

A person in a dark suit and blue tie is pointing their right index finger at a glowing, circular fingerprint icon on a screen. The background is a blurred office setting.

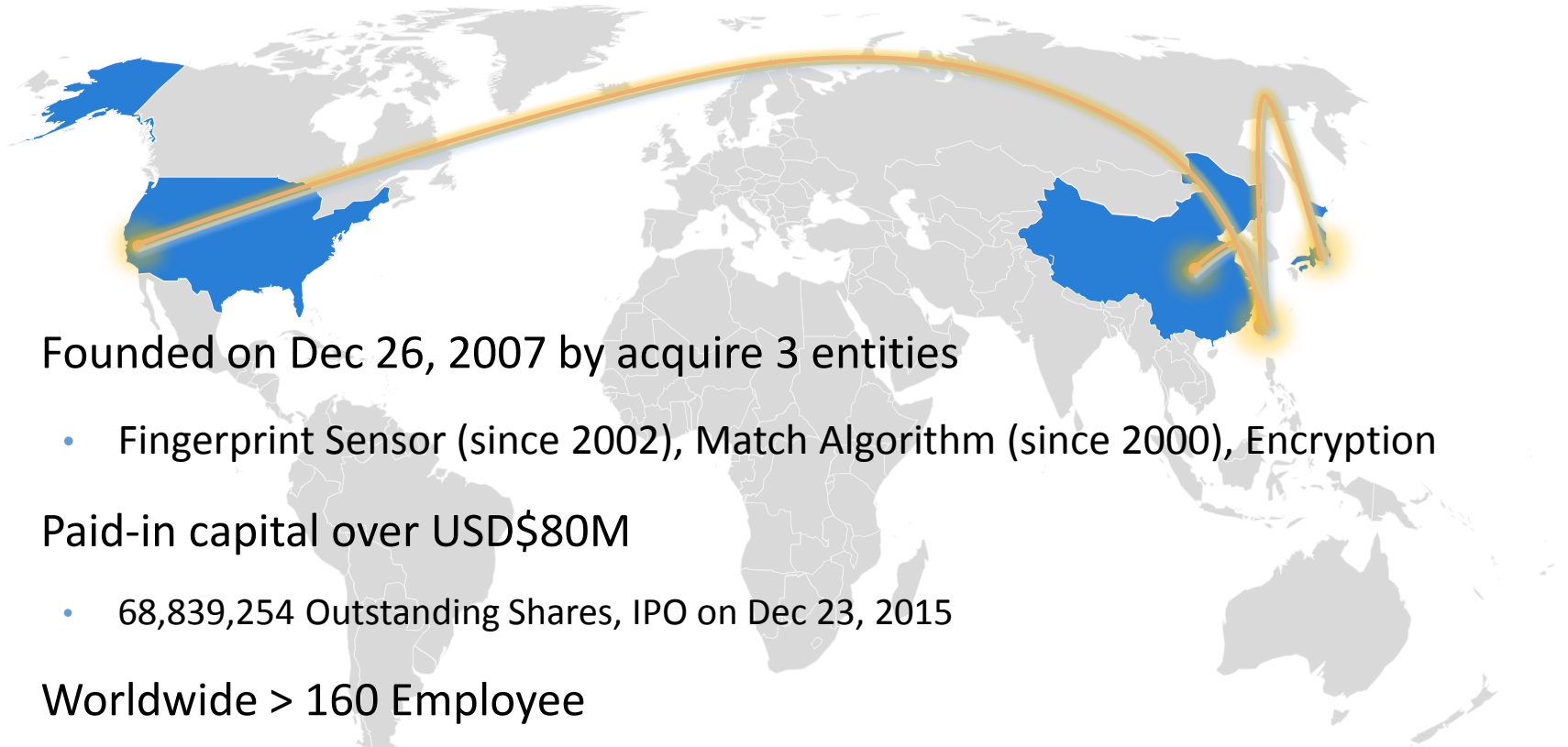
# Egis Technology Inc.

Sep 2016



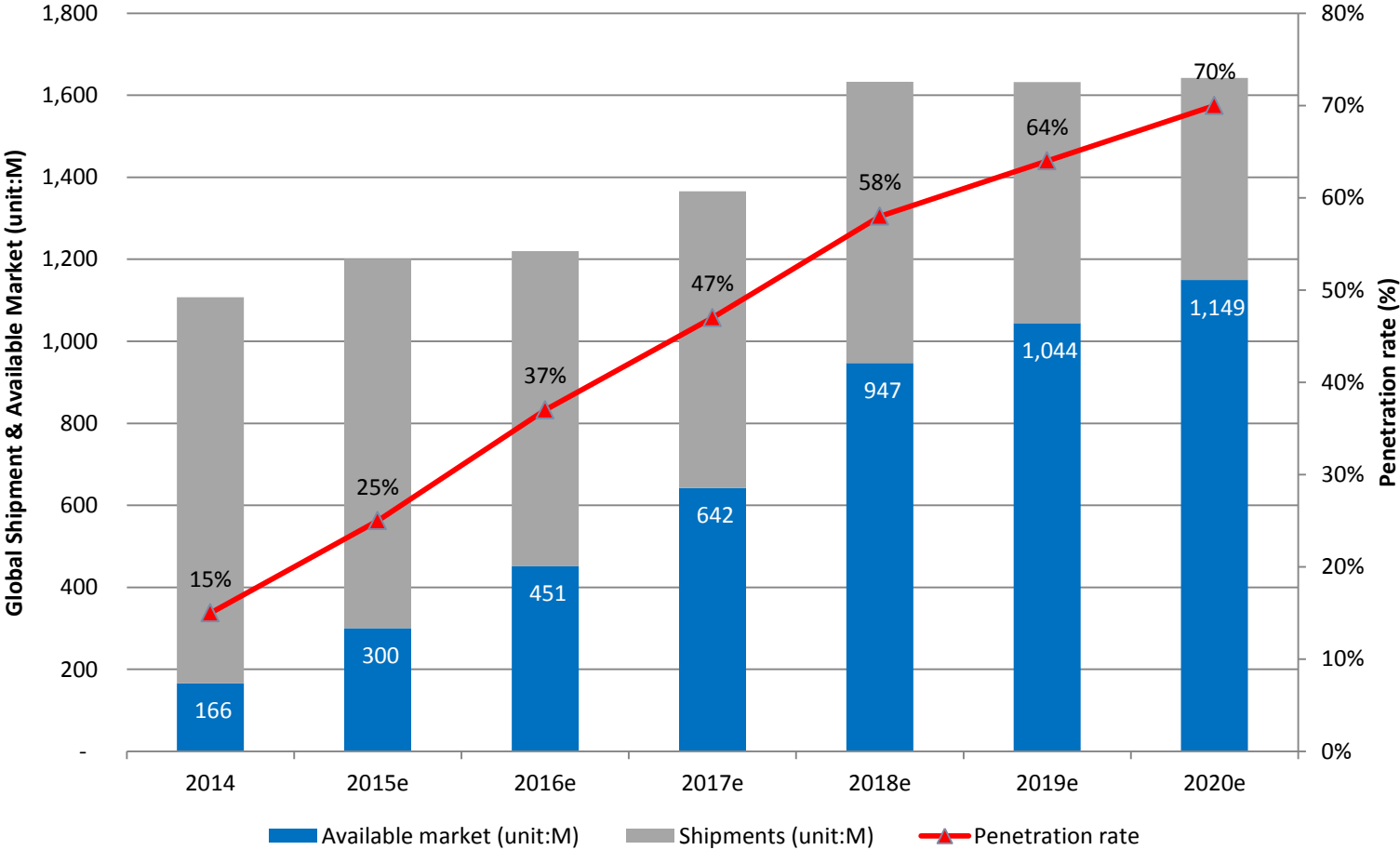
# Company Profile

 Country with Office



- Founded on Dec 26, 2007 by acquire 3 entities
  - Fingerprint Sensor (since 2002), Match Algorithm (since 2000), Encryption
- Paid-in capital over USD\$80M
  - 68,839,254 Outstanding Shares, IPO on Dec 23, 2015
- Worldwide > 160 Employee
  - HQ in Taiwan, operates in Korea, China, Japan, USA

# Fingerprint Sensors Shipments as % of Global ex.iOS Smartphone Shipments



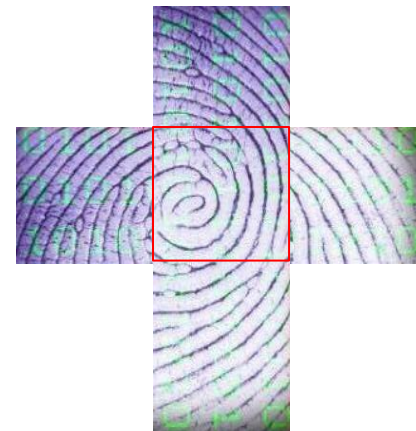
Source: Carnegie Research, IDC, Gartner, comScore

# Low Patents Infringement Risk

- Apple owns broad range of fundamental patents regarding active sensing
  - Apple acquired AuthenTec in 2012
  - Atrua was acquired by AuthenTec in 2009
  - UPEK was acquired by AuthenTec in 2010
- Egis owns patents of passive sensing and small area matching algorithm
  - Low patent infringement risk for multi-national brand customers
  - Competitive cost effective solution

# Small sensor needs new algorithm

- Minutiae based algorithm is only good for large sensing area, e.g.
  - Swipe sensor
  - Optical sensor
- For small sensing area on handset, minutiae is too few for authentication
  - Front-mounted sensor has worst case in 90 degree rotation use case



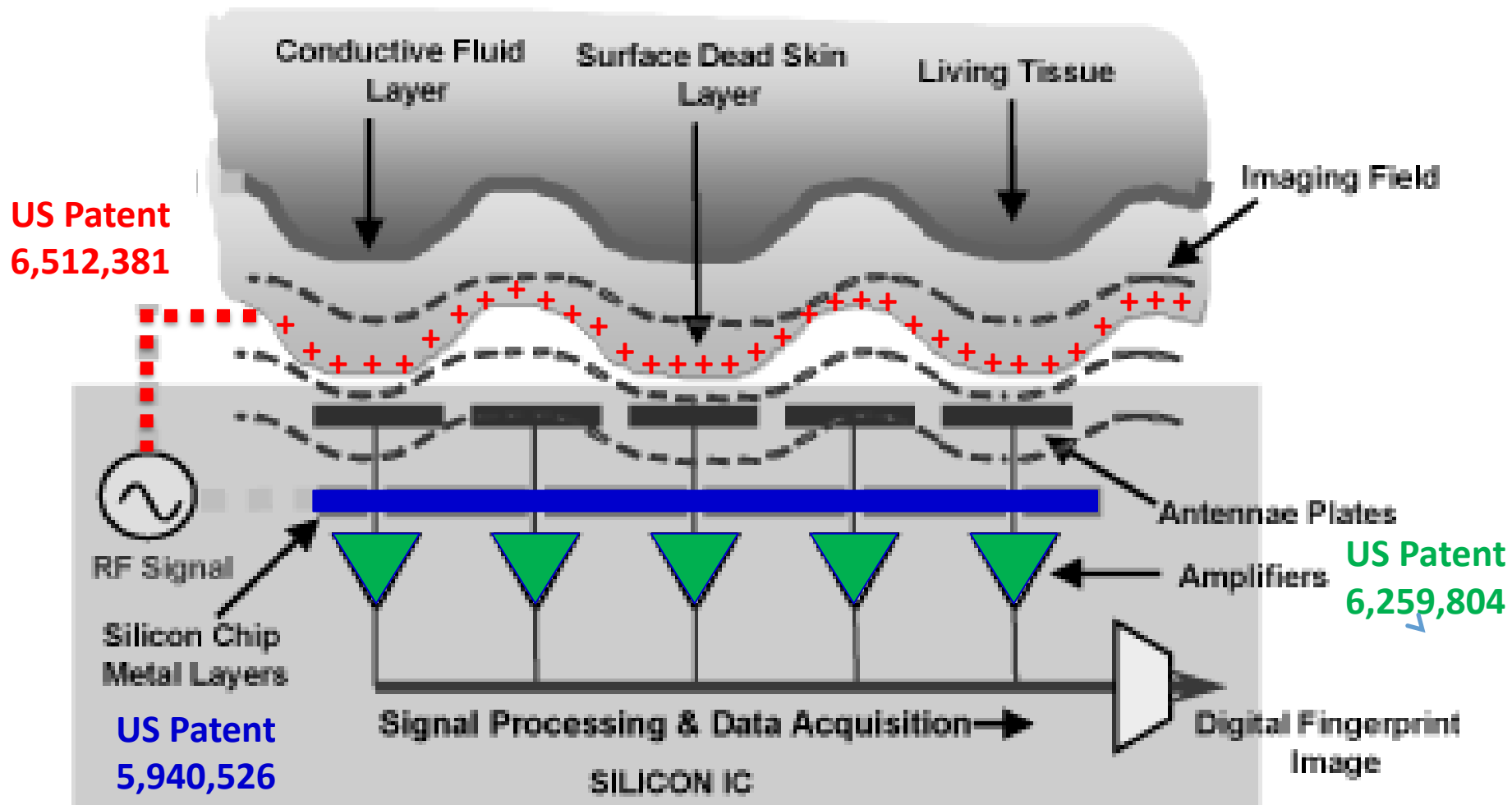
# Best-in-Class Algorithm enables Smaller Sensor

- Smaller Chip Size
  - Lower cost
  - Industry design friendly
  - Enable side mounted



- Egis best-in-class and market proven algorithm achieves payment grade FAR and FRR in 80% smaller sensing area than competitors
  - 認假率 FAR (False Acceptance Rate) < 1/50,000
  - 拒真率 FRR (False Rejection Rate) < 3%
  - IEC/ISO 19795 Biometric Performance Testing and Reporting

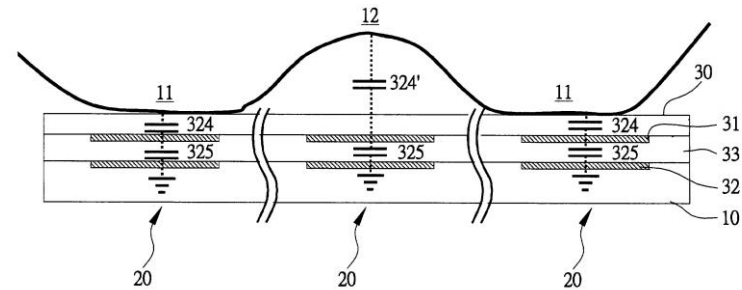
Apple patented respective amplifier per pixel  
coupling RF signal to skin, shielding between them



# Passive Sensing enables Low Cost Module

- Fact of no infringement:
  - no **a first voltage potential** and **a second voltage potential** coupled to human body
  - no **respective amplifier**
  - no **associated shield electrodes**
- Benefit
  - Save \$0.3 bezel
  - Save 2<sup>nd</sup> die to drive high voltage
  - Better nature yield due to no respective amplifier and self align
  - Save \$20~\$40 shielding metal layer(s)
  - power consume is order of magnitude less than active sensor !

FIG. 3 US Patent 7,099,497



THEN  
ET320



NOW  
ET51X



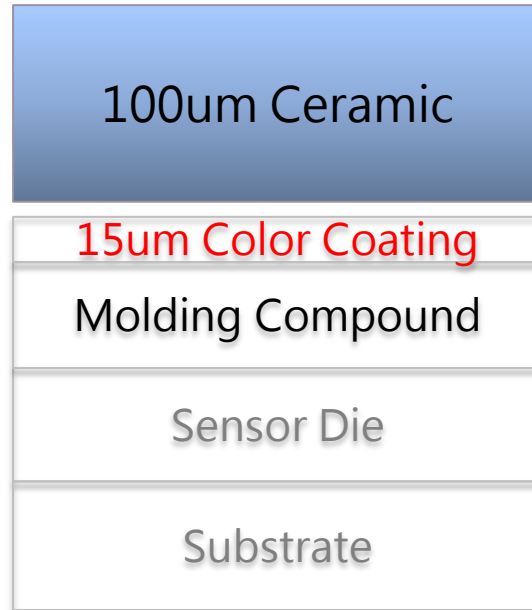
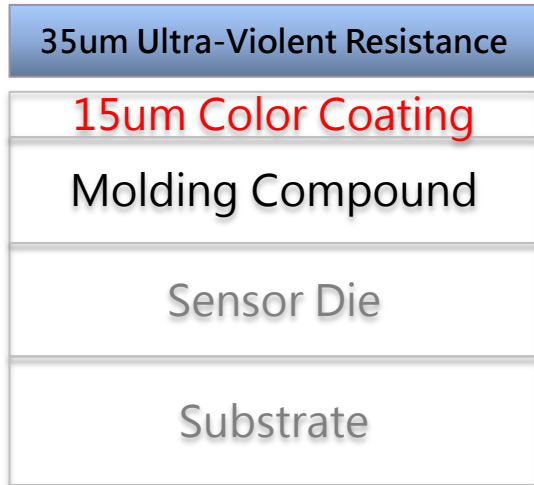


# Higher Sensitivity -> Better Module Yield

ET320  
Synaptics

ET51X

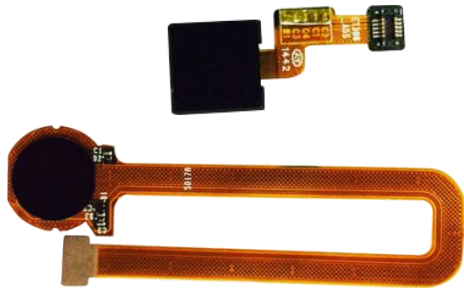
ET51X



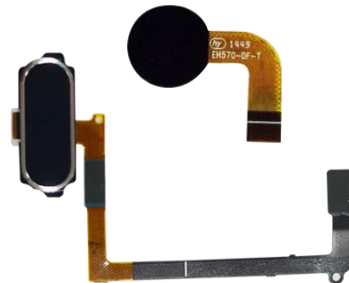
# Non-Standard Package & Module

## Moving toward unpackaged wafer biz model

Backside Button



Home Button



Side Button

No bezel

Metal housing friendly



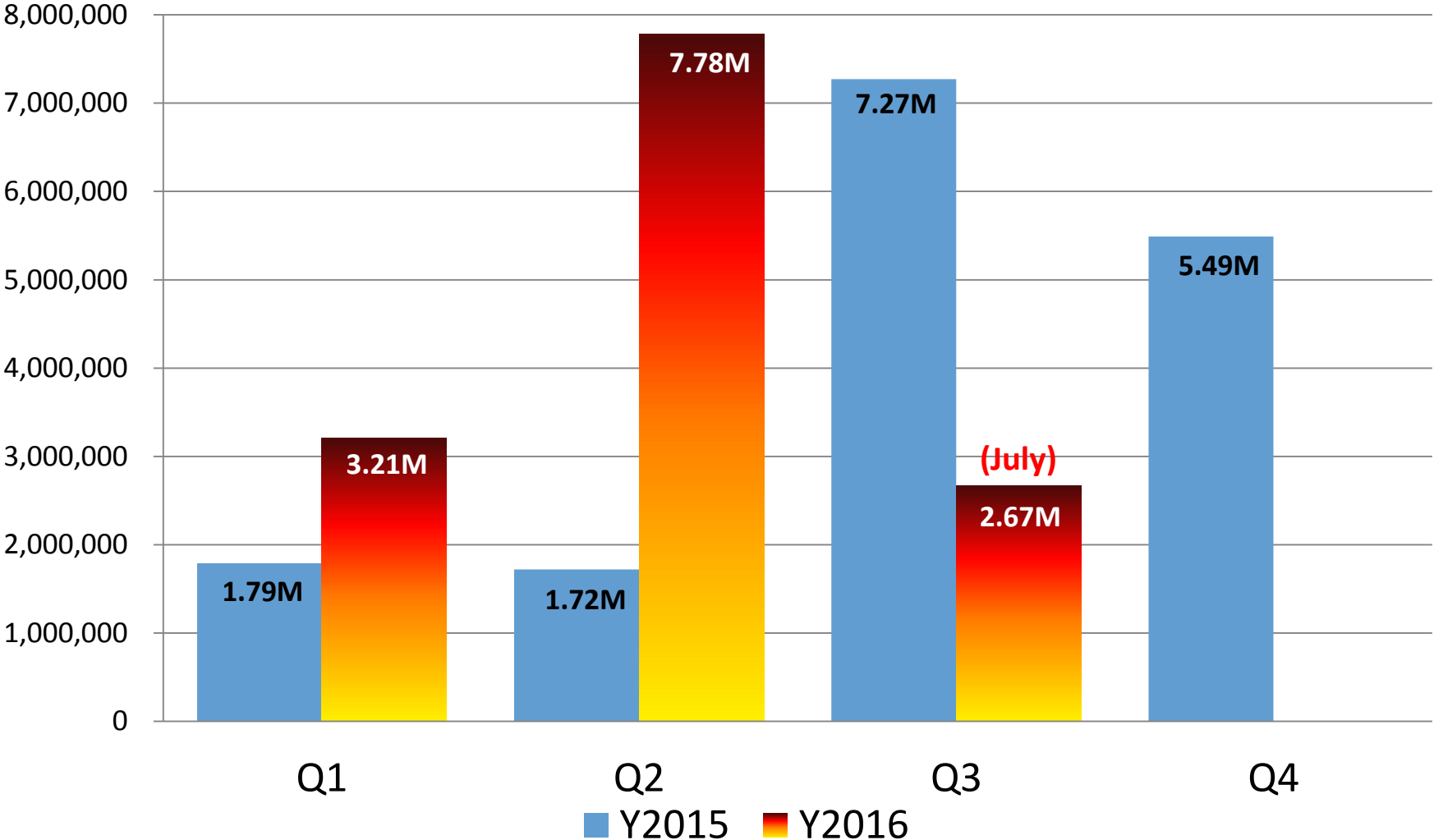
# Financial Update

# Financial Income Statement

(Unit : USD )	2015	2014	YoY	2016Q2	2015Q2	YoY
Sales revenue	16,271,544	1,384,451	1075%	10,987,094	3,509,522	213%
Cost of goods sold	4,189,037	964,485	334%	4,613,016	633,390	628%
Gross profit	12,082,507	419,966	2777%	6,374,078	2,876,132	122%
Gross Profit Ratio(%)	74%	30%	145%	58%	82%	-29%
Operating expenses	14,010,412	8,553,988	64%	7,961,793	5,429,298	47%
Operating Expense Ratio(%)	86%	618%	-86%	72%	155%	-53%
Net Income(Loss)	(2,727,619)	(7,007,322)	-61%	(2,646,794)	(2,152,106)	23%
Net Profit Ratio(%)	-17%	-506%	-97%	-24%	-61%	-61%
EPS (NTD)	(1.44)	(3.75)	-62%	(1.27)	(1.14)	11%

# Recent Quarterly Revenue

USD\$



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