

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 15, 2023

MITEK SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35231
(Commission File Number)

87-0418827
(IRS Employer
Identification No.)

600 B Street, Suite 100
San Diego, California
(Address of principal executive offices)

92101
(Zip Code)

Registrant's telephone number, including area code: (619) 269-6800

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	MITK	The NASDAQ Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 15, 2023, the Board of Directors (the “Board”) of Mitek Systems, Inc. (the “Company”), based upon the recommendation of the Compensation Committee of the Board, approved the Company’s annual incentive program for the fiscal year ending September 30, 2023 (the “2023 Plan”). Pursuant to the terms of the 2023 Plan, certain full time permanent employees of the Company, including the Company’s executive team, will be eligible to receive cash bonuses based upon the achievement of certain corporate and individual performance goals during the 2023 fiscal year. These bonuses are designed to attract, motivate, retain and reward the Company’s employees and executive team.

Under the 2023 Plan, achievement is tied to two financial metrics, revenue and non-GAAP operating income margin calculated with respect to the Company’s key business areas, deposits, core identity and ID R&D, Inc., a direct wholly owned subsidiary of the Company (“ID R&D”). Participants in the deposits and core identity business areas are assigned a primary and secondary business area for purposes of the 2023 Plan. For participants who are director-level and above, 80% of the target incentive is based upon achievement of the revenue component of the 2023 Plan (with either (i) 100% of such target based upon the primary business area or (ii) 65 percentage points and 15 percentage points of such target based upon the primary and secondary business areas, respectively) and the remaining 20% is based upon achievement of the non-GAAP operating income margin component of the 2023 Plan, subject to additional limitations, as set forth in the 2023 Plan. For all other participants, 60% of the target incentive is based upon the achievement of the revenue component of the 2023 Plan (with either (i) 100% of such target based upon the primary business area or (ii) 50 percentage points and 10 percentage points of such target based upon the primary and secondary business areas, respectively), 10% of the target incentive is based upon the achievement of the non-GAAP operating income margin component of the 2023 Plan and the remaining 30% of the target incentive is based upon the achievement of individual objectives, as determined at the sole discretion of the Company, subject to additional limitations, as set forth in the 2023 Plan.

For participants in the ID R&D business area the plan targets are based on ID R&D revenue and revenue that is linked to core identity business. For participants who are director-level and above, 70% of the target incentive is based upon achievement of the ID R&D revenue component, 15% is based on achievement of revenue that is linked to the core identity business, and the remaining 15% is based upon achievement of the non-GAAP operating income margin component of the 2023 Plan, subject to additional limitations, as set forth in the 2023 Plan. For all other participants, 60% of the target incentive is based upon the achievement of the ID R&D revenue component, 10% of the target incentive is based upon the achievement of the non-GAAP operating income margin component of the 2023 Plan and the remaining 30% of the target incentive is based upon the achievement of individual objectives, as determined at the sole discretion of the Company, subject to additional limitations, as set forth in the 2023 Plan. The financial metrics shall be set by the Company upon approval by the Board, in its sole discretion.

Under the 2023 Plan, our Chief Executive Officer has a bonus target equal to 120% of his annualized salary; our Chief Financial Officer has a bonus target equal to 50% of his annualized salary; our Chief Technology Officer has a bonus target equal to 60% of his annualized salary; our Chief Legal Officer has a bonus target equal to 50% of his annualized salary and our General Manager has a bonus target equal to 50% of his annualized salary. The maximum bonus payable to participants is 200% of their respective bonus targets. A named executive officer must be a permanent full-time employee to qualify for participation in the 2023 Plan.

The foregoing description is intended only as a summary of the material terms of the 2023 Plan and is qualified in its entirety by reference to the text of the 2023 Plan, a copy of which is attached as Exhibit 10.1 to this Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The exhibits shall be deemed to be filed or furnished, depending on the relevant item requiring such exhibit, in accordance with the provisions of Item 601 of Regulation S-K (17 CFR 229.601) and Instruction B.2 to this form.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Mitek Systems, Inc. Annual Incentive Program Fiscal 2023
104	Cover Page Interactive Data File, formatting Inline Extensible Business Reporting Language (iXBRL)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Mitek Systems, Inc.

March 15, 2023

By: _____
/s/ Jason Gray
Jason Gray
Chief Legal Officer

Exhibit Index

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2023 Annual Incentive Plan

The Mitek 2023 Annual Incentive Plan (the “Plan”) applies to employees of Mitek for achievement of objectives as defined in this Plan. The Plan is designed to support the growth, profitability, and success of the organization through shared objectives and alignment with the creation of shareholder value.

Definitions

The Company: Refers to Mitek Systems Inc. and its subsidiaries

Plan Term: The fiscal year beginning October 1st and ending September 30th of the applicable year

Plan Participant: A full time employee of the Company designated as a participant in the Plan, who is not already participating in an alternative commission or incentive plan and is employed by the Company through the completion of the applicable fiscal year

Business Area: The business area, either Deposits, Identity or ID R&D, for which the Plan Participant is designated for participation purposes. Each Plan Participant will be assigned a primary and/or a primary and a secondary business area for purposes of the plan

Revenue: Defined as the applicable revenue determined in accordance with generally accepted accounting principles, adjusted for acquisition-related write-downs of revenue or deferred revenue

Revenue: Core Identity Linkage: The incentive component that rewards the alignment and collaboration of ID R&D and Core Identity enabling revenue growth of ID R&D products through the Mitek products, services and sales channels.

Non-GAAP Operating Income Margin: Defined in accordance with generally accepted accounting principles and as determined by the Company

Non-GAAP Operating Income: Defined in accordance with generally accepted accounting principles and as determined by the Company

Individual Objectives: Assigned goals as applicable for the fiscal year

Eligibility & Applicability

To be eligible for participation in the Plan, a Plan Participant must be employed by the Company through the completion of the fiscal year for which the plan is approved and in force.

Plan Participants who are partial year employees, either due to commencing following the start of the fiscal year or having taken certain types of leaves of absence during the year, but who are employed by the Company through the completion of the fiscal year, will be eligible to receive a pro-rated payment under the Plan. Generally, partial year employees must be employed prior to the beginning of the 4th quarter of the fiscal year to be eligible for plan participation.

Term

This Plan is effective for the applicable fiscal year beginning October 1st ending September 30th.

Plan Structure

Each Plan Participant is eligible to earn a target incentive up to, equal to or in excess of their annual incentive target percentage multiplied by their annual base salary based upon performance against plan objectives.

Earnings under the Plan result from successful performance against a combination of two Financial Targets (Revenue and Non-GAAP Operating Income or Margin targets) and against Individual Performance Objectives as applicable.

The two Financial Targets of the Plan are weighted individually and specific participation in the Plan is accordance with the following:

Core Identity and Deposits Business Areas:

Director-level & above: Achievement under the Plan is tied to the two Financial Targets (Revenue and Non-GAAP Operating Margin) upon which 100% of target bonus is earned at plan. The plan is structured as follows:

- 80% of the target incentive shall be based upon the achievement of the Revenue component of the plan
 - Of the 80% of the target incentive related to Revenue achievement, this will either be based fully on the Primary Business Area or 65% will be based upon the Primary Business Area and 15% based on the Secondary Business Area.
 - A minimum of 86.5% of the respective Revenue target must be attained for any earnings under the component to be achieved.
- 20% of the target incentive shall be based upon the achievement of the Non-GAAP Operating Margin component of the plan.
 - A minimum of 90% of the respective Non-GAAP Operating Margin target must be attained for any earnings under the component to be achieved.
- Participants may achieve up to 200% of target incentive based on overachievement of Plan Targets.
- Plan achievement in excess of 90% of an individual's target incentive may be modified upwards or downwards based upon individual contribution at the sole discretion of management.

All Other Plan Participants: Achievement under the Plan is tied to the two Financial Targets (Revenue and Non-GAAP Operating Margin) upon which 100% of target bonus is earned at plan. The plan is structured as follows:

- 60% of the target incentive shall be based upon the achievement of the Revenue component of the plan
 - Of the 60% of the target incentive related to Revenue achievement, this will either be based fully on the Primary Business Area or 50% will be based upon the Primary Business Area and 10% based on the Secondary Business Area.
 - A minimum of 86.5 % of the respective Revenue target must be attained for any earnings under the component to be achieved.
- 10% of the target incentive shall be based upon the achievement of the Non-GAAP Operating Margin component of the plan.
 - A minimum of a 90% of the respective Non-GAAP Operating Margin target must be attained for any earnings under the component to be achieved.
- 30% of the target incentive shall be based upon the achievement of Individual Objectives as determined at the sole discretion of the Company.
 - A minimum of 86.5% of the aggregate Revenue targets must be attained for any earnings under the component to be achieved.
- Participants may achieve up to 200% of target incentive based on overachievement of Plan Targets. Upside achievement earnings may be modified upwards or downwards based upon individual contribution.

Core Identity & Deposits Plan Targets	Director Level & Above	All Other Plan Participants
Primary Business Area Revenue	80%	60%
or		
Primary Business Area Revenue	65%	50%
Secondary Business Area Revenue	15%	10%
and		
Total Non-GAAP Operating Income or Margin	20%	10%
Individual Performance		30%

ID R&D Business Area:

Director-level & above: Achievement under the Plan is tied to the two Financial Targets (Revenue and Non-GAAP Operating Income or Margin) upon which 100% of target bonus is earned at plan. The plan is structured as follows:

- 85% of the target incentive shall be based upon the achievement of the Revenue components of the plan
 - A minimum of 60% of the respective Revenue targets must be attained for any earnings under the component to be achieved.
- 15% of the target incentive shall be based upon the achievement of the Non-GAAP Operating Income component of the plan.
 - A minimum target dollar amount in Non-GAAP Operating Income target must be attained for any earnings under the component to be achieved.
- Participants may achieve up to 200% of target incentive based on overachievement of Plan Targets.
- Plan achievement in excess of 90% of an individual's target incentive may be modified upwards or downwards based upon individual contribution at the sole discretion of management.

All Other Plan Participants: Achievement under the Plan is tied to the two Financial Targets (Revenue and Non-GAAP Operating Income) upon which 100% of target bonus is earned at plan. The plan is structured as follows:

- 60% of the target incentive shall be based upon the achievement of the Revenue components of the plan
 - A minimum of 60% of the respective Revenue target must be attained for any earnings under the component to be achieved.
- 10% of the target incentive shall be based upon the achievement of the Non-GAAP Operating Income component of the plan.
 - A minimum of a target dollar amount of Non-GAAP Operating Income must be attained for any earnings under the component to be achieved.
- 30% of the target incentive shall be based upon the achievement of Individual Objectives as determined at the sole discretion of the Company.
- Participants may achieve up to 200% of target incentive based on overachievement of Plan Targets. Upside achievement earnings may be modified upwards or downwards based upon individual contribution.

ID R&D Plan Targets	Director Level & Above	All Other Plan Participants
Revenue	70%	60%
Revenue: Core Identity Linkage	15%	
and		
Total Non-GAAP Operating Income	15%	10%
Individual Performance		30%

Plan Targets

The Financial Metrics shall be set by the Company upon approval by its Board of Directors, in their sole discretion.

Payment Schedule

Incentives shall be earned for the applicable fiscal year and shall be paid in the quarter that follows the year for which the incentive is earned at the sole discretion and following approval of the Company's Board of Directors.

General Provisions

A Plan Participant shall not assign nor give any part of an incentive to any agent, customer or representative of the customer, or any other person, as an inducement in obtaining an order. Unless expressly approved in advance by the CEO of the Company, a Plan Participant shall not accept any compensation from third parties related to sales of third-party products or services made by the Company.

In the event a Plan Participant, compensated in accordance with this Plan, owes any sum of money to the Company, including without limitation draw payments, charge backs, and travel advances, the Company shall have the right at any time to offset such obligations against the employee's base salary, commissions, or bonuses.

The Company reserves the right without advance notice to:

- Accept, reject, or cancel any order;
- Make any adjustments or revisions to targets, structure, incentive rates, quotas, salaries, or any other matters pertaining to this Plan; and
- Resolve, in its sole and absolute discretion, any matters of interpretation under the Plan and matters not covered by the provisions of the Plan.
- Modify or terminate this Plan at any time.

The contents of this Plan are Company proprietary and confidential and are not to be disclosed by any Plan Participant to any person who is not an employee of the Company. Any legal action brought concerning this Plan shall be brought only in the state or federal courts of the country in which the Plan Participant is employed and both parties submit to venue and jurisdiction in these courts. This Plan contains the entire agreement of the parties with respect to the matters addressed herein, and supersedes all other representations, statements and understandings concerning this subject matter.