

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

London, 5 June 2023

Dear Thibault,

We have recently increased our investment in Temenos and now hold just below 4% in the company, making us the fifth largest holder. We continue to see great value potential in the business and are encouraged by the improving operating performance of the past two quarters. Our analysis leads us to have confidence in your underlying structural market growth opportunity. Recent progress in the United States, in particular winning core system business with Regions Bank, bodes well for future growth of Temenos. We have consequently used the broad-brush and clearly unwarranted SVB/Credit Suisse-driven selloff in the Temenos stock to add to our position.

The extreme levels of share price volatility that investors in Temenos have been subjected to are a significant concern and you must also be concerned for causing it. The stock has become almost impossible to own in a conventional equity portfolio as it gets pushed around like driftwood in the market.

Your communication approach to the capital market has been to address issues behind closed doors letting the market guess what direction Temenos might or might not take:

- Our demand for a thorough strategic review has so far been neglected;
- Execution of the exit of Andreas Andreades has been slow and is to blame for the situation shareholders find themselves in;
- Rumours about potential negotiations with suitors continue to affect the stock price.

We want this black-box approach to end and expect timely and straightforward communication about progress to the capital market. We deem it crucial that Andreades’ interim role not extend over a long period of time. Temenos needs a full leadership reset after the near collapse caused by his lack of execution and unjustified expense-parties. Equally, we demand that you update shareholders immediately on whether your strategic review – that we have called for – is currently leading to negotiations with suitors for the business.

In case of a transaction, we and all shareholders expect you to act solely in the interest of existing shareholders. We will not accept any golden handshakes or unethical incentives for existing or failed executives.

Petrus Advisers are advocates of pro-active transparency. We demand it from you, as we see transparency as testimony of sound corporate governance and the ESG principles we believe in – and that have not been upheld by Temenos. We encourage you to actively guide investor expectations.

Sincerely,



Klaus Umek  
Managing Partner



Till Hufnagel  
Partner

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