

Investor Presentation



**Global Cloud Leader in
Mobile Capture & Identity Verification**



**NASDAQ: MITK
Q1 Fiscal 2018**

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 9/30/16 filed with the SEC on 12/09/16 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.





Global Leader in Mobile Capture and Identity Verification

Mobile Capture
and
Check Deposit
Solutions

Digital Identity
Verification
Solutions

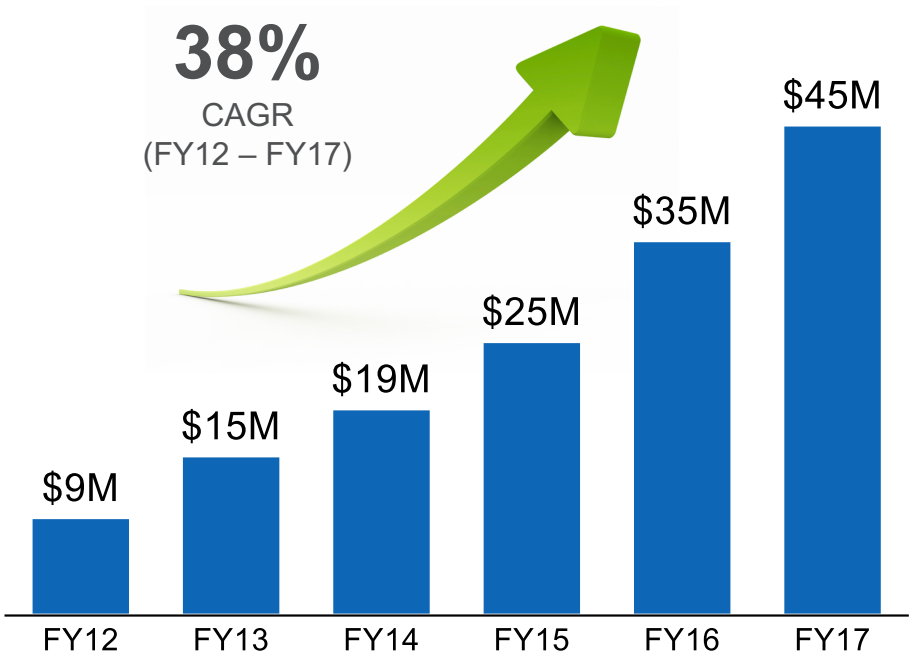
Mobile Commerce Enablement Platform

- Over 80 million consumers
- Over 6,100 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 & Cash Generation

Annual Revenue (\$M)



- >20% Operating Margins in FY17
- \$10.4M Cash from Operations in FY17

90%+
Recurring
Business

50%+
SaaS
Revenue Growth

90%
ID Cloud
Bookings

6,100
Financial Services
Customers

\$1+ Trillion
Mobile Check Deposit
Transaction Value Processed



Consumer Habits are Demanding Digital Transformation



- Shift to mCommerce
- Omni-channel optimization
- Mobile self-service driving down the cost of doing business
- Growth of mobile-first and mobile-capture pervasiveness



Need for Real-Time Identity Verification



Secular Trends and Pain Points Create Massive Opportunity

Trends:

Digital Transformation

- 2B+ smartphones in use in 2016
- 1600+ US bank branches closed in 2015

Data Breaches

- 1B+ records compromised in 1,000+ data breaches (2016)
- \$3B+ financial industry losses due to data breaches

Increased Regulations

- \$1-2 Trillion annual cost of global money laundering transactions
- \$5B+ fines imposed on US banks in 2015 for AML violations

Buyers:

Marketing Officers

"I need to minimize friction for good customers."

Risk / Compliance Officers

"I need to minimize fraud and comply with all regulations."

Pain:

"How to know for sure that the customer I'm doing business with truly is who they claim to be?"



Solving the Pain: Digital Identity Verification

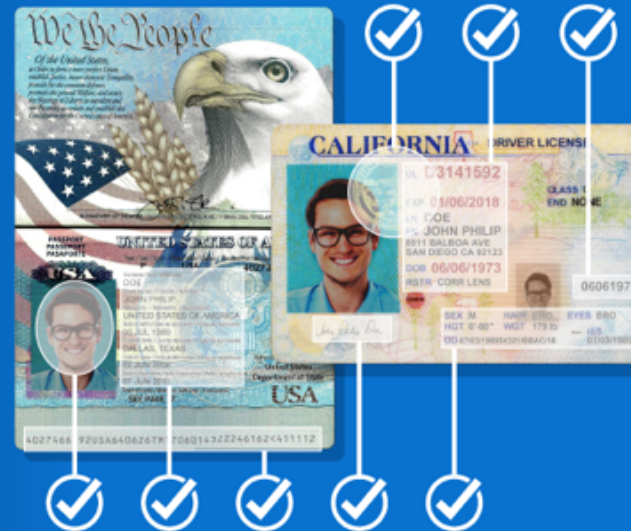
1 Capture Document

MiSnap guarantees the capture of a quality image of all ID documents



2 Authenticate Document

Machine learning powers authenticity checks to validate the ID document isn't forged or tampered



3 Compare Face

Selfie compared to photo on ID document to prove person holding document is who they say they are



Digital Identity Verification in Action for Financial Services

Global Payments Provider

92% of AML restrictions on customer transactions lifted in minutes vs days with Mobile Verify



Personal Finance Company

1,000 new customer PER DAY have their identity verified in digital channel as result of Mobile Verify



B2B Lender

80% of loan applicants successfully complete identity verification process in seconds



Addressing a Global \$10B Market Growing at 16% CAGR

Priority Identity Verification Verticals



Financial Services



Insurance



Healthcare



Travel



Sharing Economy

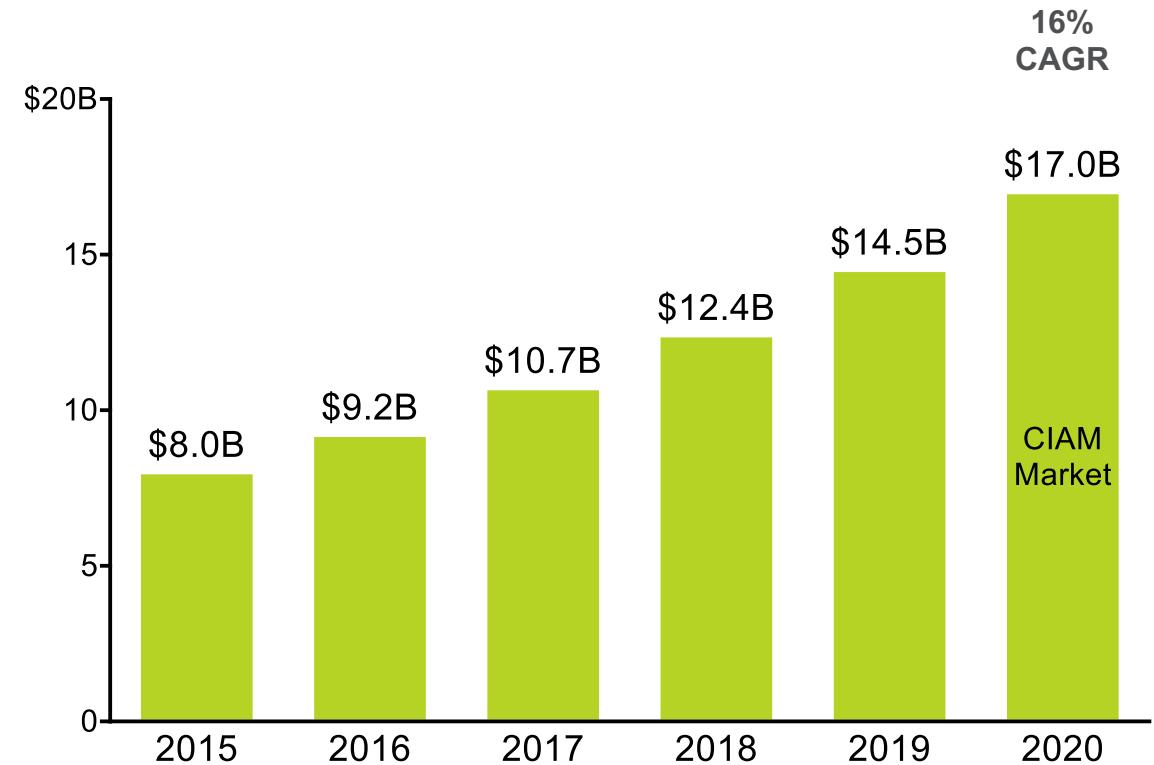


Telecom



Government

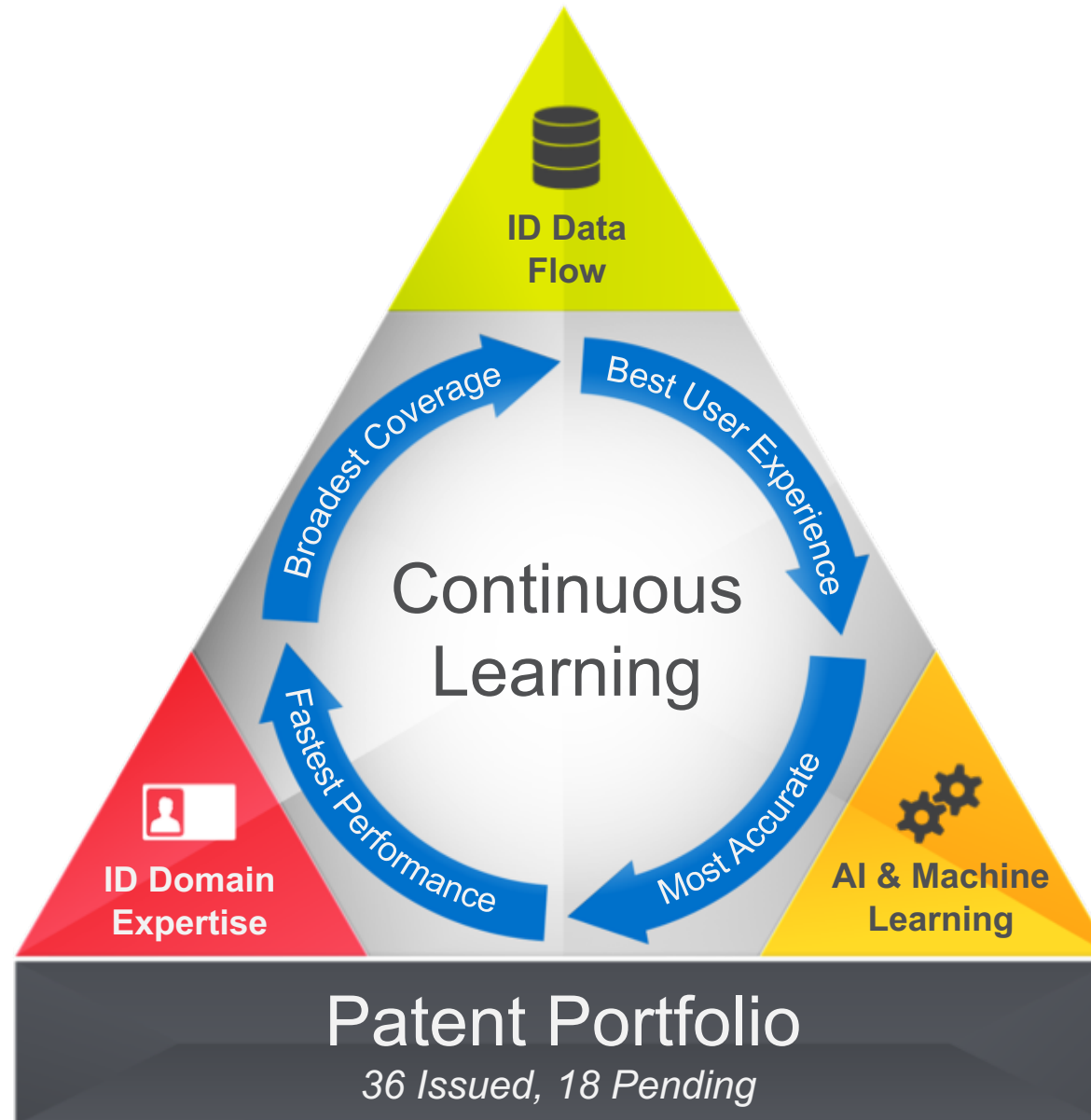
Consumer Identity & Access Management Market



Source: Allied Market Research, January 2017



How Mitek Wins: Real-Time Global Identity Engine



Proven Winner in Mobile Check Deposit

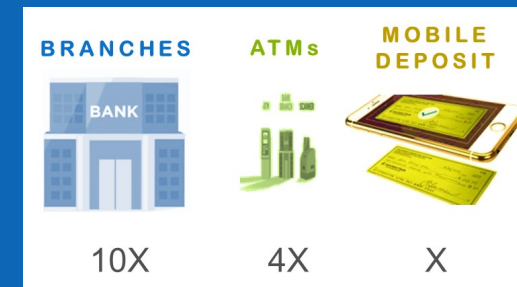
Mitek: THE Market Leader

- 6,100+ financial institutions
- 100% customer retention
- 80+ Million users
- 1.5+ Billion checks processed representing \$1+ Trillion value

Significant Upside

- 17B Total US Checks per Year
- 0.5B Mobile Deposit Checks Growing ~ 20%
- Mobile Deposit = Hero Product of Mobile Banking

Bank Cost per Check Deposit



Mitek Customers and Partners

In addition to 6,100 US financial institutions, some of Mitek's rapidly growing list of customers and partners include...



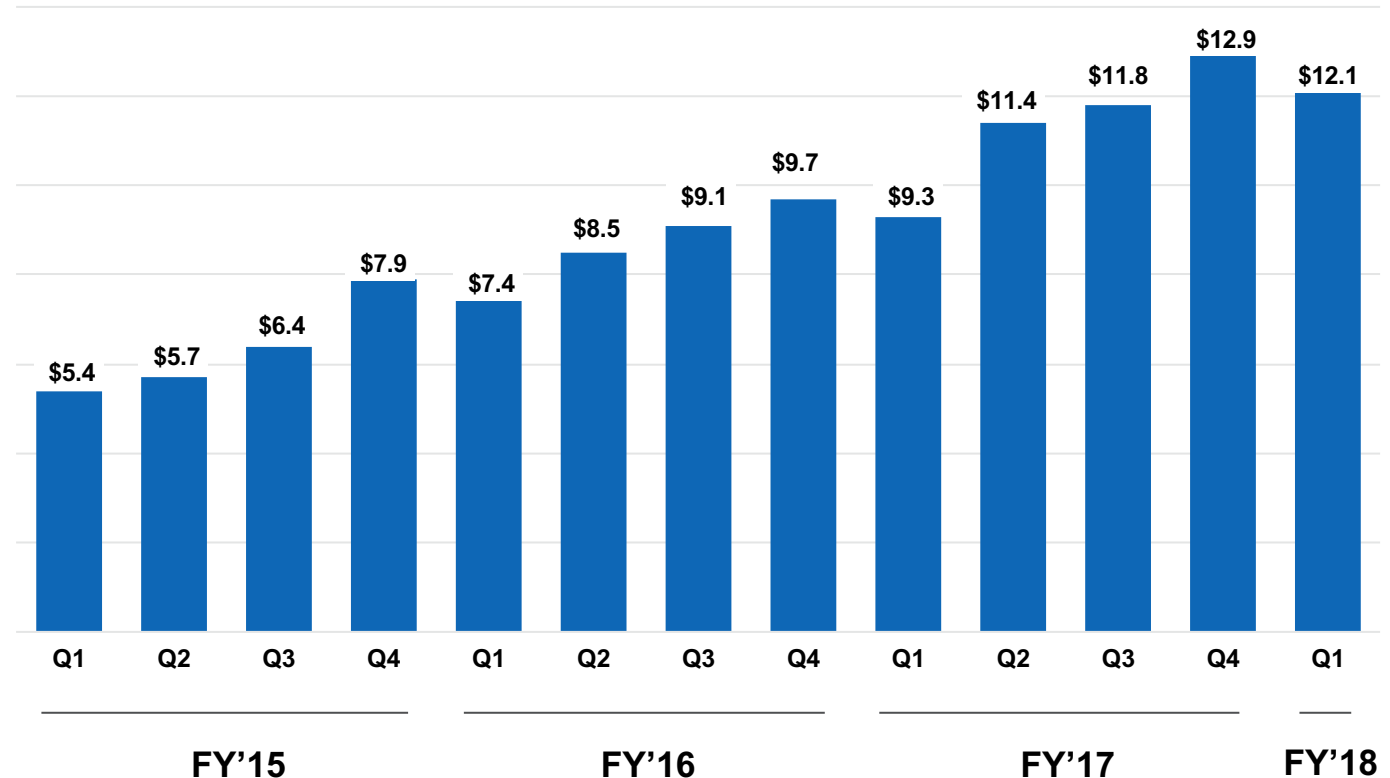
Multiple Vectors for Long-Term Growth



Q1'18 Financial Performance

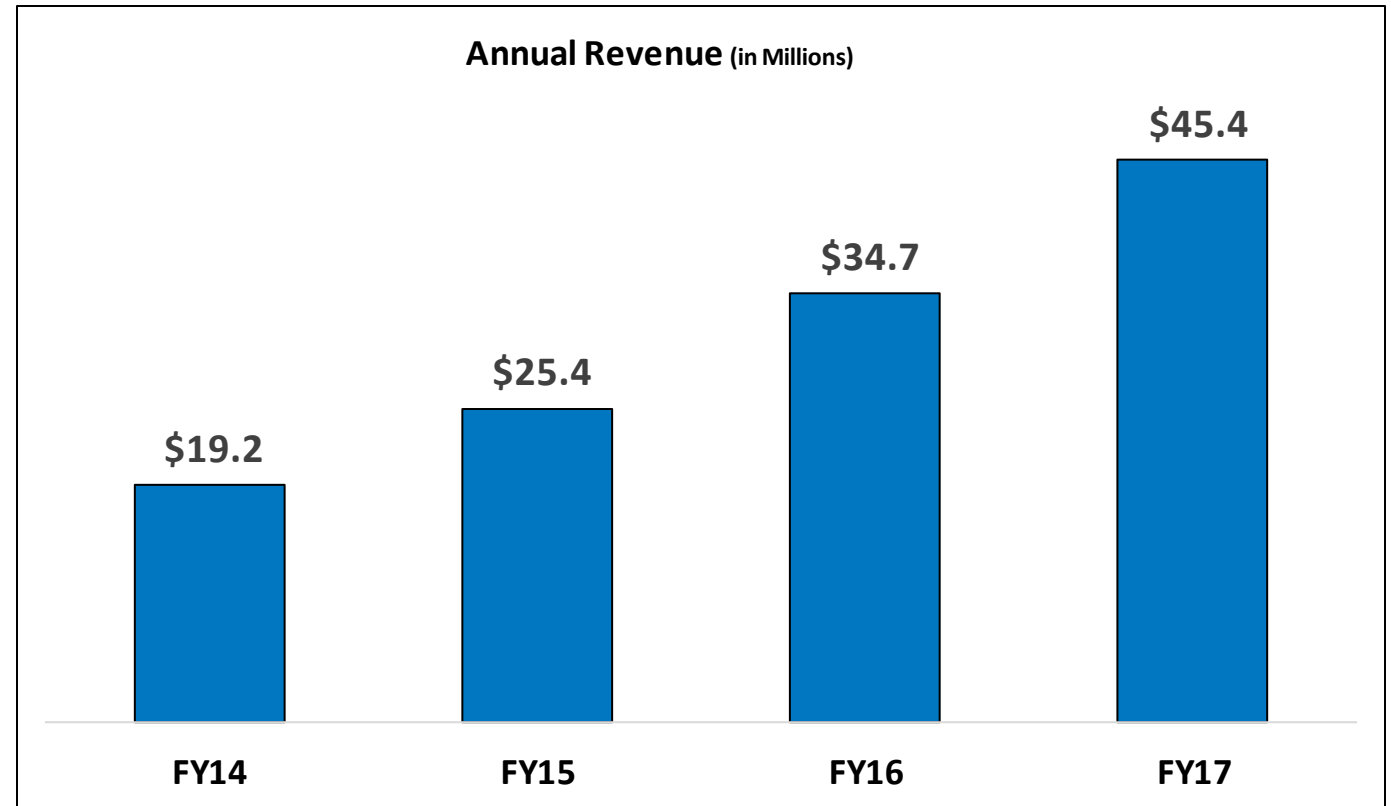
- \$12.1M revenue, up 31% YOY
- SaaS revenue \$2.6M, up 116% YOY
- 7% Non-GAAP Operating Margin
- \$5.7M GAAP net loss or \$0.17 per diluted share*
- \$1.0M non-GAAP net income or \$0.03 per diluted share
- \$2.6M in cash flow from operations
- \$45.8M in cash & equivalents

Quarterly Revenue (in Millions)



FY17 Financial Performance (ending September 30, 2017)

- **\$45.4M revenue, up 31% YOY**
 - 71% Payments (up 23%)
 - 29% ID (up 54%)
- **SaaS revenue \$7.8M, up 51% YOY**
- **24% Non-GAAP Operating Margin**
- **\$14.1M GAAP net income or \$0.40 per diluted share***
- **\$10.9M non-GAAP net income or \$0.31 per diluted share**
- **\$10.4M in cash flow from operations**



Financial Guidance

- **Fiscal 2018** (ending Sept. 30, 2018):
 - \$57M to \$59M in revenue, ~ 26% to 30% growth
 - Non-GAAP profit margins between 19% - 20%
- **Q2 2018** (ending March, 2018):
 - Approximately \$13.5M in revenue, ~ 19% growth YOY
 - OpEx of \$12.2M to \$12.7M (Non-GAAP, including COGS)



Investment Highlights



High-growth and Profitable Cloud Company

Secular Trends Driving Adoption:
Digital Transformation, Data Breaches, Increased Regulations

\$10 Billion Global Market Growing @ 16%+

Dominant and Proven Mobile Capture Winner.
80+ Million Users

6,100+ Customers, Including ...



credit karma



Sprint



loanDepot



Unique and Patented Technology

Experienced Management Team



websense



Thank You!



NASDAQ: MITK

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 and the deferred tax benefit. 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 December 31,	
	2017	2016
Net loss	\$ (5,736)	\$ (607)
Non-GAAP adjustments:		
Acquisition-related costs and expenses	1,259	518
Litigation costs	50	—
Stock compensation expense	1,889	1,085
Income tax effect of pre-tax adjustments	(960)	—
Impact of tax reform on deferred taxes	4,417	—
Cash tax difference ⁽¹⁾	112	—
Non-GAAP net income	1,031	996
Non-GAAP income per share—basic	\$ 0.03	\$ 0.03
Non-GAAP income per share—diluted	\$ 0.03	\$ 0.03
Shares used in calculating non-GAAP net income per share—basic	34,207	32,377
Shares used in calculating non-GAAP net income per share—diluted	36,235	34,695

(1) The Company's non-GAAP net income per share is calculated using the cash tax rate of 4%. 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 December 31, 2017 was approximately 30%.



Non-GAAP Net Income Reconciliation

(amounts in thousands except share data)

	Twelve Months Ended September 30,	
	2017	2016
Net income	\$ 14,092	\$ 1,959
Non-GAAP adjustments:		
Acquisition-related costs and expenses	2,356	2,176
Litigation costs	51	460
Stock compensation expense	5,478	4,079
Benefit related to the release of deferred tax asset valuation allowance	(11,035)	—
Non-GAAP net income	10,942	8,674
Non-GAAP income per share - basic	\$ 0.33	\$ 0.27
Non-GAAP income per share - diluted	\$ 0.31	\$ 0.26
Shares used in calculating non-GAAP net income per share - basic	33,082,999	31,586,535
Shares used in calculating non-GAAP net income per share - diluted	35,537,218	33,818,501

