Investor Presentation – Q3 2024

October 30, 2024

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 2024 financial guidance and our plans to drive efficient revenue growth, profitability and cash flow 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 updated business transformation plan and cost reduction and restructuring actions in the expected timeframe and to achieve the outcomes we expect from them; 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; 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; 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, 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 October 30, 2024, 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 October 30, 2024. 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

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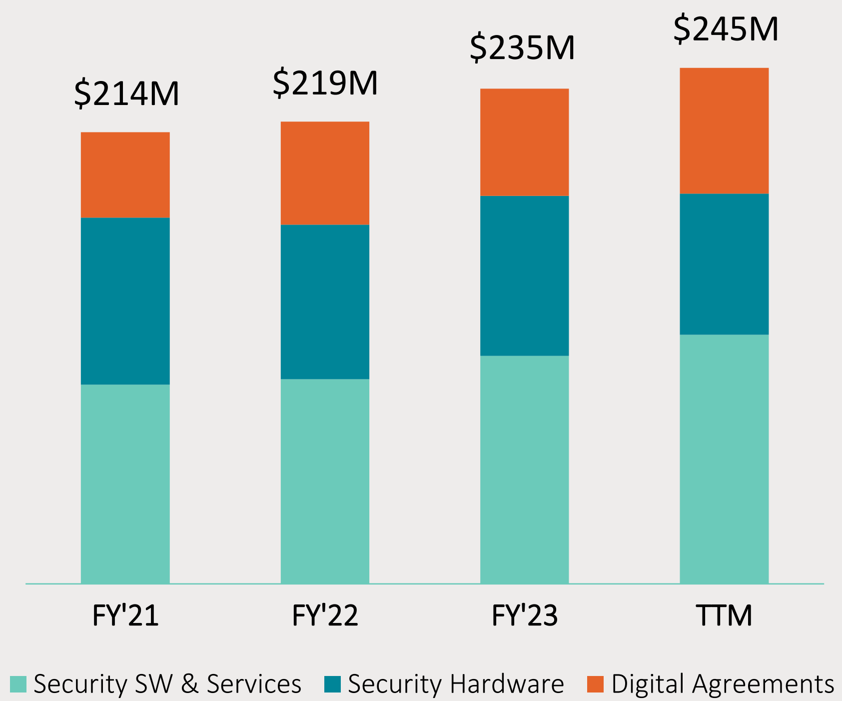
OneSpan At-a-Glance[1]

569	Employees
4,000+	Customers
100+	Countries
>60%	of the World's 100 Largest Banks are Customers
$245M	Revenue (TTM)
$164M	ARR[2]
106%	NRR[3]
$77M	Cash & Equiv.

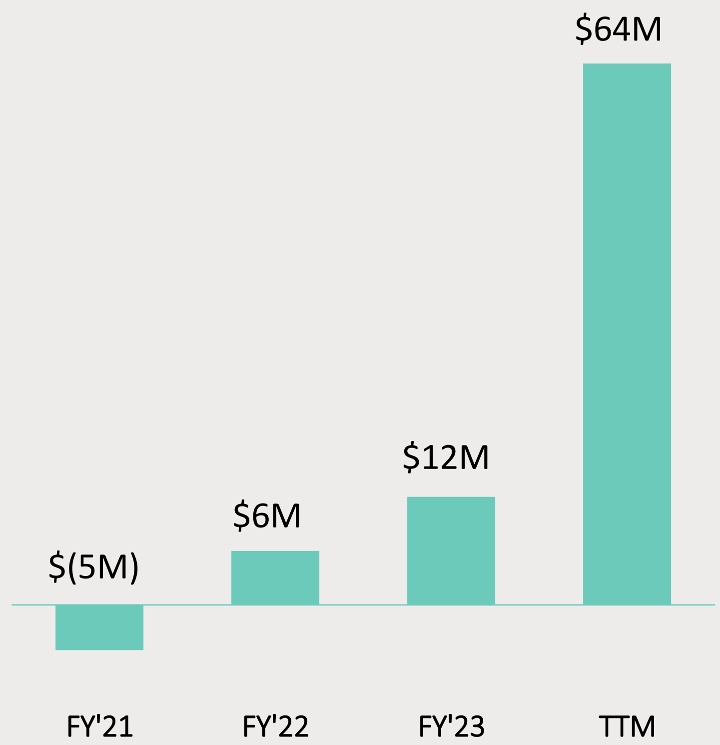
[1] Metrics as of 9/30/24
[2,3] See Appendix for definitions.

2024 – Focus on Improved Operational Efficiency & Profitability

Revenue[1,2]



Adjusted EBITDA[1]



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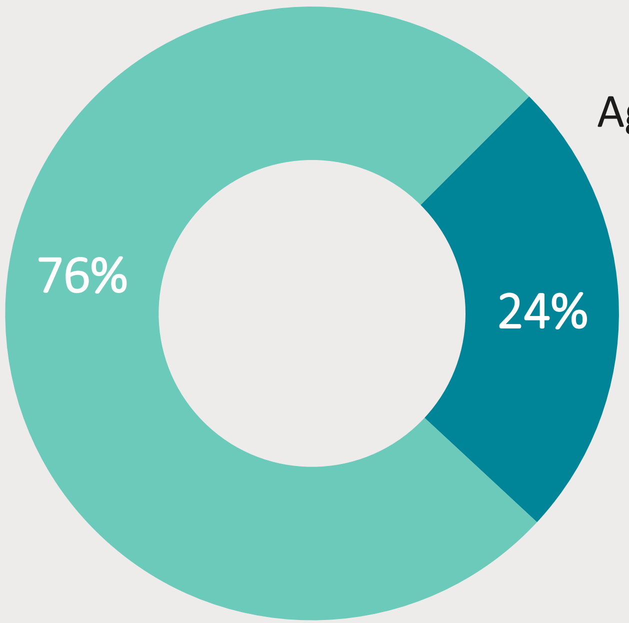
[1] TTM (Trailing-twelve month) through September 30, 2024.
[2] Security SW & Services revenue includes subscription licenses, maintenance and support, and professional services and other revenues.

Trusted Security Partner to Global Blue-Chip Enterprises

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

Security Solutions & Digital Agreements Business Units

Total Revenue: $245M[1]



Common BU Attributes

Operation Excellence
Profitable Revenue Growth
Enterprise Class Solutions
Key Verticals – BFSI, Healthcare, Government

Revenue by Geography[1]

EMEA	45%	Mostly Security
Americas	35%	DA > Security
APAC	20%	Mostly Security

[1] Trailing twelve-month metrics as of 9/30/24

SECURITY SOLUTIONS

- Trusted by the who's who of global banks to secure high value digital transactions
- 3% TTM revenue growth[1]
- **25% TTM subscription revenue growth[1]**
- **47% segment operating margin[1]**
- Expanding solution set and channel partnerships to help drive future revenue growth

Industry Leader in Securing Digital Banking Transactions

MFA & Passwordless Authentication

Digital Transaction Security

Mobile Application Protection

Expanding into Workforce Authentication

Digipass and Digipass FIDO Authenticators

[1] Trailing twelve-month metrics as of 9/30/24

DIGITAL AGREEMENTS

- Robust security, white-labelling and pricing model differentiate; transition to SaaS substantially complete
- 22% TTM revenue growth[1]
- **29% TTM subscription revenue growth[1]**
- **22% segment operating margin in Q3'24;** first quarter of profitability
- Land and expand model with focus on new logos and profitable growth

Key Enterprise-Class Solutions

E-Signatures

Identity Verification

Add-on Offerings

Smart Forms

Remote Notary & Virtual Room

Secure Storage

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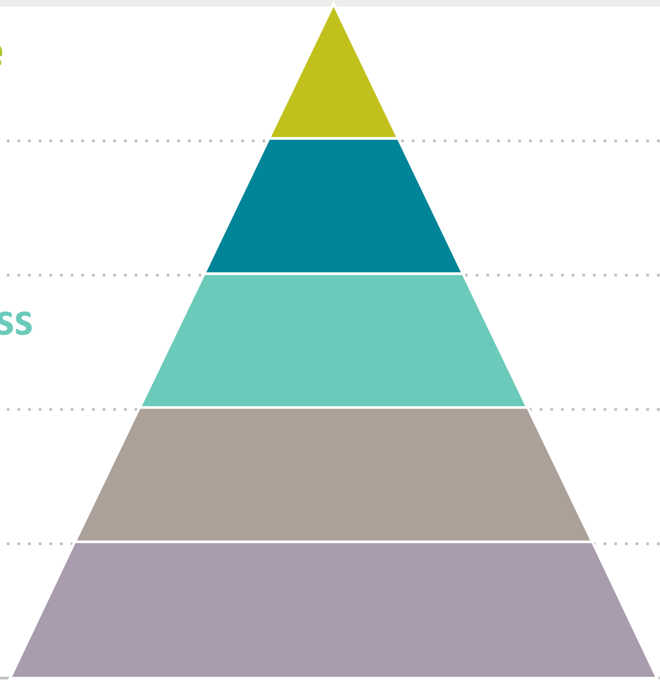
[1] Trailing twelve-month metrics as of 9/30/24

GTM Focused on Enterprise Sales and Growing Partner Network

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

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Q3 2024 Financial Highlights

$56M
Revenue
(-4% growth; +6% ytd growth)

$164M
ARR[1]
(9% growth)

$17M
Adjusted EBITDA
(30% Margin)

$34M
Subscription Revenue
(29% growth; 31% ytd growth)

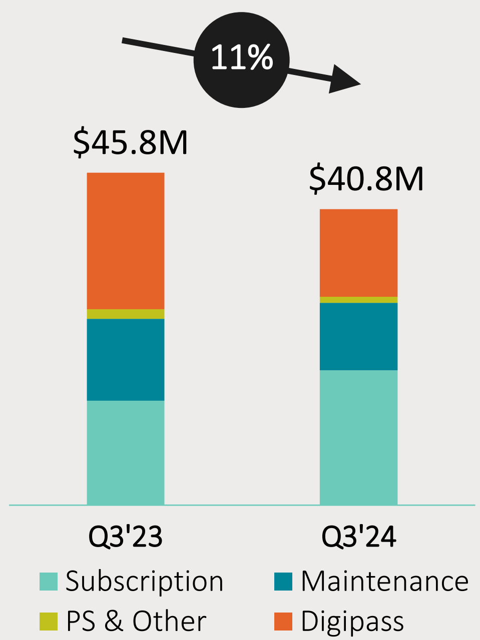
106%
NRR[2]

$77M
Cash and Equiv.
no long-term debt

[1,2] See Appendix for definition.

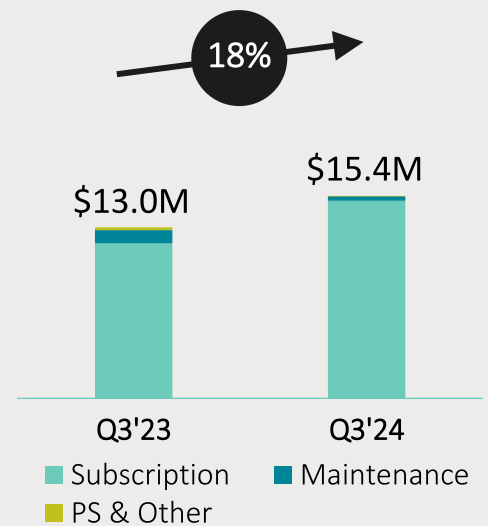
Q3 2024 Revenue Growth[1,2]

Security Solutions



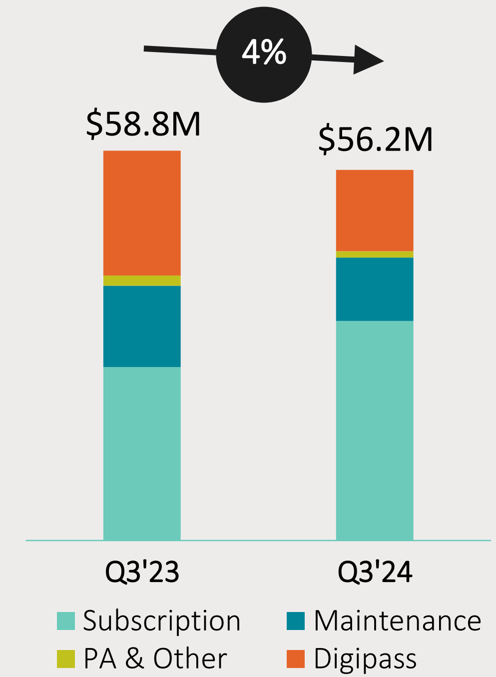
- Subscription revenue increased 29%
- Maintenance rev. decreased by design
- Excluding expected decrease in Digipass hardware, Security revenue increased 6%

Digital Agreements



- Subscription revenue increased 27%
- Maintenance rev. decreased by design

Total Company

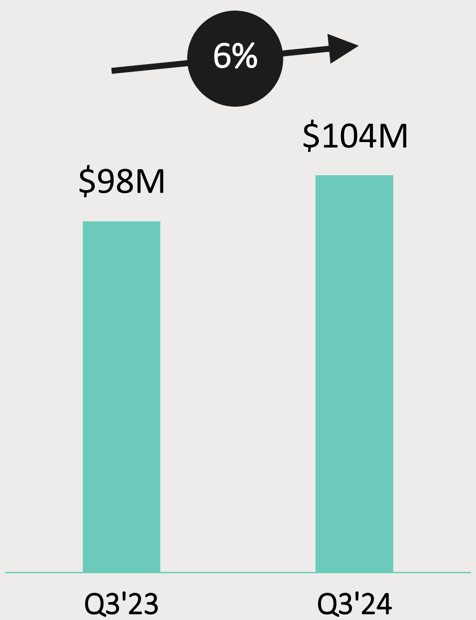


- Subscription revenue increased 29%
- Maintenance rev. decreased by design
- Excluding decrease in Digipass hardware, total revenue increased 10%

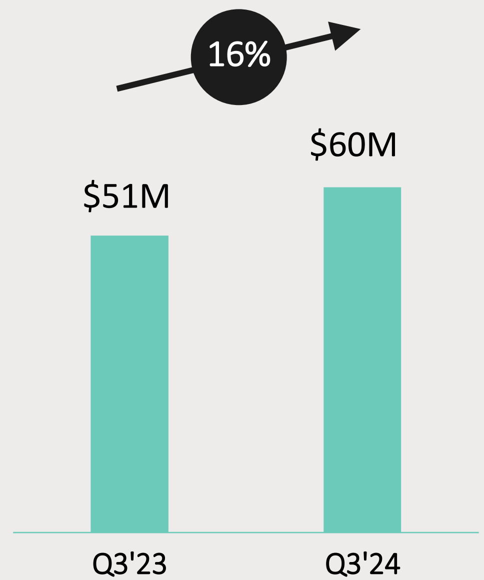
[1] Revenue is approximate. The sum of Security Solutions and Digital Agreements revenues may differ from total company revenue due to rounding.
[2] On 1/1/24, we transitioned our Identity Verification solution from Security Solutions to Digital Agreements to reflect its greater alignment with the Digital Agreement product portfolio. The transition resulted in the reallocation of approximately $0.3 million of revenue from Security Solutions to Digital Agreements in the first quarter of 2024.

Q3 2024 ARR Growth[1,2]

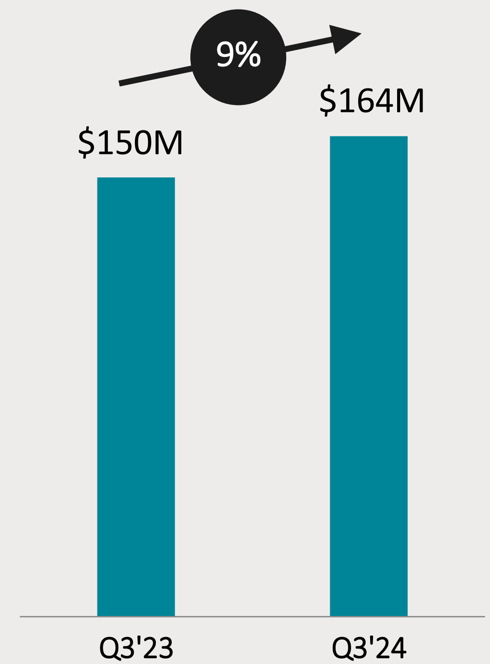
Security Solutions



Digital Agreements



Total Company



[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.

2024 Guidance Metrics

Metric	FY24 Previous Guidance	FY24 Current Guidance
Revenue	$238M - $246M	$238M - $242M
Adjusted EBITDA[1]	$55M - $59M	$65M - $67M
ARR[2]	$166M - $170M	$166M - $170M

- Revenue guidance was narrowed to reflect a reduction in anticipated hardware token shipments, partially offset by stronger than previously expected subscription revenues
- Adjusted EBITDA guidance was increased to reflect an increase in operating leverage
- ARR guidance was affirmed

[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.

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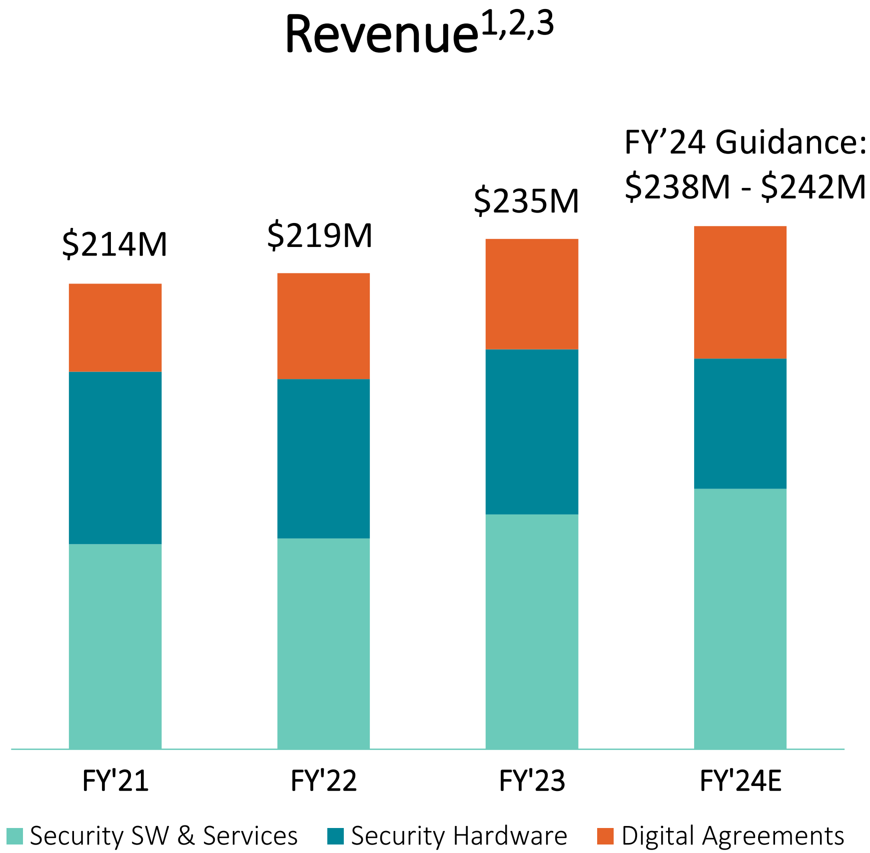
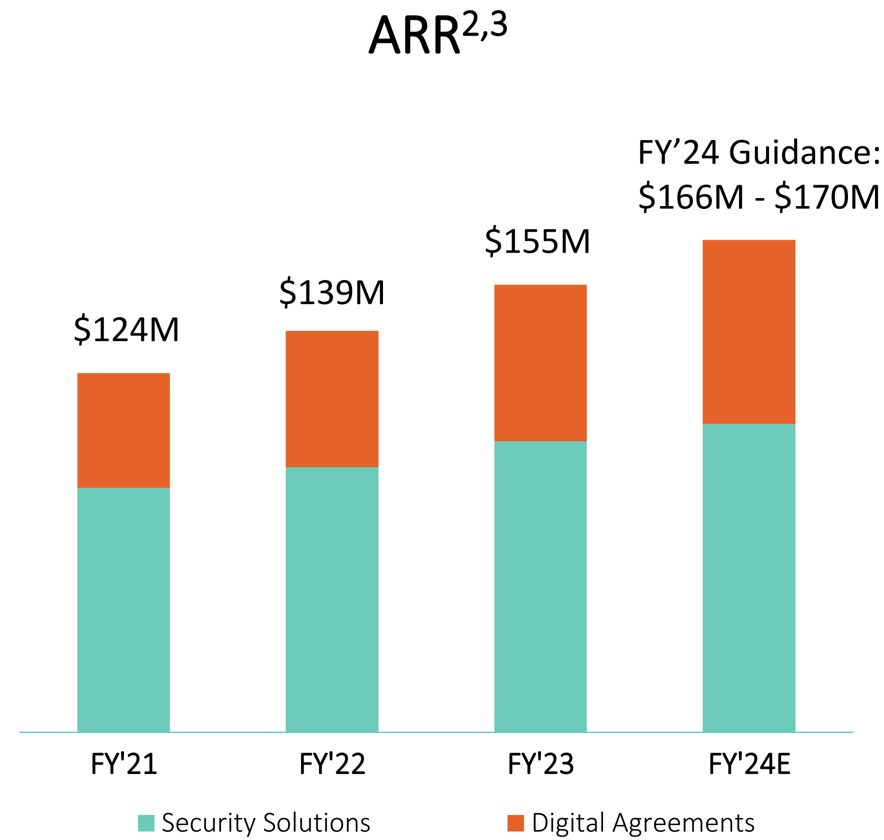
Revenue and ARR





[1] Security SW & Services revenue includes subscription licenses, maintenance and support, and professional services and other revenues.
[2] FY'24 revenue and ARR headwinds from end-of-life products is estimated to be in the low-single digit millions and mid-single digit millions, respectively.
[3] 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.

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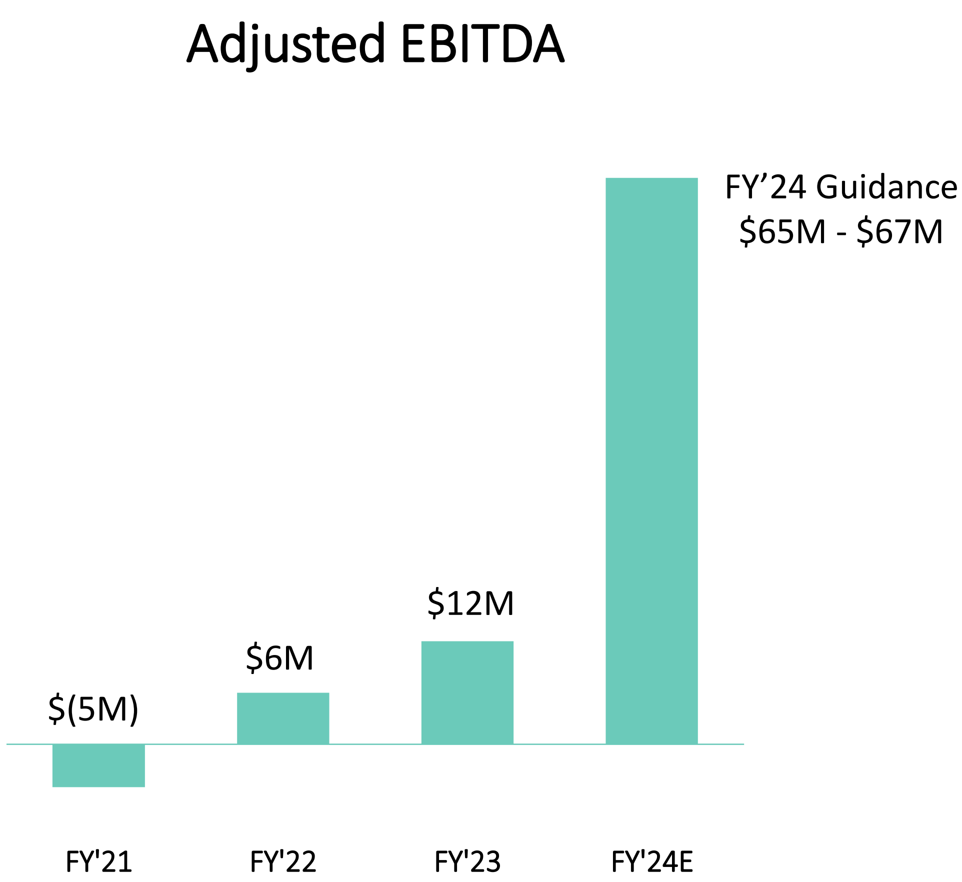
Adjusted EBITDA – Sharp Increase Driven by Cost Reductions



Cumulative Annualized Cost Savings[1,2]	
December 31, 2022:	$10.0 million
December 31, 2023:	$58.5 million
September 30, 2024:	$76.5 million*

* Annualized cost savings approximated $3.0 million and $18.0 million in the third quarter and first nine months of 2024, respectively.

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[1] Approximate combined annualized cost savings as of the dates noted from Phase Two of our Restructuring Plan, announced May 2022, and our 2023 Cost Reduction Actions, announced August 2023. In early 2024, we identified opportunities for additional cost reductions, as well as operational efficiencies, totaling incremental cost savings during the year of approximately $10 million on an annualized basis.

[2] Phase one of our Restructuring Plan was announced in December 2021 and was substantially completed by March 31, 2022, resulting in approximately $11.8 million of annualized cost savings.

Appendix

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Non-GAAP Reconciliation

Reconciliation of Net Income to Adjusted EBITDA[5]
(in thousands, unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2024	2023	2024
Net income (loss)	$ (4,133)	$ 8,273	$ (30,240)	$ 28,295
Interest income, net	(587)	(624)	(1,675)	(1,246)
Provision for income taxes	279	1,688	1,569	4,658
Depreciation and amortization of intangible assets[1]	1,689	1,941	4,524	6,086
Long-term incentive compensation[2]	1,933	2,744	10,426	6,358
Restructuring and other related charges[3]	6,524	720	13,076	5,454
Other non-recurring items[4]	599	1,983	3,160	3,060
Adjusted EBITDA	$ 6,304	$ 16,725	$ 840	$ 52,665

[1] Includes cost of sales depreciation and amortization expense directly related to delivering cloud subscription revenue of $0.7 million and $2.4 million for the three and nine months ended September 30, 2024, respectively, and $0.4 million and $0.7 million for the three and nine months ended September 30, 2023, respectively. Costs are recorded in "Services and other cost of goods sold" on the condensed consolidated statements of operations.

[2] Long-term incentive compensation includes stock-based compensation and 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 immaterial expense associated with these cash incentive grants was $0.1 million for both the three months ended September 30, 2024 and 2023 and $0.2 million for both the nine months ended September 30, 2024 and 2023.

[3] Includes write-offs of intangible assets and property and equipment, net, of $0.8 million and $1.0 million, respectively, for the nine months ended September 30, 2024 and $0 for both the three and nine months ended September 30, 2023. Costs are recorded in "Services and other cost of goods sold" and "Restructuring and other related charges," respectively, on the condensed consolidated statements of operations. Includes restructuring and other related charges of less than $0.1 million and $0.1 million, for the three and nine months ended September 30, 2024, respectively, and $0 for both the three and nine months ended September 30, 2023. These charges are recorded in "Services and other cost of goods sold" on the condensed consolidated statements of operations.

[4] For the three months ended September 30, 2024 and 2023, other non-recurring items consist of $2.0 million and $0.6 million, respectively, of fees related to non-recurring projects. For the nine months ended September 30, 2024, other non-recurring items consist of $3.1 million of fees related to non-recurring projects. 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.

[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 22 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, namely Adjusted EBITDA, Non-GAAP Net Income (Loss) and Non-GAAP Net Income (Loss) Per Diluted 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, 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 below.

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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