

Investor Presentation – Q1 2023

May 4, 2023



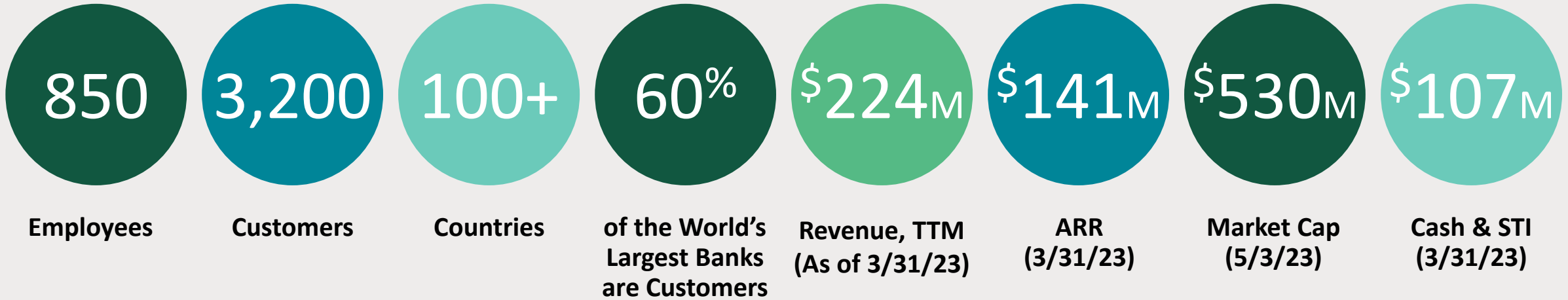
Forward Looking Statements

This presentation contains forward-looking statements within the meaning of applicable U.S. securities laws, including statements regarding: 2023 guidance and long-term financial targets; the outcomes we expect from our strategic transformation plan; expected results of the investments we are making in sales, marketing, and product development; our plans for managing our Digital Agreements and Security Solutions segments; expectations regarding our ability to attract new customers and retain existing customers; the timing for general availability of new or enhanced products; the potential benefits, performance and functionality of our products and solutions, including our transaction cloud platform and future offerings; future plans or trends in sales and marketing, research and development, and general and administrative expenditures; expectations regarding sources and uses of cash; plans to expand our salesforce and distribution channels; the impact of foreign currency exchange rate fluctuations; the impact of inflation; the effects of supply chain disruptions; impacts of macroeconomic conditions or geopolitical conflict; trends in hiring or compensation costs; 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 execute our strategic transformation plan; our ability to attract new customers and retain and expand sales to existing customers; our ability to effectively develop and expand our sales and marketing capabilities; our ability to hire, train, and retain sales and other employees necessary to implement our strategic transformation plan; our ability to successfully develop and market new product offerings and product enhancements; the loss of one or more large customers; difficulties enhancing and maintaining our brand recognition; competition; lengthy sales cycles; departures of senior management or other key employees; changes in customer requirements; interruptions or delays in the performance of our products and solutions; real or perceived malfunctions or errors in our products; the potential effects of technological changes; economic recession, inflation, and political instability; security breaches or cyber-attacks; delays and disruption in global transportation and supply chains, as well as other factors described in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2022. Our filings with the Securities and Exchange Commission (the "SEC") and other important information can be found in the Investor Relations section of our website at investors.onespan.com. Statements in this presentation are made as of May 4, 2023, and the continued availability of this presentation after that date shall under no circumstances create an implication that the information contained herein is correct as of any date after May 4, 2023. We do not have any intent, and disclaim any obligation, to update the forward-looking information to reflect events that occur, circumstances that exist or changes in our expectations after the date of this presentation, except as required by law.

Company Overview



OneSpan – The Digital Agreements Security Company



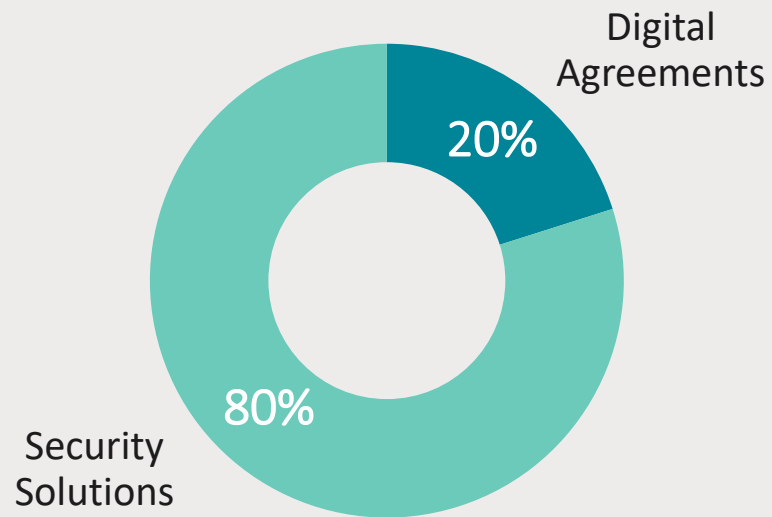
Trusted Security Partner to Global Blue-Chip Enterprises

Banking	Other Financial Services	Insurance	Government	Healthcare	Other
BANK OF AMERICA BNP PARIBAS BMO usbank CHASE CREDIT SUISSE FIFTH THIRD BANK HSBC NAVY FEDERAL CREDIT UNION MUFG ING PNC RBC Royal Bank Deutsche Bank Standard Chartered TRUIST SOCIETE GENERALE bdc MIZUHO bankID	<p><i>Action Financial Services, LLC</i></p> OneMain Financial. BUY WAY CDKGlobal. easyfinancial AL OPENDEALER EXCHANGE Good Shepherd Microfinance LENDESK SEI SavvyFi	AMERICAN NATIONAL DONEGAL INSURANCE GROUP Erie Insurance GAINSCO Auto Insurance GUIDEWIRE Liberty Mutual INSURANCE P&V GENERALI the co-operators Wawanesa Insurance	USDA NASA JPL SBA U.S. Small Business Administration U.S. Department of Transportation UNITED STATES POSTAL SERVICE	PointClickCare Netsmart GRAND HÔPITAL de CHARLEROI MCKESSON Canada Cerner cdmv Key Health	THE ADECCO GROUP akyla IBM Direct Energy. TATA ncino Pacific Gas and Electric Company SECURITAS TUI

Revenue Breakdown

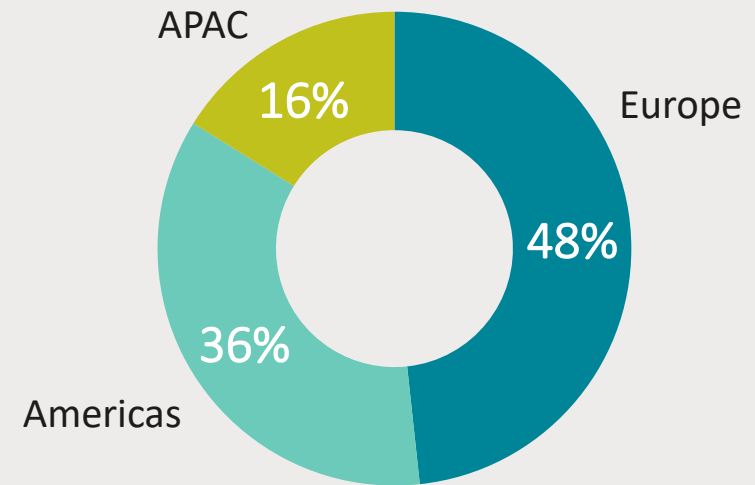
Operating Segments

Q1 2023 Revenue



Geographic Split

Q1 2023 Revenue



Our Vision

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

Our Mission

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

Our Solution Portfolio...

DIGITAL AGREEMENT WORKFLOW

VERIFY



Biometric Verification

Global ID Proofing

Risk-based Verification

AUTHENTICATE



Intelligent Adaptive Authentication

Hardware Devices

Software Authentication

INTERACT



Online Notarization

Secure Virtual Collaboration

Audit Trail and Ledger

TRANSACT



Simple, Advanced & Qualified eSignature

Digital Smart Forms

Packaged Integrations

VAULT



Cloud Storage

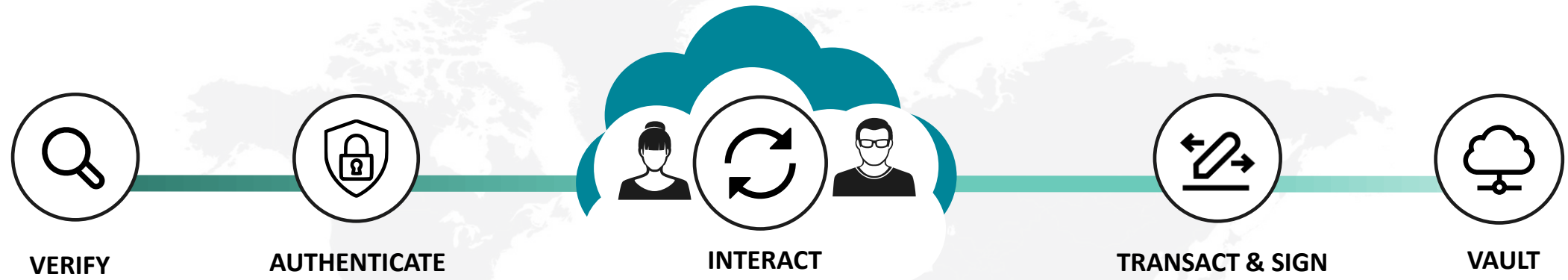
Blockchain Vault

Regulated Vault

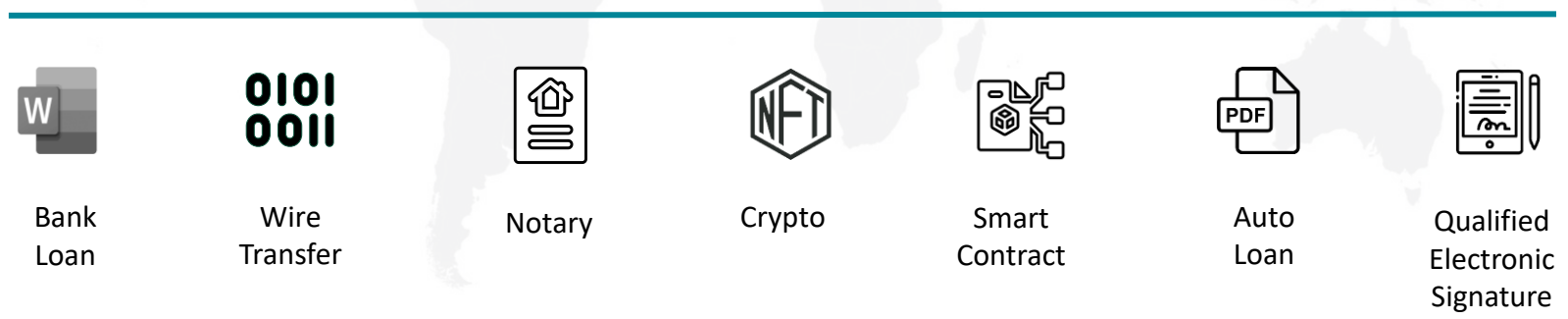
MOBILE SECURITY

ONESPAN TRANSACTION CLOUD PLATFORM

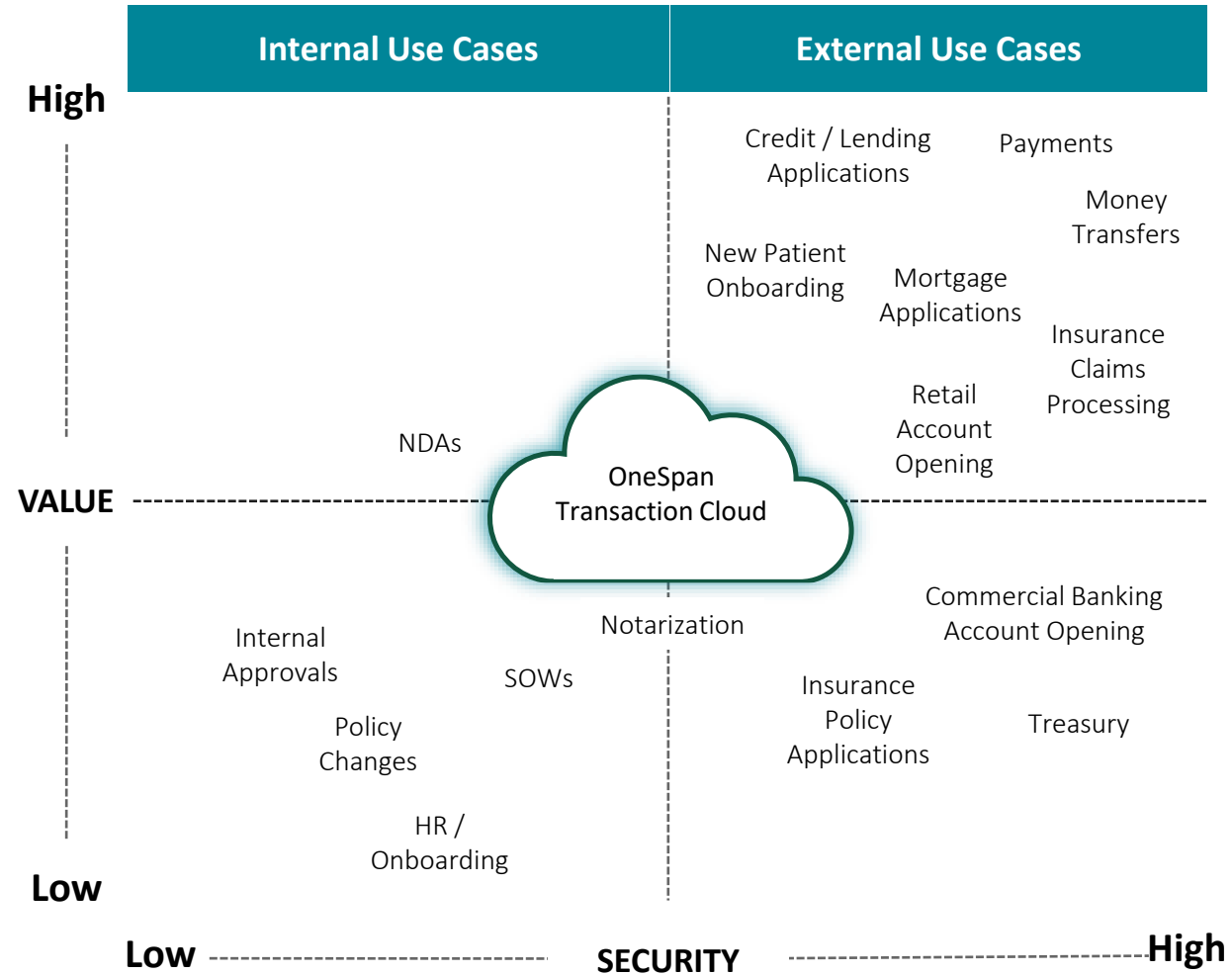
...Allows us to Secure Customer Transaction Lifecycles



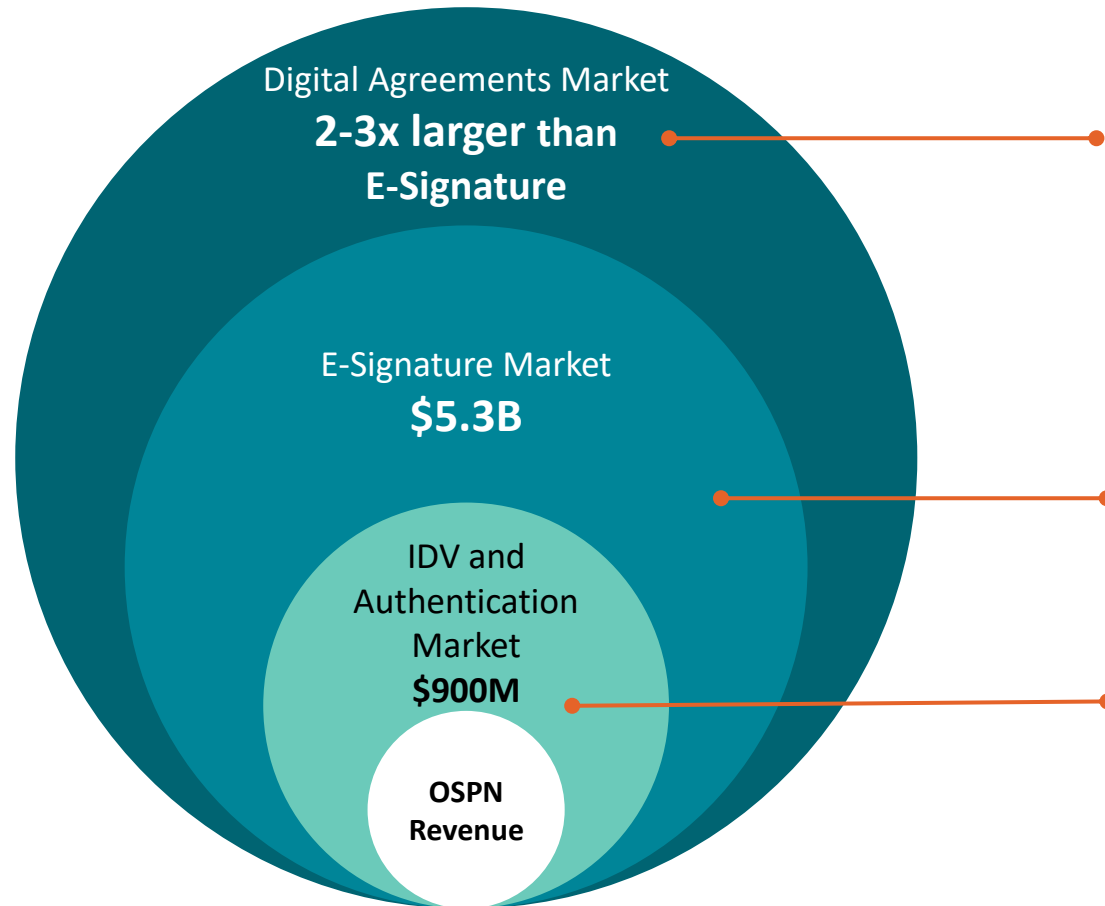
TRANSACTION and RECORD TYPE



...and Support High Value B2B & B2C Transactions



Large and Growing Addressable Markets













Digital Agreements market includes:

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

\$5.3B e-Signature market growing +30% through 2026¹

\$900M IDV & Authentication market¹

Unified GTM Motion with an Enterprise Sales Approach

CUSTOMER SEGMENTATION BASED ON EMPLOYEE COUNT	OSPN SALES FOCUS	PARTNER COVERAGE		
Tiers <i>(Employee Count)</i>	Efficient Resource Allocation with Sellers	Global System Integrators	Resellers & Distributors	Platform Partners
Large Enterprise 100,000+	SAM			
Enterprise 10,000 – 100,000	NAM			
Medium Business 5,000 – 10,000	NAM			
Mid-Market 2,000 – 5,000	TAM			
Small Business < 2,000	ISR			

Competitive Differentiation



World-class security DNA in identity verification, authentication and transaction signing



Deep expertise in end-user experience, cloud workflows, document verification and electronic signing



Deep roots and experience in highly regulated global markets



Ability to leverage product portfolio in time of market convergence



Valuable blue-chip installed base with deep roots in financial institutions

Financial Highlights & Outlook



Q1 2023 Financial Highlights

\$58M

Revenue
(10% Growth)

\$141M

ARR¹
(10% Growth)

\$(1.6)M

Adjusted EBITDA

\$30M

Subscription Revenue
(29% Growth)

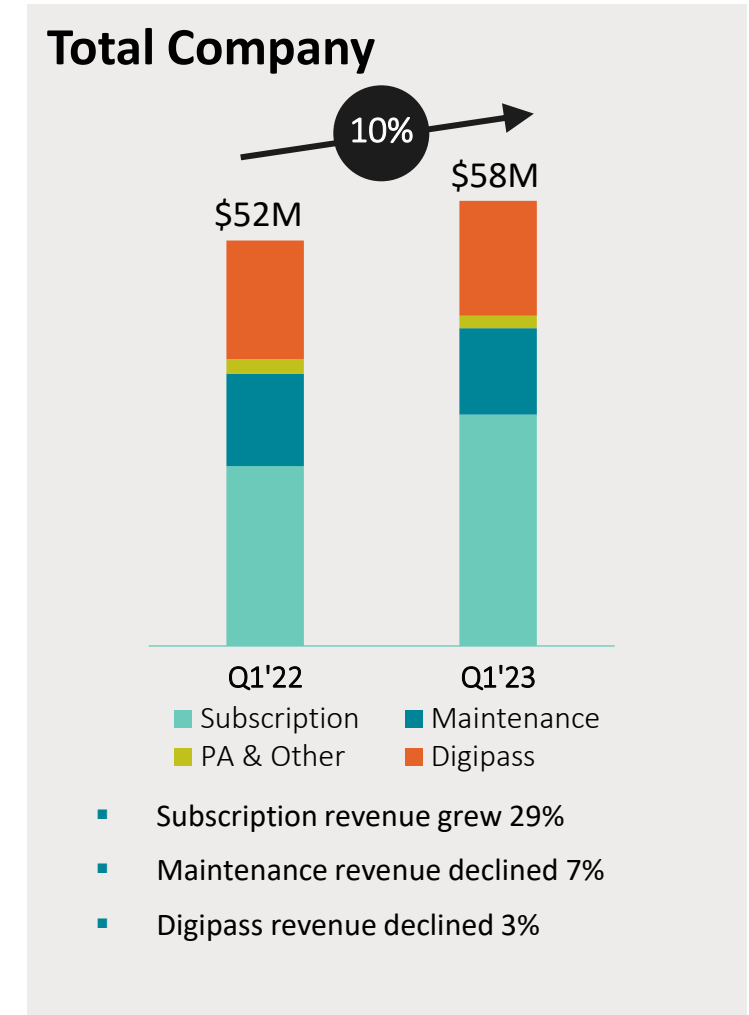
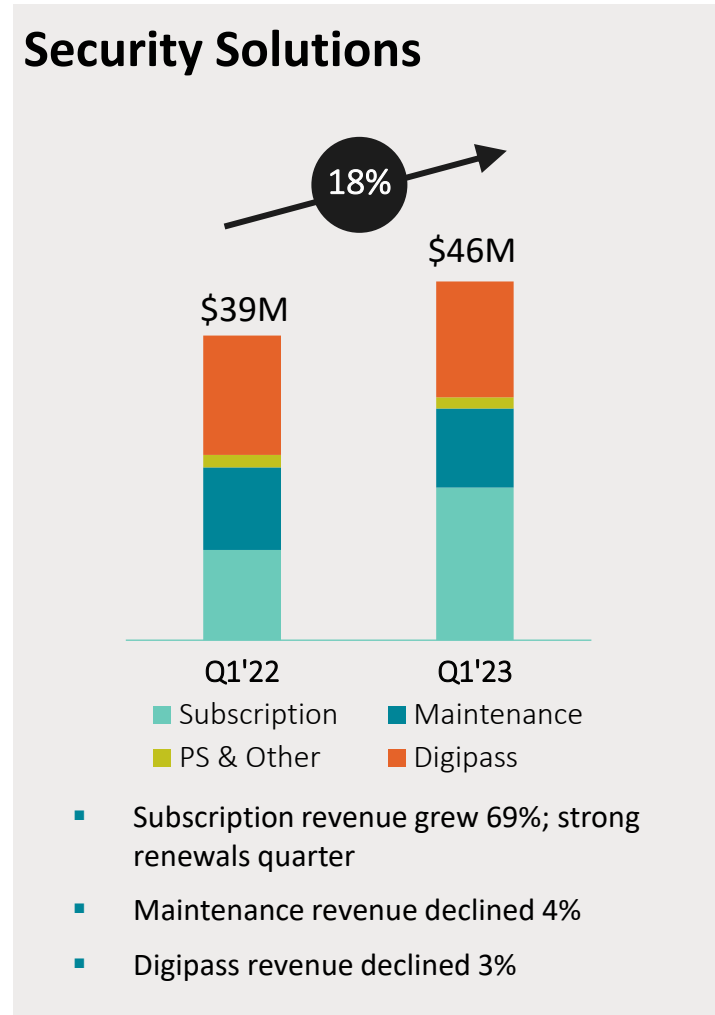
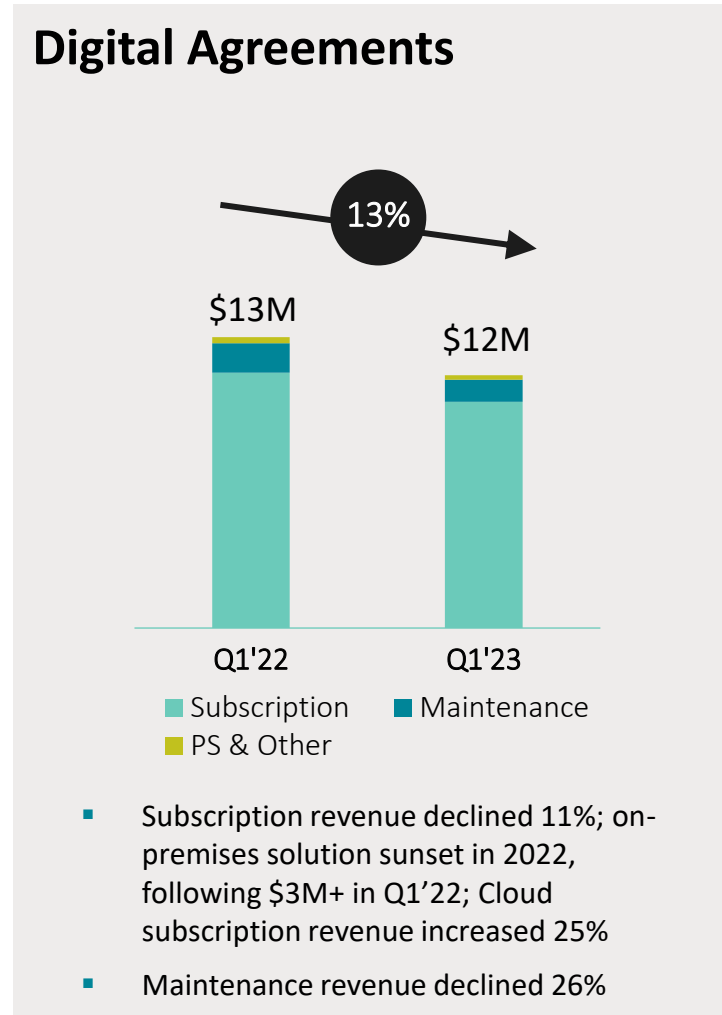
\$109M

Subscription ARR
(19% Growth)

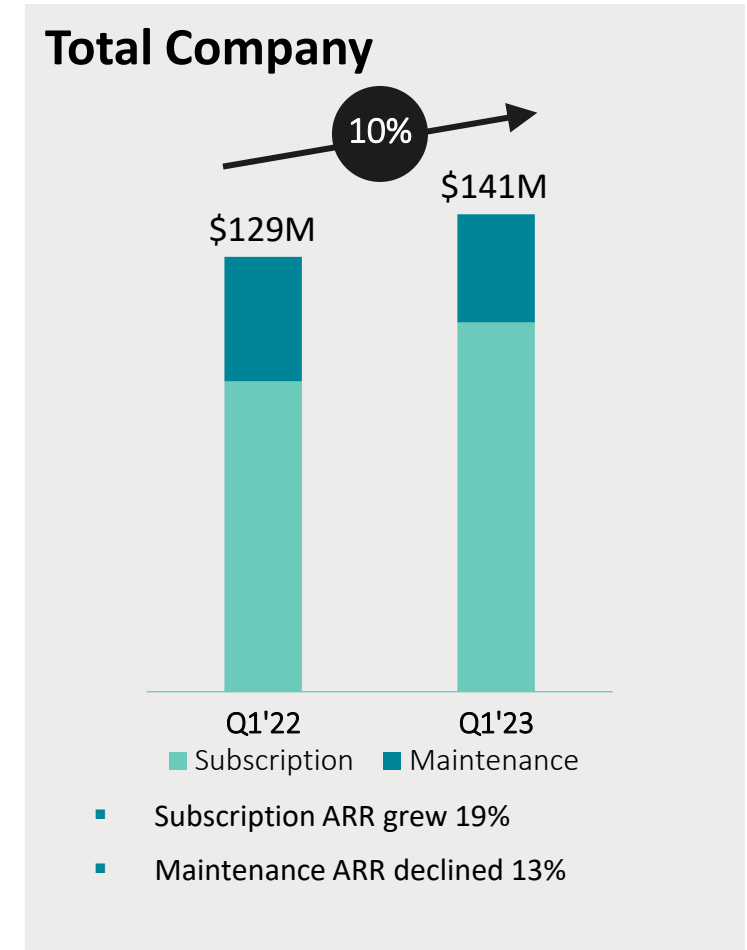
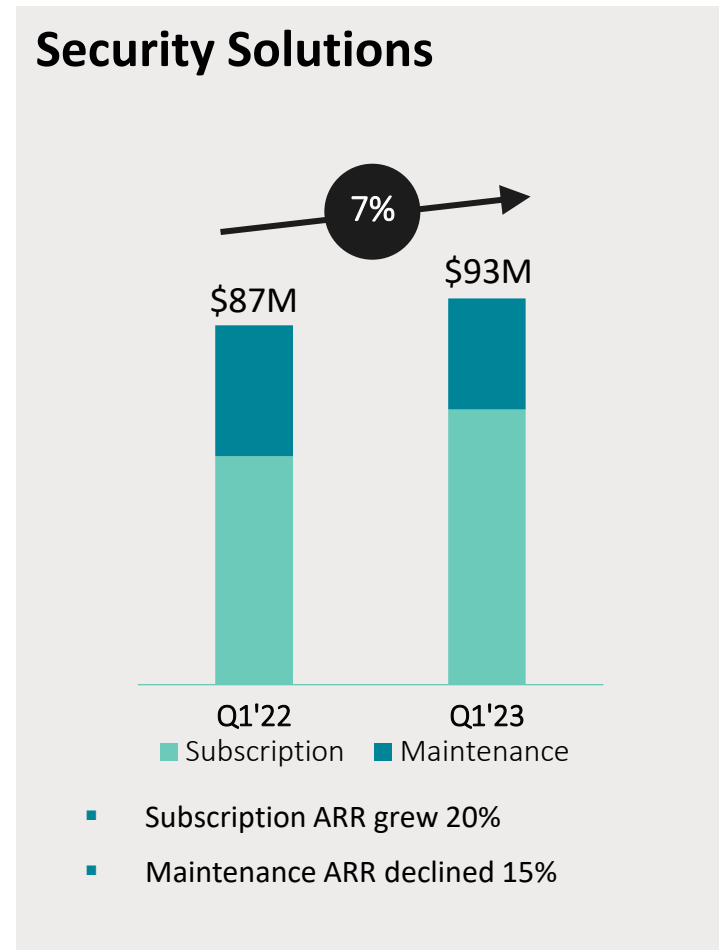
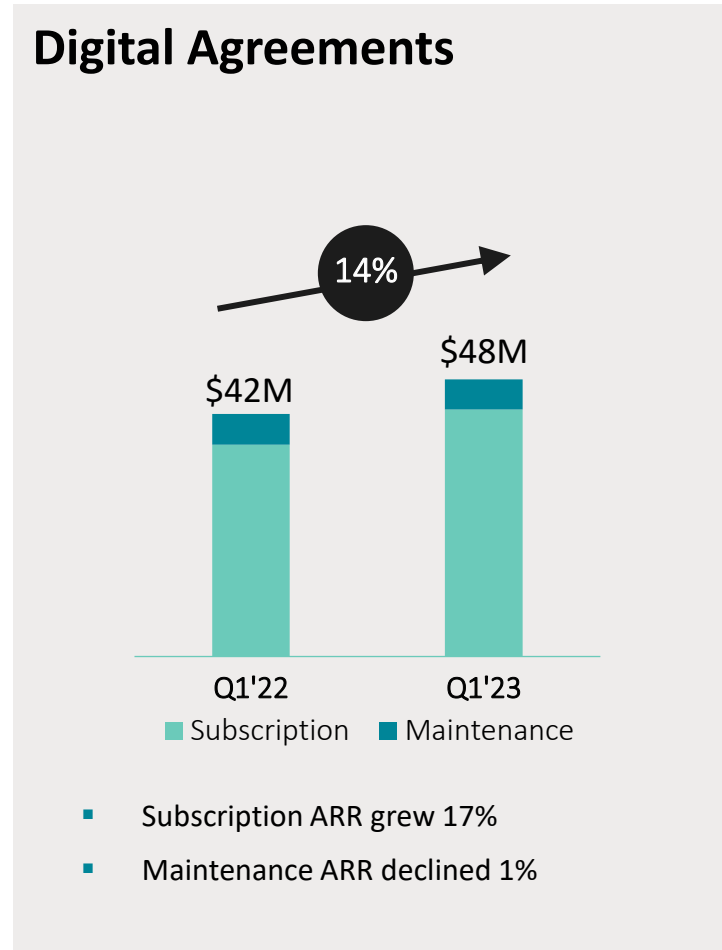
\$107M

Cash and STI; no
long-term debt

Q1 2023 Revenue Growth



Q1 2023 ARR Growth



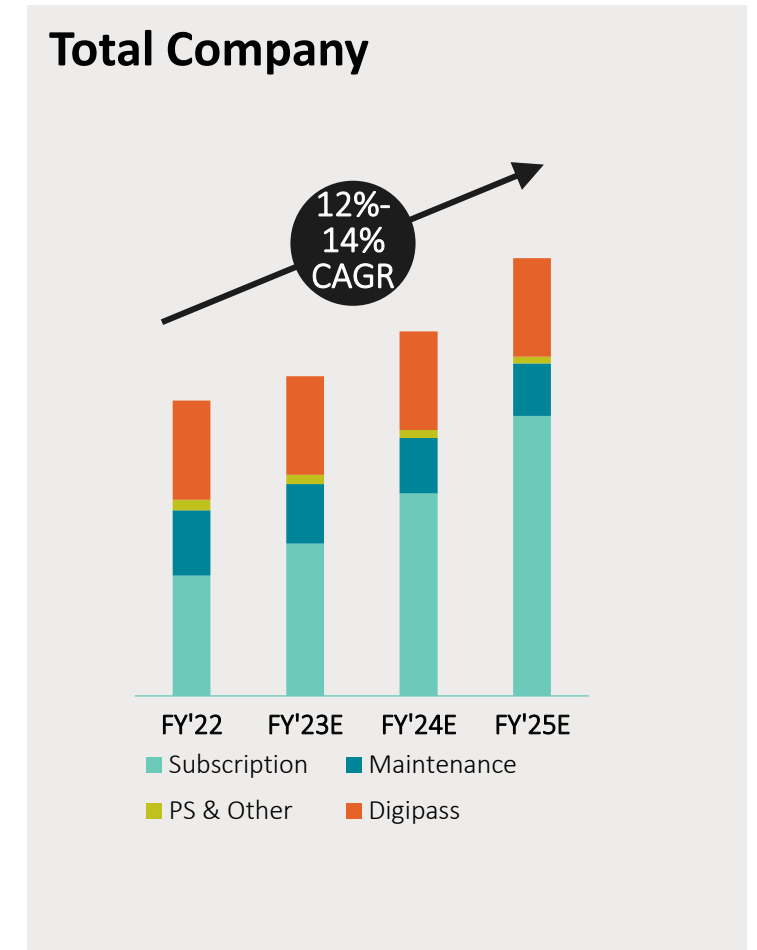
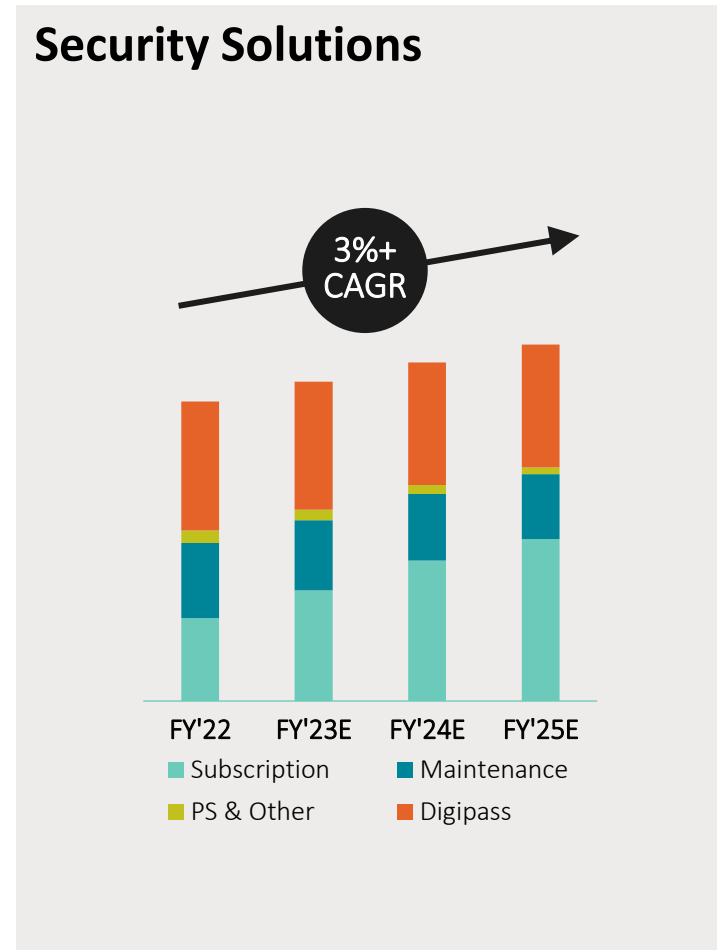
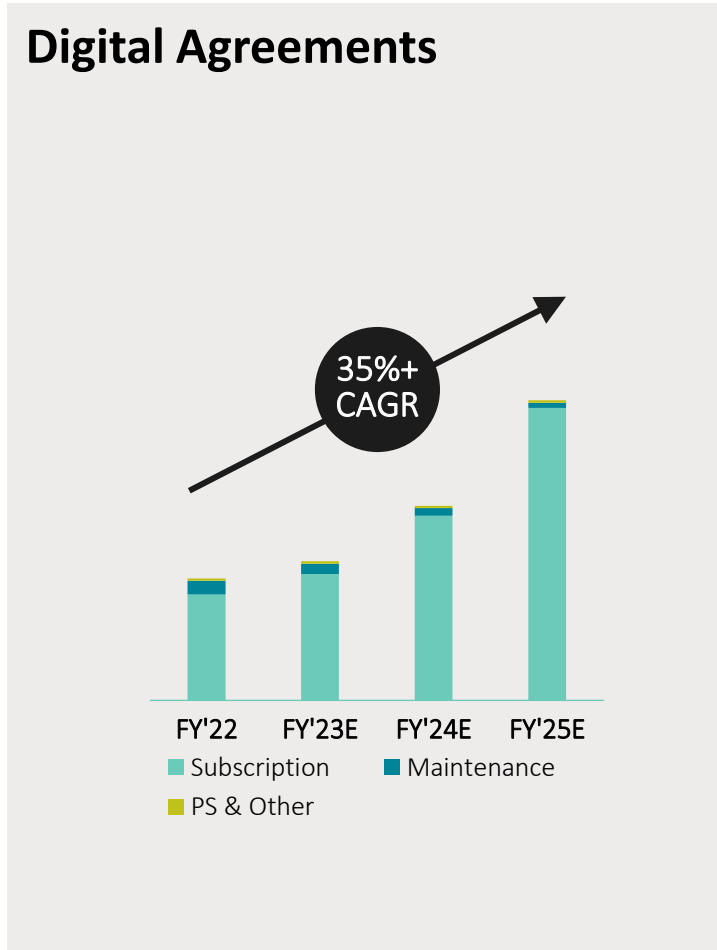
2023 Guidance and Long-Term Targets

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

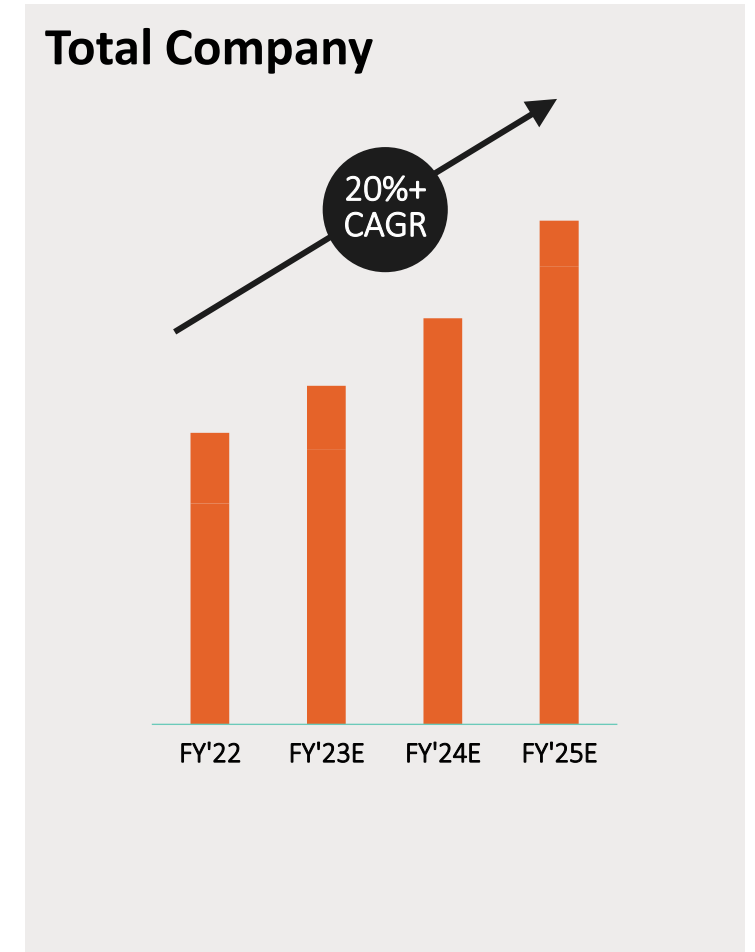
^{1,2} See Appendix for definitions

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

3-Year CAGR Targets – Revenue



3-Year CAGR Targets – ARR



Appendix



Non-GAAP Reconciliation

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

	Three months ended March 31,	
	2022	2023
Net income (loss)	\$ 5,214	\$ (8,356)
Interest income (expense), net	17	(503)
Provision for income taxes	1,173	689
Depreciation and amortization of intangible assets ¹	2,097	1,319
Long-term incentive compensation	1,224	3,923
Restructuring and other related charges	2,659	706
Other non-recurring items ²	(12,144)	585
Adjusted EBITDA	<u>\$ 240</u>	<u>\$ (1,637)</u>

¹ Includes depreciation and amortization expense directly related to generating cloud subscription revenue of less than \$0.1 million and \$0 million at March 31, 2023 and 2022, respectively. Costs are recorded in Cost of services and other revenue.

² For the three months ended March 31, 2023, non-recurring items include \$0.6 million of fees related to nonrecurring projects and our acquisition of ProvenDB. For the three months ended March 31, 2022, non-recurring items include a \$(14.8) million non-operating gain on sale of our investment in Promon AS and \$2.7 million of outside services related to our strategic action plan.

Strategic Cost Savings Plan¹

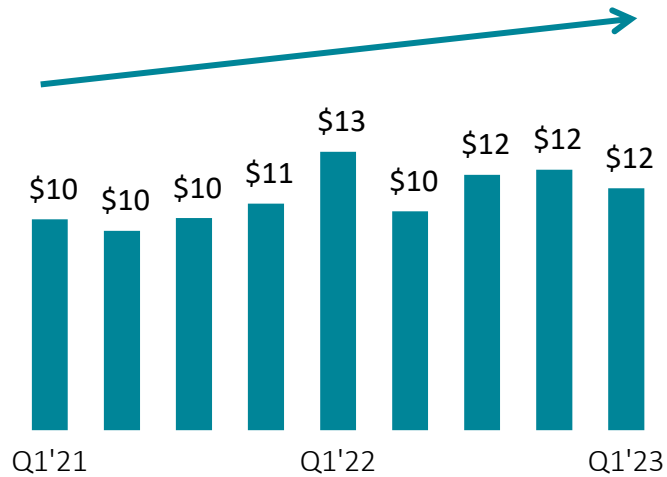
Phase Two

- Announced May 2022
- Approximately \$10.7 million in total annualized cost savings as of March 31, 2023
- \$20 - \$25 million in annualized cost savings expected by end of 2025
- Cost savings are expected to be re-invested to help drive revenue growth

Segment & Total Company Revenue Trend; Last Two Years

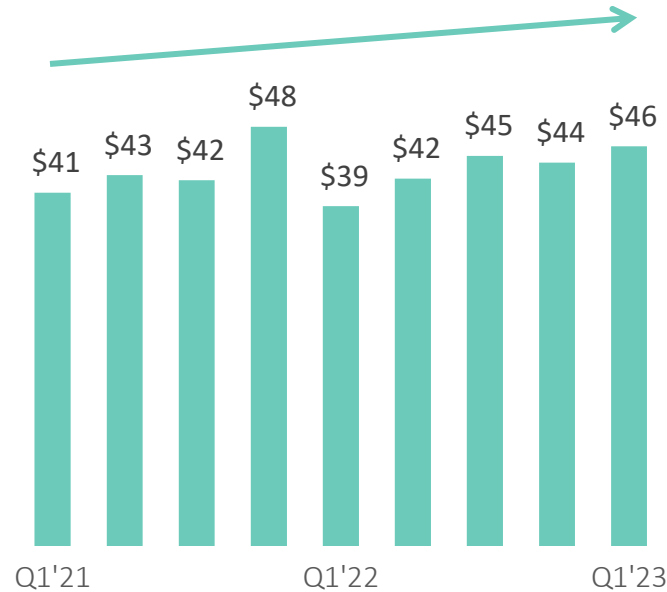
Digital Agreements

(in millions)



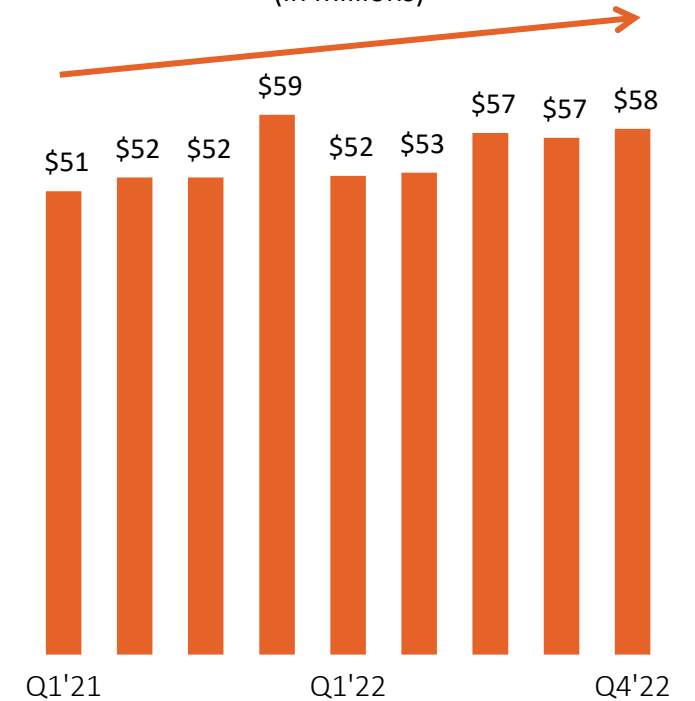
Security Solutions

(in millions)



Total Company

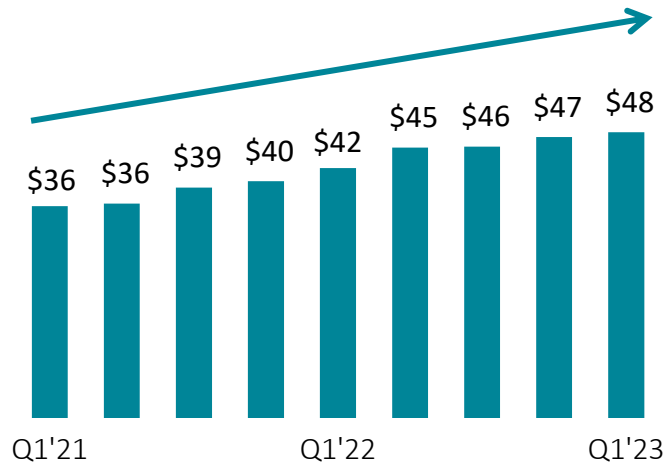
(in millions)



Segment & Total Company ARR Trend, Last Two Years

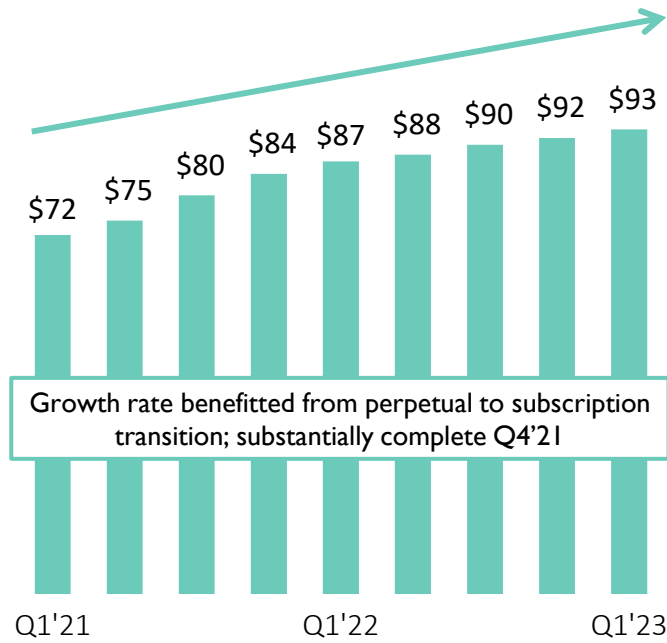
Digital Agreements

(in millions)



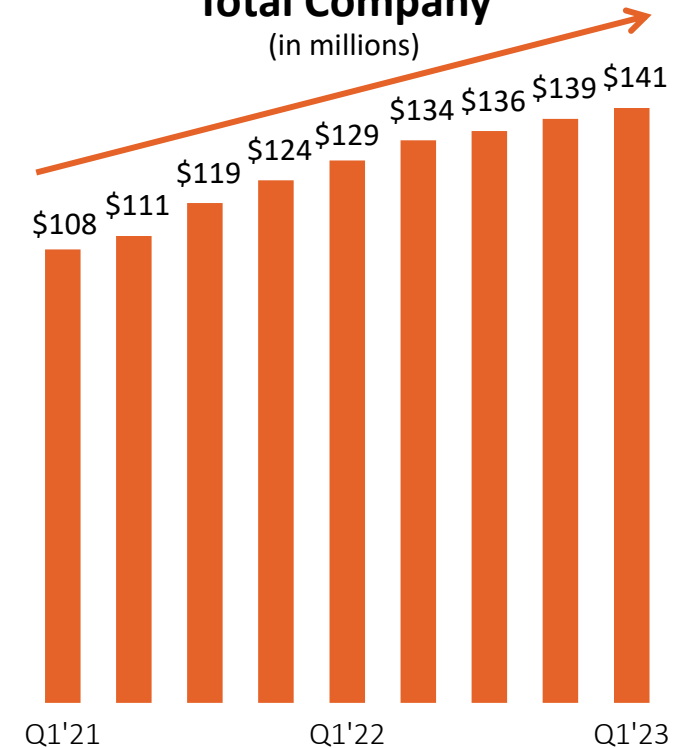
Security Solutions

(in millions)



Total Company

(in millions)



Definitions

- 1 - **Annual Recurring Revenue, or ARR**, is calculated as the approximate annualized value of our customer recurring contracts as of the measurement date. These include subscription, term-based license, and maintenance contracts and exclude one-time fees. To the extent that we are negotiating a renewal with a customer after the expiration of a recurring contract, we continue to include that revenue in ARR if we are actively in discussion with the customer for a new recurring contract or renewal, or until such customer notifies us that it is not renewing its recurring contract.
- 2 - **Net Retention Rate, or NRR** is defined as the approximate year-over-year percentage growth in ARR from the same set of customers at the end of the prior year period.

Non-GAAP Financial Measures

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

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

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

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

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