

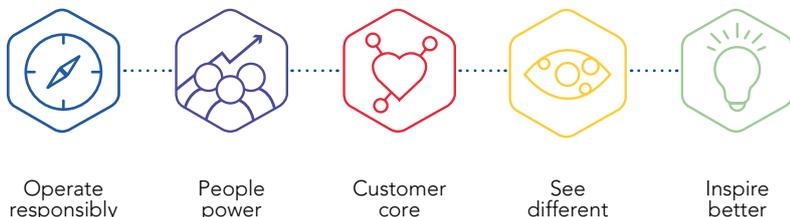
25 YEARS OF INNOVATION IN TECHNOLOGY

CHAIRMAN'S STATEMENT



Andreas Andreades
Executive Chairman

OUR VALUES



It is with great pleasure that we present our annual report for 2017 to our shareholders.

Banking represents the single largest untapped vertical market, that is only gradually converting to packaged software. The market opportunity that we address with our software is estimated to be USD 48 billion. Given this opportunity, the Temenos business model was always about growth. Growth in revenues, growth in client numbers, growth in employees, growth in profits. Building more software, selling more software and implementing more software. And in 2017 we did just that, with our growth accelerating during the last quarters of the year. Our profits and cash flows were clearly at record levels and this also resulted in a record stock price.

The customers of banks increasingly demand a full digital experience, innovative services with instant gratification and a user experience equal to the standards already set by the global technology companies. Open banking initiatives, starting in Europe, are already resulting in a far more competitive market place for banking services. Fintech companies, banks and technology players are now able to take advantage of open banking initiatives to deliver real time, personalized services to their customers that are relevant and contextual.

With industry drivers stronger than ever, we see sustained demand for our products from banks around the world. Being truly digital is now better understood; it encompasses both front office and back office systems that are capable of running on cloud, massively scalable to take into account ever increasing volume of transactions, whilst exposing services through a library of APIs that allow banks to become platform companies and create network effects.

As has been the case in other industry verticals that have switched to packaged software before banks, a very small number of software vendors manage to successfully invest enough to capture the opportunity. Usually the winner in the market takes most of the market as better product, more client successes, and a stronger ecosystem of Partners makes its value proposition far superior to what competitors can offer. In 2017, Temenos continued to build very solid foundations to ensure that it is the Company that will remain the key software provider to the banking industry and over a period of time capture most of the opportunity. We won most, if not all strategic deals in the market and continued to demonstrate unparalleled progress and success with our implementations. Our superior growth, as well as the scale of our business, allows us to invest more aggressively than our competitors, providing our clients with a superior platform and a partnership model that has stood the test of time based on upgradeable packaged software.

During 2017, we acquired Rubik, a software as a service vendor to Australian banks and financial institutions that has been a Temenos Partner since 2008. With the help of Rubik, we now have the necessary infrastructure in Australia, one of the largest software markets in the world, that will allow us to expand our presence in that market.

David is reporting extensively on our commitment to corporate social responsibility and the progress we made during 2017. I would like to highlight one issue which is particularly close to our hearts – about 2 billion of the world's population is still unbanked. With every new software sale we make in emerging markets, we help reduce this number and through this contribute towards giving people an opportunity to combat poverty. And we will continue to do so.

In 2018, we will celebrate 25 years of Temenos. We remain as excited by what we do as we were 25 years ago and this guides our everyday actions and decisions. From the very beginning, we believed in our people and the uniqueness of our products. Everywhere we conducted business we turned our client advocates into successful global banks and we continue to do so today. It is the same belief that pushed us to relentlessly invest all these years, to operate with a long term strategic mind set, whilst creating a sense of urgency that every moment counts, every deal counts, every implementation is important and every client is important whatever its size. We were always hands on, we were close to the issues, close to our clients and product and we will continue to be so. We were sharply focused on our market and the direction it was taking and throughout remained humble with our success and we will continue to do so. We operate at a much larger size today but still with the energy and enthusiasm of a start up, as if it is the first day in Temenos for each one of us.

I will repeat what I said last year; that influencing the way banking is carried out for the 21st century continues to be our end goal, one that guides our daily endeavors. With more than 3,000 banking clients in 150+ countries worldwide, we are well on our way to doing so. With a local investment mind-set, we hope we also successfully contribute to the economies of the world where our clients do business. The success of all who are involved with Temenos, be it clients, shareholders, Partners or employees, will always underpin the positive development of our business.



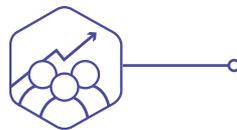
Andreas Andreades
Executive Chairman

OUR VALUES IN DEPTH



WE OPERATE RESPONSIBLY TO BUILD A SUSTAINABLE BUSINESS

We walk the extra mile to build strong and lasting relationships with our stakeholders and create sustainable value for them.



WE BELIEVE IN THE POWER OF PEOPLE

People make things happen. People define our destiny.



WE PLACE CLIENTS AT THE CORE OF WHAT WE DO

Everything starts and ends with our clients' goals.



WE SEE THINGS DIFFERENTLY FROM EVERYONE ELSE

Average people see difficulties, exceptional people see opportunities.



WE INSPIRE, THROUGH LIVING UP TO OUR FULL POTENTIAL

We dream big and pursue our goals fearlessly.