Investor Presentation – Q2 2023

August 9, 2023

OneSpan
The Digital Agreements Company

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of applicable U.S. securities laws, including statements regarding our 2023 financial guidance and our financial expectations for 2024; the outcomes we expect from our recently approved cost reduction actions, including the ability of those actions and our prior restructuring plan to enable us to accelerate adjusted EBITDA growth, enable us to return capital to stockholders, and drive value creation by growing profitably over the long term; estimates concerning the timing and amount of savings, adjusted EBITDA margin and/or restructuring charges that may result from the recently approved cost reduction actions and our prior restructuring plan; 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", "confident", 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. Important factors that could materially affect our business and financial results include, but are not limited to: our ability to execute our strategic transformation plan and the additional actions under our restructuring plan in the expected timeframe and to achieve the outcomes we expect from them; unintended costs and consequences of our revised restructuring plan, including higher than anticipated restructuring charges, disruption to our operations, litigation or regulatory actions, reduced employee morale, attrition of valued employees, adverse effects on our reputation as an employer, loss of institutional know-how, slower customer service response times, and reduced ability to complete or undertake new product development projects and other business, product, technical, compliance or risk mitigation initiatives; 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; our ability to effectively manage third party partnerships, acquisitions, divestitures, alliances, or joint ventures; security breaches or cyber-attacks; claims that we have infringed the intellectual property rights of others; litigation or regulatory actions; price competitive bidding; changing laws, government regulations or policies; pressures on price levels; component shortages; delays and disruption in global transportation and supply chains; reliance on third parties for certain products and data center services; impairment of goodwill or amortizable intangible assets causing a significant charge to earnings; actions of activist stockholders; and exposure to increased economic and operational uncertainties from operating a global business, as well as other factors described in the “Risk Factors” section of our most recent Annual Report on Form 10-K, as updated by the “Risk Factors” section of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2023. 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 August 9, 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 August 9, 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 Company

OneSpan – The Digital Agreements Security Company

842	3,600	100+	60%	$227M	$144M	$540M	$83M
Employees (6/30/23)	**Customers**	**Countries**	**of the World's Largest Banks are Customers**	**Revenue, TTM (As of 6/30/23)**	**ARR (6/30/23)**	**Market Cap (8/8/23)**	**Cash & Equiv. (6/30/23)**

Trusted Security Partner to Global Blue-Chip Enterprises

Banking

- 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

Other Financial Services

- Action Financial Services, LLC
- OneMain Financial
- Buy Way
- CDK Global
- easyfinancial goeasy
- AL
- OpenDealer Exchange
- Good Shepherd Microfinance
- Lendesk
- SEI
- SavvyFi

Insurance

- American National
- Donegal Insurance Group
- Erie Insurance
- Gainsco Auto Insurance
- Guidewire
- Liberty Mutual Insurance
- P&V
- Generali
- the co-operators
- Wawanesa Insurance

Government

- USDA
- NASA JPL
- SBA U.S. Small Business Administration
- U.S. Department of Transportation
- United States Postal Service

Healthcare

- PointClickCare
- Netsmart
- GHdC Grand Hôpital de Charleroi
- McKesson Canada
- Cerner
- cdmv
- Key Health

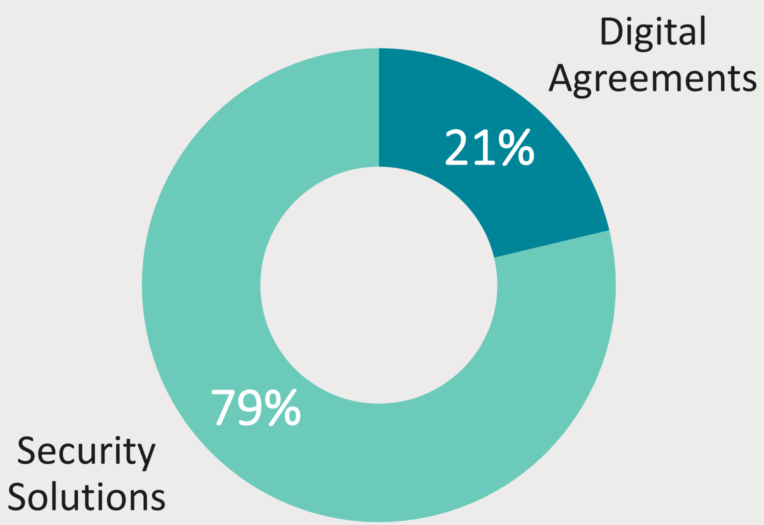
Other

- The Adecco Group
- akyla
- IBM
- Direct Energy
- ncino
- TATA
- PG&E Pacific Gas and Electric Company
- Securitas
- TUI

Revenue Breakdown

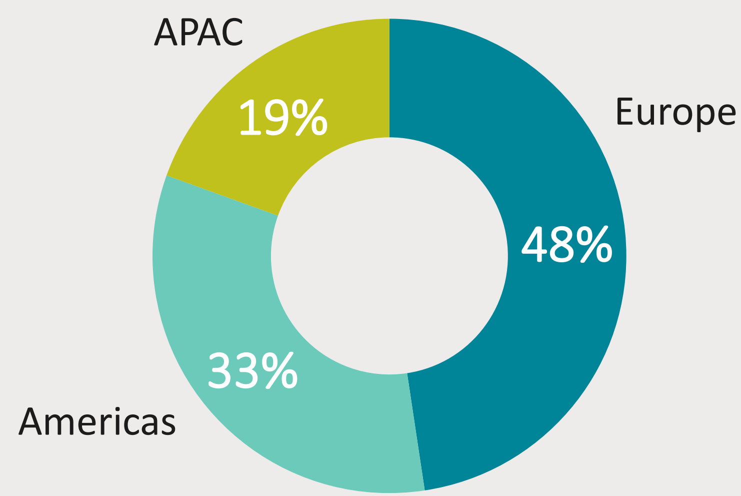
Operating Segments

Q2 2023 Revenue



Geographic Split

Q2 2023 Revenue



Our Vision

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

Our Mission

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

Our Solution Portfolio…

DIGITAL AGREEMENT WORKFLOW

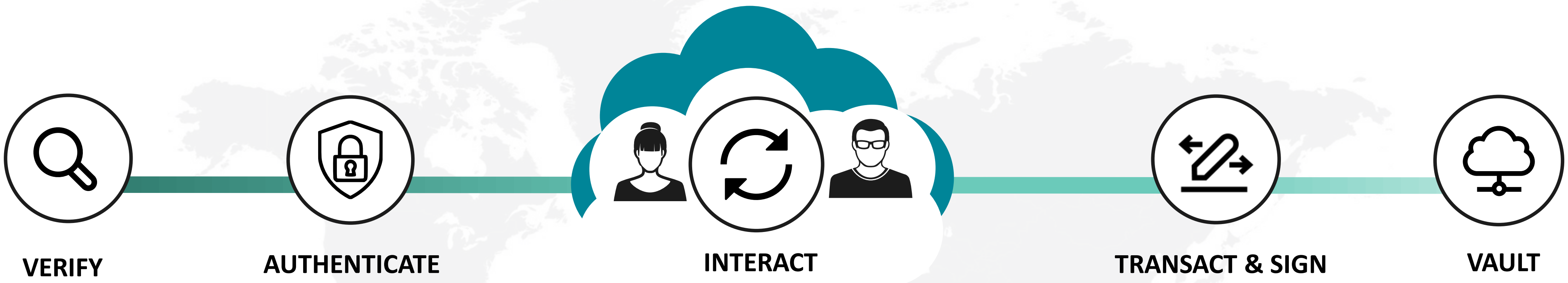
VERIFY	AUTHENTICATE	INTERACT	TRANSACT	VAULT
Biometric Verification	Intelligent Adaptive Authentication	Online Notarization	Simple, Advanced & Qualified eSignature	Cloud Storage
Global ID Proofing	Hardware Devices	Secure Virtual Collaboration	Digital Smart Forms	Blockchain Vault
Risk-based Verification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

MOBILE SECURITY

ONESPAN TRANSACTION CLOUD PLATFORM

OneSpan

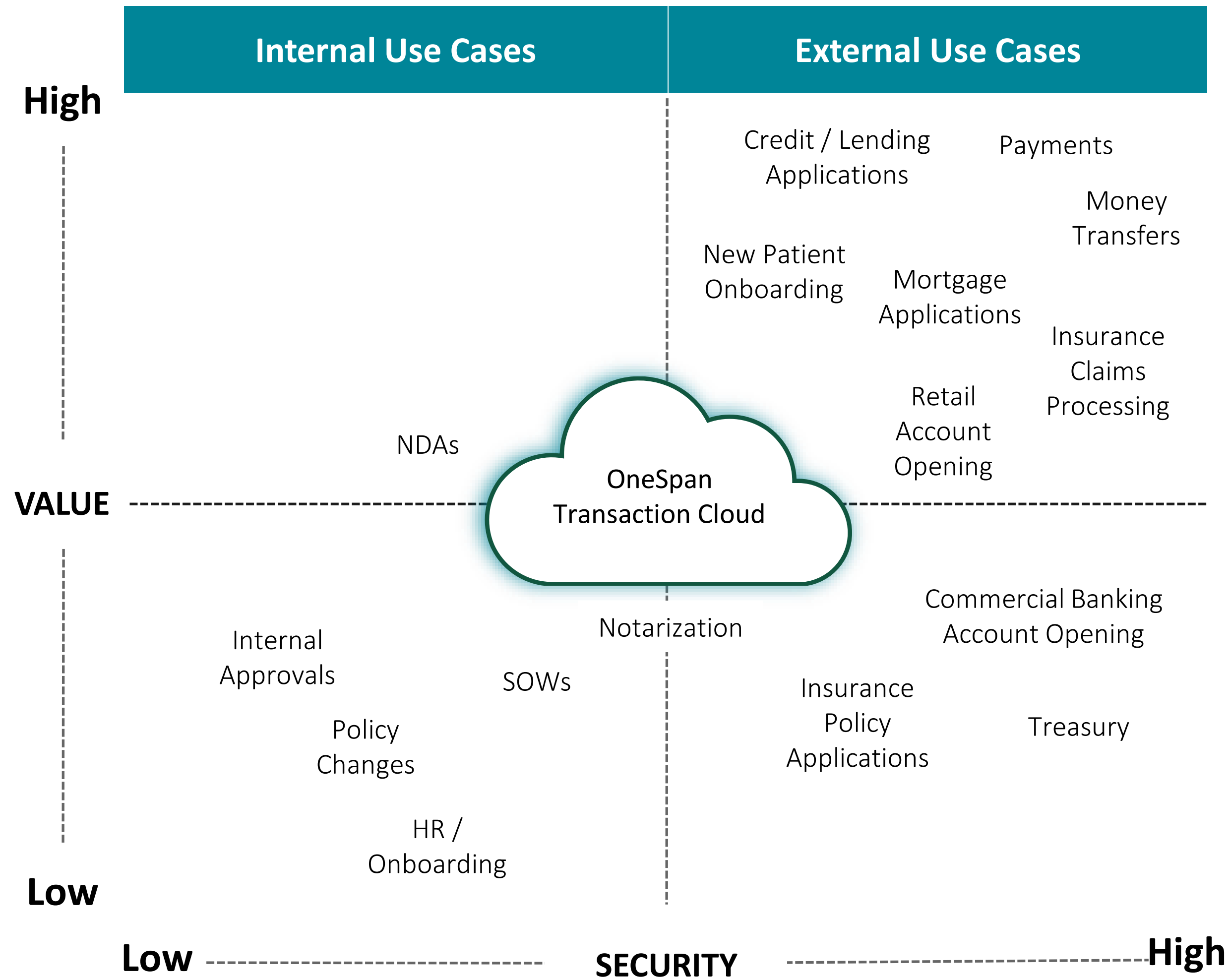
…Allows us to Secure Customer Transaction Lifecycles



TRANSACTION and RECORD TYPE

- Bank Loan
- Wire Transfer
- Notary
- Crypto
- Smart Contract
- Auto Loan
- Qualified Electronic Signature

…and Support High Value B2B & B2C Transactions



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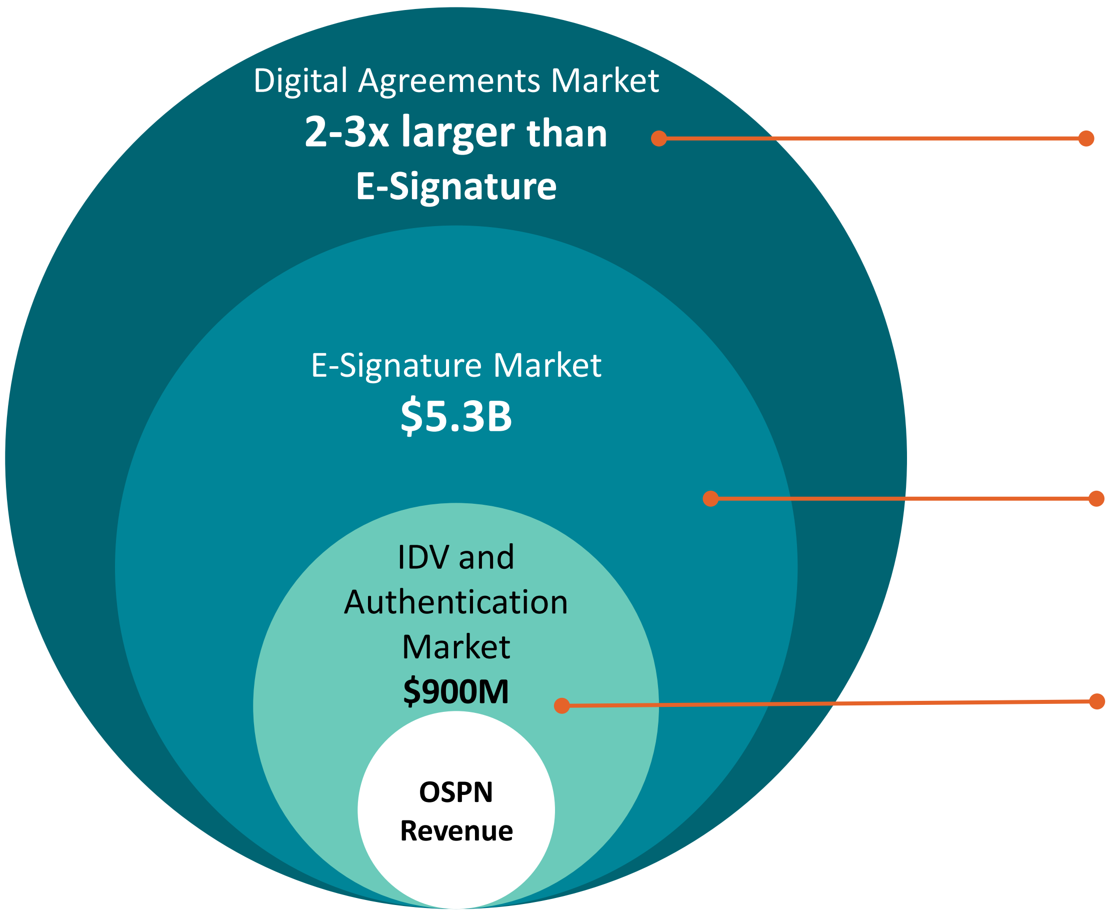
Large and Growing Addressable Markets



Digital Agreements market includes:

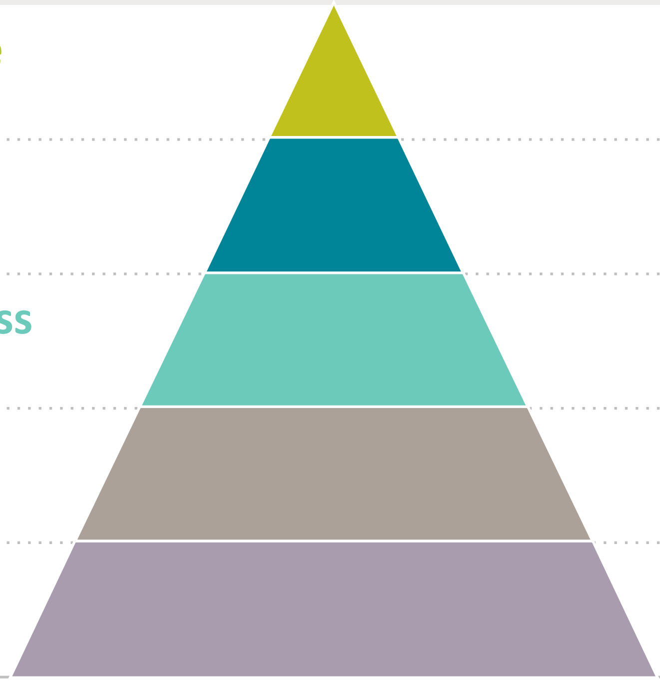
- E-Signature
- Virtual room
- Remote online notary
- IDV & Authentication
- Transaction signing
- eVaulting

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

$900M IDV & Authentication market[1]

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

Unified GTM Motion with an Enterprise Sales Approach



CUSTOMER SEGMENTATION BASED ON EMPLOYEE COUNT	OSPN SALES FOCUS	PARTNER COVERAGE		
Tiers *(Employee Count)*	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		✓	✓

SAM, NAM, TAM, ISR defined as strategic account manager, named account manager, territory account manager, and inside sales representative, respectively.

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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

OneSpan
The Digital Agreements Company

Q2 2023 Financial Highlights

$56M
Revenue
(6% Growth)

$144M
ARR[1]
(8% Growth)

$(3.8)M
Adjusted EBITDA

$23M
Subscription Revenue
(16% Growth)

$112M
Subscription ARR
(16% Growth)

$83M
Cash and Equiv.
no long-term debt

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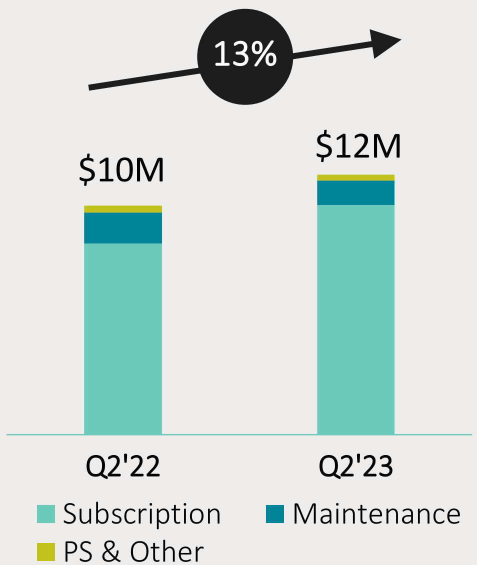
[1] See Appendix for definition.

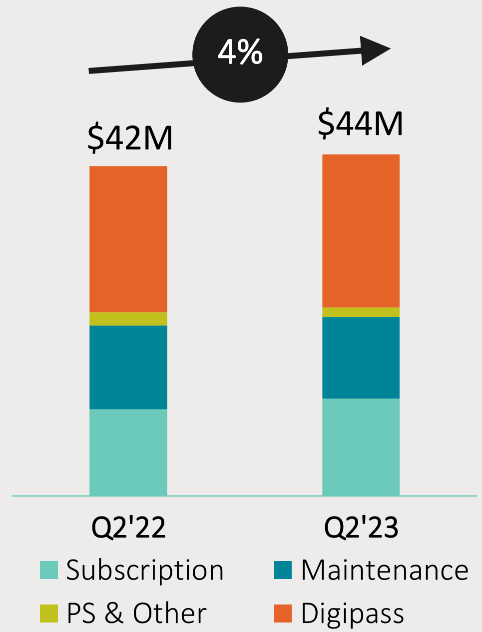
Q2 2023 Revenue Growth

Digital Agreements



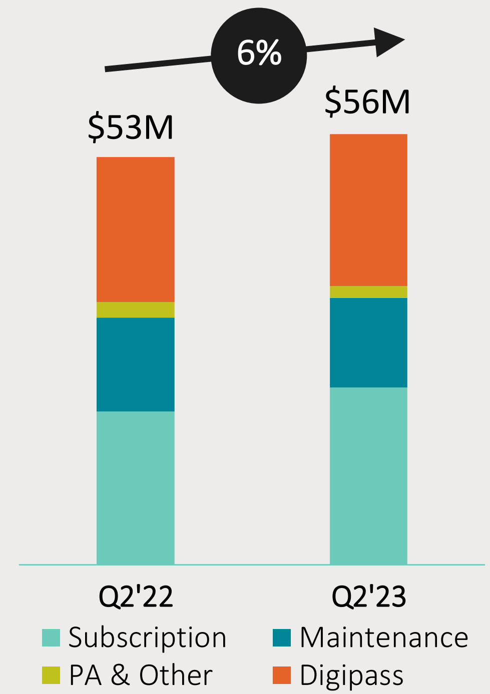
- Subscription revenue grew 20% and was 100% cloud-based in both periods
- Maintenance revenue declined 20% (sunsetting on-premises solution)

Security Solutions



- Subscription revenue grew 13%
- Maintenance revenue declined 3%
- Digipass revenue grew 5%

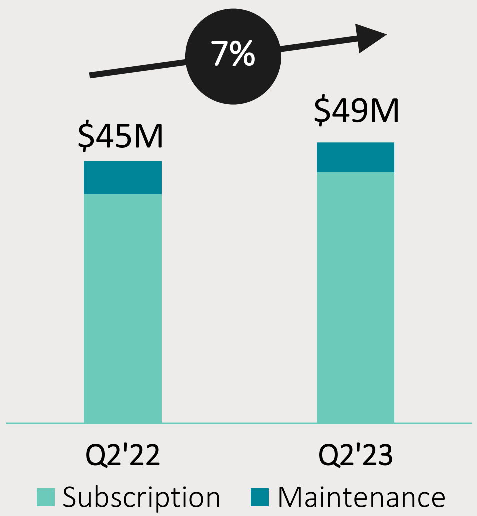
Total Company



- Subscription revenue grew 16%
- Maintenance revenue declined 5%
- Digipass revenue grew 5%

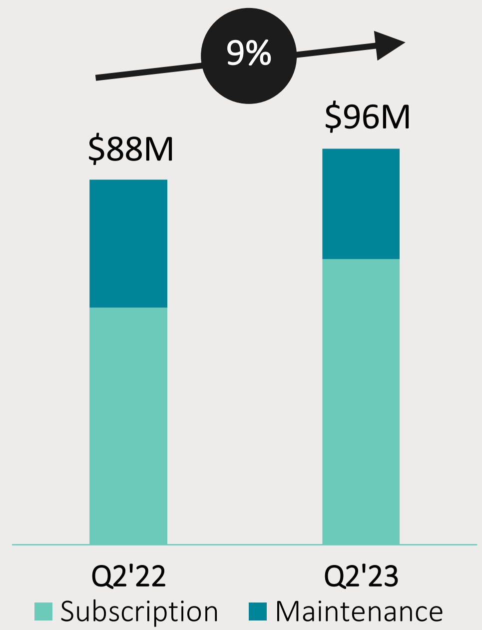
Q2 2023 ARR Growth

Digital Agreements



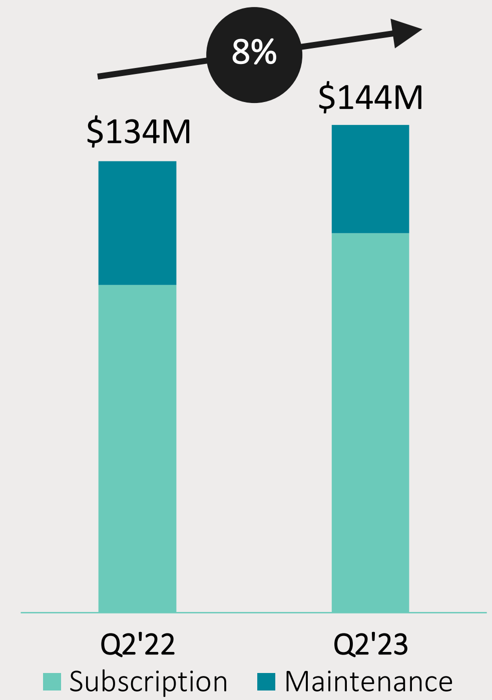
- Subscription ARR grew 9%
- Maintenance ARR declined 9%

Security Solutions



- Subscription ARR grew 20%
- Maintenance ARR declined 13%

Total Company



- Subscription ARR grew 16%
- Maintenance ARR declined 13%

2023 Guidance and Longer-Term Financial Targets

Metric	FY23 Guidance (prior)	FY23 Guidance (new)
Revenue	\$232M - \$242M	\$226M - \$232M
Adjusted EBITDA[1]	\$3M - \$6M	\$0M - \$3M
ARR[2]	\$157M - \$164M	\$148M - \$152M

Metric	FY22 – FY25 (prior)[3]	FY24 Targets (new)[3]
Revenue	12% – 14% CAGR	Low to mid single digit growth
Adjusted EBITDA[1]	10% - 12% Margin	20% - 23% Margin
ARR[2]	20%+ Exiting 2025	--

[1] 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 2023 or 2024 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 2022 Adjusted EBITDA to fiscal year 2022 GAAP net income.
[2] See Appendix for definition.
[3] In conjunction with the Company's announced adjustments to its operating model on 8/9/23, it introduced FY 2024 financial target metrics and plans to announce reset FY 2025 target financial metrics at a later date.

Cost Reduction Actions[1]

2023 Cost Reduction Actions

- August 2023 – Announced approximately $30 million in annualized cost savings, expected to be realized by the end of 2025

Phase Two of Restructuring Plan[2]

- Q2 2023 – Achieved $7.9 million in annualized cost savings during the quarter, for a total of $18.6 million as of June 30, 2023
- May 2022 – Announced $20 million to $25 million in annualized cost savings, expected to be realized by the end of 2025

[1] Phase two of our restructuring plan combined with our 2023 cost reduction actions are expected to result in annualized cost savings of $50 - $55 million by the end of 2025.
[2] We announced two phases to our restructuring plan. Phase One was announced in December 2021 and was substantially completed by March 31, 2022, resulting in approximately $11.8 million of annualized cost savings.

Appendix

The Digital Agreements Company

Non-GAAP Reconciliation

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

	Three months ended June 30,		Six months ended June 30,	
	2022	2023	2022	2023
Net income (loss)	$ (9,350)	$ (17,751)	$ (4,136)	$ (26,107)
Interest income, net	(35)	(585)	(18)	(1,088)
Provision (benefit) for income taxes	472	601	1,645	1,290
Depreciation and amortization of intangible assets[1]	1,946	1,516	4,043	2,835
Long-term incentive compensation[2]	1,277	4,571	2,501	8,494
Restructuring and other related charges	2,688	5,846	5,347	6,552
Other non-recurring items[3]	1,462	1,974	(10,682)	2,559
Adjusted EBITDA	$ (1,540)	$ (3,828)	$ (1,300)	$ (5,465)

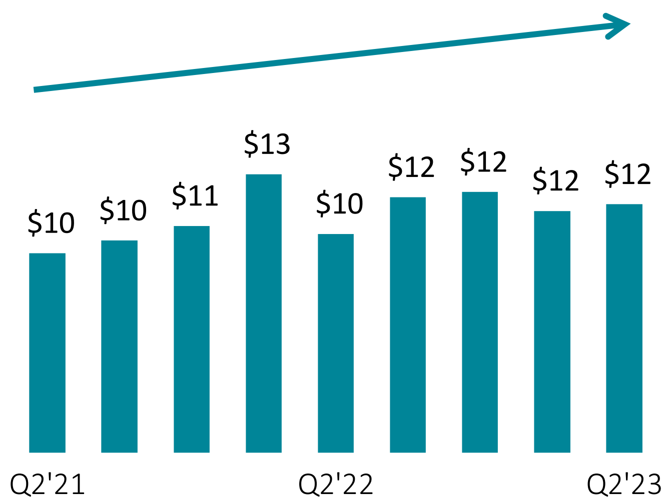
[1] Includes depreciation and amortization expense directly related to generating cloud subscription revenue of $0.1 million and $0.3 million for the three and six months ended June 30,2023, respectively, and $0 for the three and six months ended June 30, 2022. Costs are recorded in Cost of service and other revenue.

[2] Long-term incentive compensation includes immaterial expense for cash equivalent incentive grants awarded to employees located in jurisdictions where we do not issue stock-based compensation due to tax, regulatory or similar reasons. The expense associated with these cash incentive grants was in the amounts of $0.1 million and less than $0.1 million for the three months ended June 30, 2023, and 2022, respectively, and $0.2 million and less than $0.1 million for the six months ended June 30, 2023, and 2022, respectively.

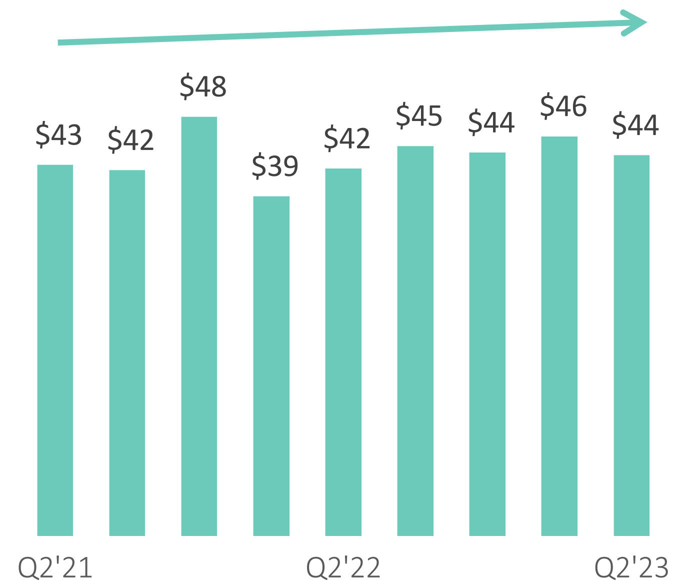
[3] For the three months ended June 30, 2023, other non-recurring items consist of fees related to non-recurring projects. For the three months ended June 30, 2022, other non-recurring items consist of outside services related to our strategic action plan. For the six months ended June 30, 2023, other non-recurring items consist of fees related to non-recurring projects and our acquisition of ProvenDB. For the six months ended June 30, 2022, other non-recurring items include a $(14.8) million non-operating gain on sale of our investment in Promon and $4.2 million of outside services related to our strategic action plan.

Segment & Total Company Revenue Trend; Last Two Years

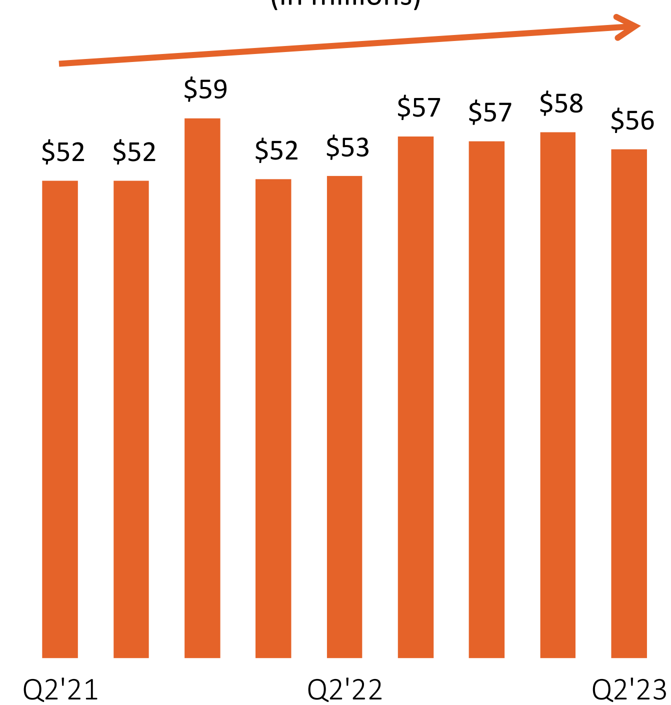
Digital Agreements
(in millions)



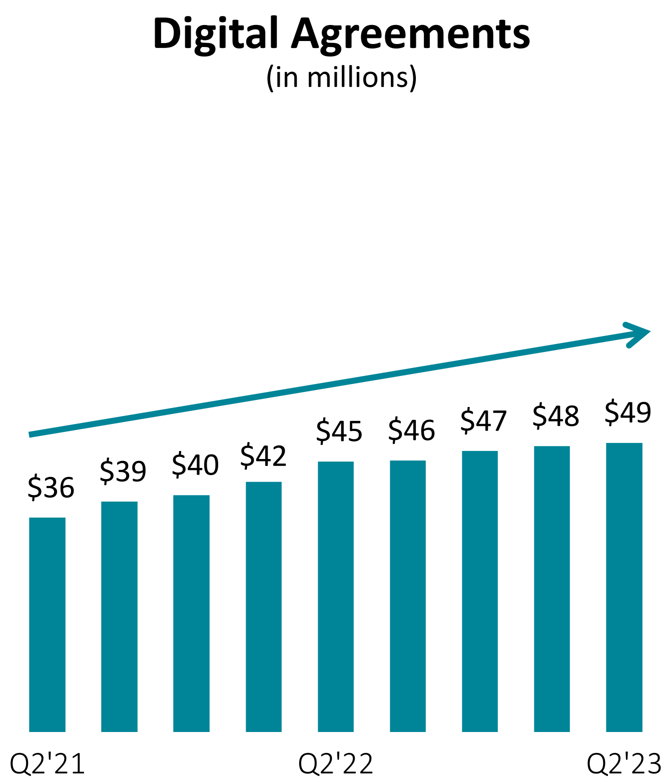
Security Solutions
(in millions)

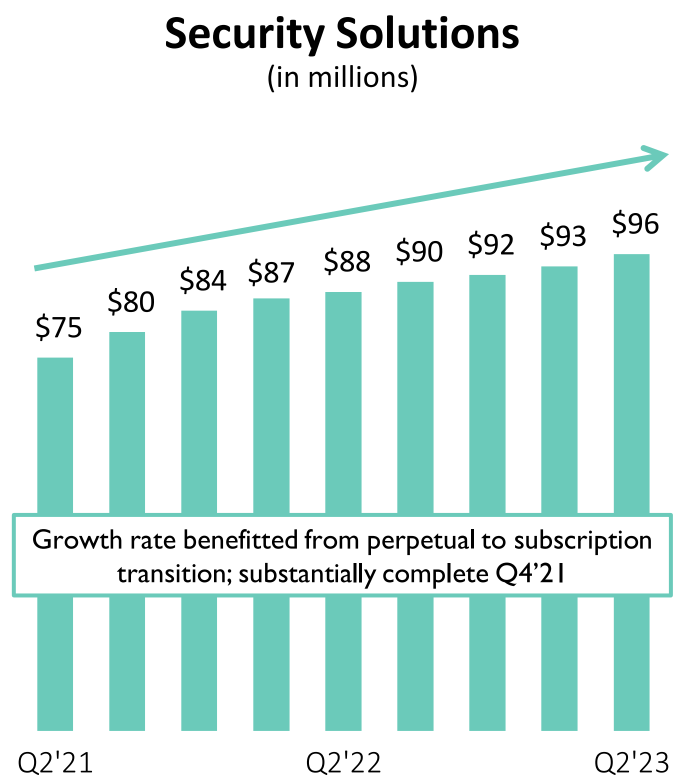


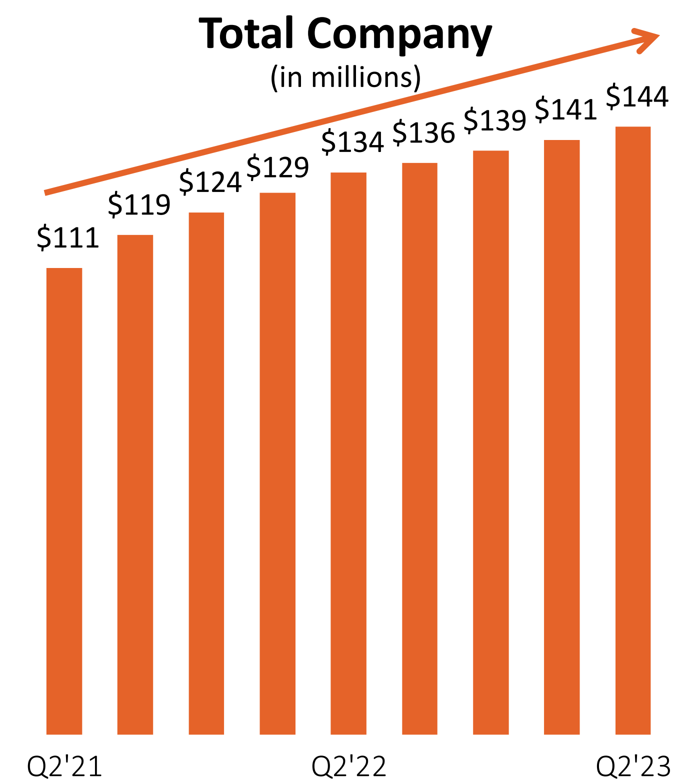
Total Company
(in millions)



Segment & Total Company ARR Trend, Last Two Years







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 and support contracts and exclude one-time fees. 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 discussion with the customer for a new recurring contract or renewal and the customer has not notified us of an intention to not renew. See our most Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, for additional information describing how we define ARR, including how ARR differs from GAAP revenue.

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, restructuring and other related charges, 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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