

Investor Presentation – Q4 and FY 2024

February 27, 2025



Forward Looking Statements

This presentation contains forward-looking statements within the meaning of applicable U.S. securities laws, including statements regarding our 2025 financial guidance, our plans to make disciplined investments, continue our focus on operational excellence, and drive efficient revenue growth and profitability over the long-term 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, as updated by the "Risk Factors" section of our subsequent Quarterly Reports on Form 10-Q (if any). 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 February 27, 2025, 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 February 27, 2025. 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 At-a-Glance¹



Market Cap



Revenue
(FY 2024)



ARR²



NRR³



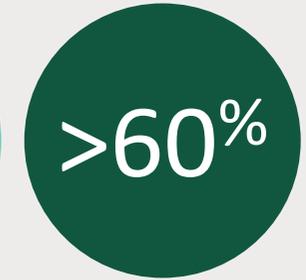
Cash & Equiv.



Customers



Countries

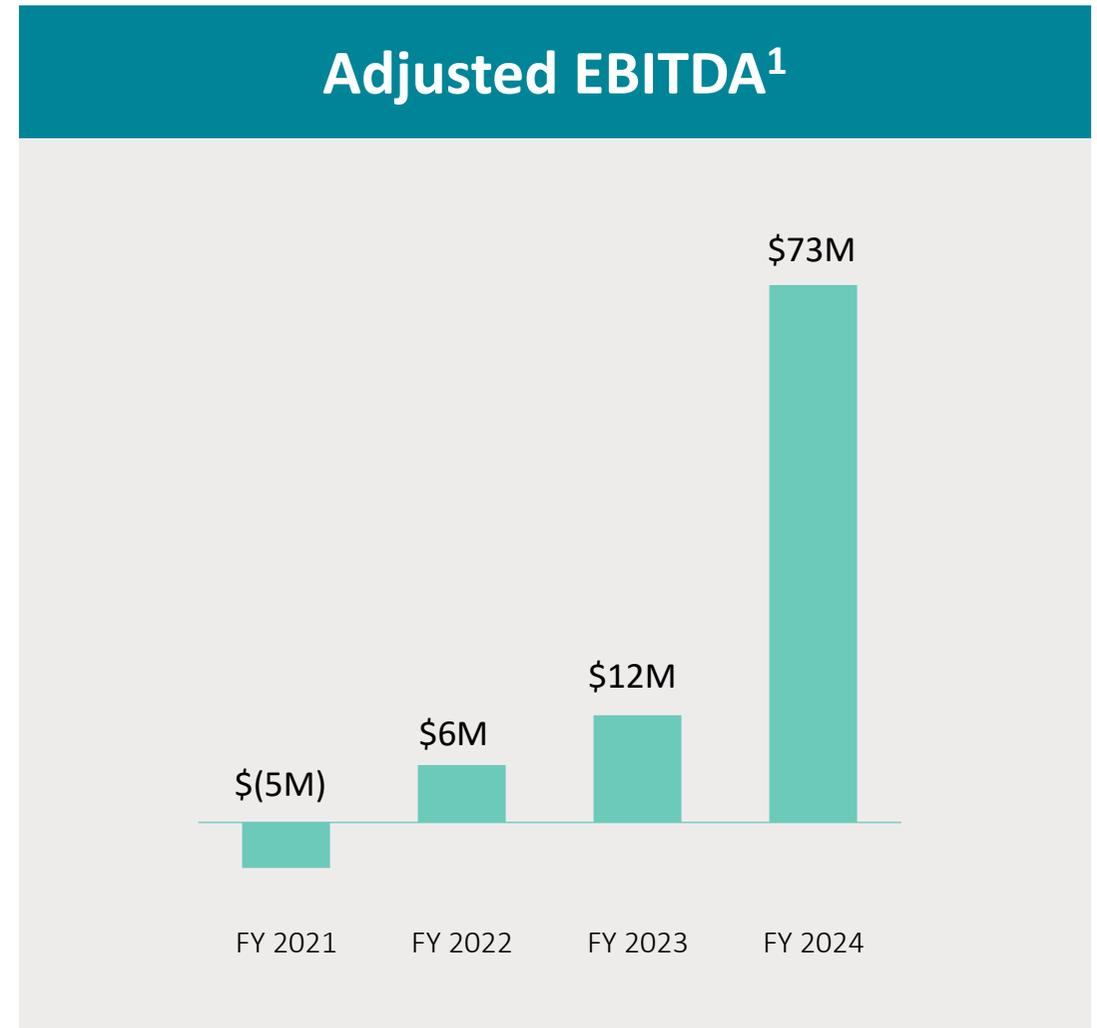
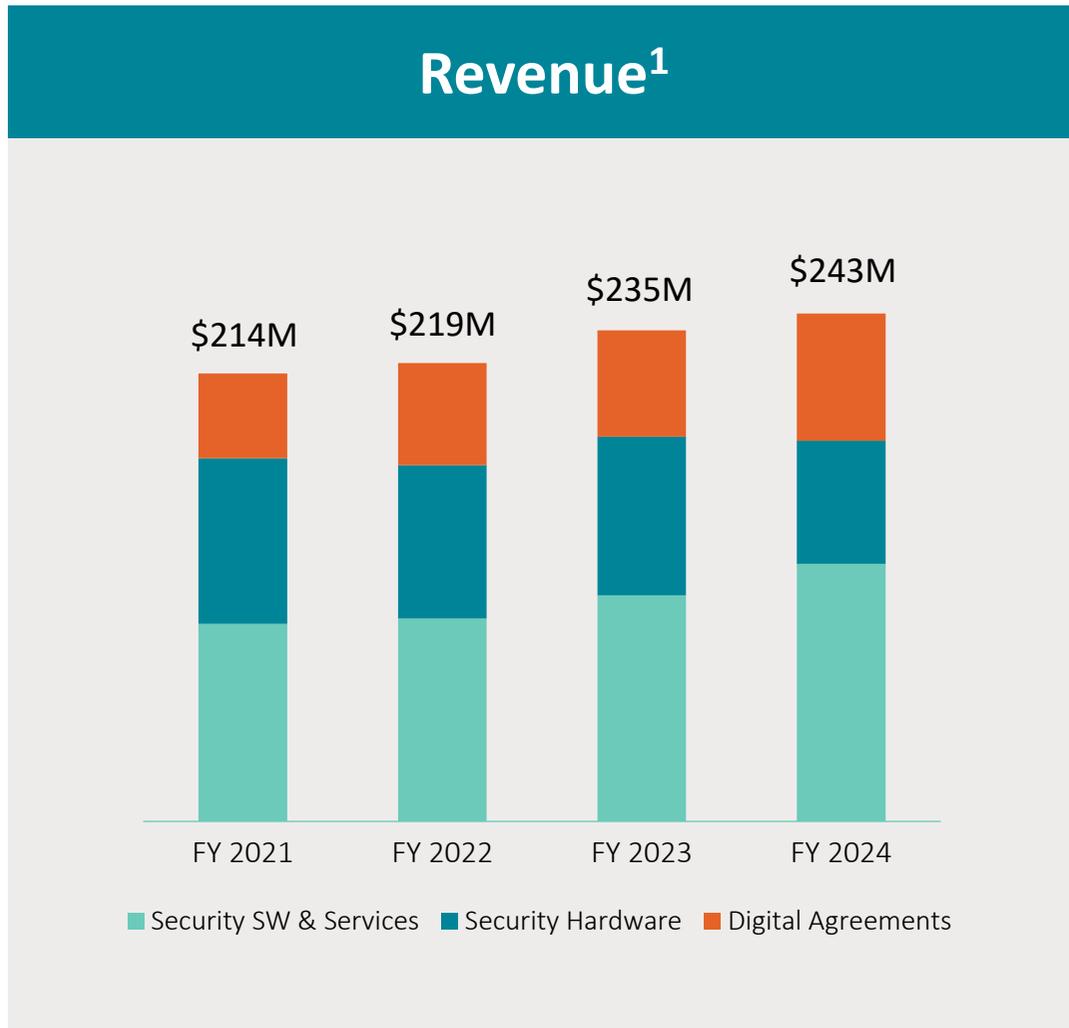


of the World's
100 Largest Banks
are Customers

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> BUY WAY CDKGlobal easyfinancial AL Good Shepherd Microfinance LENDESK SEI SavvyFi	AMERICAN NATIONAL DONEGAL INSURANCE GROUP Erie Insurance GAINSCO Auto Insurance GUIDEWIRE P&V GENERALI the co-operators Wawanesa Insurance	USDA NASA JPL SBA U.S. Small Business Administration U.S. Department of Transportation U.S. STATE DEPARTMENT U.S. TREASURY DEPARTMENT UNITED STATES POSTAL SERVICE	PointClickCare Netsmart GRAND HÔPITAL de CHARLEROI MCKESSON Canada Cerner cdmv	THE ADECCO GROUP akyla IBM incinio TATA Pacific Gas and Electric Company SECURITAS TUI

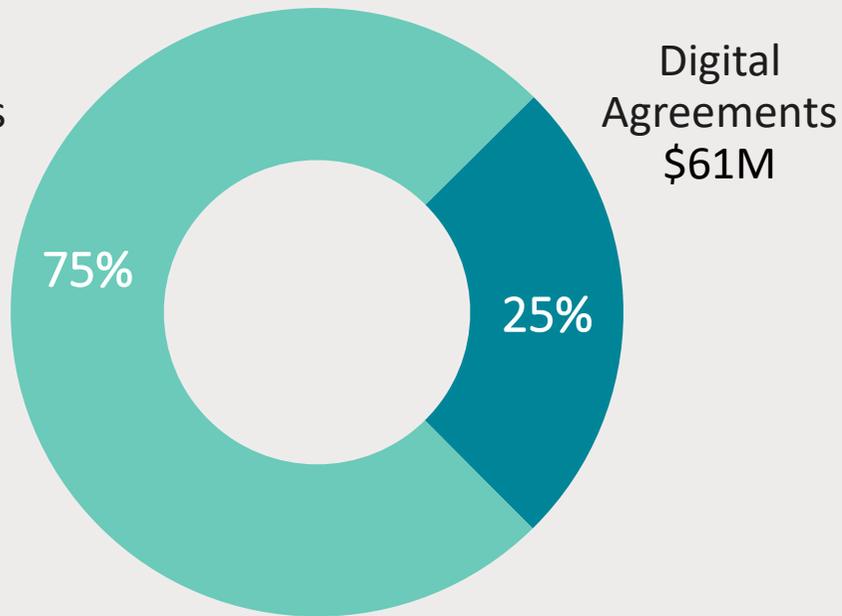
2024 – Strong Focus on Operational Efficiency & Profitability



Security Solutions & Digital Agreements Business Units

Total Revenue: \$243M¹

Security Solutions
\$182M



Digital Agreements
\$61M

Common BU Attributes

Operational Excellence

Profitable Revenue Growth

Enterprise Class Solutions

Key Verticals – BFSI, Healthcare, Government

Revenue by Geography^{1,2}

EMEA	45%	Mostly Security
Americas	36%	DA > Security
APAC	20%	Mostly Security

SECURITY SOLUTIONS

- Trusted by the who's who of global banks to secure high value digital transactions
- (1%) Revenue growth^{1,2}
- 14% Software & Services growth¹
- **33% Subscription revenue growth¹**
- **49% Segment operating margin¹**
- Expanding solution set and channel partnerships to help drive future revenue growth

¹Full year 2024.

²The year-over-year decline in revenue growth is primarily attributed to a decline in hardware revenue driven by certain banks in EMEA and Asia Pacific adopting mobile-first policies with respect to consumer banking.

Industry Leader in Securing Digital Banking Transactions



MFA & Passwordless Authentication



Digital Transaction Security



Mobile Application Protection

Expanding into Workforce Authentication



Digipass and Digipass FIDO2 Authenticators

DIGITAL AGREEMENTS

- Robust security, white-labelling and pricing model differentiate; transition to SaaS substantially complete
- 20% Revenue growth¹
- Transition to SaaS model substantially complete
- **28% Subscription revenue growth¹**
- **17% segment operating margin in Q4 2024; 9% segment operating margin for full year 2024**
- Land and expand model with focus on new logos and profitable growth

¹Full year 2024.

Key Enterprise-Class Solutions



E-Signatures



Identity Verification

Add-on Offerings



Smart Forms

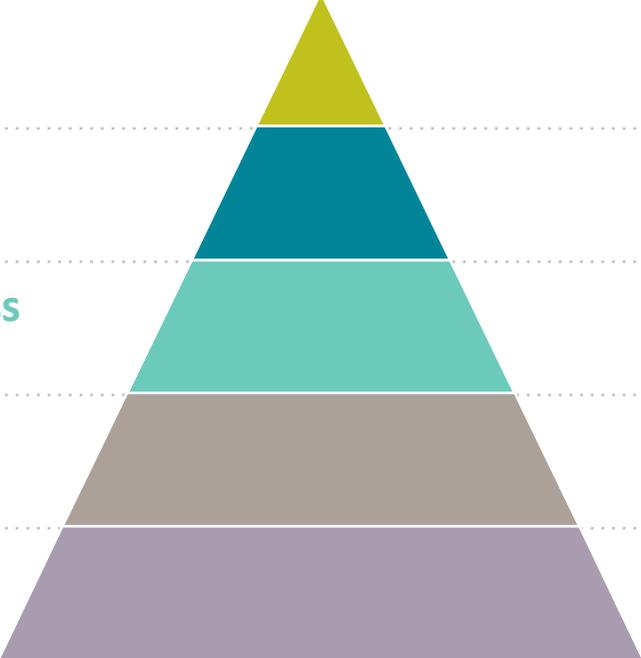


**Remote Notary &
Virtual Room**



Secure Storage

GTM Focused on Enterprise Sales and Growing Partner Network

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 authentication, transaction signing and identity verification



Deep expertise in end-user experience, cloud workflows, document verification and e-signatures



Strong roots and experience in highly regulated global markets



**Broadest authentication portfolio in the industry;
Enterprise-class e-signature provider**



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

Financial Highlights & Outlook



Full Year 2024 Financial Highlights

\$243_M

Revenue
(3% growth)

\$139_M

Subscription Revenue
(31% growth)

\$168_M

ARR¹
(8% growth)

\$73_M

Adjusted EBITDA
(30% margin)

\$83_M

Cash and Equiv.
no long-term debt

106%

NRR²

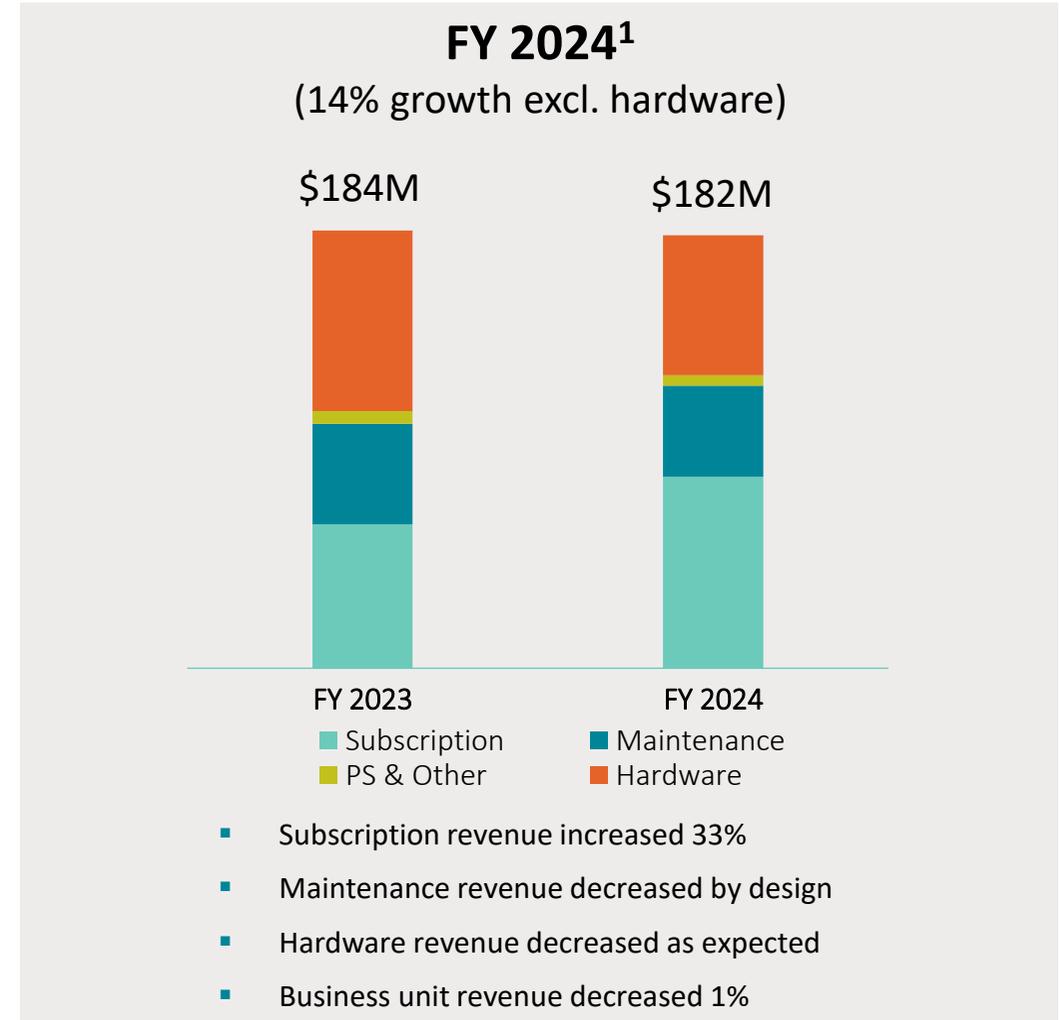
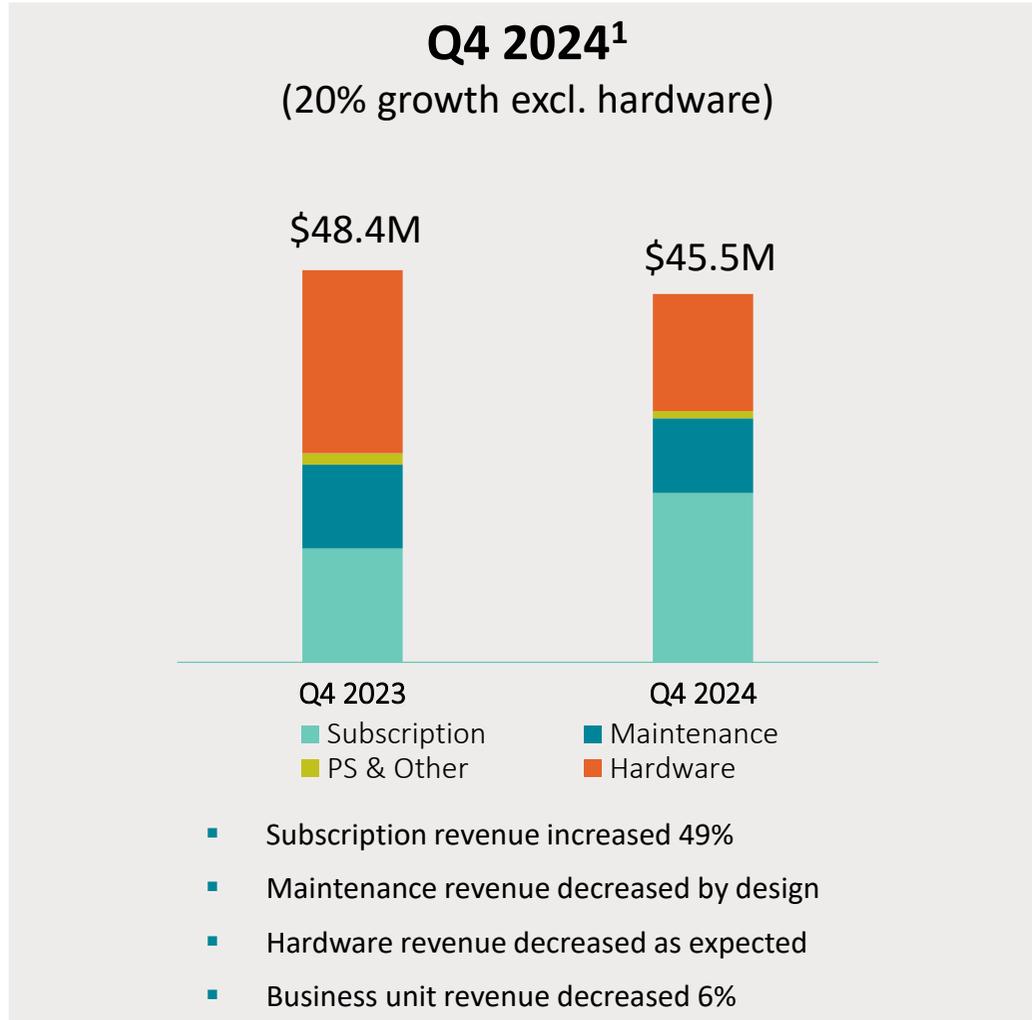
Recurring Quarterly Dividend Program

Announced in Q4 2024 with first payment of \$0.12 per share in Q1 2025³

^{1,2} See appendix for definition.

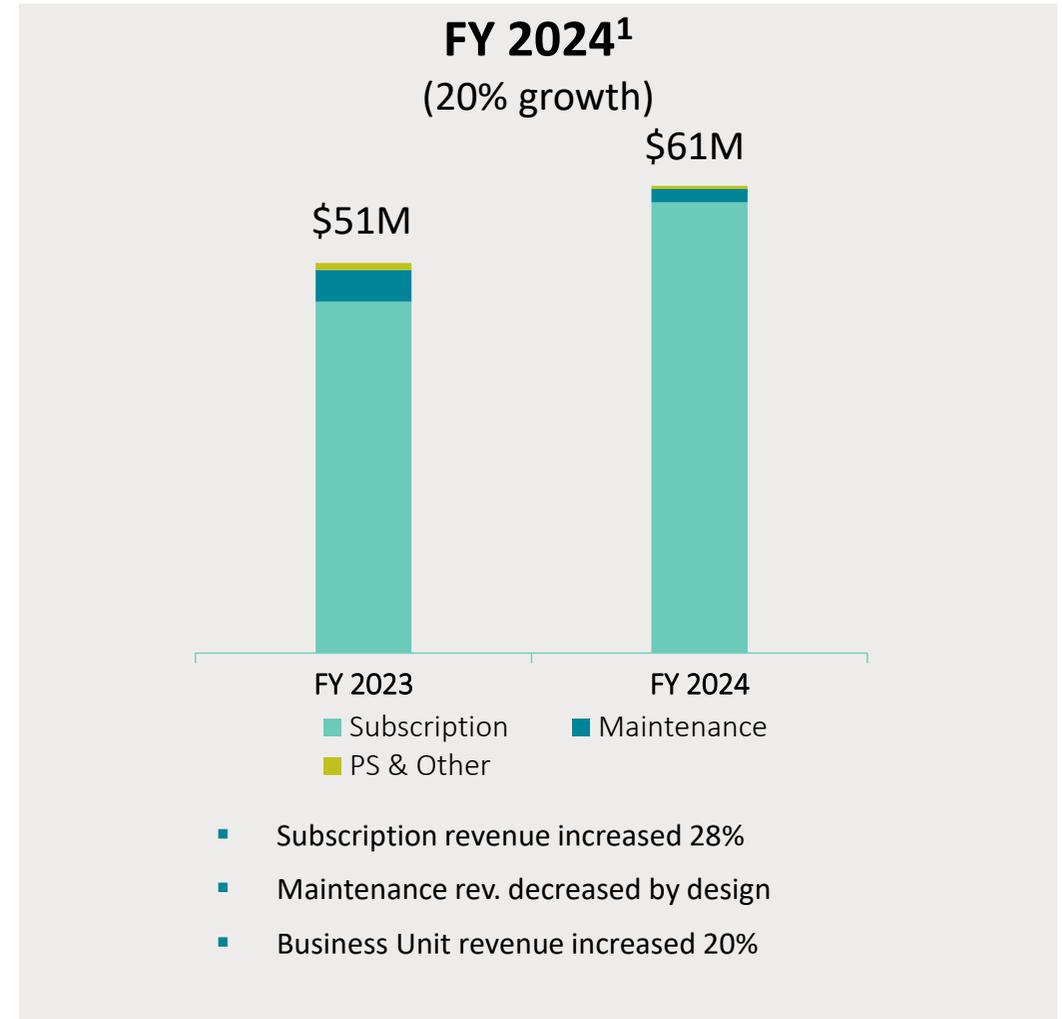
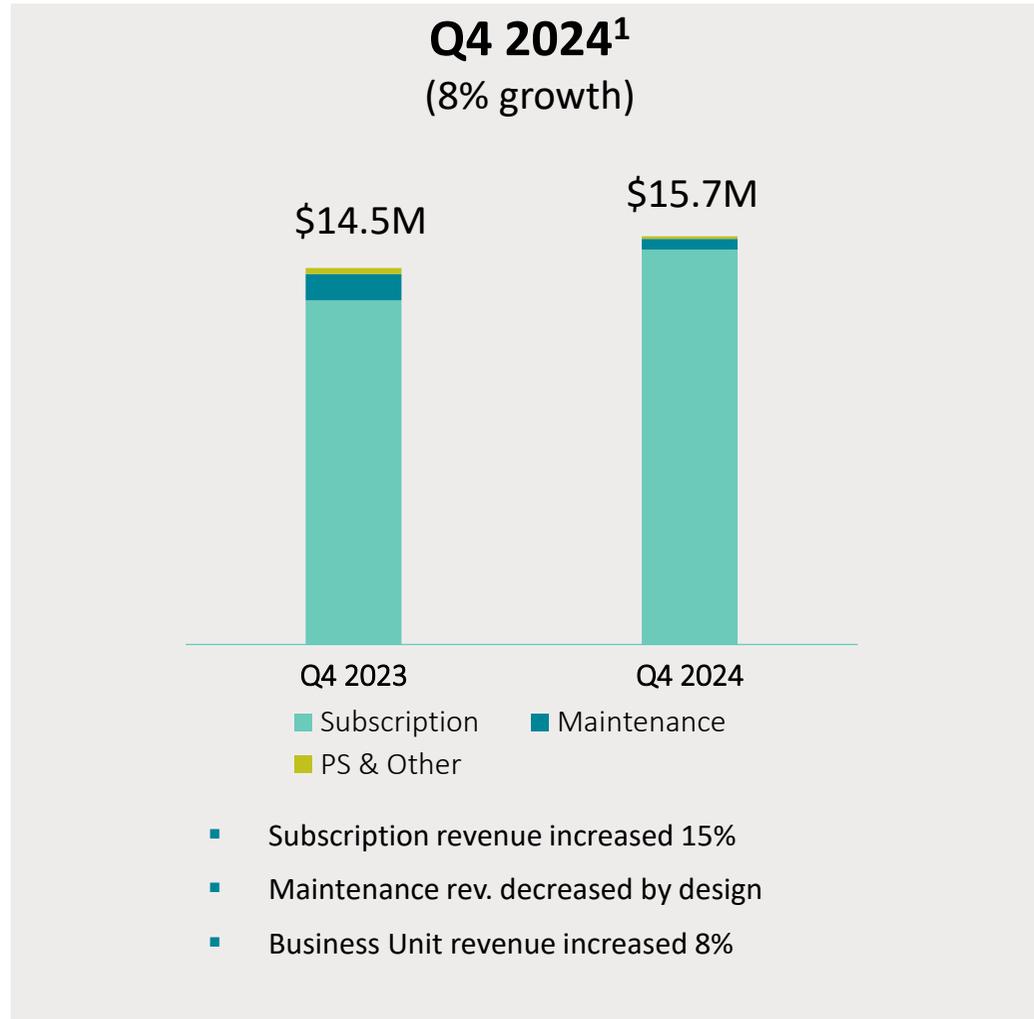
³ On December 16, 2024, OneSpan announced that its Board of Directors approved a regular quarterly cash dividend as part of the initiation of a recurring quarterly dividend program. The initial quarterly cash dividend of \$0.12 per share was paid on February 14, 2025, to shareholders of record at the close of business on January 31, 2025.

Revenue Growth – Security Solutions

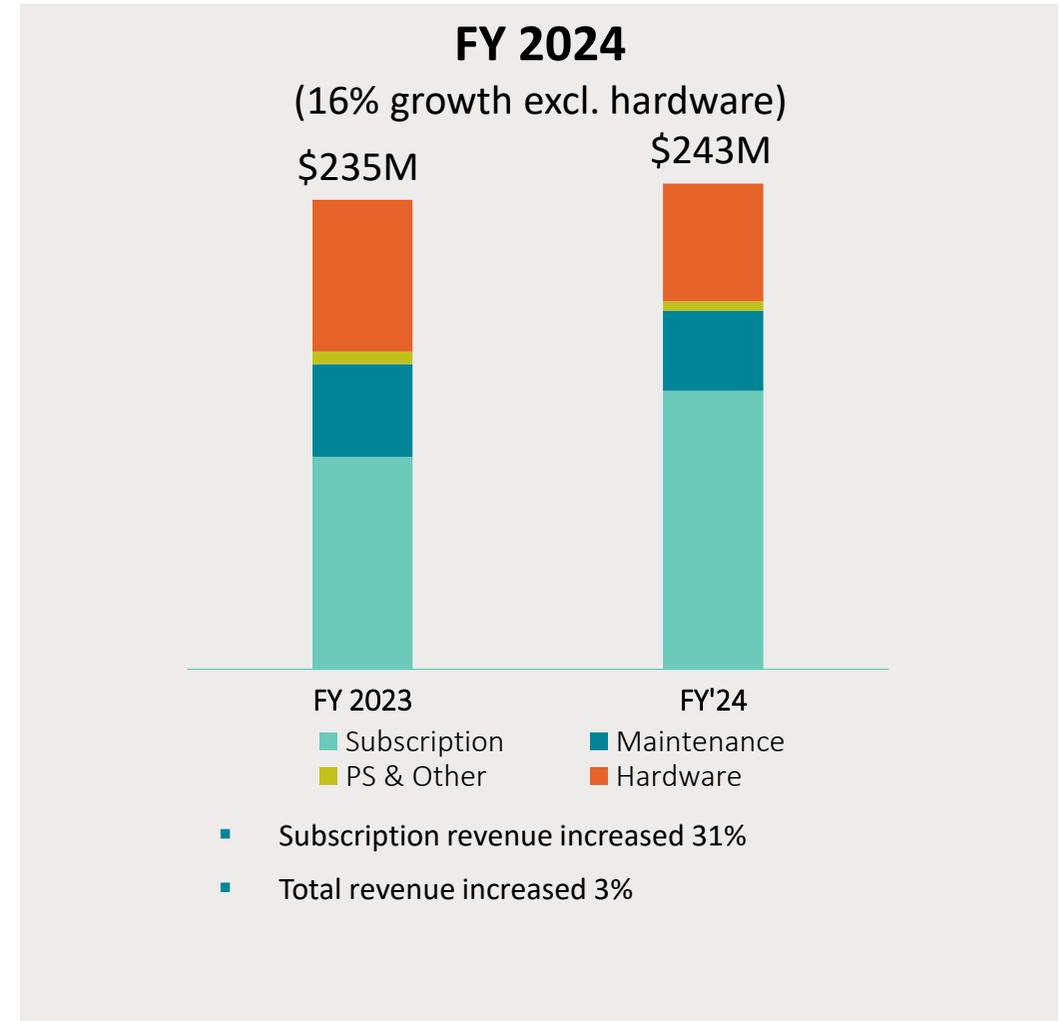
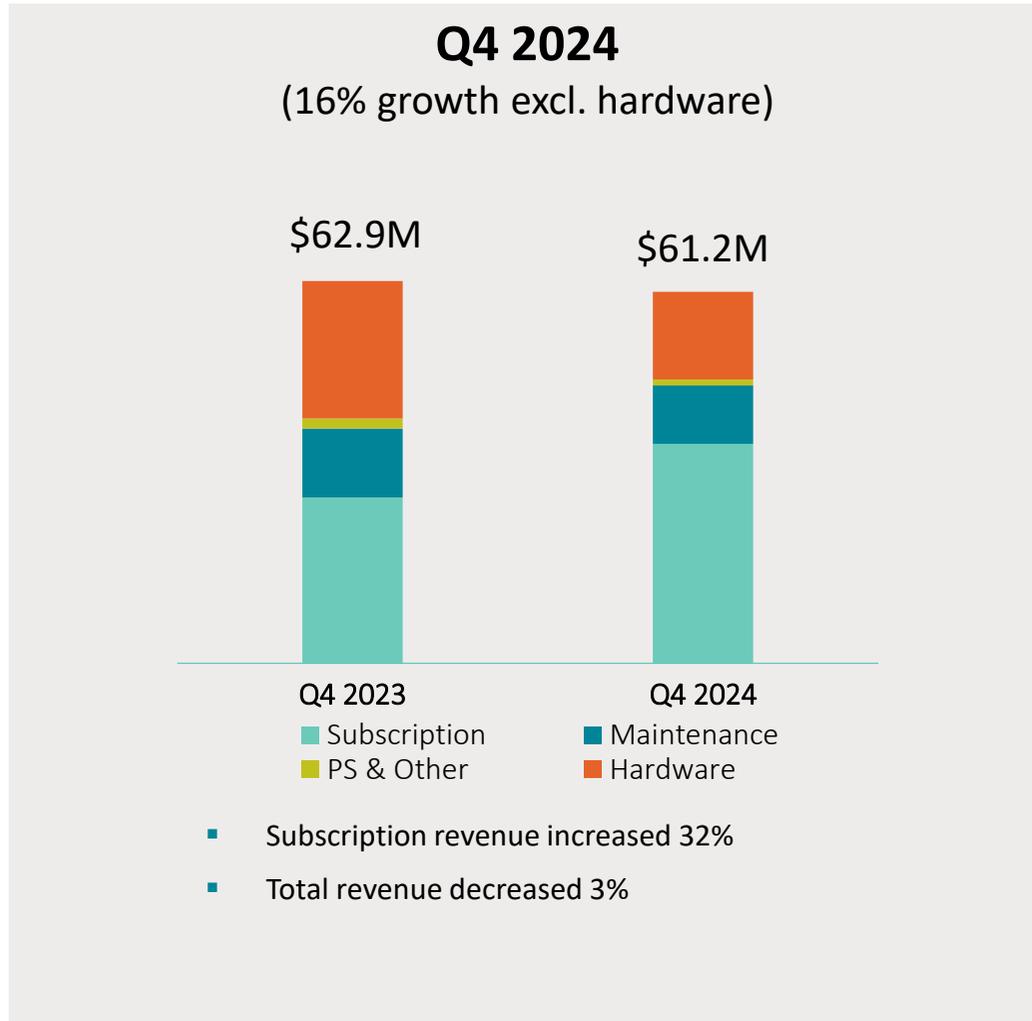


¹ On 1/1/24, we transitioned our Identity Verification (IDV) solution from Security Solutions to Digital Agreements to reflect its greater alignment with the Digital Agreement product portfolio. Fourth quarter and full year 2024 IDV revenue was approximately \$0.5 million and \$1.7 million, respectively.

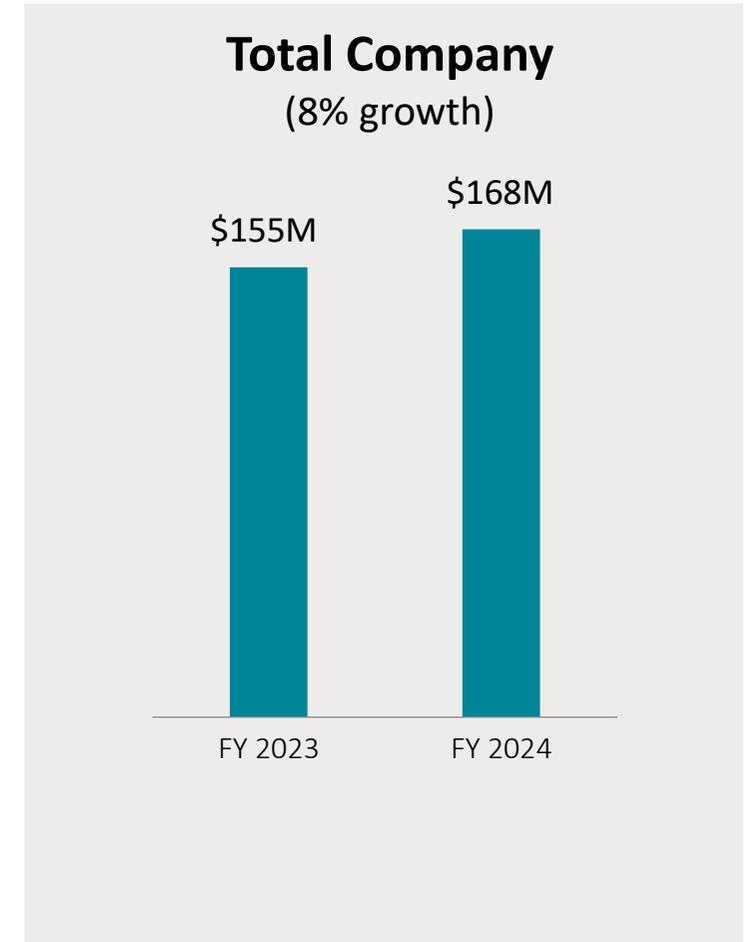
Revenue Growth – Digital Agreements



Revenue Growth – Total Company



FY 2024 ARR Growth^{1,2}



¹ ARR is approximate. The sum of Security Solutions and Digital Agreements ARR may differ from total company ARR due to rounding.

² On 1/1/24, we transitioned our Identity Verification solution from Security Solutions to Digital Agreements to reflect its greater alignment with the Digital Agreement product portfolio. The transition resulted in the reallocation of approximately \$1.5 million of ARR from Security Solutions to Digital Agreements on that date.

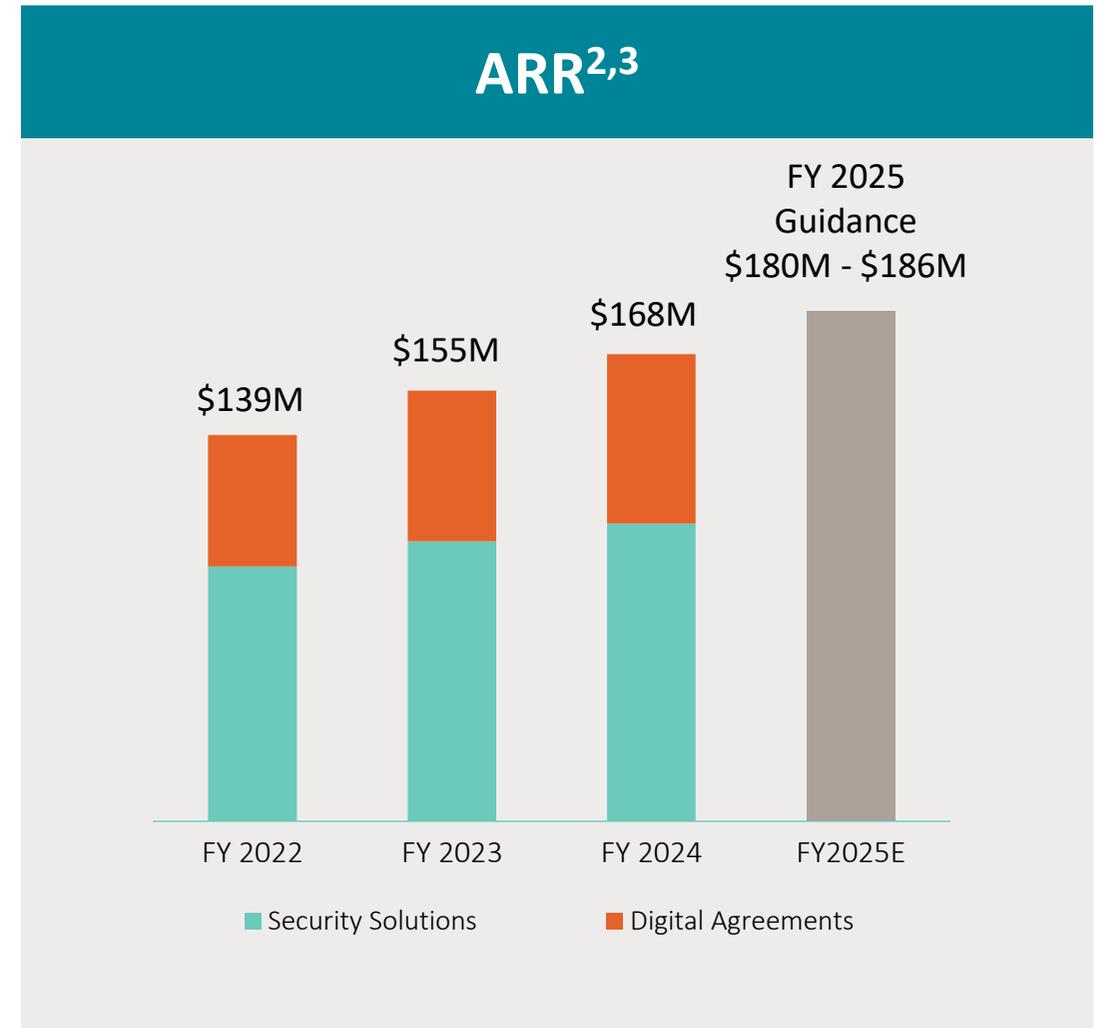
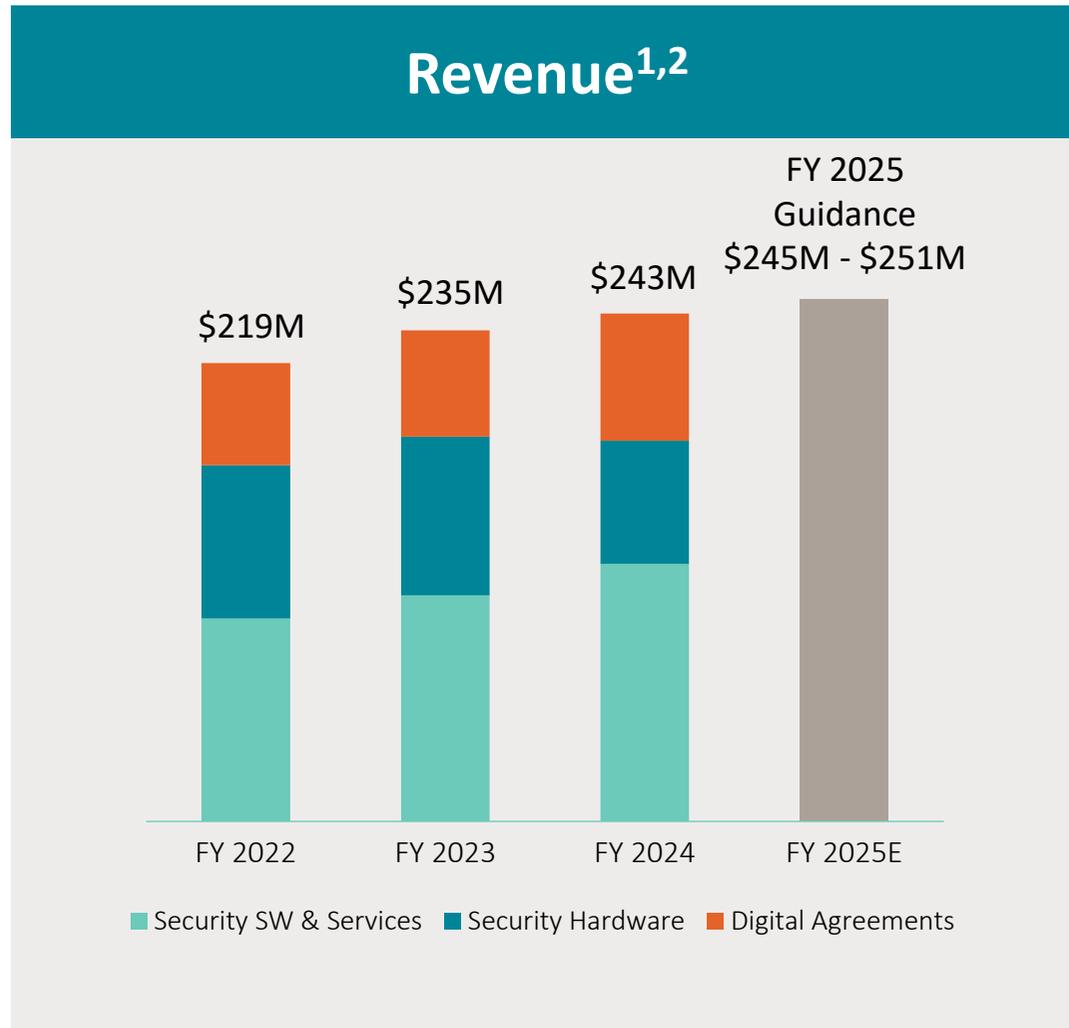
2025 Guidance Metrics

Metric	FY24 Actual	FY25 Guidance
Revenue	\$243.2M	\$245M - \$251M
Adjusted EBITDA ¹	\$72.5M	\$72M - \$76M
ARR ²	\$167.7M	\$180M - \$186M

¹ Adjusted EBITDA is a non-GAAP financial measure. The Company is not providing a reconciliation of Adjusted EBITDA guidance to GAAP net income, the most directly comparable GAAP measure, because we are unable to predict certain items included in GAAP net income without unreasonable efforts. Please refer to the Appendix for more information regarding non-GAAP financial measures.

² See Appendix for definition.

Revenue and ARR: FY25 Guidance and Prior Year Results

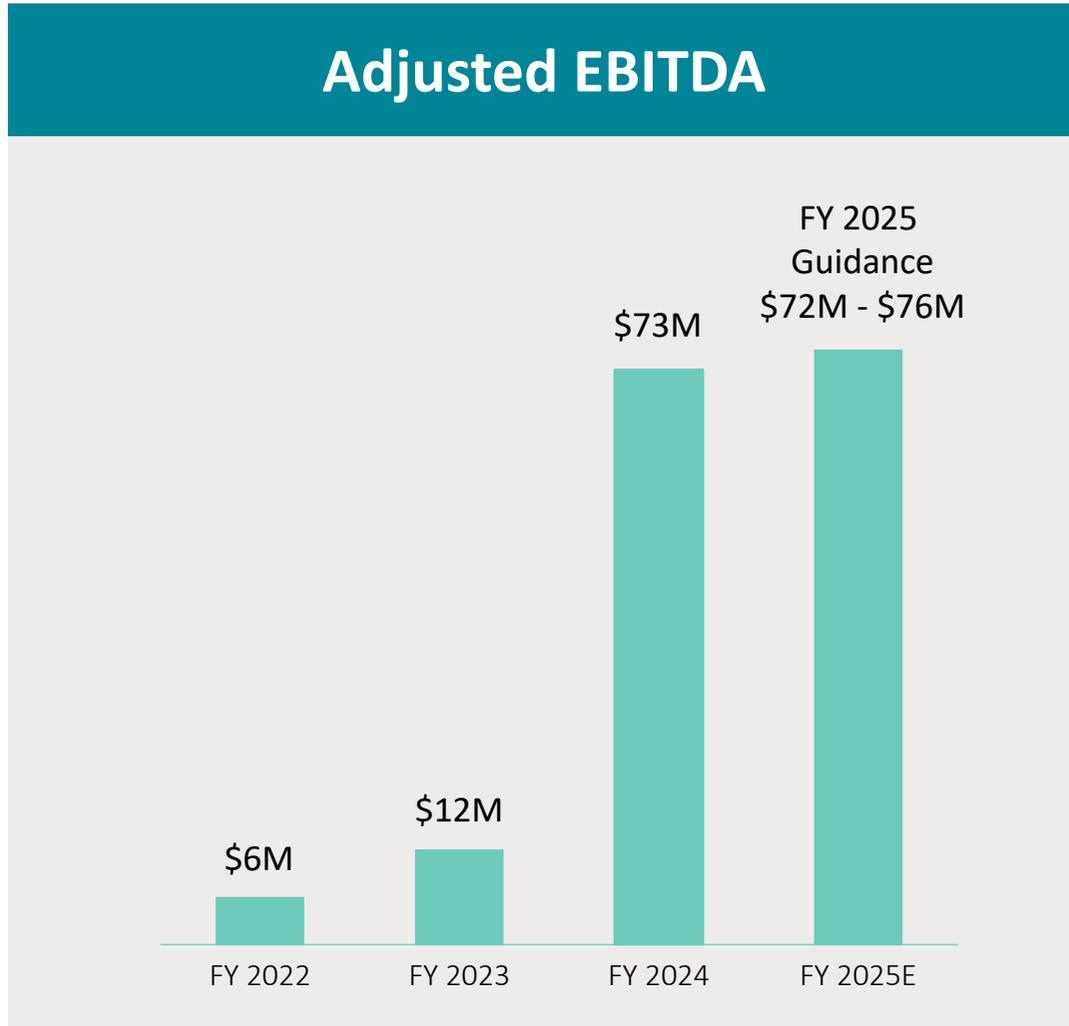


¹ Security SW & Services revenue includes subscription licenses, maintenance and support, and professional services and other revenues.

² FY'25 revenue and ARR headwinds from end-of-life products is estimated to be in the low to mid-single digit millions and low-single digit millions, respectively.

³ See appendix for definition.

Adjusted EBITDA: Sharp Increase Driven by Cost Reductions



Cumulative Annualized Cost Savings^{1,2}

December 31, 2022:	\$10.0 million
December 31, 2023:	\$58.5 million
December 31, 2024:	\$77.0 million*

* Annualized cost savings initiatives were substantially completed in the third quarter of 2024.

Appendix



Non-GAAP Reconciliation

Reconciliation of Net Income to Adjusted EBITDA⁵ (in thousands, unaudited)

	Three months ended		Years Ended	
	December 31,		December 31,	
	2023	2024	2023	2024
Net income (loss)	\$ 441	\$ 28,788	\$ (29,799)	\$ 57,082
Interest income, net	(415)	(561)	(2,090)	(1,807)
Provision for income taxes	917	(15,253)	2,486	(10,595)
Depreciation and amortization of intangible assets ¹	1,955	2,278	6,479	8,364
Long-term incentive compensation ²	4,136	2,814	14,562	9,172
Restructuring and other related charges ³	4,235	609	17,311	6,063
Other non-recurring items ⁴	(112)	1,163	3,048	4,223
Adjusted EBITDA	<u>\$ 11,157</u>	<u>\$ 19,838</u>	<u>\$ 11,997</u>	<u>\$ 72,502</u>

¹ Includes cost of sales depreciation and amortization expense directly related to delivering cloud subscription revenue of \$1.0 million and \$3.4 million for the three months and year ended December 31, 2024, respectively, and \$0.8 million and \$1.5 million for the three months and year ended December 31, 2023, respectively. Costs are recorded in "Services and other cost of goods sold" on the consolidated statements of operations.

² Long-term incentive compensation includes share-based compensation and cash incentive grants awarded to employees located in jurisdictions where we do not issue share-based compensation due to tax, regulatory or similar reasons. The immaterial expense associated with these cash incentive grants was less than \$0.1 million for both the three months ended December 31, 2024 and 2023, and \$0.2 million and \$0.3 million for the years ended December 31, 2024 and 2023, respectively.

³ Includes write-offs of intangible assets and property and equipment, net, of \$0.8 million and \$1.0 million, respectively, for the year ended December 31, 2024 and \$0 for both the three months and year ended December 31, 2023. Costs are recorded in "Services and other cost of goods sold" and "Restructuring and other related charges," respectively, on the consolidated statements of operations. Includes restructuring and other related charges of less than \$0.1 million and \$0.1 million for the three months and year ended December 31, 2024, respectively, and \$0 for both the three months and year ended December 31, 2023. These charges are recorded in "Services and other cost of goods sold" on the consolidated statements of operations.

⁴ For the three months ended December 31, 2024 other non-recurring items consist of \$1.2 million and of fees related to non-recurring projects. For the three months ended December 31, 2023, other non-recurring items consist of an inventory write-off reversal of \$1.4 million, offset by \$1.4 million of fees related to non-recurring items, primarily severance payable to our former chief executive officer. For the year ended December 31, 2024, other non-recurring items consist of \$4.2 million of fees related to non-recurring projects. For the year ended December 31, 2023, other non-recurring items consist of \$1.6 million of fees related to non-recurring projects and our acquisition of ProvenDB, and \$1.4 million of fees related to non-recurring items, primarily severance payable to our former chief executive officer.

⁵ Adjusted EBITDA is a non-GAAP financial measure. The Company is not providing a reconciliation of Adjusted EBITDA guidance to GAAP net income, the most directly comparable GAAP measure, because we are unable to predict certain items included in GAAP net income without unreasonable efforts. Please refer to slide 24 for definitions and additional information about Adjusted EBITDA.

Definitions

- 1 - **ARR, or Annual Recurring Revenue**, 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 Annual Report on Form 10-K for the year ended December 31, 2023 or any subsequently filed quarterly reports on Form 10-Q for additional information describing how we define ARR, including how ARR differs from GAAP revenue.
- 2 - **NRR, or Net Recurring Revenue**, is defined as the approximate year-over-year 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 financial metrics, including Adjusted EBITDA and Adjusted EBITDA margin. 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, as further discussed in the descriptions of each of these Non-GAAP metrics below.

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. Additional information about the Non-GAAP financial measures and reconciliations to their most directly comparable GAAP financial measures appear above.

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, 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, 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.

We define Adjusted EBITDA margin as Adjusted EBITDA as a percentage of revenue for a specified period.

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

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OneSpan

The Digital Agreements Company