

Q4 and FY 2023 Earnings Conference Call

Tuesday, March 12, 2024, at 5:00PM EDT



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 its future operating and financial outlook and performance; the Company's strategy, focus and its foundation for growth; its expected goals of its strategic review process; expected business drivers; the Company's ability to support pilots for technically complex SCRI applications; the Company's ability to expand its production capacity in Thailand; the Company's expectations with respect to demand and customer orders; and the Company's expectations regarding its products, are forward-looking statements. 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 effect of the strategic review on the Company's business, 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 effects of shortages of semiconductors and the other risk factors discussed in its periodic reports, including its Annual Report on Form 10-K for the year ended December 31, 2022 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 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. Recent Business Highlights
- II. Q4 and FY 2023 Financial Review
- III. 2024 Business Drivers
- IV. Q&A Session

Recent Business Highlights

- Record fiscal year revenue at \$116.4 million
- Delivered \$4.8 million in Cash Flow from Operations in Q4 2023
- **Strategic Review**
 - Ongoing process
 - Continued to be a major focus and activity in Q4 2023
 - A primary focus of the management team and Board
 - Goal: maximize shareholder value creation
- Seeking to add world-class leadership to drive SCRI growth



Recent Business Highlights

• Identity Segment Updates

- Shipped nearly 200M RFID units in FY 2023
- Healthcare vertical accounted for more than half of NFC-based revenue; ongoing pilot projects with over 2 dozen healthcare companies
- 15 pilots currently underway in Europe for a real-time BLE-enabled tracking solution for temperature-sensitive assets
- Delivered nearly 14 million units to Wiliot in Q4 2023
- Commenced engagement with data platform company Nexite for BLE-enabled solution for retail
- Released bitse.io 3.0 with advanced features for supply chain monitoring and customer engagement
- Doubled sales quarter-over-quarter to a smart home electronics company.
- Partnered with Mazars on a new AI-enabled retail operations solution that integrates Microsoft Dynamics 365 with bitse.io platform
- 200M unit Thailand capacity exiting 2023; leased the adjacent building in early 2024
- Secured \$2 million order for a secure employee credentials application for global retailer

Partnered with Mazars on a new AI-enabled retail operations solution



Recent Business Highlights

- **Premises Segment Updates**

- Core PACS business up 9% year-over-year
- Product Releases include:
 - SMB Products: Primis, EG2, Primis mobile app
 - Enterphone 10.3 and Enterphone Mobile
 - Vision AI standard feature in all our video offerings.
 - ScrambleFactor reader with biometrics and multi-factor authentication.
- Software, services, and recurring revenues grew to record 24% of Premises segment revenues in Q4 2023
- Velocity 3.8.5 software, Hirsch hardware, and uTrust TS Readers approved for listing on the GSA Approved Products List (APL)
- Progress in key strategic directions including OEM and federal sales, hospital and healthcare systems, and Velocity Vision pilots



Launched ScrambleFactor for federal market



Q4 2023 Summary

• Premises

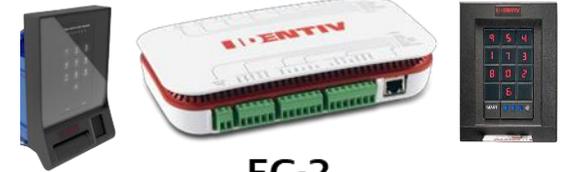
- Strengthened industry-wide, with software services and recurring revenues reaching well over 20% of Premises revenues exiting 2023
- Product releases strengthen market positioning across cloud, AI analytics, SMB and next-generation sensors and biometrics

• Identity

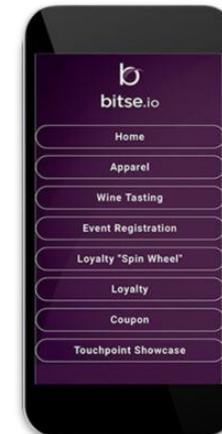
- Focused on SCRI applications, particularly in healthcare and consumer engagement
- Continued progress developing bitse.io data analytics platform



Primis
Cloud SMB Access Control



EG-2
Edge Gateways



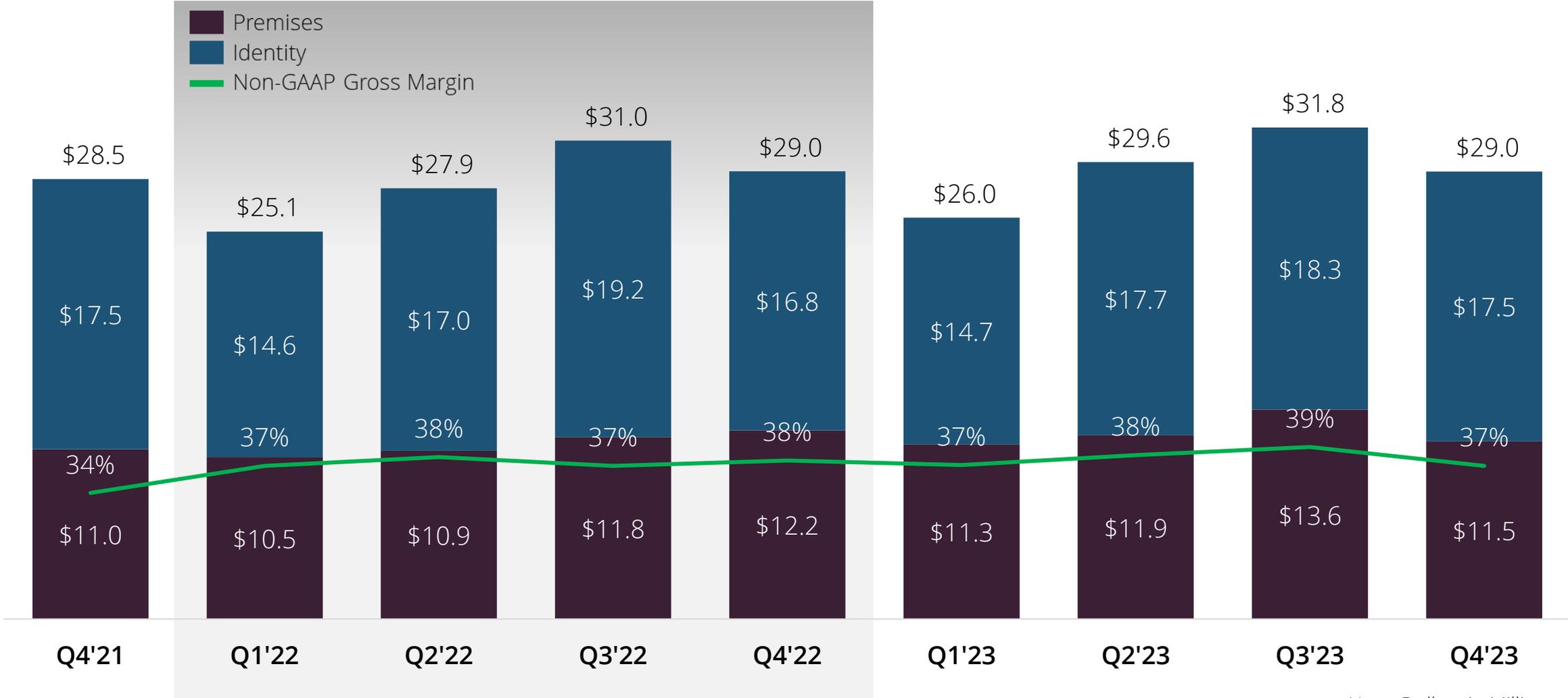


Q4 and FY 2023 Financial Review

Financial Overview

Metric	Q4'23	Q3'23	Q4'22		FY 2023	FY 2022
Revenue	\$29.0M	\$31.8M	\$29.0M		\$116.4M	\$112.9M
GAAP Gross Margin	35.1%	37.5%	36.5%		36.2%	36.3%
Non-GAAP Gross Margin*	37.0%	39.1%	37.9%		37.9%	37.6%
GAAP Operating Expenses	\$11.8M	\$11.6M	\$10.2M		\$47.2M	\$41.3M
Non-GAAP Operating Expenses*	\$9.8M	\$10.3M	\$9.3M		\$41.3M	\$37.1M
GAAP Net Income (Loss)**	(\$1.9M)	(\$0.3M)	\$0.0M		(\$6.8M)	(\$1.6M)
EPS (GAAP) Diluted	(\$0.08)	(\$0.01)	\$0.00		(\$0.29)	(\$0.07)
Non-GAAP Adj. EBITDA*	\$0.9M	\$2.2M	\$1.7M		\$2.8M	\$5.4M
Non-GAAP Adj. EBITDA Margin*	3%	7%	6%		2%	5%

Segment Revenue and Non-GAAP Gross Margin*

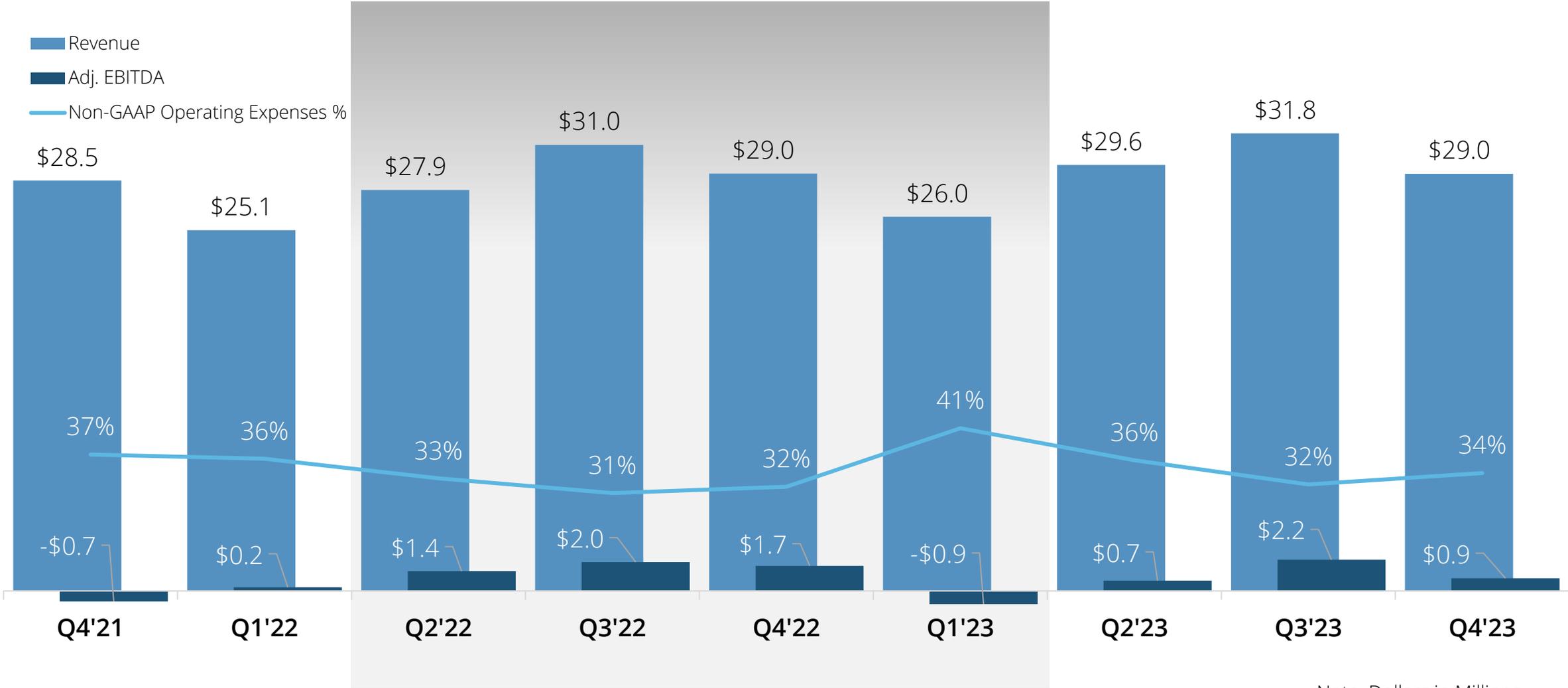


Note: Dollars in Millions

*Please refer to a reconciliation of Non-GAAP to GAAP later in this presentation or in prior earnings releases. May include rounding differences.



Total Revenue and Non-GAAP Adjusted EBITDA Operating Expenses*

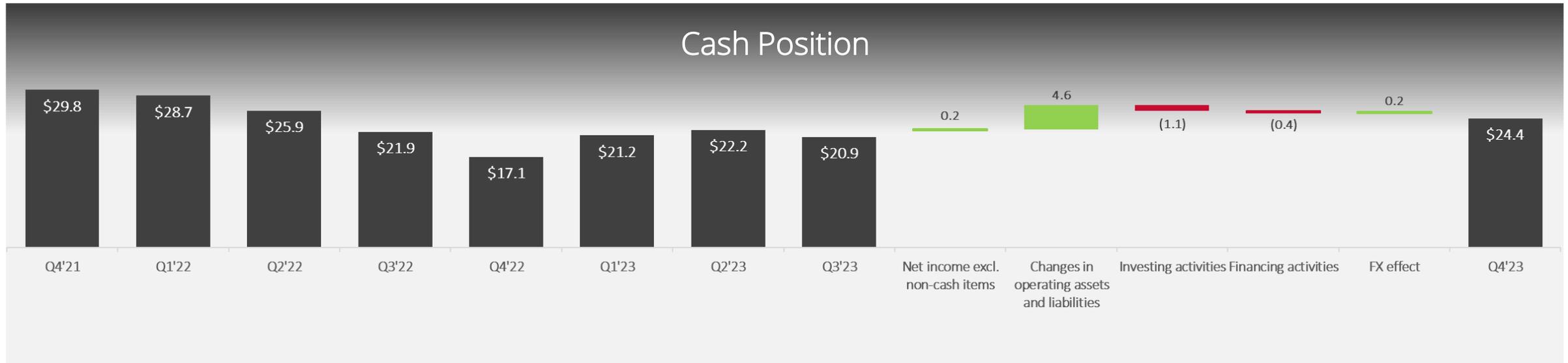


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Q4 2023 Cash Flow and Balance Sheet (in \$M)



Assets	Q4'22	Q3'23	Q4'23	Liabilities & Equity	Q4'22	Q3'23	Q4'23	Cash Flow	Q4'22	Q3'23	Q4'23
Cash & cash equivalents*	17.1	20.9	24.4	Accounts payable	15.2	12.1	12.3	From operations*	(4.8)	(0.3)	4.8
Accounts receivable	24.8	25.9	22.0	Financial liabilities	0.0	9.9	9.9	From investing	(0.9)	(0.6)	(1.1)
Inventory	29.0	29.4	28.7	Other liabilities	12.2	14.5	13.2	From financing	(0.1)	(0.2)	(0.4)
Other assets	31.9	35.3	34.6	Total equity	75.4	74.8	74.3	FX effect	1.1	(0.2)	0.2
Total	102.8	111.5	109.7	Total	102.8	111.5	109.7	Total	(4.8)	(1.3)	3.5



2024 Business Drivers

2024 Overall Strategy



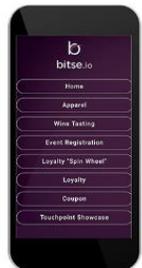
Delivering Healthy Growth with Strong Margins with a focus on Recurring Revenue

Expanding Our Technology Leadership through Next Generation Products

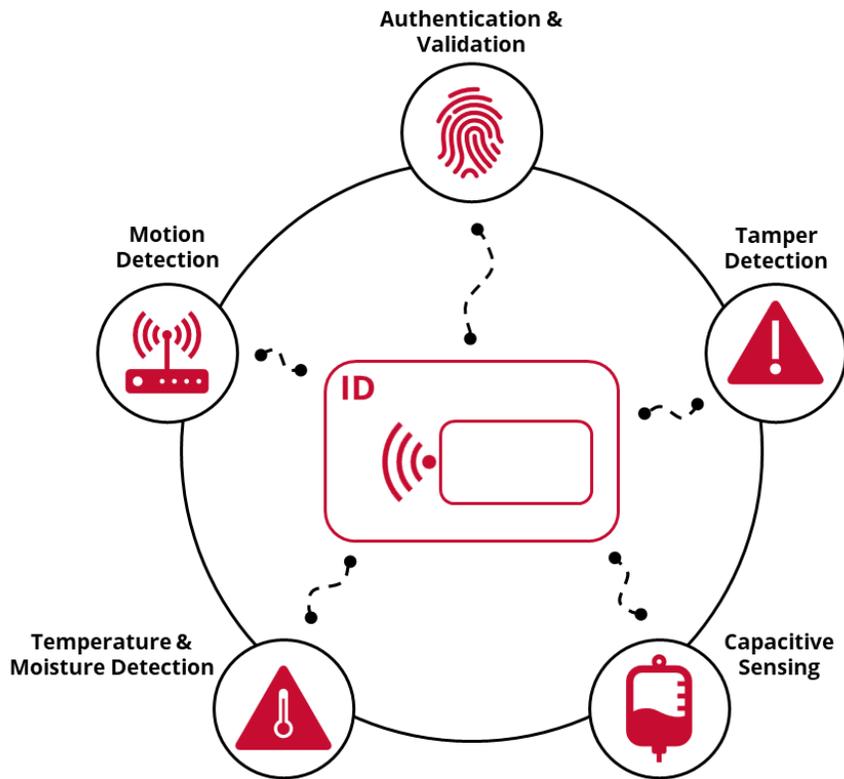


Protecting Our Balance Sheet and Working Capital

Progress Towards Our Long-Term Operating Model



IoT Business Drivers



IoT Strategy

- Supporting pilots for technically complex SCRI applications, particularly in the healthcare and consumer engagement verticals.
- Solidifying our reputation as a specialty applications provider, reinforcing our industry leadership, as evidenced by our joint marketing and product initiatives.
- Expanding our lower-cost, high quality, and technically advanced production in Thailand.

Growth Drivers

- Healthy NRE and pilot pipeline; balancing relatively near-term use cases such as auto-injectors with the long-term transformational market for medication compliance.
 - 10,000-unit auto-injector controlled pilot program
- Expanding use cases in consumer engagement
- IoT webinar series with partners like NXP, collectID, Wiliot, Mazars and Energous, Axia Institute, and NFC Forum.
- Competitive advantages of producing IoT devices in Thailand
 - Lower production costs for rent and labor, shorter supply chains, and access to highly skilled technical and production people.

Physical Security Business Drivers

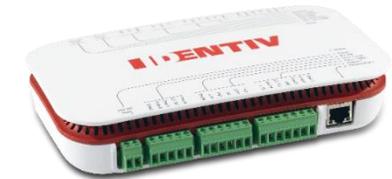
- **Physical Security Strategy**

- Offering a tightly integrated end-to-end physical security solution.
- Growing our leading position in federal physical security product sales including on-premises and cloud-based services.
- Bringing high-security to the SMB market, leveraging enterprise-scale high security.
- Expanding our enterprise software, services and recurring revenues.



- **Growth Drivers**

- Products like ScrambleFactor, Vision AI and Velocity + Velocity Vision single-pane-of-glass security management platform.
- Leverage integrators to build a strong channel for our complete security solution.
- Identity readers enable logical access and provision access control identities.
- Specialized SMB products: Primis, EG-2 controller, and encryption bridge platform.
- Cloud-based solutions: Cirrus for enterprise and Primis Cloud.



Summary of Business Drivers

- **Summary**

- Keeping a strong balance sheet, with healthy working capital to fund our strategic growth initiatives.
- Continuing to tightly manage our expenses, prioritizing investments in key growth initiatives.
- Progressing with our value creation and industry leadership initiatives.
- Expanding our next generation products, technologies and production capacity.

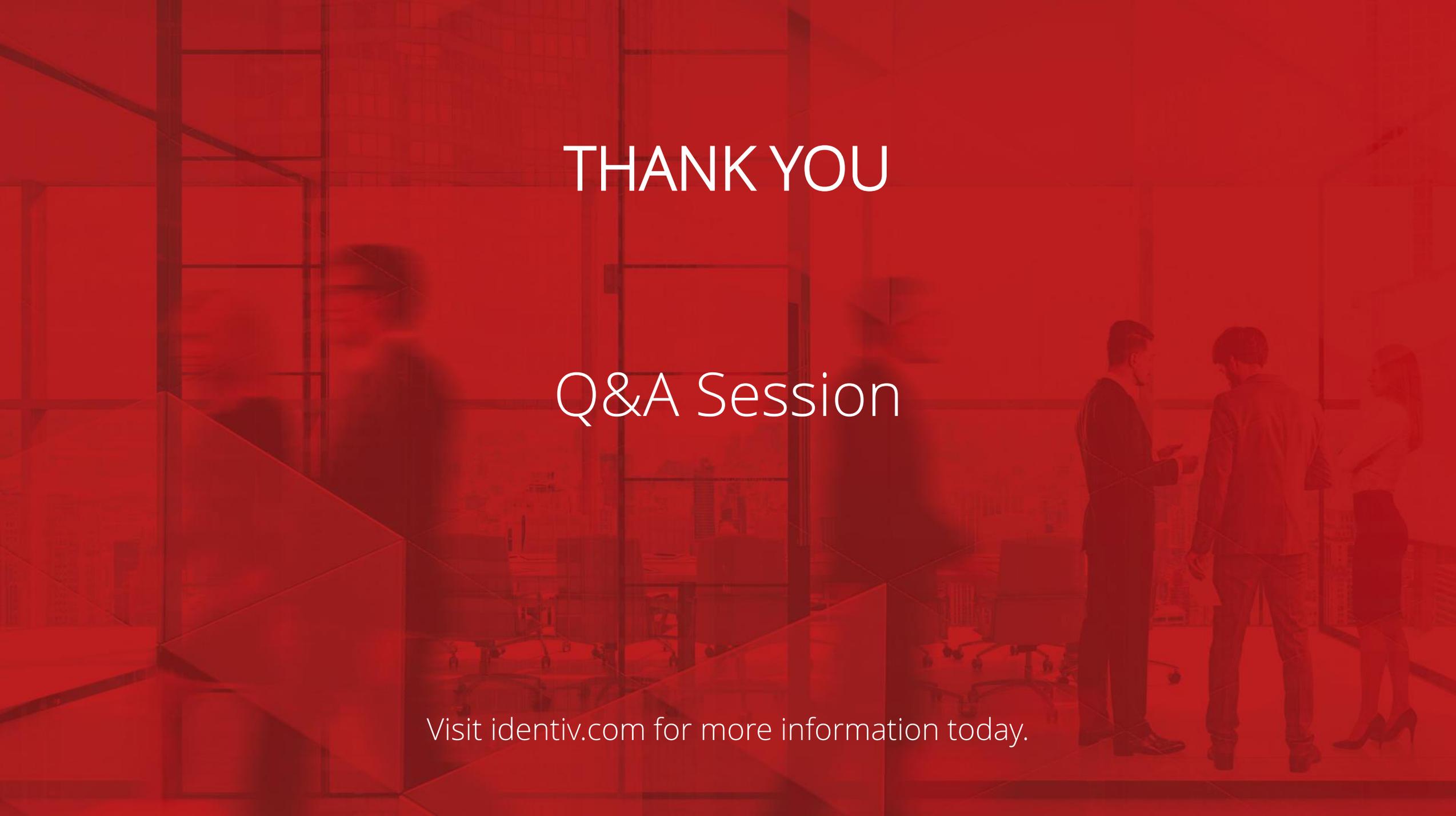


- **Strategic Review**

- Ongoing process
- Continued to be a major focus and activity in Q4 2023
- A primary focus of the management team and Board
- Goal: maximize shareholder value creation

- Seeking to add world-class leadership to drive SCRI growth





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 discussion. The office has desks with computers and office chairs. The entire scene 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			Year Ended	
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net revenue	\$ 28,985	\$ 31,846	\$ 29,001	\$ 116,383	\$ 112,915
Cost of revenue	18,821	19,905	18,421	74,219	71,971
Gross profit	10,164	11,941	10,580	42,164	40,944
Operating expenses:					
Research and development	2,952	2,916	2,283	11,590	9,916
Selling and marketing	4,938	5,641	5,021	22,555	20,730
General and administrative	3,570	2,939	2,806	12,360	10,429
Restructuring and severance	338	104	70	714	202
Total operating expenses	11,798	11,600	10,180	47,219	41,277
Income (loss) from operations	(1,634)	341	400	(5,055)	(333)
Non-operating income (expense):					
Interest expense, net	(76)	(211)	(42)	(427)	(143)
Gain on investment	—	132	—	132	30
Foreign currency gains (losses), net	209	(264)	44	25	155
Income (loss) before income tax provision	(1,501)	(2)	402	(5,325)	(291)
Income tax provision	(103)	(20)	(63)	(164)	(101)
Net income (loss)	(1,604)	(22)	339	(5,489)	(392)
Cumulative dividends on Series B convertible preferred stock	(319)	(319)	(304)	(1,266)	(1,206)
Net income (loss) available to common stockholders	\$ (1,923)	\$ (341)	\$ 35	\$ (6,755)	\$ (1,598)
Net income (loss) per common share:					
Basic	\$ (0.08)	\$ (0.01)	\$ 0.00	\$ (0.29)	\$ (0.07)
Diluted	\$ (0.08)	\$ (0.01)	\$ 0.00	\$ (0.29)	\$ (0.07)
Weighted average shares used in computing net income (loss) per common share:					
Basic	23,248	23,174	22,737	23,068	22,659
Diluted	23,248	23,174	23,160	23,068	22,659

Balance Sheet

(unaudited, in \$'000)

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

	<u>December 31,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 23,312	\$ 19,674	\$ 16,650
Restricted cash	1,072	1,254	487
Accounts receivable, net of allowances	21,969	25,892	24,826
Inventories	28,712	29,423	28,958
Prepaid expenses and other current assets	4,421	5,238	4,177
Total current assets	79,486	81,481	75,098
Property and equipment, net	9,320	8,518	6,719
Operating lease right-of-use assets	5,214	5,525	4,373
Intangible assets, net	4,251	4,483	5,265
Goodwill	10,218	10,189	10,190
Other assets	1,234	1,261	1,120
Total assets	<u>\$ 109,723</u>	<u>\$ 111,457</u>	<u>\$ 102,765</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 12,250	\$ 12,099	\$ 15,231
Financial liabilities	9,949	9,939	—
Operating lease liabilities	1,714	1,708	1,190
Deferred revenue	2,341	2,474	2,068
Accrued compensation and related benefits	2,334	2,580	2,757
Other accrued expenses and liabilities	2,194	2,872	2,147
Total current liabilities	30,782	31,672	23,393
Long-term operating lease liabilities	3,716	4,037	3,366
Long-term deferred revenue	927	904	587
Other long-term liabilities	26	25	25
Total liabilities	35,451	36,638	27,371
Total stockholders' equity	74,272	74,819	75,394
Total liabilities and stockholders' equity	<u>\$ 109,723</u>	<u>\$ 111,457</u>	<u>\$ 102,765</u>

GAAP to Non-GAAP Reconciliation

(unaudited, in \$M)

	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
Reconciliation of GAAP gross margin to non-GAAP gross margin											
<i>GAAP gross margin (%)</i>	36%	36%	37%	36%	36%	36%	35%	37%	37%	35%	36%
GAAP gross profit	\$37.1	\$9.0	\$10.2	\$11.2	\$10.6	\$41.0	\$9.2	\$10.8	\$11.9	\$10.2	\$42.2
Stock-based compensation	\$0.2	\$0.1	\$0.0	\$0.0	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0	\$0.1	\$0.2
Amortization and depreciation	\$1.0	\$0.3	\$0.3	\$0.3	\$0.3	\$1.3	\$0.4	\$0.4	\$0.5	\$0.5	\$1.7
Total reconciling items included in GAAP gross profit	\$1.2	\$0.3	\$0.4	\$0.4	\$0.4	\$1.5	\$0.4	\$0.4	\$0.5	\$0.6	\$1.9
Non-GAAP gross profit	\$38.3	\$9.3	\$10.6	\$11.6	\$11.0	\$42.4	\$9.6	\$11.3	\$12.4	\$10.7	\$44.1
<i>Non-GAAP gross margin (%)</i>	37%	37%	38%	37%	38%	38%	37%	38%	39%	37%	38%
Reconciliation of GAAP operating expenses to non-GAAP operating expenses											
GAAP operating expenses	\$38.4	\$10.0	\$10.5	\$10.6	\$10.2	\$41.3	\$11.9	\$11.9	\$11.6	\$11.8	\$47.2
Stock-based compensation	(\$2.4)	(\$0.8)	(\$0.8)	(\$0.8)	(\$0.5)	(\$3.0)	(\$0.9)	(\$0.9)	(\$0.9)	(\$0.9)	(\$3.8)
Amortization and depreciation	(\$1.0)	(\$0.2)	(\$0.2)	(\$0.3)	(\$0.2)	(\$1.0)	(\$0.2)	(\$0.2)	(\$0.3)	(\$0.2)	(\$1.0)
Loss on disposal of property and equipment	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Strategic review-related costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.4)	(\$0.4)
Restructuring and severance	(\$0.8)	\$0.1	(\$0.2)	(\$0.0)	(\$0.1)	(\$0.2)	(\$0.2)	(\$0.1)	(\$0.1)	(\$0.3)	(\$0.7)
Total reconciling items included in GAAP operating expenses	(\$4.2)	(\$0.9)	(\$1.2)	(\$1.1)	(\$0.9)	(\$4.2)	(\$1.4)	(\$1.3)	(\$1.3)	(\$2.0)	(\$5.9)
Non-GAAP operating expenses	\$34.2	\$9.0	\$9.2	\$9.5	\$9.3	\$37.1	\$10.6	\$10.6	\$10.3	\$9.8	\$41.3
Reconciliation of GAAP net income (loss) to non-GAAP adjusted EBITDA											
GAAP net income (loss)	\$1.6	(\$1.0)	(\$0.3)	\$0.5	\$0.3	(\$0.4)	(\$2.7)	(\$1.1)	(\$0.0)	(\$1.6)	(\$5.5)
Income tax provision (benefit)	\$0.0	(\$0.0)	\$0.1	(\$0.0)	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	\$0.2
Interest expense, net	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.2	\$0.1	\$0.4
Gain on forgiveness of Paycheck Protection Program note	(\$2.9)	\$0.0	\$0.0	\$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)	(\$0.0)	\$0.0	\$0.0	(\$0.0)	\$0.0	\$0.0	(\$0.1)	\$0.0	(\$0.1)
Foreign currency (gains) losses, net	\$0.1	(\$0.0)	(\$0.1)	\$0.0	(\$0.0)	(\$0.2)	(\$0.1)	\$0.0	\$0.3	(\$0.2)	(\$0.0)
Stock-based compensation	\$2.6	\$0.9	\$0.8	\$0.9	\$0.6	\$3.2	\$1.0	\$1.0	\$1.0	\$1.0	\$4.0
Amortization and depreciation	\$1.9	\$0.5	\$0.6	\$0.6	\$0.6	\$2.3	\$0.6	\$0.6	\$0.7	\$0.7	\$2.7
Loss on disposal of property and equipment	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Strategic review-related costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	\$0.4
Restructuring and severance	\$0.8	(\$0.1)	\$0.2	\$0.0	\$0.1	\$0.2	\$0.2	\$0.1	\$0.1	\$0.3	\$0.7
Total reconciling items included in GAAP net income (loss)	\$2.4	\$1.2	\$1.6	\$1.5	\$1.4	\$5.8	\$1.8	\$1.8	\$2.2	\$2.5	\$8.3
Non-GAAP adjusted EBITDA	\$4.0	\$0.2	\$1.4	\$2.0	\$1.7	\$5.4	(\$0.9)	\$0.7	\$2.2	\$0.9	\$2.8
<i>Non-GAAP adjusted EBITDA margin (%)</i>	4%	1%	5%	7%	6%	5%	-4%	2%	7%	3%	2%