temenos

Interim Report and Accounts 2025

temenos

Grow Smarter Scale Faster Bank Better

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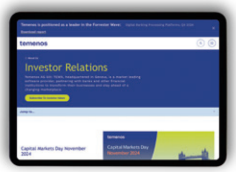


→ See our website for more information
temenos.com

Our growth strategy

Our levers to grow above market

Growth levers

- Extend market leadership in “best of suite”
- Enhance modular core solutions
- Accelerate adjacent point solutions

Focus: US, Western Europe

Best of breed solutions

ARR uplift contribution by FY-28

Building on our strong foundation

Execution engine to drive growth

Business enablers

- Product & Technology investment
- Go To Market
- Customer lifecycle
- Operating model

Culture and leadership

- Accountability
- Clarity of direction
- Alignment & collaboration
- Transparency

TEMENOS AT A GLANCE

Temenos (SIX: TEMN) is a global leader in banking technology. Through our market-leading core banking suite and best-in-class modular solutions, we are modernizing the banking industry. Banks of all sizes utilize our adaptable technology – deployed on-premises, in the cloud or as SaaS – to deliver next-generation services and AI-enhanced experiences that elevate banking for their customers. Our mission is to create a world where people can live their best financial lives. For more information, please visit www.temenos.com.

Our purpose

To power a world of banking that creates opportunities for everyone.

Our vision

We power a world where financial institutions trust Temenos to make banking easier and help people live their best financial lives.

Our mission

To modernize financial institutions by building on the most trusted, industry-leading technology solutions.

Our values

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

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

We collaborate
We collaborate within Temenos and across a broader Partner ecosystem.

We care
We care and listen to each other, our clients, our Partners and the communities we serve.

A clear mission

We were founded in 1993 and set on a mission to revolutionize banking. Since then, our community of customers, Partners, influencers and employees has grown significantly. We serve thousands of clients, with over 950 core banking and over 600 digital banking clients in more than 150 countries relying on our technology.

Who we are

Our culture guides the way we work. A culture that encourages all of us to challenge convention and commit to everything we do to make banking better. A culture that enables us to collaborate with our community and truly care about the people we serve and the impact of our business.

Together with our customers, Partners and employees, we want to continue making a positive contribution to the world of banking and society.

Business highlights

Over 950
core banking clients[1]

Over 600
digital clients[1]

Over 90%
of revenue generated by top 1,000 clients across all products in FY-24[1]

150+
countries in which clients are present[1]

1 Temenos' client number disclosure focuses on those clients generating the significant majority of Temenos' annual revenue, as well as client numbers across its core banking and front office platform, in an effort to best reflect the relevance of Temenos' client base to its business performance.

A set of key foundations to build on

- Large and growing market
- Long-term customer relationships
- Diverse and committed people
- Breadth of functionality
- Innovation

Proforma highlights of H1-25 excluding Multifonds contribution

Non-IFRS

Metric	H1-25	Change	2024
Annual Recurring Revenue (USDm)	790.6	+12%	703.7
Subscription and SaaS (USDm)	201.7	+12%	179.6
Maintenance (USDm)	233.5	+11%	210.2
Total revenue (USDm)	497.9	+10%	451.5
EBIT (USDm)	181.1	+21%	149.8
EBIT margin (%)	36.4	+3% pts	33.2
Earnings per share (USD)	1.96	+27%	1.54
Free cash flow (USDm)	114.1	+10%	104.1

Why we win

- Delivering significant customer value
- Market-leading cloud and SaaS capabilities
- Broadest functionality and localization
- Long-term strategic customer relationships
- Widest customer references across key geographies, segments and tiers

TEMENOS AT A GLANCE continued

Temenos today

A broad product offering across geographies, domains and clients

c.90%
Core products generate c.90% of total software licensing

c.45%
Emerging Markets generate c.45% of total software licensing

c.65%
Installed base generates c.65% of total software licensing

Portfolio

Core products
- Core banking
- Wealth
- Payments
- Front office (Digital)
- FCM and other add-ons

Adjacent point solutions
- Journey Manager
- LMS

Geography

- Strong presence in Emerging Markets and W. Europe
- Established in other Mature Markets
- Growing US penetration

Banking segments

- Strong in retail banking and wealth management
- Investing to enhance corporate banking

Deployment

- Strong across all deployment models: on-premise, hybrid, private and public cloud, SaaS

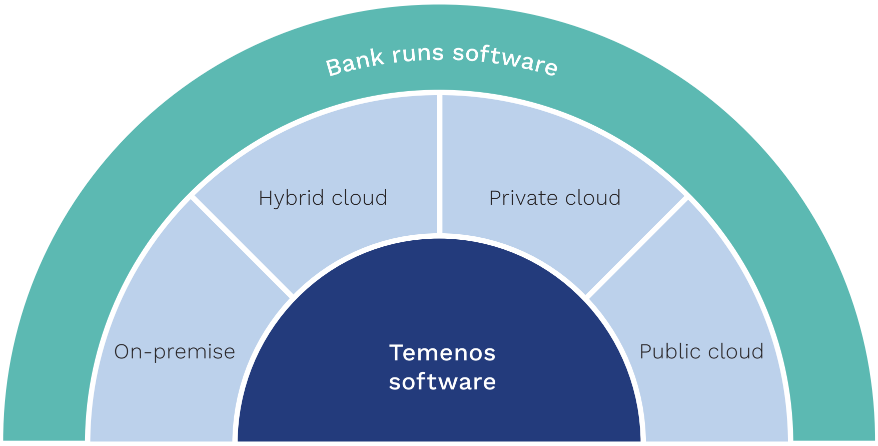
Clients

New logos
- Leader in IBS core banking sales league table for 19 years

Installed base
- 950+ core banking
- 600+ digital
- 150+ countries

Revenue and deployment models to offer clients choice

License revenue: subscription and term



Deployment model

- Larger banks likely to run software themselves for main business lines – on-premise, private or public cloud
- Banks in some jurisdictions remain on-premise due to regulatory regime
- Growth in public cloud usage accelerates Temenos license revenue

Revenue and cash

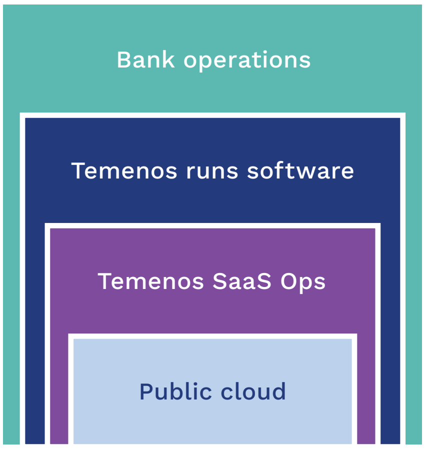
Subscription – 90%+ of software licensing

- Five-year standard contract
- Revenue recognized as upfront subscription license and recurring maintenance stream
- Cash collected annually in advance

Term – <10% of software licensing

- Ten-year standard contract
- Revenue recognized as upfront subscription license and recurring maintenance stream
- License cash upfront, maintenance collected annually in advance

SaaS revenue



Deployment model

- Adopted by banks looking to outsource infrastructure and operations, including some large banks, smaller banks and non-incumbents

Revenue and cash

SaaS

- Five-year standard contract
- Revenue recognized pro rata through the life of the contract
- Cash collected annually in advance

OVERVIEW OF IFRS VS NON-IFRS

Proforma H1-25 excluding Multifonds contribution

	Non-IFRS			IFRS		
USDm, except EPS	**2025**	2024	Change	**2025**	2024	Change
Subscription and SaaS	**201.7**	179.6	12%	**201.7**	179.6	12%
Maintenance	**233.5**	210.2	11%	**233.5**	210.2	11%
Services	**62.8**	61.6	2%	**62.8**	61.6	2%
Total revenues	**497.9**	451.5	10%	**497.9**	451.5	10%
EBIT	**181.1**	149.8	21%	**108.0**	85.4	27%
EBIT margin	**36.4%**	33.2%	3% pts	**21.7%**	18.9%	3% pts
EPS (USD)	**1.96**	1.54	27%	**2.60**	0.83	215%

Reported H1-25

	Non-IFRS			IFRS		
USDm, except EPS	**2025**	2024	Change	**2025**	2024	Change
Subscription and SaaS	**207.2**	185.9	11%	**207.2**	185.9	11%
Maintenance	**246.0**	227.7	8%	**246.0**	227.7	8%
Services	**64.4**	64.7	0%	**64.4**	64.7	0%
Total revenues	**517.7**	478.3	8%	**517.7**	478.3	8%
EBIT	**191.5**	163.4	17%	**118.4**	98.9	20%
EBIT margin	**37.0%**	34.2%	3% pts	**22.9%**	20.7%	2% pts
EPS (USD)	**2.08**	1.68	24%	**2.71**	0.94	188%

Alternative performance measures (APMs)
The performance of the Group is assessed using a variety of alternative performance measures that are not defined under IFRS and are therefore classified as non-IFRS. The alternative performance measures used by the Group are explained as follows:

Annual Contract Value (ACV)
Annual value of incremental business taken in year. Includes new customers and up-sell/cross-sell. Only includes the recurring element of the contract and excludes variable elements.

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

Days sales outstanding (DSO)
Days sales outstanding is the average number of days that receivables remain outstanding. It has been calculated as the closing net trade receivables and contract assets at year end divided by total annual revenue multiplied by 365 days.

Free cash flow
Net cash flows from operating activities, cash flows associated with capital expenditure on non-current assets (property, plant and equipment, intangible assets and capitalized development costs), IFRS 16 lease and interest costs.

Operating cash flow conversion
Cash generated from operations divided by adjusted IFRS EBITDA (adjusted to exclude non-recurring specific items).

Leverage
Net debt divided by non-IFRS EBITDA.

EBITDA*
Earnings before interest, tax, depreciation and amortization (EBITDA) is defined as operating profit excluding depreciation of property, plant and equipment and amortization of intangible assets.

* Reconciled with comparable IFRS measures.

Reconciliation from IFRS to non-IFRS – EBIT/EBITDA

USDm	2025	2024
IFRS EBIT	**118.4**	98.9
Amortization of acquired intangibles	**21.4**	21.4
Restructuring	**25.8**	20.1
Share-based payment	**25.9**	22.9
Non-IFRS EBIT	**191.5**	163.4
IFRS EBIT	**118.4**	98.9
Depreciation and amortization	**60.2**	64.6
IFRS EBITDA	**178.6**	163.5
Restructuring	**24.3**	19.7
Share-based payment	**25.9**	22.9
Non-IFRS EBITDA	**228.8**	206.2

Reconciliation from IFRS earnings to non-IFRS earnings

USDm	2025	2024
IFRS EBIT	**118.4**	98.9
Gain on sale of business	**136.5**	–
Finance cost – net	**(15.8)**	(10.2)
Taxation	**(45.4)**	(19.4)
IFRS net earnings (profit)	**193.7**	69.3
Number of shares – diluted (000)	**71,362**	73,582
IFRS EPS (USD)	**2.71**	0.94
IFRS net earnings (profit)	**193.7**	69.3
Amortization of acquired intangibles	**21.4**	21.4
Restructuring	**25.8**	20.1
Share-based payment	**25.9**	22.9
Acquisition/investment-related finance cost	**9.3**	1.6
Gain on sale of business	**(136.5)**	–
Taxation	**8.8**	(11.8)
Non-IFRS net earnings (profit)	**148.3**	123.5
Number of shares – diluted (000)	**71,362**	73,582
Non-IFRS EPS (USD)	**2.08**	1.68

DEFINITIONS

Non-IFRS adjustments

Deferred revenue write-down
Adjustments made resulting from acquisitions.

Discontinued activities
Discontinued operations at Temenos that do not qualify as such under IFRS.

Acquisition/investment-related finance cost
Mainly relates to acquisition and investment-related financing expenses and fair value changes on investments.

Amortization of acquired intangibles
Amortization charges as a result of acquired intangible assets.

Restructuring/M&A-related costs
Costs incurred in connection with a restructuring program or other organizational transformation activities planned and controlled by management, or cost related mainly to advisory fees, integration, separation, carve-out costs and earnout credits or charges. Severance charges, for example, would only qualify under this expense category if incurred as part of a Company-wide restructuring plan.

Gain/loss from business sale
Gain or loss from sale of part of the business.

Share-based payment charges
Adjustment made for share-based payments and social charges.

Taxation
Adjustments made to reflect the associated tax charge mainly on deferred revenue write-down, amortization of acquired intangibles, fair value changes on investments and share-based payments, on the basis of Temenos' expected effective tax rate.

Other definitions

Constant currencies
Prior year results adjusted for currency movement.

Like-for-like (LFL)
Adjusted prior year for acquisitions and movements in currencies.

SaaS
Revenues generated from Software as a Service.

Subscription
Revenue from software sold on a subscription basis. License and maintenance are recognized separately, with the license obligation reported as subscription under total software licensing.

Term license
Revenues from sale of on-premise software license on a fixed term or perpetual basis. License and maintenance are recognized separately, with the license obligation reported as term license under total software licensing.

Product revenues
Revenues from total software licensing and maintenance combined, i.e. total revenues excluding services revenue.

Net debt
Total borrowings (current and non-current) and cross-currency swaps less cash and cash equivalents.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONDENSED)

For the six months ended 30 June

Unaudited

	2025 USD 000	Re-presented* 2024 USD 000
Revenues		
Subscription and SaaS	**207,176**	185,918
Maintenance	**246,050**	227,687
Services	**64,442**	64,660
Total revenues	**517,668**	478,265
Operating expenses		
Cost of sales	**(136,910)**	(139,033)
Sales and marketing	**(107,877)**	(91,643)
General and administrative	**(48,468)**	(54,027)
Other operating expenses	**(106,008)**	(94,615)
Total operating expenses	**(399,263)**	(379,318)
Operating profit	**118,405**	98,947
Gain on sale of business (note 7)	**136,530**	–
Finance costs – net	**(15,814)**	(10,192)
Profit before taxation	**239,121**	88,755
Taxation	**(45,379)**	(19,426)
Profit for the period	**193,742**	69,329
Attributable to:		
Equity holders of the Company	**193,742**	69,329
Earnings per share (in USD): (note 11)		
Basic	**2.74**	0.95
Diluted	**2.71**	0.94

* Refer to note 2.

Notes on pages 14 to 21 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (CONDENSED)

For the six months ended 30 June

Unaudited

	2025 USD 000	2024 USD 000
Profit for the period	**193,742**	69,329
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment defined benefit obligations	**2,146**	77
	2,146	77
Items that may be subsequently reclassified to profit or loss		
Cash flow hedge reserve	**(3,141)**	(39)
Cost of hedging reserve	**(2,374)**	941
Net investment hedge reserve	**19,426**	(18,792)
Currency translation differences	**(62,982)**	29,638
	(49,071)	11,748
Other comprehensive (loss)/income for the period, net of tax	**(46,925)**	11,825
Total comprehensive income for the period	**146,817**	81,154
Attributable to:		
Equity holders of the Company	**146,817**	81,154

Notes on pages 14 to 21 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONDENSED)

Unaudited

	2025 USD 000	2024 USD 000
Assets		
Current assets		
Cash and cash equivalents	**305,364**	114,154
Trade and other receivables	**242,275**	231,477
Other financial assets (note 9)	**64,670**	56,150
	612,309	401,781
Assets classified as held for sale	**–**	235,269
Total current assets	**612,309**	637,050
Non-current assets		
Property, plant and equipment (note 12)	**50,243**	50,841
Intangible assets (note 12)	**1,300,411**	1,280,873
Trade and other receivables	**298,572**	236,979
Other financial assets (note 9)	**51,970**	17,054
Deferred tax assets	**75,101**	53,891
Total non-current assets	**1,776,297**	1,639,638
Total assets	**2,388,606**	2,276,688
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	**243,104**	206,675
Other financial liabilities (note 9)	**16,821**	7,415
Deferred revenue	**444,329**	437,931
Income taxes liabilities	**145,556**	115,645
Borrowings (note 13)	**297,147**	257,157
Provisions for other liabilities and charges	**4,762**	4,226
	1,151,719	1,029,049
Liabilities relating to assets classified as held for sale	**–**	44,390
Total current liabilities	**1,151,719**	1,073,439
Non-current liabilities		
Other financial liabilities (note 9)	**20,002**	161
Deferred revenue	**16,165**	18,956
Borrowings (note 13)	**590,566**	469,566
Provisions for other liabilities and charges	**1,938**	1,561
Deferred tax liabilities	**58,155**	55,876
Employee defined benefit obligations	**16,341**	18,155
Total non-current liabilities	**703,167**	564,275
Total liabilities	**1,854,886**	1,637,714
Shareholders' equity		
Share capital	**236,245**	254,764
Treasury shares	**(271,115)**	(403,945)
Share premium and other reserves	**(506,505)**	(250,427)
Other equity	**(268,228)**	(219,402)
Retained earnings	**1,343,323**	1,257,984
Total equity	**533,720**	638,974
Total liabilities and equity	**2,388,606**	2,276,688

Notes on pages 14 to 21 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED)

For the six months ended 30 June

Unaudited

	2025 USD 000	2024 USD 000
Cash flows from operating activities		
Profit before taxation	**239,121**	88,755
Adjustments:		
Property, plant and equipment depreciation, intangible asset amortization and impairment of intangible and financial assets	**60,410**	65,207
Cost of share options	**24,080**	23,482
Foreign exchange (gain)/loss on non-operating activities	**(21,615)**	8,090
Interest expenses, net	**3,202**	5,871
Net loss/(gain) on derivatives not designated as hedging instruments and movement in fair value from financial instruments	**40,277**	(8,122)
Gain on sale of business	**(136,530)**	–
Other finance costs	**1,281**	1,722
Other non-cash items	**1,136**	1,883
Changes in:		
Trade and other receivables	**(58,329)**	10,910
Trade and other payables, provisions and employee defined benefit obligations	**14,716**	7,392
Deferred revenues	**(10,209)**	(36,983)
Cash generated from operations	**157,540**	168,207
Income taxes paid	**(10,127)**	(6,016)
Net cash generated from operating activities	**147,413**	162,191
Cash flows from investing activities		
Purchase of property, plant and equipment, net of disposals	**(1,753)**	(2,472)
Purchase of intangible assets, net of disposals	**(1,023)**	(1,712)
Capitalized development costs	**(34,691)**	(36,415)
Proceeds on sale of business, net of cash disposed (note 7)	**319,045**	–
Purchase and settlement of financial instruments	**(16,198)**	6,504
Interest received	**1,033**	1,444
Net cash generated from/(used in) investing activities	**266,413**	(32,651)
Cash flows from financing activities		
Dividend paid (note 15)	**(110,549)**	(96,938)
Disposal of treasury shares	**–**	67,447
Acquisition of treasury shares	**(159,553)**	(39,361)
Proceeds from borrowings (note 13)	**129,545**	225,789
Repayments of borrowings (note 13)	**(374,259)**	(15,002)
Proceeds from issuance of bond	**281,976**	–
Repayment of bond	**–**	(166,181)
Payment of lease liabilities (principal) (note 13)	**(6,595)**	(7,340)
Interest payments	**(1,794)**	(6,716)
Purchase and settlement of financial instruments	**–**	4,211
Payment of other financing costs	**(1,290)**	(2,079)
Net cash used in financing activities	**(242,519)**	(36,170)
Effect of exchange rate changes	**19,903**	(6,308)
Net increase in cash and cash equivalents in the period	**191,210**	87,062
Cash and cash equivalents at the beginning of the period	**114,154**	106,885
Cash and cash equivalents at the end of the period	**305,364**	193,947

Notes on pages 14 to 21 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONDENSED)

Unaudited

	Share capital USD 000	Treasury shares USD 000	Share premium and other reserves USD 000	Other equity USD 000	Retained earnings USD 000	Total USD 000
Balance at 1 January 2024	254,764	(402,006)	(144,560)	(206,023)	1,179,805	681,980
Profit for the period	–	–	–	–	69,329	69,329
Other comprehensive income for the period, net of tax	–	–	–	11,748	77	11,825
Total comprehensive income for the period	–	–	–	11,748	69,406	81,154
Dividend paid (note 15)	–	–	–	–	(96,938)	(96,938)
Hedging loss transferred to deferred revenues	–	–	–	307	–	307
Cost of share options	–	–	23,482	–	–	23,482
Exercise/cash settlement of share-based payments	–	31,594	(32,539)	–	–	(945)
Acquisition of treasury shares	–	(58,003)	–	–	–	(58,003)
Disposal of treasury shares	–	172,103	(104,657)	–	–	67,446
Costs associated with equity transactions	–	–	(173)	–	–	(173)
	–	145,694	(113,887)	12,055	(27,532)	16,330
Balance at 30 June 2024	254,764	(256,312)	(258,447)	(193,968)	1,152,273	698,310
Balance at 1 January 2025	254,764	(403,945)	(250,427)	(219,402)	1,257,984	638,974
Profit for the period	–	–	–	–	193,742	193,742
Other comprehensive income for the period, net of tax	–	–	–	(49,071)	2,146	(46,925)
Total comprehensive income for the period	–	–	–	(49,071)	195,888	146,817
Share capital reduction	(18,519)	226,782	(208,263)	–	–	–
Dividend paid (note 15)	–	–	–	–	(110,549)	(110,549)
Hedging loss transferred to deferred revenues	–	–	–	245	–	245
Cost of share options	–	–	24,080	–	–	24,080
Exercise of share-based payments	–	71,700	(71,700)	–	–	–
Acquisition of treasury shares	–	(165,652)	–	–	–	(165,652)
Disposal of treasury shares	–	–	–	–	–	–
Costs associated with equity transactions	–	–	(195)	–	–	(195)
	(18,519)	132,830	(256,078)	(48,826)	85,339	(105,254)
Balance at 30 June 2025	**236,245**	**(271,115)**	**(506,505)**	**(268,228)**	**1,343,323**	**533,720**

Notes on pages 14 to 21 are an integral part of these interim consolidated financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

Unaudited

1. General information

Temenos AG (the "Company") was incorporated in Glarus, Switzerland, on 7 June 2001 as a stock corporation (Aktiengesellschaft). Since 26 June 2001, the shares of Temenos AG have been publicly traded on the SIX Swiss Exchange. The registered office is located at Esplanade de Pont-Rouge 9C, 1212 Grand-Lancy, Switzerland.

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

2. Basis of preparation

This condensed interim financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 'Interim Financial Reporting' and is unaudited. The consolidated interim financial report should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024 which have been prepared in accordance with IFRS Accounting Standards.

Effective 1 January 2025, the Group's revenue disclosure was updated to reflect changes in customer demand and industry best practice, with increasing use of hybrid and public cloud, and "Total software licensing" was renamed as "Subscription and SaaS". "Subscription and SaaS" comprises subscription, term license and SaaS revenue. Comparative periods have been re-presented accordingly.

3. Accounting policies

The accounting policies are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2024, except as described below:

Taxation

Income tax is recognized based on the best estimate of the Group annual income tax rate for the full financial year, as applied to specific period profits and adjusted for specific period items as required to be consistent with IAS 34. The estimated annual income tax rate used for the six months to 30 June 2025 is 19% compared to 22% for the six months ended 30 June 2024.

The following amendments, applied starting from 2025, have had no material effect on the balance sheet or performance of the Group:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'.

The Group did not adopt any standard, interpretation or amendment that was issued but is not yet effective.

4. Seasonality of operations

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

5. Significant events and transactions during the period

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

On 6 February 2025, the Group announced it had signed an agreement to sell Multifonds, its fund administration software business, to Montagu Private Equity, a leading European private equity firm, for a total enterprise value of about USD 400 million inclusive of an earnout. The transaction was subject to the satisfaction of customary closing conditions and was completed on 31 May 2025.

In March 2025, the Group issued a senior unsecured bond with a nominal value of CHF 250 million and a coupon rate of 2.22% payable annually on 1 April. The bond will mature on 1 April 2030 at a redemption price of 100% of the principal amount.

In April 2025, the Group announced a new share buyback program of up to CHF 250 million, which commenced on 28 April 2025 and ended on 25 August 2025.

There have been no substantive changes in the Group's exposure to financial risks and the Group has not suffered from significant adverse effect. The Group's policies and objectives reported in the consolidated financial statements at 31 December 2024 remain the same.

6. Estimates and judgments

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

In preparing the Group's consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024, with the exception of the estimate of contingent consideration on sale of Multifonds, completed on 31 May 2025 (refer to note 9).

7. Sale of business

At 31 December 2024, the Group had classified assets and liabilities relating to Multifonds, its fund administration software business, as held for sale as the Group planned to sell this business within 12 months at year end. On 6 February 2025, the Group announced it had signed an agreement to sell Multifonds to Montagu Private Equity, a leading European private equity firm, for a total enterprise value of about USD 400 million inclusive of an earnout. The sale was subject to customary closing conditions. The sale completed on 31 May 2025 and the financial effects of this sale are set out in the table below:

	2025 USD 000
Cash consideration	348,762
Fair value of deferred/contingent consideration	31,855
Total consideration recognized	380,617
Less:	
– Goodwill and intangible assets	(194,699)
– Other non-current assets	(1,668)
– Current assets	(76,241)
– Liabilities	41,122
Net assets sold	(231,486)
Recycling of currency retranslation on sale	10,389
Directly attributable transaction costs	(22,990)
Gain on sale	**136,530**
Cash consideration received	348,762
Less: cash balances of business sold	(7,545)
Less: cash paid for directly attributable transaction costs	(22,172)
Net proceeds on sale of business	**319,045**

The assets and liabilities sold mainly related to the Group's Product segment.

The contingent consideration arrangement requires Montagu Private Equity to pay in cash an earnout contribution based on the achievement of subscription signings, annual contract value and new customer ARR targets in 2025, 2026 and 2027, up to a maximum of USD 75 million.

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8. Segment information

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

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

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

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

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

	Product		Services		Total	
	Six months ended 30 June 2025 USD 000	Six months ended 30 June 2024 USD 000	**Six months ended 30 June 2025 USD 000**	Six months ended 30 June 2024 USD 000	**Six months ended 30 June 2025 USD 000**	Six months ended 30 June 2024 USD 000
Revenues	**453,226**	413,605	**64,442**	64,660	**517,668**	478,265
Direct people cost	**(154,182)**	(155,258)	**(42,576)**	(42,998)	**(196,758)**	(198,256)
Other costs	**(83,604)**	(68,665)	**(12,538)**	(12,308)	**(96,142)**	(80,973)
Operating contribution	**215,440**	189,682	**9,328**	9,354	**224,768**	199,036

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

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

There has been no material change in the assets reported to the CODM from the amount disclosed in the consolidated financial statements for the year ended 31 December 2024.

Reconciliation to the Group's consolidated interim financial statements

	Six months ended 30 June 2025 USD 000	Six months ended 30 June 2024 USD 000
Total operating profit for the reportable segments	**224,768**	199,036
Depreciation and amortization	**(60,210)**	(64,599)
Unallocated operating expenses	**(46,153)**	(35,490)
Gain on sale of business	**136,530**	–
Finance costs – net	**(15,814)**	(10,192)
Profit before taxation	**239,121**	88,755

Geographical information

	Six months ended 30 June 2025 USD 000	Six months ended 30 June 2024 USD 000
Revenues from external customers		
Europe	**160,832**	135,081
Americas	**139,327**	134,728
Middle East and Africa	**118,551**	112,640
Asia Pacific	**98,958**	95,817
Total revenues	**517,668**	478,266

8. Segment information continued

Revenue disaggregation

Revenue disaggregation is allocated between the Group's identified operating segments (Product and Services) and further split between revenues earned from upfront invoicing and over-time invoicing. Upfront invoicing refers to amounts billed at or near contract inception, typically in full, whereas over-time invoicing reflects amounts billed periodically for specific service periods throughout the contract term. Revenue recognition remains aligned to the transfer of control as detailed within note 2.17 in the annual consolidated financial statements.

	Upfront invoicing		Over-time invoicing		Total	
	Six months ended 30 June 2025 USD 000	Six months ended 30 June 2024 USD 000	**Six months ended 30 June 2025 USD 000**	Six months ended 30 June 2024 USD 000	**Six months ended 30 June 2025 USD 000**	Six months ended 30 June 2024 USD 000
Product revenue	**7,714**	14,050	**445,512**	399,555	**453,226**	413,605
Services revenue	**–**	–	**64,442**	64,660	**64,442**	64,660
Total	**7,714**	14,050	**509,954**	464,215	**517,668**	478,265

All Product revenues which are subject to upfront invoicing are recognized at a point-in-time. Of USD 445.5 million (H1-24: USD 399.6 million) Product revenues subject to over-time invoicing, USD 350.9 million (H1-24: USD 338.2 million) is recognized over-time and the remainder is recognized at a point-in-time. All Services revenues are subject to over-time revenue recognition.

9. Fair value measurement

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

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

Balance at 30 June 2025

	Level 1 USD 000	**Level 2 USD 000**	**Level 3 USD 000**	**Total USD 000**
Financial assets at fair value through profit or loss (FVTPL)				
Foreign currency forwards	**–**	**13,300**	**–**	**13,300**
Foreign currency options	**–**	**19**	**–**	**19**
Convertible notes	**–**	**–**	**32,119**	**32,119**
Contingent consideration	**–**	**–**	**24,214**	**24,214**
Derivatives used for hedging				
Foreign currency forwards	**–**	**1,710**	**–**	**1,710**
Foreign currency options	**–**	**2,109**	**–**	**2,109**
Cross-currency swaps	**–**	**38,778**	**–**	**38,778**
Interest rate swaps	**–**	**4,391**	**–**	**4,391**
Total	**–**	**60,307**	**56,333**	**116,640**

	Level 1 USD 000	**Level 2 USD 000**	**Level 3 USD 000**	**Total USD 000**
Financial liabilities at fair value through profit or loss (FVTPL)				
Foreign currency forwards	**–**	**12,262**	**–**	**12,262**
Foreign currency options	**–**	**270**	**–**	**270**
Foreign currency swaps	**–**	**10,675**	**–**	**10,675**
Derivatives used for hedging				
Foreign currency forwards	**–**	**6,080**	**–**	**6,080**
Foreign currency options	**–**	**1,536**	**–**	**1,536**
Cross-currency swaps	**–**	**5,307**	**–**	**5,307**
Interest rate swaps	**–**	**693**	**–**	**693**
Total	**–**	**36,823**	**–**	**36,823**

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9. Fair value measurement continued

Balance at 31 December 2024

	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial assets at fair value through profit or loss (FVTPL)				
Foreign currency forwards	–	7,389	–	7,389
Foreign currency options	–	757	–	757
Convertible notes	–	–	41,419	41,419
Derivatives used for hedging				
Foreign currency forwards	–	3,552	–	3,552
Foreign currency options	–	2,200	–	2,200
Cross-currency swaps	–	14,018	–	14,018
Interest rate swaps	–	3,869	–	3,869
Total	–	31,785	41,419	73,204

	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial liabilities at fair value through profit or loss (FVTPL)				
Foreign currency forwards	–	5,107	–	5,107
Derivatives used for hedging				
Foreign currency forwards	–	1,624	–	1,624
Foreign currency options	–	845	–	845
Total	–	7,576	–	7,576

During the first six months of the year there were no changes to the valuation techniques used for financial instruments or transfers between level 1 and 2.

Assets and liabilities in level 2

Foreign currency forwards
Discounted future cash flows (based on the forward exchange rate) using observable yield curves adjusted for credit risk.

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

Cross-currency swaps
Discounted future cash flows using observable yield curves (including currency basis spreads). The fair value of the leg measured in foreign currency is translated using the spot exchange rate.

Interest rate swaps
The present value of future cash flows based on observable yield curves adjusted for credit risk.

There were no changes in valuation techniques during the period.

9. Fair value measurement continued

Assets and liabilities in level 3

Convertible notes

The Group has maintained its valuation approach applied in the prior year by determining the fair value of the instruments assuming a scenario of conversion. The valuation adopted a discounted cash flow methodology relying on unobservable inputs relating to the equity value of the company and the most significant assumptions were: discount rate of 23.5% (31 December 2024: 22.5%), long-term growth rate of 2% (31 December 2024: 2%), cumulative average growth rate for revenue of 25.4% (31 December 2024: 24.8%) and an EBITDA margin of 30% (31 December 2024: 30%).

Given the nature of the investment, which is a level 3 financial asset in an early-stage business, there are inherent uncertainties with respect to the fair value assigned to these instruments. The fair value determination requires significant judgments and includes a degree of uncertainty as it relies on company-specific data and unobservable inputs based on information currently available. In addition, early-stage businesses are typically exposed to uncertainties associated with raising additional funding to enable them to deliver on their growth plans, which has been incorporated in a range of scenarios as part of the fair value process. There can be no assurance that such financing will be available on acceptable terms, or at all. The valuation at 30 June 2025 resulted in a fair value loss of USD 9.3 million recognized in the profit or loss statement in the net finance costs line item.

The Group performed the following sensitivities with respect to the impact of a reasonable change in these significant assumptions individually, keeping other inputs unchanged, on the fair value of the investment:

		Impact on profit or (loss)	
Unobservable inputs	Change in assumption	Increase USD 000	Decrease USD 000
Discount rate (WACC)	2.00%	(3,800)	5,000
Long-term growth rate	0.50%	400	(200)
EBITDA margin	2.50%	3,600	(3,400)
Cumulative average growth rate of revenue (CAGR)	5.00%	8,200	(6,400)

Contingent consideration

The fair value represents the present value of the expected payments discounted at a risk-adjusted rate. The earnout consideration has been determined by the expected future cash flow relating to the targeted subscription signings, annual contract value and new customer ARR based on most recent forecasts at the time of sale.

Reasonable changes in the forecast subscription signings, annual contract value and new customer ARR, as well as the discount rate, will not materially affect the fair value at the reporting date.

Reconciliation from the opening balances to the closing balances:

	Convertible note USD 000	**Contingent consideration USD 000**
At 1 January 2025	**41,419**	**–**
Net change in fair value (FVTPL)	**(9,300)**	**–**
Initial recognition on sale of business (note 7)	**–**	**24,214**
At 30 June 2025	**32,119**	**24,214**

10. Financial instruments measured at amortized cost

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

	30 June 2025		31 December 2024	
	Carrying amount USD 000	**Fair value USD 000**	Carrying amount USD 000	Fair value USD 000
Financial assets				
Non-current trade and other receivables	**268,315**	**244,099**	209,911	188,320
Total	**268,315**	**244,099**	209,911	188,320
Borrowings				
Bank borrowings	**–**	**–**	226,718	226,327
Unsecured bonds	**853,322**	**875,011**	469,035	473,885
Total	**853,322**	**875,011**	695,753	700,212

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11. Earnings per share

Basic

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

	Six months ended 30 June 2025	Six months ended 30 June 2024
Profit attributable to equity holders of the Company (USD 000)	**193,742**	69,329
Weighted average of ordinary shares outstanding during the period (in thousands)	**70,581**	72,940
Basic earnings per share (USD per share)	**2.74**	0.95

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the periods presented in these consolidated interim financial statements, the Group has only one category with a potential dilutive effect: “Instrument granted to employee under share-based payment”.

For the periods ended 30 June 2025 and 30 June 2024, this category was fully dilutive.

	Six months ended 30 June 2025	Six months ended 30 June 2024
Profit used to determine diluted earnings per share (USD 000)	**193,742**	69,329
Weighted average of ordinary shares outstanding during the period (in thousands)	**70,581**	72,940
Adjustments for:		
– Share options (in thousands)	**781**	642
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**71,362**	73,582
Diluted earnings per share (USD per share)	**2.71**	0.94

12. Property, plant and equipment and intangible assets

	Property, plant and equipment USD 000	Intangible assets USD 000
Six months ended 30 June 2025		
Closing balance as at 31 December 2024 and opening balance as at 1 January 2025	**50,841**	**1,280,873**
Additions	**10,332**	**1,802**
Retirements/disposals	**(764)**	**–**
Capitalized development costs	**–**	**30,331**
Charge for the period	**(11,848)**	**(48,362)**
Foreign currency exchange differences	**1,682**	**35,767**
Closing net book amount as at 30 June 2025	**50,243**	**1,300,411**

As at 30 June 2025, included in property, plant and equipment is USD 33.8 million (31 December 2024: USD 30.8 million) for right-of-use assets.

13. Borrowings

	30 June 2025 USD 000	31 December 2024 USD 000
Current		
Other loans	**–**	–
Bank borrowings	**–**	216
Unsecured bonds	**285,495**	244,630
Lease liabilities	**11,652**	12,311
	297,147	257,157
Non-current		
Bank borrowings	**–**	226,502
Unsecured bonds	**567,827**	224,405
Lease liabilities	**22,739**	18,659
	590,566	469,566
Total borrowings	**887,713**	726,723

13. Borrowings continued

Movements in borrowings are analyzed as follows:

	USD 000
Opening balance as at 1 January 2025	**726,723**
Proceeds from bank borrowings	129,545
Repayments of borrowings	(374,259)
Proceeds from bond	281,976
Interest expense	6,960
Payments of lease liabilities	(6,595)
Net addition to lease liability	8,364
Interest hedging (basis adjustment)	522
Foreign currency exchange differences	114,477
Closing net book amount as at 30 June 2025	**887,713**

Bank facilities

At 30 June 2025, the Group held a multicurrency committed revolving facility of USD 660 million. The pertinent details are as follows:

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

As at 30 June 2025, a total of USD nil (31 December 2024: USD 226.5 million) was drawn under this agreement.

The facility is subject to debt leverage and interest cover financial ratio covenants, which must be reported at 30 June and 31 December. The Group complied with these covenants throughout the reporting periods.

On 1 July 2025, the Group successfully refinanced its existing Revolving Facility Agreement with a new five-year agreement for USD 500 million, which includes two one-year extension options.

14. Share capital

As at 30 June 2025, the issued shares of Temenos AG comprised 71,907,147 ordinary shares of a nominal value of CHF 5 each. All issued shares are fully paid.

The changes in the number of issued and outstanding shares for the period ended 30 June 2025 are summarized below:

	Number
Total number of shares issued as at 1 January 2025	75,171,084
Treasury shares	(4,466,348)
Total number of shares outstanding as at 1 January 2025	70,704,736
Disposal of treasury shares	507,733
Acquisition of treasury shares (share buyback)	(2,228,321)
Total number of shares outstanding as at 30 June 2025	68,984,148

As at 30 June 2025 the number of treasury shares held by the Group amounted to 2,922,999 (31 December 2024: 4,466,348).

During the period, 3,263,937 treasury shares were canceled as a share capital reduction (approved by the 2025 Annual General Meeting of Shareholders).

In April 2025, the Group announced a new share buyback program of up to CHF 250 million, which commenced on 28 April 2025 and ended on 25 August 2025. Under this program, 2,228,321 shares were bought back up to 30 June 2025 for a total of CHF 136.2 million.

15. Dividend per share

A dividend of CHF 91.6 million (USD 110.5 million, CHF 1.30 per share) was paid in 2025 relating to the 2024 financial year.

16. Events occurring after the reporting period

On 1 July 2025, the Group successfully refinanced its existing Revolving Facility Agreement with a new five-year agreement for USD 500 million, which includes two one-year extension options.

As disclosed in a press release issued by the Group on 4 September 2025, Takis Spiliopoulos was appointed Interim Chief Executive Officer in addition to his role as Chief Financial Officer effective from that date.

Produced by
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