



Investor Presentation

TSX: OPT

August 2021

JOHN GIERE - President & Chief Executive Officer
ASHISH JOSHI - Chief Financial Officer



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 August 10, 2021, 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 and on Optiva's website at 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 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.

Agenda

- ❖ Company Overview
- ❖ Market Position & Message
- ❖ Optiva Turning a Page
- ❖ Second Quarter Highlights & Financials
- ❖ Investing in People
- ❖ Early Signs of Progress

Optiva in Numbers

TSX: OPT

Technology Software

1999/2008

Founded / TSX Listed

~\$76M

FY 2020 Revenue

382

Global Headcount

6.2M

Shares Outstanding

C\$24.95

Stock Price 30 -July - 2021

C\$24.93-\$58.0

52 Week Low/High

~\$124M

Market Capitalization

~\$181M

Enterprise Value



60+

CSP Customers



3 BILLION

Transactions Per Hour



50+

Countries Globally

Executive Team



John Giere
President & CEO



Ashish Joshi
CFO



Sebastiano Tevarotto
Customer Success
Advisor



Erez Sverdlov
MD, Global Accounts



Matt Halligan
CTO



Soenke Jens
VP, Services



Dean Liming
VP, Managed Services
& Support

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

Optiva Payments

Optiva PCS

Optiva Wholesale



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

BSS cloud leadership



Optiva Charging Engine
Public cloud
February 2019



Optiva Charging Engine
Private cloud
October 2019



Optiva Charging Engine
Private cloud
November 2020



Optiva Payment
Private cloud
February 2021

Middle East
Customer

Optiva BSS
Private cloud
June 2021



Shortlisted for
Global Telecoms
Awards,G
**Innovating in the
Cloud**

September 2019



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

Optiva - Turning a New Page



Resolution to Costly Activism



New Experienced Leadership



Engage & Retain Customer Base



Committed, long-term Shareholders



Accelerate Strategic Plan

2021 is the year to drive stability and invest in key areas



Second Quarter Highlights

New Customer Wins

New logo win in **Middle East**, with our new Cloud Solution.
New Bookings show record growth @ +490%

Margins & Profitability

Record **Gross Margins** at ~78%
4th straight quarter of strong profitability with Adj. EBITDA* of 25%

Strong Balance Sheet

Robust with \$33.5 million in cash to support growth

Large Sales Pipeline

Large Sales pipeline driven by 68% increase in sales coverage.
Strongest pipeline in over four years

People Focus

25% increase in R&D HC, shows continued commitment to deliver quality products to our customers

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

Second Quarter Financial Summary

\$16.3M
Revenue

77.9%
Gross Margin

25.1%
*Adj EBITDA

\$33.5M
Cash

\$10.4M
*New Bookings

19.9%
R&D % of Rev

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

Customer Progress

Highlights:

- 21 projects were handed over to Support from services
- Truphone: Fully live on Public Cloud platform with all customers

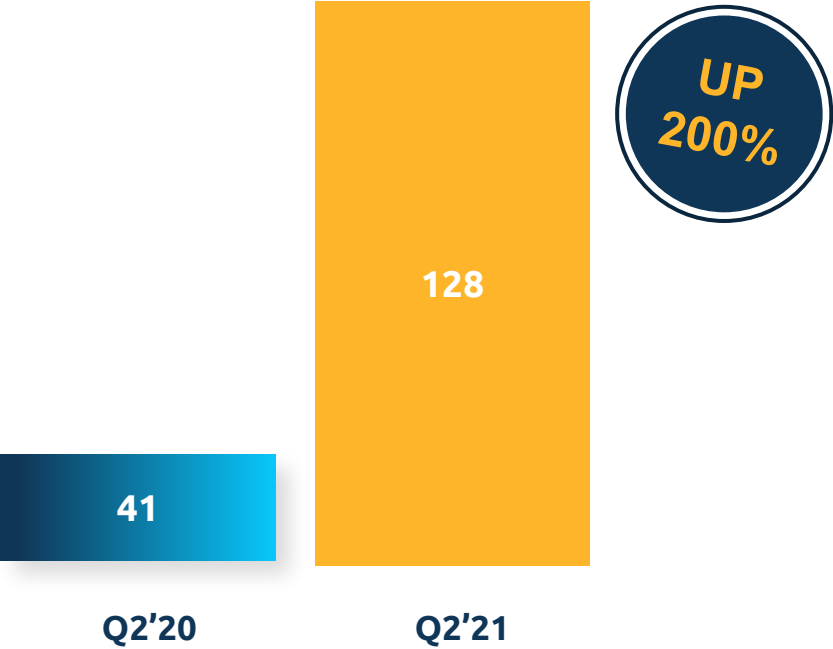
Wins:

- **Upgrade** - MTEL, Digital Venezuela
- **New Logo Win** - Middle east customer launching new MVNO

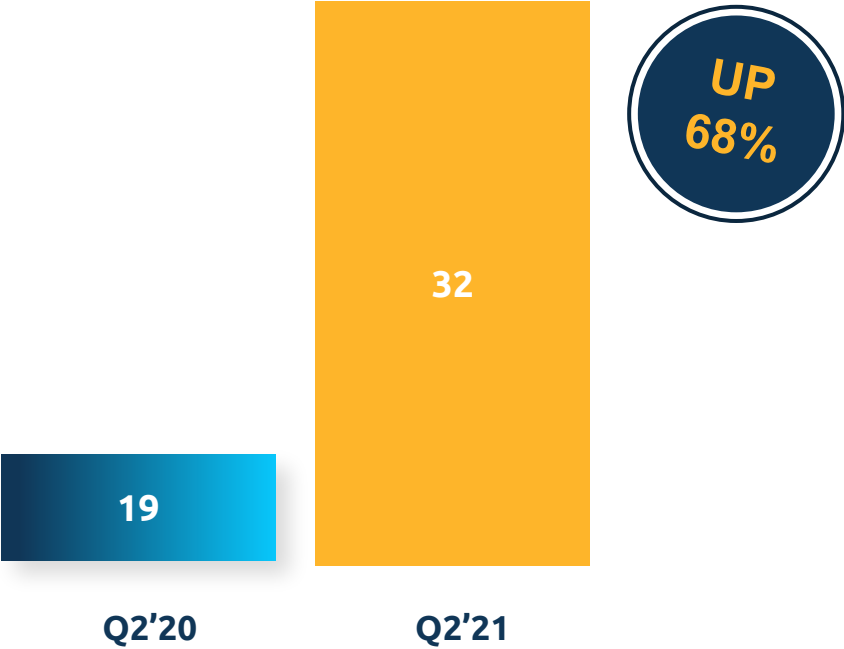


Investing in people for growth

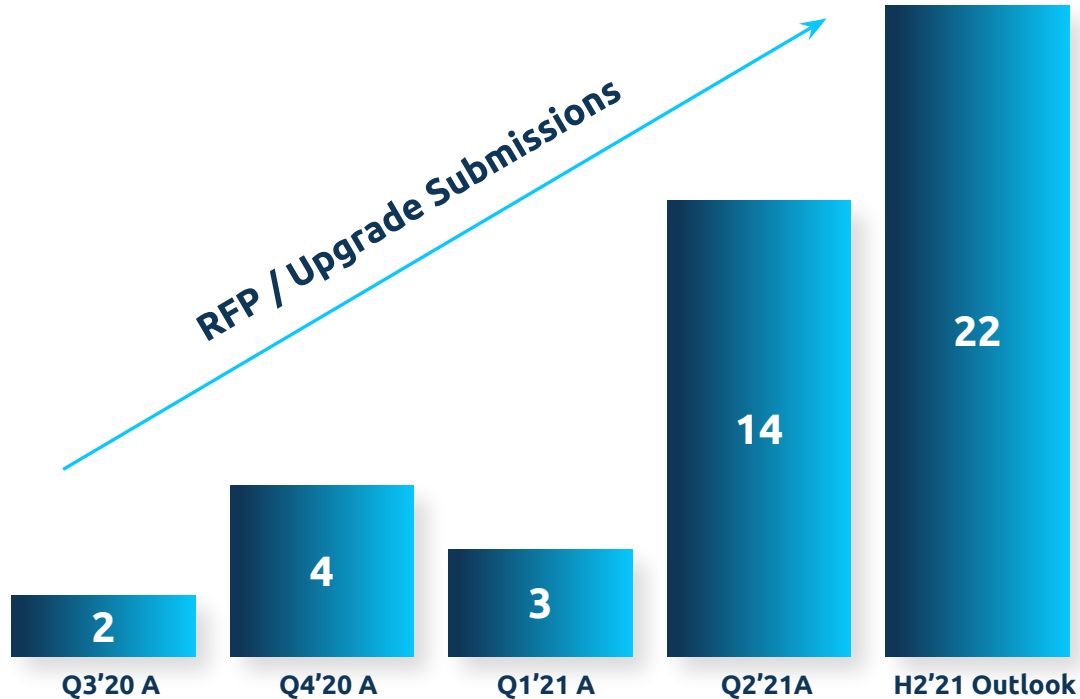
R&D Headcount



Sales Coverage



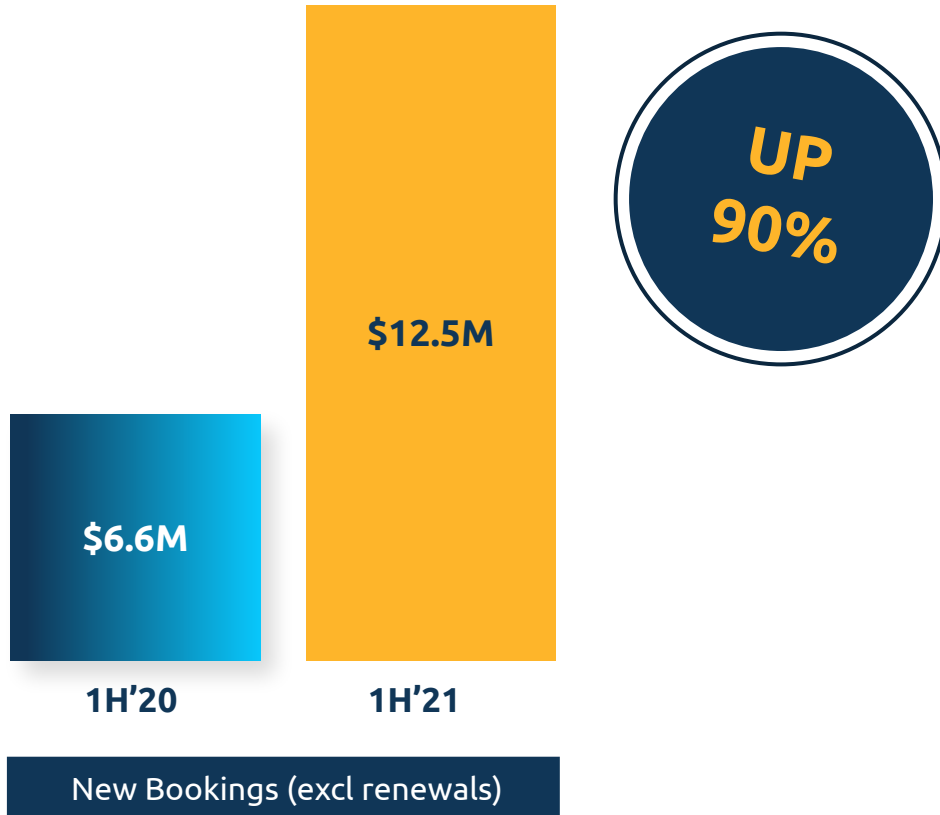
Sales engine in motion



Customer Outreach

- Pivoting away from Public Cloud ONLY approach
- Supporting customer journey through Private, Hybrid or Public Cloud
- 68% increase in Sales Coverage
- Bid Desk with weekly CFO reviews
- 50+ CEO to CEO engagements
- Quarterly Business Reviews
- Good pipeline mix of existing customer upgrades and new logos

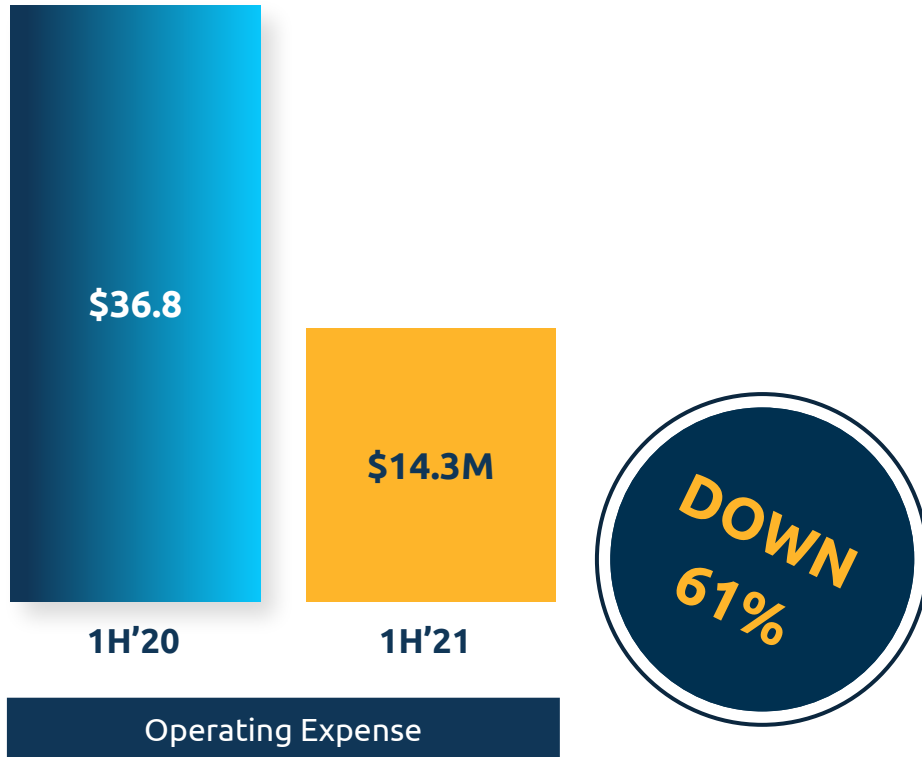
Early signs of progress



Progress on Bookings

- New 5 year deal signed with LATAM customer to upgrade to Private Cloud
- New Logo win in the Middle East
- Signed a new multi year contract with a European customer
- 2H'21 seeing similar momentum in Booking pipeline

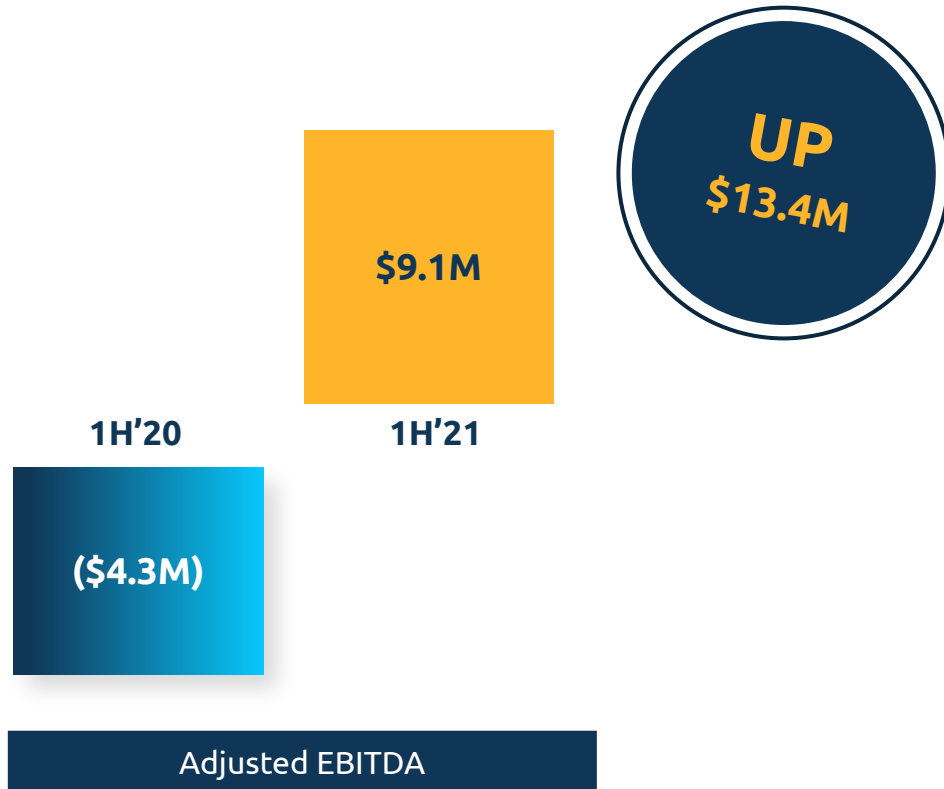
Opex reduction while making strategic investments



Effective cost reduction actions

- Ended relationship with CrossOver & Devfactory
- Inhouse R&D team - 3X increase in size & productivity while cutting cost by more than half
- Settlement of activism & shareholder dispute lowers legal costs
- Audit fee reduction
- Insourced Finance function

GM and Opex actions drive profitability



Profitability

- Q2'21 Adj EBITDA is the 4th consecutive quarter of strong profitable results
- Shows strength of the core business

2021 is the foundation year
to kick start our **growth journey**



Thank you

www.optiva.com

Analyst Coverage

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



**CAPITAL
MARKETS**

RAYMOND JAMES

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Optiva

Income Statement

Consolidated Statements of Comprehensive Income <i>(US\$, in thousands, except per share data)</i>	Q2'21	Q2'20	YoY (\$)	YoY (%)
Revenue:				
Support and subscription	11,482	14,838	(3,356)	(23%)
Software, Services & Other	4,829	5,095	(266)	(5%)
Total Revenue	16,311	19,933	(3,622)	(18%)
Cost of revenue	3,599	5,121	(1,523)	(30%)
Gross profit	12,712	14,811	(2,099)	(14%)
<i>Gross Profit Margin</i>	<i>78%</i>	<i>74%</i>		
Operating expenses				
Sales & Marketing	1,926	1,668	258	15%
General & Administrative	4,536	10,141	(5,605)	(55%)
Research & Development	3,242	8,684	(5,442)	(63%)
Restructuring costs (recovery)	-	26	(26)	(100%)
Total Operating Expenses	9,704	20,520	(10,816)	(53%)
Income / (Loss) from operations	3,008	(5,708)	8,716	(153%)
Foreign exchange gain (loss)	218	(298)	517	na
Finance income	71	(9)	80	na
Finance expense / (recovery)	(889)	(8,385)	7,496	na
Income / (Loss) before Income Taxes	2,408	(14,400)	16,809	na
Income tax expense	1,077	376	701	186%
Net Income for the period	1,332	(14,777)	16,108	na
Earnings / (Loss) per common share				
Basic	\$ 0.22	\$ (2.78)	\$ 3.00	na
Diluted	\$ 0.22	\$ (2.78)	\$ 3.00	na
Weighted average number of common shares (thousands)				
Basic	6,076	5,316	760	14%
Diluted	6,128	5,316	812	15%

Balance Sheet

Statement of Financial Position Data <i>(US\$, in thousands)</i>	Q2'21	Q4'20	Change (\$)	Change (%)
Cash, Cash Equivalents and Restricted Cash	33,473	18,290	15,183	83%
Trade Accounts & Other Receivables	9,421	7,869	1,552	20%
Unbilled Revenue	8,177	7,607	571	8%
Goodwill and Intangible Assets	34,801	35,527	(726)	(2%)
Other Assets	9,015	8,088	927	11%
Total Assets	94,887	77,380	17,507	23%
Trade Payable and Accrued Liabilities	14,432	18,489	(4,057)	(22%)
Deferred Revenue	6,830	5,556	1,274	23%
Provisions	4,200	5,555	(1,355)	(24%)
Debentures	86,653	86,338	315	0%
Preferred Shares and Series A Warrant	2,508	16,663	(14,155)	(85%)
Other Liabilities	22,340	24,211	(1,871)	(8%)
Total Liabilities	136,963	156,812	(19,849)	(13%)
Shareholders' Equity / (Deficit)	(42,075)	(79,432)	37,357	(47%)
Total Liabilities and Shareholders' Equity / (Deficit)	94,887	77,380	17,508	23%

Adjusted EBITDA Reconciliation

Reconciliation of Net Income to Adjusted EBITDA (US\$, in thousands)	Q2'21	Q2'20	YoY (\$)	YoY (%)
Net income (loss) for the period	1,332	(14,777)	16,108	(109%)
Add back / (subtract):				
Depreciation of property and equipment	18	-	18	na
Amortization of intangible assets	363	2,464	(2,101)	(85%)
Finance (income) / loss	(71)	9	(80)	(895%)
Finance costs (recovery)	889	8,385	(7,496)	(89%)
Income tax expense	1,077	376	701	186%
Foreign exchange loss (gain)	(218)	298	(517)	(173%)
Share-based compensation	693	359	334	93%
EBITDA	4,082	(2,885)	6,968	na
Restructuring costs (recovery)	-	26	(26)	(100%)
Change in other provisions	-	3,073	(3,073)	(100%)
One-time costs related to shareholder conflict and Debenture financing	-	731	(731)	(100%)
Adjusted EBITDA	4,082	944	3,138	332%

EBITDA and Adjusted EBITDA represent Non-GAAP measures. 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: Indicates the contractually committed revenue, excluding renewal of recurring revenue contracts from existing customers, that we expect to recognize over the upcoming 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 business.

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