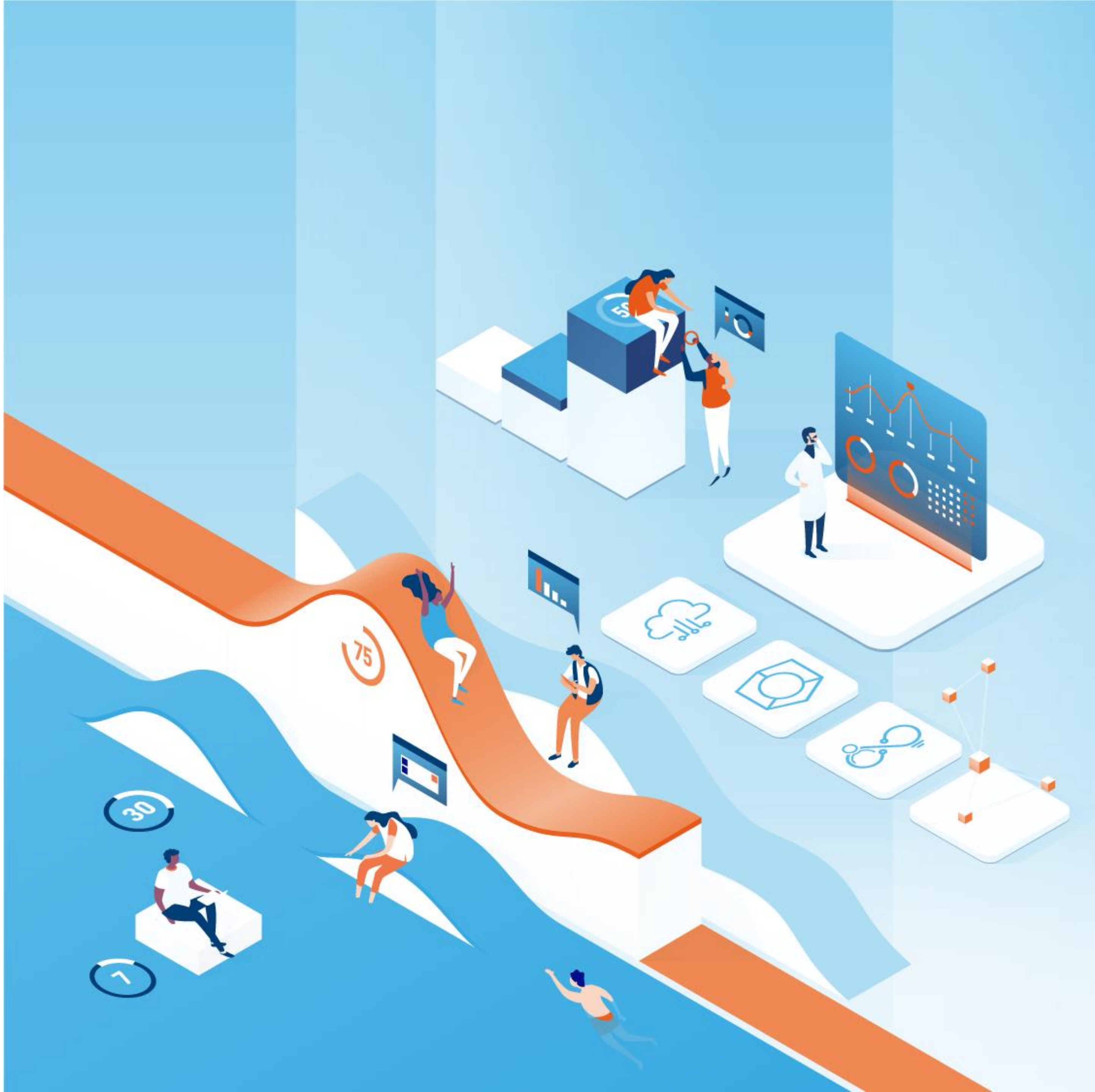
TEMENOS

THE BANKING SOFTWARE COMPANY

Financial results & business update



14 October 2021

Quarter ended 30 September 2021

TEMENOS
THE BANKING SOFTWARE COMPANY

Disclaimer

Any remarks that we may make about future expectations, plans and prospects for the company constitute forward-looking statements. Actual results may differ materially from those indicated by these forward-looking statements as a result of various factors.

In particular, the forward-looking financial information provided by the company in the conference call represent the company's estimates as of 14 October 2021. We anticipate that subsequent events and developments will cause the company's estimates to change.

However, while the company may elect to update this forward-looking financial information at some point in the future, the company specifically disclaims any obligation to do so. This forward-looking information should not be relied upon as representing the company's estimates of its future financial performance as of any date subsequent to 14 October 2021.

Non-IFRS Information

Readers are cautioned that the supplemental non-IFRS information presented in this presentation is subject to inherent limitations. It is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for IFRS measurements. Also, the Company's supplemental non-IFRS financial information may not be comparable to similarly titled non-IFRS measures used by other companies.

In the tables accompanying this presentation the Company sets forth its supplemental non-IFRS figures for revenue, operating costs, EBIT, EBITDA, net earnings and earnings per share, which exclude the effect of adjusting for share-based payments, the carrying value of acquired companies' deferred revenue, the amortization of acquired intangibles, discontinued activities, acquisition related charges, restructuring costs, and the income tax effect of the non-IFRS adjustments. The tables also set forth the most comparable IFRS financial measure and reconciliations of this information with non-IFRS information.

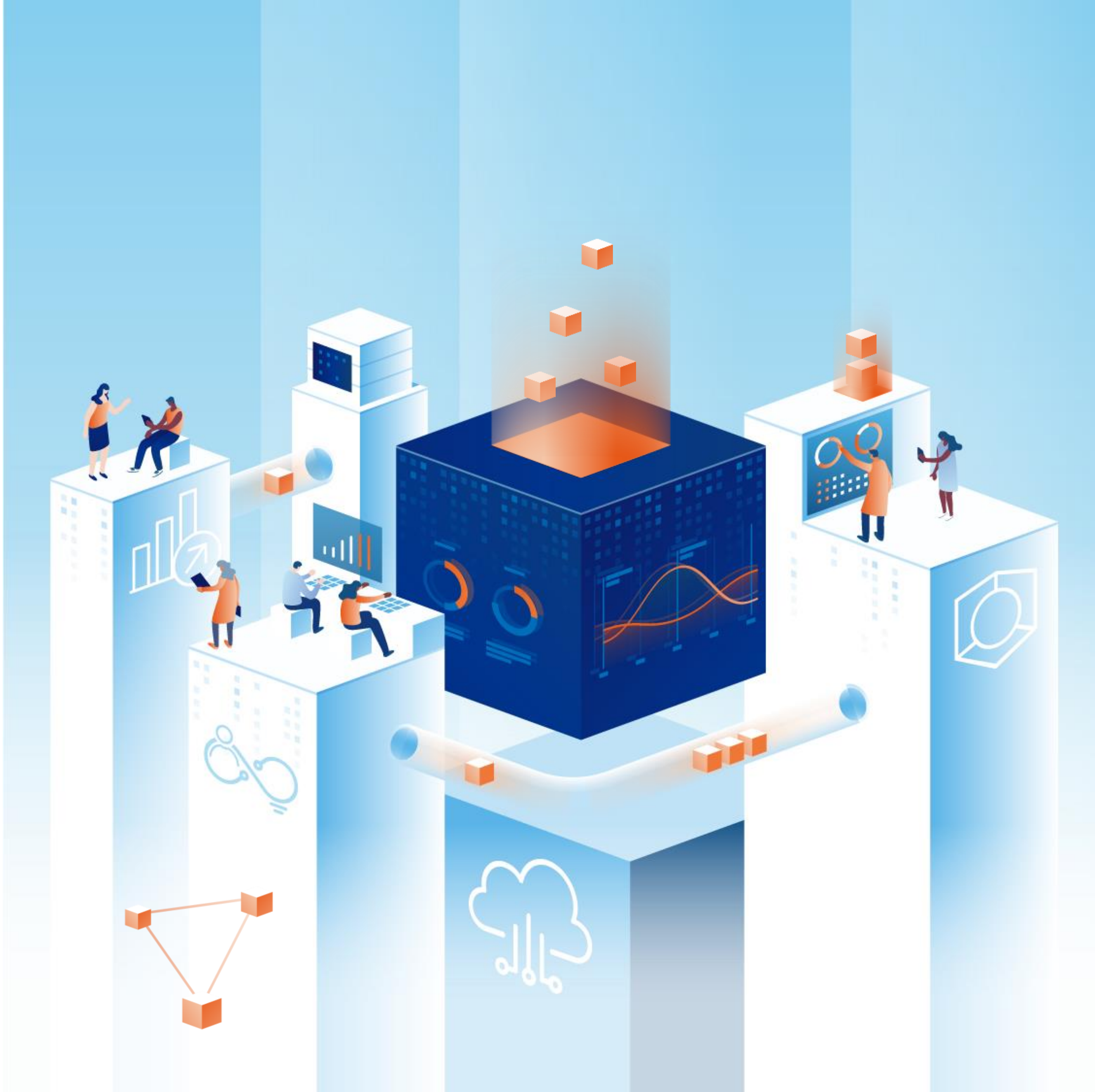
When the Company believes it would be helpful for understanding trends in its business, the Company provides percentage increases or decreases in its revenue (in both IFRS as well as non-IFRS) to eliminate the effect of changes in currency values. When trend information is expressed herein "in constant currencies", the results of the "prior" period have first been recalculated using the average exchange rates of the comparable period in the current year, and then compared with the results of the comparable period in the current year.

Agenda

1. Business update……………………………………………Max Chuard, CEO
2. Financial update………………………………………… Takis Spiliopoulos, CFO
3. Summary……………………………………………..........Max Chuard, CEO
4. Q&A

Business update

Max Chuard
CEO



Continued strong momentum in Q3-21

Review of Q3-21

- Continued strong momentum in the third quarter
- License and SaaS both performed strongly, with SaaS revenue accelerating to 30% and licenses up 20%
- Total Bookings growth driving backlog and visibility on recurring revenue into 2022 and beyond
- EBIT growth continued to drive operating and free cash flow generation
- Investing in our people and talent to ensure we are well positioned for future growth
- Re-confirmed FY 2021 guidance

Q3-21 non-IFRS financial highlights

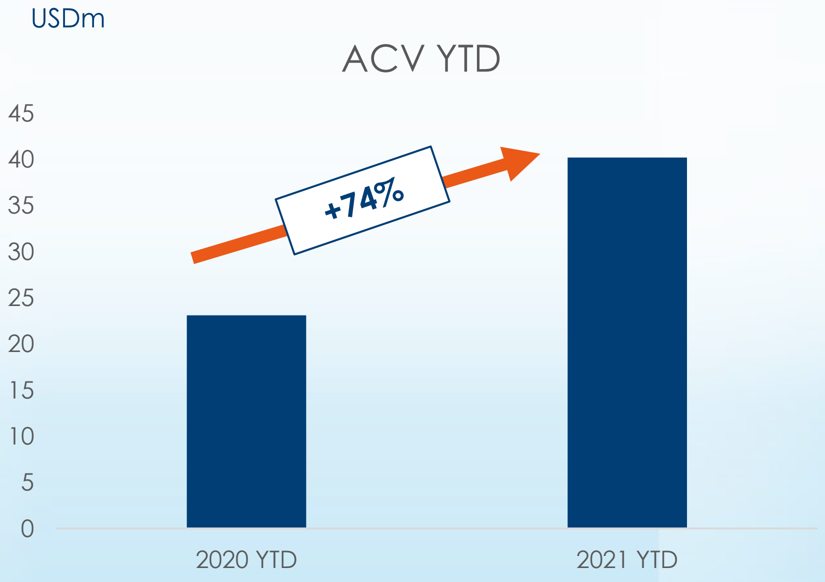
- SaaS ACV of USD10.7m
- Total Bookings growth of 19%
- SaaS revenue growth of 30%
- Total software licensing up 23%
- ARR growth of 9%
- EBIT growth of 7%, EBIT margin at 37.2%
- Operating cash flow up 7%
- FCF growth of 19%

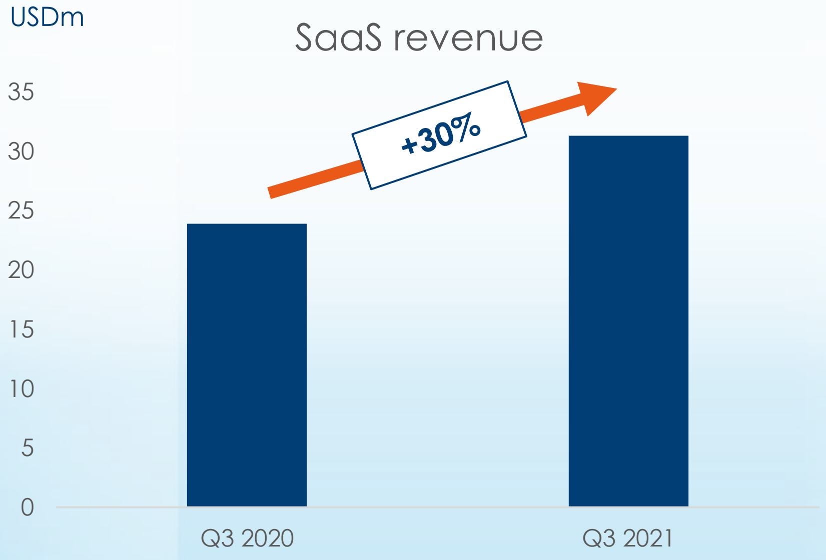
Continued strong momentum in the third quarter

**Revenue, and EBIT figures are non-IFRS c.c. growth rates*

Continued momentum in SaaS

- 30% growth in SaaS revenue Q3-21 and ACV of USD10.7m
- US and Europe were the largest contributors to ACV
- ACV almost entirely driven by new bookings this quarter, more than double new bookings vs. Q3-20
- SaaS ACV expected to grow 50-60% in FY-21

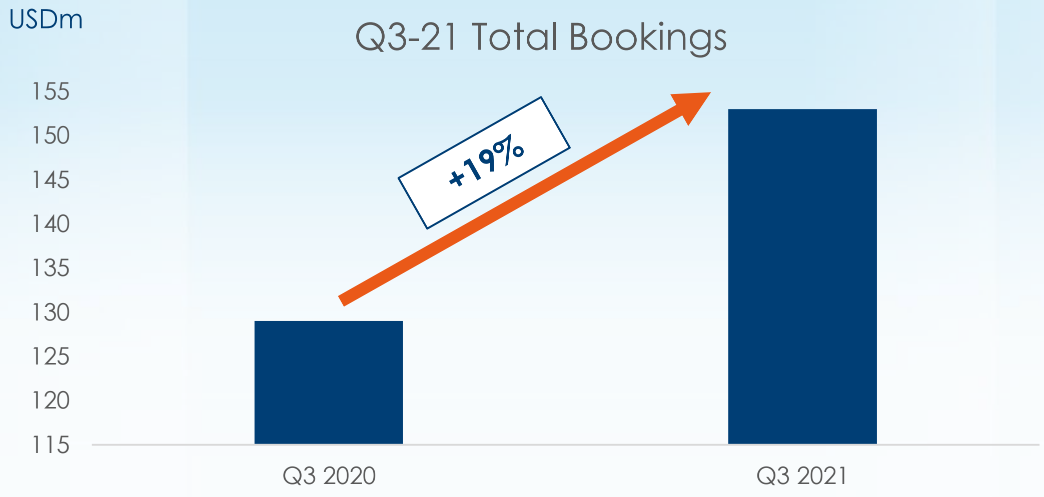


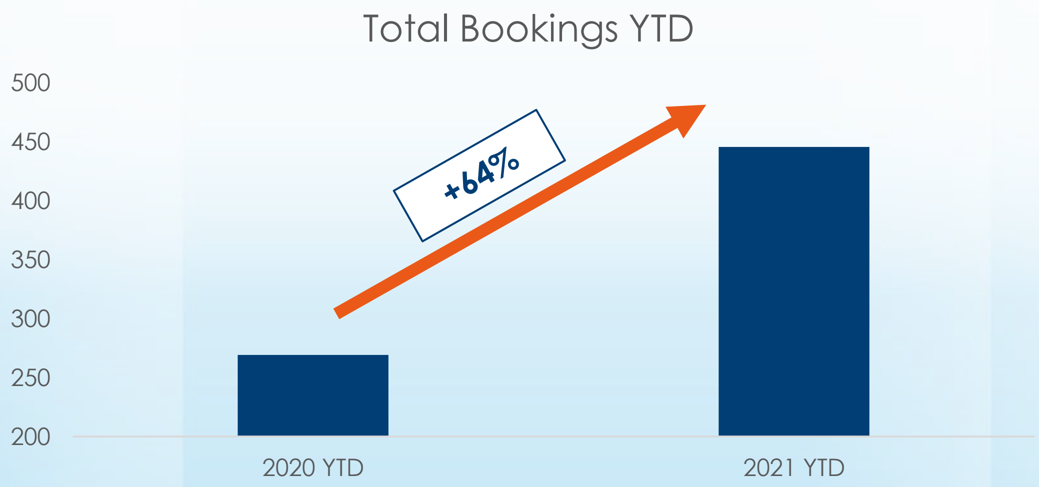


Note: non-IFRS c.c. growth rates. Please refer to slide 33 in appendix for quarterly ACV numbers

Strong growth in Total Bookings

- Total Bookings grew 19% in Q3-21 on the back of strong demand across client tiers
- Total Bookings has now grown 64% 2021 YTD as we continue to take market share
- Product demand remains broad based, Transact and Infinity continue to be the key product drivers
- Total Bookings increasing backlog and long term visibility for growth
- Underpins FY-21 guidance, building pipeline for FY-22 and confidence in 2025 targets
- Combination of strong growth in SaaS and licenses, as well as continued increase in average tenure vs. an average of 3.7 years in FY-20*





Total Bookings – includes fair value of licence contract value, committed maintenance contract value on licence, and SaaS committed contract value. All must be committed and evidenced by duly signed agreements.

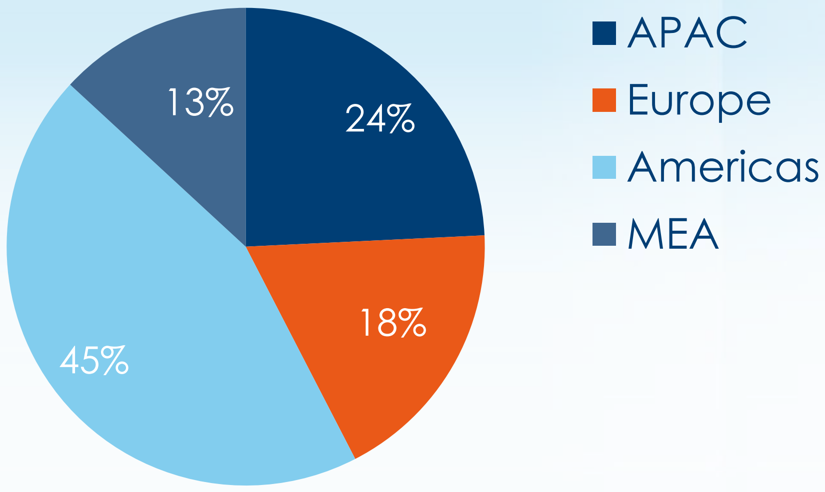
*Note: non-IFRS c.c. growth rates. *refer to slide 34 in appendix for quarterly Total Bookings numbers and slide 35 in appendix for historic average tenures*

Q3-21 sales and operational review

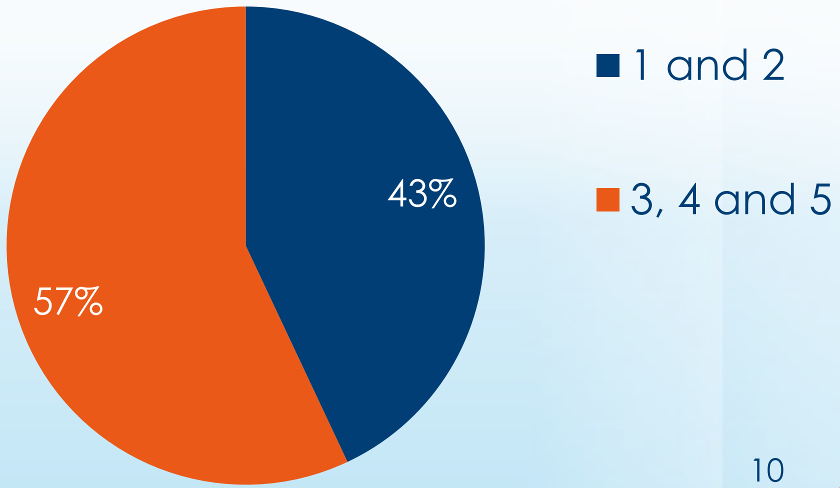
- Sales environment continued to improve through the quarter in all regions
- US continued to be the largest contributor to total software licensing in the quarter
- Signings in the US included clients across both SaaS and license
- Sequential improvement in Europe sales, in particular for new SaaS deals
- Acceleration in Europe sales expected in Q4-21 across both license and SaaS
- Strong quarter in Asia with two Tier 1 banks extending their relationship with Temenos
- Pipeline activity with Tier 1 and 2 banks is increasing, in particular in the US with multiple large deal opportunities
- Strong sales to the installed base in the quarter
- 18 new client wins in the quarter across license and SaaS
- 12 implementation go-lives in the quarter

Q3-21 total software licensing

Geographic split



Customer tier



Expanding our addressable market by entering the Banking-as-a-Service market

- Two partnerships announced in the quarter with Banking-as-a-Service (BaaS) providers Mbanq and Vodeno
- Mbanq offerings services to Credit Unions in the US, an estimated USD3.6bn market, and Vodeno is targeting the European BaaS market, estimated at USD3bn annually
- BaaS functionality is attractive to banks, fintechs, non-banks and specialized BaaS providers
- Also signed a large deal with Green Dot, the US fintech and digital bank, to power its direct digital bank and banking platform services, competing against some of the incumbent US vendors and neo-vendors
- The Temenos Banking Cloud will support Green Dot’s 33 million-plus customers who are served across its retail and direct-to-consumer digital banking channels

Progressing strategic partnerships

salesforce

- Partnership with Salesforce brings together all the CRM capabilities provided by Salesforce and a broad set of transactional capabilities provided by Infinity
- First integrated product focused on retail completed
- Business and Wealth versions in development
- Strong interest globally from financial institutions across all three business lines

DXC.technology

- Strategic Partnership with DXC Technology to accelerate the digital transformation of DXC’s banking clients by offering a progressive transformation path for core banking
- Multiple large US and international banks running legacy core banking systems with DXC
- Workshops and early stage sales processes progressing with a number of potential targets, supporting the acceleration of our tier 1 and 2 pipeline in the US

Why we win

Only focused on banking

Leading functionality, localization, advanced technology

Packaged product, single code base

Relentless focus on innovation, highest R&D over 27 years

Scaling through ecosystem of technology and implementation partners

Leader in our market, 3,000+ clients

Outselling the competition

Traditional vendors

Cross-industry, not packaged or cloud & SaaS ready

Why we win

Highest R&D in the industry

Market leadership

Technology innovation

Leader in SaaS, cloud and AI

Neo vendors

New digital entrants, cloud-only offering, limited functional scope, technology tool-kit

Why we win

Cloud native, 27 years of Banking IP

Depth and breadth of functionality

Massive scalability

Local presence i.e. Model Banks

Extensive AI capabilities

Market leader with size, scale and track record

Financial update

Takis Spiliopoulos

CFO

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Q3-21 non-IFRS financial highlights

Revenue and profit

- SaaS revenue up 30% in Q3-21
- Total software licensing up 23% in Q3-21
- Maintenance growth of 3% in Q3-21
- Total revenue up 9% in Q3-21
- EBIT up 7% in Q3-21
- Q3-21 EBIT margin of 37.2%, down 1% point
- EPS (reported) up 3% in Q3-21

Cash flow

- Q3-21 operating cash flow of USD68m, up 7% y-o-y
- LTM operating cash conversion of 113% of IFRS EBITDA
- Q3-21 Free Cash Flow of USD40m, up 19% y-o-y
- DSOs at 111 days, flat y-o-y

Debt and leverage

- Net debt of USD973m as of 30.9.21
- Leverage at 2.2x, expected to be at around 2.0x by year end

Capital allocation

- USD200m share buyback launched in February, completed in August 2021

Note: figures are non-IFRS c.c. growth rates unless otherwise stated

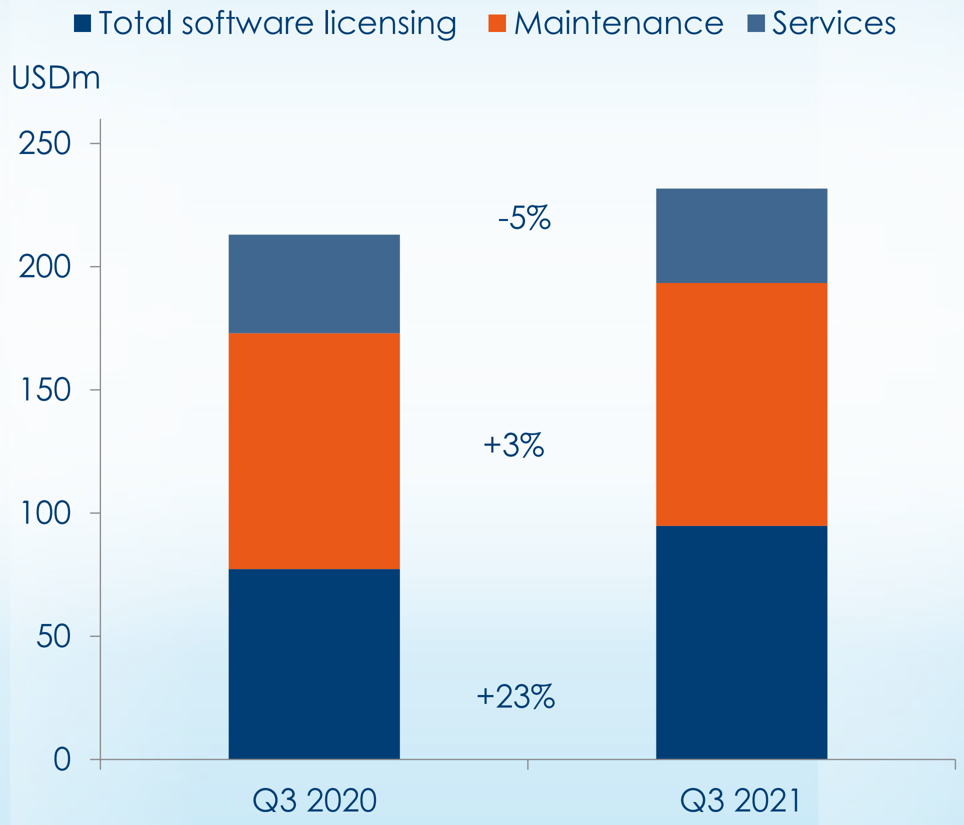
Non-IFRS income statement – operating

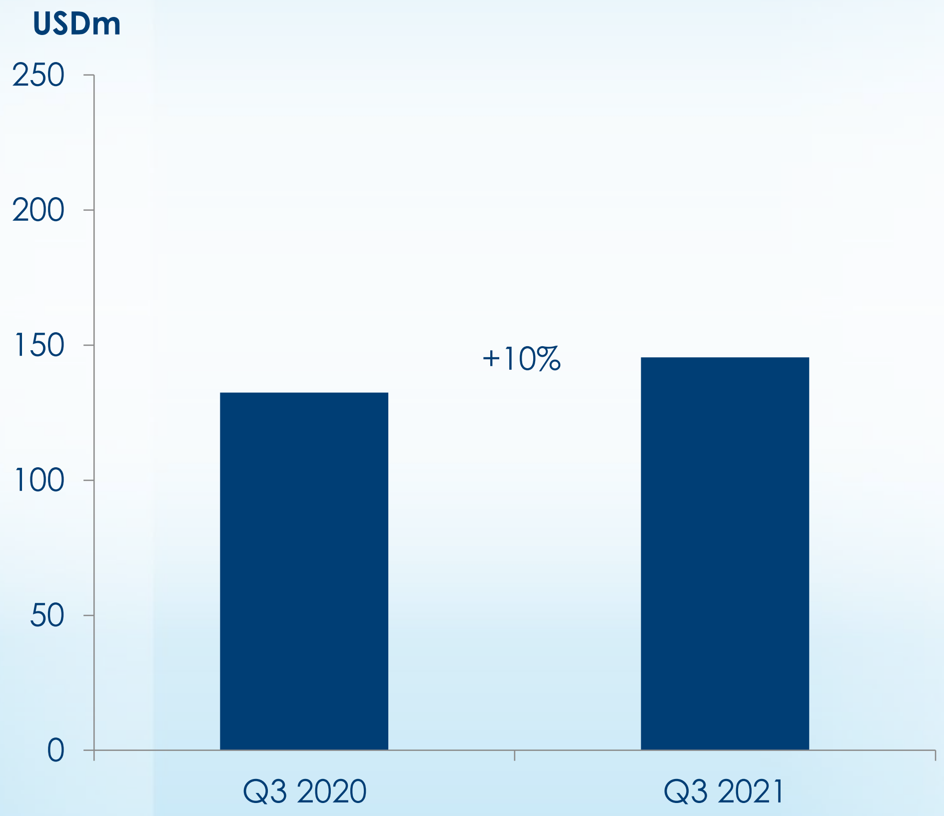
In USDm	Q3-21	Q3-20	Y-o-Y reported	Y-o-Y c.c.	FY-21 YTD	FY-20 YTD	Y-o-Y reported	Y-o-Y c.c.
Software licensing	63.5	52.6	21%	20%	173.7	144.2	20%	19%
SaaS and subscription	31.3	23.9	31%	30%	88.8	69.7	27%	25%
Total software licensing	**94.8**	**76.5**	**24%**	**23%**	**262.5**	**213.9**	**23%**	**21%**
Maintenance	98.6	96.6	2%	3%	294.3	285.8	3%	3%
Services	38.2	40.4	-6%	-5%	120.1	123.1	-2%	-4%
Total revenue	**231.6**	**213.5**	**8%**	**9%**	**677.0**	**622.9**	**9%**	**8%**
Operating costs	145.5	130.4	12%	10%	448.6	419.5	7%	4%
EBIT	**86.0**	**83.0**	**4%**	**7%**	**228.3**	**203.4**	**12%**	**16%**
Margin	37.2%	38.9%	-2% pts	-1%pts	33.7%	32.7%	1% pts	2% pts
EBITDA	**108.3**	**104.2**	**4%**	**6%**	**295.1**	**265.5**	**11%**	**13%**
Margin	46.8%	48.8%	-2% pts	-1% pts	43.6%	42.6%	1% pts	2% pts
Services margin	7.5%	18.5%	-11% pts		12.7%	14.5%	-2% pts	

Like-for-like revenue and costs

- Q3-21 LFL non-IFRS revenues up 9%

- Q3-21 LFL non-IFRS costs up 10%

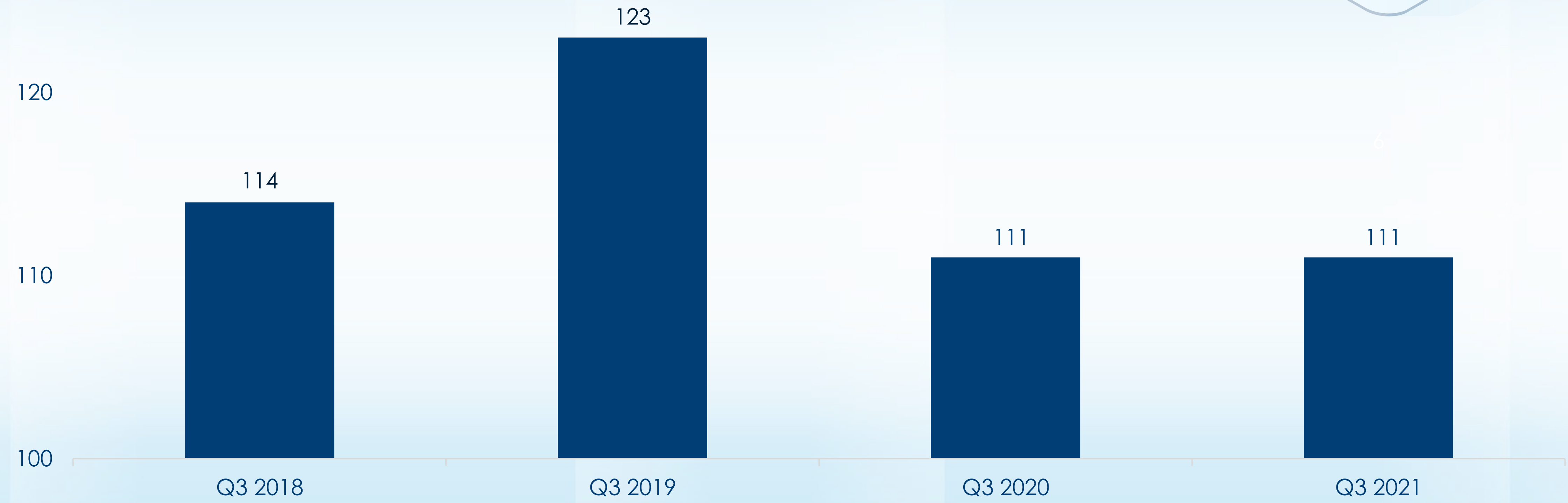




Non-IFRS income statement – non-operating

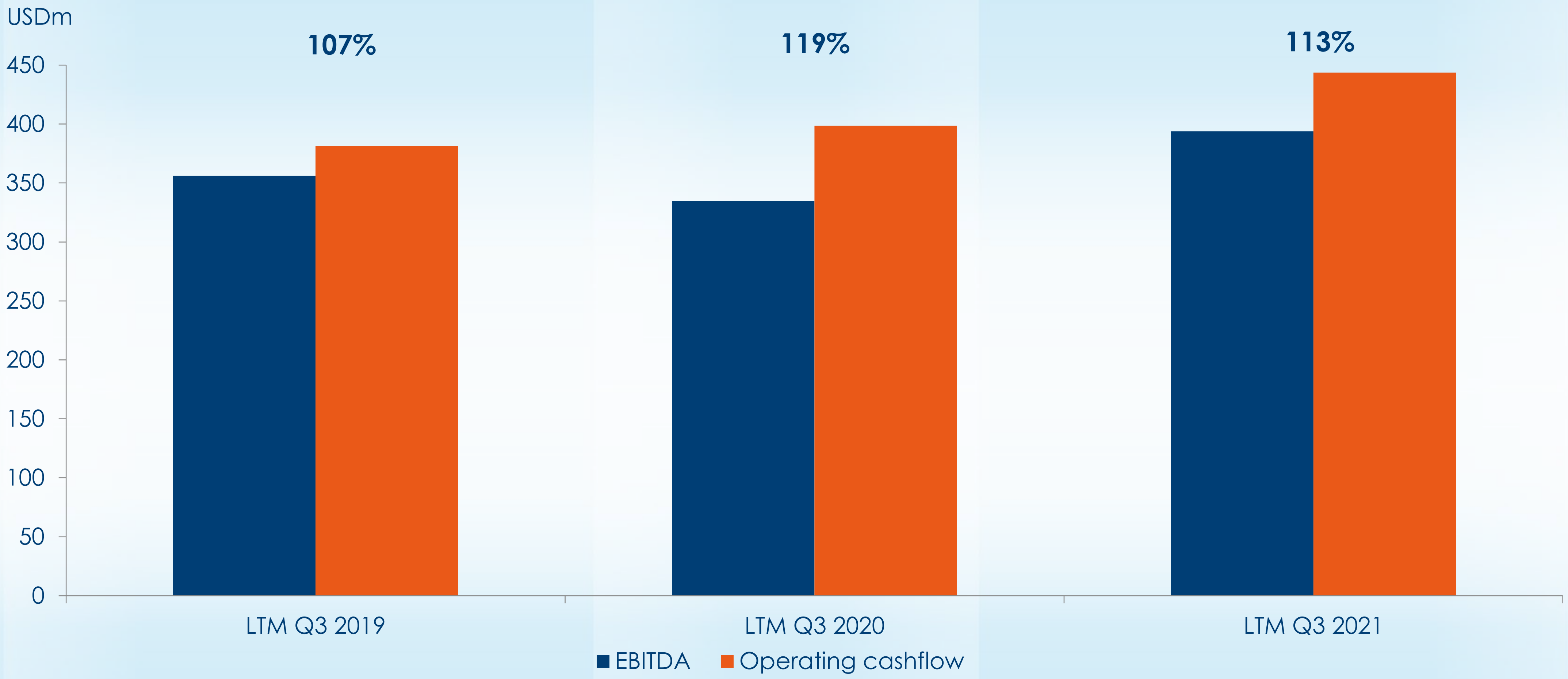
In USDm, except EPS	Q3-21	Q3-20	Y-o-Y	FY-21 YTD	FY-20 YTD	Y-o-Y
EBIT	**86.0**	**83.0**	**4%**	**228.3**	**203.4**	**12%**
Net finance charge	-6.5	-8.1	-20%	-19.3	-23.3	-17%
FX gain / (loss)	0.6	0.4	N.A.	-0.7	1.1	N.A.
Tax	-13.8	-10.0	38%	-35.4	-24.5	44%
Net profit	**66.3**	**65.4**	**1%**	**173.0**	**156.7**	**10%**
EPS (USD)	**0.92**	**0.89**	**3%**	**2.38**	**2.14**	**11%**

DSOs will continue to decline



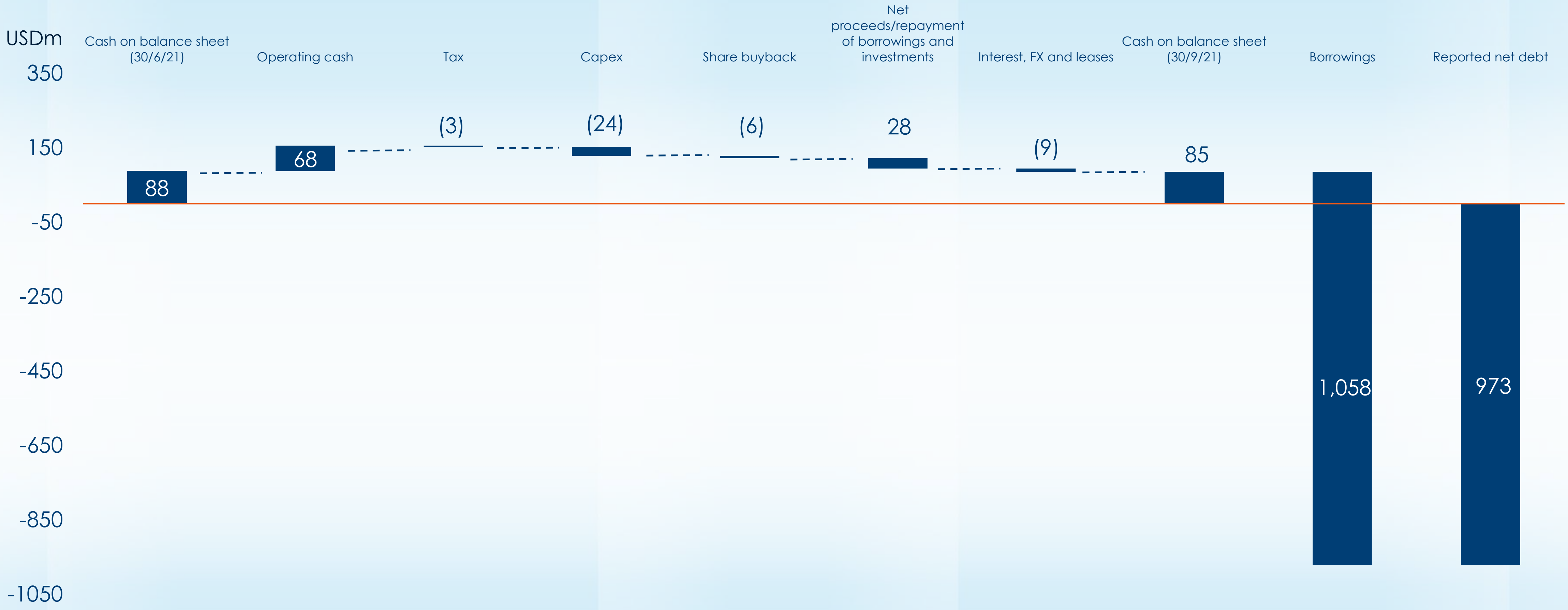
DSOs expected to continue declining to c.105 by year end 2021

IFRS cash conversion



Cash conversion well above 100% target

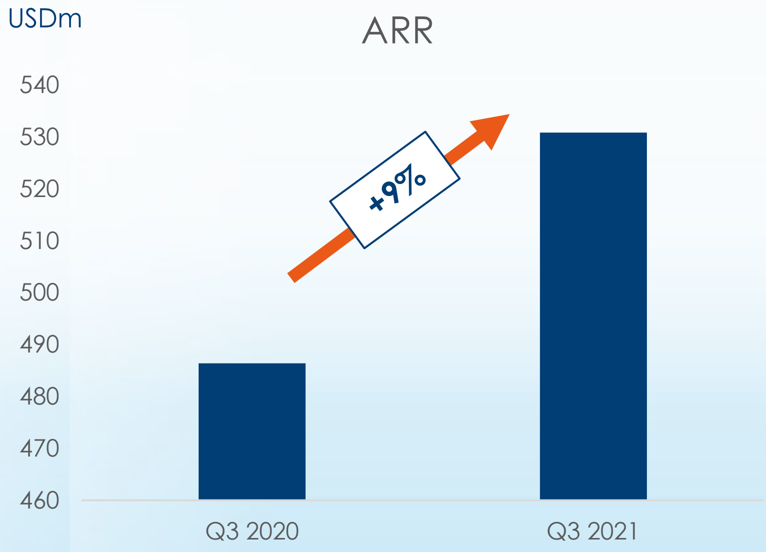
Group liquidity

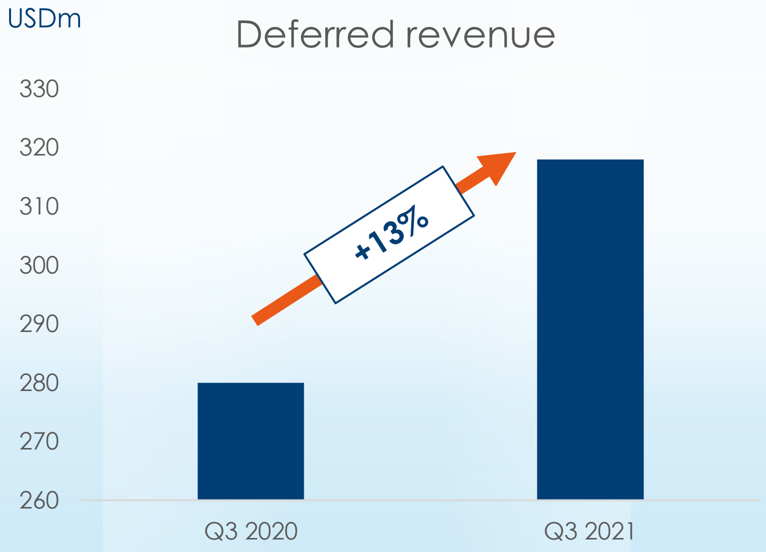


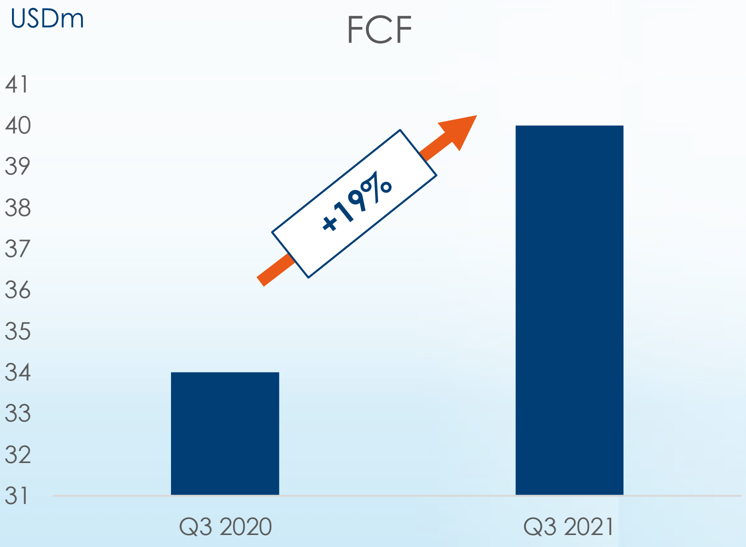
Leverage at 2.2x, expected to around 2.0x by year end 2021

Strong growth in ARR, deferred revenue and FCF

- ARR growth of 9%
- Maintenance continued to grow at similar rates to Q2-21, expected to accelerate in Q4-21
- Maintenance collection and increasing SaaS contribution driving deferred revenue growth and FCF
- ARR growth underpins confidence in FY-21 guidance







Note: ARR is non-IFRS c.c. growth rate, Deferred revenue and FCF are reported growth rate. Please refer to slide 34 in appendix for quarterly ARR and FCF numbers.

Overview of KPIs

Sales	P&L	Cash
Total Bookings*	Total software licensing	Operating cash conversion
SaaS ACV	EBIT margin	Free cash flow
Total ARR*	EPS	DSOs

**New KPIs*

Total Bookings – includes fair value of license contract value, committed maintenance contract value on licence, and SaaS committed contract value. All must be committed and evidenced by duly signed agreements.

Total ARR – Annual recurring revenue committed at the end of the period for both SaaS and Maintenance. Includes New Customers, up-sell/cross-sell, and attrition. Only includes the recurring element of the contract and exclude variable elements.

2021 non-IFRS guidance (c.c.) confirmed

	FY-21 guidance	FY-20 base
SaaS ACV	**+50-60%**	34
ARR	**+10-15%**	494
Total software licensing (%)	**+14-18%**	357
Total revenue (%)	**+8-10%**	902
EBIT – margin and growth	**growth of +12-14% (USD360-367m), implying 37.1% margin**	35.8% margin, USD323m

- Cash conversion to remain at 100%+ of EBITDA into operating cash flow
- FY-21 tax rate expected to be between 16-18%
- DSOs expected to be c.105 days by year end
- Non-IFRS EBIT is adjusted for share-based payment costs. For comparison purposes, FY-20 non-IFRS EBIT would be adjusted by excluding USD11m share-based payment costs
- Estimated FY-21 IFRS2 costs are c.USD 50m of which USD 20-25m is the original plan for the year and USD 26m is related to the introduction of a new one-off LTIP programme extended across an increased number of employees to align a broader segment of the middle and upper management with the overall company performance, and alignment of outstanding years of existing LTIP programmes with new metrics introduced in 2021, as voted on at the May 2021 AGM.

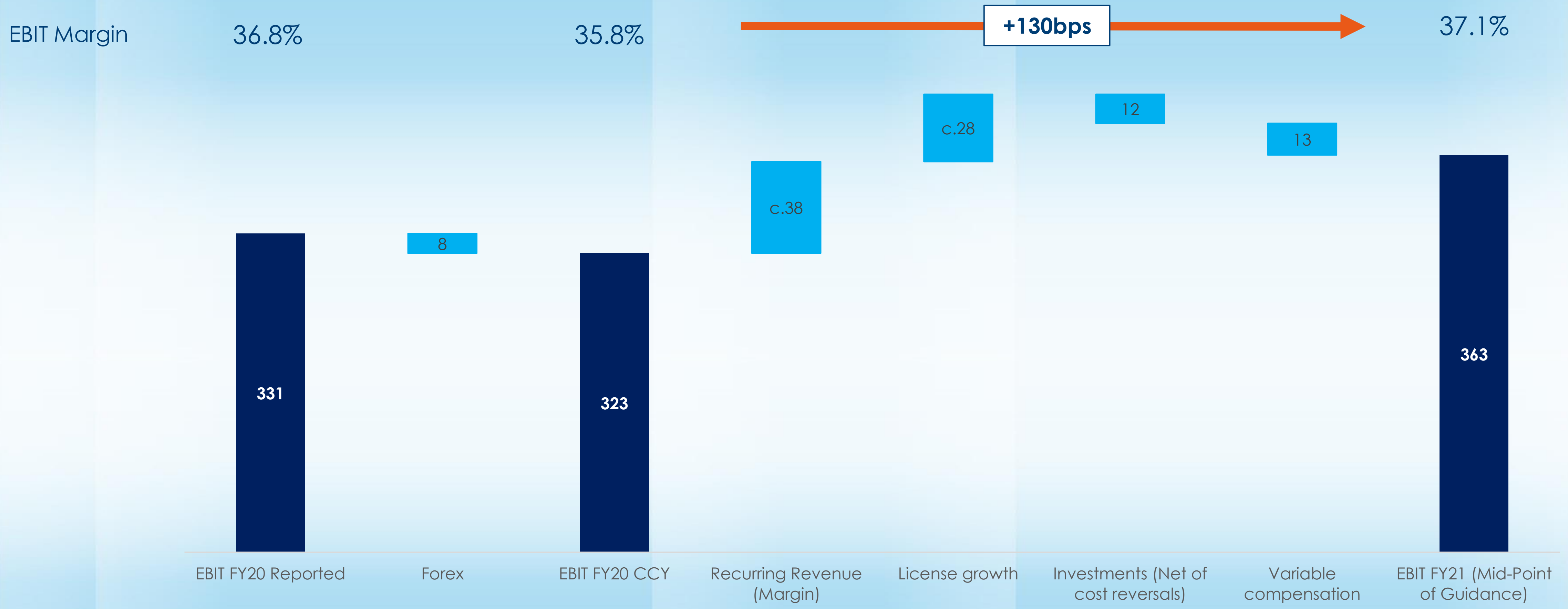
Note: Currency assumptions on slide 31. See slide 48 for definition of non-IFRS.

Re-confirming 2025 Targets

Mid-term Guidance	2020 base (CCY)	2025 Targets
Total Software Licensing	357	15-20% CAGR 2020-25
Total revenue	902	10-15% CAGR 2020-25
EBIT margin	35.8%	c.41% by 2025
Total Bookings	491	17-22% CAGR 2020-25
ARR	494	>=15% CAGR 2020-25
FCF	297	>=15% CAGR 2020-25 to reach >USD600m
Tax rate*	13.9%	18-20%
DSO	111	c.85 days

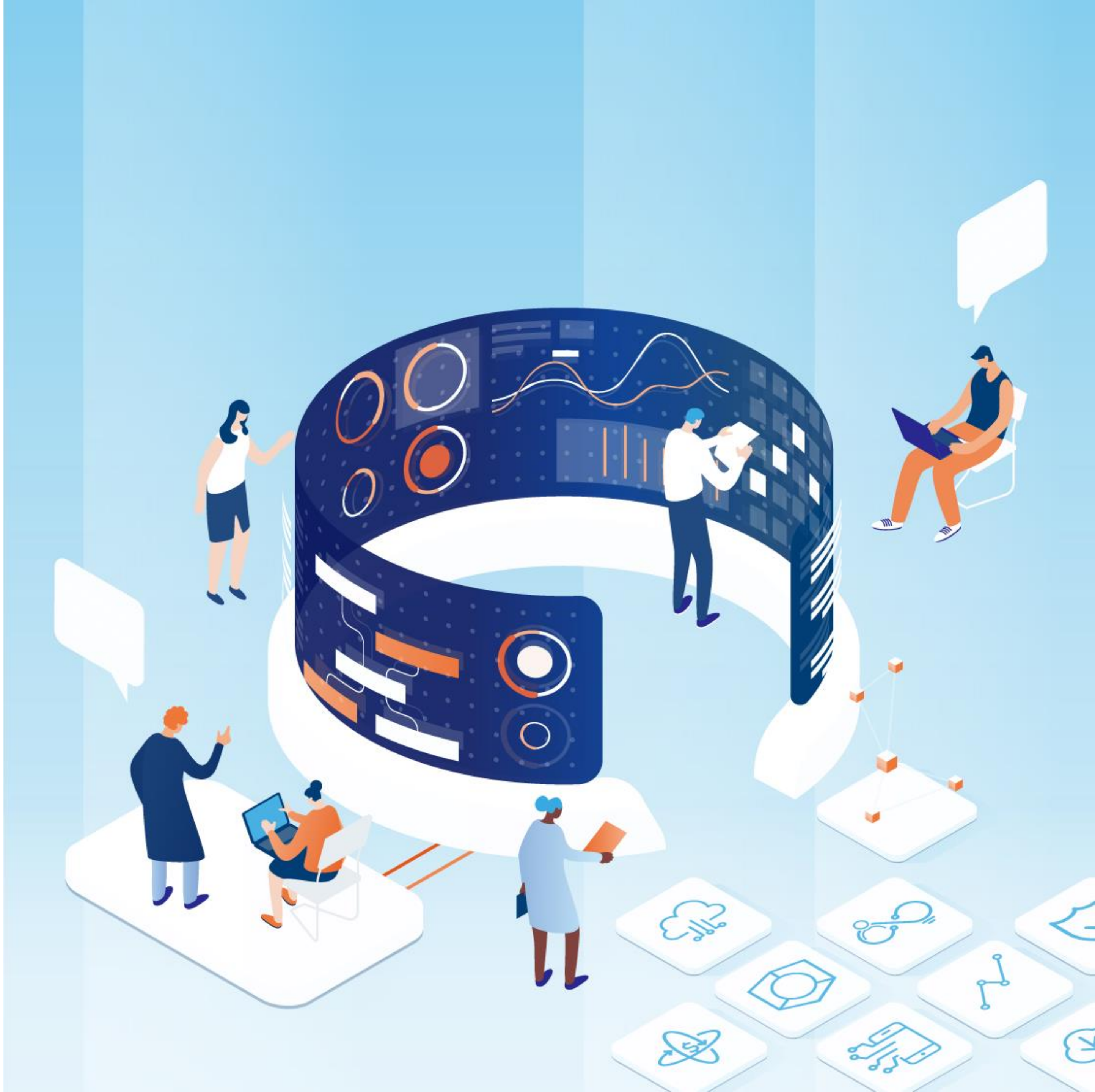
Targets are non-IFRS. Tax rates estimate: FY21 guidance at 16-18%, 18-20% for FY22-25

Non-IFRS EBIT Bridge 2020/2021



Strong visibility on margin expansion through recurring revenue

Summary



Max Chuard
CEO

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Conclusion

- Continued strong momentum in the third quarter
- License and SaaS both performed strongly, with SaaS revenue accelerating to 30% and licenses up 20%
- Total Bookings growth driving backlog and recurring revenue visibility into 2022
- EBIT growth continued to drive operating and free cash flow generation
- Investing in our people and talent to ensure we are well positioned for future growth
- Re-confirmed FY 2021 guidance

Continued strong momentum in the third quarter

Appendix

38%
47%
15%
Mon
Tue
Wed
Thu
Fri
Sat
Sun
Good Afternoon,
Tess
Your total balance is
7,538.67$

FX assumptions underlying 2021 guidance

In preparing the 2021 guidance, the Company has assumed the following FX rates:

- EUR to USD exchange rate of 1.17
- GBP to USD exchange rate of 1.37; and
- USD to CHF exchange rate of 0.92

FX exposure

% of total	USD	EUR	GBP	CHF	Other
Total software licensing	67%	21%	2%	2%	8%
Maintenance	75%	17%	2%	2%	5%
Services	55%	28%	3%	2%	13%
Revenues	**68%**	**20%**	**2%**	**2%**	**8%**
Non-IFRS costs	**23%**	**17%**	**13%**	**7%**	**39%**
Non-IFRS EBIT	**149%**	**26%**	**(19)%**	**(7)%**	**(50)%**

NB. All % are approximations based on 2020 actuals

Mitigated FX exposure – matching of revenues / costs and hedging

Quarterly SaaS ACV

USDm			Q3-18	Q4-18
SaaS ACV			2.5	3.4

USDm	Q1-19	Q2-19	Q3-19	Q4-19
SaaS ACV	2.7	2.9	6.6	8.8

USDm	Q1-20	Q2-20	Q3-20	Q4-20
SaaS ACV	5.3	3.5	14.3	11.5

USDm	Q1-21	Q2-21	Q3-21	Q4-21
SaaS ACV	12.1	17.4	10.7	

Quarterly ARR, Total Bookings, FCF

ARR, USDm	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21
ARR	468.1	475.4	486.4	493.5	500.1	514.4	530.8

Total Bookings, USDm	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21
Total Bookings	60.5	80.0	128.8	222.0	127.5	165.2	153.0

FCF, USDm	Q1-20	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21
FCF	36	70	34	158	46	87	40

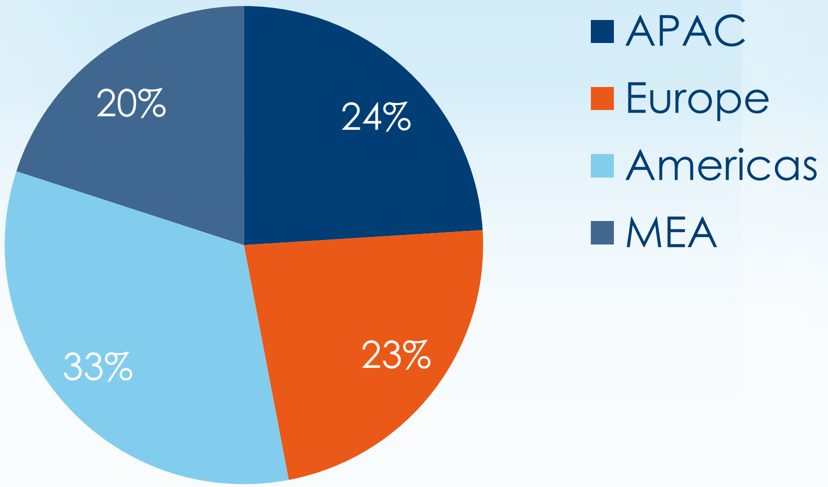
Total Bookings average tenure

Below is the average tenure in FY-20 for the components of total bookings:

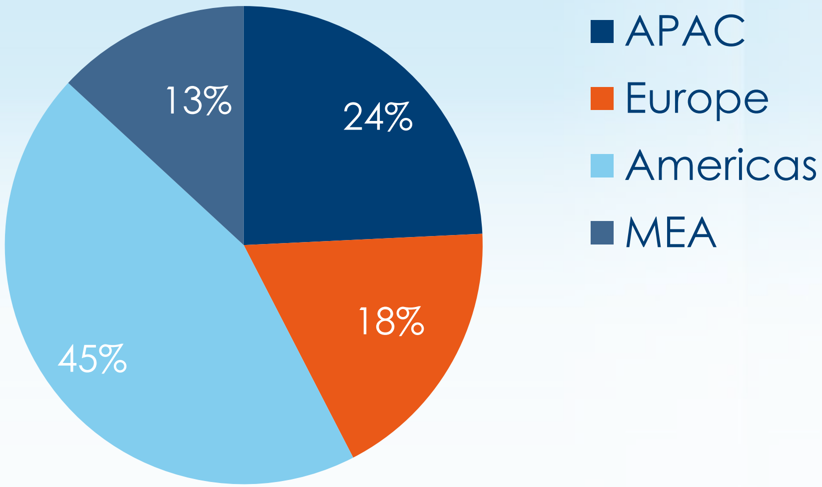
- Average tenure of SaaS contracts in FY-20 was 3.9 years
- Average tenure of license and maintenance contracts in FY-20 was 3.6 years
- Average tenure of total bookings in FY-20 was 3.7 years

Total software licensing revenue breakdown by geography

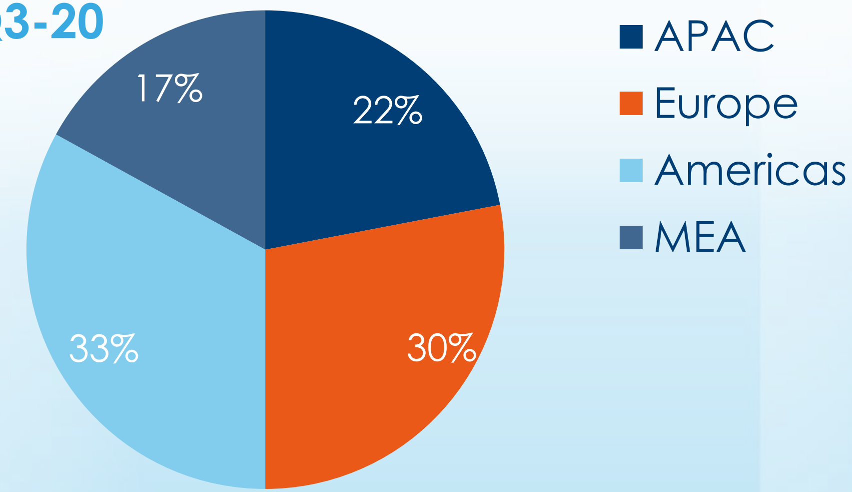
Q3-20



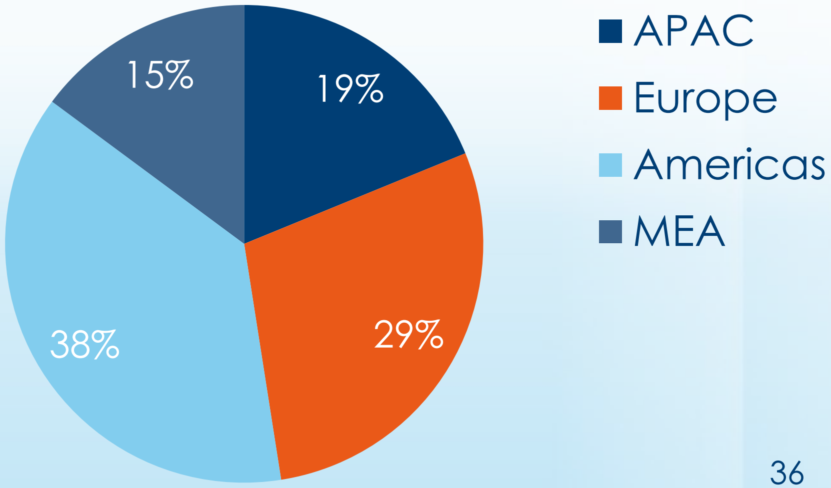
Q3-21



LTM Q3-20

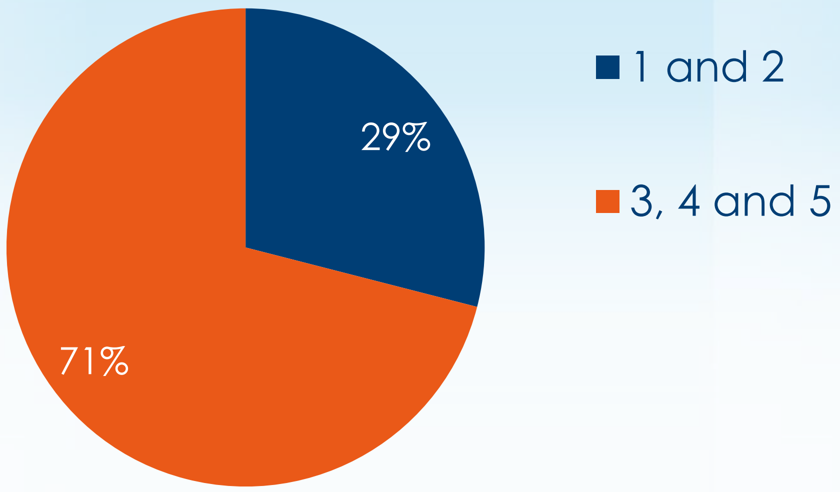


LTM Q3-21

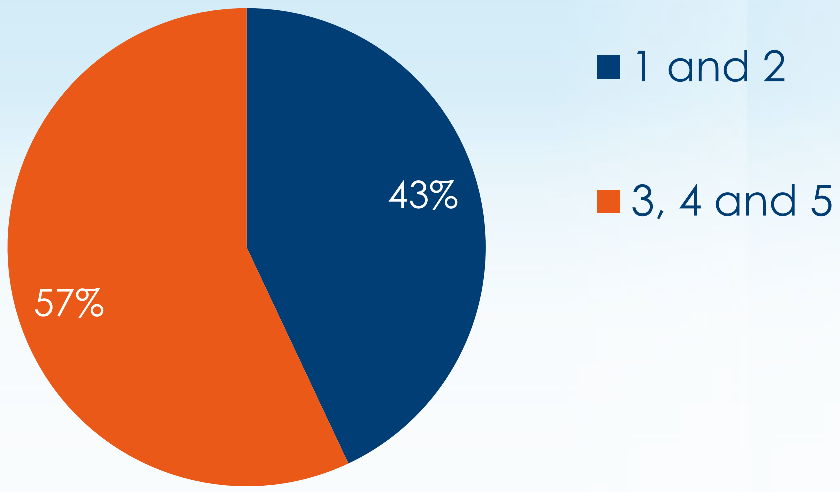


Total software licensing revenue breakdown by customer tier

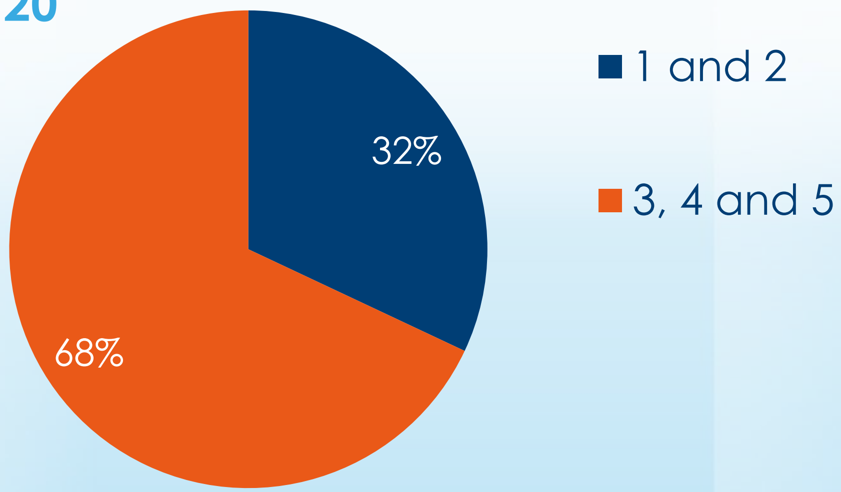
Q3-20



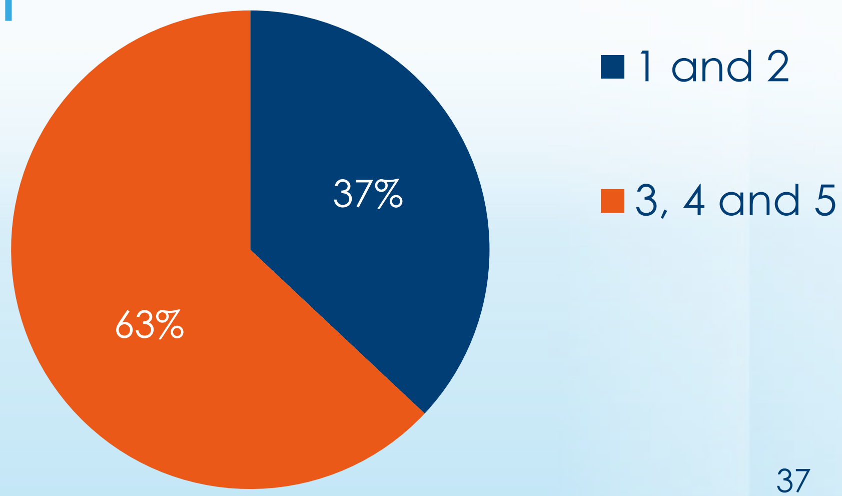
Q3-21



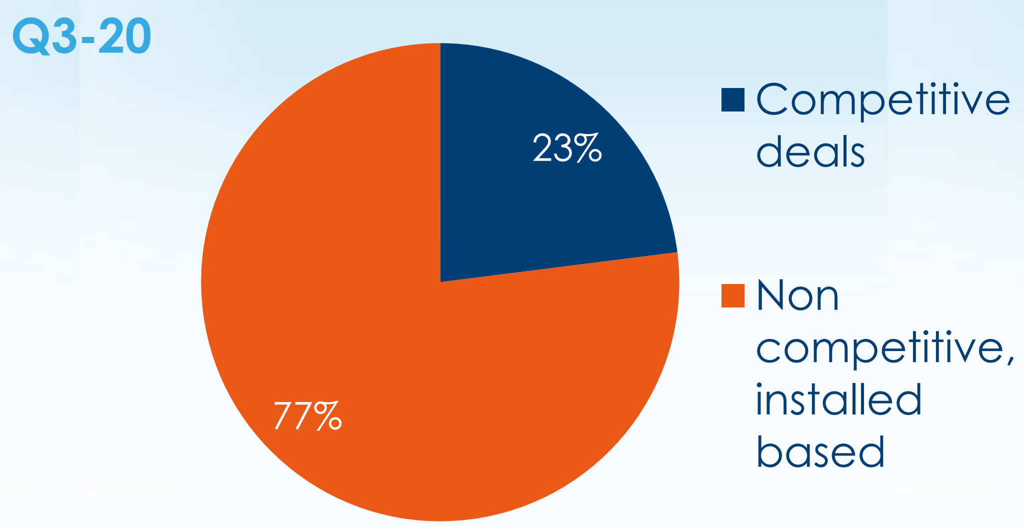
LTM Q3-20

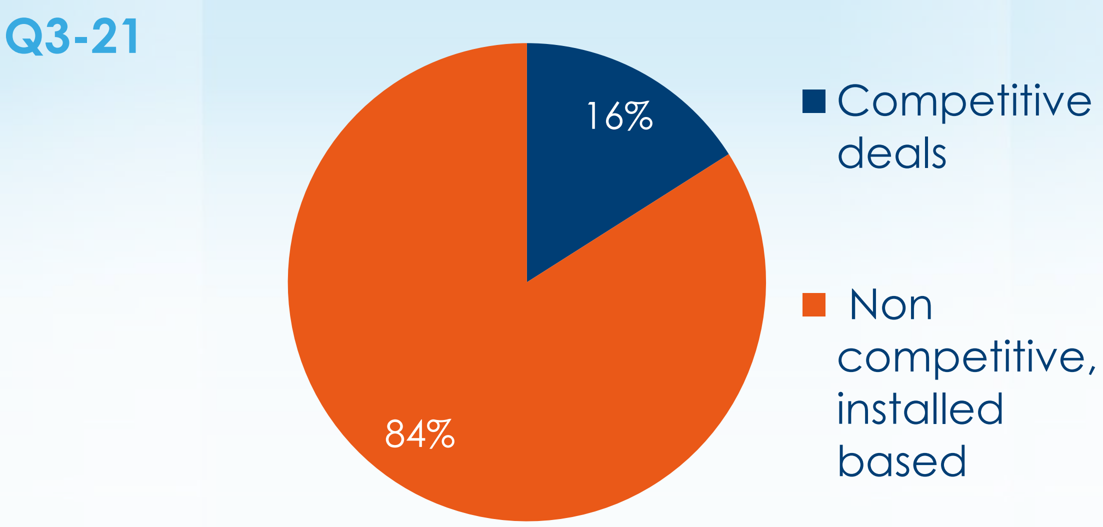


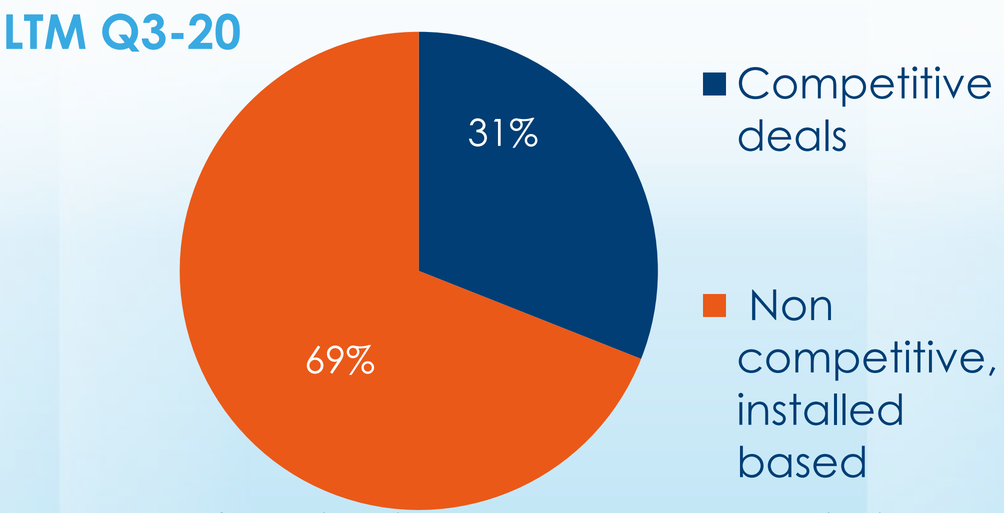
LTM Q3-21

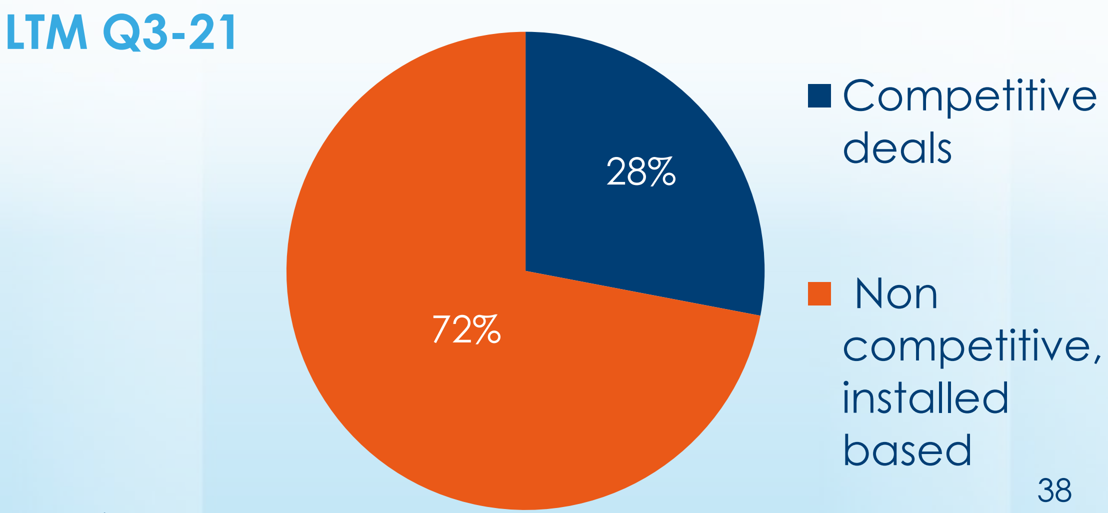


Software licensing revenue breakdown by competitive deals / add-ons to installed base (excluding SaaS ACV)





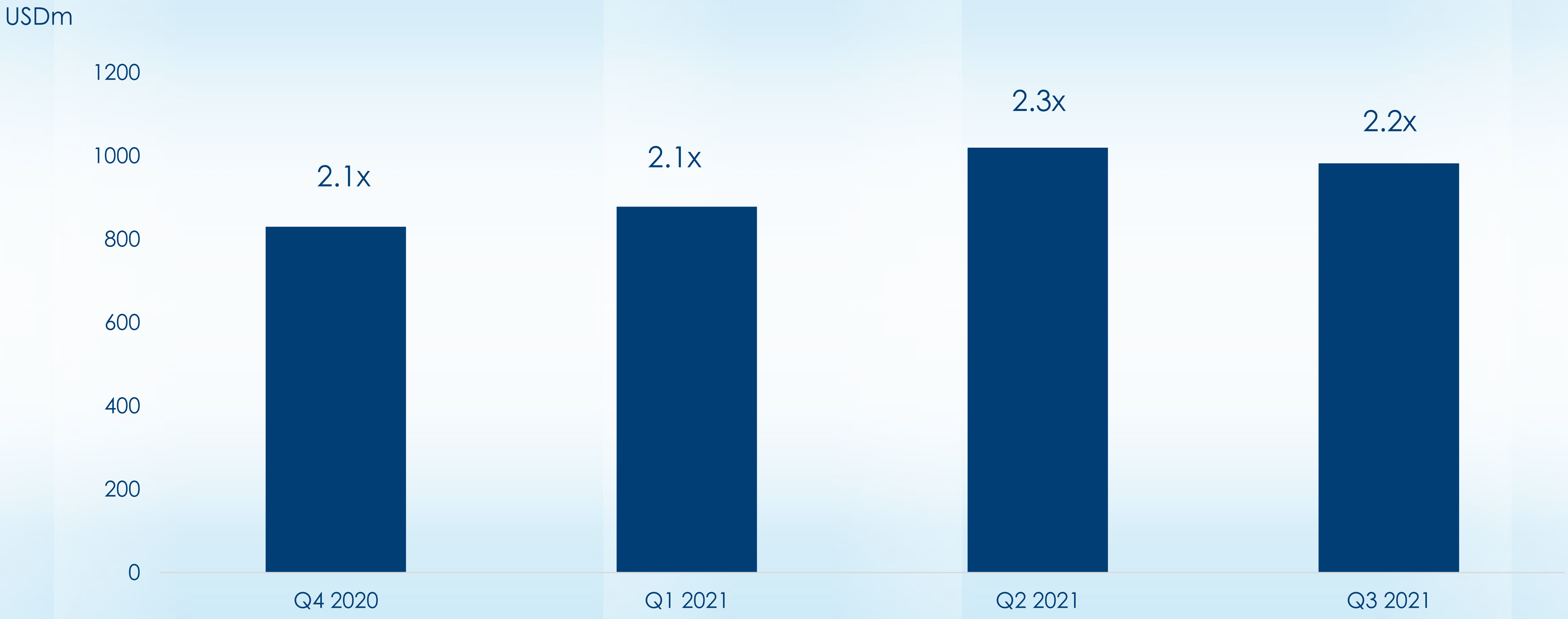




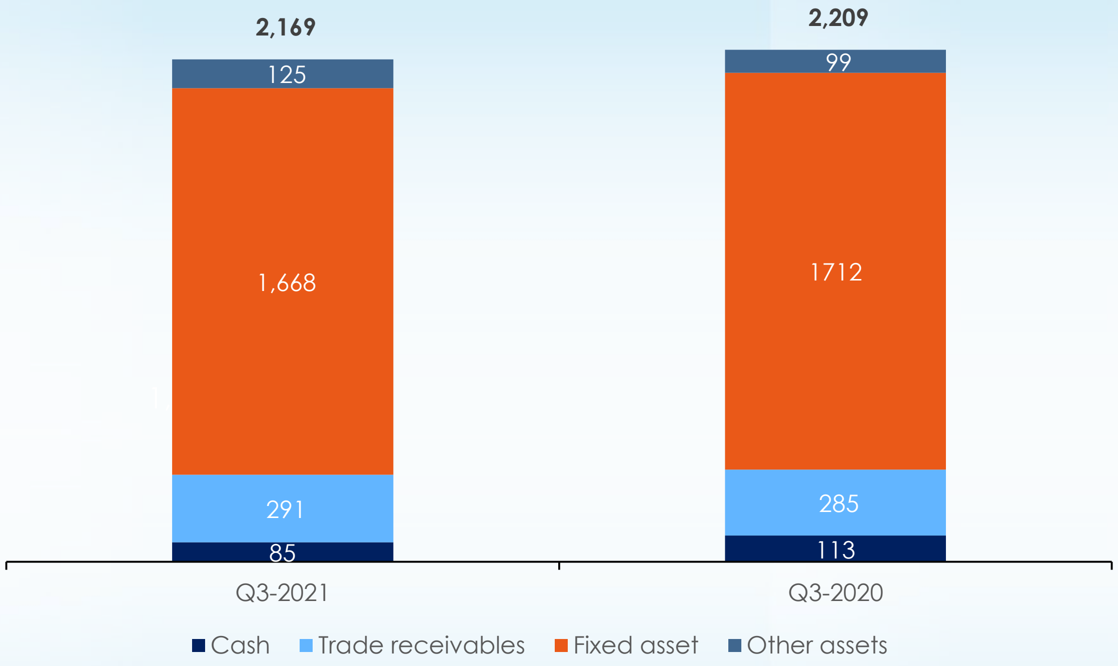
Note: pie-charts are Software licensing only, and exclude ACV which is almost entirely incremental in Q3-21

Balance sheet – debt and leverage

Net debt and leverage ratios



Q3 21 v Q3 20 assets

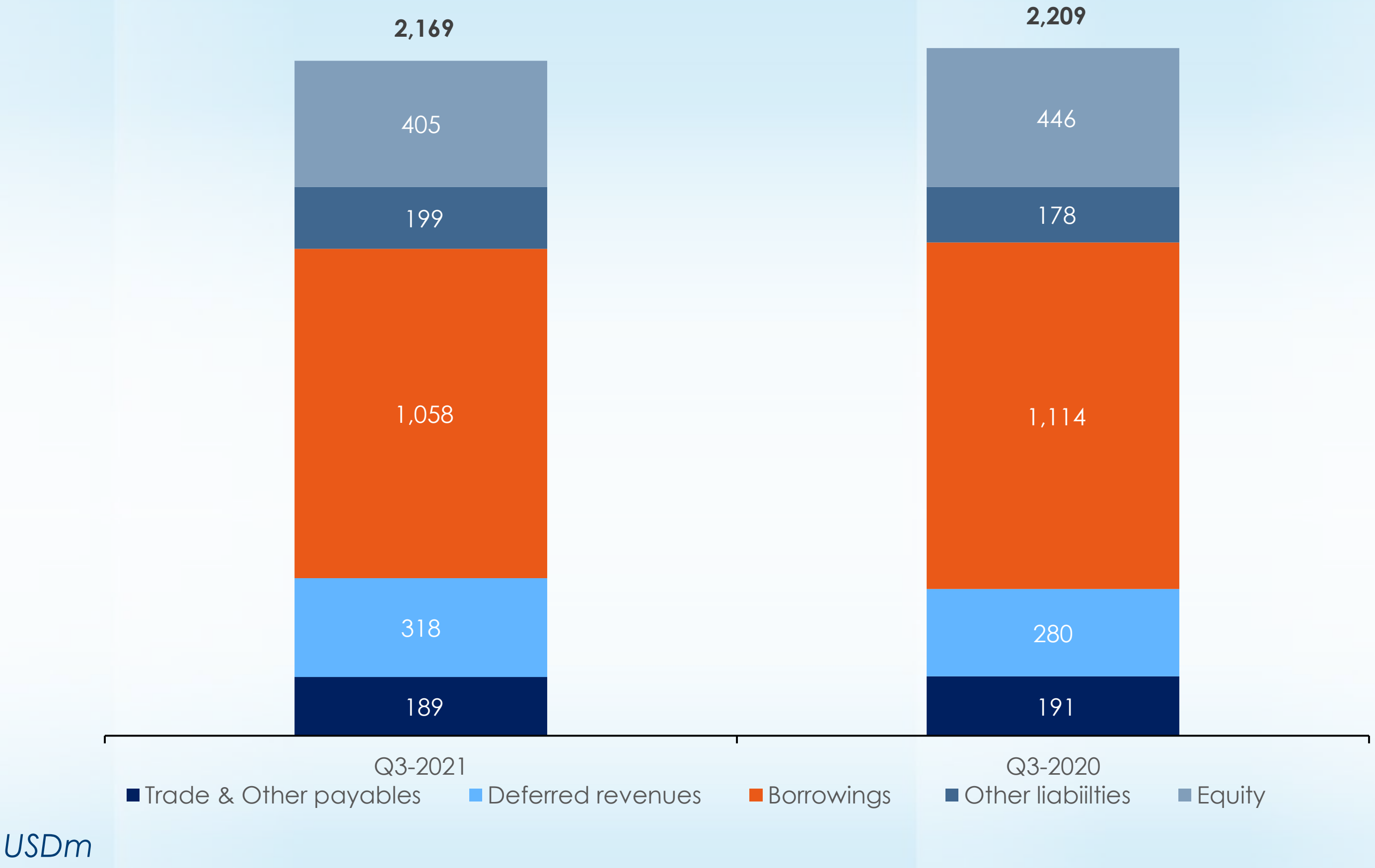


USDm

Comments:

- Trade receivable marginal increase linked with improvement in revenue and DSO remains flat year on year
- Other assets increased primarily driven by prepaid cloud support invoices
- No other significant changes

Q3 21 v Q3 20 liabilities



Comments:

- Deferred revenues increase due to growth in SaaS and strong advance collections for Maintenance
- Lower borrowings mainly linked to bridge facility repayment
- Equity change driven mostly by buy back of shares, dividend pay out and LTM profit

Capitalization of development costs

USDm	Q1-19	Q2-19	Q3-19	Q4-19	FY-19
Cap' dev' costs	(14.1)	(14.3)	(15.2)	(21.0)	**(64.6)**
Amortisation	11.7	12.0	12.2	13.7	**49.6**
Net cap' dev'	**(2.5)**	**(2.3)**	**(3.0)**	**(7.3)**	**(15.1)**

USDm	Q1-20	Q2-20	Q3-20	Q4-20	FY-20
Cap' dev' costs	(17.7)	(18.0)	(20.8)	(19.9)	**(76.3)**
Amortisation	12.9	13.6	13.6	13.7	**53.8**
Net cap' dev'	**(4.8)**	**(4.4)**	**(7.2)**	**(6.2)**	**(22.6)**

USDm	Q1-21	Q2-21	Q3-21	Q4-21	FY-21
Cap' dev' costs	(19.2)	(20.9)	(20.9)		
Amortisation	13.8	15.6	15.1		
Net cap' dev'	**(5.4)**	**(5.4)**	**(5.8)**		

Reconciliation from IFRS to non-IFRS

	IFRS revenue measure
+	Deferred revenue write-down
=	**Non-IFRS revenue measure**

	IFRS profit measure
+/-	Share-based payments and related social charges
+/-	Deferred revenue write down
+ / -	Discontinued activities
+ / -	Amortisation of acquired intangibles
+ / -	Acquisition related charges
+ / -	Restructuring
+ / -	Taxation
=	**Non-IFRS profit measure**

Accounting elements not included in non-IFRS guidance

Below are the accounting elements not included in the 2021 non-IFRS guidance:

- FY 2021 estimated share-based payments charge of USD 50m
- FY 2021 estimated amortisation of acquired intangibles of USD 50m
- FY 2021 estimated restructuring costs of USD 10-12m

Estimated FY-21 IFRS2 costs are c.USD 50m of which USD 20-25m is the original plan for the year and USD 26m is related to the introduction of a new one-off LTIP programme extended across an increased number of employees to align a broader segment of the middle and upper management with the overall company performance, and alignment of outstanding years of existing LTIP programmes with new metrics introduced in 2021, as voted on at the May 2021 AGM.

For comparative purposes, historic share-based payments charge was as follows:

- FY 2020 USD 11m

Restructuring costs include realising R&D, operational and infrastructure efficiencies.

These estimates do not include impact of any further acquisitions or restructuring programmes commenced after 14 October 2021. The above figures are estimates only and may deviate from expected amounts.

Earnings Reconciliation – IFRS to non-IFRS

In USDm, except EPS	3 Months Ending 30 September			3 Months Ending 30 September		
	2021		2021	2020		2020
	IFRS	Non-IFRS adj.	Non-IFRS	IFRS	Non-IFRS adj.	Non-IFRS
Software licensing	63.5		63.5	52.6		52.6
SaaS and subscription	31.3		31.3	19.8	4.1	23.9
Total Software Licensing	**94.8**		**94.8**	**72.4**	**4.1**	**76.5**
Maintenance	98.6		98.6	96.6		96.6
Services	38.2		38.2	40.4		40.4
Total Revenue	**231.6**		**231.6**	**209.4**	**4.1**	**213.5**
Total Operating Costs	**(190.8)**	**45.2**	**(145.6)**	**(153.0)**	**23.0**	**(130.5)**
Restructuring	(5.2)	5.2	-	(7.7)	7.7	-
Acq. related costs	(1.4)	1.4	-	-	-	-
Amort of Acq'd Intang.	(12.4)	12.4	-	(15.8)	15.8	-
Share-based payments	(26.2)	26.2	-	0.4	(0.4)	-
Operating Profit	**40.8**	**45.2**	**86.0**	**55.9**	**27.1**	**83.0**
Operating Margin	**18%**		**37%**	**27%**		**39%**
Financing Costs	(5.9)		(5.9)	(7.7)	-	(7.7)
Taxation	(6.7)	(7.1)	(13.8)	(7.3)	(2.7)	(10.0)
Net Earnings	28.3	38.1	66.3	41.0	24.4	65.4
EPS (USD per Share)	**0.39**	**0.53**	**0.92**	**0.56**	**0.33**	**0.89**

EBIT & EBITDA reconciliation from IFRS to non-IFRS

USDm	Q3-21 EBIT	Q3-21 EBITDA
IFRS	**40.8**	**75.6**
Share-based payments	26.2	26.2
Deferred revenue write-down	-	-
Amortisation of acquired intangibles	12.4	-
Restructuring	5.2	5.1
Acquisition related costs	1.4	1.4
Non-IFRS	**86.0**	**108.3**

Net earnings reconciliation IFRS to non-IFRS

In USDm, except EPS	Q3-21	Q3-20*
IFRS net earnings	**28.3**	**41.0**
Share-based payments	26.2	-0.4
Deferred revenue write down	0.0	4.1
Amortisation of acquired intangibles	12.4	15.8
Restructuring	5.2	7.7
Acquisition related costs	1.4	-
Taxation	-7.1	-2.7
Net earnings for non-IFRS EPS	**66.3**	**65.4**
No. of dilutive shares	**72.2**	**73.1**
Non-IFRS diluted EPS (USD)	0.92	0.89

**Q3-20 restated for impact of share-based payments*

Non-IFRS Definitions

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

Acquisition related charges
Relates mainly to advisory fees, integration costs and earn out credits or charges

Acquisition related finance cost
Mainly relates to fees incurred on acquisition funding

Amortisation of acquired intangibles
Amortisation charges as a result of acquired intangible assets

Restructuring
Costs incurred in connection with a restructuring plan implemented and controlled by management. Severance charges, for example, would only qualify under this expense category if incurred as part of a company-wide restructuring plan

Taxation
Adjustments made to reflect the associated tax charge mainly on deferred revenue write-down and amortization of acquired intangibles, and on the basis of Temenos' expected effective tax rate

Other

Revenue visibility
Visibility on revenue includes a combination of revenue that is contractually committed and revenue that is in our pipeline and that is likely to be booked, but is not contractually committed and therefore may not occur

Constant currencies
Prior year results adjusted for currency movement

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

SaaS and subscription
Revenues generated from Software-as-a-Service and subscription licenses

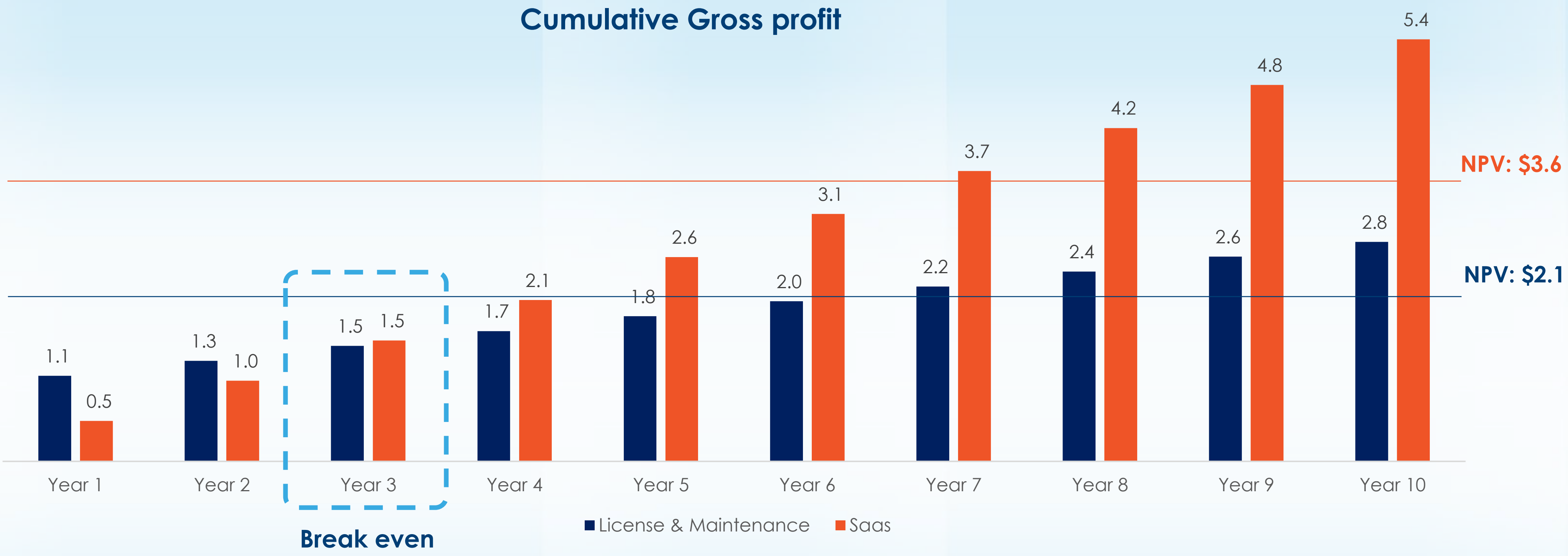
Total Bookings
Include fair value of licence contract value, committed maintenance contract value on licence, and SaaS committed contract value. All must be committed and evidenced by duly signed agreements

Annual Recurring Revenues (ARR)
Annual recurring revenue committed at the end of the period for both SaaS and Maintenance. Includes New Customers, up-sell/cross-sell, and attrition. Only includes the recurring element of the contract and exclude variable elements

SaaS Financial metrics definitions and reporting

Annual Contract Value (ACV)	Annual value of incremental business taken in-year. Includes New Customers, up-sell/cross-sell. Only includes the recurring element of the contract and exclude variable elements. **Disclosure: quarterly reporting, annual guidance**
Total Contract Value (TCV)	Total value of incremental business taken in-year (Bookings). Includes New Customers, up-sell/cross-sell. Only includes the recurring element of the contract and exclude variable elements. **Disclosure: annual reporting**
Annual Recurring Revenue (ARR)	Annual recurring revenue committed at the end of the period for both SaaS. Includes New Customers, up-sell/cross-sell, and attrition. Only includes the recurring element of the contract and exclude variable elements **Disclosure: quarterly reporting, annual reporting, annual guidance**
Software-as-a-Service Revenue (SaaS)	Software-as-a-Service revenues booked in a period **Disclosure: quarterly reporting, annual reporting, annual guidance**

License vs SaaS Profitability



- Net present value of SaaS gross margin over 10 years is c70% higher than License & Maintenance gross margin

For illustrative purpose assuming 1USD of License revenues

Thank You

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