

The Optiva logo is displayed in a white, sans-serif font in the top left corner. The background features a dark blue city skyline at night with numerous vertical light trails in shades of blue and purple, and a large, semi-transparent blue circular graphic containing a white upward-pointing arrow on the right side.

Optiva

# Investor Presentation

## TSX:OPT

March 8, 2022

John Giere - President and CEO  
Dinesh Sharma - VP of Finance



## Caution Concerning Forward-Looking Statement

Certain statements in this document may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this document, such statements use such words as "may," "will," "expect," "continue," "believe," "plan," "intend," "would," "could," "should," "anticipate" and other similar terminology. These statements are forward-looking as they are based on our current expectations, as at March 08, 2022, about our business and the markets we operate in, and on various estimates and assumptions. Our actual results could materially differ from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. As a result, there is no assurance that any forward-looking statements will materialize. Risks that could cause our results to differ materially from our current expectations are discussed in the Company's most recent Annual Information Form, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on Optiva's website at [www.optiva.com/investors/](http://www.optiva.com/investors/). Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Optiva does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

## Non-IFRS Measures

The Company uses non-IFRS measures to assess its operating performance. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. The Company uses Adjusted EBITDA and New Bookings as measures of operating performance. The Company believes that these measures may also be useful to investors in enhancing their understanding of the Company's operating performance. See definitions of non-IFRS measures on slide 22.

# Optiva in Numbers

**TSX:OPT**

Technology Software

**6.2M**

Shares Outstanding



**50+**

CSP Customers

**\$65.2M**

Revenue (FY'21)

**C\$23.71**

Stock Price 7 - Mar - 2022



**3 Billion**

Transactions Per Hour

**\$18.6M**

Adj. EBITDA (FY'21)

**\$113M**

Market Capitalization



**50+**

Countries Globally

**\$3.11**

Diluted EPS (FY'21)

**\$172M**

Enterprise Value



**374**

Global Headcount

# Harnessing Transformational Possibilities to Accelerate Monetization



## Optiva BSS Platform™

End-to-end suite, fully managed, tailored for the digital era



## Optiva Charging Engine™

Converged and online charging, offering real-time at scale



Get ready for 5G & IoT monetization



Simplify architecture



Launch new MVNO, digital brand



Accelerate TTR for launching new offerings



Drive new revenue streams and partner ecosystem

# Landscape We Cover



● Functions cover as best of breed offering from the Optiva Charging Engine Suite

# BSS Cloud Leadership



Optiva Charging Engine  
Public Cloud  
February 2019



Optiva Charging Engine  
Private Cloud  
November 2020



Optiva BSS  
Private Cloud  
May 2021



Wholesalers Billing  
Public Cloud  
July 2021



Optiva Charging & Billing  
Private Cloud  
Jan 2021



Optiva Charging Engine  
Private Cloud  
October 2019



Optiva Payment  
Private Cloud  
Feb 2021



Optiva BSS  
Private Cloud  
June 2021



Optiva Charging Engine  
Private Cloud  
August 2021



*"Optiva named a **MARKET DISRUPTOR** with a clear vision on public cloud."*

November 2019



Shortlisted for Light Reading's Leading Lights, **Most Innovative Telco Cloud Product Strategy**

June 2020



Finalist in TM Forum's 2020 Excellence Awards, **Cloud Native IT and Agility**

July 2020



# Momentum Going Into 2022



Positive on Rule of 40: 1st since FY'15



Investments in Sales and R&D delivering



5x growth in New Bookings



Incumbent customers choosing cloud upgrades with Optiva



Driving efficiencies: Opex down 45%

**2021 lays the platform for growth in 2022**



# Fourth Quarter Highlights

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## Steady Gross & EBITDA Margins

- Q4'21 Gross Margin steady at 75%
- Q4'21 Adj. EBITDA\* Margin of 23% with continued investments in S&M and R&D

## Strong New Bookings

- Q4'21 New Bookings\* of \$26M+, up 12x YoY
- FY21 New Bookings\* of \$50M+, up 5x YoY

## Solid Momentum in Upgrades & New logos

- Upgrades:** Three incumbent customers, including Omantel, signing up for cloud upgrade
- Customer Wins:** Two new logos

## Google Cloud Partnership

GCP partnership will enable customers to purchase BSS platform and Optiva Charging Engine via Google Cloud Marketplace as a SaaS solution

## Investments in R&D and Sales

- R&D:** Team size +47% YoY to 125 from 85  
70 new gross adds in FY'21 in R&D
- Sales:** Increased coverage across APAC & North America  
Refreshed 50%+ of Sales team during FY21

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\*Represents Non-IFRS measures. Defined in the Glossary slide 22



# Fourth Quarter Financial Summary

**\$16.2M**  
Revenue

**75%**  
Gross Margin

**23%**  
Adj EBITDA\*

**\$30M**  
Cash

**\$26M**  
New Bookings\*

**21%**  
R&D % of Rev

\*Represents Non-IFRS measures. Defined in the Glossary slide 22

# Customer Progress

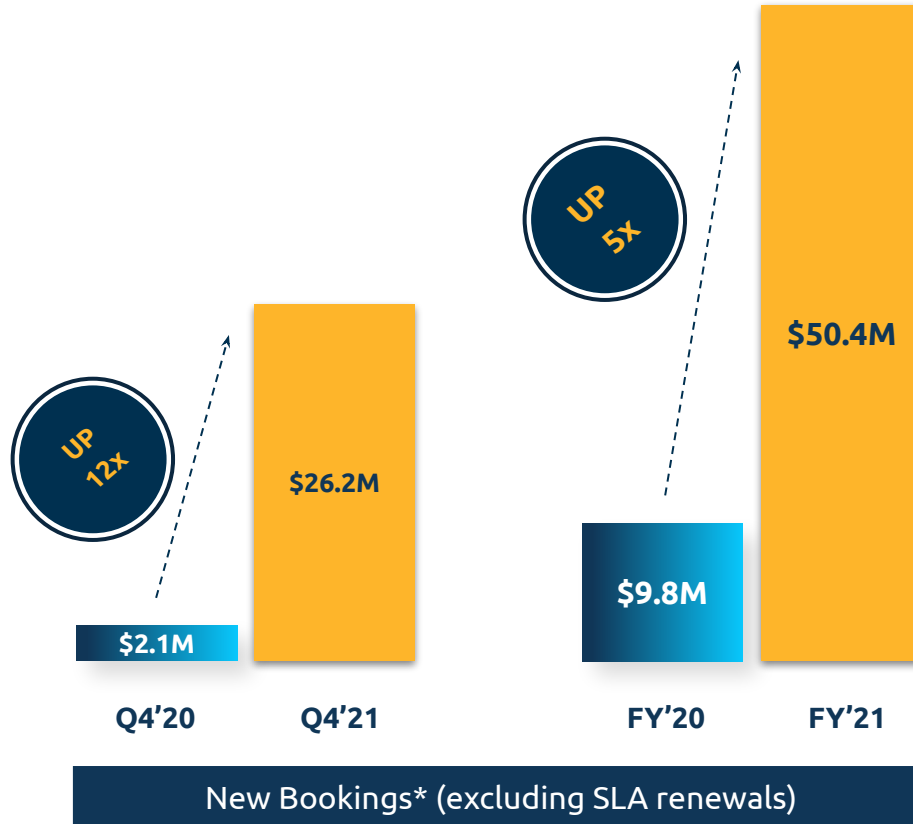
## Highlights:

- Won global tender to become approved vendor for charging solution for largest operator group in Africa
- 1st Google Cloud customer 100% live in Europe

## Wins:

- Upgrades: Three incumbent customers, including Omantel
- Customer Wins: Two new customers

# Strong Growth in New Bookings

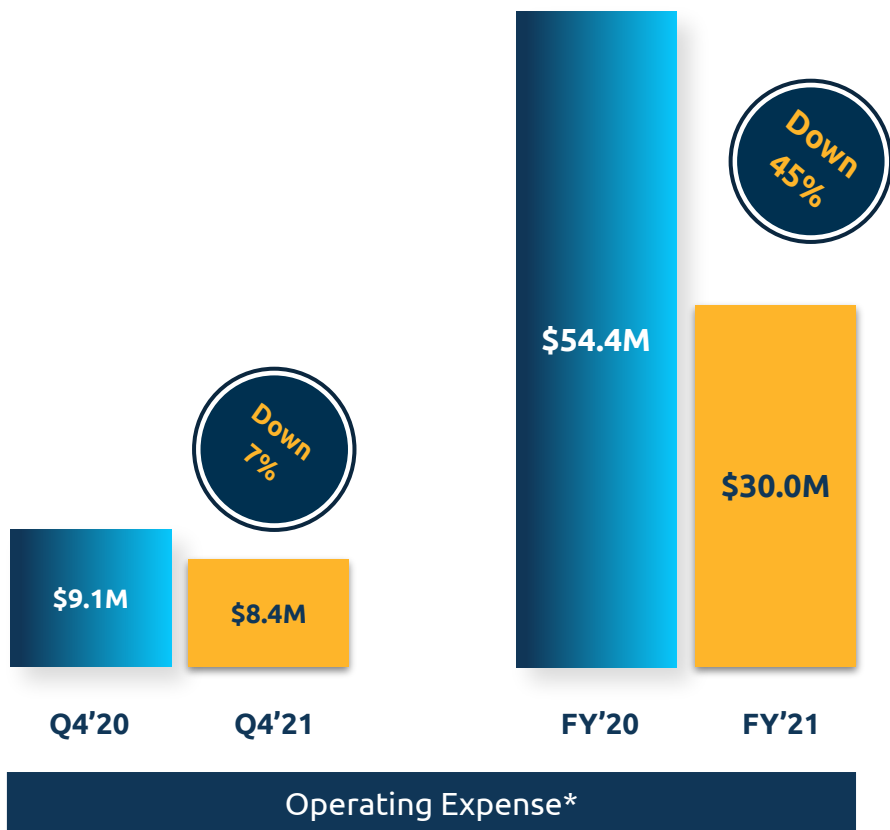


## Q4'21 New Bookings

- One new logo win in APAC
- Multi-year deals signed with three Middle East customers to upgrade to private cloud
- One win-back in Europe with resumption of support contract

\*Represents Non-IFRS measures. Defined in the Glossary slide 22

# Driving Efficiency While Making Strategic Investments



## Strategic Priorities

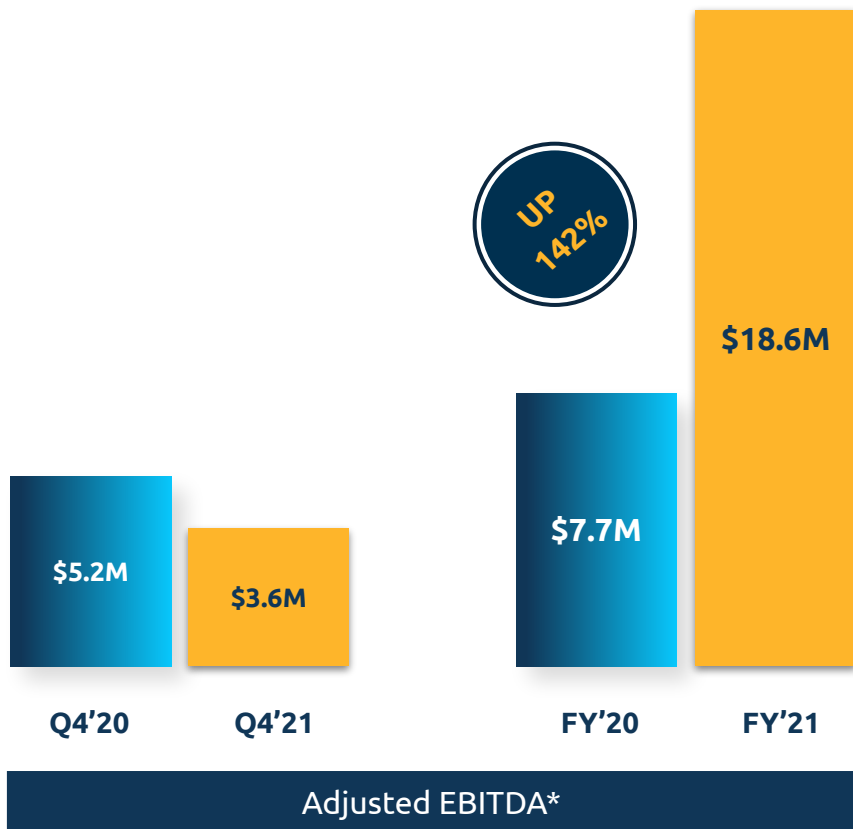
- R&D: 47% higher headcount with 13% YoY increase in Q4'21
- S&M: Increased coverage in APAC & North America, strong bookings drive higher YoY spend in Q4'21

## Q4'21 Opex Reduction Drivers

- Zero reliance on Crossover, helping reduce Opex across functions
- Legal: Settlement of shareholder dispute lowers legal costs
- Finance: Insourced Finance function and Audit fee reduction

\*Represents Non-IFRS measures. Defined in the Glossary slide 22

# Significant Improvement in Profitability in FY'21



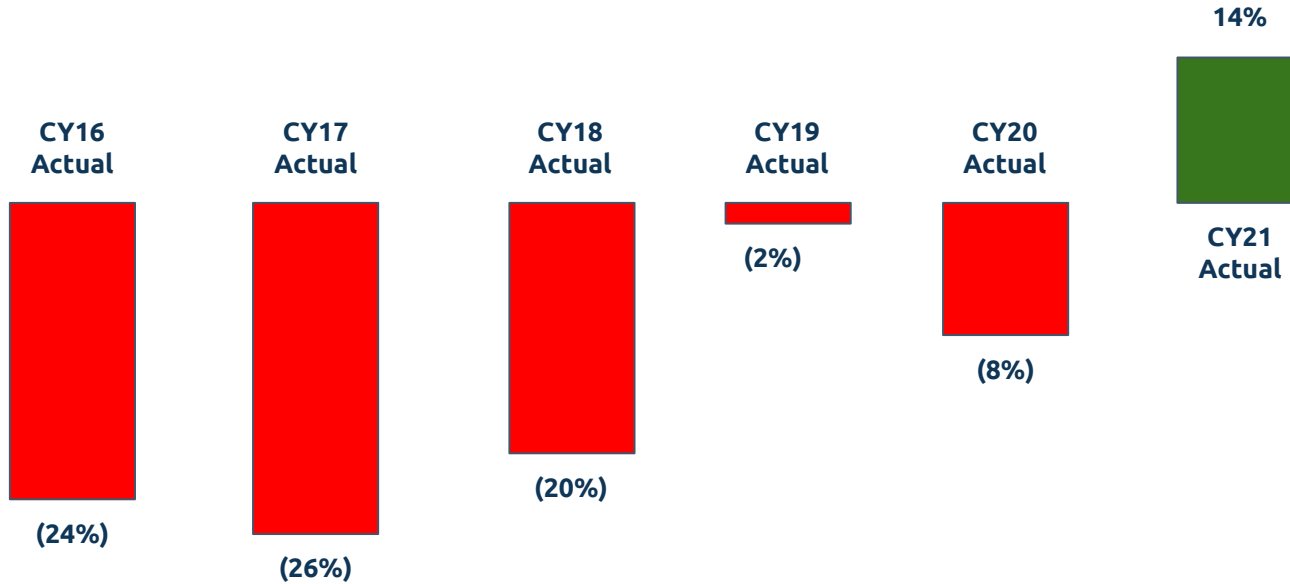
## Q4'21 Adjusted EBITDA

- Q4'21 Adj EBITDA is the 6th consecutive quarter of strong profitable results
- Investments in R&D and S&M resulting in YoY EBITDA decline in Q4'21
- Shows strength of the core business

\*Represents Non-IFRS measures. Defined in the Glossary slide 22

# Progress on Rule of 40

Rule of 40 : Sum of Revenue Growth % (Y/Y) + Adjusted EBITDA %



\*Cloud Innovation Spend is not added back in Adj EBITDA calculation

# Looking Ahead 2022

- ❖ Targeting the intersection of cloud and 5G market inflection point
- ❖ Transition from a services to a software business model
- ❖ Strong Sales pipeline in place going into FY'22
- ❖ Delivering product refresh across the portfolio during FY'22
- ❖ Focus on delivering a steady and predictable ARR

**Continued progress on the Rule of 40**



2022 is the year to kick-start our  
**growth journey**



Optiva

**Thank you**

**Analyst Coverage**

**CIBC World Markets, Todd Coupland  
Raymond James, Steven Li**



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# Income Statement

<b>Income Statement</b> <i>(US\$, in thousands, except per share data)</i>	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	FY'20	FY'21
Software, Services & Other	3,921	5,095	4,727	3,884	3,303	4,829	5,254	4,215	17,627	17,601
Support and Subscription	15,116	14,838	14,077	14,258	12,788	11,482	11,412	11,954	58,289	47,635
<b>Total Revenue</b>	<b>19,037</b>	<b>19,933</b>	<b>18,804</b>	<b>18,142</b>	<b>16,091</b>	<b>16,311</b>	<b>16,666</b>	<b>16,169</b>	<b>75,916</b>	<b>65,236</b>
Cost of Revenue	5,354	5,121	4,649	4,479	3,675	3,599	3,492	4,110	19,604	14,875
<b>Gross Margin</b>	<b>13,683</b>	<b>14,811</b>	<b>14,155</b>	<b>13,663</b>	<b>12,416</b>	<b>12,712</b>	<b>13,174</b>	<b>12,059</b>	<b>56,312</b>	<b>50,361</b>
Gross Margin %	72%	74%	75%	75%	77%	78%	79%	75%	74%	77%
<b>Operating expenses</b>										
Sales & Marketing	3,023	1,668	1,581	1,680	1,787	1,926	1,789	2,628	7,952	8,130
General & Administrative	5,464	10,141	8,288	6,165	4,458	4,536	2,990	4,779	30,059	16,762
Research & Development	11,924	8,684	2,255	2,674	517	3,242	3,413	3,339	25,537	10,510
Restructuring costs (recovery)	116	26	59	(39)	-	-	-	-	163	-
<b>Total Operating Expenses</b>	<b>20,528</b>	<b>20,520</b>	<b>12,184</b>	<b>10,480</b>	<b>6,762</b>	<b>9,704</b>	<b>8,191</b>	<b>10,745</b>	<b>63,711</b>	<b>35,402</b>
<b>Income / (Loss) from operations</b>	<b>(6,845)</b>	<b>(5,708)</b>	<b>1,971</b>	<b>3,183</b>	<b>5,654</b>	<b>3,008</b>	<b>4,983</b>	<b>1,314</b>	<b>(7,399)</b>	<b>14,959</b>
Operating Income Margin %	(36%)	(29%)	10%	18%	35%	18%	30%	8%	(10%)	23%
Foreign exchange gain (loss)	(1,883)	(298)	283	(100)	307	218	110	(369)	(1,999)	266
Finance income	86	(9)	173	156	72	71	329	64	406	535
Finance expense / (recovery)	9,763	(8,385)	(29,661)	2,029	11,193	(889)	(805)	(3,241)	(26,254)	6,259
<b>Income / (Loss) before Income Taxes</b>	<b>1,119</b>	<b>(14,401)</b>	<b>(27,234)</b>	<b>5,268</b>	<b>17,227</b>	<b>2,408</b>	<b>4,617</b>	<b>(2,232)</b>	<b>(35,246)</b>	<b>22,019</b>
Income tax expense	312	376	1,987	3,598	528	1,077	833	1,078	6,274	3,516
<b>Net Income / (Loss) for the period</b>	<b>807</b>	<b>(14,777)</b>	<b>(29,221)</b>	<b>1,670</b>	<b>16,699</b>	<b>1,332</b>	<b>3,783</b>	<b>(3,310)</b>	<b>(41,520)</b>	<b>18,503</b>
<b>Earnings / (Loss) per common share</b>										
Basic	\$0.15	(\$2.78)	(\$5.50)	\$0.31	\$3.14	\$0.22	\$0.62	(\$0.54)	(\$7.81)	\$3.12
Diluted	\$0.14	(\$2.78)	(\$5.50)	\$0.29	\$3.01	\$0.22	\$0.61	(\$0.54)	(\$7.81)	\$3.11
<b>Wtd. Avg. number of common shares (thousands)</b>										
Basic	5,316	5,316	5,316	5,316	5,316	6,076	6,151	6,154	5,316	5,928
Diluted	5,632	5,316	5,316	5,698	5,544	6,128	6,159	6,154	5,316	5,949

# Balance Sheet

<b>Balance Sheet</b> <i>(US\$, in thousands)</i>	<b>Q1'20</b>	<b>Q2'20</b>	<b>Q3'20</b>	<b>Q4'20</b>	<b>Q1'21</b>	<b>Q2'21</b>	<b>Q3'21</b>	<b>Q4'21</b>
Cash, Cash Equivalents and Restricted Cash	30,286	27,175	21,306	18,290	10,637	33,473	32,823	30,379
Trade Accounts & Other Receivables	7,100	7,360	9,744	7,869	12,687	9,421	9,241	7,203
Unbilled Revenue	9,505	8,258	8,365	7,607	5,806	8,177	9,251	11,087
Goodwill and Intangible Assets	41,999	39,535	37,360	35,527	35,164	34,801	34,811	34,076
Other Assets	6,792	8,739	7,468	8,088	8,827	9,016	9,423	9,916
<b>Total Assets</b>	<b>95,682</b>	<b>91,066</b>	<b>84,242</b>	<b>77,380</b>	<b>73,122</b>	<b>94,887</b>	<b>95,549</b>	<b>92,660</b>
Trade Payable and Accrued Liabilities	20,974	19,638	22,589	18,489	14,667	14,432	14,016	14,989
Deferred Revenue	12,185	11,938	6,866	5,556	5,449	6,830	4,788	4,146
Provisions	3,217	6,024	5,765	5,555	4,223	4,200	4,200	4,200
Debentures	-	-	86,812	86,338	86,493	86,653	86,819	86,990
Preferred Shares	66,794	69,504	-	-	-	-	-	-
Series A Warrant	10,183	15,737	21,291	16,663	4,020	2,508	861	1,668
Other Liabilities	17,143	17,815	23,289	24,211	21,482	22,340	19,173	15,732
<b>Total Liabilities</b>	<b>130,496</b>	<b>140,656</b>	<b>166,613</b>	<b>156,812</b>	<b>136,334</b>	<b>136,963</b>	<b>129,857</b>	<b>127,725</b>
Shareholders' Equity / (Deficit)	(34,813)	(49,590)	(82,371)	(79,432)	(63,212)	(42,075)	(34,308)	(35,064)
<b>Total Liabilities &amp; Shareholders' Equity / (Deficit)</b>	<b>95,682</b>	<b>91,066</b>	<b>84,242</b>	<b>77,380</b>	<b>73,122</b>	<b>94,887</b>	<b>95,549</b>	<b>92,660</b>



# Adjusted EBITDA Reconciliation

Reconciliation of Net Income to Adj. EBITDA (US\$, in thousands)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	FY'20	FY'21
<b>Net income (loss) for the period</b>	<b>808</b>	<b>(14,777)</b>	<b>(29,221)</b>	<b>1,670</b>	<b>16,698</b>	<b>1,332</b>	<b>3,783</b>	<b>(3,310)</b>	<b>(41,520)</b>	<b>18,503</b>
<b>Add back / (subtract):</b>										
Depreciation of property and equipment	2,488	2,464	2,188	1,820	363	381	428	449	8,960	1,621
Amortization of intangible assets	-	-	-	-	-	-	-	-	-	-
Finance (income) / loss	(86)	9	(173)	(156)	(72)	(71)	(329)	(64)	(406)	(535)
Finance costs (recovery)	(9,763)	8,385	29,661	(2,029)	(11,193)	889	805	3,241	26,254	(6,259)
Income tax expense	312	376	1,987	3,598	528	1,077	833	1,078	6,274	3,516
Share-based compensation	(1,244)	359	1,421	(384)	723	693	490	1,884	152	3,790
Foreign exchange loss (gain)	1,883	298	(283)	100	(307)	(218)	(110)	369	1,999	(266)
<b>EBITDA</b>	<b>(5,601)</b>	<b>(2,885)</b>	<b>5,580</b>	<b>4,619</b>	<b>6,739</b>	<b>4,082</b>	<b>5,901</b>	<b>3,646</b>	<b>1,713</b>	<b>20,369</b>
Restructuring costs (recovery)	116	26	59	(39)	-	-	-	-	163	-
Change in Other Provisions	-	3,073	-	-	(1,314)	-	-	-	3,073	(1,314)
Non-Recurring Items <sup>(1)</sup>	191	731	1,179	652	(434)	-	-	-	2,753	(434)
<b>Adjusted EBITDA</b>	<b>(5,294)</b>	<b>944</b>	<b>6,819</b>	<b>5,231</b>	<b>4,992</b>	<b>4,082</b>	<b>5,901</b>	<b>3,646</b>	<b>7,701</b>	<b>18,622</b>

(1) One-time costs (recovery) related to shareholder conflict and Debenture financing

EBITDA and Adjusted EBITDA represent Non-GAAP measures. Defined in the Glossary slide 22

# Adj. Income Statement (Adj. for D&A, SBC and Non-Recurring Items)

Adj. Income Statement (non-GAAP) <sup>1</sup> <i>(US\$, in thousands)</i>	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	FY'20	FY'21
<b>Total Revenue</b>	<b>19,037</b>	<b>19,933</b>	<b>18,804</b>	<b>18,142</b>	<b>16,091</b>	<b>16,311</b>	<b>16,666</b>	<b>16,169</b>	<b>75,916</b>	<b>65,236</b>
Cost of Revenue (non-GAAP) <sup>1</sup>	5,354	5,121	4,649	4,479	3,675	3,599	3,492	4,110	19,604	14,875
<b>Gross Margin</b>	<b>13,683</b>	<b>14,811</b>	<b>14,155</b>	<b>13,663</b>	<b>12,416</b>	<b>12,712</b>	<b>13,174</b>	<b>12,059</b>	<b>56,312</b>	<b>50,361</b>
Gross Margin %	72%	74%	75%	75%	77%	78%	79%	75%	74%	77%
Sales & Marketing (non-GAAP) <sup>1</sup>	3,023	1,668	1,581	1,680	1,787	1,926	1,789	2,628	7,952	8,130
S&M % of Revenue	16%	8%	8%	9%	11%	12%	11%	16%	10%	12%
General & Administrative (non-GAAP) <sup>1</sup>	4,029	3,515	3,500	4,078	3,106	3,658	2,323	2,775	15,121	11,862
G&A % of Revenue	21%	18%	19%	22%	19%	22%	14%	17%	20%	18%
Research & Development (non-GAAP) <sup>1</sup>	11,924	8,684	2,255	2,674	2,531	3,045	3,162	3,010	25,537	11,747
R&D % of Revenue	63%	44%	12%	15%	16%	19%	19%	19%	34%	18%
<b>Total Operating Expenses (non-GAAP)<sup>1</sup></b>	<b>18,976</b>	<b>13,867</b>	<b>7,336</b>	<b>8,432</b>	<b>7,424</b>	<b>8,630</b>	<b>7,273</b>	<b>8,412</b>	<b>48,611</b>	<b>31,739</b>
Opex % of Revenue	100%	70%	39%	46%	46%	53%	44%	52%	64%	49%
<b>Adjusted EBITDA</b>	<b>(5,294)</b>	<b>944</b>	<b>6,819</b>	<b>5,231</b>	<b>4,992</b>	<b>4,082</b>	<b>5,901</b>	<b>3,646</b>	<b>7,701</b>	<b>18,622</b>
Adj. EBITDA Margin %	(28%)	5%	36%	29%	31%	25%	35%	23%	10%	29%

(1) Non-GAAP denotes exclusion of SBC, D&A, and Non-Recurring charges from IFRS reported Cost of Revenue and Operating expenses

Adjusted EBITDA represents Non-GAAP measure. Defined in the Glossary slide 22

# Glossary of Terms

**Adjusted EBITDA:** "EBITDA" and "Adjusted EBITDA" are not financial measures and should not be considered in isolation or as a substitute to net income (loss), operating income or any other financial measures of performance calculated and presented in accordance with IFRS, or as an alternative to cash flow from operating activities as a measure of liquidity. The Company defines EBITDA as net income (loss) excluding amounts for depreciation and amortization, other income, finance costs, finance income, income tax expense (recovery), foreign exchange gain (loss) and share-based compensation. The Company defines "Adjusted EBITDA" as EBITDA (as defined above), excluding restructuring costs, one-time provision amounts, and any one-time transaction costs associated with shareholder conflict. The Company believes that Adjusted EBITDA is a metric that investors may find useful in understanding the Company's financial position.

**Cash:** Total Cash, which includes (a) Cash and cash equivalents in current assets and (b) Restricted cash in non-current assets

**New Bookings:** *Total bookings minus SLA renewals* - New Bookings Indicates the contractually committed revenue, excluding renewal of maintenance/support contracts from existing customers, that we expect to recognize over the forthcoming quarters. New Bookings is thus a subset of our Total Bookings in a particular period. New Booking indicates our success in contracting new business whereas Total Bookings reflects our success in both, contracting new business as well as renewing existing maintenance and support SLAs.

**Headcount:** Total resources including employees, independent contractors and resources onboarded via any third party agency and working exclusively for Optiva

**Operating Expense:** Total sales & marketing, general & administrative and research & development expenses excluding (a) depreciation and amortization and (b) share-based compensation

**Adjusted EPS:** Reported diluted EPS excluding the impact of change in the fair value of warrants