

## Temenos to Acquire Kony, US #1 Digital Banking SaaS Company, to Accelerate Temenos Infinity, the Revolutionary Cloud-native, Cloud-agnostic Digital Front Office Product and its US Strategy

- *The acquisition accelerates Temenos' growth in the US bringing substantial scale, digital expertise and increased market presence.*
- *Temenos is best placed to capture the growing digital front office banking software addressable market which is USD 9 billion in the US and USD 23 billion worldwide.*
- *Kony's award-winning digital banking experience product will strengthen Temenos Infinity, as the richest and most technologically advanced digital banking product with unmatched digital expertise.*
- *Temenos Infinity is available natively on any cloud, as a SaaS offering or on-premise and can be connected to any core software.*
- *All Kony customers to benefit from continuous investment and innovation.*
- *Temenos strengthens its Executive Committee with the appointment of Thomas E. Hogan, Chairman and Chief Executive Officer, Kony, a seasoned US leader to become the President of Temenos North America.*

August 28, 2019 12:32 PM Eastern Daylight Time

GENEVA--([BUSINESS WIRE](#))--Temenos (SIX: TEMN), the banking software company, today announced that it has agreed to acquire Kony Inc, the fast growing US #1 digital banking SaaS company. The acquisition significantly enhances Temenos' scale and capabilities in the US, adds significant digital expertise and accelerates Temenos Infinity, the breakthrough digital front office product, which has over 500 banking clients and is recognized as a leader by top analyst houses such as Forrester, Gartner, Ovum and IDC. Thomas E. Hogan, Chairman and CEO of Kony, will become President of Temenos North America and join Temenos' Executive Committee, effective on the acquisition closing date. Temenos has agreed to purchase Kony for an enterprise value of USD 559 million and an earn-out of USD 21 million, subject to regulatory approvals.

Kony has achieved rapid growth with both top tier and mid-market banks in the US and internationally with its Kony Digital Banking Experience product (Kony DBX) which is recognized as a leader by top analyst firms such as Gartner, Forrester and IDC. With 1,500 employees and deep expertise in digital and cloud technologies, Kony has been helping banks transform the experience for their clients with digital banking applications and its market-leading development platform, all of which are served through a cloud hosted SaaS model.

The Kony DBX product includes a suite of mobile banking apps delivering exceptional omnichannel experiences including support for conversational interfaces, artificial intelligence, augmented reality, and wearable technologies. Key to this success is Kony's development platform that accelerates product cycles and increases agility by reducing the load on bank IT to design and iterate user experiences. Kony's banking clients have been able to transform the banking experience with some achieving over 20% increase in mobile deposits, 64% increase in mobile credit card payments and significantly reducing abandonment rate from 20% to 3%.

The combined strength of Temenos, Kony and the recently acquired Avoka, will further strengthen the Temenos Infinity product, covering all banking verticals offering customer acquisition and onboarding, omnichannel banking, customer retention and marketing, and modules supporting payments, wealth advisor, financial crime, risk and compliance and analytics.

Temenos Infinity can be delivered on-premise, in any cloud or as a SaaS offering and has 700 published APIs for third-party integration. Temenos Infinity, can be easily implemented on any core banking system or integrated with the market-leading Temenos T24 Transact core banking product giving banks the freedom to continuously renovate their banking platform starting first with the customer experience.

**Max Chuard, Chief Executive Officer, Temenos, said:** “The acquisition of Kony, the US #1 digital banking SaaS company is highly strategic and will allow us to grow both our US and our digital front office business faster, while being highly accretive and synergistic to the rest of our business. We are acquiring a digital front office product that has already been successful in the US market and is connected to most third party cores. We are also adding a significant amount of exciting functionality and ease of generating customer journeys and experiences that will accelerate Temenos Infinity, providing banks in both North America and internationally with an unrivalled customer experience and omnichannel banking product. I am also extremely excited to welcome Tom Hogan to join our Executive Committee as the President of Temenos North America. Tom is an inspirational and seasoned leader with a rich experience in executive positions in the technology sector and will be instrumental in driving our success in North America. I am also delighted to welcome to Temenos an impressive team of over 1500 people from Kony with immense digital and cloud expertise. These are truly exciting times as we continue to offer banks the most technologically advanced digital banking platform giving them the freedom to innovate and the speed to deliver superior digital customer experiences”.

**Thomas E. Hogan, Chairman and Chief Executive Officer, Kony, Inc., said:** “I could not be more excited about joining Temenos and the combined value we will bring to financial institutions around the world. The power of the Temenos portfolio, combined with Kony’s digital banking applications and multi-experience development platform, will bring the industry’s most robust suite of applications for delivering service, value, and efficiencies from the digital edge to the modern core. The strength, scale, and commitment of Temenos will also help protect and extend our market-leading innovation. On behalf of the 1,500 talented Kony employees, we are proud and excited to join forces with Max Chuard and the equally talented men and women at Temenos and I am personally very proud to become the President of Temenos North America.”

The transaction is due to be completed by early Q4 2019 and is subject to customary regulatory approvals. Temenos has agreed to purchase Kony for an enterprise value of USD 559 million and an earn-out of USD 21 million, to be funded through cash and debt. Kony’s total revenue is expected to reach c.USD 115 million in 2020, and is expected to be accretive to Temenos growth from 2020. Over 60% of the total revenue is recurring, the majority of which is SaaS. The acquisition is expected to be non-IFRS EPS neutral in 2020, accretive from 2021 and to reach group margins within three years.

### **Conference call and webcast**

At 18.30 CET / 17.30 GMT / 12.30 EST, today, 28 August 2019, Max Chuard, CEO, Takis Spiliopoulos, CFO, and Thomas E. Hogan, Chairman and CEO of Kony, Inc., will host a conference call to discuss the announced acquisition, which can be followed either through the dial-in numbers or webcast link below:

+41 (0) 58 310 50 00 (Switzerland, Europe & RoW)

+44 (0) 207 107 0613 (UK)

+1 (1) 631 570 56 13 (USA)

The webcast can be accessed by clicking on this [Webcast link](#).

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## About Temenos

Temenos AG (SIX: TEMN), headquartered in Geneva, is the world's leader in banking software, partnering with banks and other financial institutions to transform their businesses and stay ahead of a changing marketplace. Over 3,000 banks across the globe, including 41 of the top 50 banks, rely on Temenos to process both the daily transactions and client interactions of more than 500 million banking customers. Temenos offers cloud-native, cloud-agnostic front office and core banking, payments, fund management and wealth management software products enabling banks to deliver consistent, frictionless customer journeys and gain operational excellence.

Temenos software is proven to enable its top-performing clients to achieve industry-leading cost-income ratios of 25.2% and returns on equity of 25.0%, 2X better than the industry average. These clients also invest over 53% of their IT budget on growth and innovation versus maintenance, which is 2.5X better than the industry average, proving the banks' IT investment is adding tangible value to their business.

For more information please visit [www.temenos.com](http://www.temenos.com).

## About Kony, Inc.

Kony is a fast-growing leader in digital experience development platforms and the emerging low-code platform market; and a recognized leader in digital banking. Kony Quantum provides low-code without limits, a next-generation low-code app development platform that delivers rich digital experiences. Kony DBX is the banking and financial services arm of Kony, Inc. and is a globally recognized leader in digital banking transformation. With a portfolio of modern, frictionless applications powered by the industry's most recognized platform, Kony DBX enables banks and credit unions of any size to accelerate innovation — without compromising what's critical.

For more information, please visit [www.kony.com](http://www.kony.com). Connect with Kony on Twitter, Facebook, LinkedIn and Instagram.

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### Investor and media contacts

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