

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

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

ONESPAN INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

On May 4, 2021, OneSpan Inc. posted a presentation to its website in connection with a conference call regarding its financial results for the quarter ended March 31, 2021. A copy of the presentation can be found below.

* * * *



May 4, 2021

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of applicable U.S. securities laws, including statements regarding the potential benefits, performance and functionality of our products and solutions, strategies relating to our business and the future of our business and our expectations regarding our financial performance in the future. Forward-looking statements may be identified by words such as "seek", "believe", "plan", "estimate", "anticipate", "expect", "intend", "continue", "outlook", "confident", "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: market acceptance of our products and solutions and competitors' offerings; the potential effects of technological changes; the impact of the COVID-19 pandemic and actions taken to contain it; our ability to effectively manage acquisitions, divestitures, alliances, joint ventures and other portfolio actions; the execution of our transformative strategy on a global scale; the increasing frequency and sophistication of hacking attacks; claims that we have infringed the intellectual property rights of others; changes in customer requirements; price competitive bidding; changing laws, government regulations or policies; pressures on price levels; investments in new products or businesses that may not achieve expected returns; 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 those factors set forth in our the "Risk Factors" section of our most recently filed 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 presentation, except as required by law.

Important Additional Information and Where to Find It

OneSpan Inc. (the “**Company**”) has filed a definitive proxy statement on Schedule 14A and accompanying **BLUE** proxy card and other relevant documents with the SEC in connection with the solicitation of proxies from the Company’s stockholders in connection with the Company’s 2021 annual meeting of stockholders (the “**2021 Annual Meeting**”). STOCKHOLDERS ARE STRONGLY ENCOURAGED TO READ THE COMPANY’S PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO), ACCOMPANYING **BLUE** PROXY CARD AND ALL OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and stockholders will be able to obtain a copy of the Company’s definitive proxy statement and other documents filed by the Company with the SEC free of charge from the SEC’s website at www.sec.gov. In addition, copies will be available at no charge at <https://www.OneSpan.com/> as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC.

Company Overview

OneSpan Protects The World From Digital Fraud



+60%
of Largest 100 Global Banks¹

\$15B+
Reduced Fraud Losses²

¹Source: S&P Global Market Intelligence
²OneSpan internal estimate

Industry Leader in Securing Digital Banking



Simple Secure Login



Digital Transaction Security



Mobile Application Protection



Digital Channel Account Opening

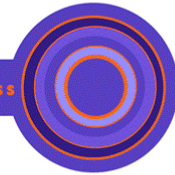
Evolution of OneSpan Solutions



Static - User Friction

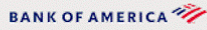
Real-time Fraud Analysis

Dynamic - Frictionless



Global Blue Chip Customer Base

FINANCIAL SERVICES



GOVERNMENT



HEALTHCARE



ENTERPRISE

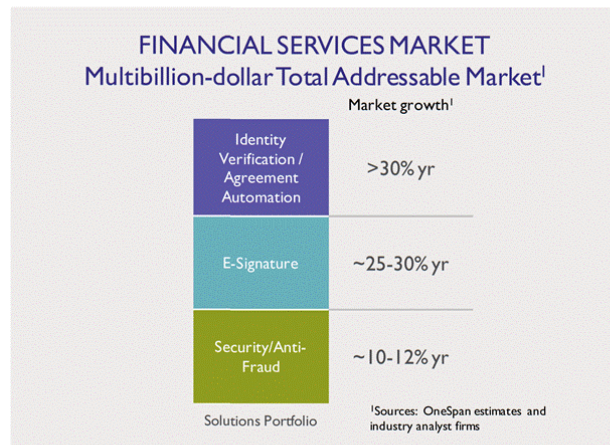


Mercedes-Benz



Long-Term Growth Drivers

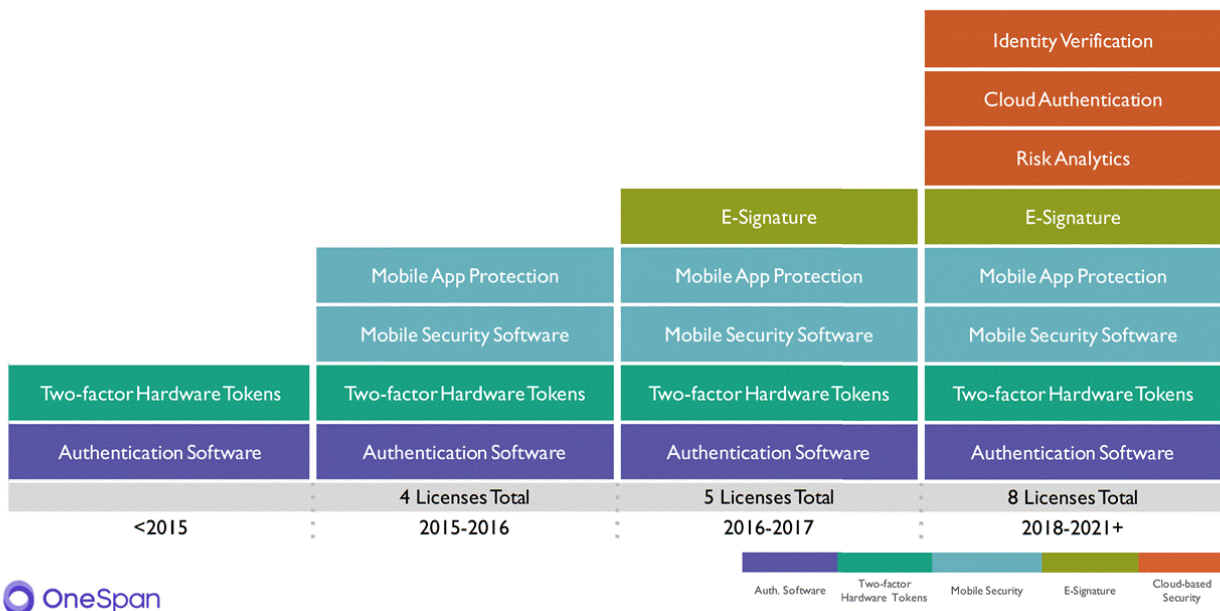
- Dynamic threat environment demands more sophisticated security tech
- Competition in finserv requires more secure, more transparent, more engaging mobile user experience
- Digital identity and regulatory complexity
- Desire for operational cost reduction
- Pandemic Effects
 - Accelerates banking transition to cloud
 - Elevates importance of mobile channel
 - Drives digitization of adjacent verticals



GROWTH PROFILE

Present	Emerging	Future
Increased Customer Penetration	New logo direct sales	Technology innovation
Consumer Churn	Digital banks	M&A
New Services	Fintech/core banking system providers	Growth adjacencies

New Solutions Expand Revenue Per Customer Opportunity

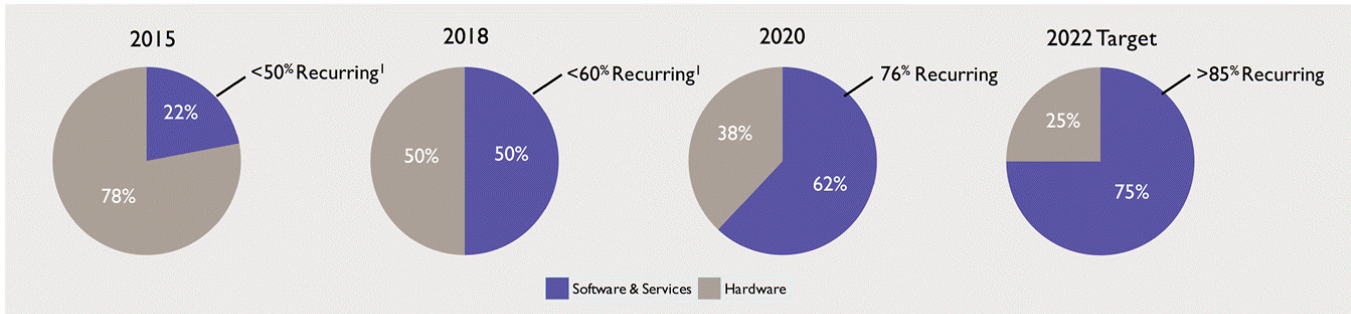


Rapid Transition to Software & Services Led Growth

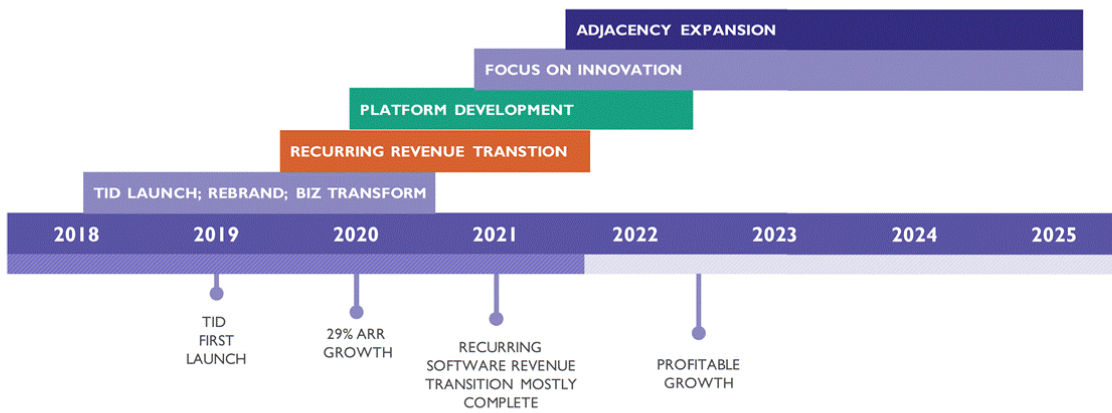
Strong Double-Digit ARR Growth

~120% Dollar-Based Net Expansion Rate

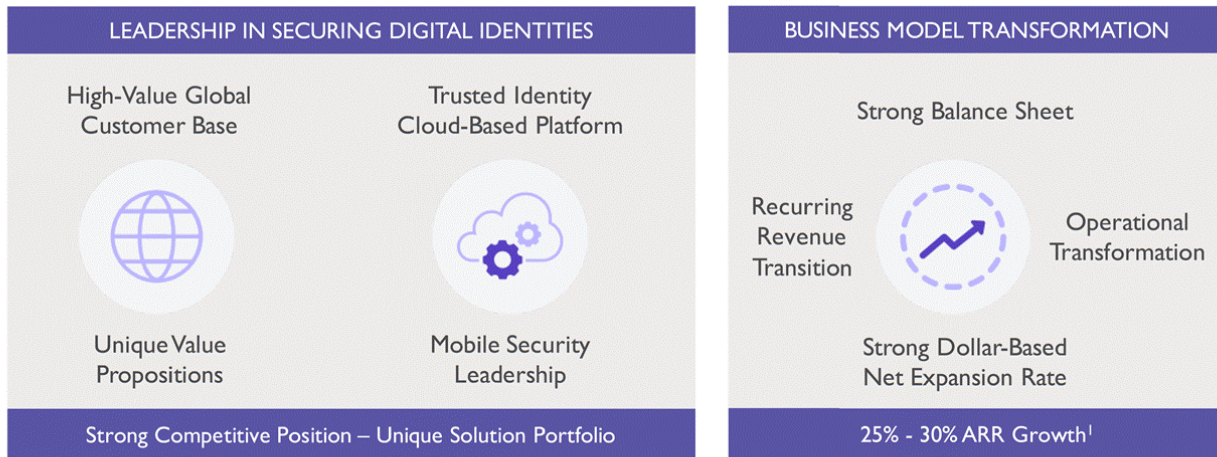
Target >85% of S&S Revenue Recurring by 2022



OneSpan's Strategic Evolution



Foundations for Sustained Long-Term Growth



Q1 2021 Highlights and Full Year 2021 Outlook

Q1 2021 Financial Highlights

\$108M

Annual Recurring
Revenue (ARR)¹

29%

ARR Growth

>50%

Subscription and
Term ARR growth

119%

Dollar-Based Net
Expansion (DBNE)²

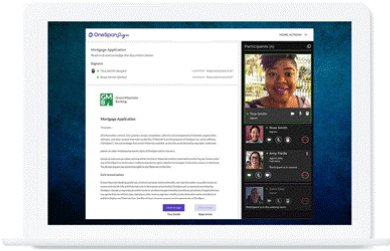
47%

Subscription
revenue growth

87%

of Software and Services
revenues are recurring

Recent Business Highlights and Announcements



OneSpan Sign Virtual Room Launched – Enables FI's to safely and securely collaborate with customers to review and sign high value agreements out-of-the-box



Signed the largest e-signature contract in our history – Displaced a major competitor at a leading provider of digital lending solutions.

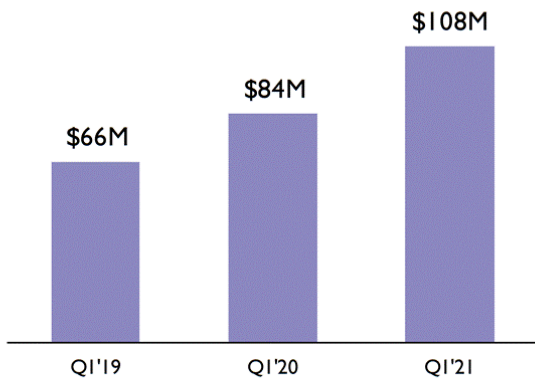


Garry Capers appointed to Board of Directors – Joins other highly qualified and independent directors; sixth independent director added since 2019

- Fintech and management consultant veteran
- Deep SaaS experience

Q1 2021 – ARR Growth

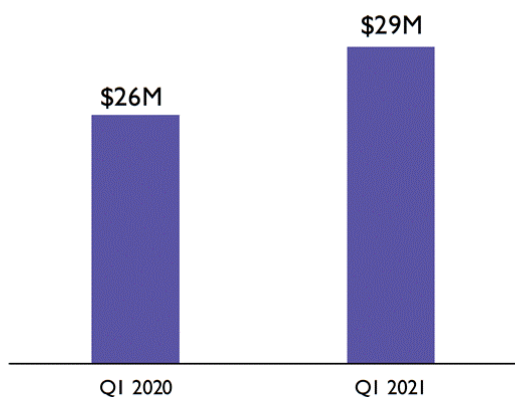
Annual Recurring Revenue



ARR Category	Q1'21 Y/Y Growth
Total ARR	29%
Subscription and Term ARR	> 50%

Q1 2021 – Record First Quarter Recurring Revenue

Y/Y Recurring Revenue Comparison



\$29M

record first quarter recurring revenue

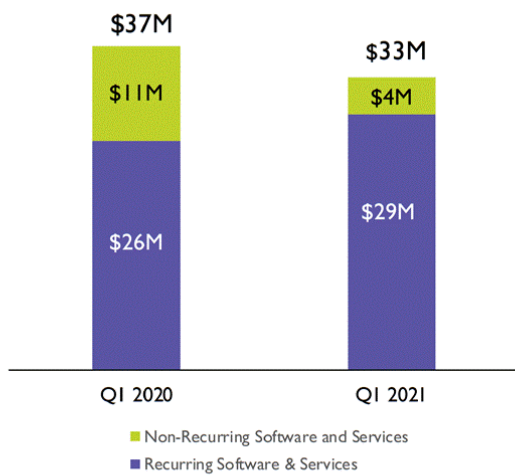
12%

growth in recurring revenue

Recurring Revenue	Q1'21 Y/Y Growth	Comments
Subscription	47%	Strong demand
Term	-13%	Record Q1 2020 ¹
Maintenance	14%	Met Q1 expectation
Total	12%	Met Q1 expectation

Q1 2021 – Transition to Recurring S&S Revenue¹

YY S&S Revenue Comparison



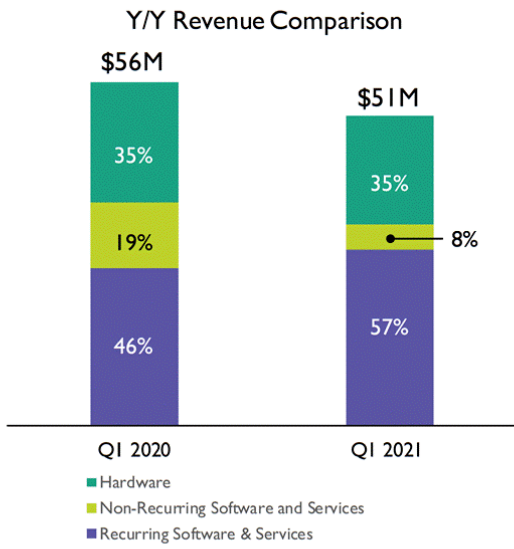
\$33M

Software & Services
revenue

87%

of Software & Services
revenue is recurring –
record high

Q1 2021 – Total Revenue



\$51M

Total revenue

65%

of Total revenue is
Software & Services

57%

of Total revenue is
recurring

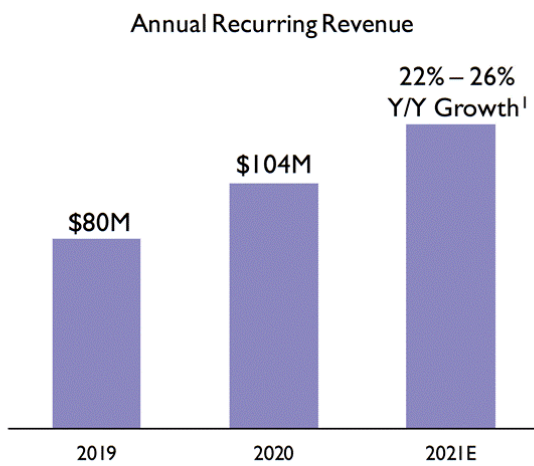
10%

decline in
Hardware revenue

FY 2021 Outlook¹

GUIDANCE METRICS	FY21 GUIDANCE	COMMENTS
Total Revenue	\$215M – \$225M	2H 2021 > 1H 2021
Recurring Revenue	\$120M – \$125M	18% – 23% growth
ARR Growth	22% - 26%	Strong growth in Subscription and Term
Adjusted EBITDA	Approximately break-even	Gross margin impacted by transition to recurring; Investing for growth

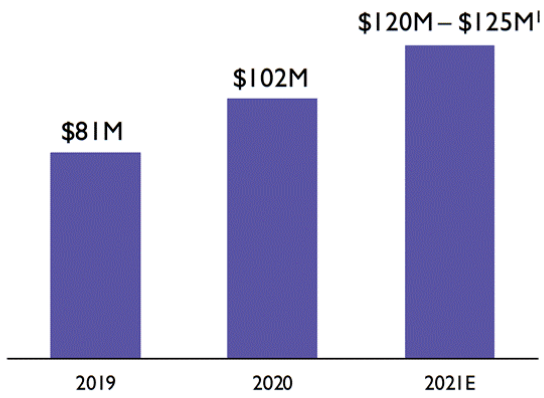
FY 2021E – ARR Growth



ARR Category	2020 Y/Y Growth	2021E Y/Y Growth ¹
Total ARR	29%	22% – 26%
Subscription and Term ARR	> 50%	Continued strong growth

FY 2021E – Recurring Revenue Growth

YY Recurring Revenue



Recurring Revenue	2020 Y/Y Growth	2021E Y/Y Growth ¹
Total	26%	~18% – 23% growth
Subscription and Term ²	37%	+40% growth

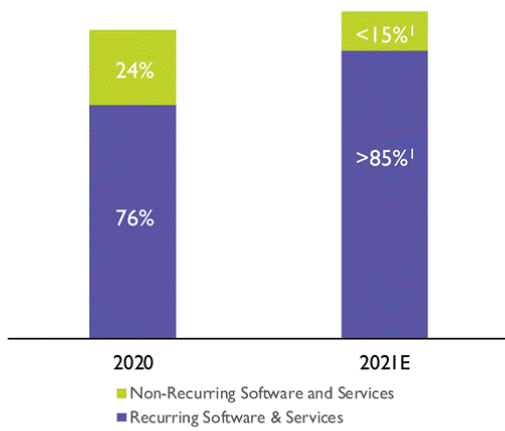


¹OneSpan guidance and expected performance

²Combined subscription and term-based software license revenue

FY 2021E – Transition to Recurring Revenue

Software & Services Revenue



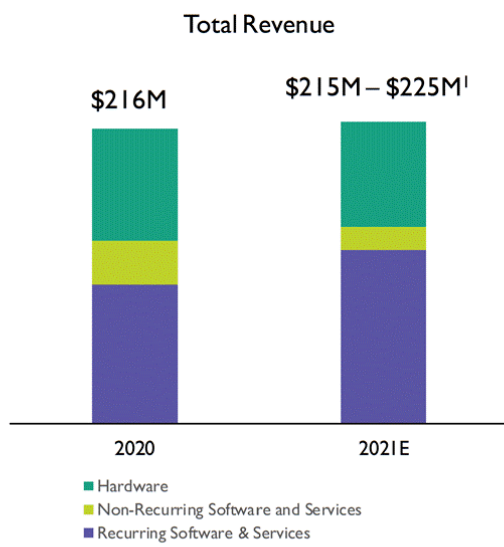
S&S Revenue	2020	2021E
% Recurring	76%	>85% ¹
2021E Recurring revenue transition headwind expected to be ~\$15 - \$20 million ²		



¹OneSpan guidance and expected performance

²Recurring revenue headwind refers to the estimated difference in the amount and timing of revenue recognition of software licenses sold as term in lieu of perpetual contracts.

FY 2021E – Total Revenue – Growth Driven by Recurring Revenue



Revenue	2020	2021E ¹
Recurring S&S	\$102M	\$120M – \$125M
Non-recurring S&S	\$32M	Perpetual to term-license transition
Hardware	\$82M	Mid single-digit y/y decline

2021E Recurring revenue transition headwind expected to be ~\$15 - \$20 million²



¹OneSpan guidance and expected performance

²Recurring revenue headwind refers to the estimated difference in the amount and timing of revenue recognition of software licenses sold as term in lieu of perpetual contracts.



Appendix

Revenue

Revenue by major products and services (in millions, unaudited)	Three months ended,								
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30	Sept. 30	Dec. 31	March 31
	2019	2019	2019	2019	2020	2020	2020	2020	2021
Subscription	\$5.3	\$5.3	\$5.6	\$6.1	\$5.7	\$6.1	\$7.4	\$8.5	\$8.4
Term-based software licenses	0.6	2.0	7.1	6.4	9.2	5.0	2.3	8.1	8.0
Maintenance, support, and other	9.7	9.9	10.6	12.0	11.0	12.1	12.4	13.7	12.5
Total recurring revenue	<u>\$15.5</u>	<u>\$17.2</u>	<u>\$23.2</u>	<u>\$24.5</u>	<u>\$25.9</u>	<u>\$23.2</u>	<u>\$22.1</u>	<u>\$30.4</u>	<u>\$28.9</u>
Perpetual software licenses	6.5	9.0	12.1	12.6	9.3	6.2	6.3	4.7	2.8
Professional services	0.8	0.8	2.3	1.8	1.4	1.3	1.4	1.6	1.4
Total software and service revenue	<u>\$22.8</u>	<u>\$27.1</u>	<u>\$37.7</u>	<u>\$38.9</u>	<u>\$36.6</u>	<u>\$30.8</u>	<u>\$29.8</u>	<u>\$36.7</u>	<u>\$33.1</u>
Hardware products	24.3	29.0	42.0	31.6	19.7	24.2	21.7	16.2	17.7
Total revenue ¹	<u>\$47.1</u>	<u>\$56.2</u>	<u>\$79.7</u>	<u>\$70.5</u>	<u>\$56.4</u>	<u>\$55.0</u>	<u>\$51.4</u>	<u>\$52.9</u>	<u>\$50.8</u>
Recurring % of software and services revenue	68%	64%	62%	63%	71%	76%	74%	83%	87%
Recurring % of total revenue	33%	31%	29%	35%	46%	42%	43%	57%	57%

¹Quarterly revenue from March 31, 2019, through March 31, 2020, has been revised to correct for certain immaterial misstatements.

Non-GAAP Reconciliation

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

	Three months ended	
	March 31,	
	2020 ¹	2021
Net income (loss)	\$ 4	\$ (9,151)
Interest income, net	(207)	(4)
Provision (benefit) for income taxes	690	(501)
Depreciation and amortization of intangible assets	3,019	2,310
Long-term incentive compensation	1,715	1,542
Non-recurring items	-	548
Adjusted EBITDA	<u>\$ 5,221</u>	<u>\$ (5,256)</u>

¹2020 results have been revised to correct for immaterial misstatements.

Definitions

1 · **ARR** is calculated as the annualized value of our customer recurring contracts with a term of at least one-year, as of the measuring 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 · **DBNE** is defined as the 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 measures, namely Adjusted EBITDA. Our management believes that this measure provides useful supplemental information regarding the performance of our business and facilitates comparisons to our historical operating results. 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 within the context described above, they are in fact incomplete and are not measures that should be used to evaluate our full performance or our prospects. Such an evaluation needs to consider all of the complexities associated with our business including, but not limited to, how past actions are affecting current results and how they may affect future results, how we have chosen to finance the business, and how taxes affect the final amounts that are or will be available to stockholders as a return on their investment. Reconciliations of Adjusted EBITDA to the most directly comparable GAAP financial measure are found above.

We define Adjusted EBITDA as net income before interest, taxes, depreciation, amortization, long-term incentive compensation, and certain non-recurring items, including acquisition related costs, lease exit costs, rebranding costs, non-routine stockholder matters and accruals for legal contingencies. 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 certain 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, lease exit costs, non-routine stockholder matters, reversal of a prior period legal contingency accrual), deal with the structure or financing of the business (e.g., interest, acquisition related costs, rebranding costs) or reflect the application of regulations that are outside of the control of our management team (e.g., taxes). Similarly, we find that the comparison of our results to those of our competitors is facilitated when we do not consider the impact of these items.

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