

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

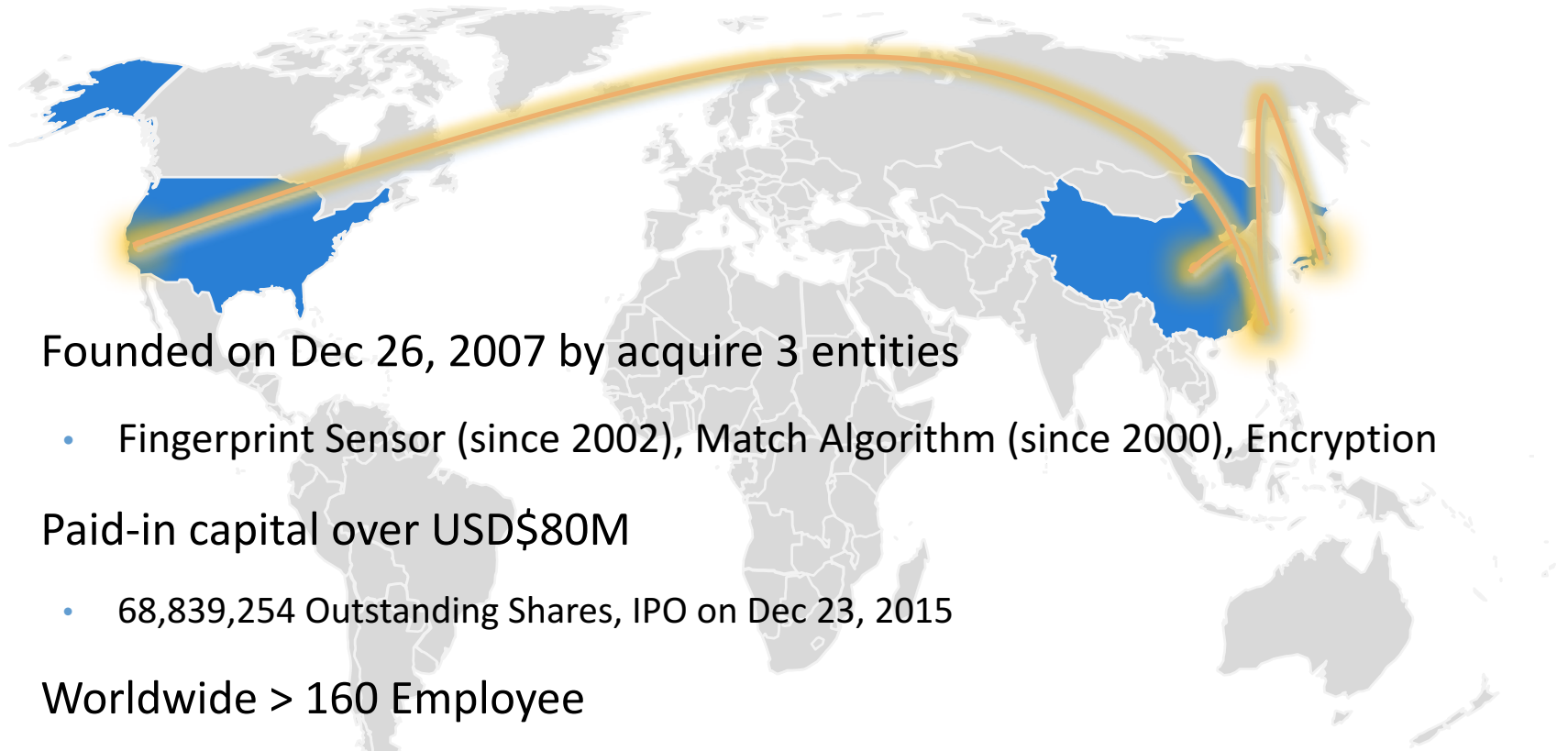
Egis Technology Inc.

Nov 2016



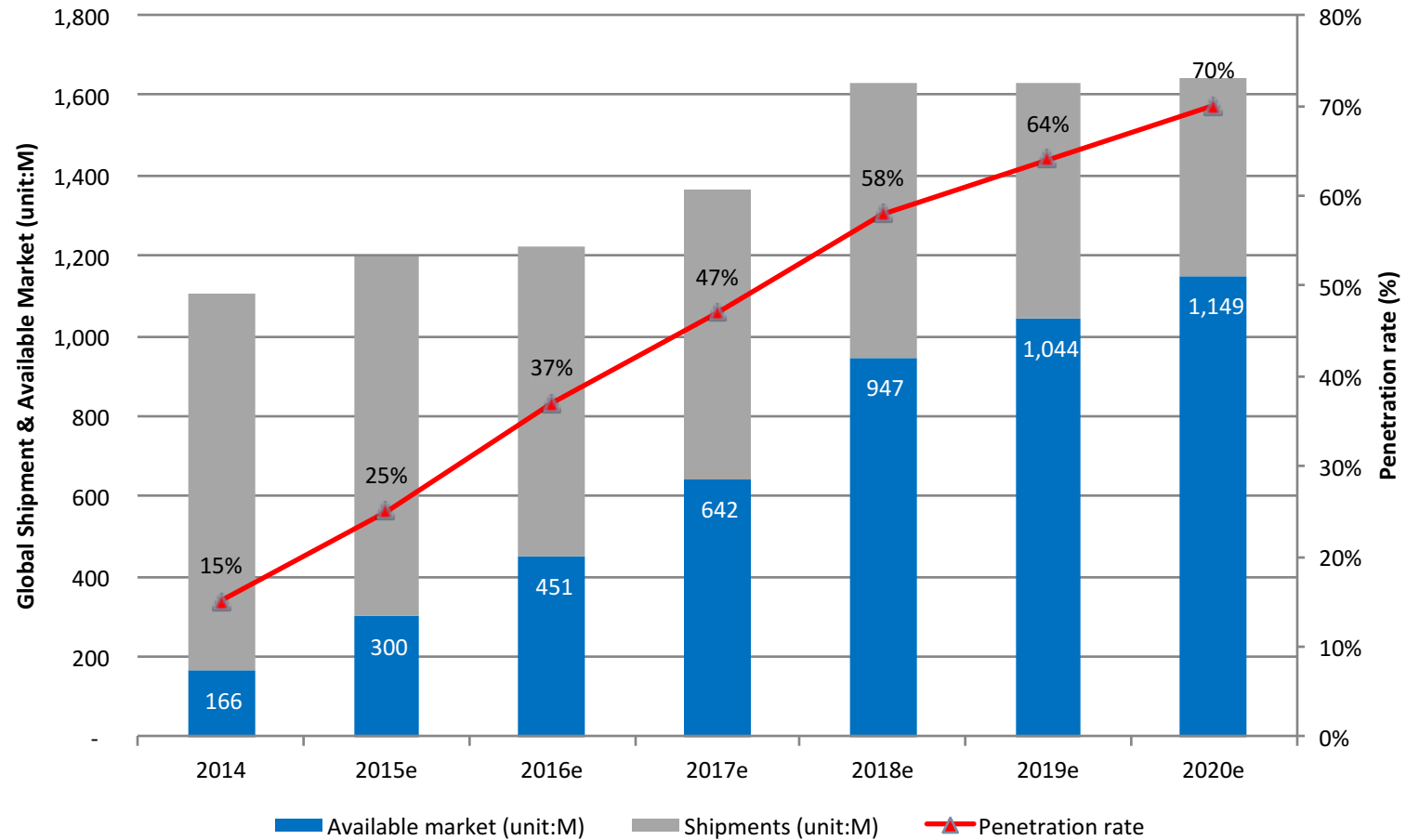
Company Profile

 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

Best-in-Class Algorithm enables Smaller Sensor

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

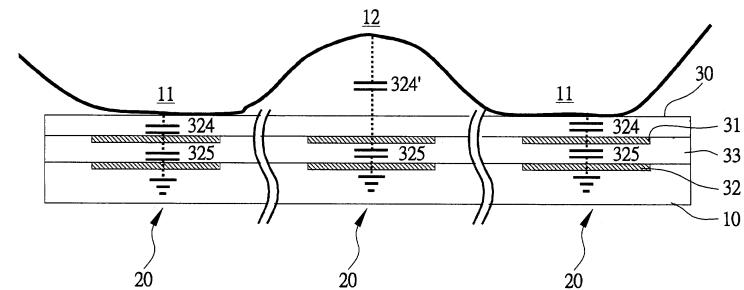


- Egis best-in-class and market proven algorithm achieves payment grade FAR and FRR in 80% smaller sensing area than competitors
 - 認假率 FAR (False Acceptance Rate) $< 1/50,000$
 - 拒真率 FRR (False Rejection Rate) $< 3\%$
 - IEC/ISO 19795 Biometric Performance Testing and Reporting

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 2nd 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



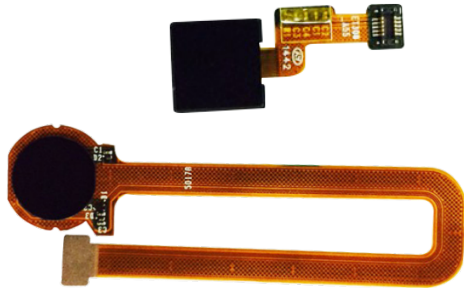
NOW
ET51X



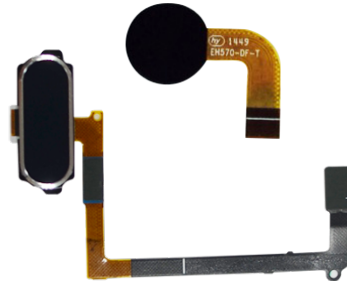
Non-Standard Package & Module

Moving toward unpackaged wafer biz model

Backside Button



Home Button



Side Button

No bezel

Metal housing friendly



Financial Update

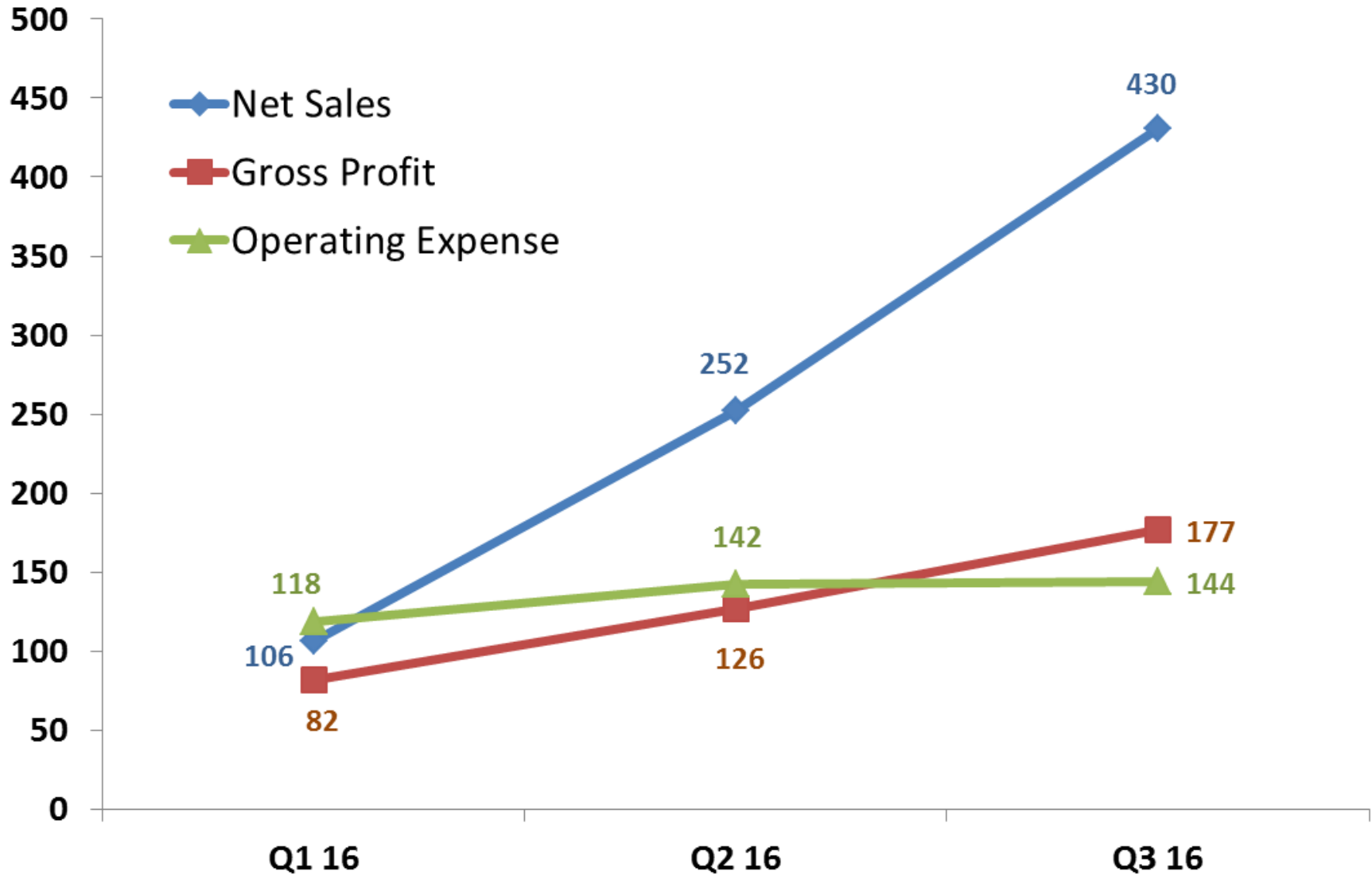
Income Statement Summary

Amount : NT thousands

	Q1 16	Q2 16	Q3 16
Net Sales	106,195	252,289	430,444
COGS	24,204	125,886	253,740
Gross Profit	81,991	126,403	176,704
Gross Margin	77%	50%	41%
Operating Expense	118,212	142,418	143,757
Operating Expense %	111%	56%	33%
Operating Income	(36,221)	(16,015)	32,947
Operating Margin	-34%	-6%	8%
Non-operating Income and Expense	(2,988)	4,905	(7,264)
Income before Tax	(39,209)	(11,110)	25,683
Income Tax	16,499	20,165	4,346
Net Income (Loss)	(55,708)	(31,275)	21,337
Net Margin	-52%	-12%	5%
Total comprehensive income	(55,963)	(29,834)	21,048
EPS (NT\$)	(0.81)	(0.45)	0.31

Trending of Financial Performance

Amount : NT millions



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