



Mitek

Investor presentation



Nasdaq: MITK
Q3 FY19

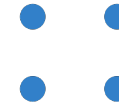
Safe harbor statement

Forward-looking statements contained in this presentation involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially and adversely from those expressed or implied by such forward-looking statements. Forward-looking statements may include, but are not limited to, statements relating to our outlook or expectations for earnings, revenues, expenses, asset quality, volatility of our common stock, financial condition or other future financial or business performance, strategies, expectations, or business prospects, or the impact of legal, regulatory or supervisory matters on our business, results of operations or financial condition.

Forward-looking statements can be identified by the use of words such as “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “target” or similar expressions. Forward-looking statements reflect our judgment based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled “Risk Factors” in our Form 10-K for the fiscal year ended 9/30/18 filed with the SEC on 12/14/18 and any subsequent filings under the Exchange Act and in our other SEC filings. Additionally, there may be other factors that could preclude us from realizing the predictions made in the forward-looking statements. We operate in a continually changing business environment and new factors emerge from time to time. We cannot predict such factors or assess the impact, if any, of such factors on our financial position or results of operations. All forward-looking statements included in this presentation speak only as of the date of this presentation and you are cautioned not to place undue reliance on any such forward-looking statements. Except as required by law, we undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events.

Mitek

A global leader in mobile capture and identity verification



Over 80 million consumers

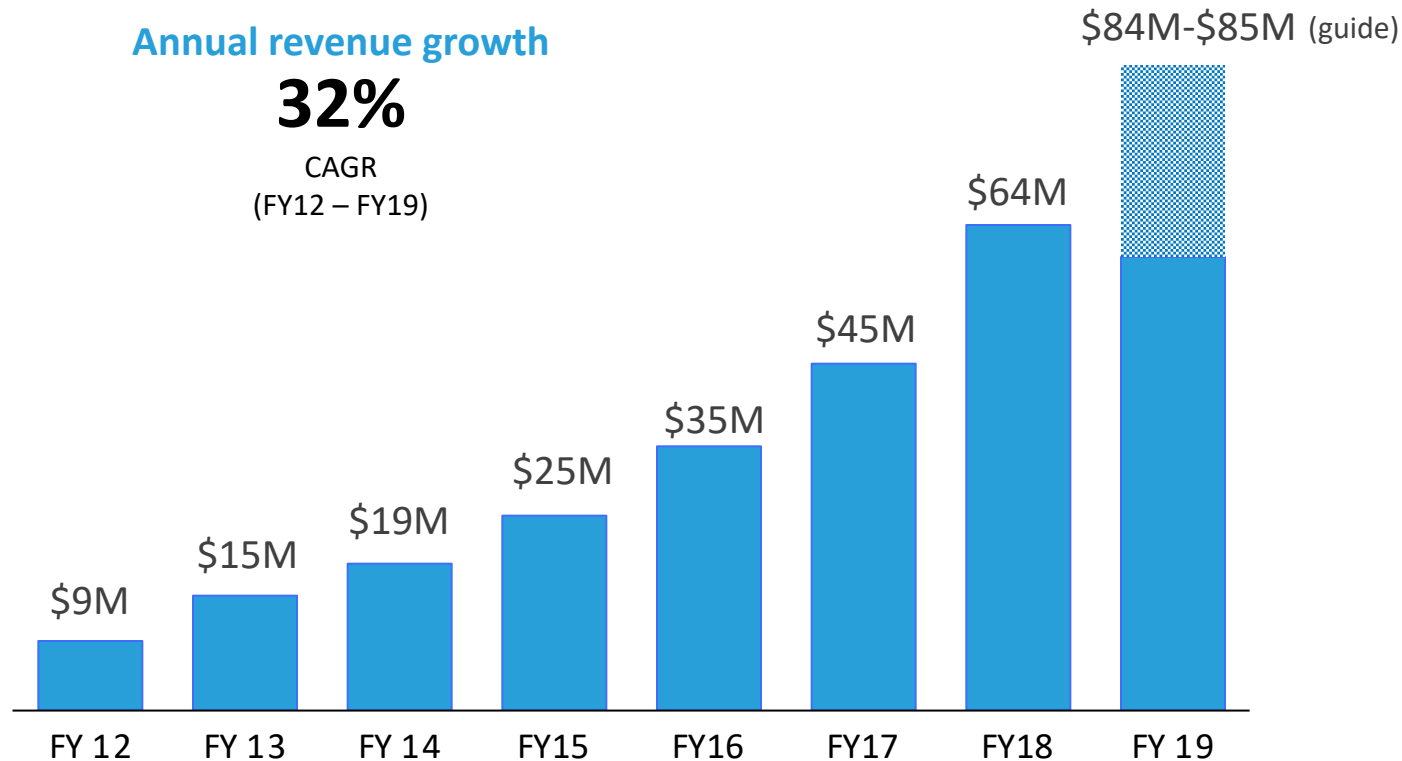
Over 6,400 customers

Highly scalable cloud platform business

Utilizing latest AI and machine learning
techniques

Patented IP with hundreds of years of
technical innovation and expertise

High growth, profitable and cash generation



FY 2018 Highlights

- **40%** Revenue growth
- **17%** Operating margins
- **\$5.6M** Cash from operations

69%
ID revenue growth

28%
Deposits revenue growth

6,400+
Customers

> 3 billion
Checks deposited

Commerce shifting to digital

LEVERAGING MARKET TRENDS



Digital transformation

Mobile and digital strategies are paramount for commerce and require trust.



Regulatory landscape

Terrorism, identity fraud and rapid globalization have dramatically changed the regulatory landscape.



Economic

Digital transformation reduces cost of acquisition, transaction costs, and increase customer acquisition.



Social

Mobile-first consumers demand offerings with little to no friction for customer on-boarding and service.



Inventors of **Mobile Deposit**®



Trusted by nearly 100% of top U.S. banks



Mitek has enabled
more than **3 billion**
mobile deposits



Totaling
\$1.5 trillion in
cumulative check value



Saving banks
\$billions

Trust issues – identity verification taking center stage



Danske Bank shares have fallen 40%+ after revealing in 2018 that it had channeled €200B of non-AML-compliant payments.

TECHNATIVE

PSD2: Pushing businesses across the digital ID verification line



446M data records were exposed in 2018. That is a 40% increase from the year before.

THE WALL STREET JOURNAL.

The New ID Theft: Millions of Credit Applicants Who Don't Exist



"The identity of new customers cannot be absolutely verified ("proven"), but high confidence in identity is crucial to protect customers and revenue...."

THE WALL STREET JOURNAL.

Equifax to Pay Around **\$700M** to Resolve Data-Breach Proves

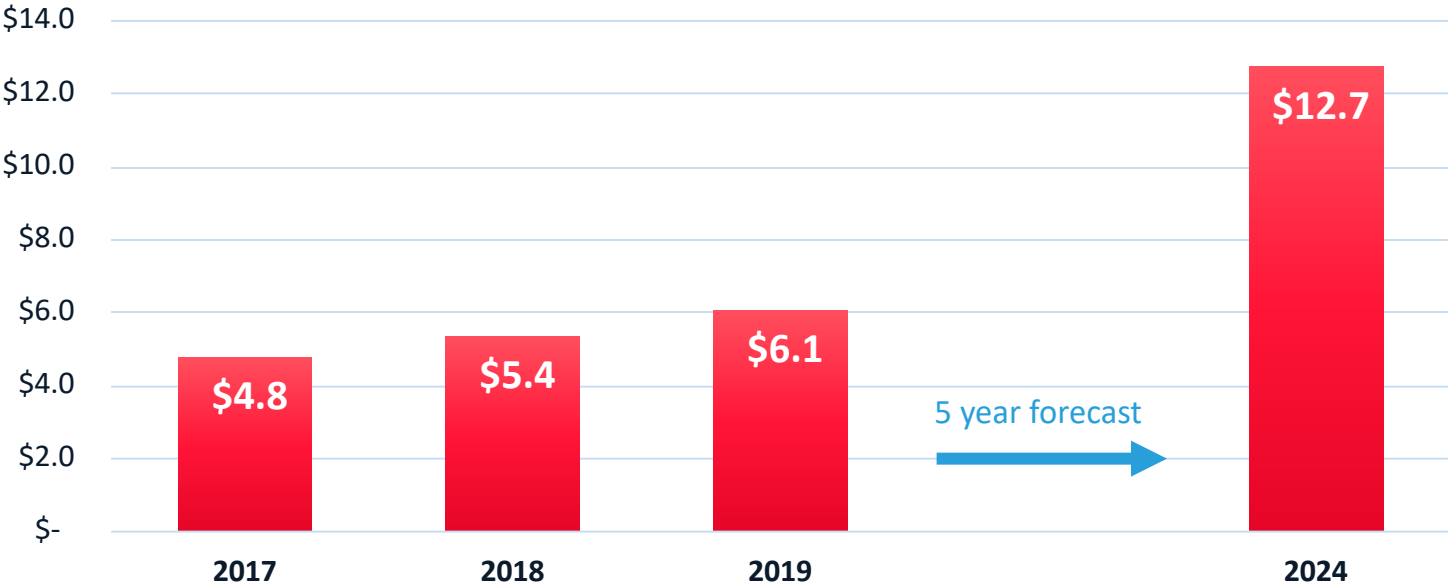
The New York Times
Facebook to require **Verified Identified** for Future Political Ads

Wells Fargo Advisors Fined with \$3.5M for Failing to Comply with AML Rules

Addressing a global \$12B market, growing at 16% CAGR*



Total market size in the identity verification space
from 2017 to a 2024 projection in US\$ billions



MARKETS AND MARKETS: Identity and Access Management Market & Consumer IAM Market
* (2019-2024)

MARKET VERTICALS



Financial services



Telecom



Sharing economy



Travel



Healthcare



Insurance



Government

Mobile Verify®



Mobile Verify replaces current methods

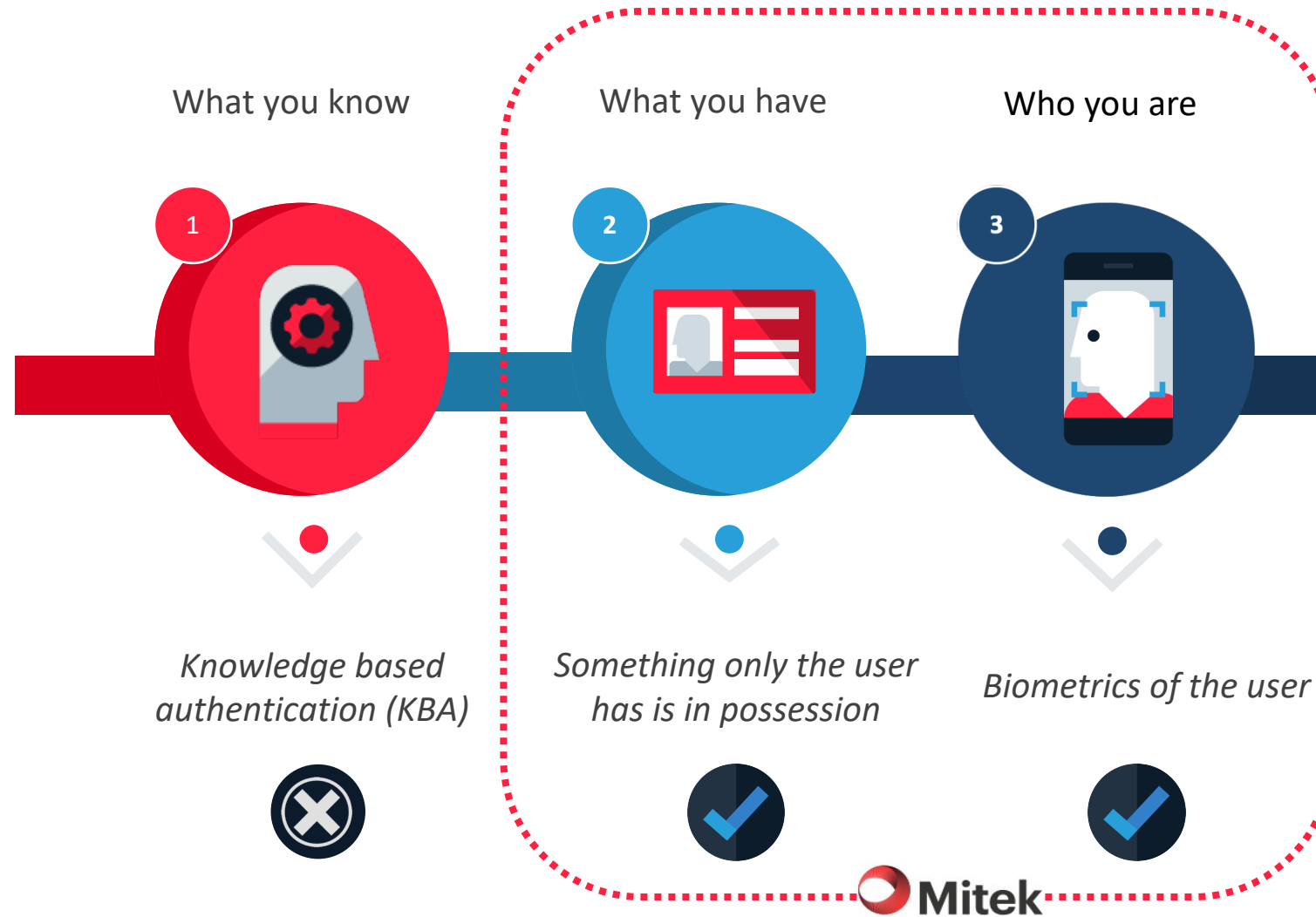


Face-to-face interaction

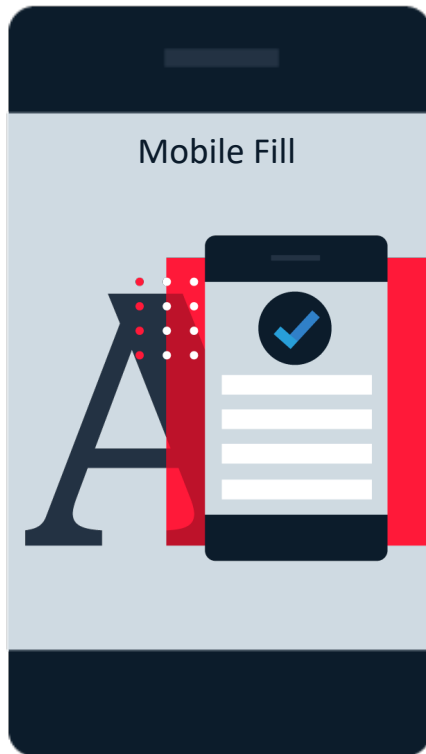
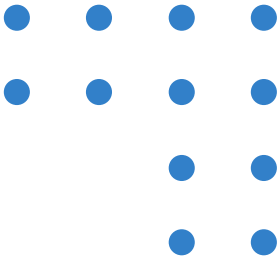
Data from credit bureaus

Knowledge base authentication

Verifying digital users requires **new technology**

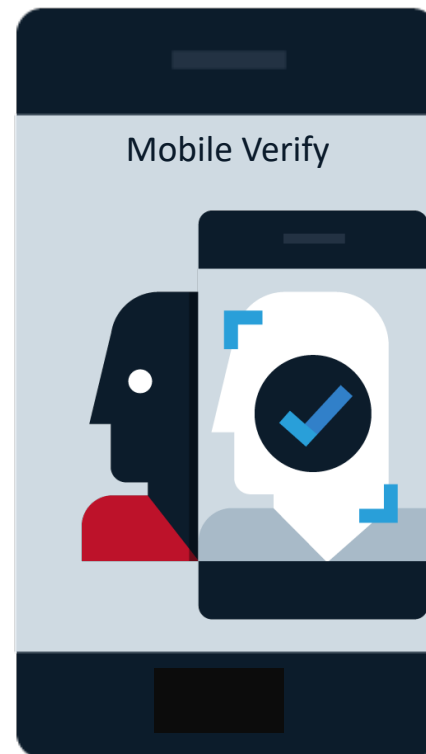


Identity **products**



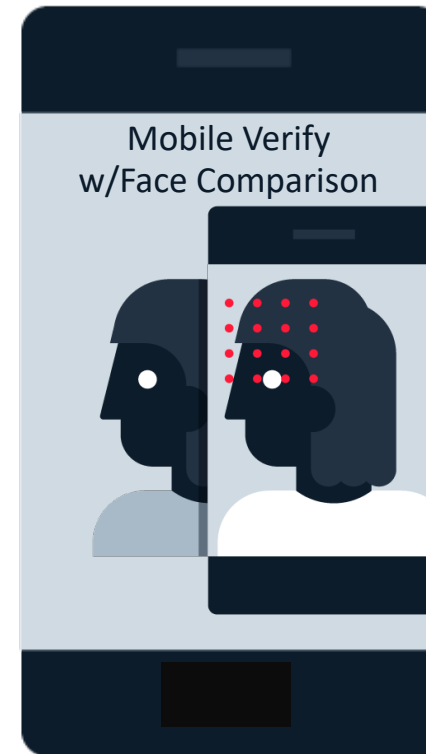
Mobile Fill®

Fast and accurate
automated data capture



Mobile Verify®

Real-time ID document
authentication



Face Comparison

Ties the **person** to
their ID Document

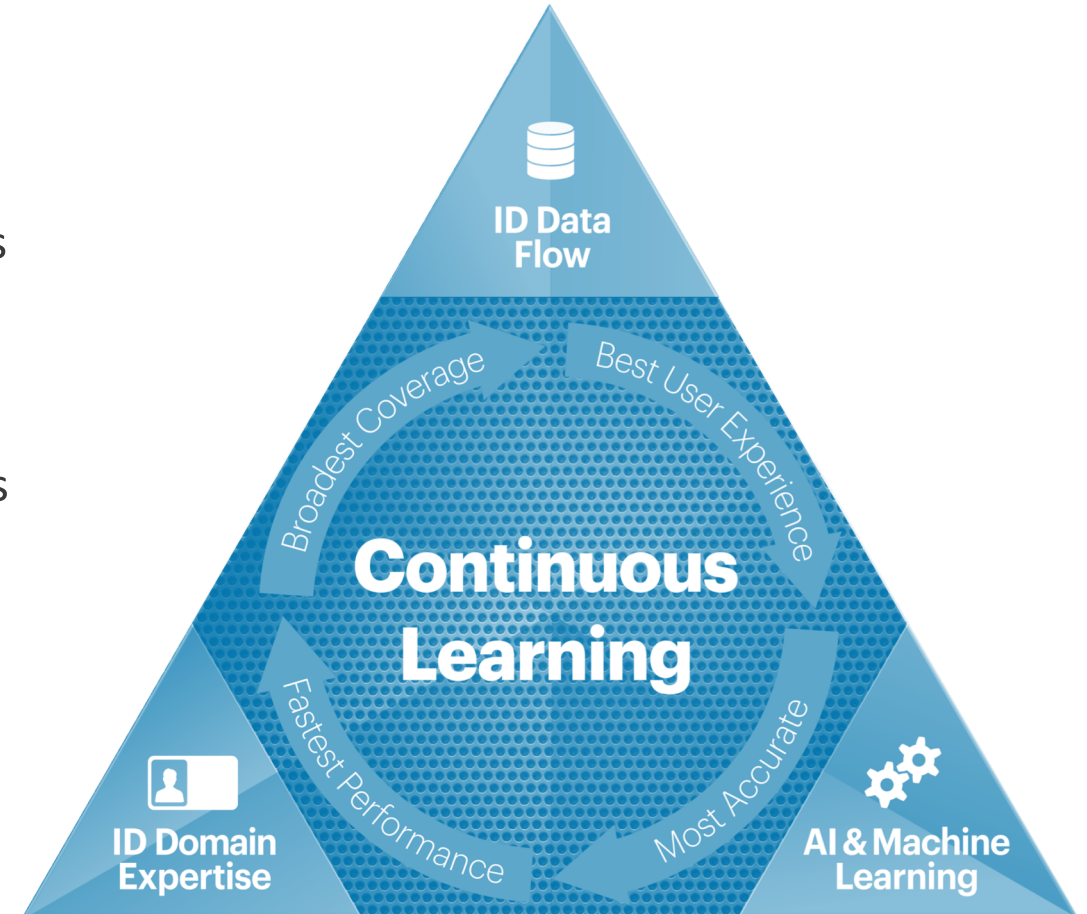
Mobile Verify[®]

Demo



The Mitek advantage: continuous learning engine

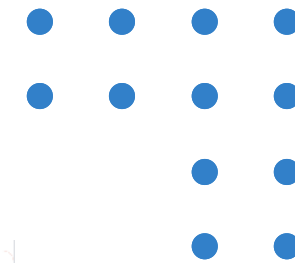
- **Data flow:** Millions of transactions processed every month allow Mitek to train and test algorithms based on real-world examples
- **ID document experts:** Hundreds of ID Document experts provide human intelligence as needed to create training sets and provide a quality metric on our algorithms
- **AI & machine learning:** Mitek's proprietary technology is built by a robust team of PhD and MS scientists with expertise in computer vision, data science, and deep learning








Some of Mitek's customers and partners



Identity verification **customer references**

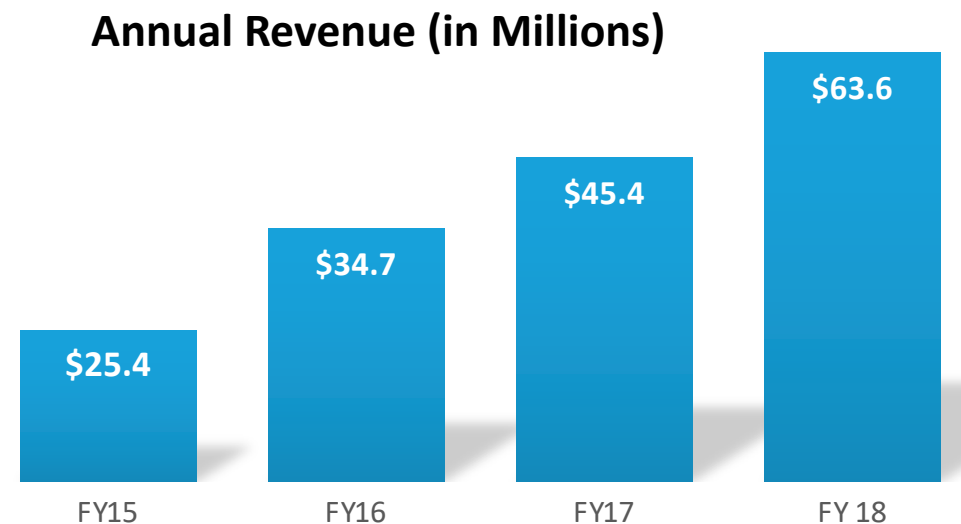


				
<p>“I am pleased that we have found a partner such as Mitek that enables us to achieve our customer experience ambitions for onboarding and, simultaneously, meet the ever-growing requirements for ‘reliable’ identification.”</p> <p>Theo van Bon, Chief Operations Officer</p>	<p>“Mobile Verify™ helps us provide a fast and easy experience for our customers while ensuring that we’re complying with local laws and regulations. It replaces tedious and often paper based processes, dramatically increasing accuracy while reducing the time it takes to identify both parties in the transaction”</p> <p>Nash Ali, Head of Online Risk at MoneyGram</p>	<p>“Mitek is providing us the unique balance between technology and humans verifying our customers identities.”</p> <p>Joel Meyer, Chapter Lead Client Process, Transformation Office</p>	<p>“We have integrated Mitek’s icar automated identity identification solution. We view Mitek as a strong, established identity verification provider and believe they will deliver additional capabilities to our platform giving us a competitive edge.”</p> <p>Jan Manuel Tabero, CIO, Consumer Finance</p>	<p>“ANNA Money chose Mitek’s Mobile Verify® to improve on-boarding process and ensure regulatory compliance. As result, we’ve been able to reach our target of increasing our customer base by 25% in only three months.”</p> <p>Daljit Singh, Chief Design Officer</p>



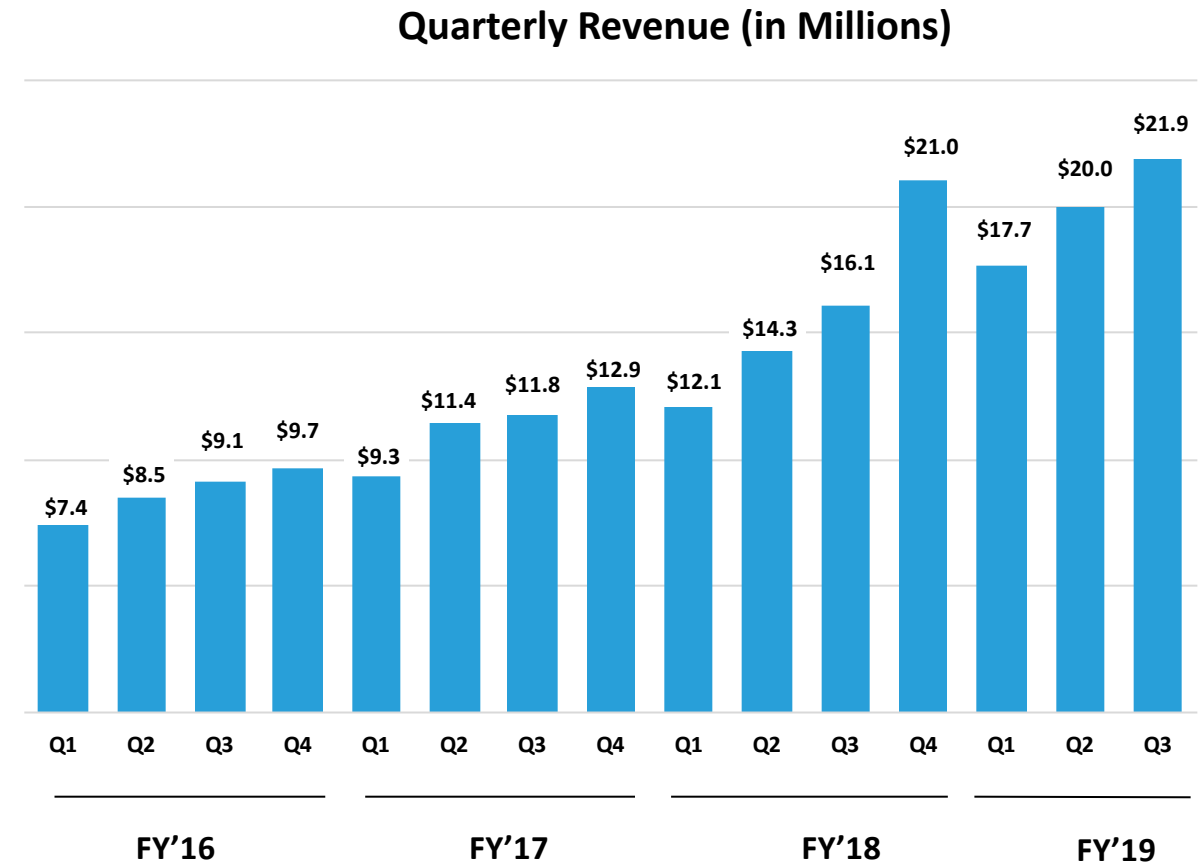
FY18 financial performance (ending September 30, 2018)

- \$63.6M revenue, up 40% YOY
 - 65% Deposits (up 28%)
 - 35% ID (up 69%)
- Transactional SaaS revenue \$13.1M, up 68% YOY
- 17% Non-GAAP Operating Margin
- \$11.8M GAAP net loss or \$(0.33) per diluted share
- \$11.0M non-GAAP net income or \$0.29 per diluted share
- \$5.6M in cash flow from operations



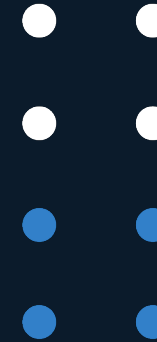
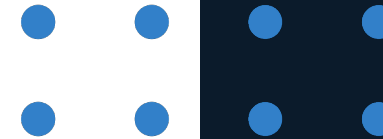
Q3'19 financial performance

- \$21.9 revenue, up 36% YOY
- Transactional SaaS revenue \$5.3M, up 71% YOY
- 22% Non-GAAP Operating Margin
- \$0.1M GAAP net loss or \$(0.00) per diluted share
- \$4.8M non-GAAP net income or \$0.12 per diluted share
- \$1.3M in cash flow from operations
- \$28.0M cash & equivalents





Financial guidance



Fiscal 2019 (ending Sept. 30, 2019):

\$84M to \$85M in revenue, ~ 32% to 34% growth

Non-GAAP profit margins between 18% - 20%

Q4 2019 (ending Sept. 30, 2019):

\$24.5M to \$25.5M in revenue, ~ 17% to 21% growth

OpEx of \$17.0M to \$17.5M (Non-GAAP, including COGS)



Mitek investment highlights

Market



\$12BN TAM

Leveraging
macroeconomic trends.
Industry growing at 16%
CAGR

Growth



DIGITAL

High growth,
profitable and cash
generation

Technology



AI & PATENTS

Unique and
patented technology

Leadership



THOUGHT LEADERS

Experienced
management team



Proven



80M+ USERS

Dominant and
proven mobile
capture pioneer

Trusted



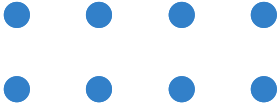
6400+ CUSTOMERS

6400 FS customers in
the US and hundreds
more in Europe



Thank you





Appendixes

Note Regarding Use of Non-GAAP Financial Measures

This presentation contains non-GAAP financial measures for non-GAAP net income and non-GAAP net income per share that exclude stock compensation expenses, intellectual property litigation costs, acquisition-related costs and expenses, costs associated with our strategic process, executive transition costs, restructuring costs, income tax effect of pre-tax adjustments, impact of tax reform on deferred taxes and the cash tax difference. These financial measures are not calculated in accordance with generally accepted accounting principles (GAAP) and are not based on any comprehensive set of accounting rules or principles. In evaluating the Company's performance, management uses certain non-GAAP financial measures to supplement financial statements prepared under GAAP. Management believes these non-GAAP financial measures provide a useful measure of the Company's operating results, a meaningful comparison with historical results and with the results of other companies, and insight into the Company's ongoing operating performance. Further, management and the Board of Directors utilize these non-GAAP financial measures to gain a better understanding of the Company's comparative operating performance from period-to-period and as a basis for planning and forecasting future periods. Management believes these non-GAAP financial measures, when read in conjunction with the Company's GAAP financials, are useful to investors because they provide a basis for meaningful period-to-period comparisons of the Company's ongoing operating results, including results of operations against investor and analyst financial models, which helps identify trends in the Company's underlying business and provides a better understanding of how management plans and measures the Company's underlying business.

Non-GAAP Net Income Reconciliation

(amounts in thousands except share data)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2019	2018	2019	2018
Net loss	\$ (99)	\$ (2,784)	\$ (4,006)	\$ (9,680)
Non-GAAP adjustments:				
Acquisition-related costs and expenses(1)	1,761	4,406	5,361	6,868
Litigation costs	334	-	334	50
Costs associated with strategic process	141	-	1,224	-
Executive transition costs(2)	-	-	251	-
Stock compensation expense	2,268	1,980	7,291	5,927
Restructuring costs	3,214	-	3,214	-
Income tax effect of pre-tax adjustments	(1,735)	(1,916)	(3,972)	(3,854)
Impact of tax reform on deferred taxes	-	-	-	4,417
Cash tax difference(3)	(1,133)	421	(1,162)	1,557
Non-GAAP net income	\$ 4,751	\$ 2,107	\$ 8,535	\$ 5,285
Non-GAAP income per share—basic	\$ 0.12	\$ 0.06	\$ 0.22	\$ 0.15
Non-GAAP income per share—diluted	\$ 0.12	\$ 0.06	\$ 0.21	\$ 0.14
Shares used in calculating non-GAAP net income per share—basic	39,936	36,190	39,034	35,122
Shares used in calculating non-GAAP net income per share—diluted	41,209	38,097	40,821	37,095

(1) Includes a \$1.3 million foreign currency exchange remeasurement loss related to euros purchased for the A2iA acquisition during the three and nine months ended June 30, 2018.

(2) Comprised of costs associated with the transition of the Company's executive officers. Our non-GAAP financial measures exclude these transition costs as we believe that such expense is inconsistent with the normally recurring operations of our Company and the inclusion of these costs makes it difficult to make period-to-period comparisons of our operating performance.

(3) The Company's non-GAAP net income is calculated using the cash tax rate of 3%. The estimated cash tax rate is the estimated tax payable on the Company's tax returns as a percentage of estimated annual non-GAAP pre-tax net income. The Company uses an estimated cash tax rate to adjust for the historical variation in the effective book tax rate associated with the reversal of valuation allowances, the utilization of research and development tax credits, and the utilization of loss carryforwards which currently have an overall effect of reducing taxes payable. The Company believes that the cash tax rate provides a more transparent view of the Company's operating results. The Company's effective tax rate used for the purposes of calculating GAAP net loss for the three months ended June 30, 2019 and 2018 was 96% and 34%, respectively. The Company's effective tax rate used for the purposes of calculating GAAP net loss for the nine months ended June 30, 2019 and 2018 was 55% and negative 31%, respectively.