

# temenos

## TEMENOS AG

(incorporated in Switzerland with limited liability)

### CHF 200,000,000 2.85 percent Bonds due 2028

This prospectus (the **Prospectus**) relates to (i) the offering of CHF 200,000,000 in aggregate principal amount of 2.85 percent Bonds due 2028 (the **Bonds**, and each a **Bond**) to be issued by TEMENOS AG (the **Company** or the **Issuer**, and together with its subsidiaries, **TEMENOS** or the **Group**) and (ii) the admission to trading and listing of the Bonds on the SIX Swiss Exchange Ltd (**SIX Swiss Exchange**). Capitalized terms used but not defined below have the meanings assigned to such terms in the "Terms of the Bonds" beginning on page 22 (the **Terms of the Bonds**) or elsewhere in this Prospectus. The Bonds are rated BBB by Fitch Ratings Ireland Limited.

Issuer:	TEMENOS AG, 2, rue de l'Ecole-de-Chimie, 1205 Geneva, Switzerland
Issue Date:	11 October 2023 (the <b>Issue Date</b> )
Interest Rate and Interest Payment Dates:	2.85 percent per annum, payable annually in arrear on 11 October of each year (each, an <b>Interest Payment Date</b> ), commencing on 11 October 2024.
Issue Price:	Subject to certain conditions, the Managers have agreed to purchase the Bonds from the Issuer at the price of 100.069 percent (before commissions and expenses) of the aggregate principal amount of the Bonds.
Placement Price:	According to demand.
Maturity Date:	11 October 2028 (the <b>Maturity Date</b> )
Final Redemption Amount:	100 percent of the aggregate principal amount of the Bonds.
Early Redemption:	At the option of the Issuer (i) at par, provided that 85 % of the Bonds have been previously repurchased, and (ii) 3-months pre-maturity call, at par, all in accordance with the Terms of the Bonds.
Reopening:	The Issuer reserves the right to reopen this issue at any time before the maturity of the Bonds in accordance with Condition 1(a) of the terms and conditions of the Bonds (the <b>Terms of the Bonds</b> and each condition, a <b>Condition</b> ).
Key Covenants:	Pari passu clause, negative pledge clause (with exceptions), change of control provision and cross default provision, all as provided in the Terms of the Bonds.
Status:	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer.
Swiss Withholding Tax:	All payments of interest on the Bonds by the Issuer will be subject to Swiss withholding tax, which as of the date hereof is levied at a rate of 35 percent.
Form of the Bonds:	The Bonds will be issued as uncertificated securities ( <i>Wertrechte</i> ) in accordance with article 973c of the Swiss Code of Obligations. No physical delivery of individually certificated Bonds shall be made, as further described in the Terms of the Bonds.
Denomination:	CHF 5,000.
Admission to Trading and Listing:	It is expected that the Bonds will be provisionally admitted to trading on the SIX Swiss Exchange as of 10 October 2023. Application will be made for definitive admission to trading and listing of the Bonds on the SIX Swiss Exchange as soon as practicable thereafter and (if granted) will only be granted after the Issue Date. The last trading day for the Bonds on the SIX Swiss Exchange is expected to be the day falling two SIX Swiss Exchange trading days prior to the Maturity Date.
Selling Restrictions:	For restrictions on the offering, sale and delivery of the Bonds, see "Selling Restrictions" beginning on page 30 of this Prospectus.
Governing Law and Place of Jurisdiction:	Swiss Law; Zurich, Switzerland

**Zürcher Kantonalbank**

**BNP Paribas (Suisse) SA**

(the **Joint Lead Managers**)

**BZ Bank Aktiengesellschaft**

(the **Co-Manager** and together with the Joint Lead Managers, the **Managers**)

Swiss Security Number: 129 022 242

ISIN: CH1290222426

Common Code: 269910054

Prospectus dated 6 October 2023

This Prospectus has been approved by SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act (the **Review Body**) on 24 October 2023

## Important Information

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**This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Review Body. Consequently, neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue of the Bonds is correct as of any time subsequent the date indicated in the document containing the same.**

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Bonds and for the admission to trading and listing of the Bonds on the SIX Swiss Exchange and the Issuer has not authorized the use of this Prospectus for any other purpose.

This Prospectus is to be read in conjunction with all documents incorporated by reference herein. This Prospectus shall be read and construed on the basis that such documents are incorporated into and form part of this Prospectus. See *"About this Prospectus—Documents Incorporated by Reference"* on page 9 of this Prospectus.

**An investment in the Bonds will involve certain risks, including the risk that Holders will lose their entire investment in the Bonds. For a discussion of certain risks that potential investors should carefully consider before deciding to invest in any Bonds, see *"Material Risks"* beginning on page 11 of this Prospectus.**

No person is or has been authorized by the Issuer or the Managers to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or the Managers.

Neither this Prospectus nor any other information supplied in connection with the Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any other information supplied in connection with the Bonds should purchase any Bonds. Each potential investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issue of the Bonds constitutes an offer or invitation by or on behalf of the Issuer, or the Managers to any person to subscribe for or to purchase any Bonds.

### The Managers

The Managers have not verified the information contained herein. Additionally, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated by reference herein or any other information provided by the Issuer in connection with the Bonds.

To the fullest extent permitted by law, the Managers accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Managers or on their behalf in connection with the Issuer or the issuance, offering and admission to trading or listing of the Bonds. The Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) that they might otherwise have in respect of this Prospectus or any such statement.

The Managers and certain of their respective affiliates have provided, and/or may provide in the future, investment banking, commercial banking, advisory and other financial services for the Issuer and its affiliates in the ordinary course of business for which they have received and will receive customary fees and reimbursement of expenses.

Furthermore, in the ordinary course of their business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may, at any time, hold long or short positions in such investments and securities. Such investment and securities activities may involve the securities and/or instruments of the Issuer. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold (for their own account or for the account of their customers), or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## Notice to Investors

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This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Bonds may be restricted by law in certain jurisdictions. Neither the Issuer nor the Managers represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers that is intended to permit a public offering of any Bonds or distribution of this Prospectus in any jurisdiction where action for that purpose is required other than Switzerland. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the offer, sale and delivery of the Bonds and the distribution of this Prospectus in the United States of America (the **United States** or the **U.S.**) and to United States persons, the European Economic Area (the **EEA**) and the United Kingdom (the **UK**). See "*Selling Restrictions*" beginning on page 30 of this Prospectus.

### United States

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons (as such terms are defined in Regulation S under the Securities Act (**Regulation S**)).

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## Summary

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**This summary should be read as an introduction to this Prospectus. Any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole and not only this summary, including any documents incorporated by reference into this Prospectus. Potential investors in the Bonds should be aware that liability under article 69 of the FinSA for any false or misleading information contained in this summary is limited to any such information that is false or misleading when read together with, or that is inconsistent with, the other parts of this Prospectus.**

### A. Information on the Issuer

Issuer:	TEMENOS AG
	The Issuer is a corporation ( <i>Aktiengesellschaft</i> ) with limited liability under the laws of Switzerland, with its registered office and principal place of business at 2, rue de l'Ecole-de-Chimie, 1205 Geneva, Switzerland.
Issuer's Legal Entity Identifier (LEI):	5067007NW6550481FH64
Issuer's auditor:	PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, 1211 Geneva, Switzerland

### B. Information on the Terms of the Bonds

Bonds:	CHF 200,000,000 2.85 percent Bonds due 2028.
Issue Date:	11 October 2023
Maturity Date:	11 October 2028
Final Redemption Amount:	100 percent of the aggregate principal amount of the Bonds.
Early Redemption:	At the option of the Issuer (i) at par, provided that 85 % of the Bonds have been previously repurchased, and (ii) 3-months pre-maturity call, at par, all in accordance with the Terms of the Bonds
Interest Rate and Interest Payment Dates:	2.85 percent per annum, payable annually in arrear on 11 October of each year, commencing on 11 October 2024.
Denomination:	CHF 5,000
Status:	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer.
Form of the Bonds:	The Bonds will be issued as uncertificated securities ( <i>Wertrechte</i> ) in accordance with article 973c of the Swiss Code of Obligations. No physical delivery of individually certificated Bonds shall be made, as further described in the Terms of the Bonds.
Reopening:	The Issuer reserves the right to reopen this issue at any time before the maturity of the Bonds in accordance with Condition 1(a) of the Terms of the Bonds.
Key Covenants:	Pari passu clause, negative pledge clause (with exceptions), change of control provision and cross default provision, all as provided in the Terms of the Bonds.
Swiss Withholding Tax:	All payments of interest on the Bonds by the Issuer will be subject to Swiss withholding tax, which as of the date hereof is levied at a rate of 35 percent.
Paying Agent:	Zürcher Kantonalbank

## Summary

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Governing Law and Jurisdiction: Swiss Law; Zurich, Switzerland

### C. Information on the Offering

Offering: The offering described herein consists of a public offering of Bonds in Switzerland in compliance with applicable laws and regulations.

Issue Price: Subject to certain conditions, the Managers have agreed to purchase the Bonds from the Issuer at the price of 100.069 percent (before commissions and expenses) of the aggregate principal amount of the Bonds.

Placement Price: According to demand.

Clearing and Settlement: SIX SIS Ltd.

Material Risks: An investment in Bonds involves certain risks. For a discussion of certain risks that potential investors should carefully consider before deciding to invest in any Bonds, see "*Material Risks*" beginning on page 11 of this Prospectus.

Net Proceeds / Use of Proceeds: The Group intends to use the net proceeds from the Offering of CHF 199,474,000, after placement commissions and expenses, for general corporate purposes.

Security Numbers: Swiss Security Number: 129 022 242  
ISIN (International Securities Identification Number): CH1290222426  
Common Code: 269910054

Selling Restrictions: The Bonds are subject to restrictions on their offering, sale and delivery both generally and specifically in the United States and to U.S. persons, the EEA and the UK, in each case as described under "*Selling Restrictions*" beginning on page 30 of this Prospectus.

The Joint Lead Managers: Zürcher Kantonalbank, BNP Paribas (Suisse) SA

Co-Manager: BZ Bank Aktiengesellschaft

### D. Information on the Admission to Trading and Listing

Swiss Trading Venue: SIX Swiss Exchange.

Admission to Trading and Listing: It is expected that the Bonds will be provisionally admitted to trading on the SIX Swiss Exchange as of 10 October 2023. Application will be made for definitive admission to trading and listing of the Bonds on the SIX Swiss Exchange as soon as practicable thereafter and (if granted) will only be granted after the Issue Date. The last trading day for the Bonds on the SIX Swiss Exchange is expected to be the day falling two SIX Swiss Exchange trading days prior to the Maturity Date.

### E. Information on Prospectus Approval

Review Body: SIX Exchange Regulation Ltd, Hardturmstrasse 201, 8005 Zurich, Switzerland

Prospectus Date and Approval: This Prospectus is dated 6 October 2023, and has been approved by the Review Body on the date on the cover page of this Prospectus.

This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Review Body.

## General Information

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### Authorisation

Pursuant to a resolution of the Board of Directors of the Issuer passed on 4 September 2023, and a Bond Purchase Agreement dated 6 October 2023, among the Issuer and Zürcher Kantonalbank, BNP Paribas (Suisse) SA and BZ Bank Aktiengesellschaft, the Issuer has decided to issue, and the Managers have agreed to subscribe for the Bonds.

### Offering

The offering described herein consists of a public offering of Bonds in Switzerland in compliance with applicable laws and regulations.

### Clearing Systems

The uncertificated securities representing the Bonds will be registered with SIX SIS Ltd.

### Net Proceeds and Use of Proceeds

The Group intends to use the net proceeds from the Offering of CHF 199,474,000, after placement commissions and expenses, for general corporate purposes.

None of the Managers shall have any responsibility for, or be obliged to concern itself with, the application of the net proceeds of the Bonds.

### Representative

In accordance with article 58a of the Listing Rules of the SIX Swiss Exchange, the Issuer has appointed Zürcher Kantonalbank to file the application with SIX Exchange Regulation Ltd in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of the Bonds on the SIX Swiss Exchange.

## Responsibility Statement

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The Issuer accepts responsibility for the completeness and accuracy of this Prospectus and confirms that, to the best of its knowledge, the information contained in this Prospectus is correct and that no material facts or circumstances have been omitted.

Geneva, 6 October 2023

**TEMENOS AG**



## About this Prospectus

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### Documents Incorporated by Reference

The following documents are incorporated by reference into, and are an important part of, this Prospectus:

- (1) the Issuer's annual report for the year ended 31 December 2022 (**Annual Report 2022**), containing the annual statutory and consolidated financial statements of the Issuer (including the audit reports issued in respect thereof and the notes thereto);
- (2) the Issuer's half-year report for the six-month period ended 30 June 2023 (the **Half-Year Report 2023**);
- (3) the Articles of Association of the Issuer dated 14 February 2023; and
- (4) the press release of the Issuer dated 20 July 2023 "Temenos Announces Q2-23 Results; ARR and FCF Guidance Raised".

Any statement in a document incorporated by reference into this Prospectus will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequent document incorporated by reference herein modifies or supersedes that statement.

### Availability of Documents

Copies of this Prospectus (including the documents incorporated by reference herein) can be obtained in electronic or printed form, free of charge, during normal business hours from the offices of Zürcher Kantonalbank, IHKT, P.O. Box, 8010 Zurich, telephone (+41 44 292 20 22) or e-mail to [prospectus@zkb.ch](mailto:prospectus@zkb.ch).

## Forward-looking Statements

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This Prospectus contains certain forward-looking statements and information relating to TEMENOS that are based on the current expectations, estimates, plans, strategic aims, vision statements, and projections of its management and information currently available to TEMENOS.

These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results of operations, financial condition, performance or achievements of TEMENOS to be materially different from any future results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Terms and phrases such as “will”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “predict”, “estimate”, “project”, “target”, “assume”, “may” and “could”, and variations of these words and similar expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

These statements reflect the current views of TEMENOS’ management with respect to future events and are not a guarantee of future performance. Various factors could cause actual results or performance to differ materially from the expectations reflected in these forward-looking statements, including those described under the heading “Material Risks” and elsewhere in this Prospectus. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. Therefore, no undue reliance should be placed on forward-looking statements and Holders should assess and take into account these risks as part of their investment decision.

Except as required by the FinSA or other applicable securities laws, neither the Issuer nor the Managers undertake an obligation to update any prospects or other forward-looking statements contained or incorporated by reference herein after the date hereof, even if new information, future events or other circumstances have made such statements incorrect or misleading.

All subsequent written and oral forward-looking statements attributable to the Issuer or any other entity of TEMENOS are qualified in their entirety by the risk factors outlined below.

## Material Risks

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*The Group operates in a rapidly changing environment that involves a number of risks and uncertainties, some of which are beyond its control. Prospective Holders should carefully consider each of the risks and uncertainties described below and all other information in this Prospectus before deciding to invest in the Bonds, as well as reviewing the risk factors highlighted in the most recent Annual Report for 2022. If any of the following events actually occur, the Group's business, operating results and financial condition would likely suffer. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on its cash flows, business, results of operations and financial condition. In addition, the risks and uncertainties described below are not the only ones that the Group faces. Additional risks and uncertainties that the Group does not currently know of or that the Group currently believes to be immaterial may also adversely affect the Group's business operations.*

### **Risks factors relating to the Issuer**

*The Issuer is reliant on the support of the wider Group to conduct its business*

The Issuer is dependent upon the Group for various services including but not limited to software development and support, centralised administrative functions, licensing of IP and management. These services are centralised within the Group for cost effectiveness and expertise and are provided to all Group companies from numerous locations. Any contingency that affects the Group's ability to provide the various services to the Issuer could have a material effect on the Issuer's operations, financial condition, results and ability to fulfil its obligations.

*The Issuer is reliant on the support of the wider Group to fulfil its obligations*

In order to satisfy its obligations in respect of the Bonds the Issuer will depend upon payments made to it by other members of the Group. Therefore, the Issuer's ability to fulfil its obligations is subject to any contingency that affects the Group's business, financial condition and results.

### **Risks factors relating to the Group**

*The Group depends on the banking and financial services industry*

The Group derives most of its licensing, Software as a Service (SaaS), maintenance and services revenues from banks and other financial institutions. The banking industry is sensitive to changes in economic conditions and is highly susceptible to unforeseen external events, such as political instability, recession, inflation, currency fluctuations, interest rate changes, environmental, public health or other adverse occurrences that may result in a significant decline in the use and/or profitability of financial services. The banking industry is also subject changes in the applicable laws and regulations and subject to increased competition from new financial services providers. Any event that results in decreased consumer or corporate use of financial services, cost-cutting measures by financial services companies, or increased pressure on banks and financial institutions to develop, implement and maintain solutions in-house rather than going to external providers, may negatively affect the level of demand for the Group's products and services. Any reduction in the demand for the Group's products in the banking and finance industries or decrease in success in marketing the Group's products to financial sector clients and prospective clients could have a material adverse effect on the Group's operations and financial condition and results. Furthermore, if any of the above factors affect the financial stability of the Group's clients there may be an adverse impact on its ability to recover fees for the services provided to them.

*Increased competition may result in price reductions and decreased demand for the Group's products and services*

The Group competes both to attract new customers and to retain and provide additional services to its existing customers. The market for banking industry software is intensely competitive and continues to change in response to technological innovation and other factors. The Group's competitors are diverse and offer a variety of solutions directed at various segments of the banking and financial services industry software market. These competitors include large software vendors offering banking software solutions such as Avaloq, Fidelity National Information Services (FIS), Finastra, Fiserv, Infosys, Jack Henry, Oracle Financial Services Software and Tata Consultancy Services (TCS) as well as neo-vendors offering banking software solutions, such as 10X Banking Technology, Backbase, Mambu, nCino, Q2 Holdings, and Thought Machine. The IT departments of financial institutions that conduct

## Material Risks

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internal development efforts and smaller independent companies that provide specialised solutions addressing discrete needs or specific geographic regions are also in direct competition with the Group. A number of the Group's competitors have certain competitive advantages such as: longer operating histories; greater financial, technical and marketing resources; stronger brand recognition; and a larger installed client base. In addition, several of the Group's competitors have well established relationships with a number of the Group's current and potential clients and strategic partners. Furthermore, the same competitors also have extensive knowledge of the banking software industry and have the resources to enable them to offer clients single-vendor tailor-made fully customized solutions for all of their banking related software requirements. As a response to a changing competitive environment, changes to pricing, service or marketing decisions could have a material adverse effect on the Group's business, financial condition and results.

Some of the Group's competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements or to devote greater resources to the development, promotion and sale of their products and new technologies. Failure to respond as quickly as its competitors could have a material adverse effect on the results of operations and financial condition of the Group.

There can be no assurance that established software companies, that are significant players in other vertical industries, will not enter the market for banking and financial industry software. Any increase in competition to the Group's product and services could have a material adverse effect on the revenues, results of operations and financial condition of the Group.

*The Group faces challenges maintaining its products' market leading positions in an environment of rapid technological development, new business models and changing market expectations*

The future success of the Group depends upon its ability to keep pace with technological developments, new business models among its customers and changing market expectations. The market for banking software is characterised by rapid technological change, frequent new product introductions, technology enhancements, changes in customer demands and evolving market standards and an evolving regulatory landscape across all geographies. This requires the Group to constantly develop new products and services, enhancing existing products and services, integrating any new products and services that may be acquired through acquisitions and anticipating any future changes in customer's needs. There can be no assurance that the Group will be successful in developing new products and services or enhancing existing products and services and bringing them to market in a timely and cost effective manner. Failure to make sufficient investments in research and development or if such investments were costly and/or ineffective could have a material adverse effect on the results of operations and financial condition of the Group. With increasingly sophisticated customer requirements, the Group may not succeed in developing high quality products or enhancements necessary to compete with products, enhancements or other technologies offered by competitors. In addition, there can be no guarantee that expenditure on research and development will directly result in increases to the Group's revenue in excess of the costs associated with the research and development. If the cost of researching and developing a new product is in excess of any additional revenues generated by the new product the Group's profitability will decrease.

*Increased proportion of clients that are "Tier 1 and 2" may increase the reputational risk to the Group*

The Group's "Tier 1 and 2" client list, which includes clients both leading global and regional players such as ABN Amro, Bank SinoPac, BNP Paribas, Commerce Bank, , ING, JPMorgan Chase & Co, Julius Baer, Nordea, PayPal, Société Générale, Standard Chartered Bank, Regions Financial, and Open Bank, the digital bank of Santander Group and others, is a key competitive strength, which strengthens the reputation and brand of the Group within the banking industry. However, the continued acquisition of "Tier 1 and 2" clients increases the reputational exposure of the Group in the event of a product defect or customer complaint in relation to a Tier 1 or Tier 2 client. Any incident or action that damages the reputation or brand of the Group could adversely affect its business, financial condition and operating results.

*The Group is dependent on its ability to attract and retain key management and other skilled personnel*

The Group operates in an industry in which there is intense competition for experienced and highly qualified individuals. The economic success of the Group is partly dependent on its ability to identify, attract, develop, motivate, adequately compensate and retain highly skilled and qualified management and other personnel, particularly those with expertise in IT, finance, marketing, sales, banking software development, cyber and information security, and

## Material Risks

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Cloud and SaaS operations. In particular, the Group depends heavily on the continued services and performance of its directors, members of its Executive Committee and other senior managers and technical personnel. In addition, the Group relies on hubs of its technical staff at its facilities in India, Romania and other locations for cost-effective development, support and other activities. The Group believes that in order to grow its business it will need to continue to hire and retain highly qualified employees with the requisite skills and expertise to support its growing client base. There is intense competition for experienced and highly skilled personnel globally, and there is no guarantee that the Group will continue to be able to successfully and consistently meet its personnel recruitment goals. If the Group fails to recruit and retain the numbers and types of employees that it requires, its business, operating results and financial condition could be adversely affected.

*Share based compensation may not be sufficient to retain, motivate and recruit senior staff*

The Group's compensation program was previously based purely on stock appreciation rights (SARs). In the last 18 months, the Group has been transitioning the Long-Term Incentive Program to include performance stock units and restricted stock units which are more in line with general market practice especially in Europe. This has created important tools in attracting and retaining senior employees in a challenging market. However, if the share price performs poorly or the number of SARs or shares for distribution is limited, there may be an adverse impact on the Group's ability to retain or attract senior employees. Any changes in the Group's compensation practices or those of the Group's competitors could adversely affect its ability to retain and motivate existing personnel and to recruit new personnel.

*The Group's business may be adversely affected if it fails to successfully identify, complete or manage acquisitions*

The Group pursues a strategy of making targeted acquisitions. The risks associated with such a strategy include the availability of suitable candidates, integration issues such as the failure to assimilate operations and personnel, and the risk of entering markets in which the Group has no or limited prior experience. The process of integrating an acquired company or business is risky and may create unforeseen operating difficulties and expenditures, including: difficulties in integrating the operations, technologies, services and personnel of the acquired businesses; unexpected costs or liabilities of acquired businesses (or future acquisitions); ineffectiveness or incompatibility of acquired technologies or services; failure to realise operating benefits or synergies from completed transactions; potential loss of key employees of acquired business and cultural challenges associated with integrating employees from the acquired company; inability to maintain the key business relationships and the reputations of acquired businesses; and diversion of management's attention from other business concerns.

Further consolidation in the Group's industry may decrease the number of potential desirable acquisition targets. Failure to acquire, integrate and derive the desired value of any businesses or assets in the future could have a material adverse effect on the Group's business, results of operations and financial condition.

In addition, acquired businesses might not perform as anticipated, resulting in charges for the impairment of goodwill and other intangible assets on the Group's statements of financial position. Moreover, the funding of future acquisitions by the Group may require the use of significant amounts of cash, potentially dilutive issuances of equity securities and the incurrence of debt or amortisation expenses related to intangible assets.

*The Group's results or operations may be adversely affected by foreign exchange and/or interest rate fluctuations*

The Group's financial statements are expressed in U.S. dollars and the Group generates the majority of its revenues in U.S. dollars. However, a significant portion of its operating expenses is incurred in currencies other than the U.S. dollar, particularly in Euros, Swiss francs, Indian Rupees and Pounds Sterling.

The Group is exposed to the fluctuation in exchange rates of each of these currencies. The Group makes efforts to mitigate its foreign exchange risk by aligning its revenue streams to currencies that match its cost base and hedges most of the material residual exposure by using derivative instruments. However, such hedging may not be sufficient protection against significant fluctuations in the exchange rate of the U.S. dollar to other currencies, in particular those currencies in which the Group incurs operating expenses, generates revenues or holds assets. Such fluctuations may impose additional costs on the Group and could have a material adverse effect on the Group's financial condition and results of operations, and on the comparability of its results between financial periods.

## Material Risks

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Furthermore, the Group is exposed to the fluctuation in interest rates. Some of the Group's financing arrangements bear interest at floating rates of interest plus a margin and are adjusted periodically. These interest rates could rise significantly in the future. To the extent that interest rates were to increase, the Group's interest expense would correspondingly increase. This could have a material adverse effect on the Group's business, results of operations and financial condition.

*Failure to comply with the terms of the Group's credit facilities could adversely affect the Group's liquidity and therefore the results of operations*

The Group has credit facilities in place with a syndicate of banks. The facilities contain financial covenants, undertakings and event of default provisions. Moreover, the facilities contain cross-default provisions such that a default under another debt instrument, such as the Bonds, could result in a default under the credit facilities and acceleration of the debt thereunder.

The inability of the Group to draw down the credit facilities to satisfy its financing requirements, and/or the impact on the Group of any cross-acceleration or cross-default provisions could have a material adverse effect on the Group's growth.

*The Group's outstanding and future indebtedness could become more costly or difficult to finance*

As of 30 June 2023, the Group had an aggregate of US\$ 873 million of outstanding indebtedness that will mature between calendar year 2023 and calendar year 2026, and may incur additional indebtedness in the future. The Group's ability to pay interest and repay the principal for its indebtedness is dependent upon its ability to manage its business operations, generate sufficient cash flows to service such debt and the other factors discussed in this section. There can be no assurance that the Group will be able to manage any of these risks successfully. The Group may also need to refinance a portion of its outstanding debt as it matures. There is a risk that the Group may not be able to refinance existing debt or that the terms of any refinancing may not be as favourable as the terms of its existing debt. Furthermore, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could adversely affect the Group's business, results of operations and financial condition.

*The Group relies on third parties for sales and implementation services*

The Group delivers its products to customers directly and indirectly through distributors and through alliances with IT service providers. The Group's partners sell to customers and provide implementation services through a contract with the partner, rather than with the Group. These relationships with IT service providers and partners help to drive co-innovation of the Group's products, profitably expand the Group's routes-to-market to enhance market coverage and provide high quality services in connection with the Group's product offerings. Any failure to maintain and expand these relationships could adversely affect the Group's products and services which, in turn, would have an adverse effect on the Group's ability to compete successfully with its competitors and therefore negatively affect the results of operations and financial condition.

*Operating results may be negatively impacted by increased use of professional subcontractors by the Group*

The Group relies on professional subcontractors to fulfil certain of its obligations to customers, in particular in the context of implementing Group products. The Group's use of subcontractors may reduce its professional services gross margins, and so any increase in the use of subcontractors may negatively impact the Group's services margins.

Due to the typically short-term nature of the contracts with professional subcontractors, there is a risk that should they be terminated on short notice, the Group's ability to implement its products could be materially reduced. Such a reduction could have a material adverse effect on the Group's financial condition and results of operations.

*The Group's sales cycle is long and may cause its operating results to vary widely*

A decision by a potential customer to purchase the products of the Group involves a significant commitment of its resources and is influenced by its budget cycles. The process of winning new customers require a significant amount of management time and resources as the Group must educate any potential new clients regarding how they could use and benefit from the Group's products and services. Consequently, the period between initial contact and the

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purchase of products is often long and subject to delays associated with the lengthy budgeting, approval and competitive evaluation processes that typically accompany significant IT expenditures. The Group's average sales cycles typically range between six and twelve months from initial contact with a potential customer to the signing of a contract. Lengthy delays between the purchase of products and payment may cause the Group to incur significant expenses before payment by the customer, which could have a material adverse effect on the Group's financial condition and results of operations in the intervening period. In addition, the Group's operating results may vary widely from period to period.

*Cyclical fluctuations may cause the Group's quarterly operating results to vary widely*

The Group's quarterly results are subject to cyclical fluctuations that are a factor of the market and sectors within which the Group operates. In particular, licence revenues are typically strongest in the fourth quarter, when the large proportion of customers with calendar year-end budgeting procedures make their purchasing decisions. In contrast, first quarter results are typically the weakest in the annual reporting cycle. In addition, the third quarter includes the summer months when both sales and billable client services activity, as well as client purchase decisions, tend to be lower, particularly in Europe. Such cyclical fluctuations could put stress on the Group's cash position which may necessitate the Group drawing on existing working capital facilities or other sources of liquidity. As a result of seasonality of the Group's revenues, the Group's quarterly operating results may fluctuate materially and could lead to volatility in the price of the Issuer's shares, which could, overall, have a material adverse effect on the value attributed to the Group. In addition, the Group may have difficulty in accurately forecasting revenues on a quarterly basis, which could have a material adverse effect on the Group's results, financial condition and ability to meet its payment obligations in connection with the Bonds.

*The Group may face difficulties in the provision of its SaaS and Cloud services offering*

SaaS and Cloud technology is inherently complex and as such the Group may be subject to changing regulatory requirements, evolving client attitudes and technical complexities in developing a new business offering and support services. The Group may fail to achieve desired operating profit results in this market due to regulatory changes or inability to develop a competitive product which appeals to its clients.

In delivering its SaaS and Cloud services, Group is highly dependent on availability and security of underlying infrastructure provided by various suppliers including Microsoft Azure and Amazon Web Services (AWS). By providing Cloud technology to customers the Group will hold a large amount of customer data. Hardware, software and network failures, product defects or system errors could result in data loss or corruption, or cause the information held to be incomplete or contain inaccuracies. The availability of the Group's application suite could be interrupted by a number of factors, such as the failure of a key supplier, its network or software systems due to human or other error and security breaches.

Although the Group employs strict security, data protection and privacy measures there is a risk that such measures could be breached as a result of malicious third party action, employee error and malfeasance, or otherwise, and if as a result unauthorised access is obtained to customer data, which may include personally identifiable information about users, the Group could suffer significant reputational damage and could be exposed to major liabilities. Any such incident or any other difficulties in the provision of the SaaS and Cloud services, could result in reputational damage or exposure to major liability, and could have a material adverse effect on the Group's financial condition and results of operations.

*Undetected errors or defects in the Group's products could adversely affect the Group's performance and reduce the demand for its products*

There can be no assurance that the Group's products do not contain errors or defects that the Group has not been able to detect and that could adversely affect the performance of the products and negatively impact the Group's relationship with its customers and clients. This could occur when developing a new product or service or when developing a new version or enhancement of an existing product. It is not always possible to identify and rectify any errors or defects during a product or services developmental phase, and more commonly the Group has discovered minor software defects in certain new versions and enhancements of its products after they have been introduced. The detection and subsequent correction of any errors or defects can be expensive and time consuming, and it is not always possible to meet the expectations of customers regarding the timeliness and the quality of the defect resolution process. In a worst case scenario, it might not be possible to wholly rectify certain defects or

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entirely meet customer expectations. In such circumstances it is possible that customers may pursue claims for refunds, damages, attempt to terminate existing arrangements, request replacement software or seek other concessions. Any such action by customers could have a material adverse effect on the business, financial condition and results of operations of the Group.

A defect or error in any newly developed software of the Group could result in adverse customer reactions and negative publicity as the Group's customers and potential customers are highly sensitive to defects in the software they use. Any negative publicity could hinder the successful marketing of the new software, reducing demand for the software. A defect or error in new versions or enhancements of the Group's existing products could result in the loss of orders or a delay in the receipt of orders and could result in reduced revenues, delays in market acceptance, diversion of development resources, product liability claims or increased service and warranty costs, any of which could have a material adverse effect on the Group's business, results of operations and financial condition. Any claim brought against the Group in connection with defective software, regardless of its merits, could entail substantial expense and require a significant amount of time and attention by management personnel.

### *The Group may encounter difficulties with software implementation project management*

The implementation of the Group's software and integration of various product components is a complex process requiring skilled and experienced personnel. The implementation of the Group's software is often performed in part or wholly by service delivery partners as well as committed resources of the client. The complex nature of the solutions makes it necessary to provide training and education on the operation of the product.

The reliance on third party capabilities, and the complex nature of product customization and installation requirements mean that there is a high potential for unforeseen events to occur delaying the progress of implementations.

Unsuccessful, lengthy or costly customer migration projects could result in claims from customers and/or reputational damage to the Group, and accordingly could therefore have a material adverse effect on its business, financial condition and results.

### *The Group may fail to offer high-quality technical support to its customers*

The Group's customers depend on its support organization to resolve technical issues relating to the product offerings. The Group may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services or may be inefficient in its resolution of customer support issues. Increased customer demand for these services, without corresponding revenues, could increase costs and adversely affect its operating results. Any failure to maintain high-quality technical support, or a market perception that the Group does not maintain high-quality technical support, could adversely affect its reputation, its ability to sell its product offerings to existing and prospective customers, and therefore adversely impact the Group's business, operating results, and financial position.

### *The Group's business may be adversely affected by conflicting legal and regulatory requirements associated with international operations*

Around 3,000 financial institutions in over 150 countries currently use the Group's systems. The Group's future revenue growth depends on the successful continued expansion of its development, sales, marketing, support and service organisations, through direct or indirect channels, in the various countries around the world where its current and potential clients are located, including in many developing or newly industrialised countries. Such expansion may require the opening of new offices, hiring new personnel and managing operations in widely disparate locations with different economies, legal systems, languages and cultures, and may require significant management attention and financial resources. The Group's operations are also affected by other factors inherent in international business activities, such as:

- Differing or even conflicting laws and regulation of risk and compliance in the banking sector;
- difficulties in staffing including works councils, labour unions and immigration laws, changing work practices (e.g. flexible working, hybrid working, working from home, and part-time working), and foreign operations;
- the complexity of managing competing and overlapping tax regimes;
- differing import and export licensing requirements;



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- operational difficulties in countries with a high corruption perception index;
- protectionist trade policies such as tariffs;
- limited protection for intellectual property rights in some countries;
- difficulties enforcing intellectual property and contractual rights in certain jurisdictions;
- differing data protection and privacy laws; and
- political and economic instability, outbreaks of hostilities, terrorism, international embargos sanctions and boycotts.

The risks associated with the factors stated above will intensify as the Group expands further into new countries and markets through organic growth or acquisitions. Additionally, laws and regulations and governments' approaches to their enforcement, as well as the Group's products and services, are continuing to change and evolve. Compliance with the laws and regulations in the various jurisdictions may involve significant management time, costs and require costly changes to products and/or business practices. Failure to comply with laws in the various jurisdictions could result in prosecution, fines or reputational damage.

### *The Group may be subject to increasing regulatory compliance requirements*

The Group is a technology service provider for financial services institutions which are regulated and overseen by a diverse set regulatory authorities based on the various jurisdictions in which it operates. As such, the Group is subject to direct and indirect financial regulatory supervision based on the portfolio of products and services offer to clients in a global client ecosystem. A failure to comply with regulatory requirements and expectations could result in enforcement actions, sanctions, administrative orders that can be judicially enforced and result in monetary penalties and other adverse scenarios.

As the utilization of Cloud and SaaS products grows, there is increased dependence on the Group as a material outsourced technology service provider, regulatory scrutiny and oversight also increases and the degree of exposure to regulatory examinations, sanctions and fines also increases.

### *The Group may be exposed to additional tax liabilities*

As a multinational corporation, the Group is subject to income taxes as well as non-income based taxes, in both Switzerland and various foreign jurisdictions. Uncertainties exist with respect to the amount of the Group's tax liabilities, including those arising from potential changes in laws in the countries in which we do business and the possibility of adverse determinations with respect to the application of existing laws. Many judgments are required in determining the Group's worldwide provision for income taxes and other tax liabilities, and there is a residual possibility that tax authorities wish to question the positions taken by the Group in its tax returns. Any unfavourable resolution of these uncertainties may have a significant adverse impact on the Group's tax rate.

Additionally, governments remain under pressure to raise more tax revenue from corporate income and other taxes or to enact new types of taxes on businesses and their customers to fund public policies. Various countries continue to consider enacting changes to their tax laws that could adversely affect the Group by increasing taxes imposed on the Group's revenue streams and foreign subsidiaries, including changes in withholding tax regimes and the imposition of taxes targeted at certain technology businesses.

More fundamentally, longstanding international tax principles that determine each country's right to tax cross-border transactions are being reconsidered, creating uncertainty as to the future level of corporate income tax on the Group's international operations. This re-examination is driven by a global trend to mitigate differences in taxation across jurisdictions and to provide greater taxing rights to market jurisdictions where customers or users are located. Inherent in the Group's global business operations and legal entity structure are many intercompany transactions and calculations made in the ordinary course of business where the ultimate tax determination is uncertain.

### *The Group may be exposed to additional data privacy risk*

As the Group processes increasing amounts of personal data for its clients its data privacy risk profile may change, for example:

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- Privacy and Data regulations will emerge in more territories where the Group operates and the scope and the complexity of existing regulations will increase. Such developments could impact its ability, and that of its customers, partners, and Public perception of the privacy of personal information may shift rapidly, in ways that may affect its reputation or influence regulators to enact regulations and laws that may limit its ability to provide certain products and services. data providers, to collect, augment, analyse, use, process, transfer and share personal and other information.
- Customer requirements for “Privacy by Design and by Default” will increase for public-cloud, private-cloud and on-premise solutions.

Any failure, or perceived failure, to comply with privacy laws and regulations could result in lost or restricted business, proceedings, actions and fines brought against the Group. Reputational harm could also be significant.

### *The impact of climate change may adversely affect the Group*

Governmental actions to mitigate climate change could increase operating costs. Increased frequency of extreme weather (storms, floods, heat waves) could cause disruption of the Group's operations. Failure to meet client, partner, investor, other stakeholder expectations or globally recognized standards on sustainability and climate change strategy could have an impact on the demand for its products, its ratings in sustainable investment indices and its corporate reputation, resulting in reduced growth and profitability.

### *The Group's business may be adversely affected if the Group is unable to protect its proprietary technology*

The Group relies upon a combination of copyright, trademark and trade secrecy laws, trade secrets, confidentiality procedures, contractual provisions and licence arrangements to establish and protect its proprietary rights and the Group's ability to do so effectively is crucial to its success. The Group enters into agreements with its employees, partners, distributors and clients that seek to limit the distribution of and otherwise protect its proprietary information. However, the Group cannot give any assurances that the steps taken to protect its proprietary rights will be adequate to prevent misappropriation of its proprietary information as all of the protection measures afford only limited protection. The Group's proprietary rights could be challenged, invalidated, held unenforceable or otherwise affected. Certain proprietary technology may be vulnerable to disclosure or misappropriation by employees, partners or other third parties and third parties might reverse-engineer or otherwise obtain and use technology and information that the Group regards as proprietary. Accordingly, the Group might not be able to protect its proprietary rights against unauthorised third-party copying or utilisation, which may undermine the Group's market position and deprive it of revenues.

The Group may not be able to detect unauthorised use of its intellectual property or take appropriate steps to enforce the Group's intellectual property rights. The Group's products are used globally and are therefore subject to varying laws governing the protection of software and intellectual property in each of these jurisdictions. The Group cannot guarantee that its software and intellectual property will be afforded the same level of protection in each jurisdiction, as some jurisdictions may offer no effective means to enforce the Group's rights to its proprietary information, which could result in competitors offering products that incorporate features equivalent to the Group's most technologically advanced features, which could have a material adverse effect on the Group's business, results of operations and financial condition.

Any legal action that the Group may bring to enforce its proprietary rights could involve enforcement against a partner or other third party, which could have a material adverse effect on its ability, and its clients' ability, to use that partner's or other third parties' products. Moreover, litigation, which could involve significant financial and management resources, may be necessary to enforce the Group's proprietary rights. Any material infringement of the Group's proprietary technology could have an adverse effect on its reputation, business, financial position, profit and cash flows.

### *The Group may be subject to third party claims for intellectual property infringement*

Litigation of intellectual property infringement claims may increase as a result of the Group acquiring companies which rely on third party code, including opensource code, the Group expanding into new areas of the banking industry resulting in greater overlap in the functional scope of products, and increasing assertion of intellectual property infringement claims by non-practicing entities that do not design, manufacture or distribute products.

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Although the Group believes that its products do not infringe upon the intellectual property rights of others, and that the Group has all the rights necessary to utilise the intellectual property employed in its business, the Group is still subject to the risk of claims alleging infringement of third-party intellectual property rights, including in respect of intellectual property that has been developed by third parties and acquired by the Group in business or asset purchase transactions. Responding to such claims, regardless of whether they are with or without merit and negotiations or litigation relating to such claims could require the Group to spend significant sums in litigation costs, payment of damages and expend significant management resources. In addition, such claims could lead to delivery delays or require the Group to enter into royalty or licensing agreements on unfavourable terms, discontinue the use of challenged trade names or technology, or develop non-infringing intellectual property. The Group's liability insurance does not protect it against the risk that its own or licensed third-party technology infringes the intellectual property of others. Therefore, any such claims could have a material adverse effect on the Group's reputation, business, operating results and financial condition.

*Legal proceedings or litigious actions against the Group could have a material adverse effect on business, financial position, profit, cash flows and reputation*

The Group operates in various legal jurisdictions and as such is subject to various legal and regulatory requirements. The Group may have legal proceedings or litigious actions brought against it. The outcome of legal proceedings or litigious actions are intrinsically uncertain and the actual outcomes of legal proceedings or litigious actions could differ from the assessments made by management in prior periods, resulting in increases in provisions for litigations in the accounts of the Group. Adverse outcomes to legal proceedings or litigious actions could result in the award of significant damages or injunctive measures that could hinder the Group's ability to conduct business and could have a material adverse effect on its reputation, business, financial position, profit, and cash flows.

*Complex software and hardware systems may be breached, interrupted or could fail*

The Group is highly dependent on the proper functioning of complex software and hardware systems. The Group cannot guarantee uninterrupted operation and full security of all its systems. Any failure of such systems or associated back-up facilities could lead to a business disruption. Failure to manage IT and cyber security risks appropriately or data losses, breaches to the IT security systems or any other significant failure of the complex software and hardware systems could lead to legal sanctions, civil claims, significant remediation costs, reputational damage, potential cancellation of customer contracts and inability to compete future business any of which could have a material adverse effect on the Group's business, results of operations and financial condition.

*The Group's business may be interrupted and adversely affected by incidents such as state based conflicts, terrorism or natural disasters*

The Group's business operations are vulnerable to interruption from natural and man-made threats including but not limited to fire, floods, earthquakes, volcanic activity, explosions or other threats such as terrorist activity, social unrest, pandemic and other disasters. This risk is increased by the fact that some of the Group's systems or facilities are based in locations with increased exposure to such natural or social risks. As the Group continues to expand into new countries and markets, these risks could intensify.

Any such interruption or incident could have a material adverse effect on the Group's partners as well as customers and their investment decisions. The occurrence of any of such events, or other events with similar effects, could have a material adverse effect on the Group's business, results of operations and financial condition.

*The Group's information technology and network systems may be vulnerable to cyber-security risks*

As a software technology vendor and SaaS provider, the Group faces various cyber and other security threats, including:

- attempts to gain unauthorized access to sensitive information and data;
- threats to the safe and secure operation of its software solutions and services;
- threats to the safety of its Directors, officers and employees;
- threats to the security of its facilities and infrastructure; and
- threats from terrorist acts or other acts of aggression.

The Group's clients and partners (including subcontractors) face similar threats.

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Although the Group utilizes various procedures and controls to monitor and mitigate the risk of these threats, there cannot be full assurance that these procedures and controls will be sufficient. These threats could lead to losses of sensitive information or capabilities, harm to personnel, infrastructure or products, and/or damage to the Group's reputation as well as its partners' ability to perform on their contracts.

Cyber threats are evolving and include, but are not limited to:

- attempts to gain unauthorized access to data, information or intellectual property;
- disruption to or denial of service; and
- other malicious or criminal activities.

These threats could lead to disruptions in mission-critical systems, unauthorized release of confidential, personal or otherwise protected information (the Group's or that of its employees, clients or partners), and corruption of data, networks or systems. In addition, the Group could be impacted by cyber threats or other disruptions or vulnerabilities found in products it uses or in its partners' or clients' systems that are used in connection with its business. These events, if not prevented or effectively mitigated, could damage the Group's reputation, require remedial actions and lead to loss of business, regulatory actions, potential liability and other financial losses.

The Group provides software products and services to various clients who also face cyber threats. The Group's software products and services may themselves be subject to cyber threats and/or they may not be able to detect or deter threats, or effectively to mitigate resulting losses. These losses could adversely affect the Group and its clients. The impact of these factors is difficult to predict, but one or more of them could result in the loss of information or capabilities, harm to individuals or property, damage to the Group's reputation, loss of business, regulatory actions and potential liability, any one of which could have a material adverse effect on the Group's financial position, results of operations and/or cash flows.

*Internal controls may not effectively address all material risks affecting the Group*

Although the Group considers the controls and procedures it currently has in place to minimise the financial reporting, legal, disclosure and other regulatory, compliance, non-financial and operational risks associated with its business to be adequate for its purposes, the Group recognises that the efficacy of some of these controls and procedures depends significantly on employees and contractors, and on input from external parties and all of these controls and procedures need to be kept under regular review, particularly given the pace at which the Group's business has developed and generally increasing regulatory scrutiny. There can be no assurances that the Group will be able to identify and adequately remedy all failures or weaknesses in the internal controls and procedures of the Group.

There is no assurance that the Group will not be targeted by those willing to commit fraud against the Group. Such an action could come from either an internal or external source and could result in a significant adverse impact on the Group's business, results of operations and financial condition.

## Material Risks

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### Risk factors relating to the Bonds

*There may be limited liquidity in the market for the Bonds*

There is no established trading market for the Bonds. There can be no assurance regarding the future development of a market for the Bonds, or the ability of Holders to sell their Bonds, or the price at which such holders may be able to sell their Bonds. The liquidity of any market will depend upon the number of Holders, the market for similar securities, the interest of securities dealers in making a market in the Bonds and other factors. A liquid trading market may not develop for the Bonds.

*The price of the Bonds may be highly volatile*

The trading price of the Bonds may be subject to fluctuations as a result of numerous factors including, but not limited to, variations in the periodic operating results or financial condition of the Group or the Issuer, changes in investor perceptions of the Group and the Issuer, the depth and liquidity of the market for the Bonds and changes in actual or forecasted global or regional economic conditions or conditions in the banking or banking software industries. In addition, the global bond markets have from time to time experienced extreme price and volume fluctuations, notably in response to changes in interest rates and credit spreads. Any such broad market fluctuations may adversely affect the trading price of the Bonds. Developments and changes in securities analyst recommendations regarding the shares of the Company may also influence and bring volatility to the price of the Bonds.

*The Bonds will be unsecured and nonprivileged indebtedness and will rank equally with all existing and future unsecured and nonprivileged indebtedness*

The Bonds will be unsecured and nonprivileged indebtedness of the Issuer and will rank equally in right of payment with all the Issuer's respective existing and future unsecured indebtedness. In addition, the Bonds will be effectively subordinated to all of the Issuer's respective future secured indebtedness, to the extent of the value of the collateral securing such indebtedness, and other liabilities of the Issuer's respective subsidiaries. The Terms of the Bonds do not limit the amount of additional indebtedness that the Issuer's respective subsidiaries can create, incur, assume or guarantee.

*The Holders' claims under the Bonds will be structurally subordinated to the claims of certain third-party creditors*

The Group consists of the Issuer and its direct and indirect subsidiaries. The Issuer may use a portion of the net proceeds of the Offering to finance loans to others of these Group companies, which may in turn make further loans within the Group. Group companies may agree among themselves or with third-party creditors to subordinate their claims arising from any loans among Group companies to the claims of such third-party creditors. In addition, the assets of the Group are mostly held by the subsidiaries of the Issuer (except the shares in the subsidiaries which are held by the Issuer). Such assets of a group company (other than the Issuer) are generally only available to cover the obligations of such Group company and may not be available to the creditors of Issuer, unless the claims of the creditors of the group company can be fully paid first. This structure results in de facto subordination, or so-called "structural subordination," of the Holders' claims under the Bonds. As a result of this structure, in the event of the liquidation of a Group company, the claims of other third-party creditors may be satisfied in priority to inter-Group claims against such company, and therefore in priority to the Holders' claims under the Bond.

*A downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Bonds could cause the liquidity or market value of the Bonds to decline*

Any rating initially assigned to the Bonds may be lowered, suspended or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes to the Issuer's business, so warrant. Any lowering, suspension or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the Bonds. A security rating is not a recommendation to buy, sell or hold securities.

*The Issuer's credit rating may not reflect all risks of an investment in the Bonds*

The Issuer's credit rating may not reflect the potential impact of all risks relating to the market values of the Bonds. However, real or anticipated changes in the Issuer's credit rating will generally affect the market values of the Bonds or may result in a downgrade in the ratings for the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

## Terms of the Bonds

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The terms and conditions of the bonds (each a **Condition**, and together the **Terms of the Bonds**) issued by the Issuer, are as follows:

### 1 Amount and Reopening, Form of the Bonds, Denomination, Custodianship and Transfer of the Bonds

- (a) The initial aggregate principal amount of the Bonds of Swiss francs (**CHF**) 200,000,000 (in words: two hundred million Swiss francs) (the **Aggregate Principal Amount**) is divided into bonds (each a **Bond** and collectively the **Bonds**) with denominations of CHF 5,000 (five thousand Swiss francs) per Bond.

The Issuer reserves the right to reopen (the **Reopening**) and increase the Aggregate Principal Amount at any time and without prior consultation of or permission of the holders of the bonds (the **Holder**s and, individually, a Holder) through the issuance of further bonds which will be fungible with the Bonds (i.e. identical especially in respect of the Terms of the Bonds, security number, final maturity and interest rate).

- (b) The Bonds and all rights in connection therewith are issued as uncertificated securities (*Wertrechte*) in accordance with art. 973c of the Swiss Code of Obligations.

Such uncertificated securities (*Wertrechte*) will then be entered by the Principal Paying Agent into the main register (*Hauptregister*) of SIX SIS or any other intermediary in Switzerland recognized for such purposes by SIX Swiss Exchange (SIX SIS or any such other intermediary, the **Intermediary**). Once the uncertificated securities (*Wertrechte*) are registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bonds will constitute intermediated securities (*Bucheffekten*) (Intermediated Securities) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

- (c) So long as the Bonds are Intermediated Securities (*Bucheffekten*), the Bonds may only be transferred by the entry of the transferred Bonds in a securities account of the transferee.
- (d) The records of the Intermediary will determine the number of Bonds held through each participant of that Intermediary. In respect of Bonds held in the form of Intermediated Securities, the Holders will be the persons holding the Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Bonds for their own account in a securities account (*Effektenkonto*) which is in their name.
- (e) The conversion of the uncertificated securities (*Wertrechte*) into a permanent global certificate (*Globalurkunde*) or individually certificated bonds (*Wertpapiere*) is excluded. Neither the Issuer nor the Holders nor the Principal Paying Agent nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*Wertrechte*) into, or the delivery of a permanent global certificate (*Globalurkunde*) or individually certificated securities (*Wertpapiere*). No physical delivery of the Bonds shall be made.

### 2 Interest

The Bonds bear interest from (but excluding) 11 October 2023 (the **Closing Date**) until (and including) the Maturity Date (as defined below) at the rate of 2.85 percent of their Aggregate Principal Amount per annum, payable annually in arrears on 11 October of each year (the **Interest Payment Date**), for the first time on 11 October 2024. Interest on the Bonds is computed on the basis of a 360-day year of twelve 30-day months.

### 3 Redemption, Purchase and Cancellation

- (a) Redemption at Maturity

Unless previously redeemed, the Issuer undertakes to repay all outstanding Bonds at par, without further notice on 11 October 2028 (the **Maturity Date**).

## Terms of the Bonds

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(b) Redemption at the Option of the Issuer

a. Pre-Maturity Call

The Issuer may, at any time from (and including) 3 months prior to maturity to (but excluding) the Maturity Date, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Holders in accordance with Condition 10 (which notice shall specify the date fixed for redemption), redeem all, but not some only, of the Bonds at their principal amount together plus accrued interest, if any.

b. Clean-Up Call

The Issuer may, at any time after the Closing Date and prior to the Maturity Date, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Holders in accordance with Condition 10 (which notice shall specify the date fixed for redemption), redeem all, but not some only, of the Bonds at their principal amount plus accrued interest, if any, if eighty-five (85) percent or more of the Aggregate Principal Amount have been redeemed or purchased and cancelled at the time of such notice.

(c) Redemption at the Option of the Holders upon **Change of Control**

A A Change of Control occurs when:

- (a) an offer to acquire Shares, whether expressed as a public takeover offer, a merger or similar scheme with regard to such acquisition, or in any other way, is made in circumstances where (i) such offer is available to (aa) all holders of Shares, (bb) all holders of Shares other than the offeror and any persons acting in concert with such offeror or (cc) all holders of Shares other than persons who are excluded from the offer by reason of being connected with one or more specific jurisdictions, and (ii) such offer having become or been declared unconditional in all respects, the Issuer becomes aware that the right to cast more than 50 % of all the voting rights (whether exercisable or not) of the Issuer has become unconditionally vested in the offeror and any persons acting in concert with the offeror; or
- (b) the Issuer consolidates with or merges into any other company, provided that the shareholders of the other company immediately after the consolidation or merger as a result of the consolidation or merger hold more than 50 % of all the voting rights (whether exercisable or not) of the Issuer resulting from the consolidation or merger; or
- (c) the legal or beneficial ownership of all or substantially all of the assets owned by the Issuer, either directly or indirectly, are acquired by one or more other persons.

B Upon a Change of Control:

the Issuer shall forthwith, or, if it is not clear at that point in time whether the Holders are entitled to exercise their redemption rights pursuant to Condition 3 (c) because the Issuer's rating of at least "BBB" is not yet available, immediately following the receipt of the rating decision of the relevant rating agency or after two months, whatever is earlier, give notice of that fact to the Holders (the **Change of Control Notice**) in accordance with Condition 10. The Change of Control Notice shall:

- (a) inform the Holders of their right to require redemption of the Bonds pursuant to Condition 3 (c);
- (b) specify the date (the **Change of Control Redemption Date**), being not more than sixty (60) and not less than thirty (30) days after giving such notice, on which the Bonds may be redeemed pursuant to Condition 3 (c); and
- (c) provide details concerning the Change of Control.

## Terms of the Bonds

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### C Early Redemption at the Option of Holders upon Change of Control

Upon the occurrence of a Change of Control, the Issuer will at the option of a Holder, redeem such Bond at par on, together with interest accrued up to, the Change of Control Redemption Date unless,

- (a) in the event of a merger or consolidation of the Issuer, the surviving entity has or receives a rating of at least BBB by Standard & Poor's or the equivalent by Moody's or Fitch for its senior unsecured long-term debt on a consolidated basis and assumes or keeps, as the case may be, the Issuer's obligations under the Bonds pari passu with its own senior obligations, or
- (b) in the event of an offer to acquire Shares, or in the event of a transfer of the legal or beneficial ownership of all or substantially all of the assets owned by the Issuer, the acquirer has a rating of at least BBB by Standard & Poor's or the equivalent by Moody's or Fitch for its senior unsecured long-term debt or receives such a rating on a consolidated basis after giving effect to the acquisition and assumes or guarantees the Issuer's obligations under the Bonds pari passu with its own senior obligations.

It is understood that where no rating exists for the senior unsecured long term debt of the surviving entity, the acquiring entity or the Issuer, as the case may be, or a rating is not received within a period of two months since the occurrence of a Change of Control, respectively, then the Holders shall have a redemption right as described in the first sentence of this Condition 3 (c).

To exercise such option, a Holder must deliver a duly completed redemption notice in a form satisfactory to the Principal Paying Agent (a **Change of Control Redemption Notice**) and transfer the relevant Bonds to the Principal Paying Agent by not later than fourteen (14) days prior to the Change of Control Redemption Date. No Bond or Change of Control Redemption Notice so deposited may be withdrawn without the consent of the Issuer.

### (d) Purchases

The Issuer or any Subsidiary may, either directly or indirectly, at any time purchase Bonds at any price, in the open market or otherwise. Any purchase shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation as set out below.

If purchases are made by public tender, such tender must be available to all Holders alike.

### (e) Cancellation

All Bonds which are redeemed or surrendered shall forthwith be cancelled. All Bonds so cancelled cannot be reissued or resold.

### (f) Notice

Where the provisions of this Condition 3 provide for the giving of notice by the Issuer to the Principal Paying Agent, such notice shall be deemed to be validly given if made in writing with all required information to the Principal Paying Agent within the prescribed time limit. Such notices shall be announced to the Holders as soon as practicable pursuant to Condition 10. Such notices shall be irrevocable.

## 4 Payments

The amounts required for payments with respect to the Bonds will be made available in good time in freely disposable CHF which will be placed at the free disposal of the Principal Paying Agent on behalf of the Holders. If the due date for any payment by the Issuer does not fall on a Business Day, the Issuer undertakes to effect payment for value the Business Day immediately following such due date and the Holders will not be entitled to any additional sum in relation thereto. All payments with respect to the Bonds will be made to the Holders



## Terms of the Bonds

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in CHF without collection costs. No payments with respect to the Bonds shall be made at any office of the Issuer or any office or counter of the Principal Paying Agent or the Paying Agent outside Switzerland.

The receipt by the Principal Paying Agent of the due and punctual payment of the funds in CHF as above provided shall release the Issuer of its payment obligations under the Bonds to the extent of such payments.

If the Bonds are not redeemed when due, interest shall continue to accrue until (and including) the day when the Bonds are redeemed.

### 5 Statute of Limitations

In accordance with Swiss law, claims for interest payments shall become time-barred after a period of five (5) years and claims for the repayment or redemption of Bonds after a period of ten (10) years, calculated from their respective due dates.

### 6 Taxation

All payments in respect of the Bonds are subject to all applicable taxes and deductions, including the deduction of the Swiss Federal Withholding Tax (*Verrechnungssteuer*) from interest payments, currently levied at a rate of thirty-five (35) percent.

### 7 Status of the Bonds and Negative Pledge

(a) Status

The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer, rank *pari passu* among themselves and with all other present or future unsecured and unsubordinated obligations of the Issuer, except for such preferences as are provided for by any mandatorily applicable provision of law.

(b) Negative Pledge

So long as any Bond remains outstanding, the Issuer will not, and the Issuer will procure that none of its Material Subsidiaries will, create or have outstanding, any guarantee, mortgage, charge, pledge, lien or other form of encumbrance or security interest other than a Permitted Security upon the whole or any part of its present or future assets or revenues, to secure any Relevant Debt or to secure any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and rateably therewith by such encumbrance or security interest or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be or, (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by the Holders' Representative.

### 8 Events of Default

If any of the following events (each event an **Event of Default**) shall occur, Zürcher Kantonalbank in its capacity as Holders' representative (the **Holdings' Representative**) has the right but not the obligation, on behalf of the Holders, to declare all outstanding Bonds immediately due and repayable at par plus accrued interest:

- (a) there is a failure by the Issuer to pay principal and/or interest on any of the Bonds, if and when due and such failure continues for a period of twenty (20) calendar days; or
- (b) a default is made in the performance or observance of any material covenant, condition or provision which is to be performed by the Issuer under the Terms of the Bonds and (except where the Holders'

## Terms of the Bonds

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Representative certifies in writing that, in its opinion, such default is not capable of remedy, when no such notice or continuation as is mentioned below shall be required) such default continues for a period of twenty (20) calendar days following the service by the Holders' Representative on the Issuer, of notice requiring such default to be remedied; or

- (c) any other present or future indebtedness of the Issuer or a Material Subsidiary for or in respect of monies borrowed is not paid when due (otherwise than, where permitted under the terms of the relevant indenture or agreement, at the option of the relevant debtor) or, as the case may be, within any applicable grace period, or becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or any security in respect of any such indebtedness becomes enforceable or any guarantee of, or indemnity in respect of such indebtedness given by the Issuer or a Material Subsidiary is not honored when due and called upon or, as the case may be, within any applicable grace period, provided that no such event shall be taken into account for the purposes of this para. (c) unless such indebtedness, either alone or when aggregated with other indebtedness subject to such events which shall have occurred and are continuing shall at any time equal or exceed the amount of at least CHF 50,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this para. operates); or
- (d) any guarantee, mortgage, lien or other encumbrance, present or future, created or assumed by the Issuer or a Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person but not the serving of a payment order (*Zahlungsbefehl*)) provided that the aggregate amount of the relevant indebtedness in respect of which such guarantee, mortgage, lien or other encumbrance was created or permitted to subsist equals or exceeds CHF 50,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this para. operates), and any such steps taken are not abandoned or discontinued within twenty (20) calendar days of being taken; or
- (e) the Issuer or a Material Subsidiary is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes a stay of execution, a postponement of payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments (*Stillhaltevereinbarung*) is agreed or declared in respect of or affecting all or a substantial part of (or a particular type of) the debts of the Issuer or a Material Subsidiary; or
- (f) the Issuer or a Material Subsidiary alters its legal or commercial structure through bankruptcy, liquidation, disposal of all or substantially all of its assets, change in the objects of the legal entity and/or commercial activities or merger, in so far as the relevant action, in the Holders' Representative's opinion, has a material adverse effect on the capacity of the Issuer to meet its obligations under the Terms of the Bonds, unless the Holders' Representative considers the situation of the Holders as adequately protected based on securities created or other steps taken by the Issuer; or
- (g) a dissolution or merger involving the Issuer as result of which the Issuer is not the surviving legal entity, unless the successor legal entity assumes all the Issuer's liabilities in respect of the Bonds.

The Issuer undertakes to inform the Holders' Representative without delay if any event mentioned under para. (b) through (g) has occurred and to provide the Holders' Representative with all necessary documents and information in connection therewith.

If an Event of Default occurs, the Holders' Representative has the right but not the obligation to serve a written notice of default (**Default Notice**), such notice having the effect that the Bonds shall become immediately due and payable at the Aggregate Principal Amount plus accrued interest, if any, on the day the Default Notice is given.

Upon the occurrence of an Event of Default, the Holders' Representative may invite the Holders in accordance with art. 1157 seq. of the Swiss Code of Obligations to a Holders' meeting for the taking of a resolution on

## Terms of the Bonds

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the serving of a Default Notice, provided the Holders' Representative has not served such Default Notice itself. The legally valid resolution of the Holders' meeting to serve a Default Notice, shall replace the right reserved by the Holders' Representative according to these Terms of the Bonds to serve a Default Notice on behalf of the Holders. If the Holders' meeting votes against the serving of a Default Notice, the right to serve such Default Notice shall revert to the Holders' Representative whereby the Holders' Representative shall not be bound by the resolution of the Holders' meeting if and to the extent that new circumstances arise or become known which require a revised assessment of the facts.

### 9 Substitution of the Issuer

The Issuer may, without the consent of the Holders, at any time substitute itself in respect of all rights and obligations arising under or in connection with the Bonds with any Swiss legal entity of which all shares carrying voting rights are directly or indirectly held by the Issuer (the **New Issuer**), provided that:

- (a) the New Issuer is in the opinion of the Holders' Representative in a position to fulfill all payment obligations arising from or in connection with the Bonds, and
- (b) the Issuer has issued an irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to the Holders' Representative.

In the event of a substitution of the Issuer, notice of such substitution shall be made in accordance with the provisions of Condition 10 and any reference to the Issuer shall be deemed to refer to the New Issuer.

### 10 Notices

All notices regarding the Bonds shall be published by Zürcher Kantonalbank on behalf and at the expense of the Issuer (i) on the internet site of SIX Swiss Exchange (where notices are currently published under the address [www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html](http://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html)) or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange.

### 11 Listing

Application will be made for the admission to trading and listing of the Bonds on the SIX Swiss Exchange for the whole duration of the Bonds.

### 12 Governing Law and Jurisdiction

The Terms of the Bonds and the Bonds shall be governed by and construed in accordance with the substantive laws of Switzerland (i.e. without regard to the principles of conflict of laws).

Any dispute which might arise based on the Terms of the Bonds and the Bonds shall be settled in accordance with Swiss law and shall fall within the exclusive jurisdiction of the courts of the city of Zurich, the place of jurisdiction being Zurich 1.

### 13 Amendment to the Terms of the Bonds

The Terms of the Bonds may be amended by agreement between the Issuer and the Holders' Representative provided that in the sole opinion of the Holders' Representative, such amendment is of a formal, minor or technical nature, is made to correct a manifest error and is not prejudicial to the interests of the Holders. Notice of any such amendment shall be published in accordance with Condition 10.

## Terms of the Bonds

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### 14 Role of Zürcher Kantonalbank

Zürcher Kantonalbank has been appointed by the Issuer as the Principal Paying Agent and as the Listing Agent with respect to the Bonds and it will or may also act on behalf of or for the benefit of the Holders as Holders' Representative, but only in such cases stated explicitly in these Terms of the Bonds. In any other cases, the Holders' Representative is not obliged to take or to consider any actions on behalf of or for the benefit of the Holders.

### 15 Severability

If at any time one or more of the provisions of the Terms of Bonds is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

### 16 Definitions

**Business Day** means any day (other than Saturday or Sunday) on which banks are open the whole day for business in Zurich.

**Issuer** means TEMENOS AG, 2 Rue de l'Ecole-de-Chimie, 1205 Geneva, Switzerland.

**Listing Agent** means Zürcher Kantonalbank, appointed as recognized representative pursuant to art. 58a of the listing rules of the SIX Swiss Exchange to file the listing application (including the application for provisional admission to trading) for the Bonds with the SIX Swiss Exchange.

**Material Subsidiary** means, so long as any of the Bonds are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, any operating Subsidiary whose assets, net revenues or operating profit, to the extent they are also reported in the Issuer consolidated financial statements, at any time, represent 20 (twenty) percent or more of the consolidated assets, the consolidated net revenues or the consolidated operating profit, as the case may be, of the Issuer and its consolidated Subsidiaries at any time (as the case may be), and for this purpose:

- (a) the assets, net revenues and operating profit of any such Subsidiary shall be ascertained by reference to:
  - (i) the financial statements of such Subsidiary at the date to which the last audited consolidated financial statements of the Issuer and its consolidated Subsidiaries have been prepared;
  - (ii) if such body corporate becomes a Subsidiary of the Issuer after that date, the latest financial statements of such Subsidiary adjusted to take into account subsequent acquisitions and disposals or other changes in circumstances;
- (b) the consolidated assets, consolidated net revenues and consolidated operating profit of the Issuer shall be ascertained by reference to the last audited consolidated financial statements of the Issuer and its consolidated Subsidiaries; and
- (c) once a Subsidiary has become a Material Subsidiary, it shall be considered as such until it has been demonstrated to the satisfaction of the Holders' Representative that it has ceased to be a Material Subsidiary, a written report from the Issuer's auditors to this effect being sufficient for this purpose.

**Permitted Security** means a security (and any security created in substitution for any such security) in the form of any guarantee, mortgage, charge, pledge, lien or other form of encumbrance or security interest relating to the financing, refinancing or the acquisition of any specified asset or assets, but only to the extent that such security secures obligations arising from the financing, refinancing or acquisition of such specified assets.

## Terms of the Bonds

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**Principal Paying Agent** means Zürcher Kantonalbank in its function as principal paying agent.

If, at any time during the life of the Bonds, the Principal Paying Agent shall resign or become incapable of acting as Principal Paying Agent or as Holders' Representative as contemplated by these Terms of the Bonds or shall be adjudged bankrupt or insolvent, the Principal Paying Agent may be substituted by a duly licensed major Swiss bank or Swiss branch of a major foreign bank chosen by the Issuer. In the event of such a replacement of the Principal Paying Agent, all references to the Principal Paying Agent shall be deemed to refer to such replacement.

**Relevant Debt** means any present or future indebtedness of the Issuer or a Material Subsidiary represented or evidenced by, notes, bonds, debentures, loan stock or other securities which for the time being are or are capable of being, quoted, listed or ordinarily dealt with on any stock exchange, over-the-counter market or other securities market.

**Shares** means the issued and fully paid registered shares of the Issuer (and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of such shares).

**SIX SIS** means SIX SIS Ltd, the Swiss clearing and settlement organisation, Baslerstrasse 100, 4600 Olten, Switzerland or any successor organisation accepted by the SIX Swiss Exchange.

**SIX Swiss Exchange** means SIX Swiss Exchange Ltd, Pfingstweidstrasse 110, P.O. Box, 8021 Zurich, Switzerland or any successor organisation.

**Subsidiary** means a legal entity of the Issuer the financial statements of which are, in accordance with applicable law or generally accepted accounting principles, fully consolidated with those of the Issuer.

## Selling Restrictions

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### United States and U.S. Persons

- (A) The Bonds have not been or will not be registered under the Securities Act and the Bonds may not be offered or sold within the United States or to or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Manager has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any Bonds constituting part of its allotment within the United States or to or for the account or benefit of, U.S. persons except in accordance with Rule 903 of Regulation S.

Accordingly, each Manager and its respective affiliates or any persons acting on its behalf have not engaged or will not engage in any selling efforts directed to the United States with respect to the Bonds.

Terms used in this paragraph have the meanings given to them by Regulation S.

- (B) The Managers have not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Bonds in the United States, except with its respective affiliates or with the prior written consent of the Issuer.

### European Economic Area

In relation to each Member State of the European Economic Area (each, a **Member State**), each Manager has represented and agreed that it has not made and will not make an offer of Bonds to the public in that Member State which are the subject of the offering contemplated by this Prospectus to the public in that Member State other than:

- (i) to any legal entity that is a qualified investor as defined in the Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

*provided* that no such offer of Bonds shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Bonds to the public** in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended.

### United Kingdom

In relation to the UK, each Manager has represented and agreed that it has not made and will not make an offer of Bonds to the public in the UK which are the subject of the offering contemplated by this Prospectus to the public in the UK other than:

- (i) to any legal entity that is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**);
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation 2017/1129 (EU) as it forms part of domestic law by virtue of the EUWA) in the UK, subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or

## Selling Restrictions

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- (iii) in any other circumstances falling within section 86 of the United Kingdom Financial Services and Markets Act 2000 (the **FSMA**),

*provided* that no such offer of Bonds shall require the Issuer or any Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression **an offer of Bonds to the public** in relation to any Bonds in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds

Each Manager has further represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the UK.

## General

Persons who receive this Prospectus are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Bonds or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of the Bonds under the law and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither the Issuer nor any Manager shall have responsibility therefor. In accordance with the above, the Bonds purchased by any person that it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances that would result in the Issuer being obliged to register any further information materials or corresponding document to the Bonds in such jurisdiction.

## The Issuer

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### General Information

#### Name, Legal Form, Legislation, Incorporation, Register and Duration

The Issuer is TEMENOS AG. It was formed as a corporation (*Aktiengesellschaft*) with limited liability under the laws of Switzerland on 5 June 2001 and was registered in the Commercial Register of the Canton of Glarus on 7 June 2001. The Issuer is now registered in the Commercial Register of Geneva (Reg. No. CHE-109.066.419) since 2006. The duration of the Company is unlimited.

#### Registered Office and Principal Place of Business

The registered office and principal place of business of the Issuer is at 2, rue de l'Ecole-de-Chimie, 1205 Geneva, Switzerland.

#### Purpose

The purpose of the Issuer pursuant to article 2 of its articles of association is to acquire, hold, manage and sell participations in other companies and businesses.

#### Articles of Association

The Articles of Association in their current version are dated as of 14 February 2023 and are incorporated by reference into this Prospectus.

#### Group Structure

The Issuer is the ultimate holding company of the Group. For information on the Group structure, see pages 149 to 152 and 221 to 223 of the Annual Report 2022 incorporated by reference herein.

#### Listing

The ordinary shares of TEMENOS AG are listed on the SIX Swiss Exchange under the symbol TEMN.

### Board of Directors, Executive Committee and Auditors

#### Board of Directors

Name	Position
Thibault de Tersant	Chairman, Non-Executive Director
Ian Cookson	Vice-Chairman, Non-Executive Director
Peter Spenser	Non-Executive Director
Maurizio Carli	Non-Executive Director
Debbie Forster	Non-Executive Director
Cecilia Hultén	Non-Executive Director
Dorothee Deuring	Non-Executive Director
Xavier Cauchois	Non-Executive Director



## The Issuer

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### Executive Committee

Name	Position
Andreas Andreades	Chief Executive Officer
Panagiotis "Takis" Spiliopoulos	Chief Financial Officer
Prema Varadhan	President Product and Chief Operating Officer
Colin Jarrett	Chief Security and Risk Officer
Jayde Tipper	Chief People Officer

The business address of the members of the Board of Directors and the Executive Committee of the Issuer is at 2, rue de l'Ecole-de-Chimie, 1205 Geneva, Switzerland.

### Auditors

The Issuer's independent statutory auditors are PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, 1211 Geneva, Switzerland.

PricewaterhouseCoopers SA's audit oversight body is the Federal Audit Oversight Authority (*Eidgenössische Revisionsaufsichtsbehörde*) and its registration number with the Federal Audit Oversight Authority (*Eidgenössische Revisionsaufsichtsbehörde*) is 500003.

### Business

TEMENOS is a leading provider of integrated software to banks and other financial institutions worldwide, in the Cloud and on-premise. TEMENOS' software enables its clients – including commercial, private and retail banks, asset managers, brokers and other financial institutions – to manage and process in real time all transactions across the business.

TEMENOS develops, markets, implements and supports its mission-critical solutions from its headquarters in Geneva and 59 additional offices in 39 countries throughout the world. TEMENOS has around 3,000 clients across over 150 countries.

TEMENOS' products manage key front, middle and back-office activities, including treasury and investment, retail, private, corporate and commercial banking (including e-banking), fund and asset management, trade finance and risk management. The Group's software solutions are designed for flexibility, with architectures that enable clients to purchase additional product modules as their needs evolve. Because it is fully scalable, TEMENOS' software can be deployed on a site-by-site basis or enterprise-wide, both in the Cloud across all major hyperscalers or on-premise. The Group's solutions provide value for customers by enabling them to scale, control costs, manage risks and to address their digital needs.

TEMENOS believes that high quality and long-term client implementation and support services are a critical requirement for continued growth and customer loyalty. TEMENOS supports its clients through its own services organization and through strategic partnerships with IT service providers and systems integrators.

TEMENOS' clients include banks, other financial institutions and providers of financial services of all sizes throughout the world, from 'Tier 1' global institutions to small regional banks. Current representative clients include ABN Amro, Bank SinoPac, BNP Paribas, Commerce Bank, ING, JPMorgan Chase & Co, Julius Baer, Nordea, PayPal, Société Générale, Standard Chartered Bank, Regions Financial and Open Bank, the digital bank of Santander Group.

### Legal Proceedings

Other than as described in this Prospectus, the Group is not a party to any court, arbitral or administrative proceedings, the adverse outcome of which the Group expects would, individually or in the aggregate, have a material adverse effect on the Group's business, operating results or financial condition, nor is the Group aware of any such proceedings pending or threatened.

## The Issuer

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### Prospects

For information on the Company's future prospects, see page 129 of the Annual Report 2022 and the press release dated 20 July 2023 which are incorporated by reference into this Prospectus.

Such information includes statements that may constitute "forward-looking statements". By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that prospects, predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. See "*Forward-Looking Statements*" on page 10 of this Prospectus.

### Capital Structure and Bonds

#### Capital Structure

For information on the capital structure and outstanding of the Company, please refer to pages 152 to 154 of the Annual Report 2022 which is incorporated by reference herein.

#### Outstanding Conversion and Option Rights and Bonds

The Issuer has no outstanding convertible bonds. For information on the Issuer's outstanding options and bonds, please see page 235 of the Annual Report 2022 which is incorporated by reference herein.

#### Own Equity Securities / Treasury Shares

As at 31 August 2023, the Issuer held directly and indirectly a total of 3,164,632 of its own shares.

### Financial Statements

The Annual Report 2022, containing the annual financial statements of the Issuer and the consolidated financial statements of the Group (including the audit reports issued in respect thereof) and the Half-Year Report 2023 is incorporated in this Prospectus by reference.

### Notices

According to its articles of association, official notices of the Issuer to the shareholders are to be published in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*).

The notices in relation to the Bonds will be published, in accordance with Condition 10 of the relevant Terms of the Bonds.

### Material Change

Other than as described in this Prospectus, since 30 June 2023, there were no significant changes in the business activities and prospects of the Company or of the Group, including in their assets, liabilities, financial position, or profits and losses.



**temenos**