FROST & SULLIVAN

OneSpan

2022
PRODUCT
LEADER

North American
Continuous Passwordless
Authentication Industry

FROST & SULLIVAN

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. OneSpan excels in many of the criteria in the continuous passwordless authentication space.

AWARD CRITERIA

Product Portfolio Attributes	Business Impact
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

Market Overview

Password vulnerability emerges due to the increasing account takeover (ATO) and data breaches enterprises face from poor or reused credentials and passcodes. ATOs and data crimes have skyrocketed since the beginning of the COVID-19 pandemic. To overcome issues with standard usernames and passwords, the introduction of biometric and identity authentication address these ongoing challenges from hackers; however, in recent years, hackers have also accessed credentials in cases where companies do not secure data transfers sufficiently.

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>
> **- Steven Lopez,**
> **Best Practices Research Analyst**

Given the increase in data breaches and threat complexity, continuous authentication will remain in place for ongoing security. Continuous and multi-factor authentication re-verifies a user's identity during each login session without stopping workflow.

Founded in 1991 and headquartered in Chicago, Illinois, United States, OneSpan helps organizations accelerate digital transformations by enabling secure, compliant, and easy customer agreements and transaction experiences. Organizations requiring high assurance security, including the integrity of end-

users and the fidelity of transaction records behind every agreement, choose OneSpan to simplify and secure business processes with their partners and customers. OneSpan is trusted by global blue-chip enterprises, including more than 60% of the world's largest 100 banks, and processes millions of digital agreements and billions of transactions in over 100 countries annually. In 2020, Frost & Sullivan recognized OneSpan for its visionary innovation, performance, and customer impact and remains impressed with the company's continuing innovation and sustained leadership.

Continuous Enhancement: Going Passwordless

Traditional authentication solutions require users to create various multi-letter, special character, and number combinations, which often become difficult to remember and easily accessible to hackers. In recent years, companies have deployed multi-factor authentication (MFA) capabilities (security questions or one-time passwords sent via email, text message, or phone call) as an additional security measure. However, sophisticated cybercriminals utilize passive malware, such as screen-scraping or key-logging, to obtain this information; as a result, legacy digital identity and anti-fraud solutions typically fall short. Thus, digital identity and authentication developers must offer a holistic approach toward continuous passwordless authentication solutions with MFA to meet security needs. Moreover, this approach will enable organizations to prevent ATOs, reduce social engineering fraud, optimize the user experience, and reduce costs. OneSpan offers best-in-class solutions that enable clients to reap the benefits of non-password authentication. OneSpan's Fast Identity Online (FIDO) solutions allow clients to eliminate server-side vulnerabilities and mitigate the weakest link in the authentication chain: traditional passwords.[1]

To ensure a frictionless customer experience, OneSpan's FIDO solutions integrate into its Mobile Security Suite, enabling another layer of security and application shielding capabilities. The Mobile Security Suite helps organizations maintain the trust that customers expect from passwordless authentication through biometrics and push notifications. Furthermore, OneSpan's Cronto solutions enable transaction signing and passwordless authentication without manual input from the end user. For example, with banking transactions, customers view encrypted details or their transactions where the end user can scan the quick response-like code and provide authorizations. Digipass®FIDO Touch allows users to make and access transactions using their mobile device. This solution is an out-of-the-box feature that uniquely replaces the need for usernames and password combinations, enabling access on any FIDO2 protocol-enabled service, such as Windows 10 and Microsoft Azure AD 365, without needing to download additional drivers and software.[2]

OneSpan's robust product features position the company as a pioneer in the continuous passwordless authentication industry. OneSpan integrates high reliability and quality in its products, from developing robust, user-friendly solutions to working closely with clients and partners to guide its product roadmap and add enhanced features. The company's extensive in-house testing ensures consistent performance, earning its clients' trust and loyalty. Frost & Sullivan recognizes the continued efforts OneSpan brings with

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[1] https://www.onespan.com/solutions/passwordless-authentication (Accessed June 2022)

[2] Ibid.

its innovative platform and product portfolio that allow trusted and continuous authentication without inputting passwords, making it possible to prevent ATOs and fraud.

Positioning to the Leadership Spot by Going Passwordless

OneSpan works closely with customers during the pre-and post-purchase journey, offering support and guidance to achieve customer satisfaction, address unmet needs, and optimize customer retention. The company continues to strengthen security across organizations that adopt and maintain zero-trust with an approach toward enhancing the user experience. Companies partnering with OneSpan and integrating its product portfolio can provide end users with remarkable experiences. By combining passwordless capabilities and adaptive authentication, OneSpan's Intelligent Adaptive Authentication delivers the right level of security for each customer without jeopardizing the user experience. Using intelligence, OneSpan achieves satisfaction by incorporating real-time fraud analysis of extensive user, device, and transaction data, resulting in a risk score that generates automated security workflows for every transaction.[3]

Moreover, the company attracts and interacts with many of its customers through global partner alliances

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fueled by its exceptional collaborations with leading service companies to integrate and deploy its platform and solutions. OneSpan designed its Trusted Identity Platform to secure digital banking and financial environments; it helps more than 2,000 financial institutions among its client base of more than 10,000 organizations. Key clients include Bank of Cyprus, Bank of Montreal, and EagleBank. Its strong integration and technology partner network consist of leading companies, including IBM, Avaloq, Fiserv, Nok Nok, Forgerock, Cisco, Mitek, Jumio, Validate, Swisscom, and many other leading technology partners.

Additional offerings such as blog posts, webinars, customer success stories, e-books, and white papers help customers stay informed on the ongoing market trends and support them. OneSpan's Community Portal is an online forum that members can access for additional support through their digital security journey. The community portal enables a collaborative space for administrators, developers, and end users to discuss current/new challenges, market trends, and technologies.

A Customer-centric Strategy Backed by Operational Efficiency

In the first Quarter of 2022, the company generated $52.4 million in revenue, a 3% increase from 2021.[4] From OneSpan's financial success and the strong grasp that passwordless authentication has on the future for digital identity, Frost & Sullivan expects more growth for the company. Heavy investment in customer success results in a 98% customer satisfaction rate, 96% customer retention rate, and more than 22% year-over-year customer usage growth for OneSpan.[5] In May 2022, during its Investor Day presentation,

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[3] https://www.onespan.com/solutions/passwordless-authentication (Accessed June 2022)

[4] https://investors.onespan.com/financial-info/quarterly-and-annual-results/default.aspx (Accessed June 2022)

[5] https://www.onespan.com/resources/infographic-onespan-difference (Accessed June 2022)

OneSpan's executive team announced plans for its growth and financial targets for the next three years.[6] Its impressive growth momentum and trajectory are a testament to its product leadership, earning its clients' trust and loyalty and enabling it to capture market share.

Conclusion

To be a product leader, a company needs to comprehend the market's needs and deliver a robust solution designed and embedded with high-quality and reliable performance. Frost & Sullivan finds that OneSpan embodies this concept and exemplifies it with best practice implementation. Through its revolutionary approach OneSpan provides best-in-class solutions that help organizations to verify their customers digitally without requiring them to keystroke their identity credentials physically during each access attempt. Its Trusted Identity Platform secures digital banking and financial environments by helping more than 2,000 financial institutions amongst its client base of more than 10,000 organizations. Furthermore, OneSpan's Fast Identity Online (FIDO) solutions integrate into its Mobile Security Suite that provides another layer of security and application shielding capabilities. The company delivers quality and reliable products that positon it to increase customer satisfaction and experience continued growth.

For its strong overall performance, OneSpan is recognized with Frost & Sullivan's 2022 North American Product Leadership Award in the continuous passwordless authentication industry.

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[6] https://www.onespan.com/about/news/onespan-provide-strategic-transformation-update-plans-accelerate-growth-investor-day (Accessed June 2022)

What You Need to Know about the Product Leadership Recognition

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Product Portfolio Attributes

Match to Needs: Customer needs directly influence and inspire the product portfolio's design and positioning

Reliability and Quality: Products consistently meet or exceed customer expectations for performance and length of service

Product/Service Value: Products or services offer the best value for the price compared to similar market offerings

Positioning: Products serve a unique, unmet need that competitors cannot easily replicate

Design: Products feature innovative designs, enhancing both visual appeal and ease of use

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)