

Thibault de Tersant (Non-executive Chairman)  
Temenos AG (“**Temenos**”)  
2 Rue de l’Ecole de Chimie  
1205 Genève

London, 16 February 2024

Dear Thibault,

Hindenburg Research (“**Hindenburg**”) seems to have had a bad Valentine’s Day and vented their mood on Temenos the next day. We very much agree with Hindenburg that Andreas Andreades must finally leave Temenos but think it requires less text to express it.

Most of the points alleged by Hindenburg are based on hearsay talk from former disgruntled Temenos executives. Since 2022, we have been speaking to many of them (many of whom clearly are on a revenge mission), plus numerous Temenos customers, partners and industry experts. We concluded that Andreas Andreades had created a culture that favoured short-term gains over long-term value creation. Poorly executed M&A added to the problems. Investment in technology, client satisfaction and own staff had been neglected. We concluded that those challenges were not a fundamental threat to the successful future of Temenos but were holding back its potential. In Q4 2022, Petrus Advisers warned of challenges for Temenos and demanded that Temenos replace Andreas Andreades and Max Chuard.

In a very significant earnings warning in October 2022, Temenos substantially reduced its guidance (EBIT minus 1/3) and reset the baseline for 2023. The stock plummeted from levels of CHF 80-85 to c. CHF 50.

We believe that since then, substantial progress has been made. Customer and competitor feedback on Temenos’ product offering and its SaaS technology in particular has consistently improved. Noise around implementation issues has subsided while many peers have recently struggled. Since the company started delivering on its new, mainly cash flow driven, targets, the stock recovered to levels of close to CHF 90.

While you fired Max Chuard in January 2023, you have so far not found a new CEO and have kept Andreas Andreades as interim CEO. We have repeatedly told you this prevents investor trust from returning.

We therefore demand that you:

- (1) Let Andreas Andreades go with immediate effect and either announce a new CEO immediately or you or Takis step into the role on an interim basis.
- (2) Work with the executive team to address by Monday certain, mostly hearsay based, Hindenburg allegations including (i) the Mbanq and DXC dealings, (ii) any back-dating of contracts, (iii) potential pulling forward of license deals at discounts, and (iv) usage of R&D dollars for non-R&D purposes.

Sincerely,



Klaus Umek  
Managing Partner



Till Hufnagel  
Partner

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