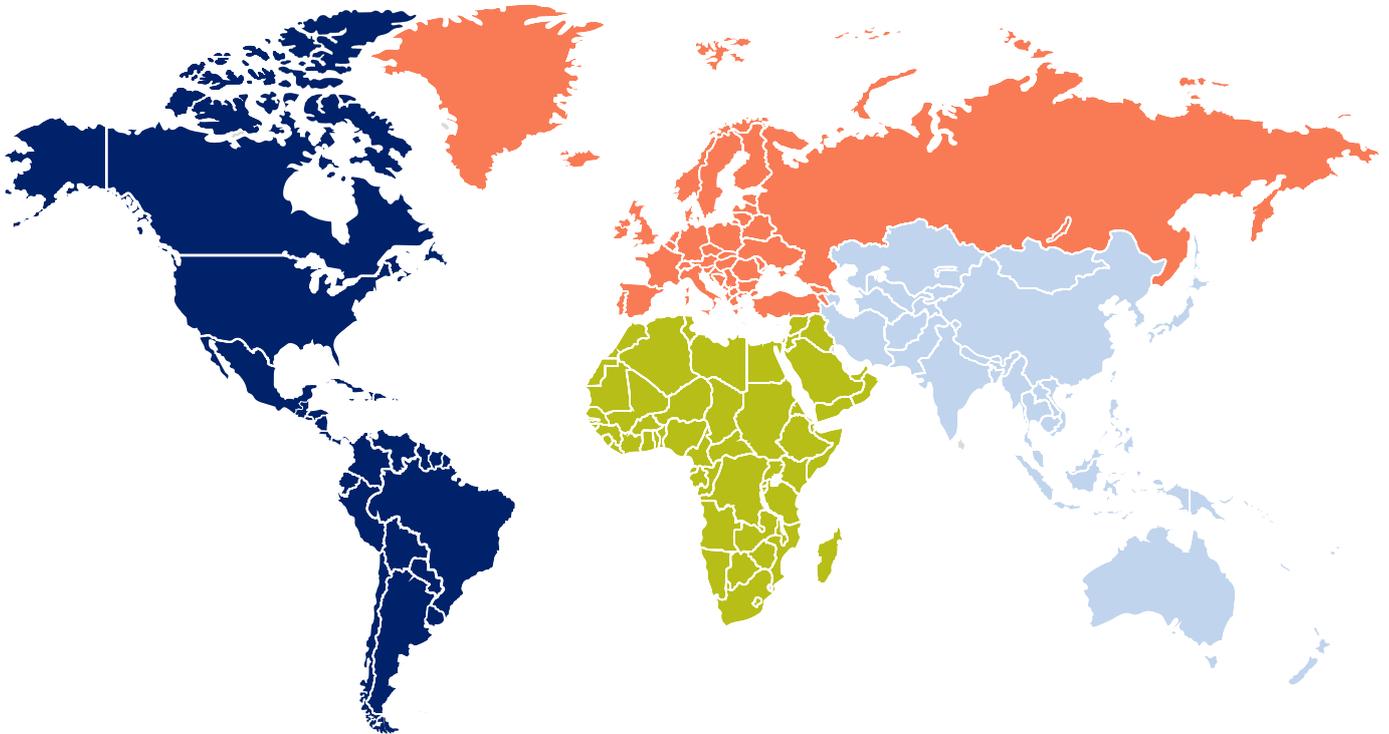
### H1-22 operational highlights

- Demand for subscription model is accelerating ahead of expectations, driving ARR growth of 13% in H1-22
- Supportive demand environment reflected in 16% Total Bookings growth
- US activity remains high, won top 20 US bank for core banking renovation, deal expected to close in H2-22
- Europe recovery continues with double digit growth in Total Bookings and increased SaaS demand
- APAC performed particularly well with a number of new signings
- Activity with Tier 1 and 2 banks increasing with growing commitment among large banks to IT transformation
- Strong sales activity with partner deals in the quarter with focus on building partner channel
- 33 new client wins in H1-22, predominantly for core banking
- 153 go-lives across all clients and geographies in H1-22.



# Our market opportunity

## Growing our global opportunity



<p><b>The Americas</b></p>	<p><b>15</b> Offices in the region</p>	<p><b>29%</b> Total revenue</p>	<p><b>44%</b> Total software licensing revenue</p>
<p><b>Europe</b></p>	<p><b>20</b> Offices in the region</p>	<p><b>31%</b> Total revenue</p>	<p><b>20%</b> Total software licensing revenue</p>
<p><b>Middle East &amp; Africa</b></p>	<p><b>8</b> Offices in the region</p>	<p><b>19%</b> Total revenue</p>	<p><b>13%</b> Total software licensing revenue</p>
<p><b>Asia Pacific</b></p>	<p><b>19</b> Offices in the region</p>	<p><b>21%</b> Total revenue</p>	<p><b>23%</b> Total software licensing revenue</p>

## Our strategy

### Key strategic initiatives to drive growth

Our SaaS business has grown at CAGR 36% between 2019 and 2021, with a strong improvement in gross margins. Continued profitable SaaS growth will be driven by:

- Composable banking platform that will cater to needs of all segments and tiers, with self service capabilities allowing clients to click & go thereby driving incremental revenue, faster time to value and greater customer satisfaction
- Deepening partnerships with hyperscalers such as AWS and Azure will support margin improvement through improving commitment-driven pricing
- Continued improvements in SaaS operations, especially around further automation and quality enhancements, in parallel to fast accelerating volumes will further boost margin
- Mid-tier and lower incumbents now moving towards SaaS, with typically higher deal sizes and volumes vs non-incumbents, will support both revenue and margins.

## Continued SaaS acceleration



## North America focus



We have made significant progress in the North American market which is showcased by its rising contribution to our overall bookings. We plan to continue our acceleration in the market through:

- Maintaining our advantage in the non-incumbent segment which is showcased by our significant growth in pipeline and a very strong referenceable client base of top challenger banks in the US
- We will be focusing more on Tier 1 banks in the US through our open composable platform, our credibility in the market having delivered transformation projects on US model bank and strategic relationships with partners
- We are also uniquely positioned to drive and shape some of the disruptive trends in the US market like BaaS and BNPL – through our strategic partnerships, expertise and customer base.



Increasing our penetration in larger banks – the Tier 1s and 2s – is a key focus for us as we see increased spending from these banks on third party software driven by the need to fend off competition from non-incumbents who enjoy lower cost operating models due to the latest technologies they are built on.

We have traditionally enjoyed deep partnerships with large banks globally and have supported the widest range of successful large bank transformation, with 36% of global Tier 1 and 2 banks as our customers:

- Our platform supports the priorities of large banks, including:
  - a. the ability to support targeted incremental modernizations
  - b. help banks benefit from international expansions quickly and with a standardized operating model, and
  - c. seamlessly integrate acquired entities.
- We have increased investments to advance our large bank agenda with dedicated account management, hiring of ex-bankers and Enterprise Architects who have worked at or with large banks, and creation of sales assets and marketing campaigns specifically targeted at larger banks
- We are also focusing on expanding our partnership with top tier consulting firms who work closely with larger banks in order to put forward propositions that best meet the needs of large banks.

## Increasing penetration in large banks



## Partner first approach



Our partner centric model will help us scale revenues and drive growth in new geographies and market segments through:

- Partner led delivery model – partner led configuration & customization and development of reusable components based on extensibility framework & Open APIs
- SCALE program – which will improve time to market for new complementary solutions or platform extensions through working with fintechs. They will create, deploy and monetize their solutions via Temenos Marketplace
- Partner portal & partner academy – to train, communicate with and enable our partners
- Selling with and through partners – to support net incremental sales and scale our sales capability. Some of the key partners who are helping us scale are DXC, Salesforce, Capgemini, IBM, Cognizant, Deloitte, Vodeno and Mbanq.

## Industry recognition

### A market leader

#### Gartner<sup>1</sup>

- Recognized as a Leader for the 12<sup>th</sup> time in the 2022 Gartner® ‘Magic Quadrant for Global Retail Core Banking’.

#### Forrester<sup>2</sup>

- Leader in Forrester Wave for Digital Banking Processing Platforms For Corporate Banking, Q3 2022 and Leader in Forrester Wave for Digital Banking Processing Platforms For Retail Banking, Q3 2022
- Leader in Forrester Wave for Digital Banking Engagement Platforms, Q3 2021 and Leader in Forrester Wave for Digital Banking Engagement Hubs, Q3 2021
- Classed as ‘Global Power Seller’ for new business for the 16<sup>th</sup> consecutive year and ‘Top Global Player’ for new and existing business deals for 10<sup>th</sup> consecutive year plus second year as ‘Top Global Cross-Seller’ in Forrester Global Banking Platform Deals Survey 2022
- Leader in Forrester Wave for Low-Code Development Platforms for AD&D Professionals (Q1, 2019).

#### Omdia (formerly known as Ovum)<sup>3</sup>

- “Market Leader” in core banking and “Market Leader” in digital banking platforms
- “Market Challenger” in Anti-Financial Crime solutions.

#### IBS Intelligence<sup>4</sup>

- Ranked best-selling core banking system for the 17<sup>th</sup> time and top two positions for the past 21 consecutive years
- Ranked best-selling digital banking and channels system
- Ranked best-selling payments system.

#### Celent<sup>5</sup>

- Temenos’ client, Varo Bank, received the Model Bank of the Year Award at the 2021 Celent Model Bank Awards
- Temenos’ client, EQ Bank, received the Celent Model Bank 2020 Award for Banking in the Cloud.

#### IDC (International Data Corporation)<sup>6</sup>

- Recognized as a ‘Leader’ for North America Digital Banking Customer Experience Platforms for Temenos Infinity
- Winner of ‘Agility & Efficiency’ category of IDC Real Results Awards 2021 for Temenos & client, Comerica. Temenos also recognized as joint overall winner of IDC Real Results 2021
- Recognized as a ‘Leader’ for Worldwide Integrated Payment Platforms
- Recognized as a ‘Leader’ for Know Your Customer (KYC) Solutions in Financial Services and as a ‘Major Player’ for Anti-Money Laundering (AML) Solutions in Financial Services. Recognized as a Leader in global core banking, European mobile banking and wealth management front and middle office.

#### Aperture: The Market Map – Best WealthTech Providers 2021<sup>7</sup>

- The only vendor recognized as a Leader and a Transformer (the two highest categories) for WealthTech.

#### FStech Awards 2022

- Awarded ‘Technology Provider of the Year’ (2022).

#### Aite Group<sup>8</sup>

- Recognized as ‘Best in Class’ (the highest ranking) for Wealth Core Banking Systems in Europe and Asia
- Recognized as ‘Best in Class’ (the highest ranking) for US Digital Banking Solutions of Core Providers
- Recognized as ‘Best in Class’ (the highest ranking) for Investment & Fund Accounting Systems.



A “Market Leader” in core banking and a “Market Leader” in digital banking platforms.<sup>3</sup>

<sup>1</sup> The Gartner Report(s) described herein (the “Gartner Report(s)”) represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. (“Gartner”), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Interim Report) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

Gartner, ‘Magic Quadrant for Global Retail Core Banking’, Vittorio D’Orazio, Don Free, 9 February 2022. (This report was previously titled “Magic Quadrant for International Retail Core Banking” from 2009-2014. Temenos was recognized as Temenos Group from 2010-2013, and Temenos Group (T24) in 2009.)

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# 12 times

Recognized as a Leader 12 times<sup>1</sup>  
in Gartner Magic Quadrant for Global  
Retail Core Banking

# 16 years

Classed "Global Power Seller"  
for new business<sup>2</sup>

# 17 times

Ranked best-selling core  
banking system<sup>4</sup>

# Software

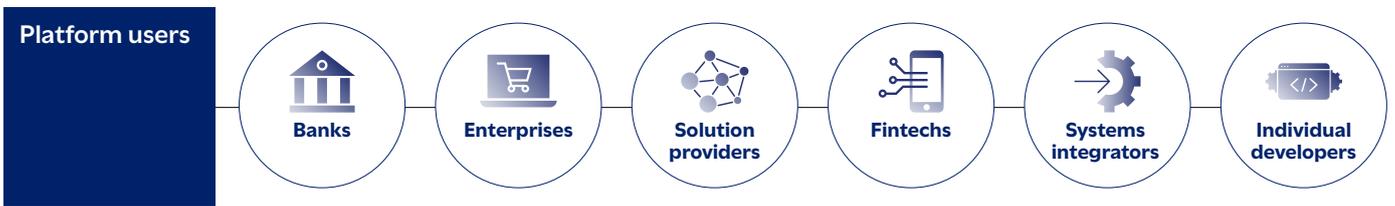
Comprehensive, cloud-native, open platform for composable banking services

Temenos' cloud-native software is delivered on an open platform and Microservices architecture, providing the most comprehensive set of banking capabilities and services on the market.

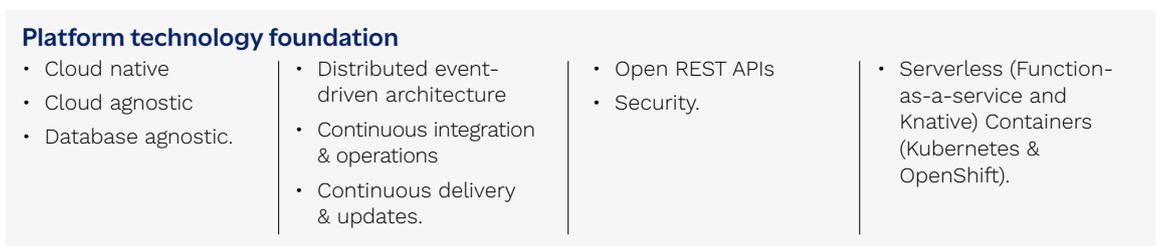
The platform enables the rapid assembly and deployment of capabilities from across Temenos' market leading digital and core banking solutions, as well as the wider solution provider ecosystem.

## 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.





**Temenos Banking Capabilities are the discreet functional components from across our digital and core banking solutions, aligned to the BIAN service landscape. These loosely coupled, composable banking capabilities provide broad and rich functionality for the end-to-end banking value chain and are consumed by customers in two main ways:**

**1. Temenos Enterprise Services:**

comprehensive modular enterprise solutions for Core Banking (Temenos Transact) and Digital Banking (Temenos Infinity) delivered standalone or front-to-back and either managed as a service by Temenos, or as a client installation on the cloud, or on-premise

**2. Temenos Composed Banking Services:**

pre-assembled banking services, composing various Temenos and third-party banking capabilities into ready-made banking services for banks and non-banks to rapidly address new opportunities and needs in the market e.g. Buy Now, Pay Later.

Both models allow banks to add other capabilities from Temenos and the broader Temenos Exchange ecosystem as needed, ensuring that the products and offers which they take to market leverage the very latest innovations and creative thinking in the industry. The underlying Temenos Banking Capabilities represent the broadest set of banking functionality available in the market, ensuring that our clients can flexibly choose the component product capabilities they need, when they need them, to deliver the personalized and tailored offers demanded by different target segments. This gives banks and non-banks the agility to adapt, whether looking to retain existing customers or to extend their reach to capture new opportunities.

Temenos continuously works with clients and our partner ecosystem to create pre-composed banking services. The various services and capabilities available are designed to be used on a SaaS first basis, via the Temenos Banking Cloud, but can be deployed into a bank's own technology environment or on the public cloud as required, with all major cloud platforms supported by the cloud native platform architecture.



All solutions benefit from embedded DevOps and continuous operations enabled by the platform. This means that updates are made available frequently to clients, with standardized testing for Temenos operated solutions, and cloud-based testing services for banks who run the solutions themselves. This reduces the cost and disruption of upgrades and ensures that new capabilities and features are made available to our clients quickly so they can stay at the leading edge of banking innovation and evolve with customer and regulatory needs.

All Temenos solutions, regardless of whether they are delivered as SaaS or are directly managed by the bank, are provided on a subscription basis.

**Products**

**Temenos products provide cloud-native solutions for the end-to-end banking value chain – from digital and core banking, to payments, analytics, risk and compliance.**

**Technology platform**

**Technology is strategy. We say this because our SaaS-first technology platform, composable banking architecture and extensibility make banks more agile, competitive and profitable to help them thrive in complex, margin pressured environments.**

**Sector specific solutions**

**No matter how you provide financial services, or who for, Temenos provides dedicated, sector and segment specific solutions that can be used by banking service providers of all types and sizes.**

# Software continued

## Temenos Banking Services and Capabilities

Temenos Banking Capabilities cover the full range of customer engagement, banking products and enterprise capabilities, and are the building blocks from which Temenos Banking Services are composed.

Individual capabilities can also be added to existing services or, when needed, can be deployed as part of a larger and more complex pre-existing environment at a bank. This approach extends not only to the capabilities which Temenos provides, but also the capabilities provided by the broader Temenos Exchange ecosystem.

### The Temenos Banking Cloud

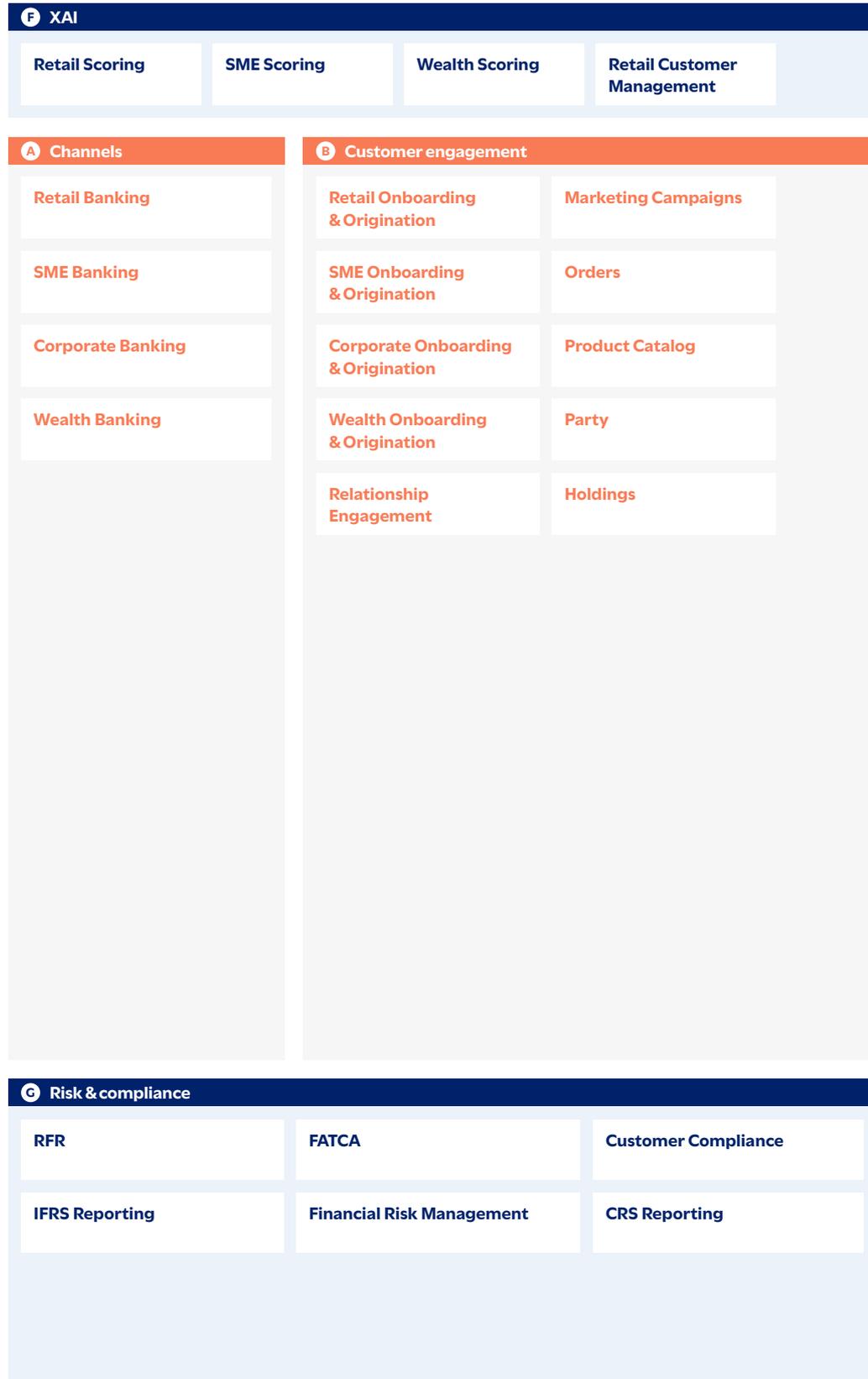
Temenos has delivered market leading and functionally rich SaaS banking solutions to clients in all geographies and banking sectors since 2011.

Our continued technology investment in this area led to the launch of the Temenos Banking Cloud in 2021. In addition to maintaining our provision of a specialized SaaS delivery for all our product lines on an elastic, pay-as-you-grow basis, the Temenos Banking Cloud also offers:

- A self-service portal to enable customers to be more autonomous
- A sandbox to rapidly explore and test Temenos solutions in a more self-guided way
- The easy provision of Temenos Banking Services, which can be consumed with flexibility and fast time-to-market
- Access to the Temenos Exchange, a marketplace of third-party solutions which can be seamlessly incorporated into services and operations.

Banks and financial services providers can now take an extremely agile approach to innovation, exploring new ideas in the sandbox, and then quickly move to prototyping and into production – safe in the knowledge that the solutions are priced elastically and can continue to be developed upon with real-world feedback. This makes innovation fast and continuous, further supported by continuous delivery, integration and updates which ensure that the latest capabilities and services are automatically delivered to customers on an ongoing basis.

## Temenos Banking Capabilities Landscape Grouped by Banking Services Domains





SME Customer Management	Transaction Management	Retail Next Best Product	SME Next Best Product	FCM Outlier Detection
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C Products	D Operations	H Data & Analytics																																		
<table border="1"> <tr><td>Product Design</td><td>Securities</td></tr> <tr><td>Retail Deposits</td><td>Islamic Banking</td></tr> <tr><td>SME Loans</td><td>Instant Payments</td></tr> <tr><td>Cash Management &amp; Virtual Accounts</td><td>Local Payments</td></tr> <tr><td>Corporate Actions</td><td>Accounts</td></tr> <tr><td>Mandates</td><td>E-Money</td></tr> <tr><td>Request to Pay</td><td>Corporate Loans</td></tr> <tr><td>Product Pricing &amp; Bundling</td><td>Portfolio Management</td></tr> <tr><td>Retail Loans</td><td>Inclusive Banking</td></tr> <tr><td>Trade Finance</td><td>Payments Execution &amp; Clearing</td></tr> </table>	Product Design	Securities	Retail Deposits	Islamic Banking	SME Loans	Instant Payments	Cash Management & Virtual Accounts	Local Payments	Corporate Actions	Accounts	Mandates	E-Money	Request to Pay	Corporate Loans	Product Pricing & Bundling	Portfolio Management	Retail Loans	Inclusive Banking	Trade Finance	Payments Execution & Clearing	<table border="1"> <tr><td>Collateral Management</td></tr> <tr><td>Collections</td></tr> <tr><td>Limit Management</td></tr> <tr><td>Funds Authorizations</td></tr> <tr><td>Reconciliations</td></tr> <tr><td>Local Clearing</td></tr> <tr><td>International Clearing</td></tr> <tr><td>Payment Repair</td></tr> <tr><td>Commissions</td></tr> <tr><td>Treasury</td></tr> </table>	Collateral Management	Collections	Limit Management	Funds Authorizations	Reconciliations	Local Clearing	International Clearing	Payment Repair	Commissions	Treasury	<table border="1"> <tr><td>Analytics</td></tr> <tr><td>Data Lake</td></tr> <tr><td>Market Data Management</td></tr> <tr><td>Reference Data Management</td></tr> </table>	Analytics	Data Lake	Market Data Management	Reference Data Management
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## Overview of IFRS vs non-IFRS

USDm, except EPS	Non-IFRS			IFRS		
	H1 2022	H1 2021	Change	H1 2022	H1 2021	Change
Subscription	41.2	9.2	347%	41.2	9.2	347%
Term license	67.7	101.0	-33%	67.7	101.0	-33%
SaaS	75.6	57.5	31%	75.6	57.5	31%
<b>Total software licensing</b>	<b>184.5</b>	<b>167.7</b>	<b>10%</b>	<b>184.5</b>	<b>167.7</b>	<b>10%</b>
Maintenance	199.5	195.7	2%	199.5	195.7	2%
Services	74.8	82.0	-9%	74.8	82.0	-9%
<b>Total revenues</b>	<b>458.8</b>	<b>445.4</b>	<b>3%</b>	<b>458.8</b>	<b>445.4</b>	<b>3%</b>
<b>EBIT</b>	<b>137.6</b>	<b>142.3</b>	<b>-3%</b>	<b>89.2</b>	<b>96.7</b>	<b>-8%</b>
EBIT margin	30.0%	32.0%	-2% pts	19.4%	21.7%	-2% pts
<b>EPS (USD)</b>	<b>1.45</b>	<b>1.47</b>	<b>-1%</b>	<b>0.90</b>	<b>0.94</b>	<b>-4%</b>
<b>ARR</b>	<b>581.9</b>	<b>514.4</b>	<b>13%</b>			

To ensure that the presentation of results reflects the underlying performance of the business, Temenos publishes its key metrics on a non-IFRS basis as well as on an IFRS basis. For transparency purposes, Temenos also publishes full reconciliations between IFRS and non-IFRS measures. Full definitions of non-IFRS adjustments can be found below.

### Non-IFRS adjustments:

#### Deferred revenue write-down

Fair value adjustments (write-down) made to deferred revenue resulting from acquisitions under IFRS is adjusted back for non-IFRS.

#### 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.

#### Amortization of acquired intangibles

Amortization charges as a result of acquired intangible assets.

#### Restructuring

Costs incurred in connection with a restructuring program or other organizational transformation activities planned 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.

#### Share-based payment charges

Adjustment made for share-based payments and social charges, applicable only to non-IFRS numbers.

### Reconciliation from IFRS to non-IFRS – EBIT/EBITDA

USDm	H1 2022	H1 2021
<b>IFRS EBIT</b>	<b>89.2</b>	<b>96.7</b>
Amortization of acquired intangibles	23.7	28.0
Restructuring	3.6	4.8
Acquisition-related charges	0.7	–
Share based payments	20.4	12.9
<b>Non-IFRS EBIT</b>	<b>137.6</b>	<b>142.3</b>
<b>IFRS EBIT</b>	<b>89.2</b>	<b>96.7</b>
Depreciation and amortization	71.1	72.5
<b>IFRS EBITDA</b>	<b>160.3</b>	<b>169.2</b>
Restructuring	3.3	4.8
Acquisition-related charges	0.7	–
Share based payments	20.4	12.9
<b>Non-IFRS EBITDA</b>	<b>184.7</b>	<b>186.8</b>

### Reconciliation from IFRS earnings to non-IFRS earnings

USDm	H1 2022	H1 2021
<b>IFRS EBIT</b>	<b>89.2</b>	<b>96.7</b>
Finance cost – net	(9.8)	(14.1)
Taxation	(15.1)	(14.5)
<b>IFRS net earnings (Profit)</b>	<b>64.3</b>	<b>68.1</b>
Number of shares – Diluted (000)	71,828	72,716
<b>IFRS EPS (USD)</b>	<b>0.90</b>	<b>0.94</b>
<b>IFRS net earnings (Profit)</b>	<b>64.3</b>	<b>68.1</b>
Amortization of acquired intangibles	23.7	28.0
Restructuring	3.6	4.8
Acquisition-related charges	0.7	–
Share based payments	20.4	12.9
Taxation	(8.4)	(7.1)
<b>Non-IFRS net earnings (Profit)</b>	<b>104.3</b>	<b>106.6</b>
Number of shares – Diluted (000)	71,828	72,716
<b>Non-IFRS EPS (USD)</b>	<b>1.45</b>	<b>1.47</b>



### Alternative performance measures (APM)

The performance of the Group is assessed using certain financial performance measures that are not defined under IFRS and are therefore classified as non-IFRS. The key performance measures used by the Group are explained as follows:

#### 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 excludes variable elements.

#### Annual recurring revenue (ARR)

Annualized contract value committed at the end of the reporting period from active contracts with recurring revenue streams. Includes new customers, up-sell/cross-sell, and attrition. Excludes variable elements.

#### Total bookings

Includes fair value of license contract value, committed maintenance contract value on license and SaaS committed contract value. It must all be committed and evidenced by duly signed agreements.

#### Days sales outstanding (DSO)

Days sales outstanding is the average number of days that receivables remain outstanding. It has been calculated as the closing net trade receivables and contract assets at period end divided by total last 12 months' revenue multiplied by 365 days.

#### Free cash flow

Net cash flow from operating activities and cash flows from investing activities associated with capital expenditure on non-current assets (property, plant and equipment, intangible assets and capitalized development costs).



## Consolidated statement of profit or loss (condensed)

For the six months ended 30 June unaudited

	2022 USD 000	2021 USD 000
<b>Revenues</b>		
Subscription*	41,209	9,213
Term license*	67,724	100,980
SaaS	75,583	57,527
Total software licensing	184,516	167,720
Maintenance	199,489	195,726
Services	74,779	81,957
<b>Total revenues</b>	<b>458,784</b>	445,403
<b>Operating expenses</b>		
Cost of sales	(157,066)	(156,795)
Sales and marketing	(93,388)	(76,018)
General and administrative	(36,282)	(40,033)
Other operating expenses	(82,858)	(75,843)
<b>Total operating expenses</b>	<b>(369,594)</b>	(348,689)
<b>Operating profit</b>	<b>89,190</b>	96,714
Finance costs – net	(9,841)	(14,067)
<b>Profit before taxation</b>	<b>79,349</b>	82,647
Taxation	(15,038)	(14,541)
<b>Profit for the period</b>	<b>64,311</b>	68,106
<b>Attributable to:</b>		
Equity holders of the Company	64,311	68,106
<b>Earnings per share (in USD): (note 10)</b>		
Basic	0.90	0.95
Diluted	0.90	0.94

Notes on pages 19 to 26 are an integral part of these interim consolidated financial statements.

\* Effective 1 January 2022, presentation of Software licensing is split into either Subscription or Term license, depending on the nature of the contract. Comparative periods have been re-presented.



## Consolidated statement of other comprehensive income (condensed)

For the six months ended 30 June unaudited

	2022 USD 000	2021 USD 000
<b>Profit for the period</b>	<b>64,311</b>	68,106
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of post employment benefit obligations	4,100	–
	4,100	–
<b>Items that may be subsequently reclassified to profit or loss</b>		
Cash flow hedge reserve	6,055	1,690
Cost of hedging reserve	(464)	108
Net investment hedge reserve	363	–
Currency translation differences	(4,723)	23,246
	1,231	25,044
<b>Other comprehensive income for the period</b>	<b>5,331</b>	25,044
<b>Total comprehensive income for the period</b>	<b>69,642</b>	93,150
<b>Attributable to:</b>		
Equity holders of the Company	69,642	93,150

Notes on pages 19 to 26 are an integral part of these interim consolidated financial statements.

# Consolidated statement of financial position (condensed)

## Unaudited

	30 June 2022 USD 000	31 December 2021 USD 000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	105,737	139,322
Trade and other receivables	321,305	332,478
Other financial assets (note 8)	35,051	6,756
<b>Total current assets</b>	<b>462,093</b>	478,556
<b>Non-current assets</b>		
Property, plant and equipment (note 11)	63,657	59,415
Intangible assets (note 11)	1,540,490	1,597,110
Trade and other receivables	68,146	53,876
Other financial assets (note 8)	6,969	21,999
Deferred tax assets	27,306	23,128
<b>Total non-current assets</b>	<b>1,706,568</b>	1,755,528
<b>Total assets</b>	<b>2,168,661</b>	2,234,084
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Trade and other payables	183,395	187,870
Other financial liabilities (note 8)	8,672	2,661
Deferred revenue	355,907	371,613
Income taxes payable	105,625	98,274
Borrowings (note 12)	18,179	211,009
Provisions for other liabilities and charges	676	1,399
<b>Total current liabilities</b>	<b>672,454</b>	872,826
<b>Non-current liabilities</b>		
Other financial liabilities (note 8)	2,649	179
Deferred revenue	17,618	26,117
Borrowings (note 12)	880,859	748,849
Provisions for other liabilities and charges	1,061	1,098
Deferred tax liabilities	91,736	96,405
Retirement benefit obligations	9,292	13,822
<b>Total non-current liabilities</b>	<b>1,003,215</b>	886,470
<b>Total liabilities</b>	<b>1,675,669</b>	1,759,296
<b>Shareholders' equity</b>		
Share capital	252,844	252,467
Treasury shares	(464,778)	(464,778)
Share premium and other reserves	(193,399)	(218,330)
Other equity	(176,488)	(175,387)
Retained earnings	1,074,813	1,080,816
<b>Total equity</b>	<b>492,992</b>	474,788
<b>Total liabilities and equity</b>	<b>2,168,661</b>	2,234,084

Notes on pages 19 to 26 are an integral part of these interim consolidated financial statements.

## Consolidated statement of cash flows (condensed) for the six months ended 30 June unaudited

	2022 USD 000	2021 USD 000
<b>Cash flows from operating activities</b>		
Profit before taxation	79,349	82,647
<b>Adjustments:</b>		
Depreciation, amortization and impairment of financial assets	71,100	76,071
Cost of share options	25,309	9,382
Foreign exchange (gain)/loss on non-operating activities	(3,901)	2,242
Interest expenses, net	7,858	10,220
Net loss/(gain) from financial instruments	4,452	(2,192)
Other finance costs	2,485	2,515
Other non-cash items	1,149	625
<b>Changes in:</b>		
Trade and other receivables	(19,990)	(9,449)
Trade and other payables, provisions and retirement benefit obligations	(5,856)	23,787
Deferred revenues	(14,791)	(9,670)
<b>Cash generated from operations</b>	<b>147,164</b>	<b>186,178</b>
Income taxes paid	(6,257)	(7,795)
<b>Net cash generated from operating activities</b>	<b>140,907</b>	<b>178,383</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, net of disposals	(12,994)	(4,055)
Purchase of intangible assets, net of disposals	(1,407)	(2,165)
Capitalized development costs (note 11)	(44,275)	(40,073)
Acquisition of subsidiaries, net of cash acquired	–	(1,670)
Acquisition of long term loan instruments (note 8)	(10,000)	(19,900)
Purchase and settlement of financial instruments	3,372	(2,864)
Interest received	88	70
<b>Net cash used in investing activities</b>	<b>(65,216)</b>	<b>(70,657)</b>
<b>Cash flows from financing activities</b>		
Dividend paid (note 14)	(74,414)	(71,427)
Acquisition of treasury shares	–	(194,470)
Proceeds from borrowings (note 12)	283,851	317,901
Repayments of borrowings (note 12)	(119,518)	(158,836)
Repayment of bond (note 12)	(180,723)	–
Payment of lease liabilities (note 12)	(8,380)	(9,340)
Interest payments	(8,765)	(10,067)
Settlement of financial instruments	2,298	–
Payment of other financing costs	(2,247)	(1,715)
<b>Net cash used in financing activities</b>	<b>(107,898)</b>	<b>(127,954)</b>
<b>Effect of exchange rate changes</b>	<b>(1,378)</b>	<b>(2,385)</b>
<b>Net decrease in cash and cash equivalents in the period</b>	<b>(33,585)</b>	<b>(22,613)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>139,322</b>	<b>110,195</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>105,737</b>	<b>87,582</b>

Notes on pages 19 to 26 are an integral part of these interim consolidated financial statements.

## Consolidated statement of changes in equity (condensed)

### Unaudited

	Share capital USD 000	Treasury shares USD 000	Share premium and other reserves USD 000	Other equity USD 000	Retained earnings USD 000	Total USD 000
<b>Balance at 1 January 2021</b>	<b>249,535</b>	<b>(264,608)</b>	<b>(259,823)</b>	<b>(179,851)</b>	<b>978,152</b>	<b>523,405</b>
Profit for the period	–	–	–	–	68,106	68,106
Other comprehensive income for the period, net of tax	–	–	–	25,044	–	25,044
Total comprehensive income for the period	–	–	–	25,044	68,106	93,150
Dividend paid	–	–	–	–	(71,427)	(71,427)
Hedging loss transferred to deferred revenues	–	–	–	329	–	329
Cost of share options	–	–	9,382	–	–	9,382
Exercise of share options	1,836	–	(1,836)	–	–	–
Costs associated with equity transactions	–	–	(228)	–	–	(228)
Acquisition of treasury shares	–	(194,469)	–	–	–	(194,469)
	1,836	(194,469)	7,318	25,373	(3,321)	(163,263)
<b>Balance at 30 June 2021</b>	<b>251,371</b>	<b>(459,077)</b>	<b>(252,505)</b>	<b>(154,478)</b>	<b>974,831</b>	<b>360,142</b>
<b>Balance at 1 January 2022</b>	<b>252,467</b>	<b>(464,778)</b>	<b>(218,330)</b>	<b>(175,387)</b>	<b>1,080,816</b>	<b>474,788</b>
Profit for the period	–	–	–	–	64,311	64,311
Other comprehensive income for the period, net of tax	–	–	–	1,231	4,100	5,331
Total comprehensive income for the period	–	–	–	1,231	68,411	69,642
Dividend paid (note 14)	–	–	–	–	(74,414)	(74,414)
Hedging gain transferred to deferred revenues	–	–	–	(2,332)	–	(2,332)
Cost of share options	–	–	25,309	–	–	25,309
Exercise of share options	377	–	(377)	–	–	–
Costs associated with equity transactions	–	–	(1)	–	–	(1)
	377	–	24,931	(1,101)	(6,003)	18,204
<b>Balance at 30 June 2022</b>	<b>252,844</b>	<b>(464,778)</b>	<b>(193,399)</b>	<b>(176,488)</b>	<b>1,074,813</b>	<b>492,992</b>

Notes on pages 19 to 26 are an integral part of these interim consolidated financial statements.

# Notes to the consolidated interim financial statements

## For the period ended 30 June 2022 unaudited

### 1. General information

Temenos AG formerly named as 'Temenos Group AG' (the "Company") was incorporated in Glarus, Switzerland on 7 June 2001 as a stock corporation (Aktiengesellschaft). Since 26 June 2001 the shares of Temenos AG have been publicly traded on the SIX Swiss Exchange. The registered office is located at 2 Rue de L'Ecole-de-Chimie, 1205 Geneva, Switzerland.

The Company and its subsidiaries (the "Temenos Group" or the "Group") are engaged in the development, marketing and sale of integrated banking software systems. The Group is also involved in supporting the implementation of the systems at various customer locations around the world as well as in offering help desk support services to existing users of Temenos software systems. The customer base consists of mostly banking and other financial services institutions.

### 2. Basis of preparation

This condensed interim financial information for the six months ended 30 June 2022 has been prepared in accordance with IAS 34 'Interim financial reporting' and is unaudited. The consolidated interim financial report should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021 which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

### 3. Accounting policies

The accounting policies are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2021, except as described below:

#### Taxation

Income tax is recognized based on the best estimate of the Group annual income tax rate for the full financial year, as applied to specific period profits and adjusted for specific period items as required to be consistent with IAS 34. The estimated annual income tax rate used for the year to 30 June 2022 is 19% compared to 17% for six months end 30 June 2021.

#### Revenue recognition

##### Software license

In 2022 the Group has moved to selling five-year subscription contracts for on-premise license and maintenance as standard, including for renewals. This is in addition to the existing term license model. The presentation of the income statement has been changed to split "software licensing" revenue into either "subscription" or "term license", depending on the nature of the contract.

Subscription revenue represents all fees earned from granting customers a right-to-use license of the Group's software billed on a subscription basis over the contract term. Revenue recognized in excess of the billed amount is recognized as an unbilled receivable within 'Trade and other receivables' in the statement of financial position.

Revenue on subscription contracts is recognized at a point in time when the software is made available to the customer and the performance obligation is satisfied. Maintenance included within the bundled subscription fee is allocated based upon the established standalone selling price and recognized rateably on a straight-line basis over the term of the arrangement as the performance obligation is satisfied.

Subscription contracts are assessed to determine whether these contain a significant financing component. Where this is determined to be the case, the significant financing component is recognized over the term of the contract and disclosed separately from Revenue from contracts with customers.

New amendments or interpretations effective on or after 1 January 2022 did not have a significant impact on the Group's interim consolidated financial statements or on the Group's accounting policies.

### 4. Seasonality of operations

The Group's software licensing revenue, profit and cash collection tend to be stronger in the second half of the year and specifically the final quarter, therefore interim results are not necessarily indicative of results for the full year.

### 5. Significant events and transactions during the period

On 17 June 2022, unsecured bonds of CHF 175 million held by the Group matured and were redeemed at par.

The Group's principal contingent liabilities arise from property rental guarantees, performance guarantees and bid bonds issued in the normal course of business. It excludes contingent consideration on acquisition. The Group is also involved in various lawsuits, claims, investigations and proceedings incidental to the normal conduct of its operations. There were no material changes in respect of the Group's contingent liabilities, including litigation settlements, since the last annual reporting date.

There have been no substantive changes in the Group's exposure to financial risks and the Group has not suffered from significant adverse effect. The Group's policies and objectives reported in the consolidated financial statements at 31 December 2021 remain the same.

Included in the statement of other comprehensive income (OCI) is USD 4.1 million gain arising from the remeasurement of the Group's net defined benefit plans as a result of the increase in interest rates. This amount is net of the year-to-date actual return from the plan assets.

# Notes to the consolidated interim financial statements **continued**

## For the period ended 30 June 2022 unaudited

### 6. Estimates and judgments

The preparation of these consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Unless otherwise specified, in preparing the Group's consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

In the context of the current economic environment and recent significant movements in global interest rates the Group has considered the impact of changes to the discount rate, represented by the Group's Weighted Average Cost of Capital adjusted for tax effect to determine the pre-tax rate as required by IFRS, on the value-in-use calculations used for goodwill impairment testing. Applying the updated discount rate to the value-in-use calculations used for the annual impairment review would have no impact on the carrying value of goodwill.

### 7. Segment information

The Chief Operating Decision Maker ("CODM") has been identified as the Group's Chief Executive Officer ("CEO"). He regularly reviews the Group's operating segments in order to assess performance and to allocate resources.

The CODM considers the business from a product perspective and, therefore, recognizes the reporting segments as: 'Product' and 'Services'. Other representation of the Group's activity such as regional information is also presented to the CODM but it is not primarily used to review the Group's performance and to make decisions as to how to allocate resources. These two reporting segments are the Group's only operating segments, hence there is no segmental aggregation.

The 'Product' segment is primarily engaged in marketing, licensing and maintaining the Group's software solutions, including software development fees for requested functionality, as well as providing hosting and subscription arrangements. The 'Services' segment represents various implementation tasks such as consulting and training.

The CODM assesses the performance of the operating segments based on the operating contribution. This measure includes the operating expenses that are directly or reasonably attributable to the reporting segments. Unallocated expenses mainly comprise of restructuring costs, termination benefits, acquisition-related costs, share-based payment expenses, office-related expenses and any other administrative or corporate overheads that cannot be directly attributable to the operating segments. Segment revenues provided to the CODM exclude the fair value adjustment recognized on deferred income liabilities acquired in a business combination, if any, and hence total revenues allocated to the two segments may exceed the IFRS reported figures.

The table below summarizes the primary information provided to the CODM:

	Product		Services		Total	
	Half-year 2022 USD 000	Half-year 2021 USD 000	Half-year 2022 USD 000	Half-year 2021 USD 000	Half-year 2022 USD 000	Half-year 2021 USD 000
External revenues	<b>384,005</b>	363,446	<b>74,779</b>	81,957	<b>458,784</b>	445,403
Operating contribution	<b>171,824</b>	161,904	<b>3,099</b>	15,110	<b>174,923</b>	177,014

Intersegment transactions are recognized as part of the allocated expenses, they are based on internal cost rates that exclude any profit margin.

There have been no changes to the basis of segmentation or measurement of segment profit or loss since the last annual consolidated financial statements.

There has been no material change in the assets reported to the CODM from the amount disclosed in the consolidated financial statements for the year ended 31 December 2021.

**Reconciliation to the Group's consolidated interim financial statements**

	Half-year 2022 USD 000	Half-year 2021 USD 000
Total operating profit for the reportable segments	174,923	177,014
Depreciation and amortization	(71,100)	(72,472)
Unallocated operating expenses	(14,633)	(7,828)
Finance costs – net	(9,841)	(14,067)
<b>Profit before taxation</b>	<b>79,349</b>	<b>82,647</b>

**Geographical information**

	Half-year 2022 USD 000	Half-year 2021 USD 000
<b>Revenues from external customers</b>		
Europe	140,370	145,031
America	132,965	131,676
APAC	97,083	86,308
Middle East and Africa	88,366	82,388
<b>Total revenues</b>	<b>458,784</b>	<b>445,403</b>

**8. Fair value measurement**

The following table provides the level of the fair value hierarchy within which the carrying amounts of the financial assets and liabilities measured at fair value are categorized.

- Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs: Inputs for the asset or liability that are not based on observable market data.

Balance at 30 June 2022	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
<b>Financial assets at fair value through profit or loss (FVTPL)</b>				
Foreign currency forwards	–	299	–	299
Convertible notes	–	–	30,874	30,874
<b>Derivatives used for hedging</b>				
Foreign currency forwards	–	2,620	–	2,620
Foreign currency options	–	1,258	–	1,258
Cross currency swaps	–	1,830	–	1,830
Interest rate swaps	–	5,139	–	5,139
<b>Total</b>	<b>–</b>	<b>11,146</b>	<b>30,874</b>	<b>42,020</b>

	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
<b>Financial liabilities at fair value through profit or loss (FVTPL)</b>				
Foreign currency forwards	–	4,961	–	4,961
Contingent consideration	–	–	3,243	3,243
<b>Derivatives used for hedging</b>				
Foreign currency forwards	–	4,407	–	4,407
Foreign currency options	–	1,953	–	1,953
<b>Total</b>	<b>–</b>	<b>11,321</b>	<b>3,243</b>	<b>14,564</b>

# Notes to the consolidated interim financial statements **continued**

## For the period ended 30 June 2022 unaudited

### 8. Fair value measurement continued

Balance at 31 December 2021	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
<b>Financial assets at fair value through profit or loss (FVTPL)</b>				
Foreign currency forwards	–	2,504	–	2,504
Convertible notes	–	–	20,402	20,402
<b>Derivatives used for hedging</b>				
Foreign currency forwards	–	3,880	–	3,880
Foreign currency options	–	567	–	567
Cross currency swaps	–	936	–	936
Interest rate swaps	–	466	–	466
<b>Total</b>	–	8,353	20,402	28,755
<hr/>				
	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
<b>Financial liabilities at fair value through profit or loss (FVTPL)</b>				
Foreign currency forwards	–	600	–	600
Contingent consideration	–	–	2,400	2,400
<b>Derivatives used for hedging</b>				
Foreign currency forwards	–	505	–	505
Foreign currency options	–	213	–	213
Cross currency swap	–	1,522	–	1,522
<b>Total</b>	–	2,840	2,400	5,240

During the first six months of the year there were no changes to the valuation techniques used for financial instruments nor transfers between level 1 and 2.

#### Assets and liabilities in Level 2

##### Foreign currency forwards

Discounted cash flow method (based on the forward exchange rate) using observable yield curves adjusted for credit risk.

##### Foreign currency options

Garman-Kohlhagen model (an adaptation of the Black-Scholes model for currency option).

##### Cross currency swaps

Discounted cash flow method using observable yield curves (including currency basis spreads). The fair value of the leg measured in foreign currency is translated using the spot exchange rate.

There were no changes in valuation techniques during the period.

##### Interest rate swaps

Discounted cash flow method using observable yield curves adjusted for credit risk.

**Assets and liabilities in Level 3****Convertible note**

In June 2022, the Group purchased an additional convertible note for USD 10 million, with an option to convert into equity subject to certain conditions.

Fair value methodology used is combination of the present value of future cash flows (principal and interest) using the debt market interest rates plus the fair value of the conversion option using the Black & Scholes model. The resulted fair value approximates the reported value.

**Contingent consideration**

The Group has adjusted the contingent consideration payable related to the acquisition of Htrunk Software Solutions Private Limited based on the actual achievement of the target under the terms of the Sale and Purchase agreement and approved by management. The earn out period ended 31 March 2022.

The carrying amount represents the full value of payments to be settled before year ending 31 December 2022.

Reconciliation from the opening balances to the closing balances:

	Convertible note USD 000	Contingent consideration USD 000
At 1 January 2022	20,402	2,400
Purchase	10,000	–
Amount true up to 'Cost of sales'	–	843
Interest	472	–
<b>At 30 June 2022</b>	<b>30,874</b>	<b>3,243</b>

**9. Financial instruments measured at amortized cost**

The following table provides the fair value and carrying amount of the Group's financial instruments measured at amortized cost; excluding cash and cash equivalents, current trade and other receivables, current trade and other payables as their carrying amounts represent a reasonable approximation of their fair values and lease liabilities as exempted in IFRS 7 'Financial instruments: Disclosure'.

	30 June 2022		31 December 2021	
	Carrying amount USD 000	Fair value USD 000	Carrying amount USD 000	Fair value USD 000
<b>Financial assets</b>				
Non-current trade and other receivables	52,002	49,301	43,580	42,787
<b>Total</b>	<b>52,002</b>	<b>49,301</b>	43,580	42,787
<b>Borrowings</b>				
Other loans	75	69	119	116
Bank borrowings	285,823	285,434	123,582	123,534
Unsecured bonds	573,931	560,632	791,941	805,766
<b>Total</b>	<b>859,829</b>	<b>846,135</b>	915,642	929,416

# Notes to the consolidated interim financial statements **continued**

## For the period ended 30 June 2022 unaudited

### 10. Earnings per share

#### Basic

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

	Half-year 2022	Half-year 2021
Profit attributable to equity holders of the Company (USD 000)	64,311	68,106
Weighted average of ordinary shares outstanding during the period (in thousands)	71,604	71,943
Basic earnings per share (USD per share)	0.90	0.95

#### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the periods presented in these consolidated interim financial statements, the Group has only one category with a potential dilutive effect: 'Share options'.

For the period ended 30 June 2022 and 30 June 2021, this category was fully dilutive.

	Half-year 2022	Half-year 2021
Profit used to determine diluted earnings per share (USD 000)	64,311	68,106
Weighted average of ordinary shares outstanding during the period (in thousands)	71,604	71,943
<b>Adjustments for:</b>		
– Share options (in thousands)	224	773
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	71,828	72,716
Diluted earnings per share (USD per share)	0.90	0.94

### 11. Property, plant and equipment and intangible assets

Six months ended 30 June 2022	Property, plant and equipment USD 000	Intangible assets USD 000
<b>Opening balance as at 1 January 2022</b>	<b>59,415</b>	<b>1,597,110</b>
Additions	23,969	1,471
Retirements/Disposals	(3,760)	–
Capitalized development costs	–	44,275
Charge for the period	(13,113)	(57,987)
Foreign currency exchange differences	(2,854)	(44,379)
<b>Closing net book amount as at 30 June 2022</b>	<b>63,657</b>	<b>1,540,490</b>

As at 30 June 2022, included in Property, plant and equipment is USD 38.4 million (31 December 2021: USD 39.5 million) for Right-of-use assets.

## 12. Borrowings

	30 June 2022 USD 000	31 December 2021 USD 000
<b>Current</b>		
Other loans	42	55
Unsecured bonds	4,714	196,499
Lease liabilities	13,423	14,455
	<b>18,179</b>	211,009
<b>Non-current</b>		
Other loans	33	64
Bank borrowings	285,823	123,582
Unsecured bonds	569,217	595,442
Lease liabilities	25,786	29,761
	<b>880,859</b>	748,849
<b>Total borrowings</b>	<b>899,038</b>	959,858

### Movements in borrowings is analyzed as follows:

	Six months ended 30 June 2022 USD 000
<b>Opening balance as at 1 January 2022</b>	<b>959,858</b>
Proceeds from bank borrowings	283,851
Repayments of borrowings	(119,518)
Repayment of bond	(180,723)
Unsecured bond-coupon payments	(6,479)
Interest expense	7,416
Payments of lease liabilities	(8,380)
Net addition to lease liability	5,686
Other movements in lease liability	(584)
Foreign currency exchange differences	(42,089)
<b>Closing net book amount as at 30 June 2022</b>	<b>899,038</b>

### Bank facilities

The Group holds a multicurrency committed revolving facility of USD 660 million. The pertinent details are as follows:

- Interest expense based on observable risk-free rates plus variable margin, which is calculated by reference to certain financial covenants;
- The facility terminates on 5 July 2026; and
- Commitment fees are due on the undrawn portion.

As at 30 June 2022, a total of USD 285.8 million (31 December 2021: USD 123.6 million) was drawn under this agreement.

The facility is subject to financial covenants which have been adhered to during the reported periods.

## Notes to the consolidated interim financial statements **continued**

### For the period ended 30 June 2022 unaudited

#### 13. Share capital

As at 30 June 2022, the issued shares of Temenos AG comprised 74,815,086 ordinary shares of a nominal value of CHF 5 each. All issued shares are fully paid.

The changes in the number of issued and outstanding shares for the period ended 30 June 2022 are summarized below:

	Number
Total number of shares issued as at 1 January 2022	74,742,268
Treasury shares	(3,164,632)
Total number of shares outstanding as at 1 January 2022	71,577,636
Creation of new ordinary shares out of conditional capital for share-based payment transactions	72,818
<b>Total number of shares outstanding as at 30 June 2022</b>	<b>71,650,454</b>

As at 30 June 2022 the number of treasury shares held by the Group amounted to 3,164,632 (31 December 2021: 3,164,632).

Temenos AG also has conditional and authorized capital, comprising:

	Number
Authorized shares available until 20 May 2023	7,100,000
Conditional shares that may be issued on the exercise of share-based payment transactions	3,034,838
Conditional shares that may be issued in conjunction with financial instruments	6,607,904

#### 14. Dividend per share

A dividend of CHF 71.6 million (CHF 1 per share) was paid in 2022 relating to the 2021 financial year.

#### 15. Events occurring after the reporting period

There were no reportable events that occurred after the reporting period.

## Sources

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