



Q2 2022 Earnings Conference Call

Wednesday, August 3, 2022 at 5 PM ET



Safe Harbor

Note Regarding Forward-Looking Information

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those involving future events and future results that are based on current expectations as well as the current beliefs and assumptions of the Company's management and can be identified by words such as "anticipates", "believes", "plans", "will", "intends", "expects", and similar references to the future. Any statement that is not a historical fact, including statements regarding the Company's expectations regarding trajectory future operating and financial outlook and performance, including 2022 and 2023 guidance, the Company's beliefs regarding its ability to achieve its business and strategic objectives and growth and expected benefits thereof, the drivers of momentum in its business, the Company's beliefs regarding its capital and the sufficiency and uses thereof, the Company's beliefs regarding customer demand in its core markets, customer production and design wins and the associated benefits, the Company's beliefs regarding its ability to execute on its key initiatives and the potential benefits thereof, the Company's beliefs regarding its competitive position, the Company's beliefs regarding the benefits of its strategic collaborations, the company's beliefs regarding its supply chain and the Company's beliefs regarding design wins, backlog and future orders is a forward-looking statement. Forward-looking statements are only predictions and are subject to a number of risks and uncertainties, many of which are outside our control, which could cause actual results to differ materially and adversely from those expressed in any forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to the Company's ability to continue the momentum in its business, its ability to successfully execute its business strategy, its ability to capitalize on trends in its business, its ability to satisfy customer demand and expectations, the level and timing of customer orders, the success of its products and strategic partnerships, industry trends and seasonality, the impact of inflation and increases in prices, the impact of COVID-19, the effects of shortages of semiconductors and the other factors discussed in its periodic reports, including its Annual Report on Form 10-K for the year ended December 31, 2021, Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, and subsequent reports filed with the U.S. Securities and Exchange Commission. All forward-looking statements are based on information available to us on the date hereof, and we assume no obligation to update such statements.

Non-GAAP Financial Measures (Unaudited)

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 profit 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 profit margin, including but not limited to for income tax benefit (provision), loss (gain) on extinguishment of debt, interest expense, foreign currency (gains) losses, stock-based compensation, amortization and depreciation, change in fair value of earnout liability, acquisition related transaction costs, gain on sale of investments, restructuring and severance, and gain in investment. Non-GAAP operating expenses exclude stock-based compensation, amortization and depreciation, and restructuring and severance. 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.

Agenda

- I. Q2 2022 Highlights
- II. Financial Review
- III. 2022 Business Drivers

Q2 2022 Business Highlights

• Q2 2022 Overview

- RFID revenue up 41% year-over-year
- GAAP gross margins up sequentially to 37%
- Non-GAAP gross margins up sequentially to 38%
- Premises revenues up 19% year-over-year, 3x the industry growth rate
- Total revenue up 16% year-over-year to \$27.9 million
- Total future backlog at end of Q2 2022 up 23% year-over-year
- GAAP net loss at \$0.3 million
- Non-GAAP Adjusted EBITDA at \$1.4 million, above our projections
- Strong balance sheet that remains debt free with a healthy cash position: \$25.9 million of cash, cash equivalents, and restricted cash at quarter end

• RFID Market Leadership & Customer Expansion

- Enabling the IoT with our deep technology specialty RFID solutions
- Launched first-to-market Battery-Assisted Pixel (BAP) cold-chain solution with IoT platform company Wiliot that incorporates both Bluetooth and RFID
- Record number of non-recurring engineering (NRE) contracts: 38 at end of second quarter
- Transformational initiatives on track:
 - Auto-injector, Cannabis (U.S. & Canada), Intelligent Prescriptions, Mobile Device
- Maintained 100% customer retention in RFID while continuing to broaden our RFID customer base

RFID-Enabled Smart Packaging for Cannabis Market



Jerseys with Embedded NFC tag for Authentication and Consumer Engagement



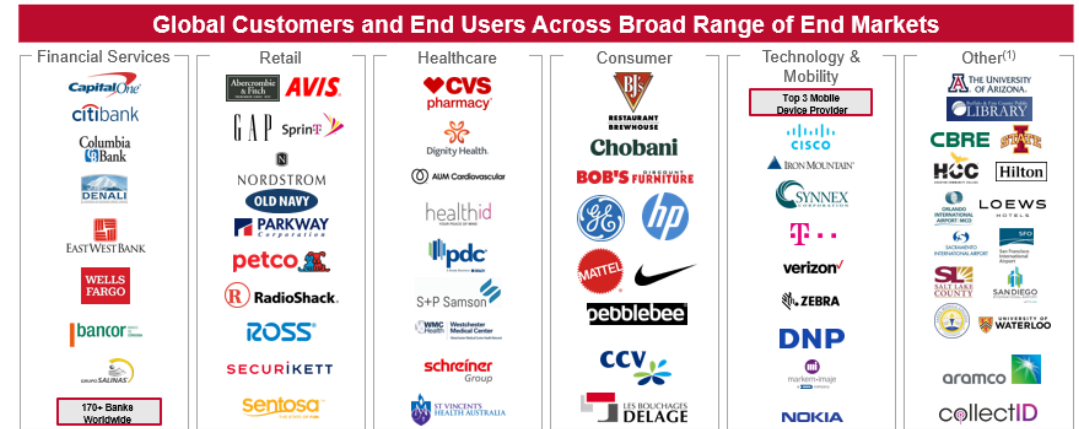
Q2 2022 Business Highlights

• Premises Segment Updates

- 19% growth year-over-year → 3x industry growth rate
- Expanding Commercial demand: now over half of Premises revenues
- Commercial strength + Federal strength
 - Sustainable 3x market growth: Demand for security solutions is recession-resistant
 - Gov't sales seasonal peak in Q3 due to Federal gov't fiscal year end
- Compelling value proposition: high security, cost effectiveness, & complete solutions from a single vendor

• Competitive Advantages Expanding

- Proactive supply chain management
 - Expanding capacity to meet upside demand and investing in inventory
 - Maintaining strong relationships with chip suppliers to secure allocation for strategic customer projects
- Industry thought leadership
 - Added RFID industry visionary Manfred Rietzler as a Strategic Advisor
 - Awarded NFC Forum 2022 Innovation Award for Spoken Rx solution
 - Invited to join the Board of the NFC Forum

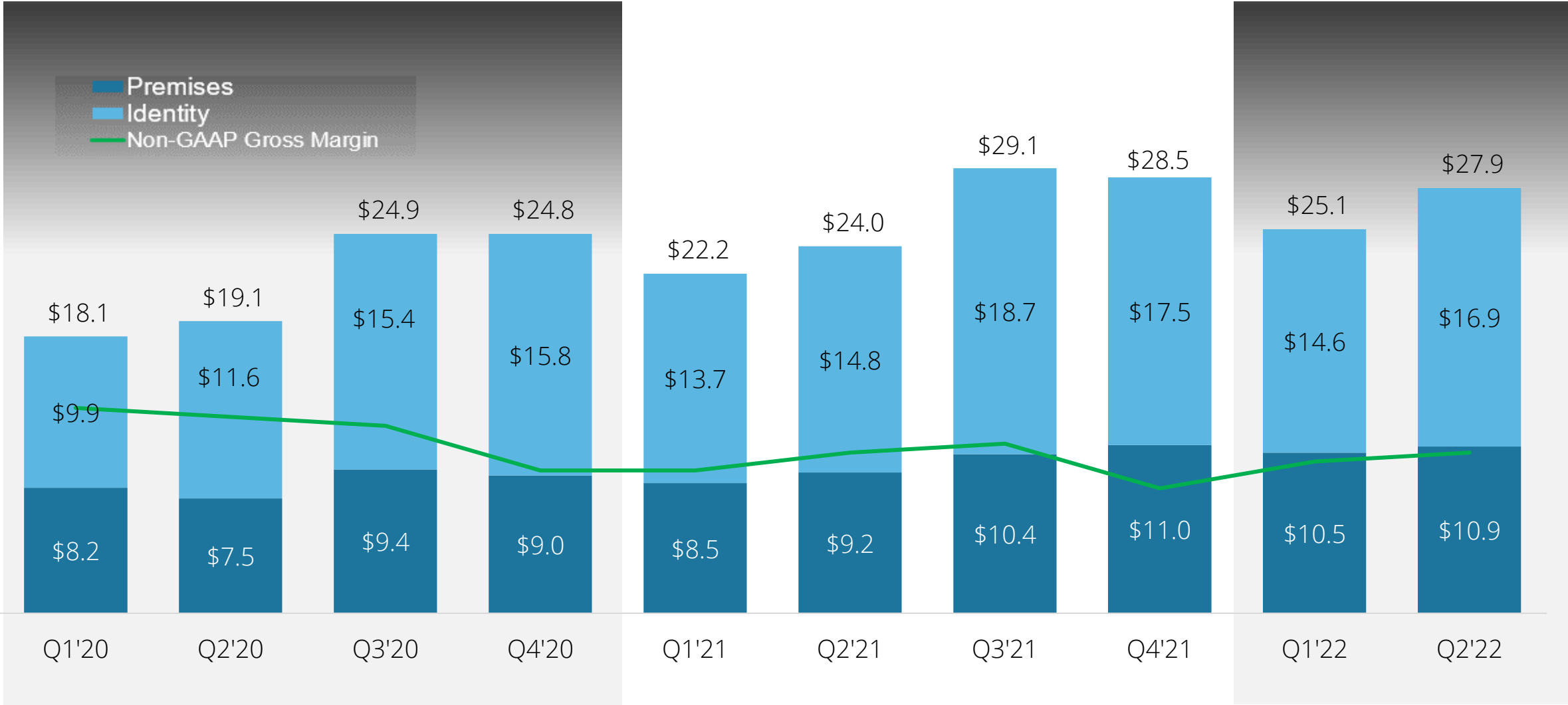


Q2 2022 Financial Overview

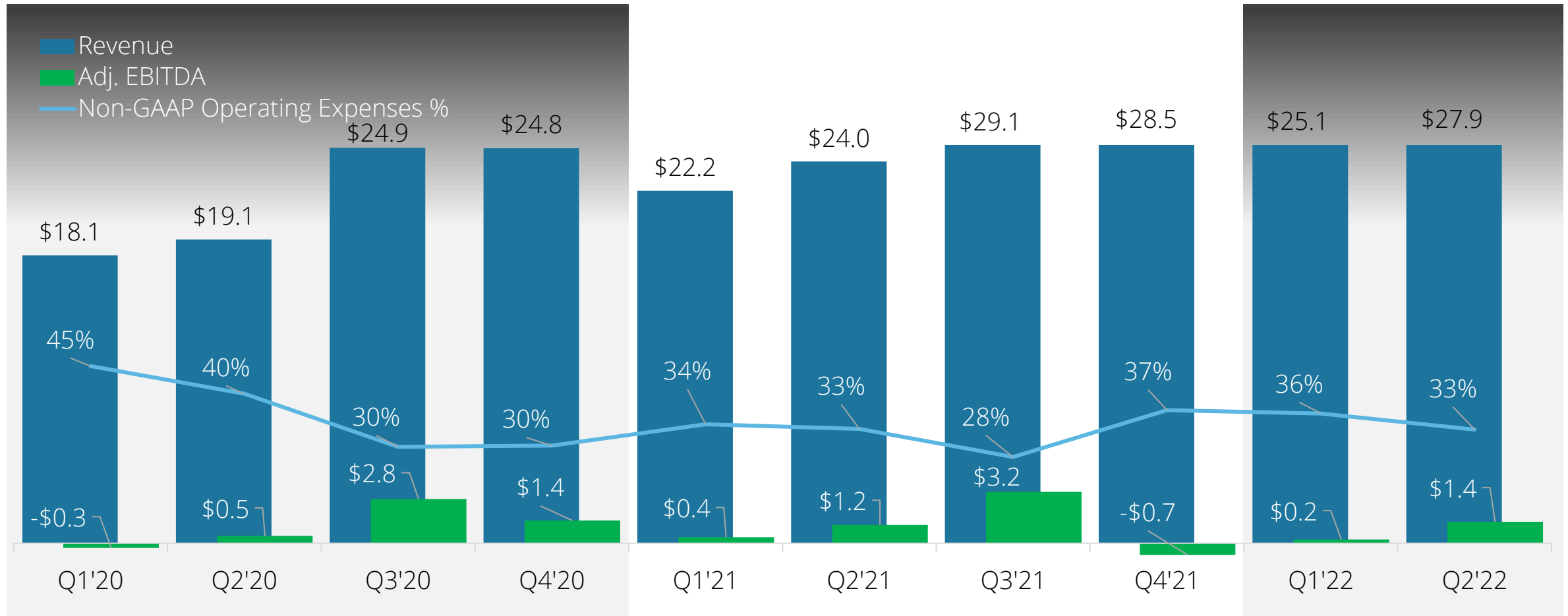
Financial Overview

Metric	Q2'22	Q1'22	Q2'21	TTM
Revenue	\$27.9M	\$25.1M	\$24.0M	\$110.5M
Recurring Revenue (% of Revenue)	5%	6%	8%	5%
GAAP Gross Margin	37%	36%	37%	36%
Non-GAAP Gross Margin	38%	37%	38%	37%
GAAP Operating Expenses	\$10.5M	\$10.0M	\$9.1M	\$40.8M
Non-GAAP Operating Expenses	\$9.2M	\$9.0M	\$8.0M	\$37.0M
GAAP Net Income (Loss)	\$(0.3M)	\$(1.0M)	\$2.5M	\$(0.6M)
EPS (GAAP) Diluted	\$(0.02)	\$(0.06)	\$0.09	\$(0.08)
Non-GAAP Adj. EBITDA Margin	5%	1%	5%	4%

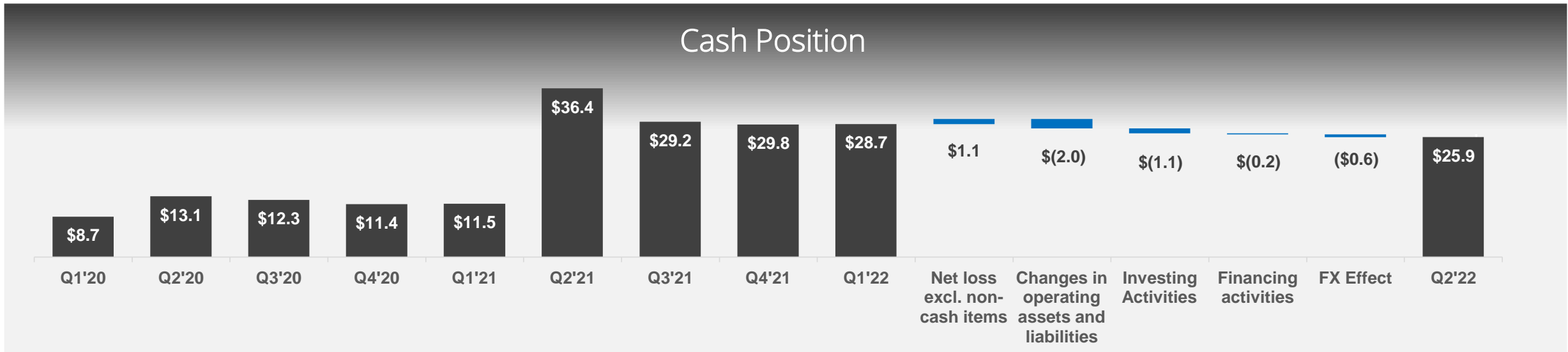
Segment Revenue & Non-GAAP Gross Margin



Total Revenue & Non-GAAP Adjusted EBITDA Operating Expenses



Q2 2022 Cash Flow and Balance Sheet (in \$M)



Assets	Q2'21	Q1'22	Q2'22	Equity & Liabilities	Q2'21	Q1'22	Q2'22	Cash Flow	Q2'21	Q1'22	Q2'22
Cash & cash equivalents	36.4	28.7*	25.9*	Accounts payable	8.6	11.3	13.8	From operations*	(2.5)	(0.0)	(0.9)
Accounts receivable	17.7	19.5	21.0	Financial liabilities	9.9	0.0	0.0	From investing	(0.5)	(0.5)	(1.1)
Inventory	21.9	20.5	22.2	Other liabilities	13.7	9.8	9.1	From financing	27.9	(0.4)	(0.2)
Other assets	29.9	26.2	27.3	Total Equity	73.7	73.8	73.5	FX effect	(0.1)	(0.2)	(0.6)
Total	105.9	94.9	96.4	Total	105.9	94.9	96.4	Total	24.9	(1.1)	(2.8)

2022 Business Drivers

2022 Outlook & RFID Drivers



- **Strong Execution of RFID Growth Strategy**
 - Securing our leading position in the expanding RFID-enabled IoT sector
 - Company record number of NRE engagements leading to design-in wins with a wide range of use cases – 38 projects as of June 30
 - Adding people in engineering, product, and project management to support NRE project demand
 - Focus on medical devices, specialty retail, and industrial verticals
 - High margin, high ASP advanced RFID applications for the IoT
 - Partnerships: Wiliot for Bluetooth RFID devices, CollectID for Consumer Engagement, TrueGreen for Cannabis
 - Supply chain: strategic relationships with chip suppliers, proactive RFID orders to secure supply
 - Expanding capacity: evaluating second production site in Indonesia
- **2022 and 2023 Outlook**
 - Expanding guidance range for FY 2022 and reiterating guidance for FY 2023
 - Growing backlog = Visibility for 2H 2022

*Subject to actual orders

2022 Trends & Outlook

- Sustainable Premises Growth, Possibly Expanding
 - Commercial sales accelerating across multiple verticals
 - Public sector markets (airports, schools)
 - Long-term growth trend in federal government security spending
 - Federal government fiscal year-end in Q3
- Resilient vs. Potential Macroeconomic Environments
 - Recession-resistant core end markets
 - Medical devices and cannabis in RFID, Security in Premises
 - Inflation: Debt free balance sheet
 - Investments in security increase in times of geopolitical risk
- Strong Momentum for 2H 2022 and 2023
 - Positioned to continue 40%+ growth in RFID, with upside volumes from transformational projects
 - Government + Commercial demand → Premises growth upside



Thank You

Question & Answer Session

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Income Statement

(unaudited, in \$'000)

	Three Months Ended			Six Months Ended	
	June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Net revenue	\$ 27,857	\$ 25,061	\$ 23,993	\$ 52,918	\$ 46,155
Cost of revenue	17,647	16,095	15,153	33,742	29,623
Gross profit	10,210	8,966	8,840	19,176	16,532
Operating expenses:					
Research and development	2,479	2,529	2,131	5,008	4,468
Selling and marketing	5,273	5,110	4,147	10,383	8,211
General and administrative	2,496	2,488	2,595	4,984	4,720
Restructuring and severance	223	(140)	274	83	662
Total operating expenses	10,471	9,987	9,147	20,458	18,061
Loss from operations	(261)	(1,021)	(307)	(1,282)	(1,529)
Non-operating income (expense):					
Interest expense, net	(37)	(25)	(144)	(62)	(389)
Gain on forgiveness of Paycheck Protection Program note	—	—	2,946	—	2,946
Gain on investment	6	24	—	30	—
Foreign currency gains, net	95	19	—	114	46
Income (loss) before income tax benefit (provision)	(197)	(1,003)	2,495	(1,200)	1,074
Income tax benefit (provision)	(54)	4	(29)	(50)	(73)
Net income (loss)	(251)	(999)	2,466	(1,250)	1,001
Cumulative dividends on Series B convertible preferred stock	(300)	(298)	(286)	(598)	(570)
Net income (loss) available to common stockholders	\$ (551)	\$ (1,297)	\$ 2,180	\$ (1,848)	\$ 431
Net income (loss) per common share:					
Basic	\$ (0.02)	\$ (0.06)	\$ 0.10	\$ (0.08)	\$ 0.02
Diluted	\$ (0.02)	\$ (0.06)	\$ 0.09	\$ (0.08)	\$ 0.02
Weighted average shares used in computing net income (loss) per common share:					
Basic	22,639	22,574	21,908	22,606	20,185
Diluted	22,639	22,574	28,751	22,606	21,092

Balance Sheet

(in \$'000)

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

	June 30, 2022	March 31, 2022	December 31, 2021
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 25,016	\$ 27,614	\$ 28,553
Restricted cash	905	1,074	1,254
Accounts receivable, net of allowances	20,951	19,452	19,963
Inventories	22,235	20,493	19,924
Prepaid expenses and other current assets	3,495	2,673	3,032
Total current assets	72,602	71,306	72,726
Property and equipment, net	5,153	4,341	4,066
Operating lease right-of-use assets	1,498	1,780	2,088
Intangible assets, net	5,869	6,182	6,445
Goodwill	10,250	10,288	10,268
Other assets	1,055	1,012	1,070
Total assets	\$ 96,427	\$ 94,909	\$ 96,663
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 13,809	\$ 11,335	\$ 10,502
Operating lease liabilities	949	1,143	1,269
Deferred revenue	2,035	1,489	2,153
Accrued compensation and related benefits	2,671	2,675	3,150
Other accrued expenses and liabilities	2,343	3,316	3,774
Total current liabilities	21,807	19,958	20,848
Long-term operating lease liabilities	645	748	938
Long-term deferred revenue	444	295	280
Other long-term liabilities	25	74	85
Total liabilities	22,921	21,075	22,151
Total stockholders' equity	73,506	73,834	74,512
Total liabilities and stockholders' equity	\$ 96,427	\$ 94,909	\$ 96,663

Operating Results & Non-GAAP Adjusted EBITDA Reconciliation

(in \$M)

	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022
Reconciliation of GAAP gross profit margin and non-GAAP gross profit margin											
<i>GAAP gross profit margin (%)</i>	40%	40%	35%	39%	35%	37%	38%	33%	36%	36%	37%
GAAP gross profit	\$7.7	\$9.9	\$8.6	\$33.7	\$7.7	\$8.8	\$11.1	\$9.4	\$37.1	\$9.0	\$10.2
Stock-based compensation	\$0.0	\$0.0	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2	\$0.1	\$0.0
Amortization and depreciation	\$0.3	\$0.3	\$0.3	\$1.2	\$0.2	\$0.3	\$0.3	\$0.3	\$1.0	\$0.3	\$0.3
Total reconciling items included in GAAP gross profit	\$0.4	\$0.4	\$0.4	\$1.2	\$0.3	\$0.3	\$0.3	\$0.3	\$1.2	\$0.3	\$0.4
Non-GAAP gross profit	\$8.1	\$10.2	\$8.9	\$34.9	\$8.0	\$9.1	\$11.4	\$9.7	\$38.3	\$9.3	\$10.6
<i>Non-GAAP gross profit margin (%)</i>	42%	41%	36%	40%	36%	38%	39%	34%	37%	37%	38%
Reconciliation of GAAP operating expenses to non-GAAP operating expenses											
GAAP operating expenses	\$10.0	\$8.9	\$8.9	\$37.1	\$8.9	\$9.1	\$9.1	\$11.3	\$38.4	\$10.0	\$10.5
Stock-based compensation	(\$0.7)	(\$0.7)	(\$0.8)	(\$2.9)	(\$0.7)	(\$0.6)	(\$0.5)	(\$0.5)	(\$2.4)	(\$0.8)	(\$0.8)
Amortization and depreciation	(\$0.5)	(\$0.5)	(\$0.5)	(\$2.1)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.2)	(\$1.0)	(\$0.2)	(\$0.2)
Change in fair value of earnout liability	\$0.3	\$0.0	\$0.0	\$0.3	\$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	(\$1.4)	(\$0.2)	(\$0.1)	(\$1.7)	(\$0.4)	(\$0.3)	(\$0.1)	(\$0.1)	(\$0.8)	\$0.1	(\$0.2)
Total reconciling items included in GAAP operating expenses	(\$2.4)	(\$1.4)	(\$1.4)	(\$6.4)	(\$1.4)	(\$1.2)	(\$0.9)	(\$0.8)	(\$4.2)	(\$0.9)	(\$1.2)
Non-GAAP operating expenses	\$7.6	\$7.5	\$7.5	\$30.7	\$7.6	\$8.0	\$8.2	\$10.5	\$34.2	\$9.0	\$9.2
Reconciliation of GAAP net income (loss) to non-GAAP adjusted EBITDA											
GAAP net income (loss)	(\$2.7)	\$0.4	(\$0.7)	(\$5.1)	(\$1.5)	\$2.5	\$2.5	(\$1.9)	\$1.6	(\$1.0)	(\$0.3)
Income tax provision (benefit)	\$0.1	\$0.0	(\$0.0)	\$0.1	\$0.0	\$0.0	\$0.0	(\$0.1)	\$0.0	(\$0.0)	\$0.1
Interest expense, net	\$0.4	\$0.4	\$0.4	\$1.5	\$0.2	\$0.1	\$0.1	\$0.0	\$0.5	\$0.0	\$0.0
Gain on forgiveness of Paycheck Protection Program note	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$2.9)	\$0.0	\$0.0	(\$2.9)	\$0.0	\$0.0
Gain on sale of investment	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.6)	\$0.0	(\$0.6)	(\$0.0)	(\$0.0)
Foreign currency (gains) losses, net	\$0.0	\$0.2	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	(\$0.0)	(\$0.1)
Stock-based compensation	\$0.8	\$0.8	\$0.8	\$3.0	\$0.8	\$0.7	\$0.6	\$0.6	\$2.6	\$0.9	\$0.8
Amortization and depreciation	\$0.8	\$0.8	\$0.8	\$3.3	\$0.5	\$0.5	\$0.5	\$0.5	\$1.9	\$0.5	\$0.6
Change in fair value of earnout liability	(\$0.3)	\$0.0	\$0.0	(\$0.3)	\$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	\$1.4	\$0.2	\$0.1	\$1.7	\$0.4	\$0.3	\$0.1	\$0.1	\$0.8	(\$0.1)	\$0.2
Total reconciling items included in GAAP net income (loss)	\$3.2	\$2.4	\$2.1	\$9.5	\$1.9	(\$1.3)	\$0.7	\$1.2	\$2.4	\$1.2	\$1.6
Non-GAAP adjusted EBITDA	\$0.5	\$2.8	\$1.4	\$4.4	\$0.4	\$1.2	\$3.2	(\$0.7)	\$4.0	\$0.2	\$1.4
<i>Non-GAAP adjusted EBITDA margin (%)</i>	2%	11%	6%	5%	2%	5%	11%	(3%)	4%	1%	5%