Investor Presentation – Q4 and FY 2022

February 28, 2022

OneSpan
The Digital Agreements Company

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of applicable U.S. securities laws, including statements regarding the outcomes we expect from our strategic transformation plan; our plans for managing our Digital Agreements and Security Solutions segments; our expectations for our use of technology acquired in our ProvenDB acquisition; the potential benefits, performance and functionality of our products and solutions, including future offerings; our expected financial results for full year 2023; our expected long-term financial targets; and our general expectations regarding our operational or financial performance in the future. Forward-looking statements may be identified by words such as "seek", "believe", "plan", "estimate", "anticipate", “expect", "intend", “target”, "continue", "outlook", "may", "will", "should", "could", or "might", and other similar expressions. These forward-looking statements involve risks and uncertainties, as well as assumptions that, if they do not fully materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could materially affect our business and financial results include, but are not limited to: our ability to execute our strategic transformation plan; our ability to attract new customers and expand sales to existing customers; our ability to effectively develop and expand our sales and marketing capabilities; our ability to hire, train, and retain sales and other employees necessary to implement our strategic transformation plan; our ability to successfully develop and market new product offerings and enhancements; the loss of one or more large customers; difficulties enhancing and maintaining our brand recognition; competition; lengthy sales cycles; departures of senior management or other key employees; changes in customer requirements; interruptions or delays in the performance of our products and solutions; real or perceived malfunctions or errors in our products; the potential effects of technological changes; economic recession, inflation, and political instability; the impact of the COVID-19 pandemic and actions taken to contain it; our ability to effectively manage third party partnerships, acquisitions, divestitures, alliances, or joint ventures; security breaches or cyber-attacks; claims that we have infringed the intellectual property rights of others; price competitive bidding; changing laws, government regulations or policies; pressures on price levels; component shortages; delays and disruption in global transportation and supply chains; reliance on third parties for certain products and data center services; impairment of goodwill or amortizable intangible assets causing a significant charge to earnings; actions of activist stockholders; and exposure to increased economic and operational uncertainties from operating a global business, as well as other factors described in the “Risk Factors” section of our Annual Report on Form 10-K, as updated by the “Risk Factors” section of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022. Our filings with the Securities and Exchange Commission (the “SEC”) and other important information can be found in the Investor Relations section of our website at investors.onespan.com. We do not have any intent, and disclaim any obligation, to update the forward-looking information to reflect events that occur, circumstances that exist or changes in our expectations after the date of this presentation, except as required by law.

Company Overview

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The Digital Agreements Company

OneSpan At A Glance

800	3,200	100+	$219M	$99M	60%	4B	65M
Employees	Customers	Countries	Revenue (FY'22)	Cash & STI (12/31/22)	of the World's Largest Banks are Customers	Authenticated Users / Year	Active Digipass Keys

Our Vision

A world of **trusted** digital customer interactions and transactions

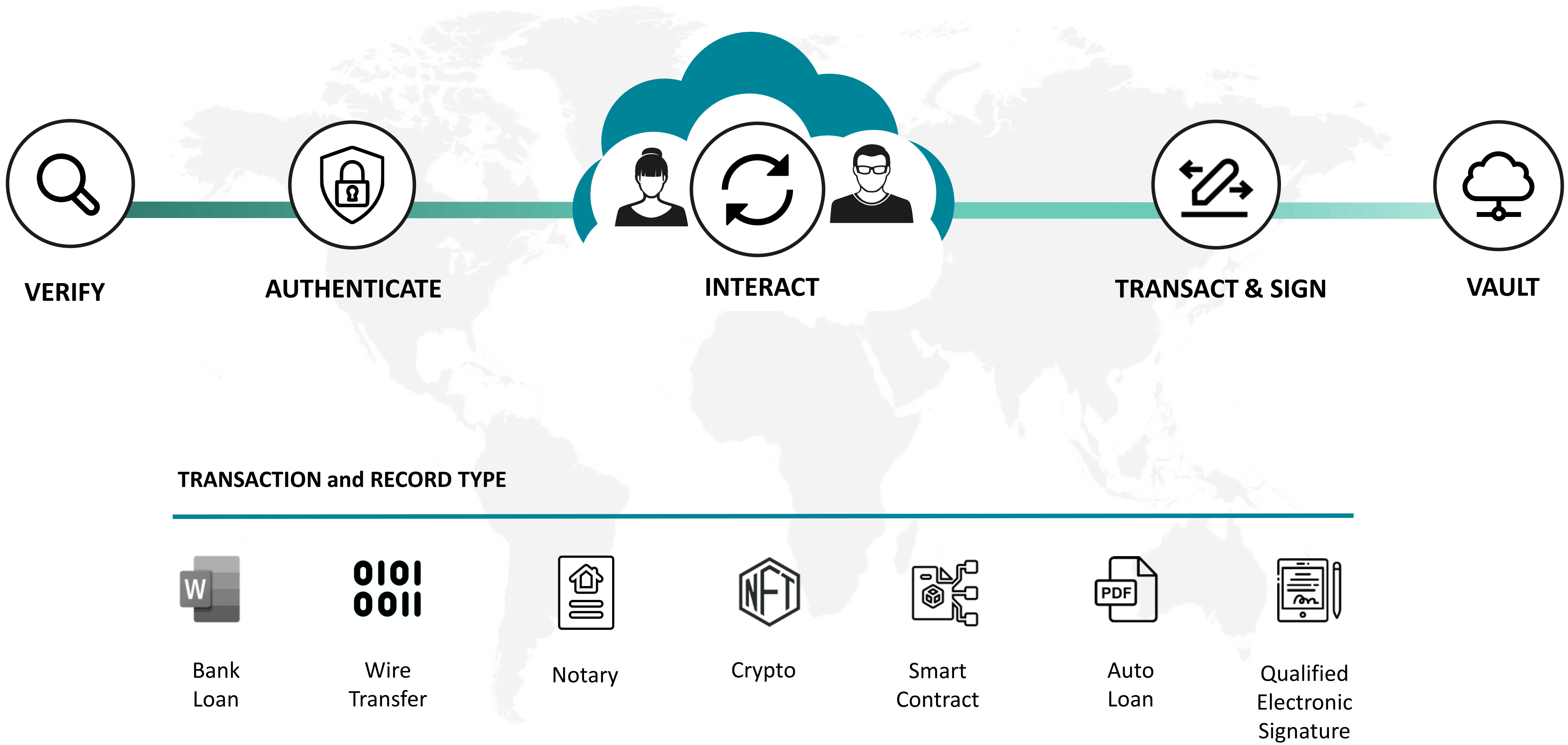
Our Mission

To accelerate our customer's digital revenue streams and operating efficiencies by enabling **secure**, **compliant**, and **refreshingly easy** digital agreement lifecycles.

Trusted Security Partner to Global Blue-Chip Enterprises

Banking		Other Financial Services	Insurance	Government	Healthcare	Other
Bank of America	BNP Paribas	Action Financial Services, LLC	American National	USDA	PointClickCare	The Adecco Group
BMO	usbank	OneMain Financial	Donegal Insurance Group	NASA JPL	Netsmart	akyla
Chase	Credit Suisse	Buy Way	Erie Insurance		Grand Hôpital de Charleroi	IBM
Fifth Third Bank	HSBC	CDKGlobal	Gainsco Auto Insurance	U.S. Small Business Administration (SBA)	McKesson Canada	Direct Energy
Navy Federal Credit Union	MUFG	easyfinancial	Guidewire	U.S. Department of Transportation	Cerner	nCino
ING	PNC	AL	Liberty Mutual Insurance	Air Force	cdmv	Tata
RBC Royal Bank	Deutsche Bank	OpenDealer Exchange	P&V		Key Health	Pacific Gas and Electric Company
Standard Chartered	Truist	Good Shepherd Microfinance	Generali			Securitas
Societe Generale	bdc	Lendesk	the co-operators	United States Postal Service		TUI
Mizuho	bankID	SEI	Wawanesa Insurance			
		SavvyFi				

We Focus on Securing Customer Transaction Lifecycles



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Our Solution Portfolio…

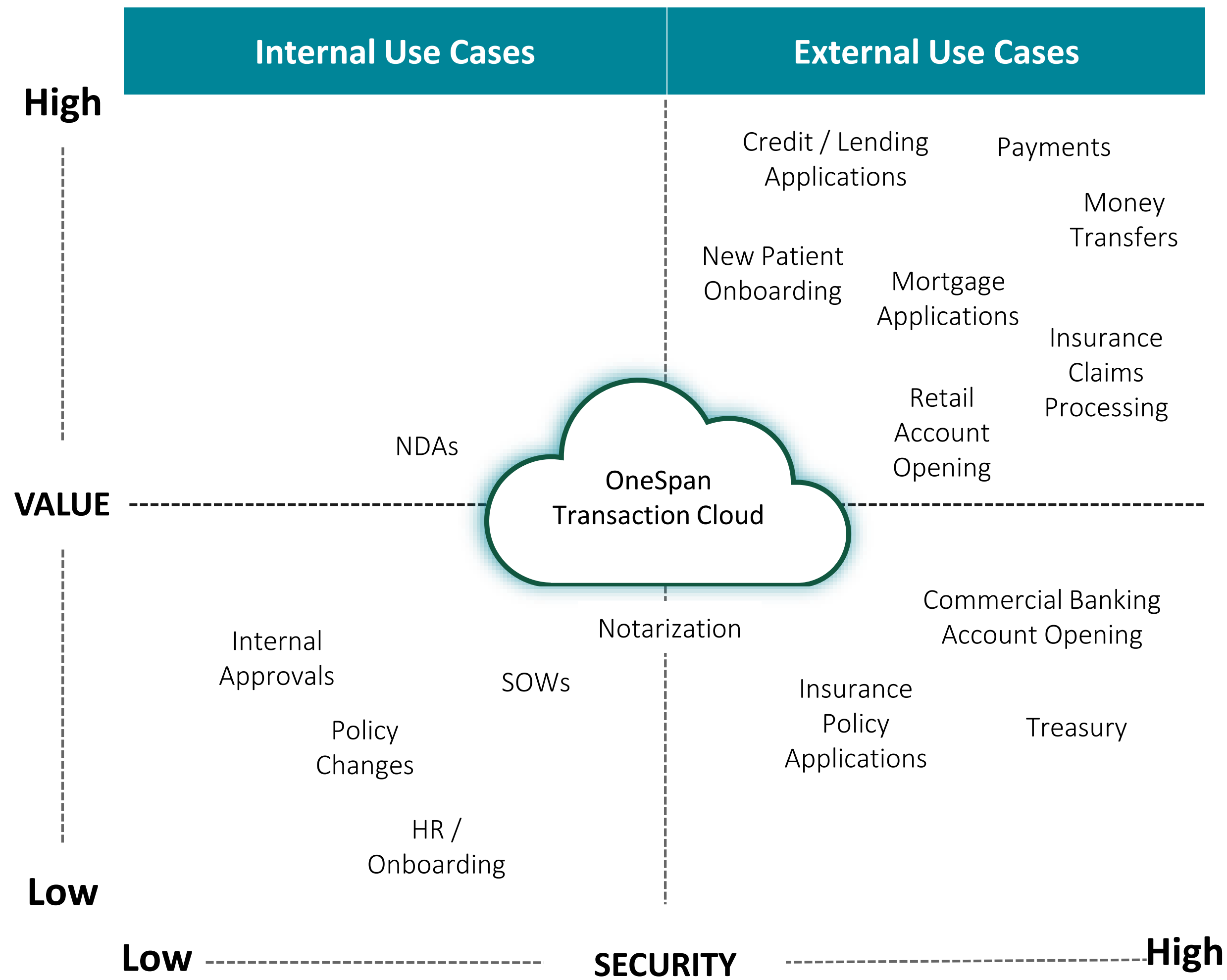
DIGITAL AGREEMENT WORKFLOW

VERIFY	AUTHENTICATE	INTERACT	TRANSACT	VAULT
Biometric Verification	Intelligent Adaptive Authentication	Online Notarization	Simple, Advanced & Qualified eSignature	Cloud Storage
Global ID Proofing	Hardware Devices	Secure Virtual Collaboration	Digital Smart Forms	Blockchain Vault
Risk-based Verification	Software Authentication	Audit Trail and Ledger	Packaged Integrations	Regulated Vault

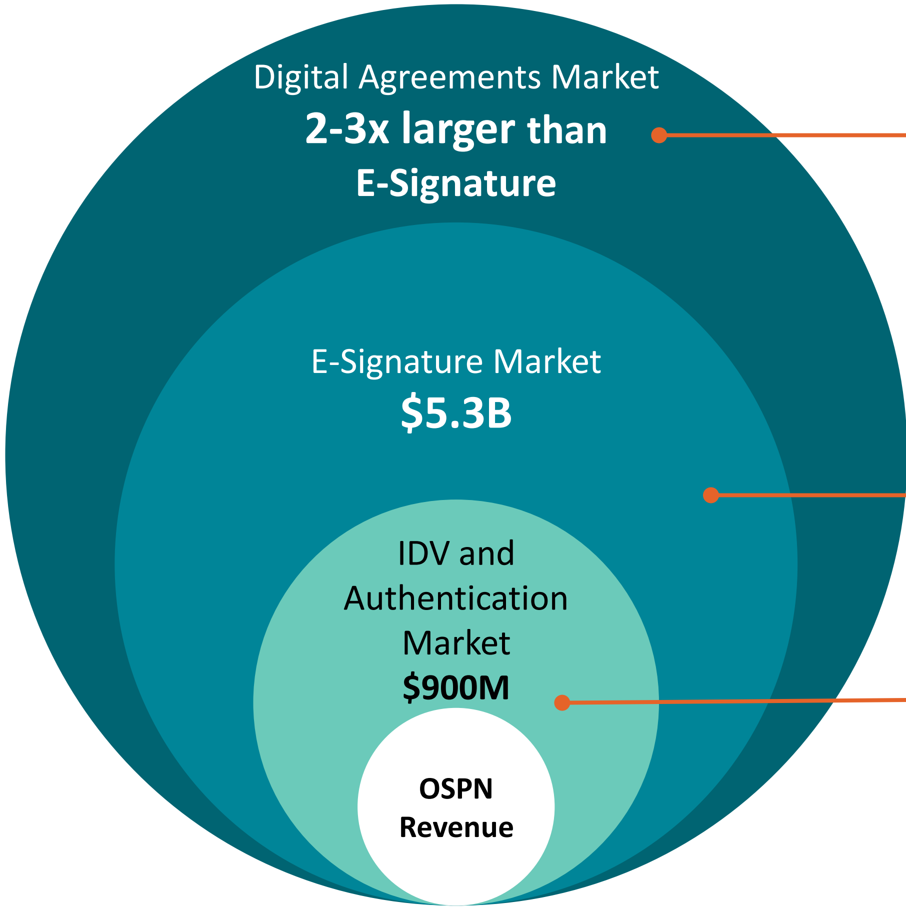
MOBILE SECURITY

ONESPAN TRANSACTION CLOUD PLATFORM

…Supports High-Value, High-Assurance B2B & B2C Transactions



Large and Growing Addressable Markets



Digital Agreements market includes:

- E-Signature
- Virtual room
- Remote online notary
- IDV & Authentication
- Transaction signing
- eVaulting

$5.3B e-Signature market growing +30% through 2026[1]

$900M IDV & Authentication market[1]

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[1] Sources: ResearchAndMarkets, Markets and Markets, PRNewswire, Forbes, Businesswire, OECD, NAISC, FTI analysis.

Competitive Differentiation

- **World-class security DNA in identity verification, authentication and transaction signing**
- **Deep expertise in end-user experience, cloud workflows, document verification and electronic signing**
- **Deep roots and experience in highly regulated global markets**
- **Ability to leverage product portfolio in time of market convergence**
- **Valuable blue-chip installed base with deep roots in financial institutions**

Q4 2022 & Full Year 2022 Financial Highlights;
Full Year 2023 Guidance & Updated 3-Year Outlook

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FY 2022 Financial Highlights

$139M
Annual Recurring Revenue (ARR)[1]

12%
ARR growth[4]

22%
Subscription ARR Growth

107%
Net Recurring Revenue (NRR)[2,3]

$99M
Cash and STI; no long-term debt (12/31/2022)

30%
Subscription Revenue Growth

[1,2] See Appendix for definition
[3] Previously referred to as Dollar-Based Net Expansion (DBNE). No change to definition or calculation method used.
[4] ARR growth rate reflects a $3.9 million negative impact from currency changes from the prior year period.

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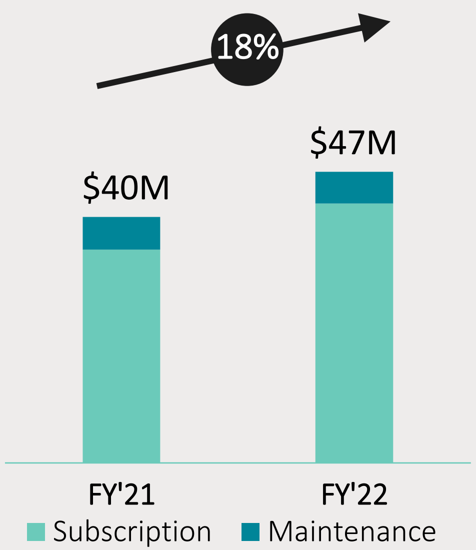
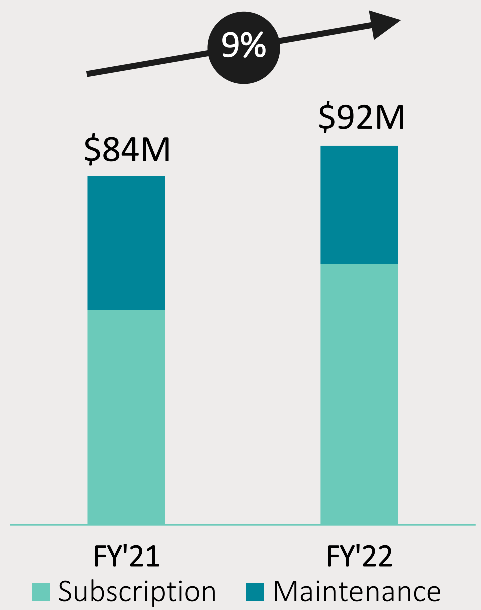
ARR Growth[1]

Digital Agreements



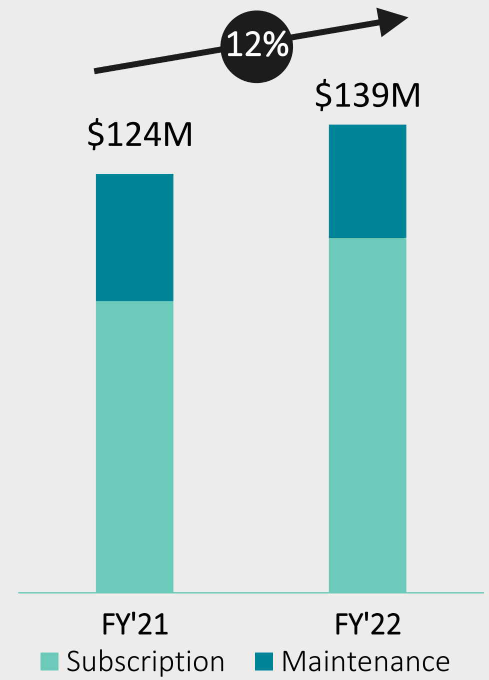
- Subscription ARR grew 22% to $42M
- Maintenance ARR declined 3% to $5M

Security Solutions



- Subscription ARR grew 22% to $63M
- Maintenance ARR declined 12% to $29M

Total Company



- Subscription ARR grew 22% to $105M
- Maintenance ARR declined 11% to $34M

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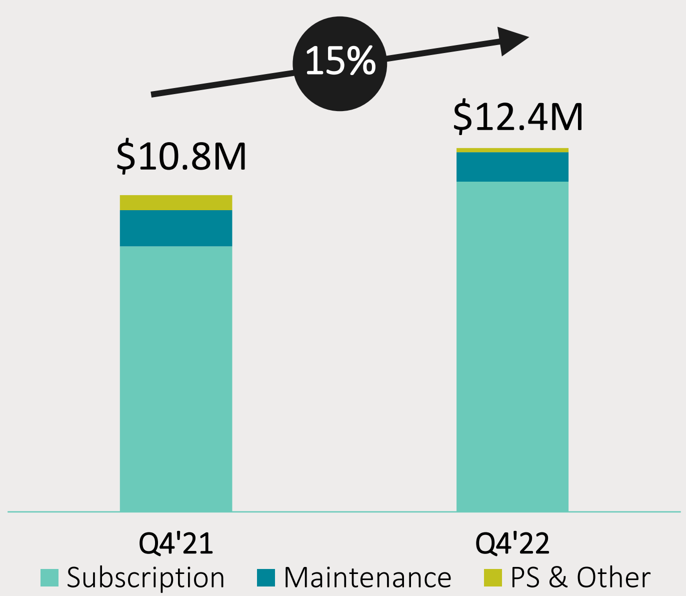
[1] Digital Agreements and Security Solutions ARR growth rates reflect negative impact from currency changes of $0.5M and $3.4M, respectively, from the prior year period.

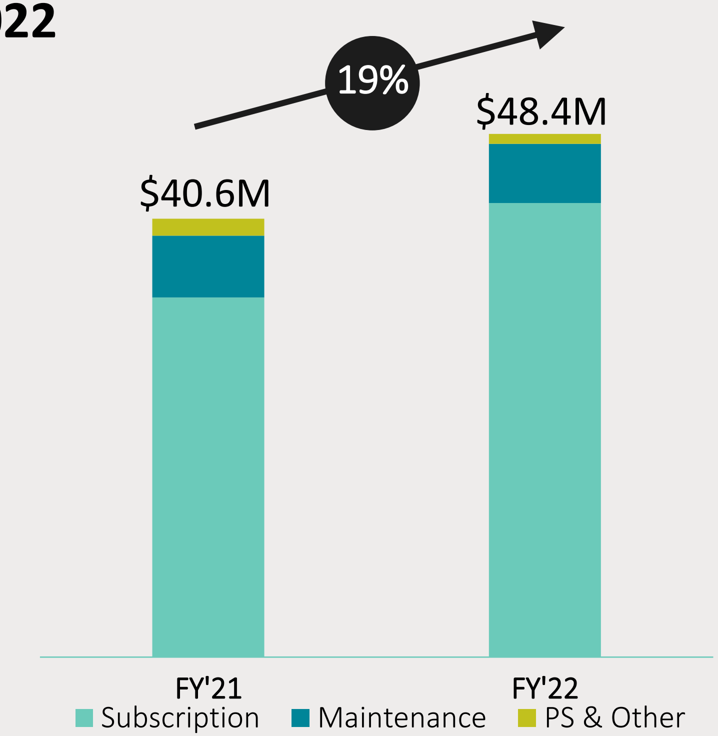
Revenue Growth – Digital Agreements[1]

Q4 2022



- Subscription revenue grew 24% to $11.3M
- Maintenance revenue declined 19% to $1.0M
- Professional services and other revenue was $0.1M

FY 2022



- Subscription revenue grew 26% to $42.0M
- Maintenance revenue declined 5% to $5.5M
- Professional services and other revenue was $0.9M

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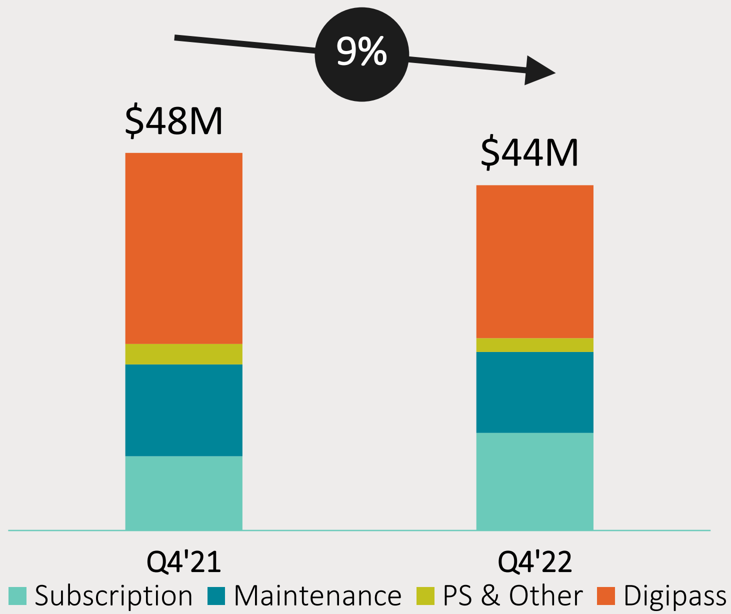
[1] Q4 2022 and FY 2022 revenue growth rates reflect negative impact from currency changes of $0.1M and $0.4M, respectively, as compared to the prior year period.

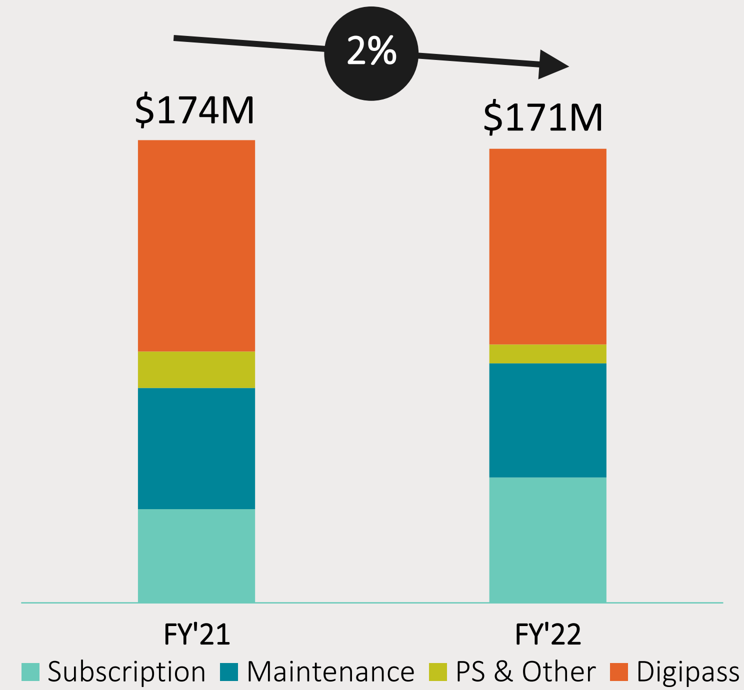
Revenue Growth – Security Solutions[1]

Q4 2022



- Subscription revenue grew 32% to $12.5M
- Maintenance revenue declined 12% to $10.4M
- Professional services and other revenue was $1.8M
- Digipass revenue declined 20% to $19.6M

FY 2022



- Subscription revenue grew 34% to $47.1M
- Maintenance revenue declined 6% to $42.9M
- Professional services and other revenue was $7.1M
- Digipass revenue declined 7% to $73.5M

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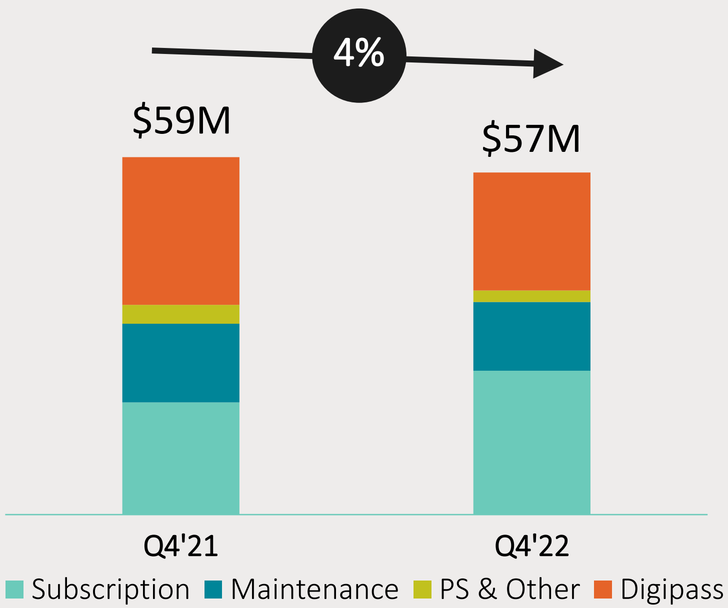
[1] Q4 2022 and FY 2022 revenue growth rates reflect negative impact from currency changes of $2.8M and $11.8M, respectively, as compared to the prior year period.

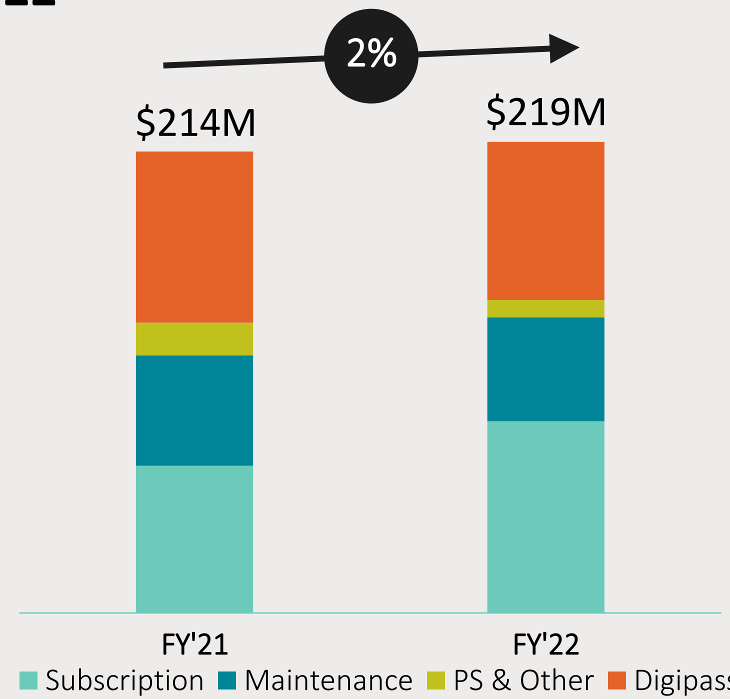
Revenue Growth – Total Company[1]

Q4 2022



- Subscription revenue grew 28% to $23.8M
- Maintenance declined 12% to $11.4M
- Professional services and other revenue was $1.9M
- Digipass revenue declined 20% to $19.6M

FY 2022



- Subscription revenue grew 30% to $89.2M
- Maintenance declined 6% to $48.3M
- Professional services and other revenue was $8.0M
- Digipass revenue declined 8% to $73.5M

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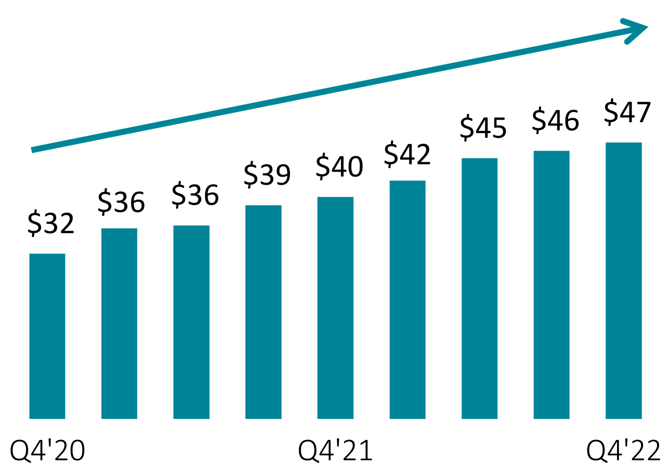
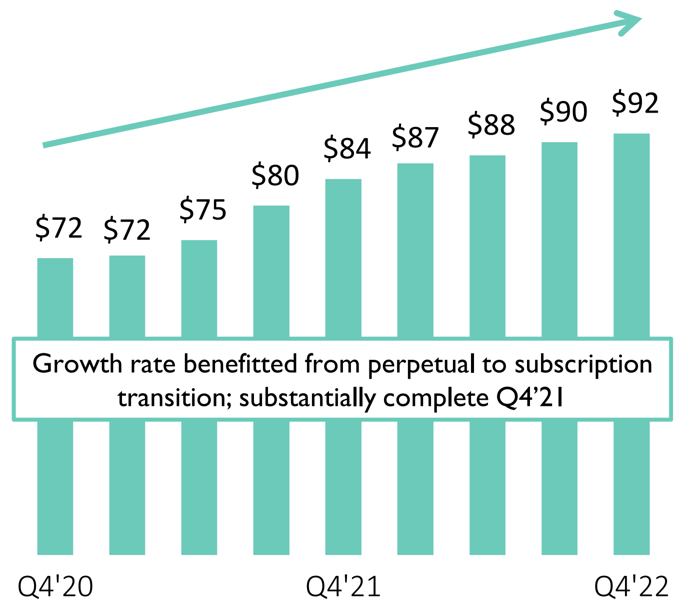
[1] Q4 2022 and FY 2022 revenue growth rates reflect negative impact from currency changes of $2.9M and $12.2M, respectively, as compared to the prior year period.

Segment & Total Company ARR Trend, Last Two Years

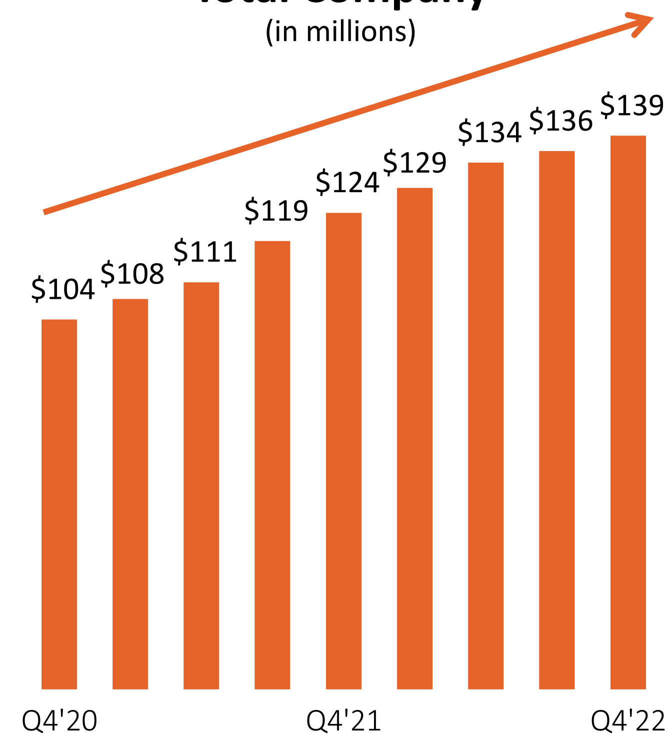
Digital Agreements
(in millions)



Security Solutions
(in millions)



Total Company
(in millions)



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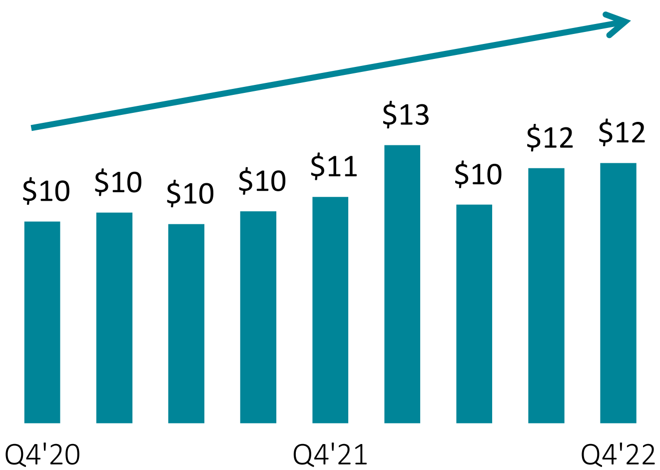
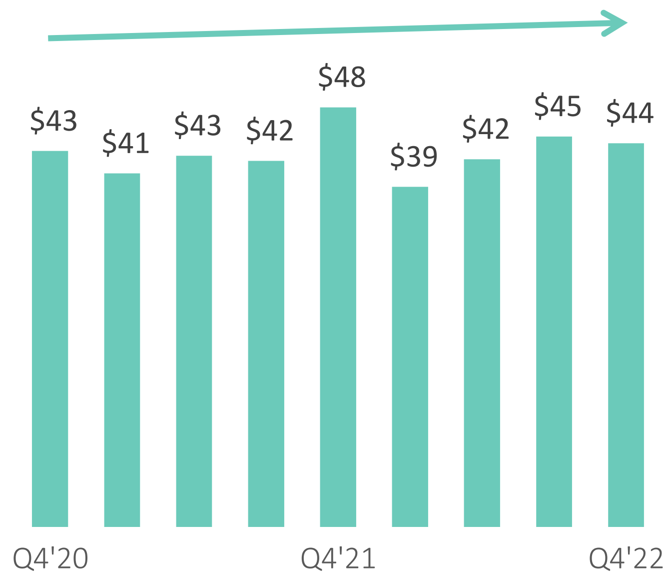
Segment & Total Company Revenue Trend; Last Two Years

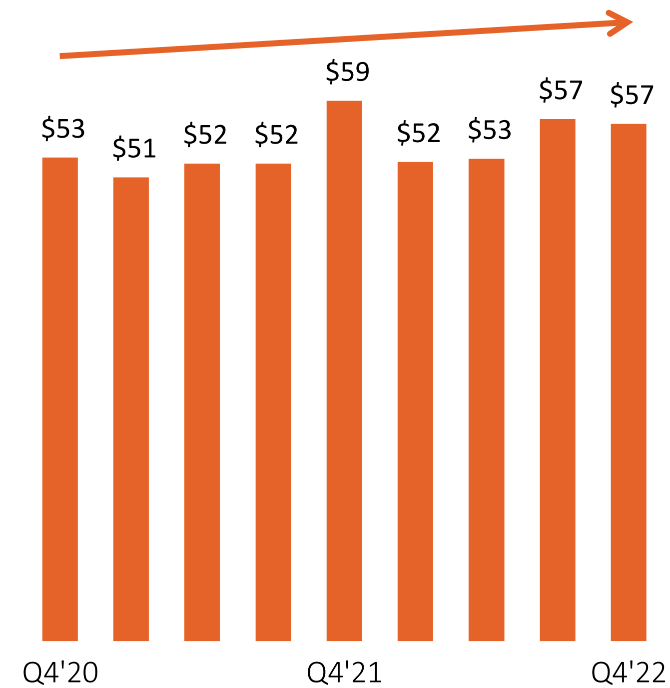
Digital Agreements
(in millions)



Security Solutions
(in millions)



Total Company
(in millions)



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2023 Guidance and Long-Term Targets

Revenue	FY22 Actual	FY23 Guidance	FY22 – FY25 CAGR (Prior)	FY22 – FY25 CAGR (New)
Total Revenue	$219M	$232M - $242M	10% - 12%	12% - 14%
Digital Agreements	$48M	--	30% - 35%	35%+
Security Solutions	$171M	--	1% - 3%	3%+
Profitability Metrics	**FY22 Actual**	**FY23 Guidance**	**% of Revenue, 2025 (Prior)**	**% of Revenue, 2025 (New)**
Gross Margin	68%	--	~70%	70%+
Adjusted EBITDA[3]	$6.4M	$3M - $6M	8% - 10%	10% - 12%
ARR[1]	**FY22 Actual**	**FY23 Guidance**	**FY22 – FY25 CAGR (Prior)**	**FY22 – FY25 CAGR (New)**
Total ARR	$139M	$157M - $164M	20%+	20%+
Digital Agreements	$47M	--	30% - 35%	35%+
Security Solutions	$92M	--	5%+	5%+
NRR[2]	**FY22 Actual**	**FY23 Guidance**	**Exiting 2025 (Prior)**	**Exiting 2025 (New)**
Total Company	107%	--	120%+	120%+

[1,2] See Appendix for definitions
[3] Adjusted EBITDA is a non-GAAP financial measure. The Company is not providing a target for or reconciliation to net income, the most directly comparable GAAP measure, for 2022 or 2025 because the Company is unable to predict certain items contained in the GAAP measure without unreasonable efforts. Please refer to the Appendix for more information regarding non-GAAP financial measures and a reconciliation of fiscal year 2021 Adjusted EBITDA to fiscal year 2021 GAAP net income.

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Strategic Cost Savings Plan Update

Phase One[1]

- Substantially complete (mid 2022)
- Achieved approximately $11.8 million in annualized cost savings vs. $10 million - $12 million plan

Phase Two[2]

- Approximately $1 million in annualized cost saving during Q4'22
- Approximately $10.1 million in total annualized cost savings as of December 31, 2022
- $20 - $25 million in annualized cost savings expected by end of 2025

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[1] Phase One of strategic plan, announced in December 2021.
[2] Phase Two of strategic plan, announced in May 2022.

Appendix

Non-GAAP Reconciliation

Reconciliation of Net Income to Adjusted EBITDA
(in thousands, unaudited)

	Quarters Ended December 31,		Years Ended December 31,	
	2021	2022	2021	2022
Net income (loss)	$ (13,773)	$ (3,097)	$ (30,584)	$ (14,434)
Interest income, net	3	(398)	1	(595)
Provision (benefit) for income taxes	6,847	496	4,441	2,741
Depreciation and amortization of intangible assets	2,166	1,375	8,926	7,066
Long-term incentive compensation	1,581	3,197	5,202	8,813
Impairment of intangible assets	-	-	-	3,828
Restructuring and other related charges	-	1,482	-	9,482
Other non-recurring items[1]	2,618	127	6,951	(10,505)
Adjusted EBITDA	$ (558)	$ 3,182	$ (5,063)	$ 6,396

[1] For the three months ended December 31, 2022, other non-recurring items consist of $0.1 million of outside services related to our strategic action plan. For the year ended December 31, 2022, other non-recurring items consist of $4.3 million of outside services related to our strategic action plan, and a $(14.8) million non-operating gain on the sale of our investment in Promon AS.

For the three months ended December 31, 2021, other non-recurring items consist of $2.6 million of outside service costs related to our strategic action plan. For the year ended December 31, 2021, other non-recurring items consist of $3.5 million of outside service costs related to our strategic action plan, $2.8 million of outside service costs related to the proxy contest that took place in 2021 and the related $0.7 million settlement with Legion Partners.

Definitions

1 – **Annual Recurring Revenue, or ARR,** is calculated as the approximate annualized value of our customer recurring contracts as of the measurement date. These include subscription, term-based license, and maintenance contracts and exclude one-time fees. To the extent that we are negotiating a renewal with a customer after the expiration of a recurring contract, we continue to include that revenue in ARR if we are actively in discussion with the customer for a new recurring contract or renewal, or until such customer notifies us that it is not renewing its recurring contract.

2 – **Net Retention Rate, or NRR** is defined as the approximate year-over-year percentage growth in ARR from the same set of customers at the end of the prior year period. We previously referred to this metric as Dollar-Based Net Expansion (DBNE). There was no change in how we define or calculate NRR as compared to DBNE.

Non-GAAP Financial Measures

We report financial results in accordance with GAAP. We also evaluate our performance using certain non-GAAP operating metrics, including Adjusted EBITDA. Our management believes that these measures, when taken together with the corresponding GAAP financial metrics, provide useful supplemental information regarding the performance of our business.

These non-GAAP financial measures are not measures of performance under GAAP and should not be considered in isolation or as alternatives or substitutes for the most directly comparable financial measures calculated in accordance with GAAP. While we believe that these non-GAAP financial measures are useful for the purposes described below, they have limitations associated with their use, since they exclude items that may have a material impact on our reported results and may be different from similar measures used by other companies.

We define Adjusted EBITDA as net income before interest, taxes, depreciation, amortization, long-term incentive compensation, and certain non-recurring items, including acquisition related costs, lease exit costs, rebranding costs, and non-routine shareholder matters. We use Adjusted EBITDA as a simplified measure of performance for use in communicating our performance to investors and analysts and for comparisons to other companies within our industry. As a performance measure, we believe that Adjusted EBITDA presents a view of our operating results that is most closely related to serving our customers. By excluding interest, taxes, depreciation, amortization, long-term incentive compensation, impairment of certain intangible assets, restructuring costs, and certain other non-recurring items, we are able to evaluate performance without considering decisions that, in most cases, are not directly related to meeting our customers' requirements and were either made in prior periods (e.g., depreciation, amortization, long-term incentive compensation, non-routine shareholder matters), deal with the structure or financing of the business (e.g., interest, one-time strategic action costs, restructuring costs, impairment charges) or reflect the application of regulations that are outside of the control of our management team (e.g., taxes). In addition, removing the impact of these items helps us compare our core business performance with our that of our competitors.

Reconciliations of Adjusted EBITDA to its most directly comparable GAAP financial measure, net income, appear above.

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