

Buyback of own registered shares for the purpose of capital reduction on a second trading line at SIX Swiss Exchange Ltd.

Legal basis

The Board of Directors of TEMENOS AG, Esplanade de Pont-Rouge 9C, 1212 Grand-Lancy, (“TEMENOS” or the “Company”) has decided on 30 May 2024 to buy back own registered shares with a current par value of CHF 5 each (the “registered shares”) up to a maximum acquisition value of CHF 200 million until 30 December 2024 at the latest (the “share buyback program”).

Based on the closing price of the registered shares on SIX Swiss Exchange Ltd. on 5 June 2024, this corresponds to a maximum of 3,514,938 registered shares or a maximum of 4.68% of the company’s share capital, which currently amounts to CHF 375,855,420.00 and is divided into 75,171,084 registered shares with a par value of CHF 5 each. Due to future share price developments, the number of registered shares effectively repurchased may deviate from the aforementioned number of registered shares, but in no case will more than 10% of the share capital and voting rights currently entered in the commercial register be repurchased under the share buyback program.

The Board of Directors intends to propose to the next ordinary Annual General Meeting that the registered shares of the company repurchased under the share buyback program should be cancelled to reduce the capital.

Trading on the second trading line of SIX Swiss Exchange Ltd.

For the share buyback program, a second trading line will be established for the shares on SIX Swiss Exchange Ltd. in accordance with the International Reporting Standard. Only TEMENOS is permitted to assume the role of buyer on this second trading line (via Zürcher Kantonalbank as the bank mandated to conduct the share buyback) and to purchase own registered shares for the purpose of a capital reduction at a later date. Ordinary trading in the registered shares of TEMENOS under the current security no. 1.245.391 shall not be affected by this measure and shall continue as usual. Shareholders of TEMENOS wishing to sell their registered shares therefore have the choice of either selling registered shares on the ordinary trading line or tendering them to the Company on the second trading line for the purpose of the subsequent capital reduction. The conditions contained in TOB Circular No. 1 regarding buyback programs will be complied with.

Buyback price

The buyback prices and the prices on the second trading line shall be determined in relation to the prices of the shares of TEMENOS traded on the ordinary trading line.

Payment of the net price and delivery of the shares

Transactions on the second trading line constitute regular stock market transactions. Payment of the net price (buyback price less federal withholding tax, see section 1. “Federal withholding tax” below) as well as the delivery of the repurchased registered shares of TEMENOS will therefore, as a matter of course, take place within two trading days following the trade date.

Mandated bank

TEMENOS has mandated Zürcher Kantonalbank to carry out the share buyback program. Zürcher Kantonalbank shall be the sole stock exchange member setting bid prices for registered shares of TEMENOS on the second trading line.

Delegation agreement

TEMENOS and Zürcher Kantonalbank have concluded a delegation agreement pursuant to Art. 124 (2) (a) and (3) FMIO. Under the agreement, Zürcher Kantonalbank may repurchase shares independently, subject to certain pre-defined parameters. TEMENOS is, however, entitled to terminate the delegation agreement at any time without stating its reasons, or to modify the parameters in accordance with Art. 124 (3) FMIO.

Duration of the buyback

Trading in the registered shares of TEMENOS shall take place on the second line from 10 June 2024 and shall continue until 30 December 2024 at the latest. TEMENOS reserves the right to suspend or terminate the share buyback program at any time and shall be under no obligation to repurchase its own registered shares on the second line as part of this share buyback program.

On-market obligation

According to the regulations of SIX Swiss Exchange Ltd., off-exchange transactions on the second trading line are prohibited during share buyback programs.

Publication of transaction details

TEMENOS shall regularly provide updated information on the development of the share buyback program on its website:
<https://www.temenos.com/about-us/investor-relations/share-buyback/>

Maximum daily buyback

In accordance with Article 123 (1) (c) of FMIO, the maximum daily buyback amount is published on the Company’s website at:
<https://www.temenos.com/about-us/investor-relations/share-buyback/>

Taxes

The repurchase of own registered shares for the purpose of a capital reduction is treated as a partial liquidation of the repurchasing company for both federal withholding tax and direct tax purposes. In detail, this results in the following tax consequences for the selling shareholders:

1. Federal withholding tax

The federal withholding tax amounts to 35% on the difference between the repurchase price of the registered shares and their nominal value. The tax is deducted from the repurchase price by the repurchasing company or its mandated bank for the attention of the Swiss Federal Tax Administration.

Persons domiciled in Switzerland are generally entitled to a refund of the federal withholding tax if they had the right to use the registered shares at the time of redemption and there is no tax avoidance (Art. 21 of the Swiss Withholding Tax Act). Persons domiciled abroad are generally allowed to claim reimbursement of the federal withholding tax in accordance with any double taxation treaties.

2. Direct taxes

The following explanations relate to the taxation of direct federal tax. As a rule, the same practice applies to cantonal and municipal taxes as to direct federal taxes.

a) Privately held shares:

If the registered shares are returned to the company, the difference between the repurchase price of the registered shares and their nominal value constitutes taxable income (nominal value principle).

b) Shares forming part of a company’s assets:

If the registered shares are returned to the company, the difference between the repurchase price and the book value of the registered shares constitutes taxable profit (book value principle).

Shareholders domiciled abroad are taxed in accordance with the applicable law of the country concerned.

This information does not constitute a comprehensive description of possible tax consequences or tax advice. Shareholders are advised to consult their own tax advisor regarding the tax consequences of participating in the share buyback program.

Duties and charges

The buyback of own shares for the purpose of a capital reduction is not subject to transfer stamp tax. The fees of the SIX Swiss Exchange Ltd. are nevertheless payable.

Non-public information

The Company confirms that it does not currently have any non-public information that could significantly influence a decision by shareholders.

Own shares

As of 5 June 2024, TEMENOS held 1,360,365 own registered shares in treasury. This corresponds to 1.81% of the voting rights and the share capital registered in the commercial register.

Shareholders with more than 3% of voting rights

In accordance with the announcements published up to 5 June 2024, the following beneficial owners held more than 3% of the capital and voting rights of TEMENOS:

Martin and Rosmarie Ebner (direct holder: Patinex AG, Wilen, Switzerland); as of 10 May 2024¹

BNP PARIBAS SA, Paris, France (direct holders: BNP PARIBAS CARDIF, Paris, France, BNP PARIBAS FINANCIAL MARKETS, Paris, France); as of 23 May 2024²

UBS Fund Management (Switzerland) AG, Basel, Switzerland; as of 30 April 2024³

BlackRock, Inc., New York, United States; as of 24 May 2023⁴

Petrus Advisers Ltd., EC4A 3AQ, Great Britain; Petrus Advisers Investments Fund LP, Camana Bay KY1-1108, Cayman Islands; UI Petrus Advisers Special Situations Fund UCITS, L-6776 Grevenmacher, Luxembourg; Hufnagel Till, 6340 Baar, Switzerland; Umek Klaus, St. Helier JE2 3EF, Jersey; Skutil Oliver, 821 08 Bratislava, Slovakia; as of 21 May 2024⁵

Baillie Gifford & Co., Edinburgh, Scotland; as of 8 December 2022⁶

Petrus Advisers Ltd., EC4A 3AQ, Great Britain; as of 3 May 2024⁷

FIL Limited, Pembroke, Bermuda (direct holder: Fidelity Active Strategy SICAV, Luxembourg, Luxembourg); as of 14 May 2024⁸

DEUTSCHE BANK AKTIENGESELLSCHAFT, Frankfurt am Main, Germany (direct holder: DWS Investment GmbH, Frankfurt am Main, Germany); as of 29 May 2024⁹

	Number of equity securities and voting rights: purchase positions/sale positions	Share of capital and voting rights: purchase positions/sale positions (calculated on the share capital on the date of the disclosure notifications)	Share of capital and voting rights: purchase positions/sale positions (calculated on the current share capital)
¹	11,739,990	15.62%	15.62%
²	10,484,762 / 344,133	13.95% / 0.46%	13.95% / 0.46%
³	5,475,557	7.28%	7.28%
⁴	4,141,849 / 12,588	5.53% / 0.02%	5.51% / 0.02%
⁵	3,849,974	5.12%	5.12%
⁶	3,485,355	4.66%	4.64%
⁷	2,572,355	3.42%	3.42%
⁸	2,479,862	3.30%	3.30%
⁹	2,349,578	3.13%	3.13%

TEMENOS has no knowledge of the intentions of these shareholders regarding the sale of registered shares under this share buyback program.

Applicable law and place of jurisdiction

Swiss law. The exclusive place of jurisdiction is Zurich.

Swiss security no. / ISIN / ticker symbol

Registered shares of TEMENOS AG
 1.245.391 / CH0012453913 / TEMN

Registered shares of TEMENOS AG (share buyback second trading line)
 135.325.821 / CH1353258218 / TEMNE

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