



TECHNOLOGY WITH A MISSION

Earnings Conference Call

Q3 2024

November 7, 2024

IDENTIV

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 management of Identiv and can be identified by words such as “anticipate,” “believe,” “continue,” “plan,” “will,” “intend,” “expect,” “outlook,” and similar references to the future. Any statement that is not a historical fact is a forward-looking statement, including statements regarding: Identiv’s belief that the asset sale transaction is providing the resources needed to fund future growth; Identiv’s belief that it is well-positioned to leverage upcoming opportunities; Identiv’s expectations regarding future operating and financial outlook and performance; Identiv’s strategy, opportunities, focus and goals, including plans for its IoT business; opportunities in the markets and industry in which Identiv operates; the expected amount of net proceeds from the asset sale transaction; Identiv’s plans to transition its RFID production from Singapore to Thailand, including the expected timing, goals and benefits thereof; Identiv’s beliefs regarding its new product development pipeline; Identiv’s expectations for its “Perform, Accelerate, and Transform” growth strategy framework, including plans to strengthen and expand the core “channel” business, accelerate growth in key high value segments and through technology innovation, and create significant business expansion and capability growth through M&A to achieve long term success, and the goals and benefits thereof; expected target investment criteria for potential M&A opportunities; expected macro trends in driving demand for RFID and next-generation technologies and the benefits thereof; Identiv’s ability to grow and reach profitability; Identiv’s expectations regarding its capital allocation plan and intended use of net proceeds from the asset sale transaction; Identiv’s beliefs regarding access to future capital; expectations related to 12-month net cash use, net of interest income and transaction-related costs; expected 2024 fourth quarter revenue; expected updates to Identiv’s corporate governance policies; expected future gross margins and estimated EBITDA breakeven; and Identiv’s expectations with respect to demand and customer orders. Forward-looking statements are only predictions and are subject to a number of risks and uncertainties, many of which are outside Identiv’s 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: any post-closing purchase price adjustments to the amount of proceeds from the transaction; risks that the completion of the asset sale transaction disrupts current business, plans and operations of Identiv or its business prospects; the ability of Identiv to retain and hire key personnel; the effect of the change in management following the completion of the asset sale transaction; any changes to M&A investment criteria and the effect of such changes on future performance; Identiv’s ability to continue the momentum in its business; Identiv’s ability to successfully execute its business strategy, including, but not limited to, its capital allocation plan and organic and inorganic growth; changes in uses of capital; Identiv’s ability to capitalize on trends in its business and penetrate the healthcare and other specialty markets; the effect of competition on Identiv’s business; Identiv’s ability to satisfy customer demand and expectations; the level and timing of customer orders and changes/cancellations; the loss of customers, suppliers or partners; the success of Identiv’s products and strategic partnerships; actual gross margins realized; industry trends and seasonality; the impact of macroeconomic conditions and customer demand, inflation and increases in prices; and the other factors discussed in its periodic reports, including its Annual Report on Form 10-K for the year ended December 31, 2023, Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, and subsequent reports filed with the SEC. All forward-looking statements are based on information available to Identiv on the date hereof, and Identiv assumes no obligation to update such statements.

Safe Harbor | Note Regarding Forward-Looking Information (con't.)

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 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 its ongoing operational performance. Identiv believes 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

- Business Update – Q3 2024
- Financial Review – Q3 2024
- Business Outlook: Perform. Accelerate. Transform. Framework
- Capital Allocation Plan
- Corporate Governance Enhancements
- Q&A Session



Business Update | Q3 2024

- Completed the sale of our physical security business to Vitaprotech
 - Expected net cash proceeds of approx. \$135 million*
- Q3 net revenue: \$6.5 million, above previously announced guidance
- On track to complete majority of RFID production transition from Singapore to Thailand by year-end, excluding three customers
 - Expect non-GAAP gross margin to reach 26%-28% once all production shifted to Thailand and full productivity achieved
 - Goal is to achieve a long-term non-GAAP gross margin of 35%
- New product development (NPD) pipeline remains robust



**After taxes, transaction costs, and other one-time costs, subject to further customary adjustments in accordance with the asset purchase agreement.*



Financial Review | Q3 2024

Financial Results | Q3 2024

Metric	Q3 2024	Q3 2023
Net Revenue	\$6.5M	\$11.7M
GAAP Gross Margin	3.6%	11.2%
Non-GAAP Gross Margin*	9.3%	14.0%
GAAP Operating Expenses	\$9.8M	\$4.6M
Non-GAAP Operating Expenses*	\$5.1M	\$4.1M
GAAP Net Loss from Continuing Operations**	(\$9.3M)	(\$3.7M)
EPS from Continuing Operations (GAAP) Diluted	(\$0.40)	(\$0.17)
Non-GAAP Adj. EBITDA*	(\$4.5M)	(\$2.3M)

*Please refer to a reconciliation of Non-GAAP to GAAP later in this presentation or in the Q3 2024 earnings release dated November 7, 2024. May include rounding differences.

**GAAP Net Loss available to common stockholders

Net Proceeds and Q4 2024 Outlook

- Expected net proceeds from the asset sale to be approx. \$135 million*
- Expected 12-month cash use, net of interest income and transaction-related costs, is \$14 million to \$16 million**
- Expected Q4 2024 revenue: \$6.0 million to \$6.3 million



**After taxes, transaction costs, and other one-time costs, subject to further customary adjustments in accordance with the asset purchase agreement.*

***Excluding estimated tax payment related to our asset sale and any share repurchases*



Business Outlook

Perform. Accelerate. Transform.

Strong Macro Trends

Driving Demand for Identiv's Unique Value Proposition

Strong Macro Trends Driving Demand for RFID and Related Technologies

Compelling Benefits from Digital ID of Products through RFID and Next Gen Technologies

Emerging RFID Applications Often Require New and More Complex Solutions

Identiv is Uniquely Positioned to Address New and Complex Requirements

Identiv Plans To “Perform, Accelerate, and Transform” to Grow Sales and EBITDA

Strategic Framework

Perform. Accelerate. Transform.



Perform

Strengthen and expand the core “channel” business



Accelerate

Accelerate growth in key high value segments and through technology innovation



Transform

Create significant business expansion and capability growth through M&A to achieve long term success

Perform | Strengthen & Expand the Core Business



What It Means For Identiv

- Expand Core “Channel” Business
- Grow market share focused on higher margin opportunities
- Strong execution of NPD pipeline
- Expand gross margins with completion of production transition to Thailand
- Excellent customer support and timely product delivery

How We Plan To Achieve It

- Establish clear performance metrics and goals
- Complete production transition to Thailand
- Build lead generation and new opportunity pipeline focused on higher margin opportunities
- Streamline product development processes and improve existing workflows
- Foster a culture of collaboration and continuous improvement

Accelerate | Growth in High-Value Segments



What It Means For Identiv

Accelerate growth by focusing/investing in **three compelling growth initiatives**, each with a strong NPV

1. Healthcare HVS: Home medication adherence, Consumable authentication, and Condition monitoring
2. Non-Healthcare HVS: Inventory management for plastic pallets/bins, Smart packaging for luxury products, Home device consumable authentication
3. BLE/MCL Expansion: Continue to build out BLE platform, trends support strong growth

How We Plan To Achieve It

- Build business development team to target specific use cases and applications, including segment marketing support, in Healthcare and Non-healthcare HVS
- Continue to expand and build capability in BLE and multi-component manufacturing, invest in Capex required to ensure leading position
- Build segment-focused product roadmaps

Transform | Strategic M&A



What It Means For Identiv

- Expedite reaching EBITDA breakeven through acquisitions to build scale and expand products/capabilities, while realizing significant cost synergies
- Ultimately, expand business model to incorporate data management and software analytics, while capturing more value

How We Plan To Achieve It

- Evaluate potential M&A “tuck in” targets that fit the investment criteria:
 - Companies with \$5M-\$30M revenue
 - EBITDA positive, ideally with margins greater than 10%
 - Valuation between 1-2x revenue or $\leq 10x$ EBITDA, depending on profitability
- Align organizational structure to support expanded business

Capital Allocation Framework*

Expected Cash From Asset Sale: \$135 Million**

Intended Use of Capital	Target Allocation
Organic core business + growth investments	25% - 30%
Strategic M&A	35% - 40%
Working Capital Purposes	25% - 30%
Stock Repurchase Program	\$10.0M

* Estimated, subject to change.

** After taxes, transaction costs, and other one-time costs, subject to further customary adjustments in accordance with the asset purchase agreement.

Corporate Governance Updates

- Eliminate Identiv's classified Board structure
- In uncontested elections, the Board will consider the resignation of any director who does not receive a majority vote
- Has amended stock incentive plan to eliminate the ability to reprice options without prior stockholder approval
- Actively recruiting Board director candidates



Key Takeaways

1

Macro trends driving robust demand in RFID and next-generation technologies provide Identiv the tailwinds to grow and reach profitability

2

Identiv has the right capabilities and RFID-related technology required for emerging applications and high-growth verticals

3

Ample financial resources expected to allow to execute our Perform, Accelerate, Transform strategy and drive meaningful returns

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THANK YOU

Visit identiv.com for more information



Appendix

Condensed Consolidated Statements of Operations

(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, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net revenue	\$ 6,532	\$ 11,732	\$ 19,931	\$ 32,097
Cost of revenue	6,294	10,413	18,596	27,928
Gross profit	238	1,319	1,335	4,169
Operating expenses:				
Research and development	1,102	1,019	2,965	3,150
Selling and marketing	1,657	1,404	4,654	4,525
General and administrative	7,032	2,215	15,052	6,577
Restructuring and severance	—	—	—	46
Total operating expenses	9,791	4,638	22,671	14,298
Loss from continuing operations	(9,553)	(3,319)	(21,336)	(10,129)
Non-operating income (expense):				
Interest income (expense), net	244	(211)	8	(351)
Gain on investment	—	132	—	132
Foreign currency gains (losses), net	340	(249)	55	(187)
Loss from continuing operations before income tax provision	(8,969)	(3,647)	(21,273)	(10,535)
Income tax provision	(360)	(13)	(361)	(15)
Net loss from continuing operations	(9,329)	(3,660)	(21,634)	(10,550)
Income from discontinued operations, net of tax:				
Income (loss) from Physical Security Business, net of tax	(4,268)	3,638	(2,737)	6,665
Gain on sale of Physical Security Business, net of tax	99,546	-	99,546	-
Total income from discontinued operations, net of tax	95,278	3,638	96,809	6,665
Net income (loss)	85,949	(22)	75,175	(3,885)
Cumulative dividends on Series B convertible preferred stock	(201)	(319)	(682)	(947)
Net income (loss) available to common stockholders	\$ 85,748	\$ (341)	\$ 74,493	\$ (4,832)
Net income (loss) per common share:				
Basic and diluted - continuing operations	\$ (0.40)	\$ (0.17)	\$ (0.95)	\$ (0.50)
Basic and diluted - discontinued operations	\$ 4.03	\$ 0.16	\$ 4.12	\$ 0.29
Basic and diluted - net income (loss)	\$ 3.62	\$ (0.01)	\$ 3.17	\$ (0.21)
Weighted average common shares outstanding:				
Basic and diluted	23,660	23,174	23,496	23,008

Condensed Consolidated Balance Sheets

(unaudited, in \$'000)

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

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 145,361	\$ 23,312
Restricted cash	384	1,072
Accounts receivable, net of allowances	4,848	7,404
Inventories	10,710	13,560
Prepaid expenses and other current assets	4,700	1,222
Current assets held-for-sale	—	32,916
Total current assets	166,003	79,486
Property and equipment, net	8,203	8,472
Operating lease right-of-use assets	2,110	2,289
Other assets	713	678
Non-current assets held-for-sale	—	18,798
Total assets	\$ 177,029	\$ 109,723
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,035	\$ 4,652
Financial liabilities	—	9,949
Operating lease liabilities	880	782
Accrued compensation and related benefits	1,321	1,376
Accrued income taxes payable	7,180	104
Other accrued expenses and liabilities	3,595	917
Current liabilities held-for-sale	—	13,002
Total current liabilities	19,011	30,782
Long-term operating lease liabilities	1,251	1,507
Other long-term liabilities	27	26
Non-current liabilities held-for-sale	—	3,136
Total liabilities	20,289	35,451
Total stockholders' equity	156,740	74,272
Total liabilities and stockholders' equity	\$ 177,029	\$ 109,723

Reconciliation of GAAP to Non-GAAP Financial Information – Continuing Operations

(unaudited, in \$'000)

Identiv, Inc.
Reconciliation of GAAP to Non-GAAP Financial Information - Continuing Operations
(in thousands)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Reconciliation of GAAP gross margin to non-GAAP gross margin				
GAAP gross profit	\$ 238	\$ 1,319	\$ 1,335	\$ 4,169
Reconciling items included in GAAP gross profit:				
Stock-based compensation	5	8	17	27
Amortization and depreciation	362	314	1,130	823
Total reconciling items included in GAAP gross profit	367	322	1,147	850
Non-GAAP gross profit	\$ 605	\$ 1,641	\$ 2,482	\$ 5,019
Non-GAAP gross margin	9%	14%	12%	16%
Reconciliation of GAAP operating expenses to non-GAAP operating expenses				
GAAP operating expenses	\$ 9,791	\$ 4,638	\$ 22,671	\$ 14,298
Reconciling items included in GAAP operating expenses:				
Stock-based compensation	(1,090)	(506)	(2,583)	(1,478)
Amortization and depreciation	(64)	(52)	(154)	(132)
Strategic review-related costs	(3,551)	—	(6,120)	—
Restructuring and severance	—	—	—	(46)
Total reconciling items included in GAAP operating expenses	(4,705)	(558)	(8,857)	(1,656)
Non-GAAP operating expenses	\$ 5,086	\$ 4,080	\$ 13,814	\$ 12,642
Reconciliation of GAAP net loss from continuing operations to non-GAAP adjusted EBITDA				
GAAP net loss	\$ (9,329)	\$ (3,660)	\$ (21,634)	\$ (10,550)
Reconciling items included in GAAP net loss:				
Income tax provision	360	13	361	15
Interest income (expense), net	(244)	211	(8)	351
Foreign currency gains (losses), net	(340)	249	(55)	187
Stock-based compensation	1,095	514	2,600	1,505
Amortization and depreciation	426	366	1,284	955
Strategic review-related costs	3,551	—	6,120	—
Restructuring and severance	—	—	—	(46)
Total reconciling items included in GAAP net loss from continuing operations	4,848	1,353	10,302	2,967
Non-GAAP adjusted EBITDA	\$ (4,481)	\$ (2,307)	\$ (11,332)	\$ (7,583)