



Investor Presentation

TSX: OPT

November 10, 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
- ❖ Third Quarter Highlights & Financials
- ❖ Signs of Progress

Optiva in Numbers

TSX: OPT

Technology Software

1999/2008

Founded / TSX Listed

~\$76M

FY 2020 Revenue

376

Global Headcount

6.2M

Shares Outstanding

C\$19.55

Stock Price 5 - Nov - 2021

C\$19.50-\$45.50

52 Week Low/High

~\$95M

Market Capitalization

~\$152M

Enterprise Value



50+

CSP Customers



3 Billion

Transactions Per Hour



50+

Countries Globally

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

Landscape We Cover



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,
**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



Third Quarter Highlights

New Customer Wins

Europe based customer MTEL goes for latest Cloud upgrade. Solid Quarter for new bookings. YTD bookings up 213% at ~\$24M

Margins & Profitability

Record Gross Margins at ~79% 5th straight quarter of strong profitability, Q3'21 Adj. EBITDA* of 35% & Adj. EPS of \$0.35

Strong Balance Sheet

Robust with ~\$33 million in cash to support growth and product roadmap advancements

Large Sales Pipeline

Strengthening sales coverage in North America with leadership hire. Highest level of Qualified Sales Pipeline

People Focus

Opening R&D center of excellence in Belfast. Plan to hire 40+ engineers and developers

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

Third Quarter Financial Summary

\$16.7M
Revenue

79%
Gross Margin

35.4%
*Adj EBITDA

\$32.8M
Cash

\$11.3M
**New Bookings

20%
R&D % of Rev

*Includes a reversal of Bad-debt provision of \$0.8M

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

Customer Progress

Highlights:

- Won global tender to become one of the approved vendors for charging for large operator in Africa
- 1st Google Cloud customer 100% live in Europe

Wins:

- **Upgrade** - MTEL, Digital Venezuela, Omantel
- **New Logo Win** - One new customer win in the Middle East region



Strong Action on New Bookings



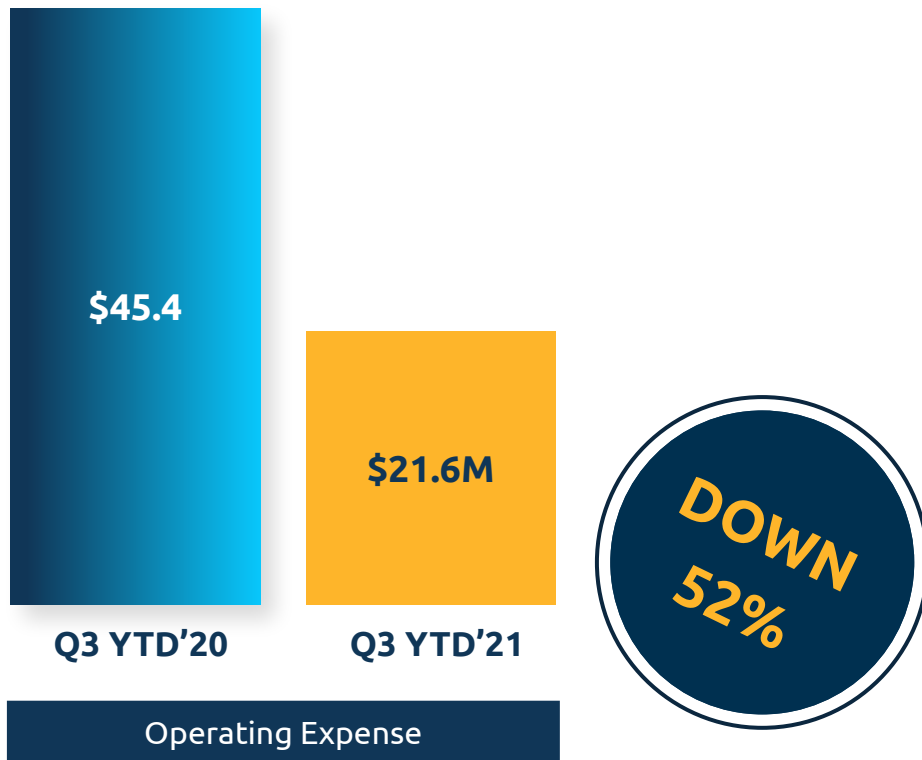
**UP
213%**

New Bookings (excl renewals)

Progress on Bookings

- One new logo wins in the Middle East
- New 5-year deal signed with LATAM customer to upgrade to private cloud
- 5-year cloud upgrade for our customer in Europe

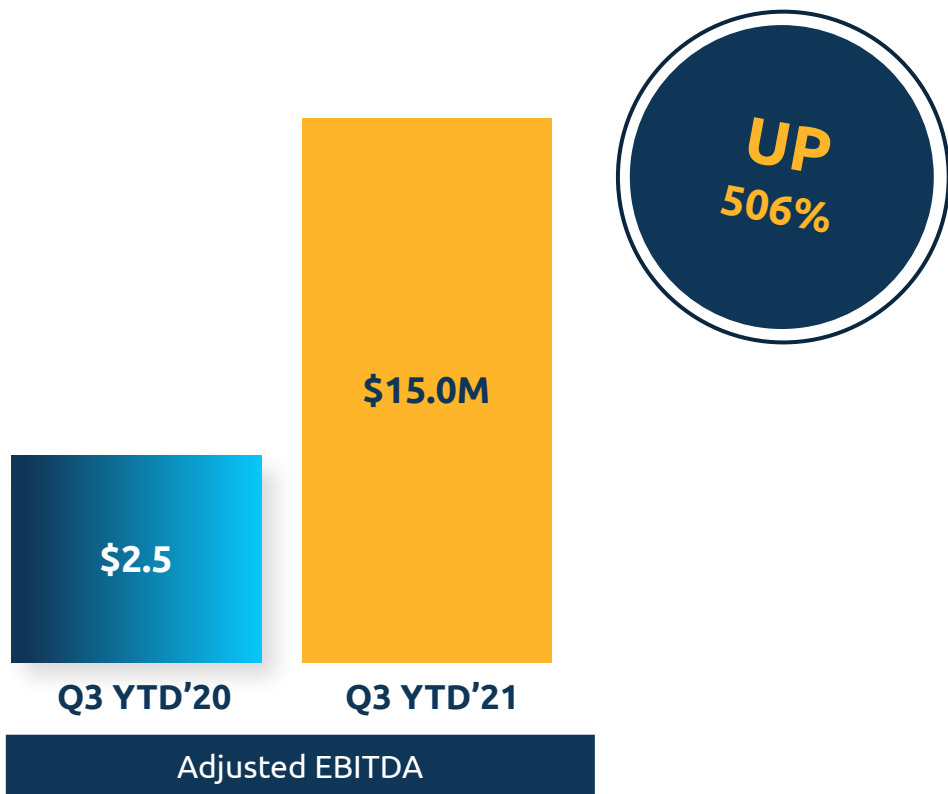
Driving Efficiency While Making Strategic Investments



Effective Cost Reduction Actions

- Ended relationship with CrossOver & DevFactory
- In-house 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

Significant Improvement in Profitability



Profitability

- Q3'21 Adj EBITDA is the 5th consecutive quarter of strong profitable results
- Shows strength of the core business

Closing FY'21

- ❖ Finish the year with Financial results consistent with YTD performance
- ❖ Continue POSITIVE bookings trend
- ❖ Introducing 1st product upgrade to market
- ❖ Finalizing 2nd R&D Centre of Excellence (COE)
- ❖ Stable outlook on cash

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



Thank you

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		Q3'21	Q3'20	YoY (\$)	YoY (%)
<i>(US\$, in thousands, except per share data)</i>					
Revenue:					
Support and subscription		5,254	4,727	527	11%
Software, Services & Other		11,412	14,077	(2,666)	(19%)
Total Revenue		16,666	18,804	(2,139)	(11%)
Cost of revenue		3,492	4,649	(1,158)	(25%)
Gross profit		13,174	14,155	(981)	(7%)
<i>Gross Profit Margin</i>		<i>79%</i>	<i>75%</i>		
Operating expenses					
Sales & Marketing		1,789	1,581	208	13%
General & Administrative		2,990	8,288	(5,298)	(64%)
Research & Development		3,413	2,255	1,157	51%
Restructuring costs (recovery)		-	59	(59)	(100%)
Total Operating Expenses		8,191	12,184	(3,992)	(33%)
Income / (Loss) from operations		4,983	1,971	3,011	153%
Foreign exchange gain (loss)		110	283	(173)	(61%)
Finance income		329	173	156	90%
Finance expense / (recovery)		(805)	(29,661)	28,856	na
Income / (Loss) before Income Taxes		4,616	(27,234)	31,850	na
Income tax expense		833	1,987	(1,154)	(58%)
Net Income for the period		3,783	(29,221)	33,004	na
Earnings / (Loss) per common share					
Basic	\$	0.62	\$ (5.50)	\$ 6.11	na
Diluted	\$	0.61	\$ (5.50)	\$ 6.11	na
Weighted average number of common shares (thousands)					
Basic		6,151	5,316	835	16%
Diluted		6,159	5,316	844	16%

Balance Sheet

Statement of Financial Position Data <i>(US\$, in thousands)</i>	Q3'21	Q4'20	Change (\$)	Change (%)
Cash, Cash Equivalents and Restricted Cash	32,823	18,290	14,533	79%
Trade Accounts & Other Receivables	9,241	7,869	1,373	17%
Unbilled Revenue	9,251	7,607	1,644	22%
Goodwill and Intangible Assets	34,811	35,527	(716)	(2%)
Other Assets	9,423	8,088	1,335	17%
Total Assets	95,549	77,380	18,169	23%
Trade Payable and Accrued Liabilities	14,016	18,489	(4,473)	(24%)
Deferred Revenue	4,788	5,556	(768)	(14%)
Provisions	4,200	5,555	(1,355)	(24%)
Debentures	86,819	86,338	481	1%
Preferred Shares and Series A Warrant	861	16,663	(15,802)	(95%)
Other Liabilities	19,173	24,211	(5,038)	(21%)
Total Liabilities	129,857	156,812	(26,955)	(17%)
Shareholders' Equity / (Deficit)	(34,308)	(79,432)	45,124	(57%)
Total Liabilities and Shareholders' Equity / (Deficit)	95,549	77,380	18,169	23%

Adjusted EBITDA Reconciliation

Reconciliation of Net Income to Adjusted EBITDA <i>(US\$, in thousands)</i>	Q3'21	Q3'20	YoY (\$)	YoY (%)
Net income (loss) for the period	3,783	(29,221)	33,004	na
Add back / (subtract):				
Depreciation of property and equipment	65	-	65	na
Amortization of intangible assets	363	2,188	(1,825)	(83%)
Finance (income) / loss	(329)	(173)	(156)	90%
Finance costs (recovery)	805	29,661	(28,856)	(97%)
Income tax expense	833	1,987	(1,154)	(58%)
Foreign exchange loss (gain)	490	1,421	(931)	(66%)
Share-based compensation	(110)	(283)	173	(61%)
EBITDA	5,901	5,580	321	6%
Restructuring costs (recovery)	-	59	(59)	(100%)
One-time costs related to shareholder conflict and Debenture financing	-	1,179	(1,179)	(100%)
Adjusted EBITDA	5,901	6,819	(918)	(13%)

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: *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