

Q3 2023 Earnings Conference Call

Tuesday, November 7, 2023, at 5:00PM EST



Safe Harbor

Note Regarding Forward-Looking Information

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This presentation includes financial information that has not been prepared in accordance with GAAP, including non-GAAP adjusted EBITDA, non-GAAP adjusted EBITDA margin, non-GAAP gross margin, and non-GAAP operating expenses. Identiv uses non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating our ongoing operational performance. We believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. The non-GAAP measures discussed above exclude items that are included in GAAP net income (loss), GAAP operating expenses and GAAP gross margin. For historical periods, the exclusions are detailed in the reconciliation table included in this presentation. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of the non-GAAP measures to their most directly comparable GAAP financial measures as detailed in this presentation.

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Agenda

- I. Q3 2023 Highlights
- II. Financial Review
- III. Q4 2023 Business Drivers

Q3 2023 Business Highlights

- Highest GAAP and Non-GAAP Gross Margins and Non-GAAP Adjusted EBITDA since Q3 2021
- Premises Segment Updates
 - Record quarterly sales for Premises, growing 15% year-over-year to \$13.6 million, double industry growth rate*
 - Video software revenues more than doubled year-over-year
 - Software, services and recurring revenues at over 20% of Premises revenue
 - Balanced year-over-year growth between customers in Federal (up 16%) and Commercial (up 14%)
 - Released cloud-first Primis suite for SMB market, Enterphone 10.3 and Enterphone Mobile, and Vision AI, our video intelligence solution as a standard video offering



Launched Enterphone Mobile for Multi-Tenant Market

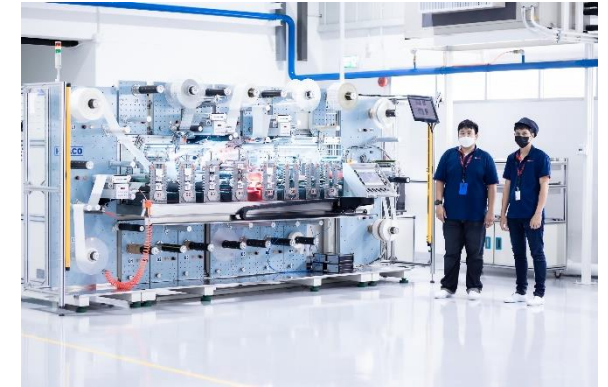


Q3 2023 Business Highlights (continued)

• Identity Segment Updates

- Identity revenue was \$18.3 million, with RFID units shipped up 18% year-over-year to 54 million units
- Growing leadership in high-value, specialty complex RF-enabled IoT solutions (SCRI) category, with 50-plus customers who have deployed pilots of their innovative SCRI products
- Shipped ½ million units of a prototype for an auto-injector project
- Strategic progress in healthcare vertical, with early-stage applications carrying ~40% average margin, now accounting for over half of NFC-based revenue
- Continued production of second Wiliot IoT Pixels order, shipping 11 million units

Added high-volume production equipment at Thailand facility



Q3 2023 Summary

• Premises

- Double the industry growth rate*
- Product launches: Primis & EG2 (full launch), Enterphone + Mobile, Vision AI
- Software, services & recurring revenues 20%+ of Premises revenues

• Identity

- Specialty, complex RF-enabled IoT (SCRI) solutions: 50 pilot programs
- Low-margin Q3 revenue shortfall – monitoring closely
- Healthcare applications now represent >50% of NFC-related revenues

• Strategic Review

- High level of activity in Q3
- Specific prospects under evaluation
- Focus: optimize business opportunities through strategic actions



Q3 2023 Financial Overview

The background of the slide is a blurred office environment. It shows several people in business attire, including men in suits and a woman in a professional dress, engaged in conversation. The office has large windows and modern furniture like office chairs. A prominent red geometric pattern, consisting of overlapping triangles and squares, is overlaid on the entire image, creating a semi-transparent effect. The text 'Q3 2023 Financial Overview' is centered in a white, sans-serif font.

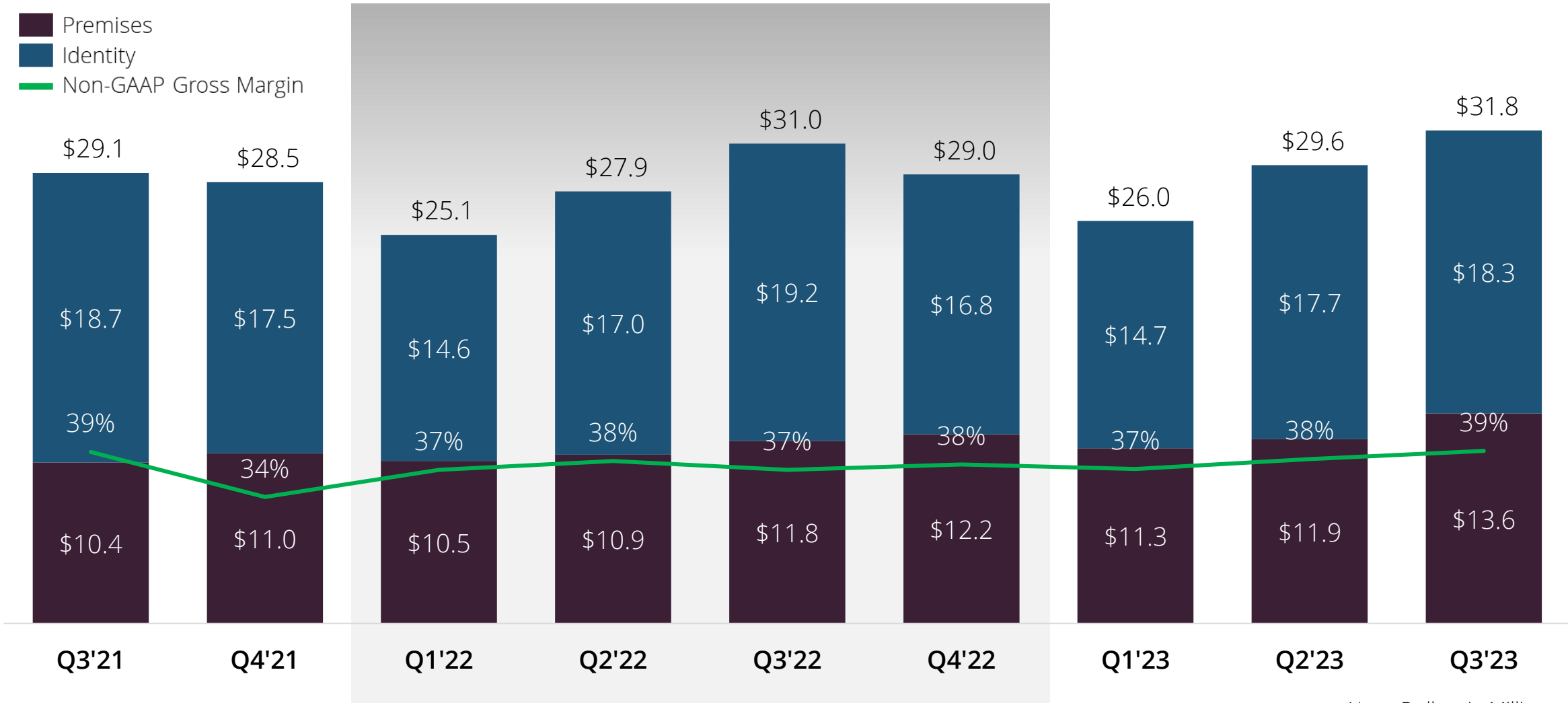
Financial Overview

| Metric | Q3'23 | Q2'23 | Q3'22 |
|-----------------------------|----------|----------|---------|
| Revenue | \$31.8M | \$29.6M | \$31.0M |
| GAAP Gross Margin | 37.5% | 36.7% | 36.1% |
| Non-GAAP Gross Margin | 39.1% | 38.2% | 37.3% |
| GAAP Operating Expenses | \$11.6M | \$11.9M | \$10.6M |
| Non-GAAP Operating Expenses | \$10.3M | \$10.6M | \$9.5M |
| GAAP Net Income (Loss) | (\$0.0M) | (\$1.1M) | \$0.5M |
| EPS (GAAP) Diluted | (\$0.01) | (\$0.06) | \$0.01 |
| Non-GAAP Adj. EBITDA | \$2.2M | \$0.7M | \$2.0M |
| Non-GAAP Adj. EBITDA Margin | 7% | 2% | 7% |

Note: Dollars in Millions

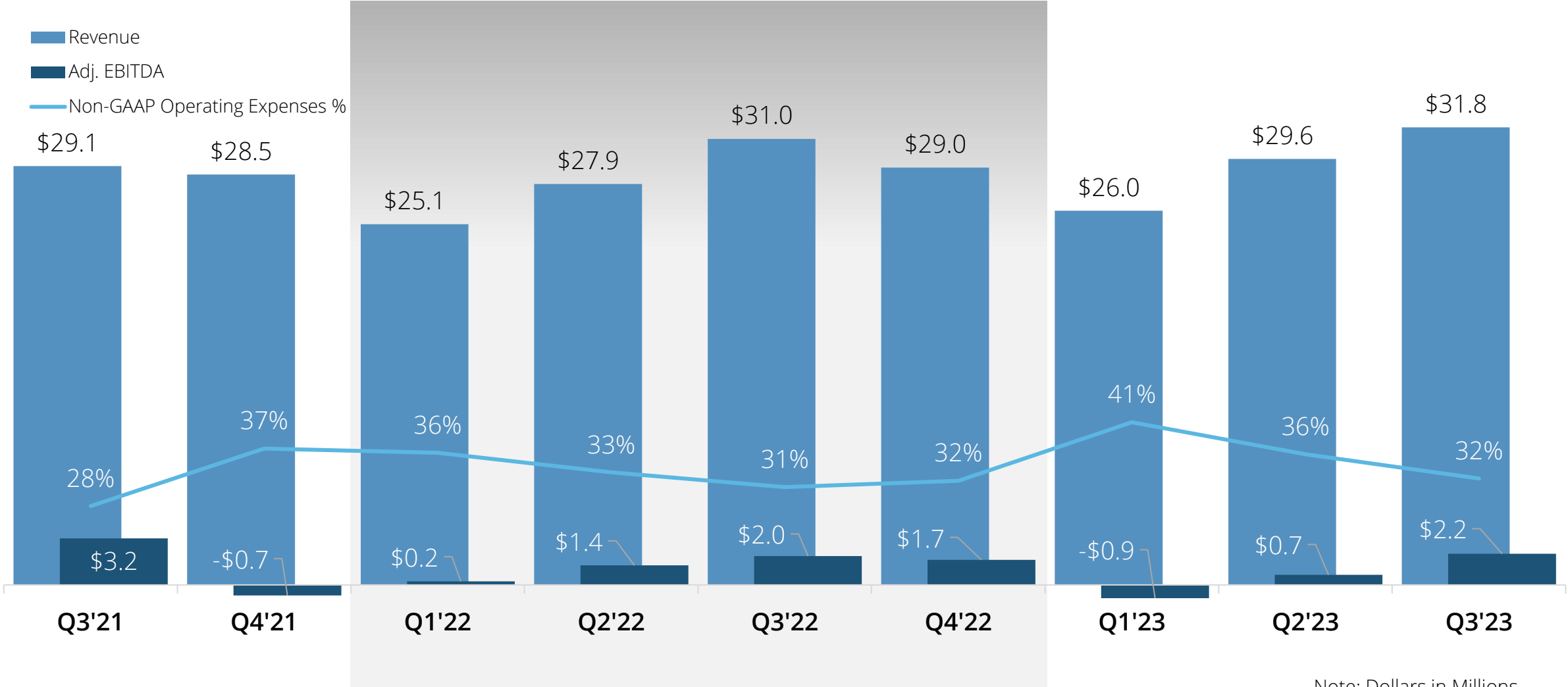
Segment Revenue and Non-GAAP Gross Margin

- Premises
- Identity
- Non-GAAP Gross Margin



Note: Dollars in Millions

Total Revenue and Non-GAAP Adjusted EBITDA Operating Expenses



Note: Dollars in Millions

Q3 2023 Cash Flow and Balance Sheet (in \$M)



| Assets | Q3'22 | Q2'23 | Q3'23 | Liabilities & Equity | Q3'22 | Q2'23 | Q3'23 | Cash Flow | Q3'22 | Q2'23 | Q3'23 |
|--------------------------|--------------|--------------|--------------|-----------------------|--------------|--------------|--------------|------------------|--------------|------------|--------------|
| Cash & cash equivalents* | 21.9 | 22.2 | 20.9 | Accounts payable | 15.1 | 12.8 | 12.1 | From operations* | (2.1) | 1.4 | (0.3) |
| Accounts receivable | 23.6 | 22.9 | 25.9 | Financial liabilities | 0.0 | 10.0 | 9.9 | From investing | (1.4) | (1.2) | (0.6) |
| Inventory | 25.1 | 31.1 | 29.4 | Other liabilities | 12.3 | 14.6 | 14.6 | From financing | (0.3) | 0.9 | (0.2) |
| Other assets | 30.8 | 35.5 | 35.2 | Total equity | 74.0 | 74.3 | 74.8 | FX effect | (0.2) | (0.0) | (0.2) |
| Total | 101.4 | 111.7 | 111.5 | Total | 101.4 | 111.7 | 111.5 | Total | (4.0) | 1.0 | (1.3) |

The image features a blurred office environment with several people in business attire. The scene is overlaid with a semi-transparent red color and a geometric pattern of overlapping triangles and squares. The text '2023 Business Drivers' is centered in white.

2023 Business Drivers

2023 Overall Strategy

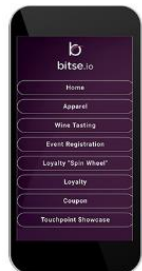


Delivering Healthy Growth with Strong Margins with a focus on Recurring Revenue

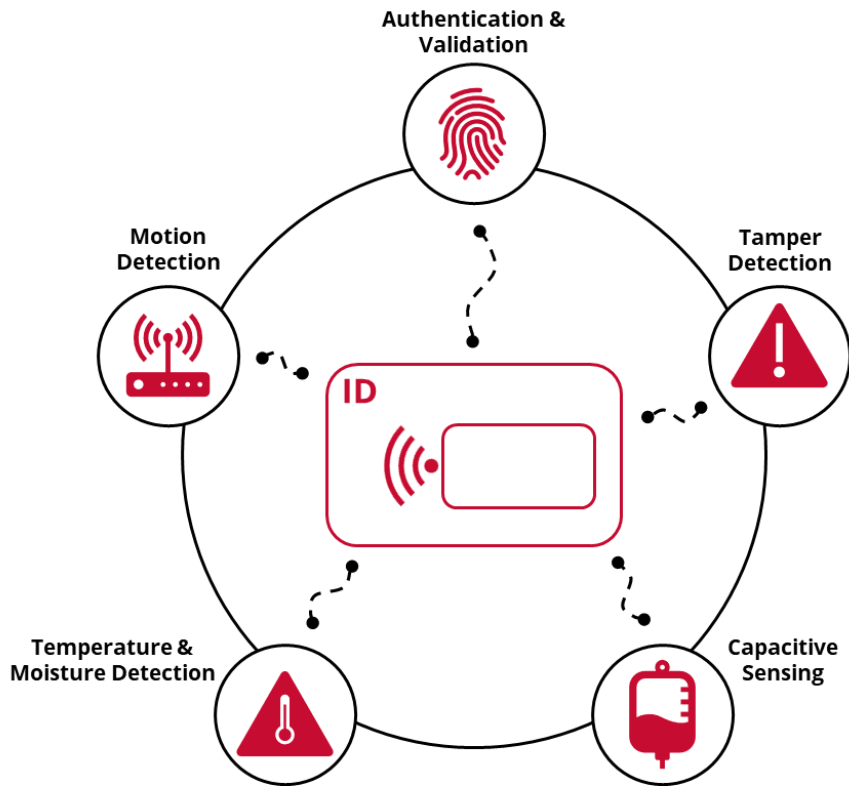
Expanding Our Technology Leadership through Next Generation Products

Protecting Our Balance Sheet and Working Capital

Progress Towards Our Long-Term Operating Model



Q4 2023 IoT Business Drivers



• IoT Strategy

- Winning NRE projects for technically complex applications
- Reinforcing our leadership as a specialty SCRI applications provider, including our new R&D Lab expansion to support these complex applications
- Leverage joint marketing and product initiatives with key partners
- Expanding our lower-cost production footprint in Thailand

• Growth Drivers

- Healthy NRE and pilot pipeline, devoting more resources to the best near-term production rollout high margin, revenue-generating opportunities
- Increased traction of 'Life of Garment' applications that can be embedded in apparel and accessories, such as collectID and Coachtopia
- Maintain strong partnerships with chip suppliers and continuing to diversify revenue by chip type
- Capitalize on the advantages of producing IoT devices in Thailand facility by expanding capacity

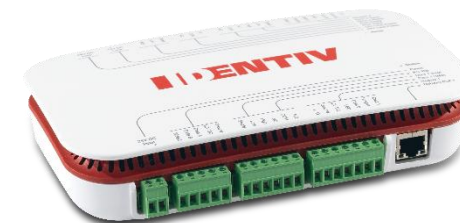
Q4 2023 Physical Security Business Drivers

- **Physical Security Strategy**

- Tightly integrated end-to-end security platform combining identity provisioning, access control, video surveillance, and analytics-based intelligence, delivered in a single pane of glass
- Growing our position in Federal physical security product sales including FICAM-compliant and FedRAMP cloud solutions
- Bringing high-security and our trusted brand to SMB market
- Expanding our presence in the enterprise market
- Drive a higher mix of high-margin recurring revenue

- **Growth Drivers**

- Broad base of recession-resistant customers focused on higher security (Federal & local government, education, hospitals, airports, and more)
- Leverage integrators to build a strong channel base for our complete security solution
- Expand Velocity Vision and Vision AI deployments
- Expand into SMB market with products like Primis and Enterphone that leverage our enterprise-level technology expertise
- Focus on cloud and mobile phone security solutions
- Convergence of secure identity and data access requirements with physical security



Summary

- **Premises**

- Product launches solidify unique industry strength
- Driving existing customer base conversion to subscription model
- Software, services & recurring revenues 20%+ of Premises revenues

- **Identity**

- Expanding pipeline of SCRI projects
- Healthcare strategy continuing – long sales and pilot-to-production cycles
- Competitive advantages and SCRI industry leadership in place
- Carefully monitoring

- **Strategic Review**

- High activity level continuing in Q4
- Commitment to value realization in both strategic businesses





THANK YOU

Q&A Session

Visit identiv.com for more information today.

The background of the slide is a blurred office environment. It shows several people in business attire, including men in suits and a woman in a light-colored top and dark skirt. They appear to be in a meeting or collaborative work setting. The entire image is overlaid with a semi-transparent red color and a geometric pattern of overlapping triangles and squares, creating a modern, architectural feel.

Appendix

Income Statement

(unaudited, in \$'000)

Identiv, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

| | Three Months Ended | | | Nine Months Ended | |
|---|-----------------------|------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2023 | June 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| Net revenue | \$ 31,846 | \$ 29,555 | \$ 30,996 | \$ 87,398 | \$ 83,914 |
| Cost of revenue | 19,905 | 18,707 | 19,808 | 55,398 | 53,550 |
| Gross profit | 11,941 | 10,848 | 11,188 | 32,000 | 30,364 |
| Operating expenses: | | | | | |
| Research and development | 2,916 | 3,015 | 2,625 | 8,638 | 7,633 |
| Selling and marketing | 5,641 | 5,879 | 5,326 | 17,617 | 15,709 |
| General and administrative | 2,939 | 2,903 | 2,639 | 8,790 | 7,623 |
| Restructuring and severance | 104 | 81 | 49 | 376 | 132 |
| Total operating expenses | 11,600 | 11,878 | 10,639 | 35,421 | 31,097 |
| Income (loss) from operations | 341 | (1,030) | 549 | (3,421) | (733) |
| Non-operating income (expense): | | | | | |
| Interest expense, net | (211) | (90) | (39) | (351) | (101) |
| Gain on investment | 132 | — | — | 132 | 30 |
| Foreign currency gains (losses), net | (264) | (9) | (3) | (184) | 111 |
| Income (loss) before income tax benefit (provision) | (2) | (1,129) | 507 | (3,824) | (693) |
| Income tax benefit (provision) | (20) | (15) | 12 | (61) | (38) |
| Net income (loss) | (22) | (1,144) | 519 | (3,885) | (731) |
| Cumulative dividends on Series B convertible preferred stock | (319) | (315) | (304) | (947) | (902) |
| Net income (loss) available to common stockholders | \$ (341) | \$ (1,459) | \$ 215 | \$ (4,832) | \$ (1,633) |
| Net income (loss) per common share: | | | | | |
| Basic | \$ (0.01) | \$ (0.06) | \$ 0.01 | \$ (0.21) | \$ (0.07) |
| Diluted | \$ (0.01) | \$ (0.06) | \$ 0.01 | \$ (0.21) | \$ (0.07) |
| Weighted average shares used in computing net income (loss) per common share: | | | | | |
| Basic | 23,174 | 23,051 | 22,682 | 23,008 | 22,632 |
| Diluted | 23,174 | 23,051 | 23,315 | 23,008 | 22,632 |

Balance Sheet

(in \$'000)

Identiv, Inc.
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

| | September 30, 2023 | June 30, 2023 | March 31, 2023 | December 31, 2022 |
|---|-------------------------------|--------------------------|---------------------------|------------------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 19,674 | \$ 21,905 | \$ 20,804 | \$ 16,650 |
| Restricted cash | 1,254 | 300 | 363 | 487 |
| Accounts receivable, net of allowances | 25,892 | 22,911 | 21,136 | 24,826 |
| Inventories | 29,423 | 31,092 | 30,609 | 28,958 |
| Prepaid expenses and other current assets | 5,238 | 5,136 | 4,361 | 4,177 |
| Total current assets | 81,481 | 81,344 | 77,273 | 75,098 |
| Property and equipment, net | 8,518 | 8,237 | 7,595 | 6,719 |
| Operating lease right-of-use assets | 5,525 | 5,952 | 4,344 | 4,373 |
| Intangible assets, net | 4,483 | 4,760 | 4,999 | 5,265 |
| Goodwill | 10,189 | 10,218 | 10,192 | 10,190 |
| Other assets | 1,261 | 1,186 | 1,148 | 1,120 |
| Total assets | \$ 111,457 | \$ 111,697 | \$ 105,551 | \$ 102,765 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 12,099 | \$ 12,827 | \$ 9,926 | \$ 14,760 |
| Financial liabilities | 9,939 | 9,951 | 9,941 | — |
| Operating lease liabilities | 1,708 | 1,695 | 1,199 | 1,190 |
| Deferred revenue | 2,474 | 2,428 | 1,798 | 2,068 |
| Accrued compensation and related benefits | 2,580 | 2,538 | 2,395 | 2,757 |
| Other accrued expenses and liabilities | 2,872 | 2,746 | 2,648 | 2,618 |
| Total current liabilities | 31,672 | 32,185 | 27,907 | 23,393 |
| Long-term operating lease liabilities | 4,037 | 4,481 | 3,371 | 3,366 |
| Long-term deferred revenue | 904 | 711 | 647 | 587 |
| Other long-term liabilities | 25 | 25 | 25 | 25 |
| Total liabilities | 36,638 | 37,402 | 31,950 | 27,371 |
| Total stockholders' equity | 74,819 | 74,295 | 73,601 | 75,394 |
| Total liabilities and stockholders' equity | \$ 111,457 | \$ 111,697 | \$ 105,551 | \$ 102,765 |

GAAP to Non-GAAP Reconciliation

(in \$M)

| | Q3 2021 | Q4 2021 | FY 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | FY 2022 | Q1 2023 | Q2 2023 | Q3 2023 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Reconciliation of GAAP gross margin to non-GAAP gross margin | | | | | | | | | | | |
| <i>GAAP gross margin (%)</i> | 38% | 33% | 36% | 36% | 37% | 36% | 36% | 36% | 35% | 37% | 37% |
| GAAP gross profit | \$11.1 | \$9.4 | \$37.1 | \$9.0 | \$10.2 | \$11.2 | \$10.6 | \$41.0 | \$9.2 | \$10.8 | \$11.9 |
| Stock-based compensation | \$0.0 | \$0.0 | \$0.2 | \$0.1 | \$0.0 | \$0.0 | \$0.1 | \$0.2 | \$0.0 | \$0.0 | \$0.0 |
| Amortization and depreciation | \$0.3 | \$0.3 | \$1.0 | \$0.3 | \$0.3 | \$0.3 | \$0.3 | \$1.3 | \$0.4 | \$0.4 | \$0.5 |
| Total reconciling items included in GAAP gross profit | \$0.3 | \$0.3 | \$1.2 | \$0.3 | \$0.4 | \$0.4 | \$0.4 | \$1.5 | \$0.4 | \$0.4 | \$0.5 |
| Non-GAAP gross profit | \$11.4 | \$9.7 | \$38.3 | \$9.3 | \$10.6 | \$11.6 | \$11.0 | \$42.4 | \$9.6 | \$11.3 | \$12.4 |
| <i>Non-GAAP gross margin (%)</i> | 39% | 34% | 37% | 37% | 38% | 37% | 38% | 38% | 37% | 38% | 39% |
| Reconciliation of GAAP operating expenses to non-GAAP operating expenses | | | | | | | | | | | |
| GAAP operating expenses | \$9.1 | \$11.3 | \$38.4 | \$10.0 | \$10.5 | \$10.6 | \$10.2 | \$41.3 | \$11.9 | \$11.9 | \$11.6 |
| Stock-based compensation | (\$0.5) | (\$0.5) | (\$2.4) | (\$0.8) | (\$0.8) | (\$0.8) | (\$0.5) | (\$3.0) | (\$0.9) | (\$0.9) | (\$0.9) |
| Amortization and depreciation | (\$0.2) | (\$0.2) | (\$1.0) | (\$0.2) | (\$0.2) | (\$0.3) | (\$0.2) | (\$1.0) | (\$0.2) | (\$0.2) | (\$0.3) |
| Loss on disposal of property and equipment | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | (\$0.1) | (\$0.1) | \$0.0 | \$0.0 | \$0.0 |
| Change in fair value of earnout liability | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Acquisition related transaction costs | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Restructuring and severance | (\$0.1) | (\$0.1) | (\$0.8) | \$0.1 | (\$0.2) | (\$0.0) | (\$0.1) | (\$0.2) | (\$0.2) | (\$0.1) | (\$0.1) |
| Total reconciling items included in GAAP operating expenses | (\$0.9) | (\$0.8) | (\$4.2) | (\$0.9) | (\$1.2) | (\$1.1) | (\$0.9) | (\$4.2) | (\$1.4) | (\$1.3) | (\$1.3) |
| Non-GAAP operating expenses | \$8.2 | \$10.5 | \$34.2 | \$9.0 | \$9.2 | \$9.5 | \$9.3 | \$37.1 | \$10.6 | \$10.6 | \$10.3 |
| Reconciliation of GAAP net income (loss) to non-GAAP adjusted EBITDA | | | | | | | | | | | |
| GAAP net income (loss) | \$2.5 | (\$1.9) | \$1.6 | (\$1.0) | (\$0.3) | \$0.5 | \$0.3 | (\$0.4) | (\$2.7) | (\$1.1) | (\$0.0) |
| Income tax provision (benefit) | \$0.0 | (\$0.1) | \$0.0 | (\$0.0) | \$0.1 | (\$0.0) | \$0.1 | \$0.1 | \$0.0 | \$0.0 | \$0.0 |
| Interest expense, net | \$0.1 | \$0.0 | \$0.5 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.1 | \$0.1 | \$0.1 | \$0.2 |
| Gain on forgiveness of Paycheck Protection Program note | \$0.0 | \$0.0 | (\$2.9) | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Gain on sale of investment | (\$0.6) | \$0.0 | (\$0.6) | (\$0.0) | (\$0.0) | \$0.0 | \$0.0 | (\$0.0) | \$0.0 | \$0.0 | (\$0.1) |
| Foreign currency (gains) losses, net | \$0.0 | \$0.1 | \$0.1 | (\$0.0) | (\$0.1) | \$0.0 | (\$0.0) | (\$0.2) | (\$0.1) | \$0.0 | \$0.3 |
| Stock-based compensation | \$0.6 | \$0.6 | \$2.6 | \$0.9 | \$0.8 | \$0.9 | \$0.6 | \$3.2 | \$1.0 | \$1.0 | \$1.0 |
| Amortization and depreciation | \$0.5 | \$0.5 | \$1.9 | \$0.5 | \$0.6 | \$0.6 | \$0.6 | \$2.3 | \$0.6 | \$0.6 | \$0.7 |
| Loss on disposal of property and equipment | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.1 | \$0.1 | \$0.0 | \$0.0 | \$0.0 |
| Change in fair value of earnout liability | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Acquisition related transaction costs | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Restructuring and severance | \$0.1 | \$0.1 | \$0.8 | (\$0.1) | \$0.2 | \$0.0 | \$0.1 | \$0.2 | \$0.2 | \$0.1 | \$0.1 |
| Total reconciling items included in GAAP net income (loss) | \$0.7 | \$1.2 | \$2.4 | \$1.2 | \$1.6 | \$1.5 | \$1.4 | \$5.8 | \$1.8 | \$1.8 | \$2.2 |
| Non-GAAP adjusted EBITDA | \$3.2 | (\$0.7) | \$4.0 | \$0.2 | \$1.4 | \$2.0 | \$1.7 | \$5.4 | (\$0.9) | \$0.7 | \$2.2 |
| <i>Non-GAAP adjusted EBITDA margin (%)</i> | 11% | (3%) | 4% | 1% | 5% | 7% | 6% | 5% | -4% | 2% | 7% |