Interim Report and Accounts 2026

temenos

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Overview

Financial Statements

Who we are

Temenos (SIX: TEMN) is a global leader in banking technology. Through our market-leading core banking suite and best-in-class composable solutions, we are modernizing the banking industry.

Banks of all sizes utilize our adaptable technology – deployed on-premise, 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.

Our culture

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.

→ See our website for more information
temenos.com

Our purpose, vision, mission and values

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.

Highlights of H1-26

Non-IFRS*

Annual Recurring Revenue (USDm)
880.6 +11%
2026 880.6
2025 790.6

Subscription and SaaS revenue (USDm)
196.2 -3%
2026 196.2
2025 201.7

Maintenance revenue (USDm)
266.2 +14%
2026 266.2
2025 233.5

Total revenue (USDm)
534.4 +7%
2026 534.4
2025 497.9

EBIT (USDm)
198.8 +10%
2026 198.8
2025 181.1

EBIT margin (%)
37.2 +1%
2026 37.2
2025 36.4

Earnings per share (USD)
2.20 +12%
2026 2.20
2025 1.96

Free cash flow (USDm)
133.7 +17%
2026 133.7
2025 114.1

Operating cash (USDm)
211.3 +27%
2026 211.3
2025 165.9

* Note: H1-25 proforma excludes Multifonds from prior quarters. The sale of Multifonds was completed in Q2-25.

Temenos offers a broad platform, trusted by clients globally

Platform

Key products
- Core banking
- Digital (front office)
- Wealth
- Payments

Adjacent point solutions
- Journey Manager
- Lifecycle Management Suite
- Financial Crime Mitigation
- AI agents

Geography
- Strong presence in Emerging Markets and W. Europe
- Established in other Mature Markets: Australia, New Zealand and Canada
- Increasing US penetration

Banking segments
- Strong in Retail banking and Wealth Management
- Growing in 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 21 years

Installed base

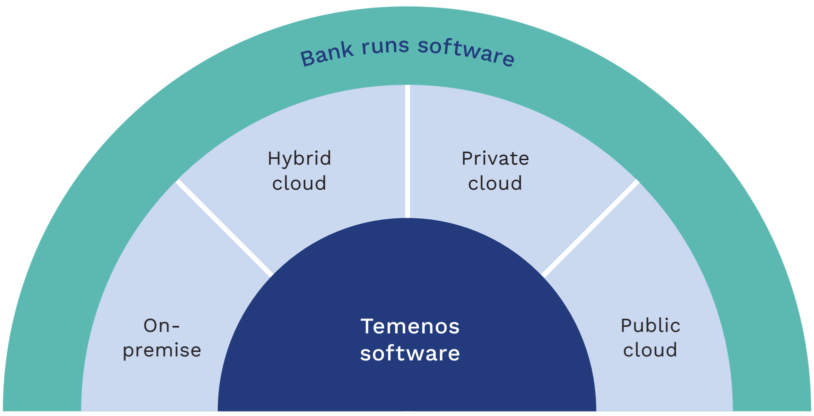
950+
core banking

600+
digital

150+
countries

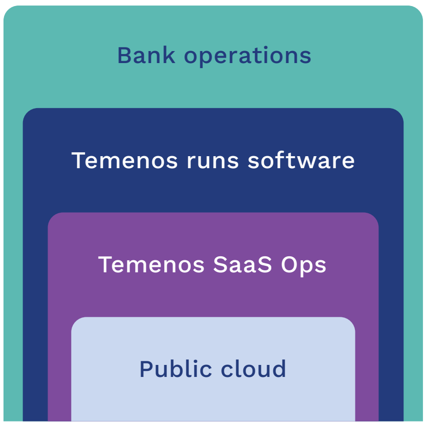
Deployment models to offer clients choice

License revenue: subscription license revenue



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

SaaS revenue



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

H1-26

	Non-IFRS			IFRS		
USDm, except EPS	**H1 2026**	H1 2025 (proforma)*	Change	**H1 2026**	H1 2025 (proforma)*	Change
Subscription and SaaS	**196.2**	201.7	-3%	**196.2**	201.7	-3%
Maintenance	**266.2**	233.5	14%	**266.2**	233.5	14%
Services	**72.0**	62.8	15%	**72.0**	62.8	15%
Total revenues	**534.4**	497.9	7%	**534.4**	497.9	7%
EBIT	**198.8**	181.1	10%	**147.2**	108.0	36%
EBIT margin	**37.2%**	36.4%	1% pts	**27.5%**	21.7%	6% pts
EPS (USD)	**2.20**	1.96	12%	**1.58**	2.60	-39%

* Note: H1-25 proforma excludes Multifonds from prior quarters. The sale of Multifonds was completed in Q2-25.

Reported H1-26

	Non-IFRS			IFRS		
USDm, except EPS	**H1 2026**	H1 2025	Change	**H1 2026**	H1 2025	Change
Subscription and SaaS	**196.2**	207.2	-5%	**196.2**	207.2	-5%
Maintenance	**266.2**	246.0	8%	**266.2**	246.0	8%
Services	**72.0**	64.4	12%	**72.0**	64.4	12%
Total revenues	**534.4**	517.7	3%	**534.4**	517.7	3%
EBIT	**198.8**	191.5	4%	**147.2**	118.4	24%
EBIT margin	**37.2%**	37.0%	0% pts	**27.5%**	22.9%	5% pts
EPS (USD)	**2.20**	2.08	6%	**1.58**	2.71	-42%

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 Recurring Revenue (ARR)
Annualized contract value committed at the end of the reporting period from active contracts with recurring revenue streams. Includes new customers, upsell/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	H1 2026	H1 2025
IFRS EBIT	**147.2**	118.4
Amortization of acquired intangibles	**18.9**	21.4
Restructuring/M&A-related costs	**8.0**	25.8
Share-based payment	**24.6**	25.9
Non-IFRS EBIT	**198.8**	191.5
IFRS EBIT	**147.2**	118.4
Depreciation and amortization	**55.8**	60.2
IFRS EBITDA	**203.0**	178.6
Restructuring/M&A-related costs	**7.5**	24.3
Share-based payment	**24.6**	25.9
Non-IFRS EBITDA	**235.2**	228.8

Reconciliation from IFRS earnings to non-IFRS earnings

USDm	H1 2026	H1 2025
IFRS EBIT	**147.2**	118.4
Gain on sale of business	**–**	136.5
Finance cost – net	**(7.8)**	(15.8)
Taxation	**(32.5)**	(45.4)
IFRS net earnings (profit)	**107.0**	193.7
Number of shares – diluted (000)	**67,673**	71,362
IFRS EPS (USD)	**1.58**	2.71
IFRS net earnings (profit)	**107.0**	193.7
Amortization of acquired intangibles	**18.9**	21.4
Restructuring/M&A-related costs	**8.0**	25.8
Share-based payment	**24.6**	25.9
Acquisition/investment-related finance cost	**–**	9.3
Gain on sale of business	**–**	(136.5)
Taxation	**(9.4)**	8.8
Non-IFRS net earnings (profit)	**149.2**	148.3
Number of shares – diluted (000)	**67,673**	71,362
Non-IFRS EPS (USD)	**2.20**	2.08

Non-IFRS adjustments

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

Deferred revenue write-down
Adjustments made resulting from acquisitions.

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

Gain/loss from sale of business
Gain or loss from sale of part of the business and contingent consideration fair value gains/losses.

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, earn-out credits or charges and regulatory changes requiring retrospective application which may result in one-off impact to the income statement. Severance charges, for example, would only qualify under this expense category if incurred as part of a Company-wide restructuring plan.

Regulatory-driven changes qualify only where:

(i) the change is externally imposed (law or regulation);

(ii) requires retrospective application; and

(iii) results in a non-recurring adjustment.

Taxation
Adjustments made to reflect the associated tax charge on non-IFRS profit adjustments mainly on share-based payments, restructuring costs, deferred revenue write-down, gain/loss from sale of business, amortization of acquired intangibles and fair value changes on investment on the basis of Temenos' expected effective tax rate.

Other

Proforma (excluding Multifonds)
Income statement line items and free cash flow adjusted to remove any contribution from Multifonds which closed in Q2-25.

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, reported in subscription and SaaS.

Subscription
Revenue from software sold on a subscription basis. License and maintenance are recognized separately, with the License obligation reported in subscription and SaaS.

Annual Recurring Revenues (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.

Product revenues
Revenues from subscription, SaaS and maintenance combined; i.e., total revenues excluding services revenues.

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

Financial Statements

Consolidated statement of profit or loss (condensed)

For the six months ended 30 June

Unaudited

	2026 USD 000	2025 USD 000
Revenues		
Subscription and SaaS	**196,241**	207,176
Maintenance	**266,229**	246,050
Services	**71,971**	64,442
Total revenues	**534,441**	517,668
Operating expenses		
Cost of sales	**(134,303)**	(136,910)
Sales and marketing	**(107,606)**	(107,877)
General and administrative	**(47,412)**	(48,468)
Other operating expenses	**(97,907)**	(106,008)
Total operating expenses	**(387,228)**	(399,263)
Operating profit	**147,213**	118,405
Gain on sale of business (note 7)	**–**	136,530
Finance costs – net	**(7,798)**	(15,814)
Profit before taxation	**139,415**	239,121
Taxation	**(32,453)**	(45,379)
Profit for the period	**106,962**	193,742
Attributable to:		
Equity holders of the Company	**106,962**	193,742
Earnings per share (in USD): (note 11)		
Basic	**1.60**	2.74
Diluted	**1.58**	2.71

Notes on pages 10 to 17 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

	2026 USD 000	2025 USD 000
Profit for the period	**106,962**	193,742
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment defined benefit obligations	**1,791**	2,146
	1,791	2,146
Items that may be subsequently reclassified to profit or loss		
Cash flow hedge reserve	**(508)**	(3,141)
Cost of hedging reserve	**1,624**	(2,374)
Net investment hedge reserve	**(6,934)**	19,426
Currency translation differences	**1,995**	(62,982)
	(3,823)	(49,071)
Other comprehensive loss for the period, net of tax	**(2,032)**	(46,925)
Total comprehensive income for the period	**104,930**	146,817
Attributable to:		
Equity holders of the Company	**104,930**	146,817

Notes on pages 10 to 17 are an integral part of these interim consolidated financial statements.

Financial Statements

Consolidated statement of financial position (condensed)

Unaudited

	30 June 2026 USD 000	31 December 2025 USD 000
Assets		
Current assets		
Cash and cash equivalents	**150,774**	203,536
Trade and other receivables	**251,538**	248,031
Other financial assets (note 9)	**45,831**	42,553
Total current assets	**448,143**	494,120
Non-current assets		
Property, plant and equipment (note 12)	**44,980**	46,027
Intangible assets (note 12)	**1,259,877**	1,277,777
Trade and other receivables	**352,501**	336,541
Other financial assets (note 9)	**28,862**	35,150
Deferred tax assets	**64,657**	59,638
Total non-current assets	**1,750,877**	1,755,133
Total assets	**2,199,020**	2,249,253
Liabilities and equity		
Current liabilities		
Trade and other payables	**252,721**	248,226
Other financial liabilities (note 9)	**10,127**	8,565
Deferred revenue	**468,695**	468,048
Income taxes liabilities	**124,665**	101,561
Borrowings (note 13)	**16,770**	16,864
Provisions for other liabilities and charges	**7,031**	7,123
Total current liabilities	**880,009**	850,387
Non-current liabilities		
Other financial liabilities (note 9)	**12,544**	15,892
Deferred revenue	**32,715**	24,532
Borrowings (note 13)	**825,414**	792,084
Provisions for other liabilities and charges	**1,495**	1,734
Deferred tax liabilities	**51,200**	67,165
Employee defined benefit obligations	**23,647**	19,484
Total non-current liabilities	**947,015**	920,891
Total liabilities	**1,827,024**	1,771,278
Shareholders' equity		
Share capital	**211,942**	236,245
Treasury shares	**(115,206)**	(396,879)
Share premium and other reserves	**(857,735)**	(507,609)
Other equity	**(288,151)**	(284,115)
Retained earnings	**1,421,146**	1,430,333
Total equity	**371,996**	477,975
Total liabilities and equity	**2,199,020**	2,249,253

Notes on pages 10 to 17 are an integral part of these consolidated financial statements.

Financial Statements
Consolidated statement of cash flows (condensed)
For the six months ended 30 June
Unaudited

	2026 USD 000	2025 USD 000
Cash flows from operating activities		
Profit before taxation	**139,415**	239,121
Adjustments:		
Property, plant and equipment depreciation, intangible asset amortization and impairment of intangible and financial assets	**55,828**	60,410
Loss on retirement/disposal of property, plant and equipment	**525**	–
Cost of share options	**21,465**	24,080
Foreign exchange gain on non-operating activities	**(6,554)**	(21,615)
Interest expenses, net	**5,915**	3,202
Net (gain)/loss on derivatives not designated as hedging instruments and movement in fair value from financial instruments	**(1,104)**	40,277
Gain on sale of business	**–**	(136,530)
Other finance costs	**1,697**	1,281
Other non-cash items	**1,204**	1,136
Changes in:		
Trade and other receivables	**(26,617)**	(58,329)
Trade and other payables, provisions and employee defined benefit obligations	**9,390**	14,716
Deferred revenues	**10,131**	(10,209)
Cash generated from operations	**211,295**	157,540
Income taxes paid	**(25,919)**	(10,127)
Net cash generated from operating activities	**185,376**	147,413
Cash flows from investing activities		
Purchase of property, plant and equipment, net of disposals	**(3,071)**	(1,753)
Purchase of intangible assets, net of disposals	**(4,436)**	(1,023)
Capitalized development costs (note 12)	**(28,384)**	(34,691)
Proceeds on sale of business, net of cash disposed	**4,000**	319,045
Purchase and settlement of financial instruments	**(1,183)**	(16,198)
Interest received	**656**	1,033
Net cash (used in)/generated from investing activities	**(32,418)**	266,413
Cash flows from financing activities		
Dividend paid (note 15)	**(117,940)**	(110,549)
Acquisition of treasury shares	**(114,163)**	(159,553)
Proceeds from borrowings (note 13)	**140,000**	129,545
Repayments of borrowings (note 13)	**(95,000)**	(374,259)
Proceeds from issuance of bond	**–**	281,976
Payment of lease liabilities (principal) (note 13)	**(5,888)**	(6,595)
Interest payments	**(10,178)**	(1,794)
Payment of other financing costs	**(334)**	(1,290)
Net cash used in financing activities	**(203,503)**	(242,519)
Effect of exchange rate changes	**(2,217)**	19,903
Net (decrease)/increase in cash and cash equivalents in the period	**(52,762)**	191,210
Cash and cash equivalents at the beginning of the period	**203,536**	114,154
Cash and cash equivalents at the end of the period	**150,774**	305,364

Notes on pages 10 to 17 are an integral part of these 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 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)
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
Balance at 1 January 2026	236,245	(396,879)	(507,609)	(284,115)	1,430,333	477,975
Profit for the period	–	–	–	–	106,962	106,962
Other comprehensive income for the period, net of tax	–	–	–	(3,823)	1,791	(2,032)
Total comprehensive income for the period	–	–	–	(3,823)	108,753	104,930
Share capital reduction	(24,303)	307,429	(283,126)	–	–	–
Dividend paid (note 15)	–	–	–	–	(117,940)	(117,940)
Hedging gain transferred to deferred revenues	–	–	–	(213)	–	(213)
Cost of share options	–	–	21,465	–	–	21,465
Exercise of share-based payments	–	88,407	(88,407)	–	–	–
Acquisition of treasury shares	–	(114,163)	–	–	–	(114,163)
Costs associated with equity transactions	–	–	(58)	–	–	(58)
	(24,303)	281,673	(350,126)	(4,036)	(9,187)	(105,979)
Balance at 30 June 2026	211,942	(115,206)	(857,735)	(288,151)	1,421,146	371,996

Notes on pages 10 to 17 are an integral part of these interim consolidated financial statements.

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 2026 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 2025 which have been prepared in accordance with IFRS Accounting Standards.

3. Accounting policies

The accounting policies are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2025, 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 2026 is 23% compared to 19% for the six months ended 30 June 2025.

New standards, amendments and interpretations relevant to the Group's operation and adopted by the Group as at 1 January 2026

The following amendments, applied starting from 2026, have had no material effect on the balance sheet or performance of the Group:

- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures'.

Update on new standards relevant to the Group's operations and not yet adopted by the Group

The Group will adopt IFRS 18 'Presentation and Disclosure in Financial Statements' from its mandatory effective date of 1 January 2027, with full retrospective application, including restatement of comparative information for the year ending 31 December 2026. This standard replaces IAS 1 'Presentation of Financial Statements', with a focus on updates to the statement of profit or loss.

The key new concepts in IFRS 18 relate to:

- the presentation of the statement of profit or loss, defining new operating, investing and financing categories for income and expenses and requiring the presentation of two new subtotals, operating profit and profit before financing and income taxes;
- required disclosures in a single note within the financial statements for management-defined profit or loss performance measures (MPMs); and
- enhanced principles on aggregation and disaggregation which apply to the financial statements and notes in general.

The Group has assessed the impact of the new standard, which will result in the following key changes:

- IFRS 18 will not affect the Group's net profit, as it does not change recognition or measurement. However, the Group will make presentational changes to the statement of profit or loss, including reclassifying certain items of income and expense into operating, investing, and financing categories, resulting in changes to the operating profit subtotal. For example, reallocation of portions of foreign currency-related effects from non-operating to operating profit/(loss), dependent on the underlying nature of transactions. The Group is assessing the presentation of operating expense categories in line with IFRS 18 disaggregation principles in the statement of profit or loss.
- IFRS 18 will require limited changes to the statement of cash flows, requiring the Group to start the statement from operating profit rather than profit before tax.
- Alternative performance measures meeting the definition of management-defined performance measures will be disclosed as a separate note within the financial statements with a reconciliation between these MPMs and their most directly comparable IFRS subtotals.

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.

In December 2025, the Group announced a new share buyback program of up to CHF 100 million, which commenced on 11 December 2025 and ended on 8 April 2026.

In June 2026, the Group extended the maturity of its revolving facility by one extra year, and it now terminates on 1 July 2031.

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 2025 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 2025.

7. Sale of business

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 as of 30 June 2025 are set out in the table below:

	2025 USD 000
Cash consideration	**348,762**
Deferred consideration (discounted value)	**7,641**
Fair value of contingent consideration	**24,214**
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 of business	**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 cash payment of an earnout contribution based on the achievement of subscription signings, annual contract value and new customer ARR targets across the respective years 2025, 2026 and 2027, up to a maximum of USD 75 million.

The fair value was initially determined at USD 24.2 million based on most recent forecasts available at the time of sale. The fair value was assessed at 31 December 2025 based on performance against earnout targets and latest available data, with a fair value adjustment of USD 16.3 million recognized in the profit or loss statement as part of the gain on sale due to under-performance against the subscription signings and annual contract value targets. The valuation relied on entity-specific data and unobservable inputs and the significant assumptions were discount rate of 6% and percentage of achievement of targets of 12% on total earnout. The gain on sale of business for the year ended 31 December 2025 was USD 120.3 million.

At 30 June 2026 management's assessment is that there is no indicator of a significant change in the expected target achievement over the remaining earnout period. The fair value at 30 June 2026 was USD 8.5 million, including unwind of discount of USD 0.6 million.

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 a business combinations, if any.

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

	Product		Services		Total	
	Six months ended 30 June 2026 USD 000	Six months ended 30 June 2025 USD 000	**Six months ended 30 June 2026 USD 000**	Six months ended 30 June 2025 USD 000	**Six months ended 30 June 2026 USD 000**	Six months ended 30 June 2025 USD 000
Revenues	**462,470**	453,226	**71,971**	64,442	**534,441**	517,668
Direct people cost	**(157,830)**	(154,182)	**(42,051)**	(42,576)	**(199,881)**	(196,758)
Other costs	**(81,089)**	(83,604)	**(13,522)**	(12,538)	**(94,611)**	(96,142)
Operating contribution	**223,551**	215,440	**16,398**	9,328	**239,949**	224,768

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 2025.

Reconciliation to the Group's consolidated interim financial statements

	Six months ended 30 June 2026 USD 000	Six months ended 30 June 2025 USD 000
Total operating profit for the reportable segments	**239,949**	224,768
Depreciation and amortization	**(55,828)**	(60,210)
Unallocated operating expenses	**(36,908)**	(46,153)
Gain on sale of business	**–**	136,530
Finance costs – net	**(7,798)**	(15,814)
Profit before taxation	**139,415**	239,121

Geographical information

	Six months ended 30 June 2026 USD 000	Six months ended 30 June 2025 USD 000
Revenues from external customers		
Middle East and Africa	**147,924**	118,551
Europe	**142,392**	160,832
Asia Pacific	**123,403**	98,958
Americas	**120,722**	139,327
Total revenues	**534,441**	517,668

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 2026 USD 000	Six months ended 30 June 2025 USD 000	**Six months ended 30 June 2026 USD 000**	Six months ended 30 June 2025 USD 000	**Six months ended 30 June 2026 USD 000**	Six months ended 30 June 2025 USD 000
Product revenue	**8,344**	7,714	**454,126**	445,512	**462,470**	453,226
Services revenue	**–**	–	**71,971**	64,442	**71,971**	64,442
Total	**8,344**	7,714	**526,097**	509,954	**534,441**	517,668

All Product revenues which are subject to upfront invoicing are recognized at a point-in-time. Of USD 454.1 million (H1-25: USD 445.5 million) of Product revenues subject to over-time invoicing, USD 365.8 million (H1-25: USD 350.9 million) is recognized over-time and the remainder is recognized at a point-in-time for a value of USD 88.3 million (H1-25: USD 94.6 million), which is related to subscription revenue.
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 2026

	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	**–**	**4,221**	**–**	**4,221**
Foreign currency options	**–**	**374**	**–**	**374**
Convertible notes	**–**	**–**	**24,119**	**24,119**
Contingent consideration	**–**	**–**	**8,470**	**8,470**
Derivatives used for hedging				
Foreign currency forwards	**–**	**1,288**	**–**	**1,288**
Foreign currency options	**–**	**1,069**	**–**	**1,069**
Cross-currency swaps	**–**	**32,574**	**–**	**32,574**
Interest rate swaps	**–**	**2,578**	**–**	**2,578**
Total	**–**	**42,104**	**32,589**	**74,693**

	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	**–**	**3,992**	**–**	**3,992**
Derivatives used for hedging				
Foreign currency forwards	**–**	**3,308**	**–**	**3,308**
Foreign currency options	**–**	**631**	**–**	**631**
Cross-currency swaps	**–**	**13,366**	**–**	**13,366**
Interest rate swaps	**–**	**1,374**	**–**	**1,374**
Total	**–**	**22,671**	**–**	**22,671**

9. Fair value measurement continued

Balance at 31 December 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	–	4,255	–	4,255
Convertible notes	–	–	24,119	24,119
Contingent consideration	–	–	8,213	8,213
Derivatives used for hedging				
Foreign currency forwards	–	340	–	340
Foreign currency options	–	933	–	933
Cross-currency swaps	–	36,570	–	36,570
Interest rate swaps	–	3,273	–	3,273
Total	–	45,371	32,332	77,703

	Level 1 USD 000	Level 2 USD 000	Level 3 USD 000	Total USD 000
Financial liabilities at FVTPL				
Foreign currency forwards	–	4,256	–	4,256
Cross-currency swaps	–	9,918	–	9,918
Derivatives used for hedging				
Foreign currency forwards	–	4,048	–	4,048
Foreign currency options	–	685	–	685
Cross-currency swaps	–	5,084	–	5,084
Interest rate swaps	–	466	–	466
Total	–	24,457	–	24,457

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

Assets and liabilities in level 2

Foreign currency forwards

Discounted 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.

Assets and liabilities in level 3

Convertible notes

At 31 December 2025, the Group determined the fair value of these 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.

Based on the latest information available, there are no indicators of any significant changes to the assumptions/scenarios used for the valuation at 31 December 2025. Management's assessment is that there is no evidence of a significant change in the fair value of the convertible notes at 30 June 2026 and it expects the valuation sensitivities at 31 December 2025 to remain materially unchanged.

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.

9. Fair value measurement continued

Assets and liabilities in level 3 continued

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, relying on unobservable inputs relating to the new customer ARR based on most recent forecasts available.

Reasonable changes in the new customer ARR, as well as the discount rate, will not materially affect the fair value at the reporting date.

Refer to note 7 for further information on the contingent consideration.

Reconciliation from the opening balances to the closing balances:

	Convertible note USD 000	Contingent consideration USD 000
At 1 January 2026	**24,119**	**8,213**
Unwind of discount to "Finance costs – net"	**–**	**257**
At 30 June 2026	**24,119**	**8,470**

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 2026		31 December 2025	
	Carrying amount USD 000	**Fair value USD 000**	Carrying amount USD 000	Fair value USD 000
Financial assets				
Non-current trade and other receivables	**322,341**	**296,409**	302,335	276,295
Total	**322,341**	**296,409**	302,335	276,295
Borrowings				
Bank borrowings	**245,195**	**244,646**	200,154	199,857
Unsecured bonds	**564,566**	**581,339**	576,315	592,810
Total	**809,761**	**825,985**	776,469	792,667

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 2026	Six months ended 30 June 2025
Profit attributable to equity holders of the Company (USD 000)	**106,962**	193,742
Weighted average of ordinary shares outstanding during the period (in thousands)	**66,891**	70,581
Basic earnings per share (USD per share)	**1.60**	2.74

11. Earnings per share continued

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”.

	Six months ended 30 June 2026	Six months ended 30 June 2025
Profit used to determine diluted earnings per share (USD 000)	**106,962**	193,742
Weighted average of ordinary shares outstanding during the period (in thousands)	**66,891**	70,581
Adjustments for:		
– Share options (in thousands)	**782**	781
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**67,673**	71,362
Diluted earnings per share (USD per share)	**1.58**	2.71

12. Property, plant and equipment and intangible assets

	Property, plant and equipment USD 000	**Intangible assets USD 000**
Six months ended 30 June 2026		
Closing balance as at 31 December 2025 and opening balance as at 1 January 2026	**46,027**	**1,277,777**
Additions	**9,188**	**4,436**
Retirements/disposals	**(902)**	**–**
Capitalized development costs	**–**	**28,384**
Charge for the period	**(8,593)**	**(47,235)**
Foreign currency exchange differences	**(740)**	**(3,485)**
Closing net book amount as at 30 June 2026	**44,980**	**1,259,877**

As at 30 June 2026, included in property, plant and equipment is USD 31.0 million (31 December 2025: USD 31.1 million) for right-of-use assets.

13. Borrowings

	30 June 2026 USD 000	31 December 2025 USD 000
Current		
Bank borrowings	**195**	154
Unsecured bonds	**6,792**	6,877
Lease liabilities	**9,783**	9,833
	16,770	16,864
Non-current		
Bank borrowings	**245,000**	200,000
Unsecured bonds	**557,774**	569,438
Lease liabilities	**22,640**	22,646
	825,414	792,084
Total borrowings	**842,184**	808,948

13. Borrowings continued

Movements in borrowings are analyzed as follows:

	USD 000
Opening balance as at 1 January 2026	**808,948**
Proceeds from borrowings	140,000
Repayments of borrowings	(95,000)
Bond-coupon payments	(7,016)
Payments of lease liabilities	(5,888)
Interest expense	8,044
Net addition to lease liability	5,636
Interest hedging (basis adjustment)	(695)
Foreign currency exchange differences	(11,845)
Closing net book amount as at 30 June 2026	**842,184**

Bank facilities

At 30 June 2026, the Group held a multicurrency committed revolving facility of USD 500 million. The pertinent details are as follows:

- interest expense is based on observable risk-free rates plus variable margin, which is calculated by reference to certain financial covenants;
- the facility terminates on 30 June 2030 with two one-year extension options; and
- commitment fees are due on the undrawn portion.

In June 2026, the Group extended the maturity of its revolving facility by one extra year, and it now terminates on 1 July 2031.

As at 30 June 2026, a total of USD 245 million (31 December 2025: USD 200 million) was drawn under this agreement.

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

14. Share capital

As at 30 June 2026, the issued and registered shares of Temenos AG comprised 67,954,491 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 1 July 2026 are summarized below:

	Number
Total number of shares issued as at 1 January 2026	71,907,147
Treasury shares	(4,584,396)
Total number of shares outstanding as at 1 January 2026	67,322,751
Disposal of treasury shares	621,413
Acquisition of treasury shares (share buyback)	(1,244,986)
Total number of shares outstanding as at 30 June 2026	66,699,178

As at 30 June 2026 the number of treasury shares held by the Group amounted to 1,255,313 (31 December 2025: 4,584,396).

During the period, 3,952,656 treasury shares were canceled as a share capital reduction (approved by the 2026 Annual General Meeting of Shareholders).

In December 2025, the Group announced a new share buyback program of up to CHF 100 million, which commenced on 11 December 2025 and ended on 8 April 2026. Under this program, 1,244,986 shares were bought back for a total of CHF 89.8 million in the six months ended 30 June 2026.

15. Dividend per share

A dividend of CHF 93.3 million (USD 117.9 million, CHF 1.40 per share) was paid in 2026 relating to the 2025 financial year.

16. Events occurring after the reporting period

On 8 June 2026, the Group announced it has entered into a definitive agreement to acquire Additiv AG (“additiv”), a Switzerland-based fintech company that provides a specialist platform to orchestrate financial services. The acquisition is aligned with the Group’s strategic focus of strengthening its Wealth franchise and expanding AI-enabled experience and orchestration capabilities that amplify the value of its trusted core banking platform.

The acquisition completed on 17 July 2026 for preliminary consideration of CHF 226.7 million. At the time the interim financial statements were authorized for issue, the Group has not yet completed the initial accounting for the acquisition and the fair value of the net assets which includes acquired intangible assets is still being evaluated.

In August 2026, the Group announced a new share buyback program of up to CHF 100 million, which commenced on 13 August 2026.

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