Investor Presentation – Q3 2023

November 8, 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 plan to continue driving operational excellence while executing on additional cost reduction initiatives in the fourth quarter of 2023 and subsequent quarters; our plan to announce and conduct a modified “Dutch auction” tender offer to repurchase approximately $20 million of our common stock; the outcomes we expect from the operational changes we are taking to right-size our cost structure, focus on efficient growth, and return capital to shareholders; the ability of these operational changes to enable us to accelerate adjusted EBITDA growth, allow us to return capital to stockholders, and create and return value to our shareholders over the long term; estimates concerning the timing and amount of savings, adjusted EBITDA margin and/or restructuring charges that may result from our cost reduction initiatives; our 2023 financial guidance and our financial expectations for 2024; 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 or our cost reduction initiatives in the expected timeframes and to achieve the outcomes we expect from them; unintended costs and consequences of our restructuring plan and our cost reduction actions, 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 quarters ended June 30 and September 30, 2023. Our filings with the Securities and Exchange Commission 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 November 8, 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 November 8, 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

719	3,600	100+	60%	$229M	$150M	$337M	$68M
Employees (9/30/23)	Customers	Countries	of the World's Largest Banks are Customers	Revenue, TTM (As of 9/30/23)	ARR (9/30/23)	Market Cap (11/7/23)	Cash & Equiv. (9/30/23)

OneSpan

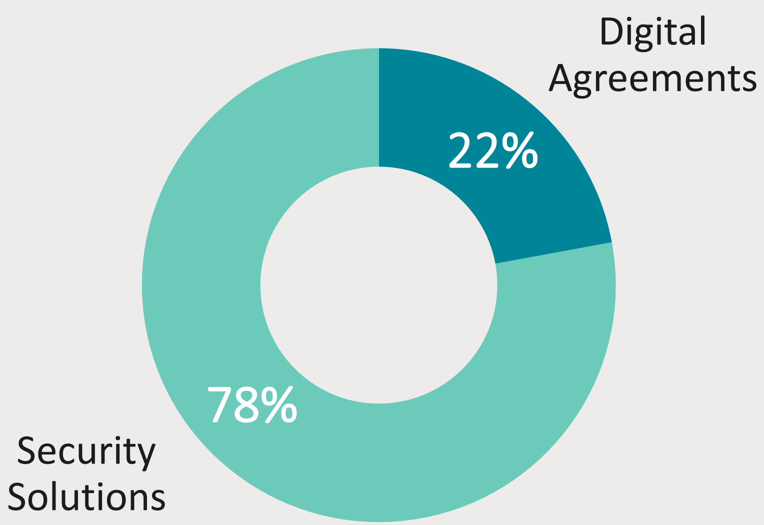
Trusted Security Partner to Global Blue-Chip Enterprises

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	Action Financial Services, LLC OneMain Financial Buy Way CDKGlobal easyfinancial goeasy 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 Air Force United States Postal Service	PointClickCare Netsmart GHdC Grand Hôpital de Charleroi McKesson Canada Cerner cdmv Key Health	The Adecco Group akyla IBM Direct Energy ncino Tata PG&E Pacific Gas and Electric Company Securitas TUI

Revenue Breakdown

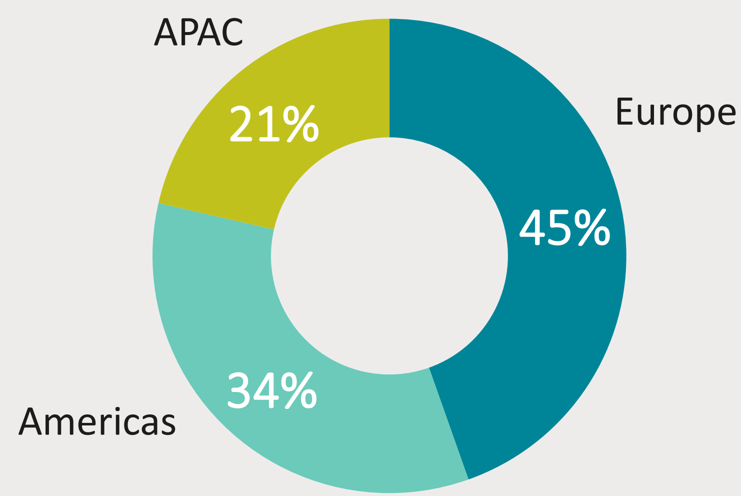
Operating Segments

Q3 2023 Revenue



Geographic Split

Q3 2023 Revenue



OneSpan

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…

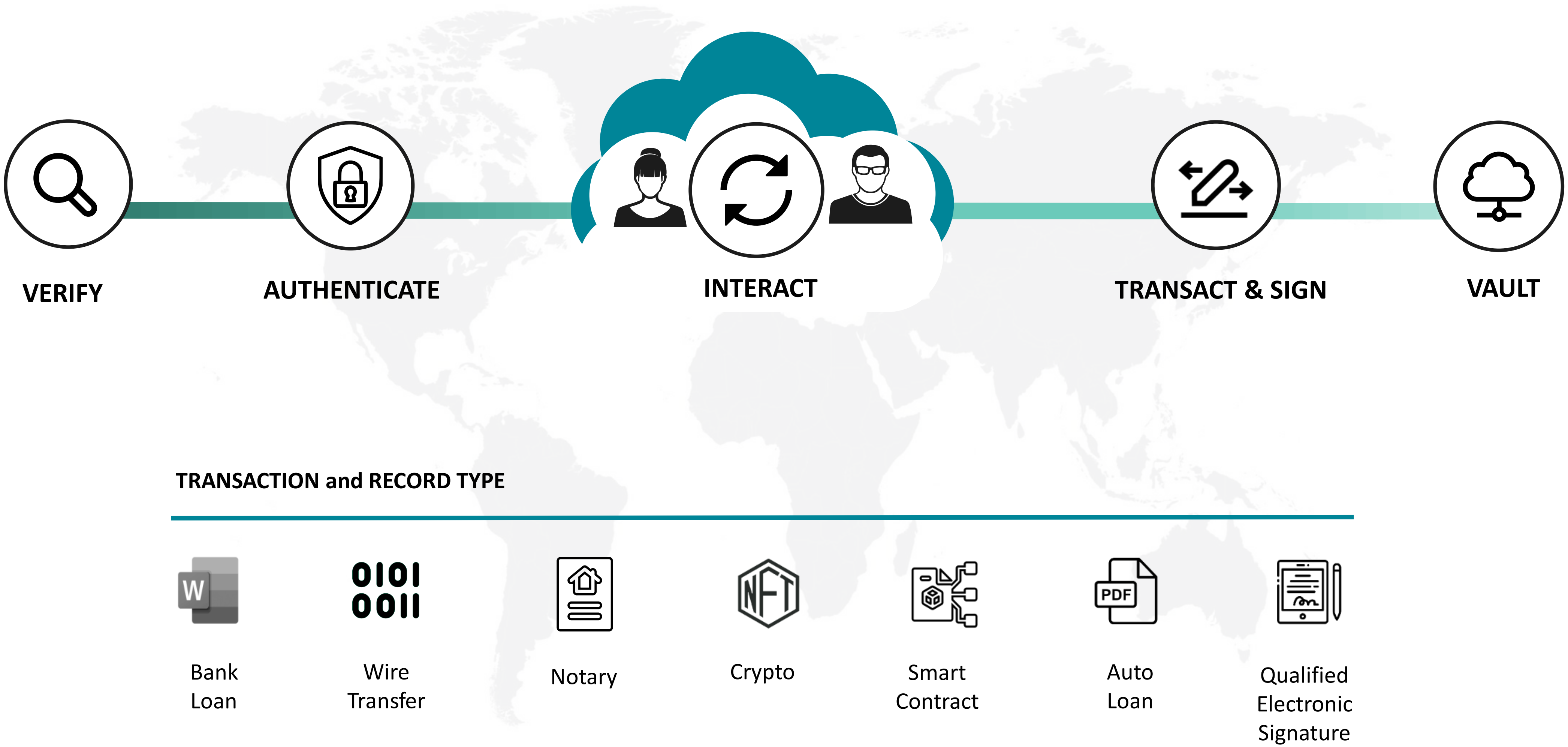
DIGITAL AGREEMENT WORKFLOW

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

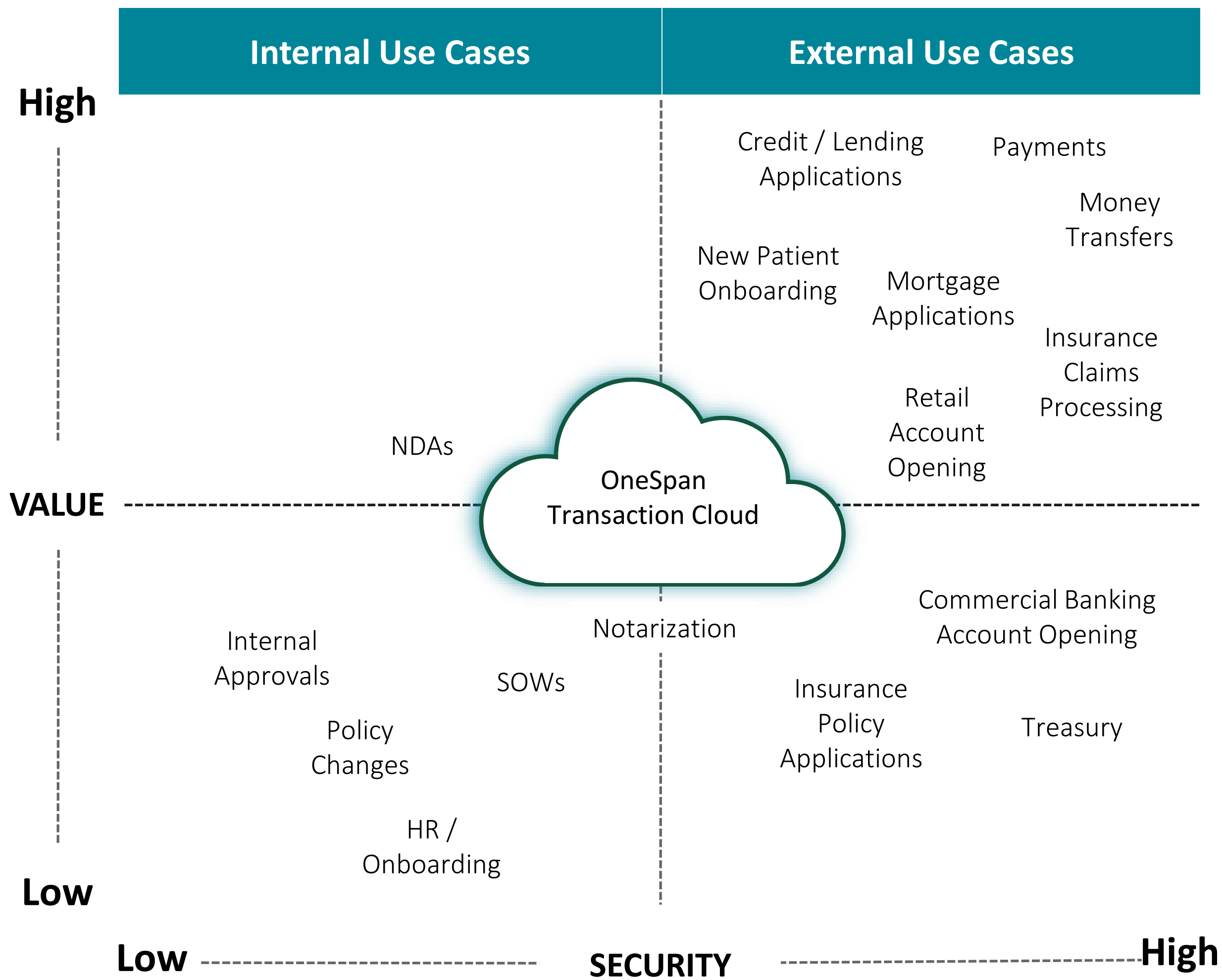
MOBILE SECURITY

ONESPAN TRANSACTION CLOUD PLATFORM

...Allows us to Secure Customer Transaction Lifecycles



…and Support High Value B2B & B2C Transactions



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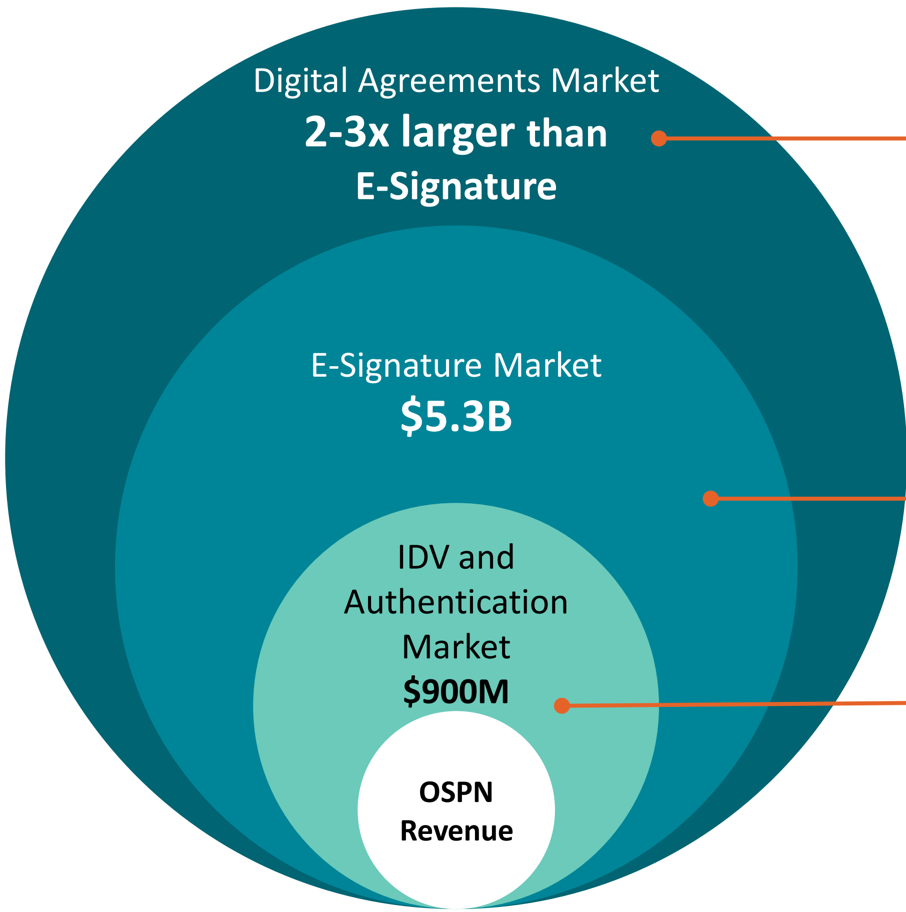
Large and Growing Addressable Markets



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.

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

The Digital Agreements Company

Q3 2023 Financial Highlights

$59M
Revenue
(3% growth)

$150M
ARR[1]
(10% growth)

$6.3M
Adjusted EBITDA
(40% growth)

$26M
Subscription Revenue
(18% growth)

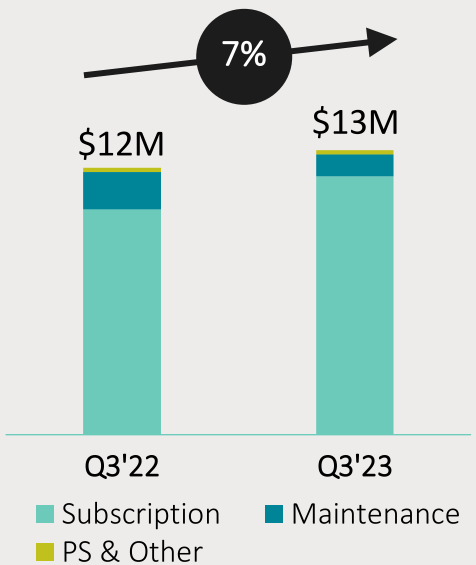
$119M
Subscription ARR
(17% growth)

$68.5M
Cash and Equiv.
no long-term debt

[1] See Appendix for definition.

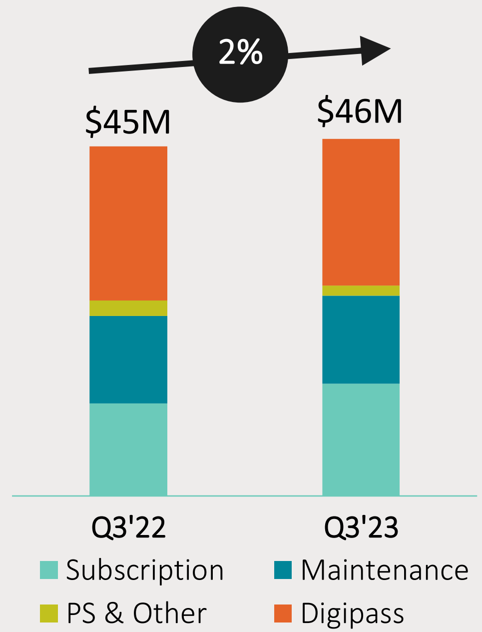
Q3 2023 Revenue Growth

Digital Agreements



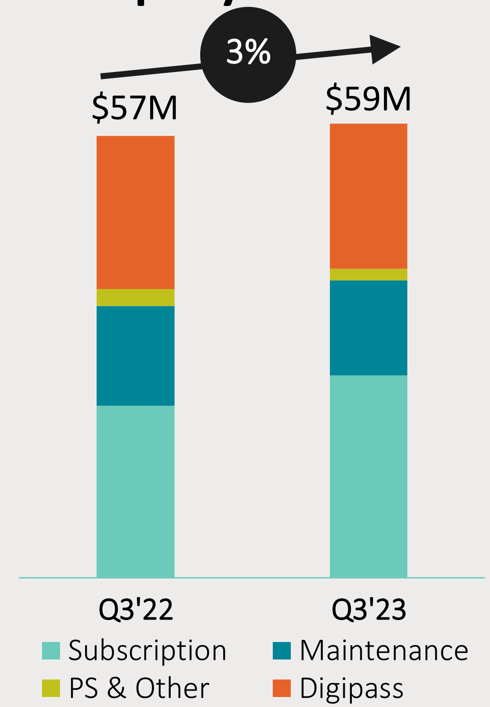
- Subscription revenue grew 14% and was nearly 100% cloud-based in both periods
- Maintenance revenue declined 41% (sunsetting on-premises solution)

Security Solutions



- Subscription revenue grew 20%
- Maintenance revenue grew 1%
- Digipass revenue declined 5%

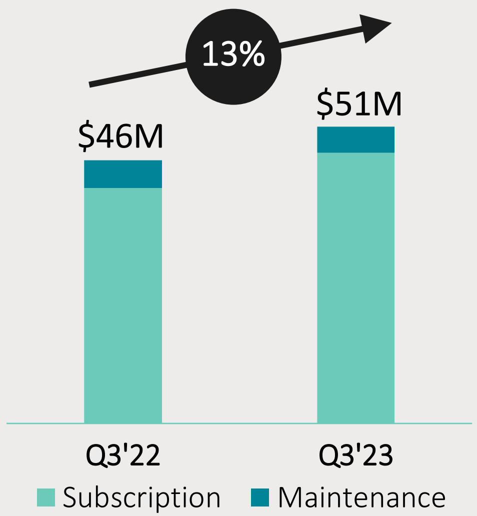
Total Company



- Subscription revenue grew 18%
- Maintenance revenue declined 4%
- Digipass revenue declined 5%

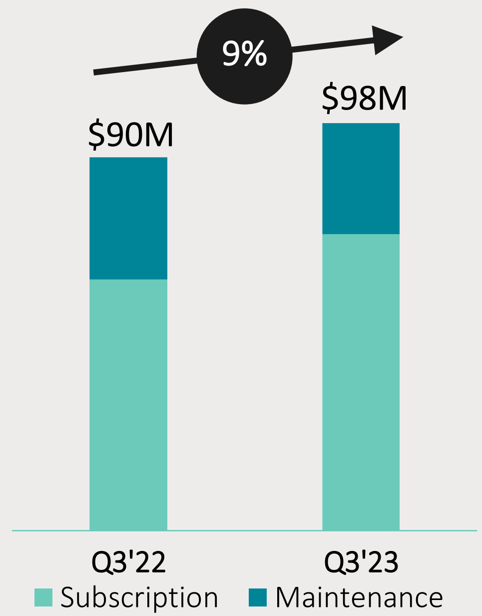
Q3 2023 ARR Growth

Digital Agreements



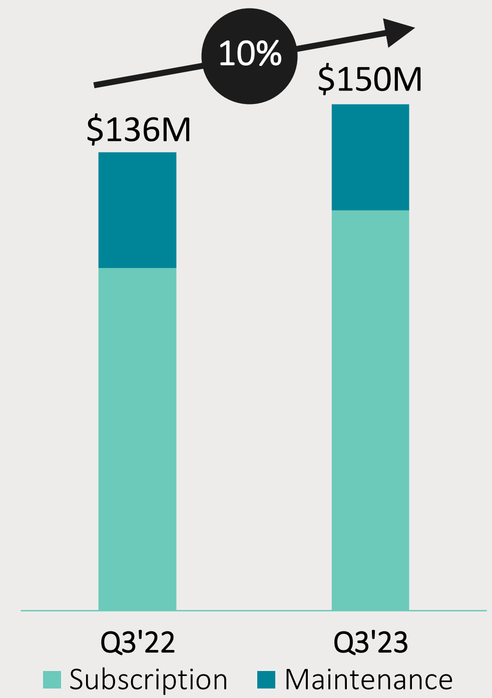
- Subscription ARR grew 15%
- Maintenance ARR declined 7%

Security Solutions



- Subscription ARR grew 18%
- Maintenance ARR declined 9%

Total Company



- Subscription ARR grew 17%
- Maintenance ARR declined 9%

2023 Guidance and FY24 Financial Targets

Metric	FY23 Guidance (prior)	FY23 Guidance (new)	FY24 Targets
Revenue	\$226M - \$232M	\$228M - \$232M	Low to mid single digit growth
Adjusted EBITDA[1]	\$0M - \$3M	\$2M - \$4M	20% - 23% Margin
ARR[2]	\$148M - \$152M	\$148M - \$152M	--

[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.
[2] See Appendix for definition.

Cost Reduction Actions[1,2]

Approximate combined annualized cost savings from our 2023 Cost Reduction Actions and Phase Two of our Restructuring Plan, announced May 2022	
Q3 2023 intra-quarter:	$24 million
Cumulative, end of Q3, 2023:	$43 million
Q4 2023, estimated:	$15 million
Cumulative, end of Q4, 2023 (est.):	$58 million
Cumulative, end of Q4, 2025 (est.)[3]:	$60 - $65 million

[1] Our 2023 Cost Reduction Actions were announced in August 2023.
[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.
[3] We expect cumulative annualized cost saving to be in the range of $60 million to $65 million by the end of 2025, an increase of $10 million from the range of $50 million to $55 million we discussed last quarter.

Appendix

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Non-GAAP Reconciliation

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2023	2022	2023
Net income (loss)	$ (7,201)	$ (4,133)	$ (11,337)	$ (30,240)
Interest income, net	(179)	(587)	(197)	(1,675)
Provision (benefit) for income taxes	600	279	2,245	1,569
Depreciation and amortization of intangible assets[1]	1,648	1,689	5,691	4,524
Long-term incentive compensation[2]	3,114	1,932	5,615	10,426
Restructuring and other related charges	6,481	6,524	11,828	13,076
Other non-recurring items[3]	50	599	(10,632)	3,160
Adjusted EBITDA	$ 4,513	$ 6,303	$ 3,213	$ 840

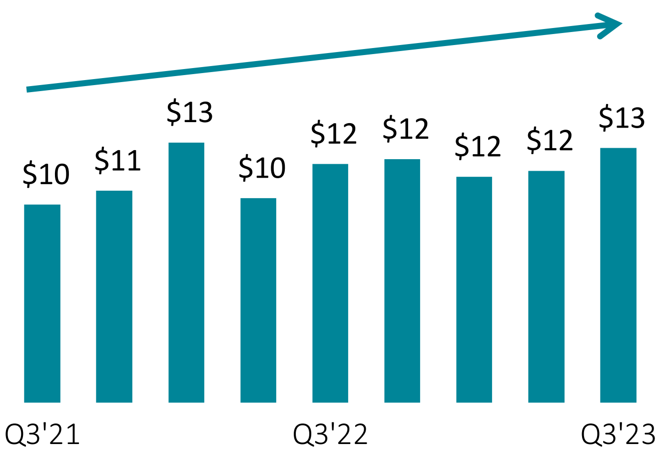
[1] Includes cost of sales depreciation and amortization expense directly related to delivering cloud subscription revenue of $0.4 million and $0.7 million for the three and nine months ended September 30, 2023, respectively, and $0 for the three and nine months ended September 30, 2022. Costs are recorded in "Services and other cost of goods sold" on the condensed consolidated statements of operations.

[2] Long-term incentive compensation includes immaterial expense for 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 expense associated with these cash incentive grants was $0.1 million and $0.2 million for the three months ended September 30, 2023, and 2022, respectively, and $0.2 million and $0.1 million for the nine months ended September 30, 2023, and 2022, respectively.

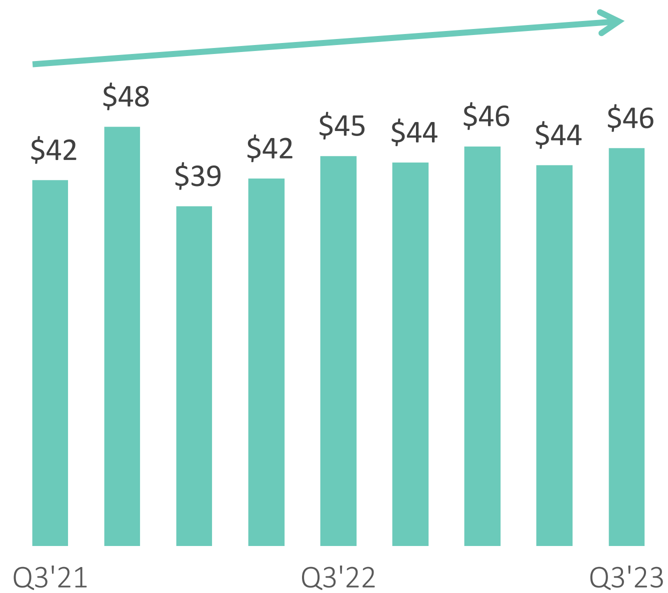
[3] For the three months ended September 30, 2023, other non-recurring items consist of $0.6 million of fees related to non-recurring projects. For the three months ended September 30, 2022, other non-recurring items consist of $0.1 million of outside services related to our strategic action plan. For the nine months ended September 30, 2023, other non-recurring items consist of $1.6 million of inventory impairment charges and $1.6 million of fees related to non-recurring projects and our acquisition of ProvenDB. For the nine months ended September 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

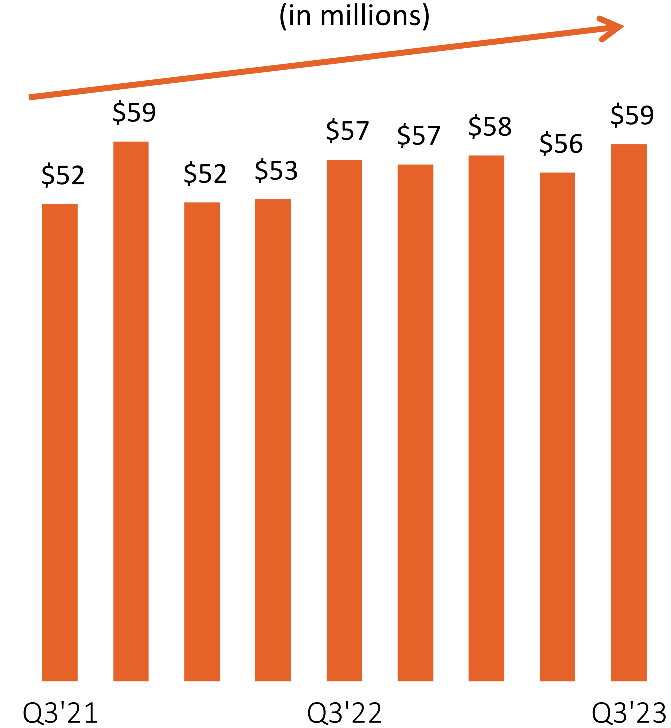
Digital Agreements
(in millions)



Security Solutions
(in millions)



Total Company
(in millions)



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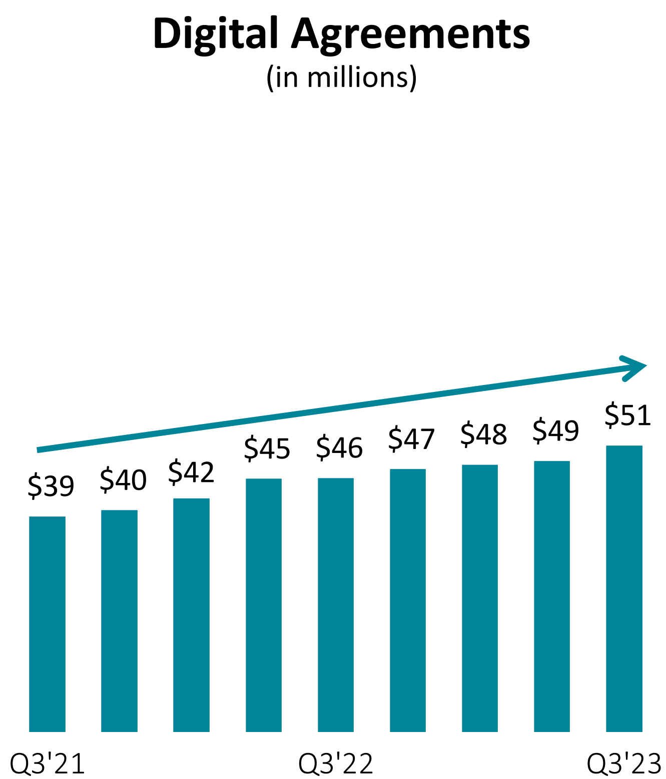
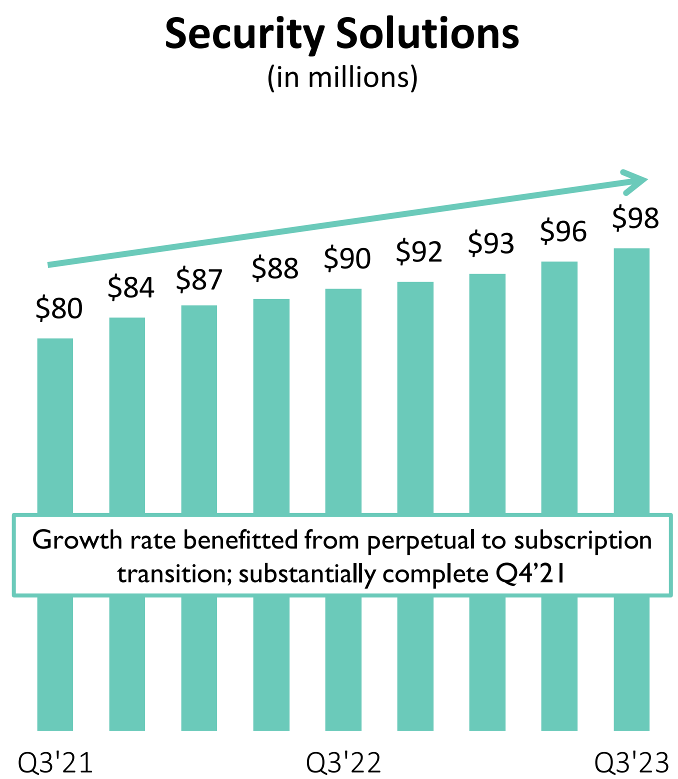
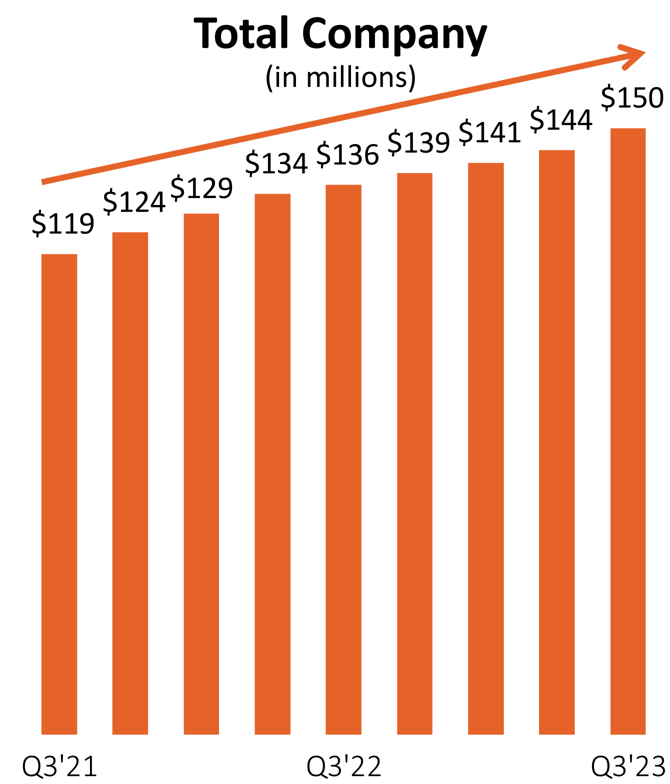
Segment & Total Company ARR Trend, Last Two Years







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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 Quarterly Report on Form 10-Q for the quarter ended September 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 financial metrics, namely Adjusted EBITDA, Non-GAAP Net Income (Loss) and Non-GAAP Diluted Net Income (Loss) Per Share. 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 that of our competitors.

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

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