



Q2 2021

Earnings Conference Call

Tuesday, August 3, 2021 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 the statements regarding the Company's expectations regarding future operating and financial performance, including 2021 guidance, trends, and its target business model; the impact of the Covid-19 pandemic on the Company's business, customers and supply chain; the Company's beliefs regarding the RFID market; the Company's beliefs regarding its ability to achieve its business and strategic objectives and the expected benefits thereof; the Company's beliefs regarding momentum in its business and the drivers of momentum in its business; the timing and size of customer orders and launches, and backlog levels; estimates of potential market or unit size; and the Company's beliefs regarding the benefits and attributes of its products, and its status in the market and with customers 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, actual results for 2021 and beyond, the impact of the Covid-19 pandemic; the Company's ability to continue the momentum in its business; the Company's ability to successfully execute its business strategy; the level and timing of customer orders; the success of the Company's products and partnerships; industry trends and seasonality; and factors discussed in its public reports, including its Annual Report on Form 10-K for the year ended December 31, 2020 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, 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 forward-looking 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 gross margin, non-GAAP adjusted EBITDA margin, non-GAAP free cash flow, 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, GAAP gross margin, and net cash provided by (used in) operating activities, including but not limited to provision (benefit) for income taxes, 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, inventory reserve adjustment, gain on sale of investments, restructuring and severance, and capital expenditures. Non-GAAP operating expenses exclude stock-based compensation, amortization and depreciation, increase in fair value of earnout liability, acquisition related transaction costs and restructuring and severance. Non-GAAP free cash flow excludes capital expenditures. 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 2021 Highlights
- II. Financial Review
- III. Business Drivers & Outlook

Q2 2021 Business Highlights

• Q2 2021 Overview

- Growth: Revenues up 26% YoY
- Identity grew 27% YoY
- Premises grew 23%
- Total backlog at end of Q2 2021 up 26% year-over-year
- Leverage: total revenue up 26%, expenses down 8%

• RFID Market Growth Continues to Accelerate

- RFID up 39%
- Shipped +41 million units vs. 33 million in Q2 2020 (25% increase)
- Growth indicators:
 - Customer launches and expansion
 - Example: mobile device customer began full production ramp in Q3 and introduced their 2022 designs
 - Example: completed prototype designs for auto-injector project (now in customer qualification)
 - Design wins → expanding AUPs, gross margins & competitive advantage
 - Example: Increased breadth and pace of our design wins, ranging from drug tests kits to sportswear



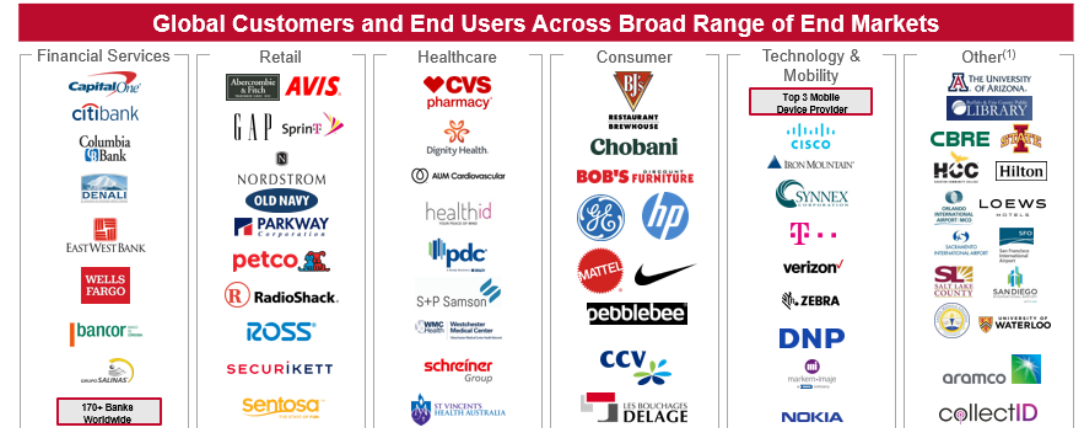
♥ **CVS** pharmacy™



Q2 2021 Business Highlights cont'd

Premises Segment Rebounding

- 23% year-over-year growth
- 34% growth in federal government sales
- Strong momentum from federal govt., state and local govt., and commercial resurgence in multiple verticals (banking, retail, travel)



Increasingly Predictable Revenues

- Recurring revenue & customer retention
- RFID customer retention = 100%
- Expanded the use of consumables in RFID
- Grew software, services & recurring revenues to 32% of Premises revenues

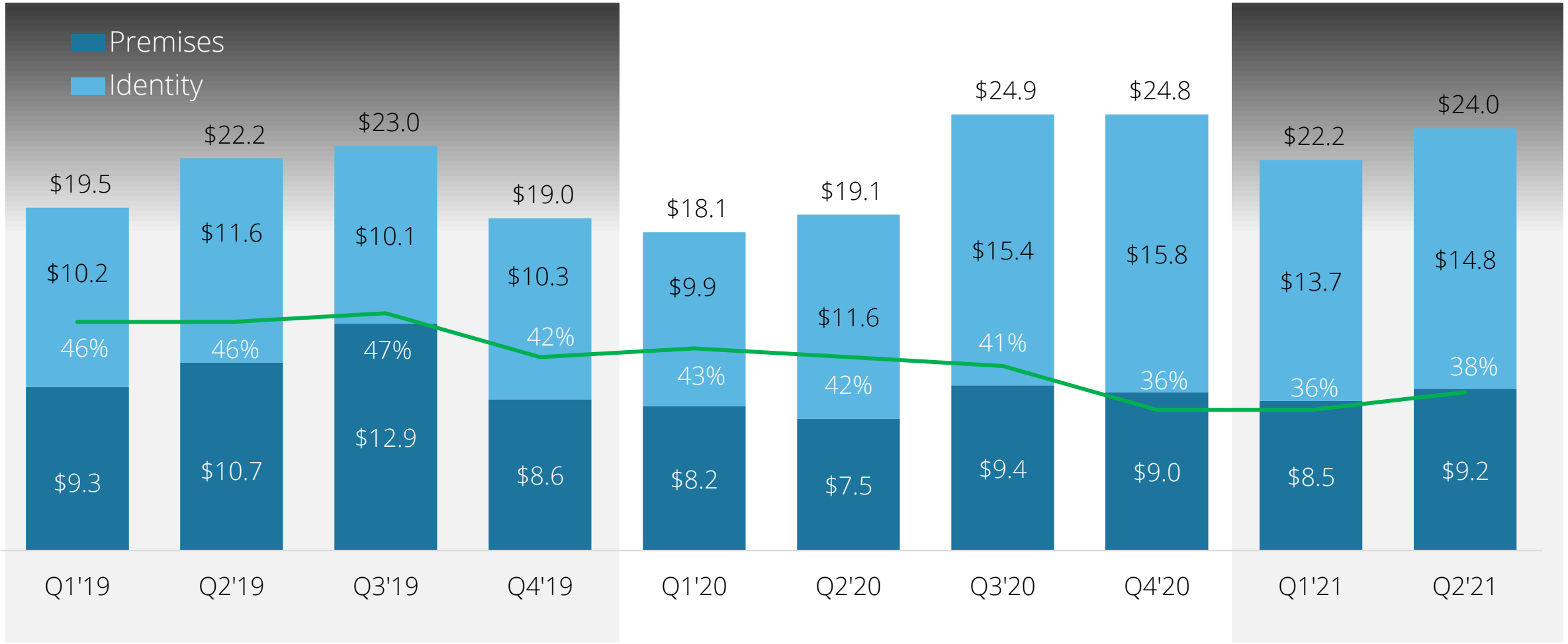


Q2 2021 Financial Overview

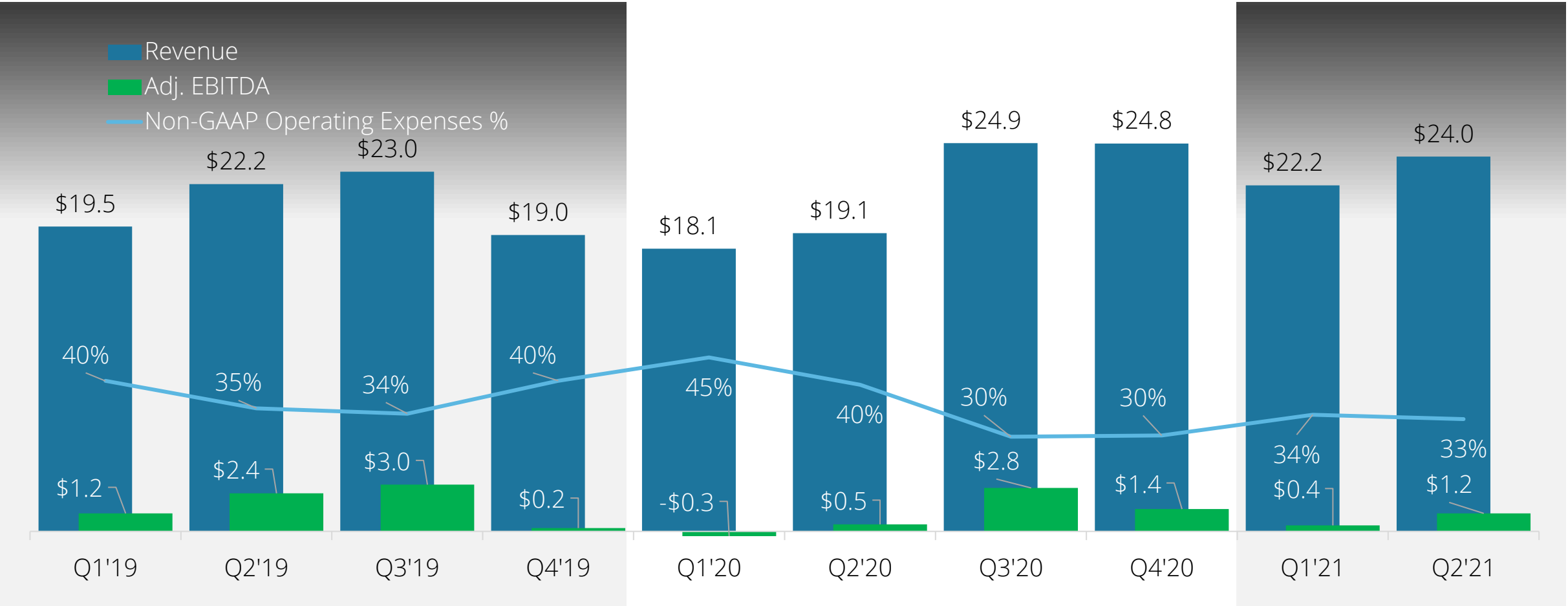
Financial Overview

Metric	Q2'21	Q2'21 YTD	TTM
Revenue	\$24.0M 26%	\$46.2M 24%	\$95.9M 21%
Recurring Revenue (% of Revenue)	5% -230 bps	6% -348 bps	6% -341 bps
GAAP Gross Margin	37% -352 bps	36% -505 bps	37% -549 bps
Non-GAAP Gross Margin	38% -403 bps	37% -563 bps	38% -591 bps
Non-GAAP Adj. EBITDA Margin	5% +241 bps	3% +291 bps	6% +174 bps
EPS (GAAP): Diluted	\$0.09	\$0.02	\$(0.02)
Cash Used In Operating Activities	\$(2.5M)	\$(2.9M)	\$(0.4M)

Segment Revenue & Non-GAAP Gross Margin



Total Revenue & Non-GAAP Adjusted EBITDA Operating Expenses



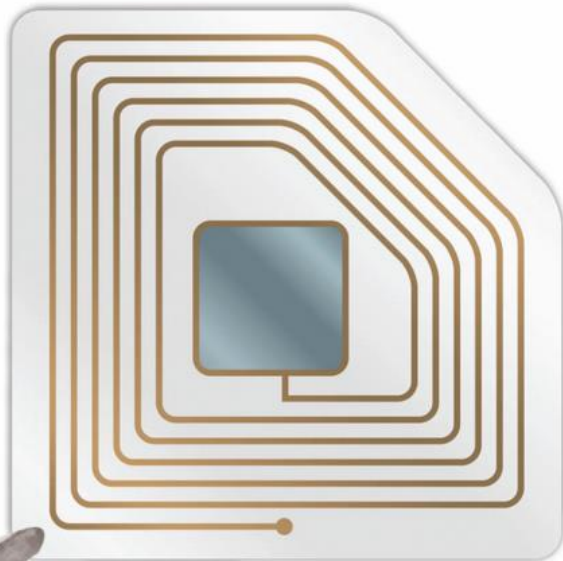
Q2 2021 Cash Flow and Balance Sheet (in \$M)



Assets	Q2'20	Q1'21	Q2'21	Equity & Liabilities	Q2'20	Q1'21	Q2'21	Cash Flow	Q2'20	Q1'21	Q2'21
Cash & cash equivalents	13.1	11.5	36.4	Accounts payable	9.2	10.2	8.6	From operations	(0.6)	(0.4)	(2.5)
Accounts receivable	18.0	18.9	17.7	Financial liabilities	23.0	22.3	9.9	From investing	(0.5)	(1.1)	(0.5)
Inventory	18.7	19.3	21.9	Other liabilities	13.8	12.8	13.7	From financing	5.3	2.0	27.9
Other assets	28.7	28.6	29.9	Total Equity	32.5	33.0	73.7	FX effect	0.1	(0.3)	(0.1)
Total	78.5	78.3	105.9	Total	78.5	78.3	105.9	Total	4.4	0.1	24.9

2021 Business Drivers and Outlook

2021 RFID Drivers



YOUR WORLD, **VERIFIED.**

- **RFID Developers' Kit & Community**
 - Objective: to become the go-to solution provider for engineers & to gain insight into new applications
 - Intercept 100MU+ use cases in early development stage
 - Expand funnel and market leadership
 - Set to launch in August 2021
- **Production Technologies: Differentiate, Expand Margins, Accelerate Growth**
 - Analog + digital, multi-device, automated RFID sub-system
 - Potentially hundreds of millions of units (bike tires, syringes, running shoes with accelerometer, etc.)
 - Marketing & designing now → 1st mover advantage & more prospects
- **Current Deployment Updates:**
 - Mobile device customer: design expansion, production ramp & application expansion with multiple product groups evaluating use
 - Prescription use case with TAM of 1/2 billion units* for visually impaired: deployed at CVS and in pilot at a second leading pharmacy chain in Q2 2021
 - Cannabis progressing, sample products delivered, single-country market potential 1B units* in Q2 2021

2021 Broader Business Drivers

- **Premises Rebounding**
 - Anticipated strong growth in Premises for 2H 2021
 - Tailwind from 34% growth in federal sales in Q2'21 vs comparable quarter of 2020, with continued focus on security at state & local level
 - Higher gross margins → expanded EBITDA margins
- **People**
 - Building best-in-class team
 - Industry leaders: business development, influencers, sales
 - Technical team: project managers, engineers, production
- **Successful Capital Raise to Accelerate Growth**
 - Proactive investment: accelerate growth & expand competitive advantage
- **Strong Momentum for 2H 2021 & 2022**
 - +\$6.3 million in new bookings for orders booked to date through July 23, 2021 (up 44% YoY)
 - Major RFID design wins w/10-100+ million-unit potential
 - Federal strength & momentum



Thank You

Question & Answer Session

Visit [identiv.com](https://www.identiv.com) for more information today.

Income Statement

(unaudited, in \$'000)

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

	Three Months Ended			Six Months Ended	
	June 30, 2021	March 31, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net revenue	\$ 23,993	\$ 22,162	\$ 19,105	\$ 46,155	\$ 37,225
Cost of revenue	15,153	14,470	11,393	29,623	22,013
Gross profit	8,840	7,692	7,712	16,532	15,212
Operating expenses:					
Research and development	2,131	2,337	2,422	4,468	5,018
Selling and marketing	4,147	4,064	4,236	8,211	8,733
General and administrative	2,595	2,125	2,151	4,720	4,342
Decrease in fair value of earnout liability	—	—	(261)	—	(261)
Restructuring and severance	274	388	1,417	662	1,482
Total operating expenses	9,147	8,914	9,965	18,061	19,314
Loss from operations	(307)	(1,222)	(2,253)	(1,529)	(4,102)
Non-operating income (expense):					
Interest expense, net	(144)	(245)	(407)	(389)	(659)
Gain on forgiveness of Paycheck Protection Program note	2,946	—	—	2,946	—
Foreign currency gains (losses), net	—	46	(30)	46	56
Income (loss) before income tax provision	2,495	(1,421)	(2,690)	1,074	(4,705)
Income tax provision	(29)	(44)	(59)	(73)	(91)
Net income (loss)	2,466	(1,465)	(2,749)	1,001	(4,796)
Cumulative dividends on Series B preferred stock	(286)	(284)	(272)	(570)	(543)
Net income (loss) attributable to common stockholders	\$ 2,180	\$ (1,749)	\$ (3,021)	\$ 431	\$ (5,339)
Net income (loss) per share:					
Basic	\$ 0.10	\$ (0.09)	\$ (0.17)	\$ 0.02	\$ (0.30)
Diluted	\$ 0.09	\$ (0.09)	\$ (0.17)	\$ 0.02	\$ (0.30)
Weighted average shares used in computing net income (loss) per common share:					
Basic	21,908	18,443	17,941	20,185	17,730
Diluted	28,751	18,443	17,941	21,092	17,730

Balance Sheet

(in \$'000)

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

	June 30, 2021	March 31, 2021	December 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 36,370	\$ 11,518	\$ 11,409
Accounts receivable, net of allowances	17,746	18,911	18,927
Inventories	21,894	19,308	20,296
Prepaid expenses and other assets	4,676	3,065	2,813
Total current assets	80,686	52,802	53,445
Property and equipment, net	4,101	3,768	2,827
Operating lease right-of-use assets	2,683	2,974	3,405
Intangible assets, net	7,036	7,299	7,563
Goodwill	10,299	10,281	10,266
Other assets	1,094	1,142	1,171
Total assets	\$ 105,899	\$ 78,266	\$ 78,677
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 8,635	\$ 10,217	\$ 10,964
Contractual payment obligation	531	788	1,040
Financial liabilities	9,853	22,334	20,084
Operating lease liabilities	1,265	1,243	1,279
Deferred revenue	2,340	1,634	1,981
Accrued compensation and related benefits	2,943	2,858	2,985
Other accrued expenses and liabilities	4,537	3,643	3,240
Total current liabilities	30,104	42,717	41,573
Long-term operating lease liabilities	1,556	1,875	2,272
Long-term deferred revenue	281	331	385
Other long-term liabilities	268	363	258
Total liabilities	32,209	45,286	44,488
Total stockholders' equity	73,690	32,980	34,189
Total liabilities and stockholders' equity	\$ 105,899	\$ 78,266	\$ 78,677

Operating Results & Non-GAAP Adjusted EBITDA Reconciliation

(in \$M)

	Q1'19	Q2'19	Q3'19	Q4'19	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021
Reconciliation of GAAP gross profit margin and non-GAAP gross profit margin												
<i>GAAP gross profit margin (%)</i>	45%	44%	46%	40%	44%	41%	40%	40%	35%	39%	35%	37%
GAAP gross profit	\$8.7	\$9.9	\$10.5	\$7.5	\$36.7	\$7.5	\$7.7	\$9.9	\$8.6	\$33.7	\$7.7	\$8.8
Stock-based compensation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2	\$0.0	\$0.0
Amortization and depreciation	\$0.3	\$0.3	\$0.3	\$0.3	\$1.3	\$0.3	\$0.3	\$0.3	\$0.3	\$1.2	\$0.2	\$0.3
Transponder inventory reserve adjustment	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total reconciling items included in GAAP gross profit	\$0.3	\$0.4	\$0.4	\$0.4	\$1.4	\$0.3	\$0.4	\$0.4	\$0.4	\$1.2	\$0.3	\$0.3
Non-GAAP gross profit	\$9.0	\$10.3	\$10.9	\$7.9	\$38.1	\$7.8	\$8.1	\$10.2	\$8.9	\$34.9	\$8.0	\$9.1
<i>Non-GAAP gross profit margin (%)</i>	46%	46%	47%	42%	45%	43%	42%	41%	36%	40%	36%	38%
Reconciliation of GAAP operating expenses to non-GAAP operating expenses												
GAAP operating expenses	\$9.1	\$9.1	\$9.3	\$9.3	\$36.8	\$9.3	\$10.0	\$8.9	\$8.9	\$37.1	\$8.9	\$9.1
Stock-based compensation	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.5)	(\$2.5)	(\$0.6)	(\$0.7)	(\$0.7)	(\$0.8)	(\$2.9)	(\$0.7)	(\$0.6)
Amortization and depreciation	(\$0.6)	(\$0.6)	(\$0.6)	(\$0.6)	(\$2.3)	(\$0.6)	(\$0.5)	(\$0.5)	(\$0.5)	(\$2.1)	(\$0.2)	(\$0.2)
Increase in fair value of earnout liability	\$0.0	\$0.0	(\$0.2)	(\$0.4)	(\$0.6)	\$0.0	\$0.3	\$0.0	\$0.0	\$0.3	\$0.0	\$0.0
Acquisition related transaction costs	(\$0.1)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.1)	\$0.0	(\$0.0)	(\$0.0)	\$0.0	\$0.0	\$0.0	\$0.0
Restructuring and severance	\$0.0	\$0.0	\$0.1	(\$0.1)	(\$0.0)	(\$0.1)	(\$1.4)	(\$0.2)	(\$0.1)	(\$1.7)	(\$0.4)	(\$0.3)
Total reconciling items included in GAAP operating expenses	(\$1.3)	(\$1.2)	(\$1.4)	(\$1.6)	(\$5.5)	(\$1.2)	(\$2.4)	(\$1.4)	(\$1.4)	(\$6.4)	(\$1.4)	(\$1.2)
Non-GAAP operating expenses	\$7.9	\$7.8	\$7.9	\$7.7	\$31.3	\$8.1	\$7.6	\$7.5	\$7.5	\$30.7	\$7.6	\$8.0
Reconciliation of GAAP net income (loss) to non-GAAP adjusted EBITDA												
GAAP net income (loss)	(\$0.8)	\$0.4	\$1.1	(\$1.8)	(\$1.2)	(\$2.0)	(\$2.7)	\$0.4	(\$0.7)	(\$5.1)	(\$1.5)	\$2.5
Provision (benefit) for income taxes	\$0.1	\$0.1	\$0.1	\$0.0	\$0.3	\$0.0	\$0.1	\$0.0	(\$0.0)	\$0.1	\$0.0	\$0.0
Interest expense, net	\$0.3	\$0.2	\$0.2	\$0.2	\$0.9	\$0.3	\$0.4	\$0.4	\$0.4	\$1.5	\$0.2	\$0.1
Loss (gain) on extinguishment of debt	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$2.9)
Foreign currency (gains) losses, net	\$0.0	\$0.1	(\$0.2)	\$0.0	(\$0.1)	(\$0.1)	\$0.0	\$0.2	\$0.0	\$0.1	\$0.0	\$0.0
Stock-based compensation	\$0.7	\$0.7	\$0.7	\$0.6	\$2.7	\$0.6	\$0.8	\$0.8	\$0.8	\$3.0	\$0.8	\$0.7
Amortization and depreciation	\$0.9	\$0.9	\$1.0	\$0.9	\$3.6	\$0.8	\$0.8	\$0.8	\$0.8	\$3.3	\$0.5	\$0.5
Increase in fair value of earnout liability	\$0.0	\$0.0	\$0.2	\$0.4	\$0.6	\$0.0	(\$0.3)	\$0.0	\$0.0	(\$0.3)	\$0.0	\$0.0
Acquisition related transaction costs	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Transponder related inventory reserve adjustment	\$0.0	\$0.0	\$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	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Restructuring and severance	(\$0.0)	(\$0.0)	(\$0.1)	\$0.1	\$0.0	\$0.1	\$1.4	\$0.2	\$0.1	\$1.7	\$0.4	\$0.3
Total reconciling items included in GAAP net income (loss)	\$2.0	\$2.0	\$1.9	\$2.0	\$7.9	\$1.8	\$3.2	\$2.4	\$2.1	\$9.5	\$1.9	(\$1.3)
Non-GAAP adjusted EBITDA	\$1.2	\$2.4	\$3.0	\$0.2	\$6.8	(\$0.3)	\$0.5	\$2.8	\$1.4	\$4.4	\$0.4	\$1.2
<i>Non-GAAP adjusted EBITDA margin (%)</i>	6%	11%	13%	1%	8%	(2%)	2%	11%	6%	5%	2%	5%
Reconciliation of GAAP net cash (used in) provided by operating activities to non-GAAP free cash flow												
GAAP net cash (used in) provided by operating activities	\$1.5	\$0.9	(\$1.1)	(\$0.9)	\$0.4	(\$3.7)	(\$0.6)	(\$1.1)	\$3.6	(\$1.8)	(\$0.4)	(\$2.5)
Capital expenditures	(\$0.1)	(\$0.0)	(\$0.1)	(\$0.1)	(\$0.3)	(\$0.1)	(\$0.4)	(\$0.3)	(\$0.7)	(\$1.5)	(\$1.1)	(\$0.5)
Non-GAAP free cash flow	\$1.4	\$0.9	(\$1.2)	(\$1.0)	\$0.1	(\$3.8)	(\$1.0)	(\$1.4)	\$2.9	(\$3.3)	(\$1.5)	(\$3.0)