
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ TO _____
Commission file number 000-24389

OneSpan Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

36-4169320
(I.R.S. Employer
Identification No.)

1 Marina Park Drive, Unit 1410
Boston, Massachusetts 02210
(Address of Principal Executive Offices) (Zip Code)
(312) 766-4001
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol	Name of each exchange on which registered:
Common Stock, par value \$0.001 per share	OSPN	Nasdaq

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>
		Smaller reporting company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 38,230,467 shares of Common Stock, \$0.001 par value per share, outstanding at April 24, 2025.

OneSpan Inc.
Form 10-Q
For the Quarter Ended March 31, 2025
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

OneSpan Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)
(Unaudited)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 105,211	\$ 83,160
Accounts receivable, net of allowances of \$1,147 at March 31, 2025 and \$1,600 at December 31, 2024	29,595	56,229
Inventories, net	11,028	10,792
Prepaid expenses	6,327	6,547
Contract assets	10,587	8,687
Other current assets	7,811	9,479
Total current assets	170,559	174,894
Property and equipment, net	21,105	20,966
Operating lease right-of-use assets	7,865	7,725
Goodwill	94,200	92,365
Intangible assets, net of accumulated amortization	6,923	7,481
Deferred income taxes	20,573	20,516
Other assets	12,585	14,787
Total assets	\$ 333,810	\$ 338,734
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 12,005	\$ 13,310
Deferred revenue	51,850	67,465
Accrued wages and payroll taxes	9,540	13,793
Short-term income taxes payable	6,166	4,403
Dividend payable	193	4,765
Other accrued expenses	7,263	6,339
Deferred compensation	19	200
Total current liabilities	87,036	110,275
Long-term deferred revenue	2,933	3,390
Long-term lease liabilities	6,908	6,932
Deferred income taxes	3,771	3,680
Other long-term liabilities	2,043	1,927
Total liabilities	102,691	126,204
Commitments and contingencies		
Stockholders' equity		
Preferred stock: 500 shares authorized, none issued and outstanding at March 31, 2025 and December 31, 2024	—	—
Common stock: \$0.001 par value per share, 75,000 shares authorized; 41,881 and 41,782 shares issued; 38,157 and 38,058 shares outstanding at March 31, 2025 and December 31, 2024, respectively	38	38
Additional paid-in capital	123,983	122,534
Treasury stock, at cost: 3,724 shares outstanding at March 31, 2025 and December 31, 2024	(47,380)	(47,380)
Retained earnings	165,746	151,256
Accumulated other comprehensive loss	(11,268)	(13,918)
Total stockholders' equity	231,119	212,530
Total liabilities and stockholders' equity	\$ 333,810	\$ 338,734

See accompanying notes to condensed consolidated financial statements.

OneSpan Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenue		
Product and license	\$ 37,240	\$ 37,798
Services and other	26,126	27,045
Total revenue	<u>63,366</u>	<u>64,843</u>
Cost of goods sold		
Product and license	8,718	9,706
Services and other	7,557	7,742
Total cost of goods sold	<u>16,275</u>	<u>17,448</u>
Gross profit	47,091	47,395
Operating costs		
Sales and marketing	11,457	12,927
Research and development	7,928	8,259
General and administrative	9,547	10,007
Restructuring and other related charges	421	1,497
Amortization of intangible assets	556	595
Total operating costs	<u>29,909</u>	<u>33,285</u>
Operating income	17,182	14,110
Interest income, net	692	101
Other income (expense), net	(9)	291
Income before income taxes	17,865	14,502
Provision for income taxes	3,360	1,034
Net income	<u>\$ 14,505</u>	<u>\$ 13,468</u>
Net income per share		
Basic	<u>\$ 0.38</u>	<u>\$ 0.35</u>
Diluted	<u>\$ 0.37</u>	<u>\$ 0.35</u>
Weighted average common shares outstanding		
Basic	<u>38,106</u>	<u>38,060</u>
Diluted	<u>39,027</u>	<u>38,463</u>

See accompanying notes to condensed consolidated financial statements.

OneSpan Inc.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Net income	\$ 14,505	\$ 13,468
Other comprehensive income (loss)		
Cumulative translation adjustment, net of tax	2,674	(1,655)
Pension adjustment, net of tax	(24)	(30)
Comprehensive income	<u>\$ 17,155</u>	<u>\$ 11,783</u>

See accompanying notes to condensed consolidated financial statements.

OneSpan Inc.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

For the Three Months Ended March 31, 2025:

Description	Common Stock		Treasury - Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2024	38,058	\$ 38	3,724	\$ (47,380)	\$ 122,534	\$ 151,256	\$ (13,918)	\$ 212,530
Net income	—	—	—	—	—	14,505	—	14,505
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	2,674	2,674
Stock-based compensation	—	—	—	—	2,776	—	—	2,776
Vesting of restricted stock awards	179	—	—	—	—	—	—	—
Tax payments for stock issuances	(80)	—	—	—	(1,327)	—	—	(1,327)
Dividends declared (\$0.12 per share)	—	—	—	—	—	(15)	—	(15)
Pension adjustment, net of tax	—	—	—	—	—	—	(24)	(24)
Balance at March 31, 2025	38,157	\$ 38	3,724	\$ (47,380)	\$ 123,983	\$ 165,746	\$ (11,268)	\$ 231,119

For the Three Months Ended March 31, 2024:

Description	Common Stock		Treasury - Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	37,519	\$ 38	3,724	\$ (47,377)	\$ 118,620	\$ 98,939	\$ (11,079)	\$ 159,141
Net income	—	—	—	—	—	13,468	—	13,468
Foreign currency translation adjustment, net of tax	—	—	—	—	—	—	(1,655)	(1,655)
Stock-based compensation	—	—	—	—	1,540	—	—	1,540
Vesting of restricted stock awards	402	—	—	—	—	—	—	—
Tax payments for stock issuances	(153)	—	—	—	(1,595)	—	—	(1,595)
Pension adjustment, net of tax	—	—	—	—	—	—	(30)	(30)
Balance at March 31, 2024	37,768	\$ 38	3,724	\$ (47,377)	\$ 118,565	\$ 112,407	\$ (12,764)	\$ 170,869

See accompanying notes to condensed consolidated financial statements.

OneSpan Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 14,505	\$ 13,468
Adjustments to reconcile net income from operations to net cash used in operations:		
Depreciation and amortization of intangible assets	2,129	2,082
Loss on disposal of asset	36	—
Deferred tax expense (benefit)	75	(80)
Stock-based compensation	2,776	1,540
Provision for (recovery of) credit losses	(453)	(63)
Changes in operating assets and liabilities:		
Accounts receivable	27,756	31,468
Inventories, net	203	623
Contract assets	93	(376)
Accounts payable	(1,437)	(5,137)
Income taxes payable	1,757	1,915
Accrued expenses	(3,641)	(4,758)
Deferred compensation	(181)	(317)
Deferred revenue	(16,593)	(13,547)
Other assets and liabilities	2,341	142
Net cash provided by operating activities	<u>29,366</u>	<u>26,960</u>
Cash flows from investing activities:		
Additions to property and equipment	(1,626)	(3,045)
Additions to intangible assets	(19)	(35)
Net cash used in investing activities	<u>(1,645)</u>	<u>(3,080)</u>
Cash flows from financing activities:		
Dividends paid	(4,587)	—
Contingent payment related to acquisition	—	(200)
Tax payments for restricted stock issuances	(1,327)	(1,595)
Net cash used in financing activities	<u>(5,914)</u>	<u>(1,795)</u>
Effect of exchange rate changes on cash	244	(734)
Net increase in cash	22,051	21,351
Cash, cash equivalents, and restricted cash, beginning of period	83,331	43,530
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 105,382</u>	<u>\$ 64,881</u>

See accompanying notes to condensed consolidated financial statements.

OneSpan Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Unless otherwise noted, references in this Quarterly Report on Form 10-Q to “OneSpan,” “Company,” “we,” “our,” and “us,” refer to OneSpan Inc. and its subsidiaries.

Note 1 – Description of the Company and Basis of Presentation

Description of the Company

OneSpan delivers cutting-edge solutions in two key areas: advanced secure authentication, which is provided through its Security Solutions business unit, and digital agreements, which is provided through its Digital Agreements business unit. The Company's secure authentication solutions protect devices, users, and applications with robust multi-factor and passwordless authentication and other fraud prevention technologies. Its digital agreements solutions combine identity verification, electronic signatures, and digital workflows to streamline agreements, enhance compliance, and accelerate business processes. OneSpan empowers organizations to automate and secure both customer-facing and revenue-generating processes, supporting a wide range of use cases—from simple transactions to complex workflows requiring elevated security. OneSpan has operations in Austria, Australia, Belgium, Canada, China, France, Japan, The Netherlands, Singapore, Switzerland, the United Arab Emirates, the United Kingdom (U.K.), and the United States (U.S.).

Dividends

During the three months ended March 31, 2025, the Company paid its quarterly cash dividend declared on December 16, 2024, as part of a recurring quarterly dividend program. The initial quarterly cash dividend of \$0.12 per share was paid to shareholders of record as of the close of business on January 31, 2025. The declaration and payment of future dividends is subject to the sole discretion of the Board of Directors.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of OneSpan and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles in the United States of America (“U.S. GAAP”) for complete financial statements and should be read in conjunction with the audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements, and include all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the results of the interim periods presented. Operating results for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for any future period or the entire fiscal year.

The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Estimates and Assumptions

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency Translation and Transactions

The financial position and results of operations of the majority of the Company's foreign subsidiaries are measured using the local currency as the functional currency. Accordingly, assets and liabilities are translated into U.S. dollars using current exchange rates as of the balance sheet date. Revenue and expenses are translated at average exchange rates prevailing during the year. Translation adjustments arising from differences in exchange rates are charged or credited to other comprehensive income (loss). Gains and losses resulting from foreign currency transactions are included in the condensed consolidated statements of operations in other (expense) income, net. Foreign exchange transaction gains (losses) aggregated to \$(0.2) million and \$0.1 million for the three months ended March 31, 2025 and 2024, respectively.

Note 2 – Summary of Significant Accounting Policies

There have been no changes to the significant accounting policies described in the Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on February 27, 2025 that impact the Company's condensed consolidated financial statements and related notes.

Restricted Cash

The Company is a party to lease agreements that require letters of credit to secure the obligations which totaled \$0.2 million at both March 31, 2025 and December 31, 2024. The restricted cash related to the letters of credit will be held for a period greater than 12 months, and, therefore, is recorded as "Other assets" on the condensed consolidated balance sheets.

Other Accrued Expenses

Other accrued expenses consist of the following:

<i>(In thousands)</i>	March 31, 2025	December 31, 2024
Current operating lease liabilities	\$ 1,997	\$ 2,351
Accrued sales tax and VAT	460	1,127
Other accrued expenses	4,078	1,980
Accrued professional fees	728	881
Total	<u>\$ 7,263</u>	<u>\$ 6,339</u>

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) or other standard setting bodies that are adopted by the Company as of the specified effective date.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) – *Improvements to Income Tax Disclosures*, which is intended to enhance the transparency and decision usefulness of income tax disclosures. Public business entities are required to adopt for annual fiscal periods beginning after December 15, 2024 and early adoption is permitted. The Company is evaluating the impact the adoption of this guidance will have on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, Comprehensive Income (Topic 220) – *Disaggregation of Income Statement Expenses*, to improve financial reporting by requiring disclosures in the notes to financial statements about specific types of expenses included in the expense captions presented on the face of the statement of operations. The requirements of the ASU are effective for annual reporting periods beginning after December 15, 2026, and for interim reporting periods beginning after December 15, 2027, with early adoption permitted. The requirements are able to be applied prospectively with the option for retrospective application. The Company is evaluating the impact the adoption of this guidance will have on its consolidated financial statements and related disclosures.

Note 3 – Segment Information

Segments are defined as components of a company that engage in business activities from which they may earn revenues and incur expenses, and for which separate financial information is available and is evaluated regularly by the chief operating decision maker (CODM), in deciding how to allocate resources and in assessing performance. The Company's CODM is its Chief Executive Officer. The Company's reportable segments are businesses units that offer different products and services and are as follows:

- **Security Solutions.** Security Solutions consists of our broad portfolio of software products, software development kits (SDKs), and Digipass authenticator devices that are used to build applications designed to defend against attacks on digital transactions across online environments, devices, and applications. The software products and SDKs included in the Security Solutions segment are on-premises and, to a lesser extent, cloud software products, and include multi-factor authentication and transaction signing solutions, such as mobile application security and mobile software tokens.
- **Digital Agreements.** Digital Agreements consists of solutions that enable our clients to secure and automate business processes associated with their digital agreement and customer transaction lifecycles that require consent, non-repudiation and compliance. These solutions, which are largely cloud-based, include OneSpan Sign e-signature, OneSpan Notary, and Identity Verification.

Segment operating income (loss) consists of the revenues generated by a segment, less the direct costs of revenue, sales and marketing, research and development expenses, general and administrative expenses, restructuring and other related charges, and amortization of intangible assets expense that are incurred directly by a segment. Sales and marketing and research and development expenses were determined to be significant segment expenses. Unallocated corporate costs include costs related to administrative functions that are performed in a centralized manner that are not directly attributable to a particular segment.

The tables below set forth information about the Company's operating segments for the three months ended March 31, 2025 and 2024, along with the items necessary to reconcile the segment information to the totals reported in the accompanying condensed consolidated financial statements.

	Three Months Ended March 31, 2025			
	Security Solutions	Digital Agreements	Corporate and Other	Total
<i>(In thousands, except percentages)</i>				
Revenue	\$ 47,713	\$ 15,653	\$ —	\$ 63,366
Cost of goods sold	11,628	4,647	—	16,275
Gross profit	36,085	11,006	—	47,091
<i>Gross margin</i>	<i>76 %</i>	<i>70 %</i>	<i>*</i>	<i>74 %</i>
Sales and marketing	6,872	3,402	1,183	11,457
Research and development	4,919	3,006	3	7,928
Other segment items (1)(3)	134	1,231	9,159	10,524
Operating income (loss) (2)(4)	24,160	3,367	(10,345)	17,182
Interest income, net				692
Other income (expense), net				(9)
Income before income taxes				<u>\$ 17,865</u>

	Three Months Ended March 31, 2024			
	Security Solutions	Digital Agreements	Corporate and Other	Total
<i>(In thousands, except percentages)</i>				
Revenue	\$ 50,429	\$ 14,414	\$ —	\$ 64,843
Cost of goods sold	12,926	4,522	—	17,448
Gross profit	37,503	9,892	—	47,395
<i>Gross margin</i>	74 %	69 %	*	73 %
Sales and marketing	6,544	5,230	1,153	12,927
Research and development	4,000	4,231	28	8,259
Other segment items (1)(3)	1,081	696	10,322	12,099
Operating income (loss) (2)(4)	25,878	(265)	(11,503)	14,110
Interest income, net				101
Other income (expense), net				291
Income before income taxes				\$ 14,502

*Percentage not meaningful.

(1) Security Solutions other segment items includes general and administrative expense and restructuring and other related charges for the three months ended March 31, 2025 and 2024.

(2) Security Solutions operating income includes \$0.2 million of total amortization and depreciation expense for both the three months ended March 31, 2025 and 2024.

Security Solutions operating income includes \$0.2 million and \$1.1 million of restructuring and other related charges for the three months ended March 31, 2025 and 2024, respectively.

(3) Digital Agreements other segment items includes general and administrative expense, restructuring and other related charges, and amortization of intangibles for the three months ended March 31, 2025 and 2024.

(4) Digital Agreements operating income (loss) includes \$1.7 million and \$1.6 million of total amortization and depreciation expense for the three months ended March 31, 2025 and 2024, respectively.

Digital Agreements operating income (loss) includes \$0.2 million and \$0.1 million of restructuring and other related charges for the three months ended March 31, 2025 and 2024, respectively.

The following tables illustrate the disaggregation of revenues by category and services, including a reconciliation of the disaggregated revenues to revenues from the Company's two reportable operating segments for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,			
	2025		2024	
	Security Solutions	Digital Agreements	Security Solutions	Digital Agreements
<i>(In thousands)</i>				
Subscription	\$ 28,072	\$ 15,545	\$ 26,182	\$ 13,812
Maintenance and support	7,984	24	10,066	505
Professional services and other (1)	594	84	1,605	97
Hardware products	11,063	—	12,576	—
Total Revenue	\$ 47,713	\$ 15,653	\$ 50,429	\$ 14,414

(1) Professional services and other includes perpetual software licenses revenue, which was immaterial for the three months ended March 31, 2025 and approximately 1% of total revenue for the three months ended March 31, 2024.

Asset information by segment is not reported to or reviewed by the CODM to allocate resources, and therefore, the Company has not disclosed asset information for the segments.

Note 4 – Revenue from Contracts with Customers

The following tables present the Company’s revenues disaggregated by major products and services, geographical region and timing of revenue recognition.

Revenue by major products and services

<i>(In thousands)</i>	Three Months Ended March 31,	
	2025	2024
Subscription	\$ 43,617	\$ 39,994
Maintenance and support	8,008	10,571
Professional services and other (1)	678	1,702
Hardware products	11,063	12,576
Total Revenue	<u>\$ 63,366</u>	<u>\$ 64,843</u>

(1) Professional services and other includes perpetual software licenses revenue, which was immaterial for the three months ended March 31, 2025 and approximately 1% of total revenue for the three months ended March 31, 2024.

Revenue by location of customer

We classify our sales by customer location in three geographic regions: 1) EMEA, which includes Europe, Middle East and Africa; 2) the Americas, which includes North, Central, and South America; and 3) Asia Pacific (APAC), which includes Australia, New Zealand, and India. The breakdown of revenue in each of our major geographic areas was as follows:

<i>(In thousands, except percentages)</i>	Three Months Ended March 31,	
	2025	2024
Revenue		
EMEA	\$ 31,006	\$ 31,842
Americas	21,095	21,344
APAC	11,265	11,657
Total revenue	<u>\$ 63,366</u>	<u>\$ 64,843</u>
% of Total Revenue		
EMEA	49 %	49 %
Americas	33 %	33 %
APAC	18 %	18 %

Timing of revenue recognition

<i>(In thousands)</i>	Three Months Ended March 31,	
	2025	2024
Products and licenses transferred at a point in time	\$ 37,240	\$ 37,798
Services transferred over time	26,126	27,045
Total Revenue	<u>\$ 63,366</u>	<u>\$ 64,843</u>

Contract balances

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers as of March 31, 2025 and December 31, 2024:

<i>(In thousands)</i>	March 31, 2025	December 31, 2024
Receivables, inclusive of trade and unbilled	\$ 29,595	\$ 56,229
Contract Assets (current and non-current)	\$ 10,860	\$ 10,686
Contract Liabilities (Deferred Revenue current and non-current)	\$ 54,783	\$ 70,855

Contract assets relate primarily to multi-year term license arrangements and the remaining contractual billings. These contract assets are transferred to receivables when the right to bill occurs over a 2- to 5-year period. The contract liabilities primarily relate to the advance consideration received from customers for subscription and maintenance services. Revenue is recognized for these services over time.

As a practical expedient, the Company does not adjust the promised amount of consideration for the effects of a significant financing component when it is expected, at contract inception, that the period between the Company's transfer of a promised product or service to a customer and when the customer pays for that product or service will be one year or less. Extended payment terms are not typically included in contracts with customers.

Revenue recognized during the three months ended March 31, 2025 included \$34.2 million that was included on the December 31, 2024 consolidated balance sheet in contract liabilities. Deferred revenue decreased in the same period due to timing of annual renewals.

Transaction price allocated to the remaining performance obligations

Remaining performance obligations represent the revenue that is expected to be recognized in future periods related to performance obligations that are unsatisfied, or partially unsatisfied, as of the end of the period. The following table includes expected revenue to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2025:

<i>(In thousands)</i>	2025	2026	2027	Beyond 2027	Total
Future revenue related to current unsatisfied performance obligations	\$ 46,735	\$ 34,754	\$ 11,695	\$ 3,243	\$ 96,427

The Company applies practical expedients and does not disclose information about remaining performance obligations (a) that have original expected durations of one year or less, or (b) where revenue is recognized as invoiced.

Costs of obtaining a contract

The Company incurs incremental costs related to commissions, which can be directly tied to obtaining a contract. The Company capitalizes commissions associated with certain new contracts and amortizes the costs over a period of up to 7 years, which is the determined benefit period based on the estimated customer relationship period or customer benefit period. The Company determined the period of benefit by taking into consideration the customer contracts, its technology and other factors, including customer attrition. Commissions are earned upon invoicing to the customer. For contracts with multiple year payment terms, because the commissions that are payable after year 1 are payable based on continued employment, they are expensed when incurred. Commissions and amortization expense are included in "Sales and Marketing" expense in the condensed consolidated statements of operations.

As a practical expedient, the Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period for the assets that the Company otherwise would have recognized is one year or less. These costs are included in "Sales and Marketing" expense in the condensed consolidated statements of operations.

The following tables provide information related to the capitalized costs and amortization recognized in the current and prior period within "Other current assets" and "Other assets" on the condensed consolidated balance sheets:

<i>(In thousands)</i>	March 31, 2025	December 31, 2024
Capitalized costs to obtain contracts, current	\$ 4,541	\$ 4,478
Capitalized costs to obtain contracts, non-current	\$ 11,960	\$ 12,431

<i>(In thousands)</i>	Three Months Ended March 31,	
	2025	2024
Amortization of capitalized costs to obtain contracts	\$ 1,167	\$ 884

Note 5 – Inventories, net

Inventories, net, consisting principally of hardware and component parts, are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Inventories, net consist of the following:

<i>(In thousands)</i>	March 31, 2025	December 31, 2024
Component parts	\$ 4,661	\$ 4,385
Finished goods	6,367	6,407
Total	<u>\$ 11,028</u>	<u>\$ 10,792</u>

Note 6 – Goodwill

The following table presents the changes in goodwill during the three months ended March 31, 2025:

<i>(In thousands)</i>	Security Solutions	Digital Agreements	Total
Net balance at December 31, 2024	\$ 71,760	\$ 20,605	\$ 92,365
Foreign currency exchange rate effect	1,435	400	1,835
Net balance at March 31, 2025	<u>\$ 73,195</u>	<u>\$ 21,005</u>	<u>\$ 94,200</u>

No impairment of goodwill was recorded during the three months ended March 31, 2025 and 2024.

Note 7 – Intangible Assets, net

Intangible assets, net as of March 31, 2025 and December 31, 2024 consist of the following:

<i>(In thousands)</i>	Useful Life (in years)	As of March 31, 2025		As of December 31, 2024	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships	5 to 12	\$ 34,897	\$ 28,897	\$ 34,653	\$ 28,091
Patents, trademarks, and other	10 to 20	13,364	12,441	13,356	12,437
Total		<u>\$ 48,261</u>	<u>\$ 41,338</u>	<u>\$ 48,009</u>	<u>\$ 40,528</u>

Amortization expense was \$0.6 million and \$0.7 million for the three months ended March 31, 2025 and 2024, respectively. Amortization expense includes cost of sales amortization expense directly related to delivering cloud subscription revenue of \$0 and \$0.1 million for the three months ended March 31, 2025 and 2024, respectively, and are recorded in "Services and other cost of goods sold" on the condensed consolidated statements of operations.

Certain intangible assets are denominated in functional currencies besides the U.S. dollar and are subject to currency fluctuations.

There was no impairment of intangible assets recorded during the three months ended March 31, 2025 and 2024.

Note 8 – Property and Equipment, net

The following table presents the major classes of property and equipment, net, as of March 31, 2025 and December 31, 2024:

<i>(In thousands)</i>	March 31, 2025	December 31, 2024
Office equipment and software	\$ 8,904	\$ 8,658
Leasehold improvements	7,768	7,639
Furniture and fixtures	3,600	3,519
Capitalized software	20,745	19,298
Total	41,017	39,114
Accumulated depreciation	(19,912)	(18,148)
Property and equipment, net	<u>\$ 21,105</u>	<u>\$ 20,966</u>

Depreciation expense was \$1.6 million and \$1.4 million for the three months ended March 31, 2025 and 2024, respectively. Depreciation expense includes cost of sales depreciation expense directly related to delivering cloud subscription revenue of \$1.1 million and \$0.7 million for the three months ended March 31, 2025 and 2024, respectively, and are recorded in "Services and other cost of goods sold" on the condensed consolidated statements of operations.

Note 9 – Fair Value Measurements

The fair values of cash equivalents, accounts receivables, and accounts payable approximate their carrying amounts due to their short duration. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing base upon its own market assumptions.

The estimated fair value of financial instruments has been determined by using available market information and appropriate valuation methodologies, as defined in ASC 820, *Fair Value Measurements*. The fair value hierarchy consists of the following three levels:

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable and market-corroborated inputs which are derived primarily from or corroborated by observable market data.
- Level 3 – Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

The following tables summarize the Company's financial assets by level in the fair value hierarchy, which are measured at fair value on a recurring basis, as of March 31, 2025 and December 31, 2024:

<i>(In thousands)</i>	Fair Value Measurement at Reporting Date Using			
	March 31, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
U.S. Treasury Bills	\$ 28,670	\$ 28,670	\$ —	\$ —
Money Market Funds	\$ 57,095	\$ 57,095	\$ —	\$ —

	Fair Value Measurement at Reporting Date Using			
	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>(In thousands)</i>				
Assets:				
U.S. Treasury Bills	\$ 3,500	3,500	\$ —	\$ —
Money Market Funds	\$ 51,690	\$ 51,690	\$ —	\$ —

The Company classifies its investments in debt securities as available-for-sale. The Company reviews available-for-sale debt securities for impairments related to losses and other factors each quarter. The unrealized gains and losses on the available-for-sale debt securities were not material as of March 31, 2025 and December 31, 2024. The Company did not have any financial liabilities that are measured at fair value on a recurring basis as of March 31, 2025 and December 31, 2024.

The Company's non-financial assets and liabilities, which include goodwill and long-lived assets held and used, are not required to be measured at fair value on a recurring basis. However, if certain triggering events occur, or if an annual impairment test is required, the Company would evaluate the non-financial assets and liabilities for impairment. If an impairment was to occur, the asset or liability would be recorded at its estimated fair value.

Note 10 – Allowance for Credit Losses

In accordance with accounting standards updates ("ASU") No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," the Company evaluates its allowance based on expected losses rather than incurred losses, which is known as the current expected credit loss ("CECL") model. The allowance is determined using the loss rate approach and is measured on a collective (pool) basis when similar risk characteristics exist. Where financial instruments do not share risk characteristics, they are evaluated on an individual basis. The allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts.

The changes in the allowance for credit losses during the three months ended March 31, 2025 were as follows:

<i>(In thousands)</i>	
Balance at December 31, 2024	\$ 1,600
Provision for (recovery of) credit loss	(328)
Write-offs	(125)
Balance at March 31, 2025	<u>\$ 1,147</u>

Note 11 – Leases

Operating lease cost details for the three months ended March 31, 2025 and 2024 are as follows:

	Three Months Ended March 31,	
	2025	2024
<i>(In thousands)</i>		
Building rent	\$ 231	\$ 312
Automobile rentals	264	347
Total net operating lease costs	<u>\$ 495</u>	<u>\$ 659</u>

At March 31, 2025, the Company's weighted average remaining lease term for its operating leases is 5.0 years, and the weighted average discount rate for its operating leases is 6%.

During the three months ended March 31, 2025, there were \$0.5 million of operating cash payments for lease liabilities and \$0.3 million of right-of-use assets obtained in exchange for new lease liabilities.

Maturities of the Company's operating leases as of March 31, 2025 are as follows:

<i>(In thousands)</i>	As of March 31, 2025
2025	\$ 1,782
2026	2,339
2027	1,946
2028	1,840
2029	1,045
Later years	1,352
Less imputed interest	(1,399)
Total lease liabilities	<u>\$ 8,905</u>

Note 12 – Income Taxes

The Company's estimated annual effective tax rate for 2025, before discrete items is expected to be approximately 19%. The Company's global effective tax rate is lower than the U.S. statutory tax rate of 21% primarily due to the impact of foreign operations, the release of valuation allowances for the current year earnings for companies with a valuation allowance, offset by nondeductible expenses. The ultimate tax expense will depend on the mix of earnings in various jurisdictions. Income taxes, net of refunds, of \$1.7 million and \$0.9 million were paid during the three months ended March 31, 2025 and 2024, respectively.

Management assesses the need for a valuation allowance on a regular basis, weighing all positive and negative evidence to determine whether a deferred tax asset will be fully or partially realized. In evaluating the realizability of deferred tax assets, significant pieces of negative evidence such as 3-year cumulative losses are considered. Management also reviews reversal patterns of temporary differences to determine if the Company would have sufficient taxable income due to the reversal of temporary differences to support the realization of deferred tax assets.

Certain operations have incurred net operating losses (NOLs), which are currently subject to a valuation allowance. These NOLs may become deductible to the extent these operations become profitable. For each of its operations, the Company evaluates whether it is more likely than not that the tax benefits related to NOLs will be realized. As part of this evaluation, the Company considers evidence such as tax planning strategies, historical operating results, forecasted taxable income, and recent financial performance. In the year that certain operations record a loss, the Company does not recognize a corresponding tax benefit, thus increasing its effective tax rate, or decreasing its effective tax rate when reporting income in a jurisdiction that has a valuation allowance. Upon determining that it is more likely than not that the NOLs will be realized, the Company will reduce the tax valuation allowances related to these NOLs, which will result in a reduction of its income tax expense and its effective tax rate in the period.

Note 13 – Long-Term Compensation Plan and Stock Based Compensation

Under the OneSpan Inc. 2019 Omnibus Incentive Plan, the Company awards restricted stock units subject to time-based vesting, restricted stock units which are subject to the achievement of future performance criteria and restricted stock units that are subject to the achievement of market conditions. The Company also awards a small amount of cash incentive awards under the 2019 Omnibus Incentive Plan, as shown in the table below.

The Company awarded 0.3 million restricted stock units during the three months ended March 31, 2025, subject to time-based vesting. The fair value of the unissued time-based restricted stock unit grants was \$4.8 million at the dates of grant and the grants are being amortized over the vesting periods of one to three years.

The Company awarded restricted stock units subject to the achievement of service and future performance criteria during the three months ended March 31, 2025, which allows for up to 0.3 million shares to be earned if the performance criteria are achieved at the target level. The fair value of these awards was \$5.7 million as the dates of grant and the awards are being amortized over the requisite service period of one to three years. The Company currently believes that approximately 100% of these shares are expected to be earned.

The following table summarizes total compensation expense for the three months ended March 31, 2025 and 2024:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2025	2024
Stock-based compensation	\$ 2,776	\$ 1,540
Other long-term incentive plan compensation (1)	14	81
Total compensation	\$ 2,790	\$ 1,621

(1) Other long-term incentive compensation consists of immaterial expense for cash incentive awards granted to employees located in jurisdictions where we do not issue stock-based compensation due to tax, regulatory or similar reasons.

Note 14 – Earnings per Share

Basic earnings per share is based on the weighted average number of shares outstanding and excludes the dilutive effect of common stock equivalents. Diluted earnings per share is based on the weighted average number of shares outstanding and includes the dilutive effect of common stock equivalents to the extent they are not anti-dilutive.

The details of the earnings per share calculations for the three months ended March 31, 2025 and 2024 are as follows:

<i>(In thousands, except per share data)</i>	Three Months Ended March 31,	
	2025	2024
Net income	\$ 14,505	\$ 13,468
Weighted average common shares outstanding:		
Basic	38,106	38,060
Incremental shares with dilutive effect:		
Restricted stock units	921	403
Diluted	39,027	38,463
Net income per share:		
Basic	\$ 0.38	\$ 0.35
Diluted	\$ 0.37	\$ 0.35

Note 15 – Legal Proceedings and Contingencies

The Company is subject to certain legal proceedings and claims that have arisen in the ordinary course of business. The Company currently does not anticipate that these matters, if resolved against the Company, will have a material adverse impact on its financial results or financial condition.

The Company accrues loss contingencies when losses become probable and are reasonably estimable. As of March 31, 2025, the Company has recorded an accrual of \$0.6 million for loss contingencies associated with employment-termination benefits and employee related taxes.

The Company does not accrue for contingent losses that, in the judgment of the Company, are considered to be reasonably possible, but not probable. Although the Company intends to defend its legal matters vigorously, the ultimate outcome of these matters is uncertain. However, the Company does not expect the potential losses, if any, to have a material adverse impact on its operating results, cash flows, or financial condition. As of March 31, 2025, the Company does not have any reasonably possible losses for which an estimate can be made.

Note 16 – Restructuring and Other Related Charges

In 2021 and 2022, the Company's Board of Directors approved cost reduction actions designed to streamline its business and improve efficiency. On August 3, 2023, the Board approved further cost reduction actions (the "2023 Actions") to seek to drive higher levels of Adjusted EBITDA while maintaining the Company's long-term growth potential. The Company has incurred and expects to continue to incur restructuring charges in connection with the 2023 Actions, and anticipates that these charges will consist primarily of charges related to employee transition and severance payments, with a significantly smaller amount of charges relating to vendor contract termination and rationalization actions.

In connection with the Plan (including the 2023 Actions), the Company recorded a total of \$0.4 million and \$1.6 million in restructuring charges for the three months ended March 31, 2025 and 2024, respectively. Approximately less than \$0.1 million is recorded in "Services and other cost of goods sold" in the condensed consolidated statements of operations for both periods while the remaining amounts of \$0.4 million and \$1.5 million is recorded in "Restructuring and other related charges" in the condensed consolidated statements of operations for the three months ended March 31, 2025 and 2024.

The main categories of charges are in the following areas:

- Employee costs – include severance, related benefits and retention pay costs incurred as a result of eliminating positions in certain areas of the Company. For the three months ended March 31, 2025 and 2024 employee costs were \$0.3 million and \$1.4 million, respectively. In total, there were approximately 335 employees, across multiple functions, whose positions were made redundant. The \$0.6 million current portion of the restructuring liability at March 31, 2025 is included in "Accrued wages and payroll taxes" in the consolidated balance sheet and is expected to be paid within the next 12 months.
- Real estate rationalization costs – includes costs to align the real estate footprint with the Company's needs. During 2023, the Company vacated its Chicago and Brussels office spaces, which resulted in the abandonment and termination of the underlying leases. In August 2024, the Company finalized its early termination agreement with the Chicago office landlord to terminate and release any further obligations for either party. The remaining contract termination fees of \$0.5 million were paid in January 2025 and no liability was outstanding as of March 31, 2025.
- Vendor rationalization costs – include costs for contractually committed services the Company is no longer utilizing. The Company recognized \$0.1 million and \$0 of vendor rationalization costs for the three months ended March 31, 2025 and 2024, respectively. These costs are included in "Restructuring and other related charges" on the condensed consolidated statements of operations.

The table below sets forth the changes in the carrying amount of the restructuring charge liability for the three months ended March 31, 2025.

<i>(In thousands)</i>	Employee Costs	Real Estate Rationalization	Total
Balance as of December 31, 2024	\$ 1,257	\$ 525	\$ 1,782
Additions	316	—	316
Payments	(998)	(525)	(1,523)
Balance as of March 31, 2025	\$ 575	\$ —	\$ 575

Note 17 – Subsequent Events

On May 1, 2025, the Board of Directors declared a quarterly cash dividend of \$0.12 per share as part of the Company's recurring quarterly dividend program initiated in December 2024. This dividend will be paid on June 6, 2025 to shareholders of record as of the close of business on May 16, 2025. The declaration and payment of future dividends is subject to the sole discretion of the Board of Directors.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless otherwise noted, references in this Quarterly Report on Form 10-Q to "OneSpan," "Company," "we," "our," and "us" refer to OneSpan Inc. and its subsidiaries.

This commentary should be read in conjunction with the condensed consolidated financial statements and related notes thereto of OneSpan for the three-month periods ended March 31, 2025 and 2024 as well as our consolidated financial statements and related notes thereto and management's discussion and analysis of financial condition and results of operations in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "Form 10-K").

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of applicable U.S. securities laws, including statements regarding our goal of driving profitable, efficient growth in both operating segments, with a particular emphasis on subscription revenue growth; our focus on high-margin software solutions and continued investment in hardware authentication solutions; revenue trends, including revenue expectations for our hardware business; estimates concerning the timing and amount of savings, improvements in Adjusted EBITDA, and/or restructuring charges that may result from our cost reduction and restructuring actions; our plans for managing our Security Solutions and Digital Agreements segments; expectations about trends in our cost of goods sold, gross margin, and sales and marketing, research and development, and general and administrative expenses; the impact of foreign currency rate fluctuations; expectations regarding sources and uses of cash; 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", "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 attract new customers and retain and expand sales to existing customers; our ability to successfully develop and market new product offerings and product enhancements; changes in customer requirements; the potential effects of technological changes; the loss of one or more large customers; difficulties enhancing and maintaining our brand recognition; competition; lengthy sales cycles; unintended costs and consequences of our cost reduction and restructuring actions, including higher than anticipated restructuring charges, disruption to our operations, litigation or regulatory actions, or employee turnover; challenges retaining key employees and successfully hiring and training qualified new employees; security breaches or cyber-attacks; real or perceived malfunctions or errors in our products; interruptions or delays in the performance of our products and solutions; reliance on third parties for certain products and data center services; our ability to effectively manage third party partnerships, acquisitions, divestitures, alliances, or joint ventures; economic recession, inflation, tariffs or trade disputes, and political instability; claims that we have infringed the intellectual property rights of others; changing laws, government regulations or policies; pressures on price levels; component shortages; delays and disruption in global transportation and supply chains; 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 most recent Annual Report on Form 10-K. 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 Form 10-Q, except as required by law.

Our website address is included in this Quarterly Report on Form 10-Q as an inactive textual reference only.

Overview

OneSpan delivers cutting-edge solutions in two key areas: advanced secure authentication and digital agreements. Our secure authentication solutions protect devices, users, and applications with robust multi-factor and passwordless authentication and other fraud prevention technologies. Our digital agreements solutions combined identity verification, electric signatures, and digital workflows to streamline agreements, enhance compliance, and accelerate business processes. We empower organizations to automate and secure both customer-facing and revenue-generating processes, supporting a wide range of use cases—from simple transactions to complex workflows requiring elevated security. Trusted by global blue-chip enterprises, including more than 60% of the world's 100 largest banks, OneSpan processes millions of digital agreements and billions of transactions in more than 100 countries annually.

We offer our products primarily through a subscription licensing model and provide multiple deployment options, including cloud-based and on-premises solutions. Our solutions are sold worldwide through our direct sales force, as well as through distributors, resellers, systems integrators, and original equipment manufacturers.

We report our financial results under the following two lines of business, which are our reportable segments: Security Solutions and Digital Agreements.

- **Security Solutions.** Security Solutions consists of our broad portfolio of software products, software development kits (SDKs), and Digipass authenticator devices that are used to build applications designed to defend against attacks on digital transactions across online environments, devices, and applications. The software products and SDKs included in the Security Solutions segment are on-premises and, to a lesser extent, cloud software products, and include multi-factor authentication and transaction signing solutions, such as mobile application security and mobile software tokens.
- **Digital Agreements.** Digital Agreements consists of solutions that enable our clients to secure and automate business processes associated with their digital agreement and customer transaction lifecycles that require consent, non-repudiation and compliance. These solutions, which are largely cloud-based, include OneSpan Sign e-signature, OneSpan Notary, and Identity Verification.

We seek to drive profitable, efficient growth in both operating segments, with a particular emphasis on subscription revenue growth. Both operating segments were profitable for the quarter ended March 31, 2025, and Security Solutions and Digital Agreements subscription revenue grew 7% and 13% as compared to the quarter ended March 31, 2024, respectively.

Restructuring Plan

In 2021 and 2022, our Board approved cost reduction actions designed to advance our operating model, streamline our business, improve efficiency, and enhance our capital resources.

On August 3, 2023, our Board of Directors approved further cost reduction actions (the "2023 Actions"). In connection with the 2023 Actions, we have incurred and expect to continue to incur restructuring charges, most of which relate to employee transition and severance payments and employee benefits, with a significantly smaller amount of charges related to vendor contract termination and rationalization actions. We currently expect that we will incur restructuring charges of approximately \$0.1 million to \$0.6 million related to the 2023 Actions in future periods, substantially all of which relate to employee transition and severance payments.

We plan to incrementally take actions under the restructuring plan until December 31, 2025, when the plan terminates. We completed substantially all of the workforce reductions planned as part of the 2023 Actions in 2023 and 2024. The vendor contract component of the 2023 Actions is planned for completion by the end of 2025.

As part of the restructuring plan (including the 2023 Actions), we reduced headcount by eliminating approximately 335 positions. We incurred severance and related benefits costs, recorded in "Restructuring and other related charges" in the consolidated statements of operations.

Components of Operating Results

Revenue

We generate revenue from the sale of our subscriptions, maintenance and support, professional services, and Digipass hardware products. We believe comparison of revenues between periods is heavily influenced by the timing of orders and shipments, reflecting the transactional nature of significant parts of our business.

- *Product and license revenue.* Product and license revenue includes Digipass hardware products and software licenses, which are provided on a perpetual or term basis subscription model.
- *Service and other revenue.* Service and other revenue includes solutions that are provided on a cloud-based subscription model, maintenance and support, and professional services.

Cost of Goods Sold

Our total cost of goods sold consists of cost of product and license revenue and cost of service and other revenue. We expect our cost of goods sold to increase in absolute dollars as our business grows, although it may fluctuate as a percentage of total revenue from period to period.

- *Cost of product and license revenue.* Cost of product and license revenue primarily consists of direct product and license costs, including personnel costs, production costs, freight, and inventory write-off adjustments for discontinued products and services.
- *Cost of service and other revenue.* Cost of service and other revenue primarily consists of costs related to cloud subscription solutions, including personnel and equipment costs, depreciation, amortization, and personnel costs of employees providing professional services and maintenance and support.

Gross Profit

Gross profit is revenue net of the cost of goods sold. Gross profit as a percentage of total revenue, or gross margin, has been and will continue to be affected by a variety of factors, including our average selling price, manufacturing costs, the mix of products sold, and the mix of revenue among products, subscriptions and services. We expect our gross margins to fluctuate over time depending on these factors.

Operating Expenses

Our operating expenses are generally based on anticipated revenue levels and fixed over short periods of time. As a result, small variations in revenue may cause significant variations in the period-to-period comparisons of operating income or operating income as a percentage of revenue.

Generally, the most significant factor driving our operating expenses is headcount. Direct compensation and benefit plan expenses generally represent between 50% and 60% of our operating expenses. In addition, a number of other expense categories are directly related to headcount. We attempt to manage our headcount within the context of the economic environments in which we operate and the investments we believe we need to make for our infrastructure to support future growth and for our products to remain competitive.

Historically, operating expenses have been impacted by changes in foreign exchange rates. We estimate the change in currency rates during the three months ended March 31, 2025 compared to the comparable prior year period resulted in a decrease in operating expenses of less than \$0.3 million.

The comparison of operating expenses can also be impacted significantly by costs related to our stock-based and long-term incentive plans. Long-term incentive plan compensation expense includes both stock-based incentives and an immaterial amount of cash-based incentives. During the three months ended March 31, 2025 and 2024, operating expenses included \$2.8 million and \$1.6 million, respectively, of expenses related to stock-based and long-term incentive plans as well as payroll taxes on employee stock-based awards.

Our operating expenses consist of:

- *Sales and marketing.* Sales and marketing expenses consist primarily of personnel costs, commissions and bonuses, trade shows, marketing programs and other marketing activities, travel, outside consulting costs, and long-term incentive compensation. Our sales and marketing expenses may fluctuate as a percentage of total revenue.
- *Research and development.* Research and development expenses consist primarily of personnel costs and long-term incentive compensation. Our research and development expenses may fluctuate as a percentage of total revenue.
- *General and administrative.* General and administrative expenses consist primarily of personnel costs, legal, consulting and other professional fees, and long-term incentive compensation. Our general and administrative expenses may fluctuate as a percentage of total revenue.
- *Amortization of intangible assets.* Acquired intangible assets are amortized over their respective amortization periods and are periodically evaluated for impairment or changes in estimated useful life.

- *Restructuring and related charges.* Restructuring and other related charges consist of employee costs which include severance, retention pay, and related benefits incurred from headcount reductions as part of our restructuring plan, including the 2023 Actions; real estate rationalization costs incurred to optimize our real estate footprint which include lease contract termination costs, asset impairment charges, and lease right-of-use asset and lease liability write-off gains or losses; product and services optimization costs incurred to advance our operating model which include write-offs of capitalized software assets no longer in use; write-offs of acquired blockchain technology and related capitalized software due to the discontinuation of incremental development investments and related commercial efforts; and vendor rationalization costs for contractually committed services the Company is no longer utilizing. We plan to incrementally incur additional restructuring costs through December 31, 2025, when the restructuring plan terminates and the 2023 Actions are completed.

Segment Results

Segment operating income (loss) consists of the revenue generated by a segment, less the direct costs of revenue, sales and marketing, research and development amortization and any impairment charges that are incurred directly by a segment. Unallocated corporate costs include general and administrative expense and other company-wide costs that are not attributable to a particular segment. Financial results by reportable operating segment are included below under Results of Operations. As of December 31, 2024, we adopted ASU 2023-07, Segment Reporting (Topic 280) to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. See Note 3, *Segment Information*, for additional information.

Interest Income, Net

Interest income, net, consists of income earned on our cash equivalents. Our cash equivalents are invested in short-term instruments at current market rates.

Other Income (Expense), Net

Other income (expense), net, primarily includes exchange gains (losses) on transactions that are denominated in currencies other than our subsidiaries' functional currencies, subsidies received from foreign governments in support of our research and development in those countries and other miscellaneous non-operational expenses.

Income Taxes

Our effective tax rate reflects our global structure related to the ownership of our intellectual property ("IP"). The IP in our Security Solutions business is owned by a U.S. subsidiary. The e-signature IP in our Digital Agreements business is owned by a subsidiary in Canada. These subsidiaries have entered into agreements with most of the other OneSpan entities under which those other entities provide services to the IP owners on either a percentage of revenue or on a cost plus basis or both. Under this structure, the earnings of our service provider subsidiaries are relatively constant. These service provider companies tend to be in jurisdictions with higher effective tax rates. Fluctuations in earnings flow to the IP owners.

As the majority of our revenue is generated outside of the U.S., our consolidated effective tax rate is strongly influenced by our foreign operations, including the tax rates in the countries in which we operate and by cross border tax laws in the U.S. Changes in the effective rate related to foreign operations reflect changes in the geographic mix of earnings and the tax rates in each of the countries in which it is earned. The statutory tax rate for the primary foreign tax jurisdictions ranges from 17% to 30%.

Impact of Currency Fluctuations

During the three months ended March 31, 2025 and 2024, we generated approximately 84% and 84% of our revenues and incurred approximately 58% and 61% of our operating expenses, respectively, outside of the U.S. As a result, changes in currency exchange rates, especially the Euro exchange rate and the Canadian Dollar exchange rate, can have a significant impact on our revenue and operating expenses.

While the majority of our revenue is generated outside of the U.S., a significant amount of our revenue earned during the three months ended March 31, 2025 was denominated in U.S. Dollars. For the three months ended March 31, 2025, approximately 55% of our revenue was denominated in U.S. Dollars, 43% was denominated in Euros and 2% was denominated in other currencies. For the three months ended March 31, 2024, approximately 53% of our revenue was denominated in U.S. Dollars, 43% was denominated in Euros and 4% was denominated in other currencies.

In general, to minimize the net impact of currency fluctuations on operating income, we attempt to denominate an amount of billings in a currency such that it would provide a natural hedge against the operating expenses being incurred in that currency. We expect that changes in currency rates may impact our future results if we are unable to match amounts of revenue with our operating expenses in the same currency. If the amount of our revenue in Europe denominated in Euros continues as it is now or declines, we may not be able to balance fully the exposures of currency exchange rates on revenue and operating expenses.

The financial position and the results of operations of our foreign subsidiaries, with the exception of our subsidiaries in Switzerland, Singapore and Canada, are measured using the local currency as the functional currency. The functional currency for our subsidiaries in Switzerland, Singapore and Canada is the U.S. Dollar. Accordingly, assets and liabilities of our foreign subsidiaries are translated into U.S. Dollars using current exchange rates as of the balance sheet date. Revenues and expenses are translated at average exchange rates prevailing during the year. Translation adjustments arising from differences in exchange rates generated a comprehensive gain of \$2.7 million during the three months ended March 31, 2025. For the three months ended March 31, 2024, translation adjustments arising from differences in exchange rates generated a comprehensive loss of \$1.7 million.

Gains and losses resulting from foreign currency transactions are included in the condensed consolidated statements of operations in other (expense) income, net. Foreign exchange transaction gains (losses) aggregated \$(0.2) million and \$0.1 million for the three months ended March 31, 2025 and 2024, respectively.

Results of Operations

The following table sets forth, for information about the Company's two operating segments, for the periods indicated, and selected segment and condensed consolidated operating results. Unallocated corporate costs include costs related to administrative functions that are performed in a centralized manner that are not attributable to a particular segment.

	Three Months Ended March 31, 2025			Total
	Security Solutions	Digital Agreements	Corporate and Other	
<i>(In thousands, except percentages)</i>				
Revenue	\$ 47,713	\$ 15,653	\$ —	\$ 63,366
Cost of goods sold	11,628	4,647	—	16,275
Gross profit	36,085	11,006	—	47,091
<i>Gross margin</i>	<i>76 %</i>	<i>70 %</i>	<i>*</i>	<i>74 %</i>
Sales and marketing	6,872	3,402	1,183	11,457
Research and development	4,919	3,006	3	7,928
Other segment items (1)(3)	134	1,231	9,159	10,524
Operating income (loss) (2)(4)	24,160	3,367	(10,345)	17,182
Interest income, net				692
Other income (expense), net				(9)
Income before income taxes				\$ 17,865

	Three Months Ended March 31, 2024			
	Security Solutions	Digital Agreements	Corporate and Other	Total
<i>(In thousands, except percentages)</i>				
Revenue	\$ 50,429	\$ 14,414	\$ —	\$ 64,843
Cost of goods sold	12,926	4,522	—	17,448
Gross profit	37,503	9,892	—	47,395
<i>Gross margin</i>	<i>74 %</i>	<i>69 %</i>	<i>*</i>	<i>73 %</i>
Sales and marketing	6,544	5,230	1,153	12,927
Research and development	4,000	4,231	28	8,259
Other segment items (1)(3)	1,081	696	10,322	12,099
Operating income (loss) (2)(4)	25,878	(265)	(11,503)	14,110
Interest income, net				101
Other income (expense), net				291
Income before income taxes				<u>\$ 14,502</u>

*Percentage not meaningful.

(1) Security Solutions other segment items includes general and administrative expense and restructuring and other related charges for the three months ended March 31, 2025 and 2024.

(2) Security Solutions operating income includes \$0.2 million of total amortization and depreciation expense for the three months ended March 31, 2025 and 2024.

Security Solutions operating income includes \$0.2 million and \$1.1 million of restructuring and other related charges for the three months ended March 31, 2025 and 2024, respectively.

(3) Digital Agreements other segment items includes general and administrative expense, restructuring and other related charges, and amortization of intangibles for the three months ended March 31, 2025 and 2024.

(4) Digital Agreements operating income (loss) includes \$1.7 million and \$1.6 million of total amortization and depreciation expense for the three months ended March 31, 2025 and 2024, respectively.

Digital Agreements operating income (loss) includes \$0.2 million and \$0.1 million of restructuring and other related charges for the three months ended March 31, 2025 and 2024, respectively.

Revenue

Revenue by products and services allocated to the segments for the three months ended March 31, 2025, and 2024 is as follows:

	Three Months Ended March 31,			
	2025		2024	
	Security Solutions	Digital Agreements	Security Solutions	Digital Agreements
<i>(In thousands)</i>				
Subscription	\$ 28,072	\$ 15,545	\$ 26,182	\$ 13,812
Maintenance and support	7,984	24	10,066	505
Professional services and other (1)	594	84	1,605	97
Hardware products	11,063	—	12,576	—
Total Revenue	<u>\$ 47,713</u>	<u>\$ 15,653</u>	<u>\$ 50,429</u>	<u>\$ 14,414</u>

(1) Professional services and other includes perpetual software licenses revenue, which was immaterial for the three months ended March 31, 2025 and approximately 1% of total revenue for the three months ended March 31, 2024.

Total revenue decreased by \$1.5 million, or 2%, during the three months ended March 31, 2025 compared to the three months ended March 31, 2024. Changes in foreign exchange rates as compared to the same period in 2024 negatively impacted revenue by approximately \$1.1 million.

Additional information on our revenue by segment follows.

- **Security Solutions** revenue decreased \$2.7 million, or approximately 5%, during the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The decrease in Security Solutions revenue was primarily attributable to lower volumes of hardware devices sold, and lower perpetual-based maintenance and professional services revenues due to our transition to term licenses and cloud subscription license models. The decrease was partially offset by higher on-premises and cloud subscription revenue from existing customer expansions. Changes in foreign exchange rates for the three months ended March 31, 2025 compared to the same period in 2024 negatively impacted Security Solutions revenue by \$1.1 million.
- **Digital Agreements** revenue increased \$1.2 million, or 9%, during the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The increase in Digital Agreements revenue was primarily attributable to higher cloud subscription revenue from existing customer expansions and, to a lesser extent, new logos, partially offset by lower term-based maintenance revenue due to our transition to cloud subscription licenses. Changes in foreign exchange rates compared to the same period in 2024 negatively impacted Digital Agreements revenue by less than \$0.1 million for the three months ended March 31, 2025.

Our revenue is heavily influenced by the timing of orders and shipments, as well as the timing of customer renewals in any given period. As a result, we believe that the overall strength of our business is best evaluated over a longer term where the impact of transactions in any given period is not as significant as in a quarter-over-quarter comparison.

Revenue by Geographic Regions: We classify our sales by customer location in three geographic regions: 1) EMEA, which includes Europe, Middle East and Africa; 2) the Americas, which includes sales in North, Central, and South America; and 3) Asia Pacific (APAC), which also includes Australia, New Zealand, and India. The breakdown of revenue in each of our major geographic areas was as follows:

	Three Months Ended March 31,	
	2025	2024
<i>(In thousands, except percentages)</i>		
Revenue		
EMEA	\$ 31,006	\$ 31,842
Americas	21,095	21,344
APAC	11,265	11,657
Total revenue	<u>\$ 63,366</u>	<u>\$ 64,843</u>
% of Total Revenue		
EMEA	49 %	49 %
Americas	33 %	33 %
APAC	18 %	18 %

For the three months ended March 31, 2025, revenue generated in EMEA was \$0.8 million, or 3%, lower than the same period in 2024, primarily due to a decrease in hardware revenue due to lower volumes sold.

For the three months ended March 31, 2025, revenue generated in the Americas was \$0.2 million, or 1%, lower than the three months ended March 31, 2024.

For the three months ended March 31, 2025, revenue generated in APAC was \$0.4 million, or 3%, lower than the three months ended March 31, 2024, largely due to a decrease in hardware revenue due to lower volumes sold.

Cost of Goods Sold and Gross Margin

The following table presents cost of goods sold for our products and services for the three months ended March 31, 2025 and 2024:

<i>(In thousands, except percentages)</i>	Three Months Ended March 31,	
	2025	2024
Cost of goods sold		
Product and license	\$ 8,718	\$ 9,706
Services and other	7,557	7,742
Total cost of goods sold	\$ 16,275	\$ 17,448
Gross profit	\$ 47,091	\$ 47,395
Gross margin		
Product and license	77 %	74 %
Services and other	71 %	71 %
Total gross margin	74 %	73 %

The cost of product and license revenue decreased by \$1.0 million, or 10%, during the three months ended March 31, 2025, respectively, compared to the three months ended March 31, 2024. The decrease in cost of product and license revenue for the three months ended March 31, 2025 was driven primarily by lower hardware revenue, partially offset by higher third-party license costs.

The cost of services and other revenue decreased by \$0.2 million, or 2%, during the three months ended March 31, 2025, compared to the three months ended March 31, 2024.

Gross profit decreased slightly by \$0.3 million, or 1%, during the three months ended March 31, 2025 compared to the three months ended March 31, 2024. Gross margin was 74% for the three months ended March 31, 2025, compared to 73% for the three months ended March 31, 2024. The increase in gross margin was primarily driven by favorable product mix and improved operational efficiencies in both business units.

The majority of our inventory purchases are denominated in U.S. Dollars. Our sales are denominated in various currencies, including the Euro. The impact of changes in currency rates are estimated to have had an favorable impact on overall cost of goods sold of \$0.2 million for three months ended March 31, 2025. Had currency rates during the three months ended March 31, 2025 been equal to rates in the comparable period of 2024, the gross margin would have been less than 1 percentage point lower, driven by the favorable currency rate impact to revenue.

Additional information on our gross profit by segment follows.

- **Security Solutions** gross profit decreased \$1.4 million, or 4%, during the three months ended March 31, 2025 compared to the three months ended March 31, 2024. Security Solutions gross margin for the three months ended March 31, 2025 was 76%, compared to 74% for the three months ended March 31, 2024. The increase in gross margin was primarily due to a higher software to hardware revenue mix, which has a direct correlation to gross profit.
- **Digital Agreements** gross profit increased \$1.1 million, or 11%, during the three months ended March 31, 2025 compared to the three months ended March 31, 2024. Digital Agreements gross margin for the three months ended March 31, 2025 was 70%, compared to 69% for the three months ended March 31, 2024. The increase in gross profit and gross margin was driven by higher cloud subscription revenue, partially offset by lower term-based maintenance revenue.

Operating Expenses

Operating expenses decreased by \$3.4 million, or 10%, during the three months ended March 31, 2025 compared to the three months ended March 31, 2024. For the three months ended March 31, 2025, changes in foreign exchange rates favorably impacted operating expenses by less than \$0.3 million as compared to the same period in 2024.

The following table presents the breakout of operating expenses by category as of March 31, 2025 and 2024:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2025	2024
Operating costs		
Sales and marketing	\$ 11,457	\$ 12,927
Research and development	7,928	8,259
General and administrative	9,547	10,007
Restructuring and other related charges	421	1,497
Amortization of intangible assets	556	595
Total operating costs	\$ 29,909	\$ 33,285

Sales and Marketing Expenses

Sales and marketing expenses for the three months ended March 31, 2025 decreased by \$1.5 million, or 11%, compared to the three months ended March 31, 2024. The decreases were driven primarily by lower employee compensation costs which included decreases in commissions, salaries, and benefits as a result of headcount reductions, along with decreased consulting and marketing costs related to our strategic plan, and lower travel and entertainment expenses.

Average full-time sales, marketing, support, and operating employee headcount for the three months ended March 31, 2025 was 158 compared to 183 for the three months ended March 31, 2024. Average headcount was 14% lower for the three months ended March 31, 2025 compared to the same period in 2024.

Research and Development Expenses

Research and development expenses for the three months ended March 31, 2025 decreased by \$0.3 million, or 4%, compared to the three months ended March 31, 2024. The decrease in expense was driven primarily by lower compensation costs as a result of lower headcount and lower consulting expenses related to our strategic transformation plan.

Average full-time research and development employee headcount for the three months ended March 31, 2025 was 222 compared to 250 for the three months ended March 31, 2024. Average headcount was 11% lower for the three months ended March 31, 2025, compared to the same period in 2024.

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2025 decreased by \$0.5 million, or 5%, compared to the three months ended March 31, 2024. The decrease in expense for three months ended March 31, 2025 as compared to the prior year period was largely driven by lower employee compensation costs, which included a decrease in salaries, payroll taxes, and related benefits as a result of lower headcount as well as lower bonus accruals. This decrease was partially offset by increased stock-based compensation expense and higher consulting costs in 2025 compared to prior year.

Average full-time general and administrative employee headcount for the three months ended March 31, 2025 was 85 compared to 111 for the three months ended March 31, 2024. Average headcount was 23% lower for the three months ended March 31, 2025, compared to the same period in 2024.

Restructuring and Other Related Charges

Restructuring and other related charges for the three months ended March 31, 2025 decreased by \$1.1 million, or 72%, compared to the three months ended March 31, 2024, driven by minimal headcount reduction and vendor rationalization costs in 2025 compared to severance costs of \$1.4 million incurred in 2024.

Amortization of Intangible Assets

Amortization of intangible assets expense for the three months ended March 31, 2025 decreased by less than \$0.1 million, or 7%, compared to the three months ended March 31, 2024.

Segment Operating Income (Loss)

Information on our operating income (loss) by segment follows.

- **Security Solutions** operating income for the three months ended March 31, 2025 was \$24.2 million, which was a year-over-year decrease of \$1.7 million, or 7%, from the three months ended March 31, 2024. The decrease was largely due to lower overall revenue and higher sales and marketing expenses, research and development expenses, and restructuring expenses.
- **Digital Agreements** operating income for the three months ended March 31, 2025 was \$3.4 million, compared to an operating loss of \$0.3 million, for the three months ended March 31, 2024. The improvement in operating income for the three months ended March 31, 2025 was driven by higher overall revenue and gross profit and lower sales and marketing and research and development expenses, including lower employee compensation costs, marketing expenses, and travel and entertainment costs, partially offset by increased general and administrative expenses.

Interest income, net

<i>(In thousands)</i>	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest income, net	\$ 692	\$ 101

Interest income, net, was \$0.7 million and \$0.1 million for the three months ended March 31, 2025 and 2024, respectively. The increase in interest income was due to higher average excess cash invested in the period compared to last year.

Other Income (Expense), net

<i>(In thousands)</i>	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Other income (expense), net	\$ (9)	\$ 291

Other income (expense), net, primarily includes subsidies received from foreign governments in support of our research and development in those countries, exchange gains (losses) on transactions that are denominated in currencies other than our subsidiaries' functional currencies, and other miscellaneous non-operational, non-recurring expenses.

Other income (expense), net, for the three months ended March 31, 2025 and 2024 was less than \$(0.1) million and \$0.3 million, respectively.

Provision for Income Taxes

<i>(In thousands)</i>	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Provision for income taxes	\$ 3,360	\$ 1,034

We recorded income tax expense of \$3.4 million and \$1.0 million for the three months ended March 31, 2025 and 2024, respectively. Higher income tax expense for the three months ended March 31, 2025 was primarily attributable to an increase in income before taxes and a \$1.1 million tax benefit recorded during the three months ended March 31, 2024 in connection with a Mutual Agreement Procedure request. In addition, the prior year tax reflected valuation allowance releases for entities with income and a valuation allowance.

Liquidity and Capital Resources

At March 31, 2025, we had cash and cash equivalent balances of \$105.2 million. Our cash and cash equivalents balance includes money market funds and U.S. treasury bills with maturities at acquisition of less than three months.

At December 31, 2024, we had cash and cash equivalent balances of \$83.2 million.

We are party to lease agreements that require letters of credit to secure the obligations which totaled \$0.2 million at both March 31, 2025 and December 31, 2024. The restricted cash related to the letters of credit will be held for a period greater than 12 months, and therefore, is recorded as "Restricted cash" and a long-term asset on the condensed consolidated balance sheets.

As of March 31, 2025, we held \$42.8 million of cash and cash equivalents in subsidiaries outside of the United States. Of that amount, \$41.9 million is not subject to repatriation restrictions, but may be subject to taxes upon repatriation.

We believe that our financial resources are adequate to meet our operating needs over the next twelve months.

Our cash flows are as follows:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2025	2024
Cash provided by (used in):		
Operating activities	\$ 29,366	\$ 26,960
Investing activities	(1,645)	(3,080)
Financing activities	(5,914)	(1,795)
Effect of foreign exchange rate changes on cash and cash equivalents	244	(734)

Operating Activities

Cash used in operating activities primarily consists of net income, as adjusted for non-cash items, and changes in operating assets and liabilities. Non-cash adjustments consist primarily of allowance for credit losses, amortization of intangible assets, deferred taxes, depreciation of property and equipment, and stock-based compensation. We expect cash inflows from operating activities to be affected by increases or decreases in sales and timing of collections. Our primary uses of cash from operating activities have been for personnel and vendor costs. We expect cash outflows from operating activities to be affected by changes in personnel costs and the timing of payment of expenditures.

For the three months ended March 31, 2025, \$29.4 million of cash was provided by operating activities. This was driven by a net income for the period and a decrease in our accounts receivable balance, partially offset by a decrease in deferred revenue. For the three months ended March 31, 2024, \$27.0 million of cash was provided by operating activities.

Our working capital at March 31, 2025 was \$83.5 million compared to \$64.6 million at December 31, 2024. The increase was driven by lower deferred revenue, accrued wages and payroll taxes, and other accrued expenses and increased cash and cash equivalents, partially offset by lower accounts receivable.

Investing Activities

The changes in cash flows from investing activities primarily relate to timing of purchases, maturities and sales of investments, purchases of property and equipment, capitalized software activities, and activity in connection with acquisitions. We expect to continue to purchase property and equipment to support the growth of our business as well as to continue to invest in our infrastructure and activity in connection with acquisitions.

For the three months ended March 31, 2025, net cash used in investing activities was \$1.6 million, compared to net cash used in investing activities of \$3.1 million for the three months ended March 31, 2024. Cash used in investing activities primarily consisted of additions to property and equipment.

Financing Activities

The changes in cash flows from financing activities primarily relate to a dividend, the purchases of common stock under our share repurchase program and tax payments for restricted stock issuances.

Cash of \$5.9 million used in financing activities during the three months ended March 31, 2025 was attributable to dividends paid and tax payments for stock issuances. Cash of \$1.8 million used in financing activities during the three months ended March 31, 2024 was attributable to tax payments for stock issuances and cash paid for the holdback component of a prior year acquisition.

Key Business Metrics and Non-GAAP Financial Measures

In our quarterly earnings press releases and conference calls, we discuss the below key metrics and financial measures that are not calculated according to generally accepted accounting principles (“GAAP”). These metrics and non-GAAP financial measures help us monitor and evaluate the effectiveness of our operations and evaluate period-to-period comparisons. Management believes that these metrics and non-GAAP financial measures help illustrate underlying trends in our business. We use these metrics and non-GAAP financial measures to establish budgets and operational goals (communicated internally and externally), manage our business and evaluate our performance. We also believe that both management and investors benefit from referring to these metrics and non-GAAP financial measures as supplemental information in assessing our performance and when planning, forecasting, and analyzing future periods. We believe these metrics and non-GAAP financial measures are useful to investors both because they allow for greater transparency with respect to financial measures used by management in their financial and operational decision-making and also because they are used by investors and the analyst community to help evaluate the health of our business.

Annual Recurring Revenue

We use annual recurring revenue, or ARR, as an approximate measure to monitor the growth of our recurring business. ARR represents the annualized value of the active portion of SaaS, term-based license, and maintenance and support contracts at the end of the reporting period. 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 and support contracts and exclude one-time fees. For term-based license arrangements, the amount included in ARR is consistent with the amount that we invoice the customer annually for the term-based license transaction. A customer with a one-year term-based license contract will be invoiced for the total value of the contract at the beginning of the contractual term, while a customer with a multi-year term-based license contract will be invoiced for each annual period at the beginning of each year of the contract. For contracts that include annual values that increase over time because there are additional deliverables in subsequent periods, we include in ARR only the annualized value of components of the contract that are considered active as of the date of the ARR calculation. We do not include the future committed increases in the contract value as of the date of the ARR calculation.

We consider a contract to be active from when the product or service contractual term commences (the “start date”) until the right to use the product or service ends (the “expiration date”). Even if the contract with the customer is executed before the start date, the contract will not count toward ARR until the customer right to receive the benefit of the products or services has commenced.

To the extent that we are negotiating a renewal with a customer within 90 days after the expiration of a recurring contract, we continue to include that revenue in ARR if we are actively in discussions with the customer for a new recurring contract or renewal and the customer has not notified us of an intention not to renew. We exclude from the calculation of ARR renewal contracts that are more than 90 days after their expiration date, even if we are continuing to negotiate a renewal at that time.

ARR is not calculated based on recognized or unearned revenue and there is no direct relationship between revenue recognized in accordance with ASC 606 and the Company's ARR business metric. We believe ARR is a valuable operating measure to assess the health of our SaaS, term-based license, and maintenance and support contracts because it illustrates our customer recurring contracts as of the measurement date. ARR is not a forecast of future revenue, which can be impacted by contract start and end dates and renewal rates, and does not include revenue from perpetual licenses, purchases of Digipass authenticators, training, professional services or other sources of revenue that are not deemed to be recurring in nature.

ARR does not have any standardized meaning and is therefore unlikely to be comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenue and deferred revenue as ARR is an operating metric and is not intended to be combined with or replace these items. Investors should consider our ARR operating measure only in conjunction with our GAAP financial results.

At March 31, 2025, we reported ARR of \$168.4 million, which was 9% higher than ARR of \$154.6 million at March 31, 2024. Changes in foreign exchange rates during the three months ended March 31, 2025 as compared to the prior year negatively impacted ARR by approximately \$0.7 million. ARR growth was primarily driven by an increase in subscription contracts and new logos.

Net Retention Rate

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. It measures our ability to increase revenue across our existing customer base through expanded use of our platform, offset by customers whose subscription contracts with us are not renewed or renew at a lower amount. Our ability to drive growth and generate incremental revenue depends, in part, on our ability to maintain and grow our relationships with customers. NRR is an important way in which we track our performance in this area.

We reported NRR of 107% at both March 31, 2025 and 2024. Year-over-year, NRR was primarily impacted by the same factors that affected ARR, as discussed above.

Adjusted EBITDA

We define Adjusted EBITDA as net income before interest, taxes, depreciation, amortization, long-term incentive compensation and related payroll tax expense, restructuring and other related charges, and certain non-recurring items, including acquisition related costs, rebranding costs, and non-routine shareholder matters. Adjusted EBITDA is a non-GAAP financial metric. 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 and related payroll tax expense, 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 and related payroll tax expense, 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 that of our competitors.

The following table reconciles net income as reported on our condensed consolidated statements of operations to Adjusted EBITDA:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2025	2024
Net income	\$ 14,505	\$ 13,468
Interest income, net	(692)	(101)
Provision for income taxes	3,360	1,034
Depreciation and amortization of intangible assets (1)	2,129	2,082
Long-term incentive compensation and related payroll tax expense (2)	3,248	2,046
Restructuring and other related charges (3)	446	1,516
Other non-recurring items (4)	39	171
Adjusted EBITDA	\$ 23,035	\$ 20,216

(1) Includes cost of sales depreciation and amortization expense directly related to delivering cloud subscription revenue of \$1.1 million and \$0.8 million for the three months ended March 31, 2025 and 2024, respectively, and are recorded in "Services and other cost of goods sold" on the condensed consolidated statements of operations.

(2) Long-term incentive compensation and related payroll tax expense includes stock-based compensation and related payroll tax expense, and cash incentive grants awarded to employees located in jurisdictions where we do not issue stock-based compensation due to tax, regulatory or similar reasons. The immaterial expense associated with these cash incentive grants was less than \$0.1 million and \$0.1 million for the three months ended March 31, 2025 and 2024, respectively.

Starting January 1, 2025, employer payroll taxes related to employee stock-based award transactions are included in long-term incentive compensation and related payroll tax expense. Prior period amounts have been adjusted to reflect these changes. We are excluding these payroll taxes from Adjusted EBITDA results since they are tied to the timing and size of the vesting of the underlying stock-based awards and the price of our common stock at the time of vesting, which may vary from period to period independent of our operating performance. Employer payroll taxes related to employee stock-based award transactions amounted to \$0.5 million and \$0.4 million for the three months ended March 31, 2025 and 2024, respectively.

(3) Includes restructuring and other related charges of less than \$0.1 million for both the three months ended March 31, 2025 and 2024. These charges are recorded in "Services and other cost of goods sold" on the condensed consolidated statements of operations.

(4) For the three months ended March 31, 2025 and 2024, other non-recurring items consist of less than \$0.1 million and \$0.2 million, respectively, of fees related to non-recurring projects.

Adjusted EBITDA for the three months ended March 31, 2025 was \$23.0 million compared to \$20.2 million for the three months ended March 31, 2024. The increase was driven largely by lower operating expenses as described elsewhere in this Item 2. Year-over-year changes in foreign exchange rates unfavorably impacted Adjusted EBITDA by approximately \$0.3 million for the three months ended March 31, 2025.

Critical Accounting Policies

Our accounting policies are fully described in Note 1, *Summary of Significant Accounting Policies*, to our Consolidated Financial Statements in our Form 10-K for the year ended December 31, 2024 and Note 2, *Summary of Significant Accounting Policies*, of our interim Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q for the three months ended March 31, 2025.

Item 3 - Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in our market risk during the three months ended March 31, 2025. For additional information, refer to Part II, Item 7A, *Quantitative and Qualitative Disclosures about Market Risk*, included in our Form 10-K.

Item 4 - Controls and Procedures

Management's Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of March 31, 2025. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2025, our disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports we file or submit under the Exchange Act, and such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls

There have been no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the three months ended March 31, 2025.

PART II. OTHER INFORMATION

Item 1 - Legal Proceedings

We are subject to certain legal proceedings and claims incidental to the operation of our business. We are also subject to certain other legal proceedings and claims that have arisen in the ordinary course of business that have not been fully adjudicated. We currently do not anticipate that these matters, if resolved against us, will have a material adverse impact on our financial results.

For further information regarding our legal proceedings and claims, see Note 15, *Legal Proceedings and Contingencies*, included in Part I, Item 1, *Condensed Consolidated Financial Statements*, of this Quarterly Report on Form 10-Q.

Item 1A – Risk Factors

Except as set forth below, there have been no material changes in or additions to the risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 27, 2025.

Changes in U.S. trade policy, including the imposition of tariffs and the resulting consequences, could have a material adverse impact on our business.

Our Digipass authentication devices are assembled by third-party manufacturers located in China and Romania, using components from suppliers in a wide range of geographic locations, including China. The U.S. presidential administration recently imposed new or additional tariffs on foreign goods, including very high tariffs on certain Chinese imports. Although sales to U.S. customers account for a small portion of our Digipass sales, these tariffs could negatively impact our financial results. In some cases, we may not be able to pass the cost of the tariffs to our customers, which would negatively affect our profit margin. Even if we can pass on these costs, the tariffs and the economic uncertainty they cause may discourage customers from placing Digipass orders or lead them to decrease or delay such orders. Additional expansion of or increases to tariffs would exacerbate these impacts. Although we are planning measures to mitigate the potential impact of the China tariffs on our business, including moving more of our Digipass production to Romania, these measures are unlikely to fully offset the impact, particularly in the near term.

In addition, in response to tariffs, other countries have implemented, or may implement in the future, retaliatory tariffs on U.S. goods. Political tensions as a result of trade policies could reduce trade volume, investment, technological exchange, and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets, which could in turn have a material adverse impact on our business and financial condition.

Item 2 – Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

The following table provides information about purchases by the Company of its shares of common stock during the first quarter of 2025:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1)
January 1, 2025 through January 31, 2025	—	\$ —	—	\$ —
February 1, 2025 through February 28, 2025	—	\$ —	—	\$ —
March 1, 2025 through March 31, 2025	—	\$ —	—	\$ —

- (1) On May 9, 2024, the Board of Directors terminated the stock repurchase program adopted on May 11, 2022 and adopted a new stock repurchase program under which the Company is authorized to repurchase up to \$50.0 million of our issued and outstanding shares of common stock. Share purchases under the program will take place in open market transactions, privately negotiated transactions or tender offers, and may be made from time to time depending on market conditions, share price, trading volume, and other factors. The timing of the repurchases and the amount of stock repurchased in each transaction is subject to our sole discretion and will depend upon market and business conditions, applicable legal and credit requirements, and other corporate considerations. The authorization is effective until May 9, 2026 unless the total amount has been used or authorization has been cancelled.

Item 6 - Exhibits

[Exhibit 10.1 2025 Management Incentive Plan of the Registrant*](#)

[Exhibit 10.2 Form of 2025 Time-Based RSU Agreement \(Executive\) under the Registrant's 2019 Omnibus Incentive Plan*](#)

[Exhibit 10.3 Form of 2025 Performance-Based RSU Agreement under the Registrant's 2019 Omnibus Incentive Plan*](#)

[Exhibit 10.4 Form of 2025 Time-Based RSU Agreement \(General\) under the Registrant's 2019 Omnibus Incentive Plan*](#)

[Exhibit 31.1 – Rule 13a-14\(a\)/15d-14\(a\) Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated May 1, 2025.](#)

[Exhibit 31.2 – Rule 13a-14\(a\)/15d-14\(a\) Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated May 1, 2025.](#)

[Exhibit 32.1 – Section 1350 Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated May 1, 2025.](#)

[Exhibit 32.2 – Section 1350 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated May 1, 2025](#)

Exhibit 101.INS – Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

Exhibit 101.SCH – Inline XBRL Taxonomy Extension Schema Document

Exhibit 101.CAL – Inline XBRL Taxonomy Extension Calculation Linkbase Document

Exhibit 101.LAB – Inline XBRL Taxonomy Extension Label Linkbase Document

Exhibit 101.PRE – Inline XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit 101.DEF – Inline XBRL Taxonomy Extension Definition Linkbase Document

Exhibit 104 – The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

*Compensatory plan or management contract. _____

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on May 1, 2025.

OneSpan Inc.

/s/ Victor Limongelli

Victor Limongelli
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Jorge Martell

Jorge Martell
Chief Financial Officer
(Principal Financial and Accounting Officer)

OneSpan Inc.
2025 Management Incentive Plan (MIP)

1. PURPOSE

The purpose of the OneSpan Inc. (together with its subsidiaries, the “**Company**” or “**OneSpan**”) 2025 Management Incentive Plan (“**2025 MIP**”) is to share the success of the Company with our leaders and other key personnel.

2. PARTICIPATION

To participate in the 2025 MIP, you must be a full-time employee of OneSpan unless otherwise approved in writing by (i) the Company’s Senior Vice President of Global Human Resources and (ii) the Chief Executive Officer. Employees participating in the 2025 MIP will be notified by the Company’s Human Resources team in writing.

You must be hired before October 1, 2025 to be eligible to participate in the 2025 MIP. Unless otherwise set forth in your offer letter or employment agreement, if you are hired between January 1, 2025 and September 30, 2025, any Bonus (as defined below) that you earn under the 2025 MIP will be prorated based on your date of hire.

3. OVERVIEW

Participants in the 2025 MIP are eligible to receive a cash bonus (“**Bonus**”) based upon the Company’s achievement against one or more targets for designated performance metrics (“**Company Performance Factors**”). Different levels of Company achievement against these targets will correspond to different Bonus payout levels. Company Performance Factors and associated targets are determined by the Management Development and Compensation Committee (the “**Compensation Committee**”) of the Company’s Board of Directors (the “**Board**”).

Your potential Bonus under the 2025 MIP also depends on your eligible target bonus amount, which may be expressed either as a fixed dollar amount or as a percentage of your base salary. If you do not know your eligible target bonus amount, please contact your manager or Human Resources.

4. COMPANY PERFORMANCE FACTORS AND PAYOUT LEVELS

Your Bonus under the 2025 MIP will be determined by one of the three sets of Company Performance Factors listed below. Your manager or the Company’s Human Resources team will separately inform you in writing of (i) which set of Company Performance Factors applies to you and (ii) what the actual targets for your applicable Company Performance Factors are.

Company Performance Factors:

1. Company-Wide Performance Factors: Total Company Revenue (weighted 75%) and Adjusted EBITDA (weighted 25%)
2. Security Solutions Performance Factors: Security Solutions Segment Revenue (weighted 75%) and Adjusted EBITDA (weighted 25%)
3. Digital Agreements Performance Factors: Digital Agreements Segment Revenue (weighted 75%) and Adjusted EBITDA (weighted 25%)

“Revenue” refers to the Company’s publicly reported revenue for either the entire Company or the particular business unit indicated, as applicable, and “Adjusted EBITDA” is defined as the entire Company’s EBITDA (earnings before interest, taxes, depreciation and amortization) excluding stock-based compensation costs, severance costs, and capitalized software costs. Please note that the definition of Adjusted EBITDA used for purposes of the 2025 MIP is different than the definition of Adjusted EBITDA used in our publicly reported earnings releases and SEC filings.

Achievement levels correspond to Bonus payout levels as set forth below.

- **Revenue:** The Company must achieve a minimum of 98.4% of the Revenue target amount for the Revenue factor to contribute to the Bonus payout calculation. A 98.4% achievement level would correspond to the minimum payout level of 50%; a 100% achievement level would correspond to the target payout level of 100%; and a 102% or greater achievement level would correspond to the maximum payout level of 150%.
- **Adjusted EBITDA:** The Company must achieve a minimum of 97.4% of the Adjusted EBITDA target amount for the Adjusted EBITDA factor to contribute to the Bonus payout calculation. A 97.4% achievement level would correspond to the minimum payout level of 90%; a 100% achievement level would correspond to the target payout level of 100%; and a 106.4% or greater achievement level would correspond to the maximum payout level of 125%.

For achievement levels that fall between the minimum, target and maximum Revenue and Adjusted EBITDA achievement levels, the corresponding payout levels will be calculated using linear interpolation.

5. EXAMPLE BONUS CALCULATIONS

Assume for purposes of these examples that you are employed throughout 2025 and that your eligible target bonus amount (expressed on an annual basis) is \$15,000. This example applies the same way to each of the three sets of Company Performance Factors discussed in Section 4 above.

Example 1

If the Company achieves 101% of the Revenue target amount and 102% of the Adjusted EBITDA target amount, your Bonus would be paid out at 120.7% of your eligible target bonus amount, based on a Combined Performance Factor of 120.7%:

	Achievement Level Against Target Amount	Payout Level	Weight	Weighted Factor (Payout Level*Weight)
Company Performance Factors				
Revenue	101%	125%	75%	93.75%
Adjusted EBITDA	102%	107.80%	25%	26.95%
Combined Performance Factor (sum of the two weighted factors)				120.70%

The Combined Performance Factor is then applied to the \$15,000 eligible target bonus amount for a Bonus payout of \$18,105 (120.7% of \$15,000).

Example 2

If the Company achieves 98.5% of the Revenue target amount and 99% of the Adjusted EBITDA Target amount, your Bonus would be paid out at 63.87% of your eligible target bonus amount, based on a Combined Performance Factor of 63.87%:

	Achievement Level Against Target Amount	Payout Level	Weight	Weighted Factor (Payout Level*Weight)
Company Performance Factors				
Revenue	98.5%	53.13%	75%	39.84%
Adjusted EBITDA	99%	96.10%	25%	24.03%
Combined Performance Factor (sum of the two weighted factors)				63.87%

The Combined Performance Factor is then applied to the \$15,000 eligible target bonus amount for a Bonus payout of \$9,580.50 (63.87% of \$15,000).

6. DETERMINATION OF ACHIEVEMENT; PAYMENT OF EARNED BONUSES

Achievement against the Company Performance Factors is based on the Company's 2025 financial performance and is determined by the Compensation Committee. The Compensation Committee has complete discretion to determine the Company Performance Factors, the targets for the Company Performance Factors, and the extent to which those targets have been achieved, including discretion to adjust the targets and/or the achievement of targets to address the impact of the following: mergers, acquisitions or divestitures; reorganizations; restructuring charges or transactions; extraordinary nonrecurring items; and other unexpected activities, developments, trends or events. The financial metrics used for purposes of the Company Performance Factors and associated targets may be defined and/or calculated differently from similar metrics that the Company reports in its quarterly earnings releases and reports filed with the U.S. Securities and Exchange Commission.

The Company expects that the assessment of achievement against Company Performance Factors for the 2025 MIP will be completed during the first quarter of 2026, and any Bonus earned would be paid out via payroll by the end of that quarter. The Company may adjust these timeframes at its discretion.

7. GENERAL TERMS

If your base salary or eligible target bonus amount changes during 2025, any Bonus amount you earn will be prorated based on the timing of such change. For purposes of this proration, changes that occur on or before the 15th of a given month will be considered to have been in effect for the full month, and changes that occur after the 15th of a month will be considered to take effect on the first of the immediately following month. For example, if your eligible target bonus amount increases from 15% to 20% on September 10, your Bonus amount would be calculated based on eight months of a 15% eligible target bonus amount and four months of a 20% eligible target bonus amount, whereas if the increase happens on September 20, your Bonus amount would be calculated based on nine months of a 15% eligible target bonus amount and three months of a 20% eligible target bonus amount.

If you take a leave of absence during 2025 that is longer than 45 days (which days need not be consecutive), any Bonus you earn under the 2025 MIP will be prorated based on the number of total days in excess of 45 days in your leave of absence during 2025.

If you switch from a Sales Commission Plan to the 2025 MIP, or vice versa, any Bonus you earn for 2025 will be prorated based on the timing of the change. Changes of this type will generally be effective on the first day of a specified month.

Unless otherwise prohibited by applicable law, any Bonus amount is not earned until it is determined based on the Company's 2025 financial performance as approved by the Board or Compensation Committee. To receive any Bonus under the 2025 MIP, and unless prohibited by applicable law, you must be actively working for the Company at the time payment is made. The 2025 MIP is valid for 2025 only and will not continue to apply for future years.

Participants do not have any contractual or otherwise acquired right to MIP participation in any future years. Your participation in the 2025 MIP does not in any way imply, suggest or require that you will participate in any MIP or similar program for future years. There are no promises or guarantees of payments under the 2025 MIP, and the Company reserves the right to unilaterally alter or discontinue the program at its complete discretion, unless specifically prohibited under applicable law.

**AWARD AGREEMENT FOR TIME-BASED RESTRICTED STOCK UNITS
UNDER THE
ONESPAN INC. 2019 OMNIBUS INCENTIVE PLAN**

THIS AWARD AGREEMENT FOR RESTRICTED STOCK UNITS (this “**Agreement**”) is made as [], 2025 (the “**Effective Date**”), between OneSpan Inc. (the “**Company**”) and the individual identified on the signature page and Exhibit A hereto (the “**Grantee**”).

WHEREAS, the Company maintains the OneSpan Inc. 2019 Omnibus Incentive Plan (as amended, the “**Plan**”) for the benefit of its employees, directors, consultants, and other individuals who provide services to the Company; and

WHEREAS, to further align the Grantee’s personal financial interests with those of the Company’s stockholders, the Company wishes to award the Grantee restricted stock units with respect to shares of Common Stock (as defined below), subject to the restrictions, terms and conditions contained in the Plan and this Agreement.

NOW, THEREFORE, in consideration of these premises and the agreements set forth herein, the parties, intending to be legally bound hereby, agree as follows:

- 1. Grant of Restricted Stock Units.** Pursuant to Article III of the Plan, the Company hereby grants to the Grantee an award of restricted stock units (the “**Restricted Stock Units**”) with respect to the number of shares of the Company’s common stock, par value of \$0.001 per share (the “**Common Stock**”), as set forth on Exhibit A hereto, subject to the terms and conditions set forth in this Agreement and in the Plan. The terms of the Plan are hereby incorporated into this Agreement by this reference, as though fully set forth herein. Capitalized terms used but not defined in this Agreement have the meanings set forth in the Plan.
- 2. Vesting of Restricted Stock Units.** The Restricted Stock Units will become vested in accordance with this Section 2.
 - (a) Restricted Stock Units will become vested in accordance with the vesting schedule set forth on Exhibit A hereto, provided that on each vesting date, the Grantee has, from the date hereof or as otherwise provided for herein, continuously provided services to the Company.
 - (b) If the Grantee’s employment with the Company terminates as a result of death or by the Company due to Disability and, in the case of termination due to Disability, subject to the Grantee executing the Company’s standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, the Restricted Stock Units that are unvested as of such termination of employment shall become immediately vested.
 - (c) If, on or within 18 months following a Change in Control, either (x) the Grantee’s employment is terminated by the Company other than for Cause or (y) the Grantee

resigns from employment with the Company for Good Reason, and subject to the Grantee executing the Company's standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, then the Restricted Stock Units that are unvested as of such termination of employment shall become immediately vested; provided, however, that in the event the acquiring or succeeding corporation in a Change in Control does not agree to continue or assume the unvested Restricted Stock Units as of immediately prior to the Change in Control, or substitute substantially equivalent restricted stock units for the unvested Restricted Stock Units, the unvested Restricted Stock Units shall become fully vested immediately prior to the consummation of the Change in Control.

(d) Except as provided in this Agreement or in any other agreement between the Grantee and the Company or any of its Subsidiaries that is in effect as of the Effective Date, upon cessation of the Grantee's service with the Company for any reason or for no reason (and whether such cessation is initiated by the Company, the Grantee or otherwise): (i) any Restricted Stock Units that have not, prior to such cessation, become vested shall immediately and automatically, without any action on the part of the Company or the Grantee, be forfeited, and (ii) the Grantee shall have no further rights with respect to those Restricted Stock Units (or the underlying shares of Common Stock).

(e) For purposes of this Agreement, service with the Company shall be deemed to include service with any Subsidiary of the Company for only so long as such entity remains a Subsidiary.

(f) For purposes of this Agreement, "**Disability**" means a mental or physical impairment of the Grantee that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes the Grantee to be unable to perform his or her material duties for the Company and to be engaged in any substantial gainful activity, in each case as determined by the Company's chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Compensation Committee of the Company's Board of Directors (the "**Committee**"), whose determination shall be conclusive and binding. The determination of Disability for purposes of this Agreement shall not be construed to be an admission of disability for any other purpose.

(g) For purposes of this Agreement, "**Good Reason**" has the meaning given to it in the Executive Employment Agreement by and between the Company and the Grantee, as it may be amended from time to time (the "**Employment Agreement**"), including, for avoidance of doubt, the written notice, cure period, and resignation timing requirements applicable to a termination due to Good Reason under the Employment Agreement.

(h) For purposes of this Agreement, "**Cause**" and "**Wrongful Act**" have the meanings given to the term "**Cause**" in the Employment Agreement.

3. Delivery of Common Stock Underlying Restricted Stock Units. Within 60 days after the vesting of any Restricted Stock Units (or such later date as may be required to comply with Section 409A of the Internal Revenue Code of 1986, as amended (“**Section 409A**”)), the Company will issue or deliver, subject to the conditions of this Agreement, the shares of Common Stock in respect of such vested Restricted Stock Units to the Grantee. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided herein. Prior to the issuance to the Grantee of the shares of Common Stock subject to the Restricted Stock Units, the Grantee shall have no direct or secured claim in any specific assets of the Company or in such shares, and will have the status of a general unsecured creditor of the Company.

4. Adjustments. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the terms of this Agreement, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of the Grantee. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

5. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to the Restricted Stock Units (including the right to vote) until the underlying Common Stock have become vested pursuant to Section 2, been settled in accordance with Section 3, and the Grantee becomes a stockholder of record with respect to such shares, except that the Grantee shall be entitled to receive Dividend Equivalents equal in amount to the dividends declared on an equal number of shares of Common Stock as are then underlying the Restricted Stock Units, provided that such dividend equivalents will be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which they are paid. Dividend Equivalent amounts shall accrue and be paid or distributed in cash at the same time the underlying shares of Common Stock are distributed to the Grantee in accordance with Section 3.

6. Tax Consequences.

(a) The Grantee acknowledges that the Company has not advised the Grantee regarding the Grantee’s income tax liability in connection with the grant or vesting of the Restricted Stock Units, the dividend equivalents contemplated hereunder or the delivery of the Common Stock underlying the Restricted Stock Units. The Grantee has reviewed with the Grantee’s own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the

Company or any of its agents. The Grantee understands that the Grantee (and not the Company) will be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) As a condition precedent to the delivery of the shares of Common Stock upon the vesting of the Restricted Stock Units, the Grantee acknowledges and agrees that the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "**Required Tax Payments**") with respect to such shares of Common Stock. If the Grantee has not been given permission by the Company to advance the Required Tax Payments in cash, then the obligation to advance the Required Tax Payments by the Grantee shall take place by the Company withholding whole shares of Common Stock which would otherwise be delivered to the Grantee having an aggregate Fair Market Value, determined as of the applicable date, equal to the Required Tax Payments. Shares of Common Stock to be withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by the Grantee. No certificate representing a share of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full.

7. **Nontransferability of Award.** The Grantee may not sell, pledge, assign, encumber, hypothecate, gift, transfer, bequeath, devise, donate or otherwise dispose of, in any way or manner whatsoever, whether voluntary or involuntary, any legal or beneficial interest in any of the Restricted Stock Units until the Restricted Stock Units become vested and settled in accordance with Section 3; provided, however, that the restrictions of this Section 7 shall not apply to any transfer (i) pursuant to applicable laws of descent and distribution or (ii) among the Grantee's family group; provided that such restrictions will continue to be applicable to the Restricted Stock Units after any such transfer and the transferees of such Restricted Stock Units have agreed in writing to be bound by the provisions of this Agreement. The Grantee's "family group" means the Grantee's spouse and descendants (whether natural or adopted) and any trust solely for the benefit of the Grantee and/or the Grantee's spouse and/or descendants during the Grantee's lifetime.

8. **Securities Laws.** The Company may from time to time impose any conditions on the Restricted Stock Units or any underlying shares of Common Stock as it deems necessary or advisable to ensure that this Agreement and the Plan satisfies the conditions of Rule 16b-3 adopted under the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), and otherwise complies with applicable rules and laws.

9. **Recoupment of Award.**

(a) If Grantee is currently an officer of the Company as defined in Rule 16a-1(f) under the Exchange Act (a "**Section 16 Officer**"), or is designated by the Company's Board of Directors as a Section 16 Officer in the future, Grantee agrees and acknowledges that Grantee is (or will be upon designation as a Section 16 Officer, as

applicable) bound by, and subject to, all of the terms and conditions of the Company's Dodd-Frank Compensation Recoupment Policy (as may be amended, restated, supplemented or otherwise modified from time to time, the "**Clawback Policy**"). In the event of any inconsistency between the Clawback Policy and the terms of this Agreement or any employment agreement to which Grantee is a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid, the terms of the Clawback Policy shall govern. In the event it is determined that any compensation or compensatory awards granted, earned or paid to Grantee must be forfeited or reimbursed to the Company pursuant to the Clawback Policy, Grantee will promptly take any action necessary to effectuate such forfeiture and/or reimbursement as determined by the Company.

(b) Notwithstanding anything in this Agreement to the contrary, if the Company's Board of Directors determines that the Grantee's Wrongful Act was a significant contributing factor to the Company having to prepare an Accounting Restatement, then in addition to any Erroneously Awarded Compensation recoverable from Grantee under the Clawback Policy, but without duplication thereof, all outstanding Restricted Stock Units will immediately and automatically be forfeited and the Grantee shall promptly repay to the Company any shares of Common Stock, cash or other property paid in respect of any Restricted Stock Units during the Recovery Period. As used in this paragraph, the terms Accounting Restatement, Erroneously Awarded Compensation, and Recovery Period have the meanings given to them in the Clawback Policy.

10. Protected Rights. The Grantee understands that nothing contained in this Agreement limits the Grantee's ability to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission ("**Government Agencies**"). The Grantee further understands that this Agreement does not limit the Grantee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall limit the Grantee's ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

11. Compliance with Section 409A. The Restricted Stock Units are intended to be exempt from or comply with Section 409A, and shall be interpreted and construed accordingly, and each payment hereunder shall be considered a separate payment. To the extent this Agreement provides for the Restricted Stock Units to become vested and be settled upon the Grantee's termination of employment, the applicable shares of Common Stock shall be transferred to the Grantee or his or her beneficiary upon the Grantee's "separation from service," within the meaning of Section 409A. Notwithstanding any other provision in this Agreement, to the extent

any payments hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (a) each such payment which is conditioned upon the Grantee's execution of a release of claims and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years, and (b) if the Grantee is a specified employee (within the meaning of Section 409A) as of the date of the Grantee's separation from service, each such payment that is payable upon the Grantee's separation from service and would have been paid prior to the six-month anniversary of the Grantee's separation from service, shall be delayed until the earlier to occur of (i) the first day of the seventh month following the Grantee's separation from service or (ii) the date of the Grantee's death.

12. General Provisions.

(a) This Agreement and the Plan together represent the entire agreement between the parties with respect to the granting of the Restricted Stock Units and may only be modified or amended in a manner materially adverse to the Grantee in writing signed by both parties.

(b) Any notice, demand or request required or permitted to be given by either the Company or the Grantee pursuant to the terms of this Agreement must be in writing and will be deemed given (i) on the date and at the time delivered via personal, courier or recognized overnight delivery service, (ii) if sent via telecopier on the date and at the time telecopied with confirmation of delivery, (iii) if sent via email or other electronic delivery and receipt is confirmed, on the date and at the time received, or (iv) if mailed, on the date five days after the date of the mailing (which must be by registered or certified mail). Delivery of a notice by telecopy (with confirmation) or by email or other electronic delivery (with confirmation or receipt) will be permitted and will be considered delivery of a notice notwithstanding that it is not an original that is received. Any notice to the Grantee under this Agreement will be made to the Grantee at the address (or telecopy number, email or other electronic address, as the case may be) listed in the Company's personnel files. If directed to the Company, any such notice, demand or request will be sent to the Corporate Secretary at the Company's principal executive office, or to such other address or person as the Company may hereafter specify in writing.

(c) The Company may condition delivery of certificates for shares of Common Stock subject to the Restricted Stock Units (or, if the shares are not certificated, the entry in the stock record books of the Company of the transfer to the Grantee of the shares of Common Stock) upon the prior receipt from the Grantee of any undertakings which it may determine are required to assure that the certificates are being issued in compliance with federal and state securities laws.

(d) The Grantee has received a copy of the Plan and the Clawback Policy, has read the Plan and the Clawback Policy and is familiar with their terms, and hereby accepts the Restricted Stock Units subject to all of the terms and provisions of the Plan, as amended from time to time, the Clawback Policy and this Agreement. Pursuant to the Plan, the Board and the Committee are authorized to interpret the Plan and to adopt rules and

regulations not inconsistent with the Plan as they deem appropriate. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board or the Committee upon any questions arising under the Plan, the Clawback Policy and this Agreement.

(e) Subject to Section 7, neither this Agreement nor any rights or interest hereunder will be assignable by the Grantee, the Grantee's beneficiaries or legal representatives, and any purported assignment in violation hereof will be null and void.

(f) Either party's failure to enforce any provision or provisions of this Agreement will not in any way be construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and will not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

(g) The grant of Restricted Stock Units hereunder does not confer upon the Grantee any right to continue in service with the Company.

(h) This Agreement shall be governed by, and enforced in accordance with, the laws of the State of Delaware, without regard to the application of the principles of conflicts or choice of laws.

(i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. In the event that any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file or picture format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such electronic facsimile signature page were an original thereof. The parties confirm that it is their wish that this Agreement may be executed by means of electronic signature.

(j) The parties hereto have expressly required that this Agreement and any other contract or document relating thereto be drafted in the English language. All other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, shall be drawn up in English. If the Grantee has received the Agreement or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

[Signature Page Follows]

[SIGNATURE PAGE TO AWARD AGREEMENT FOR TIME-BASED RESTRICTED STOCK UNITS]

IN WITNESS WHEREOF, the parties have duly executed this Award Agreement intending it to be effective as of the first date written above.

ONESPAN INC.

By: _____

Name:

Its:

GRANTEE

Name: _____

Signature: _____

Exhibit A

GRANTEE SPECIFIC INFORMATION:

Grantee	# of RSUs	Vesting Start Date	Vesting Schedule
			<ul style="list-style-type: none">• 33.32% of the Restricted Stock Units will vest on the first annual anniversary date of the Vesting Start Date;• An additional 16.67% of the Restricted Stock Units will vest on the eighteen month anniversary date of the Vesting Start Date;• An additional 16.67% of the Restricted Stock Units will vest on the second annual anniversary date of the Vesting Start Date;• An additional 16.67% of the Restricted Stock Units will vest on the thirty month anniversary date of the Vesting Start Date; and• The final 16.67% of the Restricted Stock Units will vest on the third annual anniversary date of the Vesting Start Date.

**AWARD AGREEMENT FOR PERFORMANCE-BASED RESTRICTED STOCK UNITS UNDER THE
ONESPAN INC. 2019 OMNIBUS INCENTIVE PLAN**

THIS AWARD AGREEMENT FOR RESTRICTED STOCK UNITS (this “**Agreement**”) is made as of [], 2025 (the “**Effective Date**”), between OneSpan Inc. (the “**Company**”) and the individual identified on the signature page and Exhibit A hereto (the “**Grantee**”).

WHEREAS, the Company maintains the OneSpan Inc. 2019 Omnibus Incentive Plan (as amended, the “**Plan**”) for the benefit of its employees, directors, consultants, and other individuals who provide services to the Company; and

WHEREAS, to further align the Grantee’s personal financial interests with those of the Company’s stockholders, the Company has approved the award to the Grantee of restricted stock units with respect to shares of Common Stock (as defined below), subject to the restrictions, terms and conditions contained in the Plan and this Agreement.

NOW, THEREFORE, in consideration of these premises and the agreements set forth herein, the parties, intending to be legally bound hereby, agree as follows:

1. Grant of Restricted Stock Units. Pursuant to Article IV of the Plan, the Company hereby grants to the Grantee an award of performance-based restricted stock units (the “**Restricted Stock Units**”) with respect to the number of shares of the Company’s common stock, par value of \$0.001 per share (the “**Common Stock**”), as set forth on Exhibit A hereto, subject to the terms and conditions set forth in this Agreement and in the Plan. The terms of the Plan are hereby incorporated into this Agreement by this reference, as though fully set forth herein. Capitalized terms used but not defined in this Agreement have the meanings set forth in the Plan.

2. Vesting of Restricted Stock Units. The Restricted Stock Units will become vested in accordance with this Section 2.

(a) Performance Period. The number of Restricted Stock Units that are earned (the “**Earned RSUs**”) shall be determined by the Compensation Committee of the Company’s Board of Directors (the “**Committee**”), in its sole and absolute discretion in accordance with Exhibit A attached hereto, based upon the Company’s achievement relative to Performance Targets established by the Committee for the performance period that commenced on **January 1, 2025** and will end on **December 31, 2025** (the “**Performance Period**”). The Grantee shall vest in one-third of any Earned RSUs on the First Vesting Date, one-third of any Earned RSUs on December 31, 2026, and one-third of any Earned RSUs on December 31, 2027 (each such date, a “**Vesting Date**”), subject in each case to the Grantee’s continued service to the Company through the applicable Vesting Date. The “**First Vesting Date**” shall be the later to occur of (i) the date the Committee determines the Company’s achievement relative to the Performance Targets for the Performance Period, which is expected to occur no later than February 28, 2026, and (ii) March 4, 2026 (the first

anniversary of the Effective Date). The Performance Targets for the Performance Period are defined and set forth on Exhibit A attached hereto. For the avoidance of doubt, and subject to Exhibit A, (i) the Restricted Stock Units shall be automatically forfeited in their entirety if the Performance Targets are not achieved at least at the target level and if the Grantee does not remain in the service of the Company through a Vesting Date, any Earned RSUs that would have vested on such Vesting Date and any future Vesting Dates will be automatically forfeited in their entirety, except as otherwise provided for herein and (ii) the financial metrics used for purposes of the Performance Targets may be defined and/or calculated differently from similar metrics that the Company reports in its quarterly earnings releases and reports filed with the U.S. Securities & Exchange Commission.

(b) In the event of the occurrence of a Change in Control that is a Company Transaction prior to the expiration of the Performance Period the number of Restricted Stock Units that are determined to be Earned RSUs shall be the number of Restricted Stock Units at the target (100%) payout level, prorated based on the ratio of (x) the number of days that have elapsed in the Performance Period up to and including the date of such Change in Control to (y) the total number of days in the Performance Period; provided, however, that if the Company Transaction is a sale of assets or otherwise does not result in direct receipt of consideration by the holders of Common Stock, the Grantee shall receive upon vesting of such Earned RSUs pursuant to Section 2(c) hereof, in exchange for and in lieu of shares of Common Stock in respect of such Earned RSUs, a cash payment equal to the product of (1) the value of the deemed per share consideration received by the Company in the Company Transaction, in each case as determined by the Committee, multiplied by (2) the number of shares of Common Stock that would have otherwise been delivered in respect of the Earned RSUs. For the avoidance of doubt, if the Change in Control occurs following the conclusion of the Performance Period, then the number of Earned RSUs under this Agreement shall be determined based on actual performance and shall not be reduced on a prorated basis.

(c) If, on or within 18 months following a Change in Control and prior to any Vesting Date, either (x) the Grantee's employment is terminated by the Company other than for Cause or (y) the Grantee resigns from employment with the Company for Good Reason, and subject to the Grantee executing the Company's standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, then the number of then-outstanding Earned RSUs determined in accordance with this Section 2 shall become vested immediately prior to (and contingent upon) such termination of employment; provided, however, that in the event the acquiring or succeeding corporation in a Change in Control does not agree to continue or assume the unvested Earned RSUs as of immediately prior to the Change in Control, or substitute substantially equivalent restricted stock units for the unvested Earned RSUs, the unvested Earned RSUs shall become fully vested immediately prior to the consummation of the Change in Control.

(d) If (x) the Grantee's service with the Company ceases by reason of the Grantee's death or termination by the Company due to Disability prior to the expiration of the Performance

Period, 100% of the Restricted Stock Units based upon the target (100%) payout level shall become vested immediately prior to (and contingent on) the occurrence of such death or termination by the Company due to Disability or (y) the Grantee's service with the Company ceases by reason of the Grantee's death or termination by the Company due to Disability following the conclusion of the Performance Period and prior to any Vesting Date, any then-outstanding Earned RSUs shall become vested immediately prior to (and contingent on) the occurrence of such death or termination by the Company due to Disability. Notwithstanding the foregoing, a Disability shall not qualify if it is the result of (A) a willfully self-inflicted injury or willfully self-induced sickness; or (B) an injury or disease contracted, suffered, or incurred while participating in a criminal offense. The determination of Disability for purposes of this Agreement shall not be construed to be an admission of disability for any other purpose.

(e) Except as provided in this Agreement or in any other agreement between the Grantee and the Company or any of its Subsidiaries that is in effect as of the Effective Date, upon cessation of the Grantee's service with the Company for any reason or for no reason (and whether such cessation is initiated by the Company, the Grantee or otherwise): (i) any Restricted Stock Units that have not, prior to such cessation, become vested shall immediately and automatically, without any action on the part of the Company or the Grantee, be forfeited, and (ii) the Grantee shall have no further rights with respect to those Restricted Stock Units (or the underlying shares of Common Stock).

(f) For purposes of this Agreement, service with the Company shall be deemed to include service with any Subsidiary of the Company for only so long as such entity remains a Subsidiary.

(g) For purposes of this Agreement, "**Disability**" means a mental or physical impairment of Grantee that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes Grantee to be unable to perform his or her material duties for the Company and to be engaged in any substantial gainful activity, in each case as determined by the Company's chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Committee, whose determination shall be conclusive and binding. The determination of Disability for purposes of this Agreement shall not be construed to be an admission of disability for any other purpose.

(h)

(i) For purposes of this Agreement, "**Good Reason**" has the meaning given to it in the Executive Employment Agreement by and between the Company and the Grantee, as it may be amended from time to time (the "**Employment Agreement**"), including, for avoidance of doubt, the written notice, cure period, and resignation timing requirements applicable to a termination due to Good Reason under the Employment Agreement.

(j) For purposes of this Agreement, "**Cause**" and "**Wrongful Act**" have the meanings given to the term "**Cause**" in the Employment Agreement.

3. Delivery of Common Stock Underlying Restricted Stock Units. Within 60 days after the vesting of any Restricted Stock Units (or such later date as may be required to comply with Section 409A of the Internal Revenue Code of 1986, as amended (“**Section 409A**”)), the Company will issue or deliver, subject to the conditions of this Agreement, the shares of Common Stock in respect of the then-vested Earned RSUs to Grantee. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided herein. Prior to the issuance to Grantee of the shares of Common Stock subject to the Restricted Stock Units, Grantee shall have no direct or secured claim in any specific assets of the Company or in such shares, and will have the status of a general unsecured creditor of the Company.

4. Adjustments. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation— Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the terms of this Agreement, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of the Grantee. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

5. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to the Restricted Stock Units (including the right to vote) until the underlying Common Stock have become vested pursuant to Section 2, been settled in accordance with Section 3, and the Grantee becomes a stockholder of record with respect to such shares, except that the Grantee shall be entitled to receive Dividend Equivalents equal in amount to the dividends declared on an equal number of shares of Common Stock as are then underlying the Restricted Stock Units, provided that such dividend equivalents will be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which they are paid. Dividend Equivalent amounts shall accrue and be paid or distributed in cash at the same time the underlying shares of Common Stock are distributed to the Grantee in accordance with Section 3.

6. Tax Consequences.

(a) The Grantee acknowledges that the Company has not advised the Grantee regarding the Grantee’s income tax liability in connection with the grant or vesting of the Restricted Stock Units, the dividend equivalents contemplated hereunder or the delivery of the Common Stock underlying the Restricted Stock Units. The Grantee has reviewed with the Grantee’s own tax advisors the federal, state, local and foreign tax consequences of this investment

and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) will be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) As a condition precedent to the delivery of the shares of Common Stock upon the vesting of the Restricted Stock Units, the Grantee acknowledges and agrees that the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "**Required Tax Payments**") with respect to such shares of Common Stock. If the Grantee has not been given permission by the Company to advance the Required Tax Payments in cash, then the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to the Grantee.

(c) The obligation to advance the Required Tax Payments by the Grantee shall by default take place by the Company withholding whole shares of Common Stock which would otherwise be delivered to the Grantee having an aggregate Fair Market Value, determined as of the applicable date, equal to the Required Tax Payments. Shares of Common Stock to be withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by the Grantee. No certificate representing a share of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full.

7. Nontransferability of Award. The Grantee may not sell, pledge, assign, encumber, hypothecate, gift, transfer, bequeath, devise, donate or otherwise dispose of, in any way or manner whatsoever, whether voluntary or involuntary, any legal or beneficial interest in any of the Restricted Stock Units until the Restricted Stock Units become vested and settled in accordance with Section 2; provided, however, that the restrictions of this Section 7 shall not apply to any transfer (i) pursuant to applicable laws of descent and distribution or (ii) among Grantee's family group; provided that such restrictions will continue to be applicable to the Restricted Stock Units after any such transfer and the transferees of such Restricted Stock Units have agreed in writing to be bound by the provisions of this Agreement. Grantee's "family group" means Grantee's spouse and descendants (whether natural or adopted) and any trust solely for the benefit of Grantee and/or Grantee's spouse and/or descendants during Grantee's lifetime.

8. Securities Laws. The Company may from time to time impose any conditions on the Restricted Stock Units or any underlying shares of Common Stock as it deems necessary or advisable to ensure that this Agreement and the Plan satisfies the conditions of Rule 16b-3 adopted under the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), and otherwise complies with applicable rules and laws.

9. Recoupment of Award.

(a) If Grantee is currently an officer of the Company as defined in Rule 16a-1(f) under the Exchange Act (a “**Section 16 Officer**”), or is designated by the Company’s Board of Directors as a Section 16 Officer in the future, Grantee agrees and acknowledges that Grantee is (or will be upon designation as a Section 16 Officer, as applicable) bound by, and subject to, all of the terms and conditions of the Company’s Dodd-Frank Compensation Recoupment Policy (as may be amended, restated, supplemented or otherwise modified from time to time, the “**Clawback Policy**”). In the event of any inconsistency between the Clawback Policy and the terms of this Agreement or any employment agreement to which Grantee is a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid, the terms of the Clawback Policy shall govern. In the event it is determined that any compensation or compensatory awards granted, earned or paid to Grantee must be forfeited or reimbursed to the Company pursuant to the Clawback Policy, Grantee will promptly take any action necessary to effectuate such forfeiture and/or reimbursement as determined by the Company.

(b) Notwithstanding anything in this Agreement to the contrary, if the Company’s Board of Directors determines that the Grantee’s Wrongful Act was a significant contributing factor to the Company having to prepare an Accounting Restatement, then in addition to any Erroneously Awarded Compensation recoverable from Grantee under the Clawback Policy, but without duplication thereof, all outstanding Restricted Stock Units will immediately and automatically be forfeited and the Grantee shall promptly repay to the Company any shares of Common Stock, cash or other property paid in respect of any Restricted Stock Units during the Recovery Period. As used in this paragraph, the terms Accounting Restatement, Erroneously Awarded Compensation, and Recovery Period have the meanings given to them in the Clawback Policy.

10. Protected Rights. Grantee understands that nothing contained in this Agreement limits Grantee’s ability to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission (“**Government Agencies**”). Grantee further understands that this Agreement does not limit Grantee’s ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall limit Grantee’s ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

11. Compliance with Section 409A. The Restricted Stock Units are intended to be exempt from or comply with Section 409A, and shall be interpreted and construed accordingly, and each payment

hereunder shall be considered a separate payment. To the extent this Agreement provides for the Restricted Stock Units to become vested and be settled upon the Grantee's termination of employment, the applicable shares of Common Stock shall be transferred to the Grantee or his or her beneficiary upon the Grantee's "separation from service," within the meaning of Section 409A. Notwithstanding any other provision in this Agreement, to the extent any payments hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (a) each such payment which is conditioned upon Grantee's execution of a release of claims and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years, and (b) if Grantee is a specified employee (within the meaning of Section 409A) as of the date of Grantee's separation from service, each such payment that is payable upon Grantee's separation from service and would have been paid prior to the six-month anniversary of Grantee's separation from service, shall be delayed until the earlier to occur of (i) the first day of the seventh month following the Grantee's separation from service or (ii) the date of Grantee's death.

12. General Provisions

(a) This Agreement and the Plan together represent the entire agreement between the parties with respect to the granting of the Restricted Stock Units and may only be modified or amended in a manner materially adverse to the Grantee in writing signed by both parties.

(b) Any notice, demand or request required or permitted to be given by either the Company or the Grantee pursuant to the terms of this Agreement must be in writing and will be deemed given (i) on the date and at the time delivered via personal, courier or recognized overnight delivery service, (ii) if sent via telecopier on the date and at the time telecopied with confirmation of delivery, (iii) if sent via email or other electronic delivery and receipt is confirmed, on the date and at the time received, or (iv) if mailed, on the date five days after the date of the mailing (which must be by registered or certified mail). Delivery of a notice by telecopy (with confirmation) or by email or other electronic delivery (with confirmation or receipt) will be permitted and will be considered delivery of a notice notwithstanding that it is not an original that is received. Any notice to Grantee under this Agreement will be made to Grantee at the address (or telecopy number, email or other electronic address, as the case may be) listed in the Company's personnel files. If directed to the Company, any such notice, demand or request will be sent to the Corporate Secretary at the Company's principal executive office, or such other address or person as the Company may hereafter specify in writing.

(c) The Company may condition delivery of certificates for shares of Common Stock subject to the Restricted Stock Units (or, if the shares are not certificated, the entry in the stock record books of the Company of the transfer to the Grantee of the shares of Common Stock) upon the prior receipt from Grantee of any undertakings which it may determine are required to assure that the certificates are being issued in compliance with federal and state securities laws.

(d) The Grantee has received a copy of the Plan and the Clawback Policy, has read the Plan and the Clawback Policy and is familiar with their terms, and hereby accepts the Restricted Stock Units subject to all of the terms and provisions of the Plan, as amended from time to time, the Clawback Policy and this Agreement. Pursuant to the Plan, the Board and the Committee are authorized to interpret the Plan and to adopt rules and regulations not inconsistent with the Plan as they deem appropriate. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board or the Committee upon any questions arising under the Plan, the Clawback Policy and this Agreement.

(e) Subject to Section 7, neither this Agreement nor any rights or interest hereunder will be assignable by the Grantee, the Grantee's beneficiaries or legal representatives, and any purported assignment in violation hereof will be null and void.

(f) Either party's failure to enforce any provision or provisions of this Agreement will not in any way be construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and will not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

(g) The grant of Restricted Stock Units hereunder does not confer upon the Grantee any right to continue in service with the Company.

(h) This Agreement shall be governed by, and enforced in accordance with, the laws of the State of Delaware, without regard to the application of the principles of conflicts or choice of laws.

(i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. In the event that any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file or picture format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such electronic facsimile signature page were an original thereof. The parties confirm that it is their wish that this Agreement may be executed by means of electronic signature.

(j) The parties hereto have expressly required that this Agreement and any other contract or document relating thereto be drafted in the English language. All other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, shall be drawn up in English. If the Grantee has received the Agreement or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

[SIGNATURE PAGE TO AWARD AGREEMENT FOR PERFORMANCE-BASED RESTRICTED STOCK UNITS]

IN WITNESS WHEREOF, the parties have duly executed this Award Agreement intending it to be effective as of the first date written above.

ONESPAN INC.

By: _____

Name:

Its:

GRANTEE

Name:

Signature:

Exhibit A

GRANTEE SPECIFIC INFORMATION:

Grantee	Target \$ USD	Target # of RSUs

Performance Targets

The number of Earned RSUs, if any, will be dependent on the Company’s achievement of the Performance Targets as defined below:

The “**Performance Targets**” for the RSUs consist of the following metrics and weightings:

<i>Metric</i>	<i>Weighting</i>	<i>Awarded RSUs (Target Level)</i>
2025 FX Product Revenue	25%	
2025 NA Security Revenue	25%	
2025 Company-Wide Revenue	25%	
2025 Rule of 40 Attainment	25%	

- **2025 FX Product Revenue** is defined as the Company’s 2025 GAAP revenue attributable to Digipass FX product sales.
- **2025 NA Security Revenue** is defined as the Company’s 2025 GAAP revenue attributable to North America Security Solutions segment sales.
- **2025 Company-Wide Revenue** is defined as the Company’s total 2025 publicly reported revenue in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”).
- **2025 Rule of 40 Attainment** is defined as the Company’s 2025 Adjusted EBITDA margin (which is its 2025 Adjusted EBITDA, calculated as set forth below, as a percentage of 2025 Company-Wide Revenue) plus the Company’s year-over-year percentage growth in 2025 Company-Wide Revenue as compared to the Company’s total 2024 publicly reported GAAP revenue.
- **2025 AEBITDA** is defined as the Company’s 2025 EBITDA (earnings before interest, taxes, depreciation and amortization) excluding all stock-based compensation costs, severance costs (including related termination costs such as legal fees), and capitalized software costs (i.e., adding back those costs to EBITDA). If the amount of the foregoing expense add-backs materially differ in either direction from the estimated amounts set forth in the Company’s 2025 Budget approved by its Board of Directors, then management will inform the

Committee of such material differences, and the Committee and management will discuss whether and to what extent such material differences should be reflected in 2025 AEBITDA performance.

For purposes of this Agreement, the Committee may make adjustments in its sole discretion to one or more of the Performance Targets (including adjustments to the target and/or maximum achievement levels) or to the deemed achievement of Performance Targets to include, exclude or otherwise address the impact of any one or more of the following:

- mergers, acquisitions or divestitures;
- reorganizations;
- restructuring charges or transactions;
- extraordinary nonrecurring items; or
- other unexpected activities, developments, trends or events.

The “2025 FX Product Revenue” and “2025 NA Security Revenue” Performance Target metrics will be subject to a target and maximum achievement level and linear interpolation between the two performance levels as set forth in the applicable table below.

2025 FX Product Revenue	Earned RSUs as a percentage of Awarded RSUs	Target	Earned RSUs
Target	100%		
Maximum	150%		

2025 NA Security Revenue	Earned RSUs as a percentage of Awarded RSUs	Target	Earned RSUs
Target	100%		
Maximum	150%		

The “Company-Wide Revenue” and “Rule of 40 Attainment” Performance Target metrics will have a single target achievement level; if the actual achievement level is less than the target, no Earned RSUs will be earned, and if the actual achievement level is equal to or greater than the target, the number of Earned RSUs set forth in the applicable table below will be earned.

Company-Wide Revenue	Earned RSUs as a percentage of Awarded RSUs	Target	Earned RSUs
Target	100%		

Rule of 40 Attainment	Earned RSUs as a percentage of Awarded RSUs	Target	Earned RSUs
Target	100%		

**AWARD AGREEMENT FOR TIME-BASED RESTRICTED STOCK UNITS
UNDER THE
ONESPAN INC. 2019 OMNIBUS INCENTIVE PLAN**

THIS AWARD AGREEMENT FOR RESTRICTED STOCK UNITS (this “**Agreement**”) is made as of [], 2025 (the “**Effective Date**”), between OneSpan Inc. (the “**Company**”) and the individual identified on the signature page and Exhibit A hereto (the “**Grantee**”).

WHEREAS, the Company maintains the OneSpan Inc. 2019 Omnibus Incentive Plan (as amended, the “**Plan**”) for the benefit of its employees, directors, consultants, and other individuals who provide services to the Company; and

WHEREAS, to further align the Grantee’s personal financial interests with those of the Company’s stockholders, the Company wishes to award the Grantee restricted stock units with respect to shares of Common Stock (as defined below), subject to the restrictions, terms and conditions contained in the Plan and this Agreement.

NOW, THEREFORE, in consideration of these premises and the agreements set forth herein, the parties, intending to be legally bound hereby, agree as follows:

1. Grant of Restricted Stock Units. Pursuant to Article III of the Plan, the Company hereby grants to the Grantee an award of restricted stock units (the “**Restricted Stock Units**”) with respect to the number of shares of the Company’s common stock, par value of \$0.001 per share (the “**Common Stock**”), as set forth on Exhibit A hereto, subject to the terms and conditions set forth in this Agreement and in the Plan. The terms of the Plan are hereby incorporated into this Agreement by this reference, as though fully set forth herein. Capitalized terms used but not defined in this Agreement have the meanings set forth in the Plan.

2. Vesting of Restricted Stock Units. The Restricted Stock Units will become vested in accordance with this Section 2.

(a) Restricted Stock Units will become vested in accordance with the vesting schedule set forth on Exhibit A hereto, provided that on each vesting date, the Grantee has, from the date hereof or as otherwise provided for herein, continuously provided services to the Company.

(b) If the Grantee’s employment with the Company terminates as a result of death or by the Company due to Disability and, in the case of termination due to Disability, subject to the Grantee executing the Company’s standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, the Restricted Stock Units that are unvested as of such termination of employment shall become immediately vested.

(c) If, on or within one year following a Change in Control, the Grantee’s employment is terminated by the Company other than for Cause and subject to the Grantee executing the Company’s standard release of claims which becomes effective in accordance with its terms within 60 days following such termination of employment, then the Restricted Stock Units that are unvested as of such termination of employment shall become immediately vested; ; provided, however, that in the event the acquiring or succeeding corporation in a Change in Control does

not agree to continue or assume the unvested Restricted Stock Units as of immediately prior to the Change in Control, or substitute substantially equivalent restricted stock units for the unvested Restricted Stock Units, the unvested Restricted Stock Units shall become fully vested immediately prior to the consummation of the Change in Control.

(d) Except as provided in this Agreement or in any other agreement between the Grantee and the Company or any of its Subsidiaries that is in effect as of the Effective Date, upon cessation of the Grantee's service with the Company for any reason or for no reason (and whether such cessation is initiated by the Company, the Grantee or otherwise): (i) any Restricted Stock Units that have not, prior to such cessation, become vested shall immediately and automatically, without any action on the part of the Company or the Grantee, be forfeited, and (ii) the Grantee shall have no further rights with respect to those Restricted Stock Units (or the underlying shares of Common Stock).

(e) For purposes of this Agreement, service with the Company shall be deemed to include service with any Subsidiary of the Company for only so long as such entity remains a Subsidiary.

(f) For purposes of this Agreement, "**Disability**" means a mental or physical impairment of the Grantee that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes the Grantee to be unable to perform his or her material duties for the Company and to be engaged in any substantial gainful activity, in each case as determined by the Company's chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Compensation Committee of the Company's Board of Directors (the "**Committee**"), whose determination shall be conclusive and binding. The determination of Disability for purposes of this Agreement shall not be construed to be an admission of disability for any other purpose.

(g) For purposes of this Agreement, "**Cause**" and "**Wrongful Act**" mean:

(i) The Grantee materially breaches the Grantee's obligations under any employment, consulting, or other agreement between the Grantee and the Company (each, a "**Company Agreement**");

(ii) The Grantee materially breaches the Grantee's obligations under the Company's Code of Ethics and Conduct (or any successor thereto) or an established policy of the Company;

(iii) The Grantee engages in conduct prohibited by law (other than minor violations), commits an act of dishonesty, fraud, or serious or willful misconduct in connection with the Grantee's job duties, or engages in unethical or immoral conduct that, in the reasonable judgment of the Committee, could injure the integrity, character or reputation of Company;

(iv) The Grantee fails or refuses to perform, or habitually neglects, the Grantee's duties and responsibilities under any Company Agreement (other than on account of Disability), and continues such failure, refusal or neglect after having been given written

notice by the Company that specifies what duties the Grantee failed to perform and an opportunity to cure of 30 days;

(v) Subject to Section 10, use or disclosure by the Grantee of confidential information or trade secrets other than in the furtherance of the Company's (or its Subsidiaries') business interests, or other violation of a fiduciary duty to the Company (including, without limitation, entering into any transaction or contractual relationship causing diversion of business opportunity from the Company or any of its Subsidiaries (other than with the prior written consent of the Board));

(vi) The Grantee fails to reasonably cooperate with any audit or investigation involving the Company or its business practices after having been given written notice by the Company that specifies the Grantee's failure to cooperate and an opportunity to cure of ten days; or

(vii) Any other act or omission on the part of the Grantee that would constitute just cause for termination under applicable law.

3. Delivery of Common Stock Underlying Restricted Stock Units. Within 60 days after the vesting of any Restricted Stock Units (or such later date as may be required to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**")), the Company will issue or deliver, subject to the conditions of this Agreement, the shares of Common Stock in respect of such vested Restricted Stock Units to the Grantee. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided herein. Prior to the issuance to the Grantee of the shares of Common Stock subject to the Restricted Stock Units, the Grantee shall have no direct or secured claim in any specific assets of the Company or in such shares, and will have the status of a general unsecured creditor of the Company.

4. Adjustments. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the terms of this Agreement, including the number and class of securities subject hereto, shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of the Grantee. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

5. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to the Restricted Stock Units (including the right to vote) until the underlying Common Stock have become vested pursuant to Section 2, been settled in accordance with Section 3, and the Grantee becomes a stockholder of record with respect to such shares, except that the Grantee shall be entitled to receive Dividend Equivalents equal in amount to the dividends declared on an equal number of shares of Common Stock as are then underlying the Restricted Stock

Units, provided that such dividend equivalents will be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which they are paid. Dividend Equivalent amounts shall accrue and be paid or distributed in cash at the same time the underlying shares of Common Stock are distributed to the Grantee in accordance with Section 3.

6. Tax Consequences.

(a) The Grantee acknowledges that the Company has not advised the Grantee regarding the Grantee's income tax liability in connection with the grant or vesting of the Restricted Stock Units, the dividend equivalents contemplated hereunder or the delivery of the Common Stock underlying the Restricted Stock Units. The Grantee has reviewed with the Grantee's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) will be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) As a condition precedent to the delivery of the shares of Common Stock upon the vesting of the Restricted Stock Units, the Grantee acknowledges and agrees that the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "**Required Tax Payments**") with respect to such shares of Common Stock. If the Grantee has not been given permission by the Company to advance the Required Tax Payments in cash, then the obligation to advance the Required Tax Payments by the Grantee shall take place by the Company withholding whole shares of Common Stock which would otherwise be delivered to the Grantee having an aggregate Fair Market Value, determined as of the applicable date, equal to the Required Tax Payments. Shares of Common Stock to be withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by the Grantee. No certificate representing a share of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full.

7. Nontransferability of Award. The Grantee may not sell, pledge, assign, encumber, hypothecate, gift, transfer, bequeath, devise, donate or otherwise dispose of, in any way or manner whatsoever, whether voluntary or involuntary, any legal or beneficial interest in any of the Restricted Stock Units until the Restricted Stock Units become vested and settled in accordance with Section 3; provided, however, that the restrictions of this Section 7 shall not apply to any transfer (i) pursuant to applicable laws of descent and distribution or (ii) among the Grantee's family group; provided that such restrictions will continue to be applicable to the Restricted Stock Units after any such transfer and the transferees of such Restricted Stock Units have agreed in writing to be bound by the provisions of this Agreement. The Grantee's "family group" means the Grantee's spouse and descendants (whether natural or adopted) and any trust solely for the benefit of the Grantee and/or the Grantee's spouse and/or descendants during the Grantee's lifetime.

8. Securities Laws. The Company may from time to time impose any conditions on the Restricted Stock Units or any underlying shares of Common Stock as it deems necessary or advisable to ensure that

this Agreement and the Plan satisfies the conditions of Rule 16b-3 adopted under the Securities and Exchange Act of 1934, as amended, and otherwise complies with applicable rules and laws.

9. Recoupment of Award. Notwithstanding anything in this Agreement to the contrary, if the Company determines that the Grantee's Wrongful Act was a significant contributing factor to the Company or a Subsidiary having to restate all or a portion of its financial statements, all outstanding Restricted Stock Units will immediately and automatically be forfeited and the Grantee shall promptly repay to the Company any shares of Common Stock, cash or other property paid in respect of any Restricted Stock Units during the period beginning on the date the financial statements requiring restatement were originally released to the public or submitted to the Securities and Exchange Commission (whichever is earlier) and ending on the date the restated financial statements are filed with the Securities and Exchange Commission.

10. Protected Rights. The Grantee understands that nothing contained in this Agreement limits the Grantee's ability to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission ("**Government Agencies**"). The Grantee further understands that this Agreement does not limit the Grantee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall limit the Grantee's ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

11. Compliance with Section 409A. The Restricted Stock Units are intended to be exempt from or comply with Section 409A, and shall be interpreted and construed accordingly, and each payment hereunder shall be considered a separate payment. To the extent this Agreement provides for the Restricted Stock Units to become vested and be settled upon the Grantee's termination of employment, the applicable shares of Common Stock shall be transferred to the Grantee or his or her beneficiary upon the Grantee's "separation from service," within the meaning of Section 409A. Notwithstanding any other provision in this Agreement, to the extent any payments hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (a) each such payment which is conditioned upon the Grantee's execution of a release of claims and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years, and (b) if the Grantee is a specified employee (within the meaning of Section 409A) as of the date of the Grantee's separation from service, each such payment that is payable upon the Grantee's separation from service and would have been paid prior to the six-month anniversary of the Grantee's separation from service, shall be delayed until the earlier to occur of (i) the first day of the seventh month following the Grantee's separation from service or (ii) the date of the Grantee's death.

12. General Provisions.

- (a) This Agreement and the Plan together represent the entire agreement between the parties with respect to the granting of the Restricted Stock Units and may only be modified or amended in a manner materially adverse to the Grantee in writing signed by both parties.
- (b) Any notice, demand or request required or permitted to be given by either the Company or the Grantee pursuant to the terms of this Agreement must be in writing and will be deemed given (i) on the date and at the time delivered via personal, courier or recognized overnight delivery service, (ii) if sent via telecopier on the date and at the time telecopied with confirmation of delivery, (iii) if sent via email or other electronic delivery and receipt is confirmed, on the date and at the time received, or (iv) if mailed, on the date five days after the date of the mailing (which must be by registered or certified mail). Delivery of a notice by telecopy (with confirmation) or by email or other electronic delivery (with confirmation or receipt) will be permitted and will be considered delivery of a notice notwithstanding that it is not an original that is received. Any notice to the Grantee under this Agreement will be made to the Grantee at the address (or telecopy number, email or other electronic address, as the case may be) listed in the Company's personnel files. If directed to the Company, any such notice, demand or request will be sent to the Corporate Secretary at the Company's principal executive office, or to such other address or person as the Company may hereafter specify in writing.
- (c) The Company may condition delivery of certificates for shares of Common Stock subject to the Restricted Stock Units (or, if the shares are not certificated, the entry in the stock record books of the Company of the transfer to the Grantee of the shares of Common Stock) upon the prior receipt from the Grantee of any undertakings which it may determine are required to assure that the certificates are being issued in compliance with federal and state securities laws.
- (d) The Grantee has received a copy of the Plan, has read the Plan and is familiar with its terms, and hereby accepts the Restricted Stock Units subject to all of the terms and provisions of the Plan, as amended from time to time. Pursuant to the Plan, the Board and the Committee are authorized to interpret the Plan and to adopt rules and regulations not inconsistent with the Plan as they deem appropriate. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board or the Committee upon any questions arising under the Plan.
- (e) Subject to Section 7, neither this Agreement nor any rights or interest hereunder will be assignable by the Grantee, the Grantee's beneficiaries or legal representatives, and any purported assignment in violation hereof will be null and void.
- (f) Either party's failure to enforce any provision or provisions of this Agreement will not in any way be construed as a waiver of any such provision or provisions, nor prevent that party thereafter from enforcing each and every other provision of this Agreement. The rights granted both parties herein are cumulative and will not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.
- (g) The grant of Restricted Stock Units hereunder does not confer upon the Grantee any right to continue in service with the Company.

(h) This Agreement shall be governed by, and enforced in accordance with, the laws of the State of Delaware, without regard to the application of the principles of conflicts or choice of laws.

(i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument. In the event that any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file or picture format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such electronic facsimile signature page were an original thereof. The parties confirm that it is their wish that this Agreement may be executed by means of electronic signature.

(j) The parties hereto have expressly required that this Agreement and any other contract or document relating thereto be drafted in the English language. All other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, shall be drawn up in English. If the Grantee has received the Agreement or any other documents related to the Award translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

[Signature Page Follows]

[SIGNATURE PAGE TO AWARD AGREEMENT FOR TIME-BASED RESTRICTED STOCK UNITS]

IN WITNESS WHEREOF, the parties have duly executed this Award Agreement intending it to be effective as of the first date written above.

ONESPAN INC.

By: _____

Name:

Its:

GRANTEE

Name:

Signature: _____

Exhibit A

GRANTEE SPECIFIC INFORMATION:

Grantee	# of RSUs	Vesting Start Date	Vesting Schedule
			<ul style="list-style-type: none">• 33.32% of the Restricted Stock Units will vest on the first annual anniversary date of the Vesting Start Date;• An additional 16.67% of the Restricted Stock Units will vest on the eighteen month anniversary date of the Vesting Start Date;• An additional 16.67% of the Restricted Stock Units will vest on the second annual anniversary date of the Vesting Start Date;• An additional 16.67% of the Restricted Stock Units will vest on the thirty month anniversary date of the Vesting Start Date; and• The final 16.67% of the Restricted Stock Units will vest on the third annual anniversary date of the Vesting Start Date.

Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Victor Limongelli, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneSpan Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons fulfilling the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 1, 2025

/s/ Victor Limongelli

Victor Limongelli
President and Chief Executive Officer
(Principal Executive Officer)

**Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jorge Martell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OneSpan Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons fulfilling the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 1, 2025

/s/ Jorge Martell

Jorge Martell

Chief Financial Officer

(Principal Financial and Accounting Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, Victor Limongelli, certify, based upon a review of the Quarterly Report on Form 10-Q for OneSpan Inc. for the first quarter ended March 31, 2025, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Victor Limongelli

Victor Limongelli
President and Chief Executive Officer

May 1, 2025

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, Jorge Martell, certify, based upon a review of the Quarterly Report on Form 10-Q for OneSpan Inc. for the first quarter ended on March 31, 2025, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Jorge Martell

Jorge Martell
Chief Financial Officer

May 1, 2025