

APPLERA CORP
Form 4
August 06, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SLAYMAN CAROLYN W

(Last) (First) (Middle)

APPLERA CORPORATION, 301 MERRITT 7

(Street)

NORWALK, CT 06851-1070

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
APPLERA CORP [ABI/CRA]

3. Date of Earliest Transaction (Month/Day/Year)
08/02/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount or Price		
Applied Biosystems Group Common Stock	08/02/2007		S ⁽¹⁾	11	D \$ 31.53	14,323	D
Applied Biosystems Group Common Stock	08/02/2007		S ⁽¹⁾	45	D \$ 31.52	14,278	D
Applied Biosystems	08/02/2007		S ⁽¹⁾	14	D \$ 31.5	14,264	D

Edgar Filing: APPLERA CORP - Form 4

Group Common Stock								
Applied Biosystems Group Common Stock	08/02/2007	<u>S⁽¹⁾</u>	24	D	\$ 31.48	14,240	D	
Applied Biosystems Group Common Stock	08/02/2007	<u>S⁽¹⁾</u>	72	D	\$ 31.47	14,168	D	
Applied Biosystems Group Common Stock	08/02/2007	<u>S⁽¹⁾</u>	52	D	\$ 31.46	14,116	D	
Applied Biosystems Group Common Stock	08/02/2007	<u>S⁽¹⁾</u>	36	D	\$ 31.45	14,080	D	
Applied Biosystems Group Common Stock	08/02/2007	<u>S⁽¹⁾</u>	68	D	\$ 31.44	14,012	D	
Applied Biosystems Group Common Stock	08/02/2007	<u>S⁽¹⁾</u>	24	D	\$ 31.43	13,988	D	
Applied Biosystems Group Common Stock	08/02/2007	<u>S⁽¹⁾</u>	48	D	\$ 31.41	13,940	D	
Applied Biosystems Group Common Stock	08/02/2007	<u>S⁽¹⁾</u>	24	D	\$ 31.39	13,916	D	
Applied Biosystems Group	08/02/2007	<u>S⁽¹⁾</u>	12	D	\$ 31.38	13,904	D	

Edgar Filing: APPLERA CORP - Form 4

Common Stock							
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	12	D	\$ 31.34	13,892	D
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	12	D	\$ 31.33	13,880	D
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	24	D	\$ 31.32	13,856	D
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	12	D	\$ 31.31	13,844	D
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	11	D	\$ 31.3	13,833	D
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	12	D	\$ 31.29	13,821	D
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	12	D	\$ 31.27	13,809	D
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	16	D	\$ 31.19	13,793	D
Applied Biosystems Group Common	08/02/2007	S ⁽¹⁾	44	D	\$ 31.18	13,749	D

Edgar Filing: APPLERA CORP - Form 4

Stock								
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	12	D	\$ 31.15	13,737	D	
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	11	D	\$ 31.09	13,726	D	
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	12	D	\$ 30.98	13,714	D	
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	131	D	\$ 30.97	13,583	D	
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	24	D	\$ 30.93	13,559	D	
Applied Biosystems Group Common Stock	08/02/2007	S ⁽¹⁾	12	D	\$ 30.89	13,547	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo
--	--	--------------------------------------	--	--------------------------------	--	--	---	--	---------------------------------------

Disposed
of (D)
(Instr. 3,
4, and 5)

Trans
(Instr

Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
------	---	-----	-----	---------------------	--------------------	-------	--

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SLAYMAN CAROLYN W APPLERA CORPORATION 301 MERRITT 7 NORWALK, CT 06851-1070	X			

Signatures

/s/ Thomas P. Livingston, Attorney-in-Fact for Carolyn W.
Slayman

08/06/2007

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects sale by independent third-party administrator under the issuer's Insider Diversification Program.

Remarks:

This is the second of two forms being filed by the reporting person on August 6, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ransform:none;font-variant: normal;">

(39,220

)

Less: Loss attributable to noncontrolling interest

76

Net loss attributable to Identiv, Inc.

\$

(13,695

)

\$

(39,144

)

Basic and diluted net loss per share attributable to Identiv, Inc.

\$

(1.25

)

\$

(3.62

)

Weighted average shares used to compute basic and diluted loss per share

10,916

Explanation of Responses:

10,812

The accompanying notes are an integral part of these consolidated financial statements.

41

IDENTIV, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

	Year Ended	
	December 31,	
	2016	2015
Net loss	\$(13,703)	\$(39,220)
Other comprehensive loss, net of income taxes:		
Foreign currency translation adjustment	(192)	971
Foreign currency translation reclassified into net loss upon acquisition of noncontrolling interest	—	(444)
Total other comprehensive (loss) income, net of income taxes	(192)	527
Comprehensive loss	(13,895)	(38,693)
Less: Comprehensive loss attributable to noncontrolling interest	24	79
Comprehensive loss attributable to Identiv, Inc. common stockholders	\$(13,871)	\$(38,614)

The accompanying notes are an integral part of these consolidated financial statements.

IDENTIV, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands; except par value)

	Identiv, Inc. Stockholders' Equity				Accumulated			Total Equity
	Common Shares	Stock Amount	Additional Paid-in Capital	Treasury Stock	Accumulated Deficit	Other Comprehensive Income	Noncontrolling Interest	
Balances, January 1, 2015	10,640	\$ 11	\$ 389,401	\$(4,572)	\$(338,670)	\$ 1,699	\$(1,737)	46,132
Net loss	—	—	—	—	(39,144)	—	(76)	(39,220)
Other comprehensive loss	—	—	—	—	—	974	(3)	971
Issuance of common stock								
in connection with settlement of earnout	326	—	3,510	—	—	—	—	3,510
Issuance of common stock to acquire share of noncontrolling interest	95	—	(1,216)	—	—	(444)	1,660	—
Issuance of common stock								
in connection with exercise of options and warrants	60	—	46	—	—	—	—	46
Stock-based compensation	—	—	4,515	—	—	—	—	4,515
Issuance of warrants	—	—	151	—	—	—	—	151
Repurchase of common stock	(374)	—	—	(1,915)	—	—	—	(1,915)
Balances, December 31,	10,747	11	396,407	(6,487)	(377,814)	2,229	(156)	14,190

Explanation of Responses:

2015								
Net loss	—	—	—	—	(13,695)	—	(8)	(13,703)
Other comprehensive loss	—	—	—	—	—	(176)	(16)	(192)
Issuance of warrants	—	—	569	—	—	—	—	569
Issuance of common stock								
in connection with								
vesting of stock awards	471	—	—	—	—	—	—	—
Stock-based compensation	—	—	3,290	—	—	—	—	3,290
Repurchase of common stock	(109)	—	—	(221)	—	—	—	(221)
Balances, December 31,								
2016	11,109	\$ 11	\$ 400,266	\$ (6,708)	\$ (391,509)	\$ 2,053	\$ (180)	\$ 3,933

The accompanying notes are an integral part of these consolidated financial statements.

IDENTIV, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended December 31,	
	2016	2015
Cash flows from operating activities:		
Net loss	\$(13,703)	\$(39,220)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,170	3,148
Impairment of goodwill and long-lived assets	—	8,771
Accretion of interest on long-term payment obligation	399	536
Amortization of debt issuance costs	811	408
Stock-based compensation expense	2,842	4,667
Loss on disposal of fixed assets	331	17
Changes in operating assets and liabilities:		
Accounts receivable	(1,437)	5,450
Inventories	3,285	(5,858)
Prepaid expenses and other assets	441	196
Accounts payable	(191)	(1,890)
Payment obligation liability	(1,185)	(1,157)
Deferred revenue	(430)	1,009
Accrued expenses and other liabilities	(550)	920
Net cash used in operating activities	(6,217)	(23,003)
Cash flows from investing activities:		
Capital expenditures	(549)	(341)
Net cash used in investing activities	(549)	(341)
Cash flows from financing activities:		
Proceeds from issuance of debt, net of issuance costs	—	4,000
Proceeds from issuance of common stock under stock plans	—	46
Repurchase of common stock	(221)	(1,915)
Net cash (used in) provided by financing activities	(221)	2,131
Effect of exchange rates on cash	(564)	1,333
Net decrease in cash	(7,551)	(19,880)
Cash at beginning of period	16,667	36,547
Cash at end of period	\$9,116	\$16,667
Supplemental Disclosures of Cash Flow Information:		
Interest paid	\$1,615	\$1,400
Taxes paid	\$167	\$104
Non-cash investing and financing activities:		
Warrants issued in connection with debt	\$569	\$—
Common stock issued to settle earn-out obligation	\$—	\$3,510
Common stock issued to acquire share of noncontrolling interest	\$—	\$1,216
Property and equipment included in accruals	\$32	\$333
Restricted stock units issued in settlement of accruals	\$448	\$—

The accompanying notes are an integral part of these consolidated financial statements.

Explanation of Responses:

IDENTIV, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Identiv, Inc. (“Identiv” or the “Company,”) is a global security technology company that secures data, physical places and things. Global organizations in the government, education, retail, transportation, healthcare and other markets rely upon the Company’s solutions. We empower them to create safe, secure, validated and convenient experiences in schools, government offices, factories, transportation, hospitals and virtually every type of facility.

The Company’s corporate headquarters are in Fremont, California. The Company maintains research and development facilities in California, and Chennai, India and local operations and sales facilities in Germany, Hong Kong, Japan, Singapore, and the United States. The Company was founded in 1990 in Munich, Germany and was incorporated in 1996 under the laws of the State of Delaware.

Principles of Consolidation and Basis of Presentation — The accompanying consolidated financial statements include the accounts of the Company and its wholly and majority owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Reclassifications — Certain reclassifications, such as the accounting for debt issuance costs consistent with Accounting Standards Update (“ASU”), Simplifying the Presentation of Debt Issuance Costs (“ASU 2015-03”), have been made to the fiscal year 2015 financial statements to conform to the fiscal year 2016 presentation.

Allowance for Doubtful Accounts — The allowance for doubtful accounts is based on the Company’s assessment of the collectibility of customer accounts. The Company regularly reviews its receivables that remain outstanding past their applicable payment terms and establishes an allowance and potential write-offs by considering factors such as historical experience, credit quality, age of the accounts receivable balances, and current economic conditions that may affect a customer’s ability to pay. Although the Company expects to collect net amounts due as stated on the consolidated balance sheets, actual collections may differ from these estimated amounts.

Inventories — Inventories are stated at the lower of cost, using standard cost, approximating average cost, or FIFO method, as applicable, or market value. Inventory is written down for excess inventory, technical obsolescence and the inability to sell based primarily on historical sales and expectations for future use. The Company operates in an industry characterized by technological change. The planning of production and inventory levels is based on internal forecasts of customer demand, which are highly unpredictable and can fluctuate substantially. Should the demand for the Company’s products prove to be significantly less than anticipated, the ultimate realizable value of the Company’s inventory could be substantially less than amounts in the consolidated balance sheets. Once inventory has been written down below cost, it is not subsequently written up.

Property and Equipment — Property and equipment are stated at cost less accumulated depreciation. Depreciation and amortization are computed using the straight-line method over estimated useful lives of three to ten years for furniture, fixture and office equipment, five to seven years for machinery, five years for automobiles and three years for computer software. Leasehold improvements are amortized over the shorter of the lease term or their estimated useful life.

Intangible and Long-lived Assets — The Company evaluates its long-lived assets and amortizable intangible assets in accordance with ASC Topic 360, Property, Plant and Equipment (“ASC 360”). The Company evaluates its long-lived assets and identifiable amortizable intangible assets for impairment whenever events or changes in circumstances

indicate that the carrying amount of such assets or intangibles may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by an asset. If such assets are considered to be impaired (i.e., if the sum of its estimated future undiscounted cash flows used to test for recoverability is less than its carrying value), the impairment loss to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives of the related assets as the straight-line method is considered to align with expected cash flows. Each period the Company evaluates the estimated remaining useful life of purchased intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization. For intangible assets determined to have an indefinite useful life, no amortization is recognized until the assets' useful life is determined to be no longer indefinite. As discussed in Note 5, Goodwill and Intangible Assets, the Company performed an impairment analysis in the fourth quarter of 2016 and found no indicators of impairment.

Product Warranty — The Company accrues the estimated cost of product warranties at the time of sale. The Company's warranty obligation is affected by actual warranty costs, including material usage or service delivery costs incurred in correcting a

product failure. If actual material usage or service delivery costs differ from estimates, revisions to the estimated warranty liability would be required. Historically the warranty accrual and the expense amounts have been immaterial.

Revenue Recognition — Revenue is recognized when all of the following criteria have been met:

• Persuasive evidence of an arrangement exists. The Company generally relies upon sales contracts or agreements, and customer purchase orders to determine the existence of an arrangement.

• Delivery has occurred. The Company uses shipping terms and related documents, or written evidence of customer acceptance, when applicable, to verify delivery or performance.

• Sales price is fixed or determinable. The Company assesses whether the sales price is fixed or determinable based on the payment terms and whether the sales price is subject to refund or adjustment.

• Collectability is reasonably assured. The Company assesses collectability based on creditworthiness of customers as determined by credit checks and customer payment histories. The Company records accounts receivable net of allowance for doubtful accounts, estimated customer returns, and pricing credits.

The Company recognizes revenue in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) ASC 605-25, Revenue Recognition – Multiple Element Arrangements, and, in certain transactions, ASC 985 Software – Revenue Recognition.

In multiple-element arrangements, some sales arrangement are accounted for under the software provisions of ASC 985-605 and others under the provisions that relate to the sale of non-software products.

In multiple-element arrangements that include hardware, bundled with professional services, maintenance contracts, and in some cases with its software products, the Company evaluates each element, delivered and undelivered, in an arrangement to determine whether it represents a separate unit of accounting. In these multiple element arrangements, revenue is allocated among all elements, delivered and undelivered, based on a vendor-specific objective evidence (“VSOE”), if available, third-party evidence (“TPE”) if VSOE is not available, or estimated selling price (“ESP”) if neither VSOE nor TPE is available. VSOE of selling price is based on the price charged when the element is sold separately. TPE of selling price is established by evaluating largely interchangeable competitor products or services in stand-alone sales to similarly situated customers. The best estimate of selling price is established considering multiple factors, including pricing practices in different geographies and through different sales channels, gross margin objectives, internal costs, competitor pricing strategies and industry technology lifecycles. Some of the Company’s offerings contain a significant element of proprietary technology and provide substantially unique features and functionality; as a result, the comparable pricing of products with similar functionality typically cannot be obtained. Additionally, as the Company is unable to reliably determine what competitors products’ selling prices are on a stand-alone basis, typically the Company is not able to determine TPE for such products. Therefore ESP is used for such products in the selling price hierarchy for allocating the total arrangement consideration.

In multiple-element arrangements that include software, the Company accounts for each element under the standards of ASC 985-605 related to software. When software is a delivered element, the Company uses the residual method (ASC 605-25) for determining the amount of revenue to recognize for the delivered software component if VSOE for all of the undelivered elements has been established. In sales arrangements where VSOE of fair value has not been established, revenue for all elements is deferred and amortized over the life of the arrangement.

Revenue from professional services contracts is recognized upon completion of services and customer acceptance, if applicable. Professional services include security system integration, system migration and database conversion services. Revenue from maintenance contracts is deferred and recognized ratably over the period of the maintenance contracts. Certain sales arrangements contain hardware, software and professional service elements where professional services are essential to the functionality of the hardware and software system and a test of the functionality of the complete system is required before the customer accepts the system. As a result, hardware, software and professional service elements are accounted for as one unit of accounting and revenue from these arrangements is recognized upon completion of the project.

Research and Development — Costs to research, design, and develop the Company's products are expensed as incurred and consist primarily of employee compensation and fees for the development of prototype products. Software development costs are capitalized beginning when a product's technological feasibility has been established and ending when a product is available for general release to customers. Generally, the Company's products are released soon after technological feasibility has been established. As a result, costs subsequent to achieving technological feasibility have not been significant, and all software development costs generally have been expensed as incurred. The Company capitalizes certain costs for its internal-use software incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as

incurred. Internal-use software is amortized on a straight line basis over its estimated useful life, generally three years. The estimated useful life is determined based on management's judgment on how long the core technology and functionality serves internal needs and the customer base. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. The Company recorded amortization expense related to software development costs, including amounts written-off related to capitalized costs, in the amount of \$0.4 million and \$0.3 million for the years ended December 31, 2016 and 2015, respectively.

Freight Costs — The Company reflects the cost of shipping its products to customers as a cost of revenue. Reimbursements received from customers for freight costs are recognized as product revenue.

Income Taxes — The Company accounts for income taxes in accordance with ASC Topic 740, Income Taxes ("ASC 740"), which requires the asset and liability approach for financial accounting and reporting of income taxes. Deferred income taxes reflect the recognition of future tax consequences of events that have been recognized in the Company's financial statements or tax returns. The carrying value of net deferred tax assets reflects that the Company has been unable to generate sufficient taxable income in certain tax jurisdictions. A valuation allowance is provided to reduce the deferred tax asset to an amount that is more likely than not to be realized. The deferred tax assets are still available for the Company to use in the future to offset taxable income, which would result in the recognition of a tax benefit and a reduction in the Company's effective tax rate. Actual operating results and the underlying amount and category of income in future years could render the Company's current assumptions, judgments and estimates of the realizability of deferred tax assets inaccurate, which could have a material impact on its financial position or results of operations.

The Company accounts for uncertain tax positions in accordance with ASC 740, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Such changes in recognition or measurement might result in the recognition of a tax benefit or an additional charge to the tax provision in the period.

The Company recognizes interest and penalties related to unrecognized tax benefits within the income tax expense line in the accompanying consolidated statement of operations. Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheet. See Note 8, Income Taxes, for further information regarding the Company's tax disclosures.

Stock-based Compensation — The Company accounts for all stock-based payment awards, including employee stock options and restricted stock awards, in accordance with ASC Topic 718, Compensation-Stock Compensation ("ASC 718"). Under the fair value recognition provisions of this topic, stock-based compensation cost is measured at the grant date based on the fair value of the award. Compensation expense for all stock-based payment awards is recognized using the straight-line single-option approach. Employee stock options awards are valued under the single-option approach and amortized on a straight-line basis, net of estimated forfeitures. The value of the portion of the stock options award that is ultimately expected-to-vest is recognized as expense over the requisite service periods in the Company's consolidated statements of operations. See Note 3 for further information regarding the Company's stock-based compensation assumptions and expenses.

The Company has elected to use the Black Scholes option-pricing model to estimate the fair value of its options, which incorporates various subjective assumptions including volatility, risk-free interest rate, expected life, and dividend yield to calculate the fair value of stock option awards. Since the Company has been publicly traded for many years, it utilizes its own historical volatility in valuing its stock option grants. The expected life of an award is based on historical experience, the terms and conditions of the stock awards granted to employees, as well as the potential effect from options that have not been exercised at the time. The assumptions used in calculating the fair value of stock-based payment awards represent management's estimates. These estimates involve inherent

uncertainties and the application of management's judgment. If factors change and the Company uses different assumptions, its stock-based compensation expense could be materially different in the future. In addition, the Company estimates the expected forfeiture rate and recognizes expense only for those awards which are ultimately expected-to-vest shares. If the actual forfeiture rate is materially different from the Company's estimate, the recorded stock-based compensation expense could be different. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Concentration of Credit Risk — No customer accounted for more than 10% of net revenue for the year ended December 31, 2016. One customer accounted for 14% of net revenue for the year ended December 31, 2015. No customer accounted for more than 10% of the Company's accounts receivable balance at December 31, 2016 or December 31, 2015. The Company does not require collateral or other security to support accounts receivable. To reduce risk, the Company's management performs ongoing credit evaluations of its customers' financial condition. The Company maintains allowances for potential credit losses in its consolidated financial statements.

Net Loss Per Share — Basic and diluted net loss per share is based upon the weighted average number of common shares outstanding during the period. Diluted net loss per share is based upon the weighted average number of common shares and dilutive-potential common share equivalents outstanding during the period, if applicable. Dilutive-potential common share equivalents are excluded from the computation of net loss per share in the loss periods as their effect would be antidilutive. As the Company has incurred losses from continuing operations during each of the last two fiscal years, shares issuable pursuant to equity awards are excluded from the computation of diluted net loss per share in the accompanying consolidated statements of operations as their effect is anti-dilutive.

Comprehensive Loss — Comprehensive loss for the years ended December 31, 2016 and 2015 has been disclosed within the consolidated statements of comprehensive loss. Other accumulated comprehensive loss includes net foreign currency translation adjustments which are excluded from consolidated net loss.

Foreign Currency Translation and Transactions — The functional currencies of the Company's foreign subsidiaries are the local currencies, except for the Singapore subsidiary, which uses the U.S. dollar as its functional currency. For those subsidiaries whose functional currency is the local currency, the Company translates assets and liabilities to U.S. dollars using period-end exchange rates and translates revenues and expenses using average exchange rates during the period. Exchange gains and losses arising from translation of foreign entity financial statements are included as a component of other comprehensive loss and gains and losses from transactions denominated in currencies other than the functional currencies of the Company are included in the Company's consolidated statements of operations. The Company recognized currency gains of less than \$0.1 million in 2016 and currency losses of \$1.2 million in 2015.

Recent Accounting Pronouncements

In March 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-09, Compensation – Stock Compensation, which provides guidance to simplify several aspects of accounting for share-based payment transactions, including the accounting for income taxes, forfeitures, statutory tax withholding requirements, as well as classification in the statement of cash flows. The guidance is effective for reporting periods beginning after December 15, 2016; however, early adoption is permitted. The Company is currently evaluating the impact of the adoption of this guidance will have on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (“ASU 2016-02”), which amends accounting for leases. Under the new guidance, a lessee will recognize assets and liabilities but will recognize expenses similar to current lease accounting. The guidance is effective for reporting periods beginning after December 15, 2018; however early adoption is permitted. The new guidance must be adopted using a modified retrospective approach to each prior reporting period presented with various optional practical expedients. The Company is currently evaluating the impact of the adoption of this guidance will have on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs (“ASU 2015-03”). The amendments in this ASU require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. The amendments are effective for financial statements issued for fiscal years beginning after December 15, 2015. The Company adopted this guidance as of January 1, 2016. The new guidance has been applied on a retrospective basis, wherein the consolidated balance sheet of December 31, 2015 has been retrospectively adjusted to reflect the effects of applying the new guidance. As a result of the change to the December 31, 2015 consolidated balance sheet, deferred debt issuance costs included in other assets and long-term financial liabilities decreased by \$0.4 million. After the retrospective application to the balance sheet at December 31, 2015, subsequent amortization of the deferred debt issuance costs results in an increase to long-term debt.

In August 2014, the FASB issued ASU No. 2014-15, Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern, ("ASU 2014-15"), which requires management to perform interim and annual assessments on whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year of the date the financial statements are issued and to provide related disclosures, if required. The amendments in ASU 2014-15 are effective for the annual period ending after December 15, 2016, and for annual and interim periods thereafter. The adoption of ASU 2014-15 had no impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09 Revenue from Contracts with Customers ("ASU 2014-09"), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. In August 2015, the FASB issued ASU 2015-14, Revenue From Contracts With Customers (Topic 606) ("ASU 2015-14"), which defers

the effective date of ASU 2014-09 by one year to annual periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Early adoption is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The new guidance is effective for the Company beginning January 1, 2018. The Company is currently evaluating the method and impact that ASU 2014-09 will have on its consolidated financial statements.

2. Fair Value Measurements

The Company determines the fair values of its financial instruments based on a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The classification of a financial asset or liability within the hierarchy is based upon the lowest level input that is significant to the fair value measurement. Under ASC Topic 820, Fair Value Measurement and Disclosures (“ASC 820”), the fair value hierarchy prioritizes the inputs into three levels that may be used to measure fair value:

- Level 1 – Quoted prices (unadjusted) for identical assets and liabilities in active markets;
- Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

As of December 31, 2016 and 2015, there were no assets that are measured and recognized at fair value on a recurring basis. There were no cash equivalents as of December 31, 2016 and 2015.

The Company’s only liability measured at fair value on a recurring basis was the contingent consideration related to the acquisition of idOnDemand, Inc. (“idOnDemand”). The sellers of idOnDemand (the “Selling Shareholders”) were eligible to receive limited earn-out payments (“Earn-out Consideration”) in the form of shares of the Company’s common stock subject to certain lock-up periods under the terms of the Stock Purchase Agreement dated April 29, 2011 between the Company and the Selling Shareholders of idOnDemand (the “SPA”). The Company recorded an earn-out obligation of \$3.51 million as of December 31, 2014. The Earn-out Consideration liability of \$3.51 million was settled during the quarter ended June 30, 2015 by the issuance of common stock to the Selling Shareholders, including the Company’s former Chief Executive Officer and former Chief Financial Officer.

	Fair Value Measurements
	(Level 3)
(in thousands)	Earn-out Liability
Balance at December 31, 2014	\$ 3,510
Remeasurement of obligation	—
Issuance of shares to settle earn-out obligation	(3,510)
Balance at December 31, 2015	\$ —
Remeasurement of obligation	—
Balance at December 31, 2016	\$ —

Assets and Liabilities Measured at Fair Value on a Non-recurring Basis

Certain of the Company's assets, including intangible assets, goodwill, and privately-held investments, are measured at fair value on a nonrecurring basis if impairment is indicated. Purchased intangible assets are measured at fair value primarily using discounted cash flow projections. For additional discussion of measurement criteria used in evaluating potential impairment involving goodwill and intangible assets, refer to Note 5, Goodwill and Intangible Assets.

Privately-held investments, which are normally carried at cost, are measured at fair value due to events and circumstances that the Company identified as significantly impacting the fair value of investments. The Company estimates the fair value of its privately-held investments using an analysis of the financial condition and near-term prospects of the investee, including recent financing activities and the investee's capital structure.

As of December 31, 2016 and 2015, the Company had \$0.3 million of privately-held investments measured at fair value on a nonrecurring basis which were classified as Level 3 assets due to the absence of quoted market prices and inherent lack of liquidity.

The Company reviews its investments to identify and evaluate investments that have an indication of possible impairment. The Company adjusts the carrying value for its privately-held investments for any impairment if the fair value is less than the carrying value of the respective assets on an other-than-temporary basis. The amount of privately-held investments is included in other assets in the accompanying consolidated balance sheets.

As of December 31, 2016 and 2015, there were no liabilities that are measured and recognized at fair value on a non-recurring basis.

Assets and Liabilities Not Measured at Fair Value

The carrying amounts of the Company's accounts receivable, prepaid expenses and other current assets, accounts payable, financial liabilities and other accrued liabilities approximate fair value due to their short maturities.

3. Stockholders' Equity

Preferred Stock

The Company is authorized to issue 10,000,000 shares of preferred stock, 40,000 of which have been designated as Series A Participating Preferred Stock, par value \$0.001 per share. No shares of the Company's preferred stock, including the Series A Participating Preferred Stock, were outstanding as of December 31, 2016 and 2015. The Company's board of directors may from time to time, without further action by the Company's stockholders, direct the issuance of shares of preferred stock in series and may, at the time of issuance, determine the rights, preferences and limitations of each series, including voting rights, dividend rights and redemption and liquidation preferences. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of the Company's common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of any liquidation, dissolution or winding-up of the Company before any payment is made to the holders of shares of the Company's common stock. Upon the affirmative vote of the Board, without stockholder approval, the Company may issue shares of preferred stock with voting and conversion rights which could adversely affect the holders of shares of its common stock.

Common Stock Warrants

In connection with the Company's entry into a consulting agreement, the Company issued a consultant a warrant to purchase up to 85,000 shares of the Company's common stock at a per share exercise price of \$10.70 (the "Consultant Warrant"). One fourth of the shares under the warrant are exercisable for cash three months from the date the Consultant Warrant was issued and quarterly thereafter. The Consultant Warrant expires on August 13, 2019. In the event of an acquisition of the Company, the Consultant Warrant shall terminate and no longer be exercisable as of the closing of the acquisition. As of December 31, 2016, the Consultant Warrant has not been exercised.

In connection with the Company's entry into a credit agreement with Opus Bank ("Opus") as discussed in Note 7, Financial Liabilities, the Company issued Opus a warrant to purchase up to 100,000 shares of the Company's common stock at a per share exercise price of \$9.90 (the "Opus Warrant"). On March 31, 2016, the Company entered into a third amendment to its Credit Agreement increasing the number of shares of common stock underlying the warrant from 100,000 to 200,000 shares and decreasing the exercise price from \$9.90 to \$2.19 per share subject to modification. The Company also agreed to issue new warrants to purchase 100,000 shares of common stock in the event that the

outstanding principal balance of the Company's loans with Opus exceeds specified thresholds on each of September 30, 2016, December 31, 2016 and March 31, 2017. The terms of any new warrants issued will be identical to those of the existing warrant, except that each new warrant issued will be exercisable for 100,000 shares and have an exercise price equal to the average closing price of the Company's common stock for the five trading days ending on the last day of the quarter with respect to which the new warrant is issued. In addition, the existing registration rights agreement was amended to include the new warrants and change the circumstances under which the Company must register shares underlying the warrants issued to Opus (the "Amended Rights Agreement"). The Opus Warrant is immediately exercisable for cash or by net exercise and expires on March 31, 2019. The shares issuable upon exercise of the Opus Warrant and new Opus warrants, if any, are to be registered at the request of Opus pursuant to a Registration Rights Agreement, dated March 31, 2014, as amended by Amendment No. 1 to the Registration Rights Agreement, dated March 31, 2016, between the Company and Opus. As of December 31, 2016, the Opus Warrant had not been exercised.

On September 30, 2016, the Company's outstanding principal threshold, as required in its Credit Agreement, as amended, was not attained. As a result, the Company issued a new warrant ("New Opus Warrant #1") to purchase 100,000 shares of common stock at a per share exercise price of \$2.22 per share to Opus. The New Opus Warrant #1 is immediately exercisable for cash or by net exercise and expires on September 30, 2021. As of December 31, 2016, the New Opus Warrant #1 had not been exercised.

On December 31, 2016, the Company's outstanding principal threshold, as required in its Credit Agreement, as amended, was not attained. As a result, the Company issued a new warrant ("New Opus Warrant #2") to purchase 100,000 shares of common stock at a per share exercise price of \$3.61 per share to Opus. The New Opus Warrant #2 is immediately exercisable for cash or by net exercise and expires on December 31, 2021. As of December 31, 2016, the New Opus Warrant #2 had not been exercised. Subsequent to December 31, 2016, the Opus Warrant, the new Opus Warrant #1 and New Opus Warrant #2 were cancelled. See Note 14, Subsequent Events for more information.

On August 14, 2013, in a private placement, the Company issued 834,847 shares of its common stock at a price of \$8.50 per share and warrants to purchase an additional 834,847 shares of its common stock with an exercise price of \$10.00 per share (the "2013 Private Placement Warrants") to accredited and other qualified investors (the "Investors"). The 2013 Private Placement Warrants have a term of four years and are exercisable beginning six months following the date of issuance. In addition, the placement agent was issued warrants to purchase 100,000 shares of common stock at an exercise price of \$10.00 per share as compensation. Subsequent to issuance, warrants to purchase an aggregate of 747,969 shares were exercised. The number of shares issuable upon exercise of the 2013 Private Placement Warrants is subject to adjustment for any stock dividends, stock splits or distributions by the Company, or upon any merger or consolidation or sale of assets of the Company, tender or exchange offer for the Company's common stock, or a reclassification of the Company's common stock. As of December 31, 2016, 186,878 warrants had not been exercised.

Below is a summary of outstanding warrants issued by the Company as of December 31, 2016:

Warrant Type	Number of Shares Issuable Upon Exercise	Weighted Average Exercise Price	Issue Date	Expiration Date
Consultant Warrant	85,000	\$ 10.70	August 13, 2014	August 13, 2019
Opus Warrant	200,000	2.19	March 31, 2014	March 31, 2019
New Opus Warrant #1	100,000	2.22	September 30, 2016	September 30, 2021
New Opus Warrant #2	100,000	3.61	December 31, 2016	December 31, 2021
2013 Private Placement Warrants	186,878	10.00	August 14, 2013	August 14, 2017
Total	671,878			

Stock-Based Compensation Plans

The Company has various stock-based compensation plans to attract, motivate, retain and reward employees, directors and consultants by providing its Board or a committee of the Board the discretion to award equity incentives to these persons. The Company's stock-based compensation plans consist of the Director Option Plan, the 1997 Stock Option Plan, the 2000 Stock Option Plan, 2007 Stock Option Plan (the "2007 Plan"), the 2010 Bonus and Incentive Plan (the "2010 Plan") and the 2011 Incentive Compensation Plan (the "2011 Plan"), as amended.

Stock Bonus and Incentive Plans

In June 2010, the Company's stockholders approved the 2010 Plan which granted cash and equity-based awards to executive officers, directors, and other key employees as designated by the Compensation Committee of the Board. An aggregate of 300,000 shares of the Company's common stock was reserved for issuance under the 2010 Plan as

equity-based awards, including shares, nonqualified stock options, restricted stock or deferred stock awards. These awards provide the Company's executive officers, directors, and key employees with the opportunity to earn shares of common stock depending on the extent to which certain performance goals are met. Since the adoption of the 2011 Plan (described below), the Company utilizes shares from the 2010 Plan only for performance-based awards to participants and all equity awards granted under the 2010 Plan are issued pursuant to the 2011 Plan.

On June 6, 2011, the Company's stockholders approved the 2011 Plan, which is administered by the Compensation Committee of the Board. The 2011 Plan provides that stock options, stock units, restricted shares, and stock appreciation rights may be granted to executive officers, directors, consultants, and other key employees. The Company reserved 400,000 shares of common stock under the 2011 Plan, plus 459,956 shares of common stock that remained available for delivery under the 2007 Plan and the 2010 Plan as of June 6, 2011. In aggregate, as of June 6, 2011, 859,956 shares were available for future grants under the 2011 Plan, including shares rolled over from 2007 Plan and 2010 Plan. Subsequent to June 6, 2011 through December 31, 2015, the number of shares of common stock authorized for issuance under the 2011 Plan had been increased by 1.0 million shares. On May 12, 2016, the Company's stockholders approved an amendment and restatement of the 2011 Plan to, among other things, increase the number of shares of common stock authorized for issuance by 2.0 million shares and extend the term of the 2011 Plan.

Stock Option Plans

The Company's stock option plans are generally time-based and expire seven to ten years from the date of grant. Vesting varies, with some grants vesting 25% each year over four years; some vesting 25% after one year and monthly thereafter over three years; some vesting 100% on the date of grant; some vesting 1/12th per month over one year; some vesting 100% after one year; and some vesting monthly over four years. The Director Option Plan and 1997 Stock Option Plan both expired in March 2007. The 2000 Stock Option Plan expired in December 2010 and as noted above, the 2007 Plan was discontinued in June 2011 in connection with the approval of the 2011 Plan. As a result, options will no longer be granted under any of these plans except the 2011 Plan.

As of December 31, 2016, an aggregate of 7,379 options were outstanding under the Director Option Plan and 1997 Stock Option Plan, no options were outstanding under the 2000 Stock Option Plan, 6,741 options were outstanding under the 2007 Plan, and 818,821 options were outstanding under the 2011 Plan. These outstanding options remain exercisable in accordance with the terms of the original grant agreements under the respective plans.

A summary of activity for the Company's stock option plans for the year ended December 31, 2016 follows:

	Number	Average Exercise Price per Share	Weighted Average Remaining Contractual Term (Years)	Average Intrinsic Value
Balance at December 31, 2015	781,804	\$ 11.48		\$ —
Granted	444,460	4.36		
Cancelled or Expired	(393,323)	12.15		
Exercised	—	—		
Balance at December 31, 2016	832,941	\$ 7.11	8.23	\$ —
Vested or expected to vest at				
December 31, 2016	801,667	\$ 7.18	8.19	\$ —
Exercisable at December 31, 2016	429,816	\$ 8.58	7.58	\$ —

The following table summarizes information about options outstanding as of December 31, 2016:

Range of Exercise Prices	Options Outstanding		Options Exercisable		
	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$4.36 - \$7.20	530,810	9.00	\$ 4.55	207,619	\$ 4.78
\$7.50 - \$11.30	254,471	7.25	9.80	174,537	9.67
\$12.00 - \$19.70	27,390	6.29	13.66	27,390	13.66
\$21.70 - \$33.90	17,541	3.23	29.30	17,541	29.30

Edgar Filing: APPLERA CORP - Form 4

\$34.40 - \$43.40	2,729	0.22	43.40	2,729	43.40
\$4.36 - \$43.40	832,941	8.23	\$ 7.11	429,816	\$ 8.58

The weighted-average grant date fair value per option for options granted during the years ended December 31, 2016 and 2015 was \$4.36 and \$0, respectively. A total of 0 and 5,180 options were exercised during the years ended December 31, 2016 and 2015, respectively.

The fair value of option grants was estimated using the Black-Scholes model with the following weighted-average assumptions for the years ended December 31, 2016:

	2016	2015
Risk-free interest rate	1.25%	N/A
Expected volatility	78.40%	N/A
Expected term in years	4.77	N/A
Dividend yield	0.00%	N/A

52

At December 31, 2016, there was \$1.4 million of unrecognized stock-based compensation expense, net of estimated forfeitures related to unvested options, that is expected to be recognized over a weighted-average period of 2.1 years.

Restricted Stock and Restricted Stock Units

The following is a summary of restricted stock and restricted stock unit (“RSU”) activity for the year ended December 31, 2016:

	Number Outstanding	Weighted Average Fair Value
Balance at December 31, 2015	721,918	\$ 13.32
Granted	2,252,732	2.19
Vested	(736,922)	6.56
Forfeited	(264,269)	14.64
Balance at December 31, 2016	1,973,459	\$ 2.80

The fair value of the Company’s restricted stock awards and RSUs is calculated based upon the fair market value of the Company’s stock at the date of grant. As of December 31, 2016, there was \$2.6 million of unrecognized compensation cost related to unvested RSUs granted, which is expected to be recognized over a weighted average period of 3.1 years. As of December 31, 2016, an aggregate of 1,973,459 RSUs were outstanding under the 2011 Plan.

Stock-Based Compensation Expense

The following table illustrates all stock-based compensation expense related to stock options and RSUs included in the consolidated statements of operations for the years ended December 31, 2016 and 2015 (in thousands):

	Year Ended December 31,	
	2016	2015
Cost of revenue	\$76	\$85
Research and development	352	324
Selling and marketing	632	1,085
General and administrative	1,782	3,022
Total	\$2,842	\$4,516

Common Stock Reserved for Future Issuance

Common stock reserved for future issuance as of December 31, 2016 was as follows:

Edgar Filing: APPLERA CORP - Form 4

Exercise of outstanding stock options and vesting of RSUs	2,806,215
ESPP	293,888
Shares of common stock available for grant under the 2011 Plan	330,979
Noncontrolling interest in Bluehill AG	10,355
Warrants to purchase common stock	671,878
Total	4,113,315

Net Loss per Common Share Attributable to Identiv Stockholders' Equity

Basic and diluted net loss per share is based upon the weighted average number of common shares outstanding during the period. For the years ended December 31, 2016 and 2015, common stock equivalents consisting of outstanding stock options, RSUs and warrants were excluded from the calculation of diluted net loss per share because these securities were anti-dilutive due to the net loss in the respective periods. The total number of common stock equivalents excluded from diluted net loss per share relating to these securities was 3,488,448 common stock equivalents for the year ended December 31, 2016, and 2,255,124 common stock equivalents for the year ended December 31, 2015.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income (“AOCI”) at December 31, 2016 and 2015 consists of foreign currency translation adjustments of \$2.1 million and \$2.2 million, respectively. As a result of the acquisition of noncontrolling interest, \$0.4 million was reclassified out of AOCI into earnings during the year ended December 31, 2015.

Stock Repurchases

On October 9, 2014, the Company’s Board of Directors authorized a program to repurchase shares of the Company’s common stock. Under the stock repurchase program, the Company may repurchase up to \$5.0 million of its common stock over a period of one year. The program allowed stock repurchases from time to time at management’s discretion in the open market or in private transactions at prevailing market prices. The stock repurchase program expired on October 9, 2015. During the year ended December 31, 2015, the Company repurchased 358,502 shares of common stock under the stock repurchase program for total consideration of approximately \$1.8 million.

During the year ended December 31, 2016, the Company repurchased 109,192 shares of common stock surrendered to the Company to satisfy tax withholding obligations in connection with the vesting of RSUs issued to employees.

4. Balance Sheet Components

The Company’s inventories are stated at the lower of cost or market. Inventories consist of (in thousands):

	December 31,	
	2016	2015
Raw materials	\$3,346	\$5,033
Work-in-progress	285	12
Finished goods	7,965	9,681
Total	\$11,596	\$14,726

Property and equipment, net consists of (in thousands):

	December 31,	
	2016	2015
Building and leasehold improvements	\$1,884	\$2,670
Furniture, fixtures and office equipment	2,002	2,242
Plant and machinery	8,848	8,858
Purchased software	1,717	2,510
Total	14,451	16,280
Accumulated depreciation	(12,035)	(12,062)
Property and equipment, net	\$2,416	\$4,218

The Company recorded depreciation expense of \$1.7 million and \$1.6 million during the years ended December 31, 2016 and 2015, respectively.

Other accrued expenses and liabilities consist of (in thousands):

	December 31,	
	2016	2015
Accrued restructuring	\$237	\$633
Accrued professional fees	2,371	1,731
Income taxes payable	334	282
Other accrued expenses	2,090	3,189
Total	\$5,032	\$5,835

5. Goodwill and Intangible Assets

Goodwill

The following table presents goodwill by reporting unit, which is the same as operating segment, for the years ended December 31, 2016 and 2015 (in thousands):

	PACS	Credentials	Identity	All Other	Total
Balance at December 31, 2014	\$7,783	\$ —	\$ 1,070	\$ —	\$8,853
Goodwill impairment	(7,783)	—	(988)	—	(8,771)
Currency translation adjustment	—	—	(82)	—	(82)
Balance at December 31, 2015	\$—	\$ —	\$—	\$ —	\$—
Goodwill impairment	—	—	—	—	—
Currency translation adjustment	—	—	—	—	—
Balance at December 31, 2016	\$—	\$ —	\$—	\$ —	\$—

In the second quarter of 2015, the Company noted certain indicators of impairment, including a sustained decline in its stock price and continued reduced performance in its Identity reporting unit. Based on the results of step one of the goodwill impairment analysis, it was determined that the Company's net adjusted carrying value exceeded its estimated fair value for the Identity reporting unit. As a result, the Company concluded that the carrying value of goodwill for the Identity reporting unit was fully impaired and recorded an impairment charge of approximately \$1.0 million in its consolidated statements of operations during the second quarter of 2015.

In the fourth quarter of 2015, the Company's stock price declined significantly which resulted in a significant reduction in its fair value and market capitalization. The stock price declined from \$3.64 as of October 1, 2015 to \$1.99 as of December 31, 2015, and subsequently dropped further, reaching a low of \$1.56 in February 2016. Additionally, the Company's net losses continued in the quarter ended December 31, 2015. As a result, based on qualitative factors, the Company concluded that the carrying value of goodwill for the PACS reporting unit was fully impaired and recorded an impairment charge of \$7.8 million in its consolidated statement of operations in the fourth quarter of 2015.

Intangible Assets

The following table summarizes the gross carrying amount and accumulated amortization for intangible assets resulting from acquisitions (in thousands):

	Existing Technology	Customer Relationship	Total
Amortization period (in years)	11.75	4.0 – 11.75	
Gross carrying amount at December 31, 2015	\$ 4,600	\$ 10,639	\$ 15,239
Accumulated amortization	(2,361)	(5,603)	(7,964)
Intangible Assets, net at December 31, 2015	\$ 2,239	\$ 5,036	\$ 7,275
Gross carrying amount at December 31, 2016	\$ 4,600	\$ 10,639	\$ 15,239

Accumulated amortization	(2,809)	(6,610)	(9,419)
Intangible Assets, net at December 31, 2016	\$ 1,791	\$ 4,029	\$5,820

Each period, the Company evaluates the estimated remaining useful lives of purchased intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization. If a revision to the remaining period of amortization is warranted, amortization is prospectively adjusted over the remaining useful life of the intangible asset. Intangible assets subject to amortization are amortized on a straight-line basis over their useful lives as outlined in the table above. The Company performs an evaluation of its amortizable intangible assets for impairment at the end of each reporting period. The Company did not identify any impairment indicators during the year ended December 31, 2016.

The following table illustrates the amortization expense included in the consolidated statements of operations for the years ended December 31, 2016 and 2015 (in thousands):

	Year Ended	
	December 31,	
	2016	2015
Cost of revenue	\$448	\$448
Selling and marketing	1,007	1,007
Total	\$1,455	\$1,455

The estimated annual future amortization expense for purchased intangible assets with definite lives over the next five years is as follows (in thousands):

2017	\$1,455
2018	1,455
2019	1,455
2020	1,455
Thereafter	—
Total	\$5,820

6. Long-Term Payment Obligation

Hirsch Acquisition – Secure Keyboards and Secure Networks. Prior to the 2009 acquisition of Hirsch by the Company, effective November 1994, Hirsch had entered into a settlement agreement (the “1994 Settlement Agreement”) with two limited partnerships, Secure Keyboards, Ltd. (“Secure Keyboards”) and Secure Networks, Ltd. (“Secure Networks”). At the time, Secure Keyboards and Secure Networks were related to Hirsch through certain common shareholders and limited partners, including Hirsch’s then President Lawrence Midland, who resigned as President of the Company effective July 31, 2014. Immediately following the acquisition, Mr. Midland owned 30% of Secure Keyboards and 9% of Secure Networks. Secure Networks was dissolved in 2012 and Mr. Midland owned 24.5% of Secure Keyboards upon his resignation effective July 31, 2014.

On April 8, 2009, Secure Keyboards, Secure Networks and Hirsch amended and restated the 1994 Settlement Agreement to replace the royalty-based payment arrangement under the 1994 Settlement Agreement with a new, definitive installment payment schedule with contractual payments to be made in future periods through 2020 (the “2009 Settlement Agreement”). The Company was not an original party to the 2009 Settlement Agreement as the acquisition of Hirsch occurred subsequent to the 2009 Settlement Agreement being entered into. The Company has, however, provided Secure Keyboards and Secure Networks with a limited guarantee of Hirsch’s payment obligations under the 2009 Settlement Agreement (the “Guarantee”). The 2009 Settlement Agreement and the Guarantee became effective upon the acquisition of Hirsch on April 30, 2009. The Company’s annual payment to Secure Keyboards and Secure Networks in any given year under the 2009 Settlement Agreement is subject to an increase based on the percentage increase in the Consumer Price Index during the previous calendar year.

The final payment to Secure Networks was made on January 30, 2012 and the final payment to Secure Keyboards is due on January 30, 2021. The Company's payment obligations under the 2009 Settlement Agreement will continue through the calendar year period ending December 31, 2020, unless the Company elects at any time on or after January 1, 2012 to earlier satisfy its obligations by making a lump-sum payment to Secure Keyboards. The Company does not intend to make a lump-sum payment and therefore a portion of the payment obligation amount is classified as a long-term liability.

The Company included \$0.4 million and \$0.5 million of interest expense during the years ended December 31, 2016 and 2015, respectively, in its consolidated statements of operations for interest accreted on the long-term payment obligation.

The ongoing payment obligation in connection with the Hirsch acquisition as of December 31, 2016 is as follows (in thousands):

2017	\$1,200
2018	1,248
2019	1,298
2020	1,444
2021	372
Present value discount factor	(789)
Total	\$4,773

7. Financial Liabilities

Financial liabilities consist of (in thousands):

	December 31,	
	2016	2015
Secured term loan	\$10,000	\$10,000
Bank revolving loan facility	8,300	8,300
Total before discount and debt issuance costs	18,300	18,300
Less: Current portion of financial liabilities	(8,300)	—
Less: Long-term portion of unamortized discount and debt issuance costs	(221)	(644)
Long-term financial liabilities	\$9,779	\$17,656

Bank Term Loan and Revolving Loan Facility

On March 31, 2014, the Company entered into a credit agreement (the “Credit Agreement”) with Opus. The Credit Agreement provides for a term loan in aggregate principal amount of \$10.0 million (“Term Loan”) and an additional \$10.0 million revolving loan facility (“Revolving Loan Facility”). The obligations of the Company under the Credit Agreement are secured by substantially all the assets of the Company. Certain of the Company’s material domestic subsidiaries have guaranteed the credit facilities and have granted Opus security interests in substantially all of their respective assets. The Company may voluntarily prepay the Term Loan and outstanding amounts under the Revolving Loan Facility, without prepayment charges, and is required to make prepayments of the Term Loan in certain circumstances or condemnation events using the proceeds of asset sales or insurance.

In connection with the Company’s entry into the Credit Agreement, the Company paid customary lender fees and expenses, including facility fees. In addition, as discussed in Note 3, Stockholders’ Equity, the Company issued the Opus Warrant to purchase up to 100,000 shares of the Company’s common stock at a per share exercise price of \$9.90. The Company calculated the fair value of the Opus Warrant using the Black Scholes pricing model using the following assumptions: estimated volatility of 92.09%, risk-free interest rate of 1.73%, no dividend yield and an expected life of five years. In accordance with ASC 505-50, Equity-Based Payments to Non-Employees the fair value of the Opus Warrant of \$0.8 million was classified as equity as the settlement of the warrant will be in shares and is within the control of the Company. The Company recognized \$0.9 million in costs, both cash and equity, related to the Term Loan and Revolving Loan Facility. In accordance with ASC 835-30, Interest – Imputation of Interest amended by ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, the costs are recorded as a direct deduction from the carrying amount of the Term Loan and the Revolving Loan Facility and amortized as interest expense over the term of the Credit Agreement.

On November 10, 2014, the Company entered into an amendment to its Credit Agreement (the “Amended Credit Agreement”) with Opus. Under the Amended Credit Agreement, the Revolving Loan Facility was increased from \$10.0 million to \$30.0 million and the revolving loan maturity date was extended to November 10, 2017. In addition, the Company is no longer required to make scheduled monthly installment payments of principal under the Term Loan. Rather, the entire principal balance of the Term Loan will be due on March 31, 2017. Under the terms of the Amended Credit Agreement, both the principal amount of the Term Loan and the principal amount outstanding under the Revolving Loan Facility bear interest at a floating rate equal to: (a) if the Company holds more than \$30.0 million in

cash with Opus, the greater of (i) the prime rate plus 1.50% and (ii) 4.75%; (b) if the Company holds \$30.0 million or less but more than \$20.0 million in cash with Opus, the greater of (i) the prime rate plus 2.25% and (ii) 5.50%; or (c) if the Company holds \$20.0 million or less in cash with Opus, the greater of (i) the prime rate plus 2.75% and (ii) 6.00%. Interest on both facilities continues to be payable monthly. Additionally, the Amended Credit Agreement (i) modifies certain loan covenants applicable to the Company's stock repurchase plan, (ii) removes from the loan collateral shares of the Company's capital stock repurchased by the Company and (iii) extends the current tangible net worth covenant by one year. The Company paid customary lender fees and third party fees related to the debt modification. In accordance with ASC 470-50, Debt – Modifications and Extinguishments, the amendment has been treated as a debt modification, and costs related to the amendment are recorded as a direct deduction from the carrying amount of the Term Loan and Revolving Loan Facility and amortized as interest expense over the remaining term of the Amended Credit Agreement.

The Amended Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants, including, limits or restrictions on the Company's ability to incur liens, incur indebtedness, make certain restricted payments, merge or consolidate and dispose of assets. The Amended Credit Agreement also provides for customary financial covenants, including a minimum tangible net worth covenant, a maximum senior leverage ratio and a minimum asset coverage ratio. In addition, it contains customary events of default that entitle Opus to cause any or all of the Company's indebtedness under the Amended Credit Agreement to become immediately due and payable. Events of default, include, among other things, non-payment

defaults, covenant defaults, cross-defaults to other material indebtedness, bankruptcy and insolvency defaults and material judgment defaults. Upon the occurrence and during the continuance of an event of default, Opus may terminate its lending commitments and/or declare all or any part of the unpaid principal of all indebtedness, all interest accrued and unpaid thereon and all other amounts payable under the Amended Credit Agreement to be immediately due and payable. The Term Loan, net of discount and debt issuance costs, outstanding under the Amended Credit Agreement is classified as short-term and the Revolving Loan Facility, net of discount and debt issuance costs, is classified as long-term in the accompanying condensed consolidated balance sheets as of December 31, 2016.

On December 4, 2015, the Company entered into an additional amendment (the “Second Amendment”) to its Credit Agreement with Opus. The Second Amendment amended the financial covenants and restricts the Company from permitting its consolidated tangible net worth, plus amounts payable to Secure Keyboards (see Note 6), to be less than \$8,000,000 plus, 50% of any proceeds from debt or equity issued after December 1, 2015.

On March 31, 2016, the Company entered into an additional amendment (the “Third Amendment”) to its Credit Agreement with Opus. Under the Third Amendment, the Revolving Loan Facility was reduced from \$30.0 million to \$10.0 million and certain financial covenants were amended and added, including covenants with respect to tangible net worth, maximum senior leverage ratio, minimum asset coverage ratio, minimum EBITDA, minimum cash of at least \$7.5 million, and minimum future outstanding principal balance thresholds. In addition, as discussed in Note 3, Stockholders’ Equity, the Company amended the Opus Warrant.

On September 30, 2016, as a result of not attaining a minimum outstanding principal threshold, the Company issued a new warrant (“New Opus Warrant #1”) to purchase 100,000 shares of common stock at an exercise price of \$2.22 per share to Opus. The Company calculated the fair value of the New Opus Warrant #1 using the Black Scholes pricing model using the following assumptions: estimated volatility of 83.9%, risk free interest rate of 0.90%, no dividend yield, and an expected life of three years. The fair value of the Opus Warrant and the New Opus Warrant #1 of \$0.4 million is recorded as a direct deduction from the carrying amount of the Term Loan and is being amortized as interest expense over the remaining term of the Credit Agreement, as amended.

On December 31, 2016, as a result of not attaining a minimum outstanding principal threshold, the Company issued an additional warrant (“New Opus Warrant #2”) to purchase 100,000 shares of common stock at an exercise price of \$3.61 per share to Opus. The Company calculated the fair value of the New Opus Warrant #2 using the Black Scholes pricing model using the following assumptions: estimated volatility of 78.4%, risk free interest rate of 1.94%, no dividend yield, and an expected life of five years. The fair value of the New Opus Warrant of \$0.2 million is recorded as a direct deduction from the carrying amount of the Term Loan and is being amortized as interest expense over the remaining term of the Credit Agreement, as amended.

On February 8, 2017, the Company entered into new Loan and Security Agreements. In connection with the closing of such agreements, the Company repaid all outstanding amounts under its Credit Agreement, as amended, with Opus. See Note 14, Subsequent Events for more information.

In accordance with ASC Topic 470 Debt, at December 31, 2016, the Company excluded the principal amount outstanding under the Term Loan with Opus as the Company refinanced the short-term obligation on a long-term basis after the fiscal year ended December 31, 2016 but prior to the issuance of the consolidated financial statements.

The following table summarizes the timing of repayment obligations for the Company’s financial liabilities for the next five years under the terms of the Amended Credit Agreement as of December 31, 2016 (in thousands):

	2017	2018	2019	2020	Total
Bank term loan and revolving loan facility	\$8,300	\$10,000	\$ —	\$ —	\$18,300

8. Income Taxes

Loss before income taxes for domestic and non-U.S. continuing operations is as follows:

(In thousands)	2016	2015
Loss from continuing operations before income taxes and noncontrolling interest:		
U.S.	\$(13,284)	\$(43,518)
Foreign	(287)	4,520
Loss from continuing operations before income taxes and noncontrolling interest	\$(13,571)	\$(38,998)

The benefit (provision) for income taxes consisted of the following:

(In thousands)	December 31,	
	2016	2015
Deferred:		
Federal	\$—	\$—
State	—	—
Foreign	—	—
	\$—	\$—
Current		
Federal	\$—	\$—
State	(25)	(16)
Foreign	(107)	(206)
Total current	(132)	(222)
Total provision for income taxes	\$(132)	\$(222)

Significant items making up deferred tax assets and liabilities are as follows:

(In thousands)	December 31,	
	2016	2015
Deferred tax assets:		
Allowances not currently deductible for tax purposes	\$2,844	\$3,481
Net operating loss carryforwards	64,741	62,779
Accrued and other	7,149	8,781
	74,734	75,041
Less valuation allowance	(71,023)	(70,478)
	3,711	4,563
Deferred tax liability:		
Depreciation and amortization	(2,220)	(2,774)
Other	(1,491)	(1,789)
	(3,711)	(4,563)
Net deferred tax liability	\$—	\$—

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2016. Such objective evidence limits the ability to consider other subjective evidence such as the Company's projections for future growth.

A valuation allowance of \$71.0 million and \$70.5 million at December 31, 2016 and December 31, 2015, respectively, has been recorded to offset the related net deferred tax assets as the Company is unable to conclude that it is more likely than not that such deferred tax assets will be realized. The net deferred tax liabilities are primarily from foreign tax liabilities as well as intangibles acquired as a result of the acquisition of Hirsch, which are not deductible for tax purposes.

As of December 31, 2016, the Company has net operating loss carryforwards of \$103.3 million for federal, \$35.6 million for state and \$118.2million for foreign income tax purposes. The Company's loss carryforwards have started

expiring and will continue to expire through 2036 if not utilized.

The Tax Reform Act of 1986 (the "Reform Act") limits the use of net operating loss and tax credit carryforwards in certain situations where changes occur in stock ownership. The Company completed its acquisition of Bluehill ID on January 4, 2010, which resulted in a stock ownership change as defined by the Reform Act. This transaction resulted in limitations on the annual utilization of federal and state net operating loss carryforwards. As a result, the Company reevaluated its deferred tax assets available under the Reform Act. The loss carryforward amounts, excluding the valuation allowance, presented above have been adjusted for the limitation resulting from the change in ownership in accordance with the provisions of the Reform Act.

The (benefit) provision for income taxes reconciles to the amount computed by applying the statutory federal tax rate to the loss before income taxes from continuing operation is as follows:

(In thousands)	December 31,	
	2016	2015
Income tax expense (benefit) at statutory federal tax rate of		
34%	\$(4,711)	\$(13,247)
State taxes, net of federal benefit	17	11
Foreign taxes benefits provided for at rates other than U.S		
statutory rate	424	(1,349)
Change in valuation allowance	4,064	11,728
Goodwill impairment	—	2,646
Permanent differences	—	731
Other	338	(298)
Total provision for income taxes	132	222

The Company has no present intention of remitting undistributed retained earnings of any of its foreign subsidiaries. Accordingly, the Company has not established a deferred tax liability with respect to undistributed earnings of its foreign subsidiaries.

U.S. income and foreign withholding taxes have not been recognized on the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that is indefinitely reinvested outside the United States. This amount becomes taxable upon a repatriation of assets from the subsidiary or a sale or liquidation of the subsidiary. The determination and presentation of the amount of such temporary differences as of December 31, 2016 and 2015, is not practicable because of complexities of the hypothetical calculation.

The Company applies the provisions of, and accounted for uncertain tax positions in accordance with ASC 740. ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. It prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

A reconciliation of the beginning and ending amount of unrecognized tax benefits with an impact on the Company's consolidated balance sheets or results of operations is as follows:

(In thousands)	2016	2015
Balance at January 1	\$3,223	\$2,886
Additions based on tax positions related to the current year	1	352
Additions for tax positions of prior years	—	—
Reductions in prior year tax positions	(350)	—
Reductions in prior year tax positions due to completion of audit	—	—
Other reductions in prior year tax positions	—	(15)
Balance at December 31	\$2,874	\$3,223

While timing of the resolution and/or finalization of tax audits is uncertain, the Company does not believe that its unrecognized tax benefits as presented in the above table would materially change in the next 12 months. The reduction to the amount of unrecognized tax benefits during 2015 was primarily due to the expiration of statutes of limitations on tax attributes carried forward for prior years.

As of December 31, 2016 and 2015, the Company recognized liabilities for unrecognized tax benefits of \$2.9 million and \$3.1 million, respectively, which were accounted for as a decrease to deferred tax assets. Since there was a full valuation allowance against these deferred tax assets, there was no impact on the Company's consolidated balance sheets or results of operations for the years 2016 and 2015. Also the subsequent recognition, if any, of these previously unrecognized tax benefits would not affect the effective tax rate. Such recognition would result in adjustments to other tax accounts, primarily deferred taxes. The amount of unrecognized tax benefits, which, if recognized would affect the tax rate is \$0.1 million as of December 31, 2016 and 2015.

The Company recognizes interest accrued related to unrecognized tax benefits and penalties as income tax expense. During fiscal 2016, the Company recorded a reduction to accrued penalties of \$2,000 and an increase in accrued interest of \$4,000 related to

the unrecognized tax benefits noted above. As of December 31, 2016, the Company has recognized a total liability for penalties of \$13,000 and interest of \$28,000. During fiscal 2015, the Company recorded a reduction to accrued penalties of \$400 and a reduction to accrued interest of \$3,000 related to the unrecognized tax benefits noted above. As of December 31, 2015, the Company has recognized a total liability for penalties of \$15,000 and interest of \$24,000.

The Company files U.S. federal, U.S. state and foreign tax returns. The Company generally is no longer subject to tax examinations for years prior to 2011. However, if loss carryforwards of tax years prior to 2011 are utilized in the U.S., these tax years may become subject to investigation by the tax authorities.

9. Segment Reporting and Geographic Information

ASC Topic 280, Segment Reporting (“ASC 280”) establishes standards for the reporting by public business enterprises of information about operating segments, products and services and by geographic areas. The method for determining what information to report is based on the way management organizes the operating segments within the Company for making operating decisions and assessing financial performance. An operating segment is defined as a component of an enterprise that engages in business activities from which it may earn revenue and incur expenses and about which separate financial information is available to its chief operating decision makers (“CODM”). The Company’s CODM is considered its CEO.

The CODM reviews financial information and business performance for each operating segment. The Company evaluates the performance of its operating segments at the revenue and gross profit levels. The Company does not report total assets, capital expenditures or operating expenses by operating segment as such information is not used by the CODM for purposes of assessing performance or allocating resources or has not been accounted for at the segment level.

Edgar Filing: APPLERA CORP - Form 4

Net revenue and gross profit information by segment for the years ended December 31, 2016 and 2015 are as follows (in thousands):

	Year Ended December 31,	
	2016	2015
PACS:		
Net revenue	\$24,696	\$19,963
Gross profit	14,034	11,522
Gross profit margin	57 %	58 %
Identity:		
Net revenue	12,902	11,950
Gross profit	5,015	5,040
Gross profit margin	39 %	42 %
Credentials:		
Net revenue	17,992	27,336
Gross profit	4,427	5,613
Gross profit margin	25 %	21 %
All Other:		
Net revenue	578	1,545
Gross profit	253	974
Gross profit margin	44 %	63 %
Total:		
Net revenue	56,168	60,794
Gross profit	23,729	23,149
Gross profit margin	42 %	38 %
Operating expenses:		
Research and development	6,520	9,151
Selling and marketing	14,032	20,236
General and administrative	11,309	19,604
Impairment of goodwill	—	8,771
Restructuring and severance	3,088	1,266
Total operating expenses:	34,949	59,028
Loss from operations	(11,220)	(35,879)
Non-operating income (expense):		
Interest expense, net	(2,378)	(1,908)
Foreign currency gains (losses), net	27	(1,211)
Loss before income taxes and noncontrolling interest	\$(13,571)	\$(38,998)

Geographic net revenue is based on the customer's ship-to location. Information regarding net revenue by geographic region is as follows (in thousands):

	Year Ended December 31,	
	2016	2015
Americas	\$38,135	\$40,848

Edgar Filing: APPLERA CORP - Form 4

Europe and the Middle East	8,589		9,472	
Asia-Pacific	9,444		10,474	
Total	\$56,168		\$60,794	
Revenues:				
Americas	68	%	67	%
Europe and the Middle East	15	%	16	%
Asia-Pacific	17	%	17	%
Total	100	%	100	%

62

Long-lived assets by geographic location as of December 31, 2016 and 2015 are as follows (in thousands):

	December 31,	
	2016	2015
Property and equipment, net:		
Americas	\$ 1,100	\$ 2,096
Europe and the Middle East	162	295
Asia-Pacific	1,154	1,827
Total property and equipment, net	\$ 2,416	\$ 4,218

The Company's net revenue is represented by the following product categories as of December 31, 2016 and 2015 (in thousands):

	Year Ended December 31,	
	2016	2015
Tags and transponders	\$ 10,890	\$ 20,310
Logical and physical access control readers	17,671	17,165
Controller panels	14,908	10,272
Access cards and provisioning	7,106	7,394
Third party access control products	1,645	1,523
Other	3,948	4,130
Total	\$ 56,168	\$ 60,794

10. Restructuring and Severance

During 2015, severance costs were incurred for certain employees terminated as part of management's continuing efforts to simplify business operations. As a result, the Company recorded \$1.3 million in restructuring and severance costs and other closure related costs and an additional \$0.1 million in severance costs recorded in general and administrative expenses related to the elimination of certain executive positions in conjunction with the corporate restructuring and cost reduction activities.

In the first quarter of 2016, the Company implemented a worldwide restructuring plan designed to refocus the Company's resources on its core business segments, including physical access and transponders, and to consolidate its operations in several worldwide locations. The restructuring plan included reducing the Company's non-manufacturing employee base, reallocating overhead roles into direct business activities and eliminating certain management and executive roles. In 2016, the Company incurred restructuring and severance costs of \$3.1 million.

All unpaid restructuring and severance accruals are included in other accrued expenses and liabilities within current liabilities in the consolidated balance sheets at December 31, 2016 and 2015, respectively. Restructuring and severance activities during the years ended December 31, 2016 and December 31, 2015 were as follows (in thousands):

	Year Ended	
	December 31,	
	2016	2015
Balance at beginning of period	\$633	\$1,377
Restructuring expense incurred for the period	3,088	1,266
Other cost reduction activities for the period	—	81
Payments and non-cash item adjustment during the period	(3,484)	(2,091)
Balance at end of period	\$237	\$633

11. Legal Proceedings

On December 16, 2015, the Company and certain of our present and former officers and directors were named as defendants in a putative class action lawsuit filed in the United States District Court for the Northern District of California, entitled Rok v. Identiv, Inc., et al., Case No. 15-cv-05775, alleging violations of Section 10(b) of the Exchange Act of 1934 and Rule 10b-5 promulgated thereunder and Section 20(a) of the Exchange Act of 1934. On May 3, 2016, the court-appointed lead plaintiff Thomas Cunningham in the Rok lawsuit filed an amended complaint and a notice of dismissal without prejudice of all current or former officers and directors other than Jason Hart and Brian Nelson. On June 6, 2016, the Company, Jason Hart, and Brian Nelson filed a motion to

dismiss for failure to state a claim upon which relief can be granted in the Rok lawsuit; on August 5, 2016, the court granted those motions with leave for the lead plaintiff to file a second amended complaint. On September 12, 2016, the lead plaintiff in the Rok lawsuit filed a second amended complaint. On October 10, 2016, the Company, Jason Hart, and Brian Nelson filed a motion to dismiss that second amended complaint for failure to state a claim upon which relief can be granted in the Rok lawsuit; on January 4, 2017, the court granted those motions with prejudice and entered judgment for us and the other defendants and against the lead plaintiff. On February 6, 2017, the lead plaintiff initiated an appeal of the court's decision in the Ninth Circuit Court of Appeals. Following the lead plaintiff's routine request to extend filing deadlines, which the Court of Appeals approved, the lead plaintiff's opening appellate brief is currently scheduled to be filed by June 14, 2017, the answering briefs of the Company and the other defendants are currently scheduled to be filed by July 14, 2017, and the lead plaintiff's optional reply brief is currently scheduled to be filed by fourteen days from the date of service of the answering briefs. In addition, three shareholder derivative actions were filed between January and February 2016. On January 1, 2016, certain of our present and former officers and directors were named as defendants, and the Company was named as nominal defendant, in a shareholder derivative lawsuit filed in the United States District Court for the Northern District of California, entitled *Oswald v. Humphreys, et al.*, Case No. 16-cv-00241-JCS, alleging breach of fiduciary duty and abuse of control claims. On January 25, 2016, certain of our present and former officers and directors were named as defendants, and the Company was named as nominal defendant, in a shareholder derivative lawsuit filed in the Superior Court of the State of California, County of Alameda, entitled *Chopra v. Hart, et al.*, Case No. RG16801379, alleging breach of fiduciary duty claims. On February 9, 2016, certain of our present and former officers and directors were named as defendants, and the Company was named as nominal defendant, in a shareholder derivative lawsuit filed in the Superior Court of the State of California, County of Alameda, entitled *Wollnik v. Wenzel, et al.*, Case No. HG16803342, alleging breach of fiduciary duty, corporate waste, gross mismanagement, and unjust enrichment claims. These lawsuits generally allege that the Company made false and/or misleading statements and/or failed to disclose information in certain public filings and disclosures between 2013 and 2015. Each of the lawsuits seeks one or more of the following remedies: unspecified compensatory damages, unspecified exemplary or punitive damages, restitution, declaratory relief, equitable and injunctive relief, and reasonable costs and attorneys' fees. On May 2, 2016, the court in the Chopra lawsuit entered an order staying proceedings in the Chopra lawsuit in favor of the Oswald lawsuit, based on a stipulation to that effect filed by the parties in the Chopra lawsuit on April 28, 2016. Similarly, on June 28, 2016, the court in the Wollnik lawsuit entered a stipulated order staying proceedings in the Wollnik lawsuit in favor of the Oswald lawsuit. On June 17, 2016, the plaintiff in the Oswald lawsuit filed an amended complaint. On August 1, 2016, the Company filed a motion to dismiss for failure by plaintiff to make a pre-lawsuit demand on our board of directors, which motion was heard on October 14, 2016. The judge in the Oswald lawsuit issued an order on November 7, 2016 granting our motion to dismiss, without prejudice. In addition, the court stayed the case so that plaintiff could exercise whatever rights he has under Section 220 of the Delaware General Corporation Law. On or around November 30, 2016, the plaintiff purported to serve a books and records demand under Section 220 of the Delaware General Corporation Law. The Company has responded to that demand. On March 21, 2017, the Company and the plaintiff in the Oswald lawsuit filed a stipulation and proposed order lifting the stay of the case, granting the plaintiff leave to amend, and setting a briefing schedule. That stipulation proposed that the judge's stay of the case entered November 7, 2016 be lifted, that a stay of proceedings as to the individual defendants that the judge previously entered remain in place, that the plaintiff may file a second amended complaint on or before April 10, 2017, that the Company may file a motion to dismiss that second amended complaint on or before May 12, 2017, that the plaintiff's opposition to such a motion to dismiss shall be filed on or before June 12, 2017, that the Company's reply in support of such a motion shall be filed on or before June 30, 2017, and that the hearing on such a motion to dismiss shall be held on August 11, 2017 or such other date as the court may order. On March 22, 2017, the court entered an order approving that stipulation. The Company intends to vigorously defend against these lawsuits. The Company cannot currently predict the impact or resolution of each of these lawsuits or reasonably estimate a range of possible loss, if any, which could be material, and the resolution of these lawsuits may harm our business and have a material adverse impact on our financial condition.

From time to time, the Company could be subject to claims arising in the ordinary course of business or be a defendant in additional lawsuits. The outcome of such claims or other proceedings cannot be predicted with certainty

and may have a material effect on the Company's financial condition, results of operations or cash flows.

12. Commitments and Contingencies

The Company leases its facilities, certain equipment, and automobiles under non-cancelable operating lease agreements. Those lease agreements existing as of December 31, 2016 expire at various dates during the next five years.

The Company recognized rent expense of \$1.5 million and \$1.8 million for the years ended December 31, 2016 and 2015, respectively, in its consolidated statements of operations.

64

The following table summarizes the Company's principal contractual commitments, excluding the financial liabilities and long-term payment obligation, as of December 31, 2016 (in thousands):

	Operating Leases	Purchase Commitments	Other Contractual Commitments	Total
2017	\$ 1,291	\$ 8,554	\$ 29	\$9,874
2018	635	80	—	715
2019	460	—	—	460
2020	260	—	—	260
2021	2	—	—	2
Thereafter	—	—	—	—
Total	\$ 2,649	\$ 8,634	\$ 29	\$11,311

Purchase commitments for inventories are highly dependent upon forecasts of customer demand. Due to the uncertainty in demand from its customers, the Company may have to change, reschedule, or cancel purchases or purchase orders from its suppliers. These changes may lead to vendor cancellation charges on these purchases or contractual commitments.

The Company provides warranties on certain product sales for periods ranging from 12 to 24 months, and allowances for estimated warranty costs are recorded during the period of sale. The determination of such allowances requires the Company to make estimates of product return rates and expected costs to repair or to replace the products under warranty. The Company currently establishes warranty reserves based on historical warranty costs for each product line combined with liability estimates based on the prior 12 months' sales activities. If actual return rates and/or repair and replacement costs differ significantly from the Company's estimates, adjustments to recognize additional cost of sales may be required in future periods. Historically the warranty accrual and the expense amounts have been immaterial.

13. Related Party Transaction

As discussed in Note 3 Fair Value Measurements, the Company recorded an earn-out obligation of \$3.51 million as of December 31, 2014 related to the SPA (as defined in Note 2). The SPA provided for further consideration to be paid to the Selling Shareholders for each of the years or part years ended December 31, 2011 through 2015 based on the achievement of specific financial and sales performance targets, with the measurement of those achievements to be determined based on the financial records of idOnDemand. However, since the idOnDemand product group has been fully integrated into the Company since the acquisition and, as such, it was impractical to derive the discrete financial records of the related product group, the Company decided to engage a third party independent valuation firm to assist in the validation of the Earn-out Consideration liability as of December 31, 2014. The valuation was based on a calculation of the Company's internal sales performance data as well as consideration of comparable companies' metrics and data. The Board of Directors of the Company considered this valuation, among other factors, and approved the Earn-out Consideration liability for the period ended December 31, 2014.

As outlined in the SPA, certain of the Selling Shareholders include the Company's former CEO and former CFO. The \$3.51 million Earn-out Consideration liability was settled during the quarter ended June 30, 2015 by the issuance of common stock to the Selling Shareholders in proportion to their former shareholdings, which included approximately 87% held by the former CEO representing approximately \$3,040,000 and approximately 0.3% held by the former CFO representing approximately \$10,500 of the total Earn-out Consideration. The Company issued 294,750 and 921 shares of common stock to these individuals, respectively, which shares had a lock-up period of 12 months from the date of issuance.

For the year ended December 31, 2014, the Company allocated as additional compensation to its former CEO \$97,868 of previously reimbursed expenses in 2014 which the Company subsequently determined should not have been reimbursed either because such expenses were not consistent with its expense guidelines and policies or because insufficient documentation was provided to support such expense reimbursements. At the Company's request, in February 2016 the former CEO repaid the Company \$35,784 of such amount.

14. Subsequent Events

On February 8, 2017, the Company entered into Loan and Security Agreements with each of East West Bank ("EWB") and Venture Lending & Leasing VII, Inc. and Venture Lending & Leasing VIII, Inc. (collectively referred to as "VLL7 and VLL8"). The Loan and Security Agreement with EWB provides for a \$10.0 million revolving loan facility ("Revolving Loan Facility"), and the

Loan Security Agreement with VLL7 and VLL8 provides for a term loan in aggregate principal amount of \$10.0 million (the "Term Loan"). The obligations of the Company under each of the Revolving Loan Facility and the Term Loan and Security Agreements are secured by substantially all assets of the Company.

The Revolving Loan Facility bears interest at prime rate plus 2.0% and matures and becomes due and payable on February 8, 2019. Interest is payable monthly beginning on March 1, 2017. The Company may voluntarily prepay amounts outstanding under the Revolving Loan Facility, without prepayment charges. In the event the Revolving Loan Facility is terminated prior to its maturity, the Company would be required to pay an early termination fee in the amount of 1.0% of the revolving line, and an additional cash early termination fee of 1.0% if terminated prior to February 8, 2018. Additional borrowing requests under the Revolving Loan Facility are subject to various customary conditions precedent, including satisfaction of a borrowing base test as more fully described in the Revolving Loan Facility.

The Term Loan matures on August 8, 2020. Payments under the Term Loan are interest-only for the first twelve months at a per annum rate of 12.5%, followed by principal and interest payments amortized over the remaining term of the Term Loan. If the Company elects to prepay the Term Loan before its maturity, all accrued and unpaid interest outstanding at the prepayment date will be due and payable, together with all the scheduled interest that would have accrued and been payable through the stated maturity of the Term Loan, provided that at any time after the Company has made at least twelve scheduled amortization payments of principal and interest on the Term Loan the Company shall only be required to pay 80% of the scheduled interest that would have accrued and been payable through the stated maturity of the Term Loan,

The Company is obligated to pay customary fees and expenses, including customary facility fees for credit facilities of this size and type, in the aggregate amount of approximately \$120,000, in connection with the closing of the two facilities. An additional facility fee of \$40,000 will be payable in connection with the Revolving Loan Facility on the February 8, 2018.

Each of the Revolving Loan Facility and the Term Loan contain customary representations and warranties and customary affirmative and negative covenants, including, limits or restrictions on the Company's ability to incur liens, incur indebtedness, make certain restricted payments, merge or consolidate and dispose of assets. The Revolving Loan Facility also contains various financial covenants as set forth in the Revolving Loan Facility, including but not limited to a liquidity covenant requiring the Company to maintain at least \$4.0 million of cash. In addition, each of the Revolving Loan Facility and the Term Loan contains customary events of default that entitle the EWB or VLL7 and VLL8, as appropriate, to cause any or all of the Company's indebtedness under the Revolving Loan Facility or the Term Loan, respectively, to become immediately due and payable. The events of default (some of which are subject to applicable grace or cure periods), include, among other things, non-payment defaults, covenant defaults, cross-defaults to other material indebtedness, bankruptcy and insolvency defaults and material judgment defaults. Upon the occurrence and during the continuance of an event of default, EWB and VLL7 and VLL8 may terminate their lending commitments and/or declare all or any part of the unpaid principal of all loans, all interest accrued and unpaid thereon and all other amounts payable under the Loan and Security Agreements to be immediately due and payable.

The proceeds of the Term Loan and the initial draw under Revolving Loan Facility and after payment of fees and expenses, were used to repay all outstanding amounts under the Credit Agreement with Opus. In connection with the repayment, warrants to purchase an aggregate of 400,000 shares of common stock issued to Opus were cancelled. The proceeds of any additional draws under the Revolving Loan Facility will be used for working capital and other general corporate purposes.

In connection with the Company's entry into the Revolving Loan Facility and Term Loan, the Company issued to EWB a warrant (the "EWB Warrant") to purchase up to 40,000 shares of the Company's common stock at a per share exercise price of \$3.64, and issued to each of VLL7 and VLL8 a warrant to purchase 290,000 shares of the Company's common stock at a per share exercise price of \$2.00 (the "VLL7 Warrant" and the "VLL8 Warrant," respectively). Each of

the EWB Warrant, the VLL7 Warrant and the VLL8 Warrant is immediately exercisable for cash or by net exercise and will expire five years after its issuance, or on February 8, 2022. The Company has granted registration rights on substantially similar terms given to the Prior Lender to the holders of each of the warrants.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the fiscal year ended December 31, 2016, as required in Rule 13a-15(b) under the Exchange Act, we carried out an evaluation under the supervision and with the participation of members of our senior management, including our CEO and interim CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Disclosure controls and procedures are those controls and other procedures that are designed to provide reasonable assurance that the information required to be disclosed in our SEC reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our CEO and interim CFO, as appropriate to allow timely decisions regarding required disclosure.

Based on our evaluation, our management, including our CEO and interim CFO, concluded that as of December 31, 2016, our disclosure controls and procedures were not effective because of the material weakness described below in Management's Report on Internal Control over Financial Reporting. Notwithstanding the material weakness discussed below, our management, including our CEO and interim CFO, has concluded that the consolidated financial statements included in this Form 10-K present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and or directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the interim or annual consolidated financial statements.

A control system, no matter how well designed and operated, can only provide reasonable assurance that the objectives of the control system are met. Because there are inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been or will be detected.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Our management, including our CEO and interim CFO, assessed our internal control over financial reporting as of December 31, 2016. In making the assessment of internal control over financial reporting, our management based its assessment on the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission

(“COSO”) in “Internal Control — Integrated Framework of 2013.” Our management’s assessment included evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment. This assessment is supported by testing and monitoring performed by our internal accounting and finance organization.

Based on management’s assessment, including consideration of the control deficiencies discussed below, management has concluded that the Company’s internal control over financial reporting was not effective as of December 31, 2016, due to the following material weakness.

Inadequate design and application of controls related to financial statement close process – In connection with the audit of the Company’s financial statements as of and for the year ended December 31, 2015, the Company identified a material weakness in internal control over financial reporting during 2015 and that material weakness has not been fully remediated as of December 31, 2016. Management determined that the design and operating effectiveness of the Company’s controls over the financial statement close process related to the application of our accounting policies and the presentation of disclosures in the financial statements had

been inadequate. Specifically, this material weakness arises from insufficient review and oversight of the recording of complex and non-routine transactions, including revenue transactions, due to an insufficient number of accounting personnel with appropriate knowledge, experience or training in U.S. GAAP. A similar material weakness was previously identified and disclosed in our Annual Report on Form 10-K for the years ended December 2012 and 2013, and a remediation plan was implemented.

Remediation of Prior Material Weakness in Internal Control Over Financial Reporting

A number of remediation actions and organizational changes have been enacted to address specific control weaknesses identified in our revenue and expenditure cycles, and we have completed the move to a single accounting system across substantially all our businesses during the course of 2016. In particular, we have carried out the financial close and consolidation process entirely within our new system environment since the second quarter of 2016. Additionally, as part of our restructuring changes announced in the first quarter of 2016, we continued to streamline our global operations and concentrate our accounting and finance function in Orange County, California, close to our executive management and U.S. GAAP resources. Management expects to complete the implementation of remediation measures, and as a result remediate the existing material weakness described above, during 2017.

In addition, under the direction of the Audit Committee of the Board, our management will continue to review and make necessary changes to the overall design of our internal control environment, as well as to policies and procedures to improve the overall effectiveness of internal control over financial reporting. As we continue to evaluate and work to improve our internal control over financial reporting, our management may determine to take additional measures to address control deficiencies.

Changes in Internal Control over Financial Reporting

Other than the items noted above, we have made no changes to our internal control over financial reporting during the quarter ended December 31, 2016 that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 concerning our directors will be set forth under the captions “Business Experience of Directors” and “Policy for Director Recommendations and Nominations” in our Proxy Statement relating to our 2017 Annual Meeting of Stockholders, referred to in this Annual Report on Form 10-K as the “Proxy Statement,” which we expect to file within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K. Such information is incorporated herein by reference. Certain information required by this item concerning executive officers is set forth in Part I of this Report under the caption “Executive Officers of the Registrant” and is incorporated herein by reference. The information required by this item concerning compliance with Section 16(a) of the Exchange Act is incorporated by reference to the section captioned “Section 16(a) Beneficial Ownership Reporting Compliance” that will be set forth in our Proxy Statement. The information required by this item concerning our code of ethics is incorporated by reference to the section captioned “Code of Conduct and Ethics” in our Proxy Statement. The information required by this item concerning the Audit Committee of our Board of Directors is incorporated by reference to the section captioned “Committees of the Board of Directors” in our Proxy Statement.

ITEM 11. EXECUTIVE
COMPENSATION

The information required by Item 11 will be contained in our Proxy Statement under the captions “Compensation of Directors” and “Executive Compensation”, which information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND
RELATED STOCKHOLDER MATTERS

The information required by Item 12 will be set forth under the captions “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” in our Proxy Statement, which information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 will be set forth under the captions “Certain Relationships and Related Transactions” and “Director Independence” in our Proxy Statement, which information is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 will be set forth under the captions “Principal Accountant Fees and Services” and “Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Our Independent Registered Public Accountants” in our Proxy Statement, which information is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this report:

1. Financial Statements: Consolidated Financial Statements filed as part of this report are listed under Item 8. Financial Statements and Supplementary Data
2. Financial Statement Schedules: None
3. Exhibits: The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this report

70

3. Exhibits

Exhibit

Number Description of Document

- 2.1 Share Purchase Agreement between SCM Microsystems, Inc. d/b/a/ Identive Group, Dr. George Levy, Mr. Matt McDaniel, GL Investments, LLC, Mr. Hugo Garcia, Mr. Stan Kenney and RockWest Technology Group LLC dated March 30, 2010. (Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on March 31, 2010.)
- 2.2 Stock Purchase Agreement, dated April 29, 2011, between Identive Group, Inc. and the Selling Shareholders of idOnDemand, Inc. (Incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed May 4, 2011.)
- 3.1 Fourth Amended and Restated Certificate of Incorporation, as amended. (Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-4/A, filed on November 10, 2009 (SEC File No. 333-162618).)
- 3.2 Certificate of Amendment to Fourth Amended and Restated Certificate of Incorporation. (Incorporated by reference to Exhibit 3.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010.)
- 3.3 Certificate of Amendment to Fourth Amended and Restated Certificate of Incorporation. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 17, 2010.)
- 3.4 Certificate of Amendment to Fourth Amended and Restated Certificate of Incorporation. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 7, 2011.)
- 3.5 Certificate of Amendment to Fourth Amended and Restated Certificate of Incorporation. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 23, 2014.)
- 3.6 Certificate of Amendment to Fourth Amended and Restated Certificate of Incorporation, as amended. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 18, 2016.)

3.7

Explanation of Responses:

Edgar Filing: APPLERA CORP - Form 4

Amended and Restated Bylaws of Registrant. (Incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002.)

- 3.8 Certificate of Designation of Rights, Preferences and Privileges of Series A Participating Preferred Stock of SCM Microsystems, Inc. (Incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form 8-A filed on November 14, 2002.)
- 4.1 Specimen Common Stock Certificate. (Incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.)
- 4.2 Form of Warrant issued in connection with Private Placement. (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 14, 2013.)
- 4.3 Registration Rights Agreement between Identive Group, Inc. and Opus Bank dated March 31, 2014. (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 4, 2014.)
- 4.4 Amendment No. 1 to Registration Rights Agreement between the Company and Opus Bank, dated March 31, 2016. (Incorporated by reference to Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.)
- 4.5 Warrant issued to Opus Bank, dated March 31, 2014. (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 (Registration Number 333-195931) filed on May 13, 2014.)
- 4.6 Amendment No. 1 to Warrant between the Company and Opus Bank, dated March 31, 2016. (Incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016.)
- 4.7 Warrant issued to Opus Bank, dated September 30, 2016. (Incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016.)
- 4.8^ Warrant issued to Opus Bank, dated December 31, 2016.
- 10.1* Form of Director and Officer Indemnification Agreement (Incorporated by Reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2015).

71

Edgar Filing: APPLERA CORP - Form 4

Exhibit

Number Description of Document

- 10.2 Amended and Restated Settlement Agreement, dated April 8, 2009. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 4, 2009.)
- 10.3 Limited Guarantee, dated April 8, 2009. (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 9, 2009.)
- 10.4* 2011 Incentive Compensation Plan, as amended through March 17, 2016. (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016.)
- 10.5* 2011 Employee Stock Purchase Plan. (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 7, 2011.)
- 10.6* Executive Employment Agreement between Identive Group, Inc. and Jason Hart dated March 13, 2014. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 19, 2014.)
- 10.7* Letter Agreement dated September 14, 2015 between Identiv, Inc. and Jason Hart (Incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on September 16, 2015.)
- 10.8* Executive Employment Agreement between Identive Group, Inc. and Brian Nelson dated December 20, 2013. (Incorporated by reference Exhibit 10.2 to the Company's Current Report on Form 8-K filed December 27, 2013.)
- 10.9* First Amendment to Executive Employment Agreement between Identiv, Inc. and Brian Nelson, dated November 18, 2015. (Incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on November 20, 2015.)
- 10.10* Letter Agreement dated September 14, 2015 between Identiv, Inc. and Steven Humphreys. (Incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on September 16, 2015.)
- 10.11 Share Purchase Agreement December 10, 2013 between Bluehill ID AG, Identive Services AG and Sandpiper Assets SA regarding the sale and purchase of shares of and loans provided to Multicard AG. (Incorporated by reference Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 26, 2013.)

- 10.12 Share Purchase Agreement December 10, 2013 between Bluehill ID AG and Sandpiper Assets SA regarding the sale and purchase of shares of and loans provided to Payment Solution AG. (Incorporated by reference Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 26, 2013.)
- 10.13 Share Purchase Agreement December 10, 2013 between Bluehill ID AG and Sandpiper Assets SA regarding the sale and purchase of shares and loans of Multicard Nederland BV. (Incorporated by reference Exhibit 10.3 to the Company's Current Report on Form 8-K filed on December 26, 2013.)
- 10.14 Credit Agreement between Identive Group, Inc. and Opus Bank dated March 31, 2014. (Incorporated by reference Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 4, 2014.)
- 10.15 First Amendment to Credit Agreement and Ratification between Identiv, Inc. and Opus Bank dated November 10, 2014. (Incorporated by reference Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 12, 2014.)
- 10.16 Second Amendment to Credit Agreement and Waiver, dated as of December 4, 2015, among Identiv, Inc., as the Borrower, idOnDemand, Inc., as the Guarantor and Opus Bank as Lender. (Incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on December 8, 2015.)
- 10.17 Third Amendment to Credit Agreement and Waiver between the Company, idOnDemand, Inc. and Opus Bank, dated March 31, 2016. (Incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on April 5, 2016.)
- 16.1 Letter from BDO USA, LLP to the Securities and Exchange Commission dated November 30, 2015. (Incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed on November 30, 2015.)
- 21.1 Subsidiaries of the Registrant.
- 23.1 Consent of Independent Registered Public Accounting Firm.
- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.

72

Exhibit

Number Description of Document

31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.

32+ Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS XBRL Instance Document

101.SCH XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

101.LAB XBRL Taxonomy Extension Label Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

^Filed herewith.

*Denotes management compensatory contract of arrangement.

+Furnished herewith and not "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates by reference.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant

IDENTIV, INC.

By: /s/ Steven Humphreys
 Steven Humphreys
 Chief Executive Officer

March 27, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity in Which Signed	Date
/s/ Steven Humphreys Steven Humphreys	Chief Executive Officer (Principal Executive Officer)	March 27, 2017
/s/ Sandra wallach Sandra Wallach	Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)	March 27, 2017
/s/ JAMES E. OUSLEY James E. Ousley	Chairman of the Board and Director	March 27, 2017
/s/ Nina B. Shapiro Nina B. Shapiro	Director	March 27, 2017
/s/ Gary Kremen Gary Kremen	Director	March 27, 2017

