inseego

2022
Annual Report

Proxy Statement | Annual Report on Form 10-K

inseego

August 4, 2023

Dear Stockholder:

You are cordially invited to attend the 2023 Annual Meeting of Stockholders (the “Annual Meeting”) of Inseego Corp., a Delaware corporation (the “Company”). The Annual Meeting will be held on September 5, 2023, at 8:00 a.m. Pacific Time, at the Company’s corporate offices located at 9710 Scranton Road, Suite 200, San Diego, California 92121.

Details of the business to be conducted at the annual meeting are included in the attached Notice of the 2023 Annual Meeting of Stockholders and Proxy Statement.

It is important that your shares be represented at the Annual Meeting. Whether or not you plan to attend the meeting, please vote online, by telephone or, if you requested printed copies of these materials, by signing and returning your proxy card. If you hold your shares through an account with a broker, dealer, bank or other nominee, please follow the instructions you receive from them to vote your shares.

We hope that you will be able to attend the Annual Meeting.

Sincerely,

Ashish Sharma
Chief Executive Officer & President

9710 Scranton Road, Suite 200
San Diego, CA 92121

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Date	September 5, 2023
Time	8:00 a.m., Pacific Time
Location	Inseego Corp. 9710 Scranton Road, Suite 200 San Diego, California 92121
Items of Business	(1) Elect two directors to serve until the 2026 annual meeting of stockholders; (2) Ratify the appointment of Marcum LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2023; (3) Hold an advisory vote to approve the compensation of our named executive officers, as presented in the proxy statement accompanying this notice; (4) Hold an advisory vote on the frequency of the advisory vote on executive compensation; (5) Authorize the Company's board of directors to amend the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split of all of the Company's outstanding shares of common stock, par value $0.0001 per share, by a ratio in the range of 1-for 5 to 1-for-10; (6) Authorize the Company's board of directors to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 150,000,000 shares to 300,000,000 shares; (7) Approve an adjournment of the Annual Meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of any of the Proposals; and (8) Transact any other business properly brought before the Annual Meeting or any adjournment or postponement thereof.
Record Date	Close of business on July 24, 2023

IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON SEPTEMBER 5, 2023: The Notice of Annual Meeting of Stockholders, Proxy Statement and the Company's 2022 Annual Report are available at *www.inseego.com/proxymaterials*.

By Order of the Board of Directors,

Kurt E. Scheuerman

Kurt E. Scheuerman
Corporate Secretary

August 4, 2023
San Diego, California

PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in the Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.

2023 Annual Meeting of Stockholders

Time and Date 8:00 a.m., Pacific Time on September 5, 2023

Location Inseego Corp., 9710 Scranton Road, Suite 200, San Diego, California 92121

Record Date Close of business on July 24, 2023

Voting Stockholders of record as of the Record Date are entitled to one vote per share on each matter to be voted upon at the Annual Meeting.

Entry Everyone attending the Annual Meeting will be required to present both proof of ownership of the Company's common stock and valid picture identification, such as a driver's license or passport. If your shares are held through an account with a broker, dealer, bank or other nominee, you will need a recent brokerage account statement or letter from your broker, dealer, bank or other nominee reflecting stock ownership as of the Record Date. If you do not have both proof of ownership of the Company's common stock and valid picture identification, you may not be admitted to the Annual Meeting. If you need directions to the Annual Meeting so that you may attend or vote in person, please contact Inseego Corp., 9710 Scranton Road, Suite 200, San Diego, California 92121, Attention: Secretary, or contact the Company's Secretary by telephone at (858) 812-3400.

Voting Matters and Board Recommendations

The Board of Directors of the Company (the "Board") is not aware of any matter that will be presented for a vote at the Annual Meeting other than those shown below.

	Proposal	Board Recommendation
1	Election of Directors	FOR each nominee
2	Ratification of the Appointment of Marcum LLP as the Company's Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2023	FOR
3	Advisory Vote to Approve the Compensation of our Named Executive Officers	FOR
4	Hold an advisory vote on the frequency of the advisory vote on executive compensation	ONE YEAR
5	Authorize the Board to amend the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") to effect a reverse stock split of all of the Company's outstanding shares of common stock, par value $0.0001 per share (the "Common Stock"), by a ratio in the range of one-for-five to one-for-ten;	FOR
6	Authorize the Company's board of directors to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 150,000,000 shares to 300,000,000 shares; and	FOR
7	Approve an adjournment of the Annual Meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of any of the other Proposals.	FOR

Voting Methods

If you are a holder of record on the Record Date, you can vote your shares:

By Internet. By logging onto the secure website included on the proxy card or voting instruction form and following the instructions provided.

By Telephone. By calling the telephone number listed on the proxy card or voting instruction form and following the instructions provided by the recorded message.

By Mail. If you requested printed copies of these materials, by completing, signing, dating and promptly returning the proxy card in the postage-paid return envelope provided with the proxy materials for receipt prior to the Annual Meeting.

At the Meeting. By voting in person at the Annual Meeting (if you satisfy the admission requirements, as described above). Even if you plan to attend the Annual Meeting, we encourage you to vote in advance by Internet, telephone or mail so that your vote will be counted in the event you later decide not to attend the Annual Meeting.

2023 PROXY STATEMENT

AND NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

September 5, 2023

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INSEEGO CORP.
9710 Scranton Road, Suite 200
San Diego, California 92121

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THIS PROXY STATEMENT

What is the purpose of this proxy statement?

This proxy statement (the “Proxy Statement”) is being furnished to you on behalf of the Board to solicit your proxy to vote at the Company’s Annual Meeting of Stockholders to be held on September 5, 2023, at 8:00 a.m., Pacific Time, at the Company’s corporate offices located at 9710 Scranton Road, Suite 200, San Diego, California 92121.

Who is entitled to vote at the Annual Meeting?

Holders of record of our common stock as of the close of business on July 24, 2023 (the “Record Date”), are entitled to notice of, and to vote at, the Annual Meeting. If your shares of common stock were registered directly in your name with our transfer agent, Computershare Trust Company, at the close of business on the Record Date, then you are a holder of record and are entitled to notice of, and to vote at, the Annual Meeting. If your shares were not directly held in your name, but were held through an account with a broker, dealer, bank or other nominee at the close of business on the Record Date, then your shares are held in “street name” and the organization holding your account is considered the holder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to instruct your broker, dealer, bank or other nominee on how to vote your shares and are invited to attend the Annual Meeting. However, since you are not the holder of record, you may not vote your shares at the Annual Meeting unless you request and obtain a valid proxy from your broker, dealer, bank or other nominee.

How many votes do I have?

Each holder of record as of the Record Date is entitled to one vote for each share of common stock held by such holder on the Record Date.

What will constitute a quorum at the Annual Meeting?

Holders of a majority of the shares of our outstanding common stock entitled to vote at the Annual Meeting must be present at the Annual Meeting, in person or by proxy, to constitute a quorum, which is necessary to conduct the Annual Meeting. Your shares will be counted toward the quorum if you submit a properly executed proxy or are present and vote at the Annual Meeting. In addition, votes withheld from the director nominees, abstentions and broker non-votes will be treated as present for the purpose of determining the presence of a quorum for the transaction of business at the Annual Meeting. A broker non-vote occurs when a broker, dealer, bank or other nominee holding shares for a beneficial owner submits a proxy for a meeting but does not vote on a particular proposal because that holder does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner. If there is no quorum, then either the chairman of the meeting or the holders of a majority in voting power of the shares of common stock that are entitled to vote at the meeting, present in person or by proxy, may adjourn the meeting until a quorum is present or represented.

What matters will be considered at the Annual Meeting and what are the Board's recommendations on how I should vote my shares?

Below are the matters to be voted upon and the Board's recommendations:

	Proposal	Board Recommendation
1	Election of two Directors	FOR each nominee
2	Ratification of the Appointment of Marcum LLP as the Company's Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2023	FOR
3	Advisory Vote to Approve the Compensation of our Named Executive Officers	FOR
4	Hold an advisory vote on the frequency of the advisory vote on executive compensation	ONE YEAR
5	Authorize the Board to amend the Certificate of Incorporation to effect a reverse stock split of all of the Company's outstanding shares of Common Stock by a ratio in the range of one-for-five to one-for-ten;	FOR
6	Authorize the Company's board of directors to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 150,000,000 shares to 300,000,000 shares; and	FOR
7	Approve an adjournment of the Annual Meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of any of the other Proposals.	FOR

How do I cast my vote?

If you are a holder of record on the Record Date, you can vote your shares:

At the Meeting. By voting in person at the Annual Meeting (if you satisfy the admission requirements, as described above). Even if you plan to attend the Annual Meeting, we encourage you to vote in advance by Internet, telephone or mail so that your vote will be counted in the event you later decide not to attend the Annual Meeting.

By Telephone. By calling the telephone number listed on the proxy card or voting instruction form and following the instructions provided by the recorded message.

By Internet. By logging onto the secure website listed on the proxy card or voting instruction form and following the instructions provided.

By Mail. If you requested printed copies of these materials, by completing, signing, dating and promptly returning the proxy card in the postage-paid return envelope provided with the proxy materials for receipt prior to the Annual Meeting.

If you submit a valid proxy to us before the Annual Meeting, we will vote your shares as you direct (unless your proxy is subsequently revoked in the manner described below).

If your shares are held in "street name," your broker, dealer, bank or other nominee will provide you with instructions on how to vote your shares. To be sure your shares are voted in the manner you desire, you should instruct your broker, dealer, bank or other nominee on how to vote your shares.

Instructing your broker, dealer, bank or other nominee how to vote your shares is important due to the stock exchange rule that prohibits your broker, dealer, bank or other nominee from voting your shares with respect to certain proposals without your express voting instructions.

If you hold your shares in "street name" and wish to attend the Annual Meeting and vote your shares in person, you must obtain a valid proxy from your broker, dealer, bank or other nominee.

Can I revoke my proxy?

Yes. However, your presence at the Annual Meeting will not automatically revoke your proxy. If you are a registered holder, you may change or revoke your proxy at any time before a vote is taken at the Annual Meeting by giving notice to the Company's Secretary in writing during the Annual Meeting or in advance of the Annual Meeting by executing and forwarding to the Company's Secretary a later-dated proxy or by voting a later proxy over the telephone or the Internet. If your shares are held in "street name," you should check with the broker, dealer, bank or other nominee that holds your shares to determine how to change or revoke your vote.

What if I return a signed proxy card but do not provide voting instructions?

All properly submitted proxies, unless revoked in the manner described above, will be voted at the Annual Meeting in accordance with your instructions on the proxy. If a properly executed proxy gives no specific voting instructions, the shares of common stock represented by such proxy will be voted in accordance with the recommendation of the Board as follows:

	Proposal	Board Recommendation
1	Election of two Directors	FOR each nominee
2	Ratification of the Appointment of Marcum LLP as the Company's Independent Registered Public Accounting Firm for the Fiscal Year Ending December 31, 2023	FOR
3	Advisory Vote to Approve the Compensation of our Named Executive Officers	FOR
4	Hold an advisory vote on the frequency of the advisory vote on executive compensation	ONE YEAR
5	Authorize the Board to amend the Certificate of Incorporation to effect a reverse stock split of all of the Company's outstanding shares of Common Stock by a ratio in the range of one-for-five to one-for-ten;	FOR
6	Authorize the Company's board of directors to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 150,000,000 shares to 300,000,000 shares; and	FOR
7	Approve an adjournment of the Annual Meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of any of the other Proposals; and	FOR
8	Any other matter that is properly presented at the Annual Meeting.	At the discretion of the proxy holders

How many votes are required to approve each proposal?

Proposal 1. Assuming that a quorum is present, each director will be elected by a plurality of the votes cast by holders of shares of our outstanding common stock present, in person or by proxy, and entitled to vote at the Annual Meeting. This means that nominees with the most "FOR" votes will be elected. Shares subject to a "WITHHOLD" vote will have no effect on the election's outcome, because the candidates who receive the highest number of "FOR" votes are elected, and when candidates run unopposed, they only need a single "FOR" vote to be elected. However, under our Corporate Governance Guidelines, in an uncontested election, the Board will nominate for election or re-election as a director only candidates who agree to tender, prior to being nominated, irrevocable resignations that will be effective if such director nominee receives more "WITHHOLD" votes than "FOR" votes at the Annual Meeting. If a director nominee receives more "WITHHOLD" votes than "FOR" votes at the Annual Meeting, the remaining Board members will determine whether to accept the resignation. See *Corporate Governance — Plurality Plus Voting for Directors; Director Resignation Policy* below. Broker non-votes will have no effect on Proposal 1.

Proposal 2. Assuming that a quorum is present, the ratification of the appointment of Marcum LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2023 will require the affirmative vote of the holders of a majority of the shares of our outstanding common stock present, in person or by proxy, and entitled to vote at the Annual Meeting. Abstentions will have the same effect as votes against Proposal 2. Proposal 2 is considered a routine matter under applicable rules. A broker, dealer, bank or other nominee may generally vote on routine matters, and therefore no broker non-votes are expected in connection with Proposal 2.

Proposal 3. Assuming that a quorum is present, the advisory vote to approve the compensation of our named executive officers, as presented in this Proxy Statement, will require the affirmative vote of the holders of a majority of the shares of our outstanding common stock present, in person or by proxy, and entitled to vote at the Annual Meeting. Abstentions will have the same effect as votes against Proposal 3. Broker non-votes will have no effect on Proposal 3.

Proposal 4. Assuming that a quorum is present, the frequency of the advisory vote on executive compensation will be determined by a plurality of the votes cast by holders of shares of our outstanding common stock present, in person or by proxy, and entitled to vote at the Annual Meeting. This means that the frequency with the most votes will be selected. The proxy holders will vote all proxies received for ONE YEAR unless instructed otherwise. Abstentions and broker non-votes will have no effect on Proposal 4.

Proposal 5. Assuming that a quorum is present, the vote to authorize the Board to amend the Certificate of Incorporation to effect a reverse stock split of all of the Company's outstanding shares of Common Stock by a ratio in the range of one-for-five to one-for-ten will require the affirmative vote of the holders of a majority of the shares of our outstanding common stock present, in person or by proxy, and entitled to vote at the Annual Meeting. Abstentions will have the same effect as votes against Proposal 5. Broker non-votes will have no effect on Proposal 5.

Proposal 6. Assuming that a quorum is present, the vote to authorize the Board to amend the Certificate of Incorporation to approve an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 150,000,000 shares to 300,000,000 shares; and will require the affirmative vote of the holders of a majority of the shares of our outstanding common stock present, in person or by proxy, and entitled to vote at the Annual Meeting. Abstentions will have the same effect as votes against Proposal 6. Broker non-votes will have no effect on Proposal 6.

Proposal 7. Assuming that a quorum is present, approval of an adjournment of the Annual Meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of any of the Proposals will require the affirmative vote of the holders of a majority of the shares of our outstanding common stock present, in person or by proxy, and entitled to vote at the Annual Meeting. Abstentions will have the same effect as votes against Proposal 6. Broker non-votes will have no effect on Proposal 7.

What happens when multiple stockholders share an address?

A number of brokers with account holders who are stockholders of the Company will be "householding" our proxy materials. A single copy of the proxy materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate copy of the proxy materials, please notify your broker and direct a written request to Inseego Corp., 9710 Scranton Road, Suite 200, San Diego, California 92121, Attention: Secretary, or contact the Company's Secretary by telephone at (858) 812-3400. Stockholders who currently receive multiple copies of the proxy materials at their address and would like to request "householding" of future communications should contact their broker. In addition, upon written or oral request to the address or telephone number set forth above, we will promptly deliver a separate copy of the proxy materials to any stockholder at a shared address to which a single copy of the documents was delivered.

What does it mean if I received more than one proxy card?

If you requested printed copies of these materials and you received more than one proxy card, your shares are likely registered in more than one name or are held in more than one account. Please complete, sign, date and promptly return each proxy card to ensure that all of your shares are voted.

Where else are the proxy materials available?

Our Notice of Annual Meeting of Stockholders, this Proxy Statement, the 2022 Annual Report and related materials are available for your review at *www.inseego.com/proxymaterials*.

Who will bear the costs of soliciting votes for the Annual Meeting?

Our Board is soliciting the accompanying proxy, and the Company will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes. We may reimburse brokerage firms, custodians, nominees, fiduciaries and other persons representing beneficial owners for their reasonable expenses in forwarding solicitation material to such beneficial owners. Our directors, officers and employees may also solicit proxies virtually or by other means of communication. Such directors, officers and employees will not be additionally compensated but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation.

Where can I find the voting results of the Annual Meeting?

The preliminary voting results will be announced at the Annual Meeting. The final voting results will be reported in a current report on Form 8-K, which will be filed with the SEC within four business days after the Annual Meeting. If our final voting results are not available within four business days after the Annual Meeting, we will file a current report on Form 8-K reporting the preliminary voting results and subsequently file the final voting results in an amendment to the current report on Form 8-K within four business days after the final voting results are known to us.

IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON SEPTEMBER 5, 2023

The Notice of Annual Meeting of Stockholders, this Proxy Statement and the 2022 Annual Report are available at *www.inseego.com/proxymaterials.*

PROPOSAL 1: ELECTION OF DIRECTORS

The Board is divided into three classes. Each class consists, as nearly as possible, of one-third of the total number of directors constituting the entire Board, and each class has a three-year term. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of their election and qualification until the third annual meeting of stockholders following such election. There are currently five directors serving on the Board and two directors whose terms of office are scheduled to expire at the upcoming Annual Meeting.

The Nominating and Corporate Governance Committee of our Board (the “Nominating and Corporate Governance Committee”) has recommended that James Avery and Jeffrey Tuder each be elected to serve a three-year term expiring at the 2026 annual meeting of stockholders. Mr. Avery is an incumbent director and was initially designated for appointment by Golden Harbor Ltd., a security holder, pursuant to the terms of the Securities Purchase Agreement, dated August 6, 2018, by and among the Company, Golden Harbor Ltd. and North Sound Trading, L.P. Mr. Tuder is an incumbent director. No arrangement or understanding exists between Mr. Tuder and any other person, pursuant to which he was selected as a director nominee.

Assuming that a quorum is present, directors are elected by a plurality of the votes cast by holders of shares of our outstanding common stock present, in person or by proxy, and entitled to vote at the Annual Meeting. In accordance with our Corporate Governance Guidelines, director nominees agree to tender an irrevocable resignation that will be effective only if such director nominee receives more “WITHHOLD” votes than “FOR” votes at the Annual Meeting. If a director nominee receives more “WITHHOLD” votes than “FOR” votes at the Annual Meeting, the remaining Board members will determine whether to accept the resignation. Broker non-votes will have no effect on this proposal. Proxies cannot be voted for a greater number of persons than two, the number of nominees named above.

This section contains information about the director nominees and the directors whose terms of office continue after the Annual Meeting.

Nominees to be Elected for a Term Expiring at the 2026 Annual Meeting of Stockholders

James B. Avery — ***Director since August 2018***

Mr. Avery, age 59, was appointed to the Board in August 2018 pursuant to the terms of that certain Securities Purchase Agreement, dated August 6, 2018, by and among the Company, North Sound Trading, L.P. and Golden Harbor Ltd. Mr. Avery joined Tavistock Group in July 2014 and is currently a Senior Managing Director. From 2003 to June 2014, Mr. Avery was a Managing Director and Co-Founder of GCA Savvian, a boutique investment bank, in addition to holding the position of Representative Director for GCA Corporation, GCA Savvian’s parent company publicly traded on the Tokyo Stock Exchange. Prior to GCA Savvian, Mr. Avery spent 10 years at Morgan Stanley, working in the New York and Silicon Valley offices where he advised clients across a number of industries on strategy, merger & acquisitions and capital market transactions. Mr. Avery has also held roles at Edward M. Greenberg Associates, Burson-Marsteller, Westdeutsche Landesbank, and Republic National Bank of New York. Mr. Avery is currently a member of the board of directors of FrontWell Capital Partners. Mr. Avery received his Bachelor of Science in Finance from Miami University. Mr. Avery’s management background and expertise in strategic corporate matters and capital markets provide a valuable background for him to serve as a member of our Board, as Chairman of our Nominating and Corporate Governance Committee of the Board (the “Nominating and Corporate Governance Committee”), and as a member of the Compensation Committee of the Board (the “Compensation Committee”) and the Audit Committee of the Board (the “Audit Committee”). Mr. Avery’s term as a director will expire at the 2023 annual meeting of stockholders of the Company.

Jeffrey Tuder — ***Director since June 2017***

Mr. Tuder, age 50, was appointed to the Board in June 2017. Mr. Tuder is the Founder and Managing Member of Tremson Capital Management, LLC since April 2015. Mr. Tuder is also Chief Executive Officer of Concord Acquisition Corp II and Concord Acquisition Corp III. Prior to founding Tremson, he held investment roles at KSA Capital Management, LLC and at JHL Capital Group, LLC. Previously, Mr. Tuder was a Managing Director of

CapitalSource Finance, LLC, and was a member of the private equity investment team at Fortress Investment Group, LLC. Mr. Tuder began his career in various investment capacities at Nassau Capital and ABS Capital Partners. Mr. Tuder currently serves on the board of directors of Concord Acqusition Corp III, and previously served on the boards of directors of MRV Communications, Inc., SeaChange International, Unico American, and NamTai Property. Mr. Tuder also has served as a director of a number of privately held companies. Mr. Tuder received a Bachelor of Arts degree from Yale College. Mr. Tuder's private equity and hedge fund investment experience, his expertise in evaluating both public and private investment opportunities across numerous industries, and his ability to think creatively in considering ways to maximize long-term shareholder value provide a valuable background for him to serve as Chair of our Board, as Chair of our Audit Committee, Chair of the Compensation Committee, and as a member of the Nominating and Corporate Governance Committee. Mr. Tuder's term as a director will expire at the 2023 annual meeting of stockholders of the Company.

Directors with Terms Expiring at the 2024 Annual Meeting of Stockholders

Christopher Harland ***Director since October 2019***

Mr. Harland, age 65, was appointed to the Board in October 2019. Mr. Harland is a Partner in the Strategic Advisory Group at PJT Partners, based in New York. Prior to joining PJT Partners, Mr. Harland spent 32 years at Morgan Stanley. From 2008 to March 2015, Mr. Harland served as Chairman and Regional Head of Morgan Stanley Latin America and was also a member of the Management Committee and International Operating Committee. Under his leadership, Morgan Stanley significantly expanded the scope of its operations in Brazil and Mexico and opened new offices in Peru, Colombia and Chile. Before assuming responsibility for Latin America, Mr. Harland was Global Head of the Media and Communications Investment Banking Group from 1996 to 2007. In this capacity he advised many leading media and communications companies on a variety of acquisitions, divestitures and corporate financings. He is a trustee of the New York Studio School, a director of Round Hill Developments and a member of the Council on Foreign Relations. Mr. Harland graduated magna cum laude from Harvard College, attended Oxford University and received a Master of Business Administration from Harvard Business School where he was a George F. Baker Scholar. Mr. Harland's experience with international expansion and expertise in capital markets provide a valuable background for him to serve as a member of our Board, and as a member of the Audit Committee. Mr. Harland's term as a director will expire at the 2024 annual meeting of stockholders of the Company.

Christopher Lytle ***Director since October 2020***

Mr. Lytle, age 54, was appointed to the Board in October 2020. Mr. Lytle has been president of Longfellow Capital, a private investment firm, since January 2009. He served in a consulting capacity as the Company's Head of Government Affairs from April 2020 to October 2020 and has been providing strategic consulting services to the Company since 2018. Mr. Lytle previously served as the Company's Chief Strategy Officer and Executive Vice President of Enterprise SaaS Solutions from August 2017 to October 2018. Prior to joining the Company, Mr. Lytle was President of Cavulus, a privately-held SaaS-based technology provider in the healthcare industry. Before joining Cavulus, Mr. Lytle was a Managing Director at Morgan Stanley from July 2006 to December 2008 and previously was Lead Portfolio Manager of RCL Capital, a hedge fund focused on small and mid-cap telecom and wireless technology businesses from July 2006 to December 2008. He also recently became Chairman of Prolifiq, a leading cloud-native provider of sales- enablement applications to Salesforce customers. Mr. Lytle holds a Bachelor of Arts degree in Economics from Lafayette College. Mr. Lytle's knowledge of the Company and experience with enterprise SaaS software solutions provide valuable background for him to serve as a member of our Board. Mr. Lytle's term as a director will expire at the 2024 annual meeting of stockholders of the Company.

Director with Term Expiring at the 2025 Annual Meeting of Stockholders

Stephanie Bowers ***Director since June 2021***

Ms. Bowers, age 44, was appointed to the Board in June 2021. Ms. Bowers has two decades of U.S. government experience at the White House and with the U.S. Department of State. Ms. Bowers led the U.S. Embassy in The Bahamas as Chargé d'Affaires from 2018 to 2020. Prior to that, Ms. Bowers held senior positions in both Democratic and Republican administrations, including serving as chief of staff for the Western Hemisphere at the State Department from 2016 to 2018, as Deputy Director of Central America Affairs at the State Department from 2015 to 2016 and as a National Security Council Director at the White House from 2013 to 2014. Her previous foreign service experience includes acting as an Economic Officer in South Africa and Spain and overseeing some of the U.S. government's largest foreign assistance initiatives and budgets, including in the Middle East and throughout the Americas and the Caribbean.

Ms. Bowers received bachelor degrees in International Affairs and French Language and Literature from The George Washington University. She received a Master of Science degree in National Security Strategy from the National War College, where she was named Distinguished Graduate. Ms. Bowers' substantial experience in international relations and government affairs provide valuable perspective and expertise as a member of our Board. Ms. Bowers' term as a director will expire at the 2025 annual meeting of stockholders of the Company.

In the vote on the election of each director nominee, stockholders may:

- Vote **FOR** the nominee; or
- **WITHHOLD** authority to vote for the nominee.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF EACH OF THE ABOVE-NAMED DIRECTOR NOMINEES.

CORPORATE GOVERNANCE

Director Independence

Under the NASDAQ listing requirements, a majority of the members of our Board must be independent. The Board has determined that Ms. Bowers and Messrs. Avery, Harland and Tuder, are each “independent” of the Company and management within the meaning of the NASDAQ listing requirements. Mr. Lytle is not “independent” under the NASDAQ listing requirements because he is a former employee of and consultant to the Company.

Director Nominations

Qualifications. The Nominating and Corporate Governance Committee considers several factors in its evaluation of director candidates, including the members of the Board eligible for re-election. These factors include relevant business experience, expertise, character, judgment, length of potential service, diversity, independence, other commitments and the current needs of the Board and its committees. In the case of incumbent directors, the Nominating and Corporate Governance Committee also considers a director’s overall service to the Company during his or her term, including the number of meetings attended, level of participation and quality of performance.

While the Nominating and Corporate Governance Committee has not established specific criteria related to a director candidate’s education, experience level or skills, it expects qualified candidates will have appropriate experience and a proven record of business success and leadership.

Diversity. The Nominating and Corporate Governance Committee believes the Board should be comprised of a diverse group of individuals with significant and relevant senior management and leadership experience, an understanding of technology relevant to the Company and its business, a long-term and strategic perspective and the ability to advance constructive debate and a global perspective. The Nominating and Corporate Governance Committee believes in seeking nominees who contribute to the diversity of the Board, considered from a number of aspects, including but not limited to gender, age, race, ethnicity, nationality, cultural background, education, professional experience, skills, and industry knowledge.

Our Corporate Governance Guidelines provide that in any formal search for Board candidates, the Nominating and Corporate Governance Committee should request that any search firm that it engages include qualified candidates that would contribute to the diversity of the Board (taking into account the current composition of the Board) in the initial pool from which the committee selects director candidates.

The following Board Diversity Matrix presents our Board diversity statistics in accordance with Nasdaq Rule 5606, as self-disclosed by our directors.

Board Diversity Matrix

	As of July 15, 2023		As of August 1, 2022	
	Female	**Male**	**Female**	**Male**
Total Number of Directors	5		5	
Directors	1	4	1	4
Demographic Information				
White	1	4	1	4

Retirement Policy. The Nominating and Corporate Governance Committee has adopted a retirement policy that provides that a non-management director will not be nominated for a term that would begin after such director’s 72nd birthday. The policy enables the Board to approve the nomination of a non-management director after the age of 72 if, due to special or unique circumstances, it is in the best interest of the Company and its stockholders that such director continue to be nominated for re-election to the Board.

Stockholder Recommendations and Nominations. The Nominating and Corporate Governance Committee considers recommendations of potential director candidates from stockholders based on the same criteria as a candidate identified by an individual director or the Nominating and Corporate Governance Committee.

In order to nominate a person for election at our next annual meeting of stockholders, a stockholder must provide timely notice in proper form and delivered to, or mailed and received at, the principal executive offices of the Company not earlier than the 120th day nor later than the close of business on the 90th day prior to the one-year anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting of stockholders is more than 30 days before or more than 60 days after such anniversary date, the recommendation must be delivered, or mailed and received, not earlier than the close of business on the 120th day prior to such annual meeting of stockholders and not later than the close of business on the 90th day prior to such annual meeting of stockholders or, if later, the 10th day following the day on which public disclosure of the date of such annual meeting of stockholders was first made. A stockholder's notice recommending a candidate must include the following:

- As to each Nominating Person (as defined below):
  - (i) the name and address of such Nominating Person (including, if applicable, the name and address that appear on the Company's books and records); and
  - (ii) the class or series and number of shares of the Company's common stock that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act")) by such Nominating Person;
- As to each Nominating Person, any Disclosable Interests (as defined in Section 5(c)(ii) of the Amended and Restated Bylaws of the Company (the "Bylaws"));
- As to each Nominating Person:
  - (i) a representation that the Nominating Person is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose the recommendation; and
  - (ii) a representation as to whether the Nominating Person intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Company's outstanding capital stock required to approve or adopt the recommendation and/or (2) otherwise to solicit proxies or votes from stockholders in support of the recommendation; and
- As to each person whom a Nominating Person proposes to nominate for election as a director:
  - (i) all information relating to such proposed nominee that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14(a) under the Exchange Act (including such proposed nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected);
  - (ii) a description of all direct and indirect compensation and other material agreements, arrangements, and understandings during the past three years, and any other material relationships, between or among any Nominating Person, on the one hand, and each proposed nominee, his or her respective associates or any other participants in such solicitation, and any other persons with whom such proposed nominee (or any of his or her respective associates or other participants in such solicitation) is Acting in Concert (as defined in Section 5(c) of the Bylaws), on the other hand; and
  - (iii) a completed and signed questionnaire, representation, and agreement as provided in Section 6(h) of the Bylaws.

For purposes of this Proxy Statement, the term “Nominating Person” shall mean:

(i) the stockholder providing the notice of the nomination proposed to be made at the meeting;

(ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made;

(iii) any participant with such stockholder or beneficial owner in such solicitation or associate of such stockholder or beneficial owner; and

(iv) any other person with whom such stockholder or such beneficial owner (or any of their respective associates or other participants in such solicitation) is Acting in Concert (as defined in Section 5(c) of the Bylaws).

The Nominating Person’s notice must be signed and delivered to the following address:

Inseego Corp.
c/o Secretary
9710 Scranton Road, Suite 200
San Diego, California 92121

Plurality Plus Voting for Directors; Director Resignation Policy

Our Corporate Governance Guidelines contain a “plurality plus” voting standard for the election of directors. Pursuant to our Bylaws, directors are elected by a plurality of the votes cast at a meeting of stockholders. However, the “plurality plus” voting standard provides that, in an uncontested election (that is, an election where the number of persons properly nominated to serve as directors does not exceed the number of directors to be elected), the Board will nominate for election or re-election as a director only candidates who agree to tender, prior to being nominated, irrevocable resignations that will be effective if (i) the candidate receives more “WITHHOLD” votes than “FOR” votes at an annual meeting at which they are elected, and (ii) the Board accepts the resignation.

If a director receives more “WITHHOLD” votes than “FOR” votes at an annual meeting at which he or she is elected, the Nominating and Corporate Governance Committee will act on an expedited basis to consider whether the Board should accept or reject such director’s resignation and will submit a recommendation to the Board for prompt consideration by the Board. The Nominating and Corporate Governance Committee will consider all factors deemed relevant by the members of such committee when considering whether the Board should accept or reject such director’s resignation. The Board then is required to act on the committee’s recommendation no later than ninety (90) days after certification of stockholder vote for the election, provided that the period may be extended by an additional ninety (90) days if the Board determines that such an extension is in the best interest of the Company and its stockholders. A director whose resignation is under consideration is expected to abstain from any decisions by either the Nominating and Corporate Governance Committee or the Board regarding such director’s resignation.

Following the Board’s decision, we will promptly disclose the Board’s decision to accept or reject the resignation by filing a Current Report on Form 8-K, including a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation.

Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics that is applicable to all of our directors, officers and employees. The purpose of the Code of Conduct and Ethics is to, among other things, focus our directors, officers and employees on areas of ethical risk, provide guidance to help them recognize and deal with ethical issues, provide mechanisms to report concerns regarding possible unethical or unlawful conduct and to help enhance and formalize our culture of integrity, respect and accountability. We distribute copies of the Code of Conduct and Ethics to, and conduct periodic training sessions regarding its content for, our newly elected directors and newly hired officers and employees. We will post information regarding any amendment to, or waiver from, our Code of Conduct and Ethics on our website as required by applicable law. A copy of our Code of Conduct and Ethics is available on our website at *investor.inseego.com* under “Corporate Governance”.

Anti-hedging and Pledging Policy

The Company's Insider Trading Policy prohibits any pledging or hedging activities in the Company's stock by the Company's executive officers, members of the Board and certain other Company employees. The prohibited activities include any pledge of Company stock as well as transactions such as short sales, puts or calls.

Communications with the Board

Stockholders and other interested parties may communicate with the Board, the non-management directors or specific directors by mail addressed to:

Inseego Corp.
c/o Secretary
9710 Scranton Road, Suite 200
San Diego, California 92121

The communication should clearly indicate whether it is intended for the Board, the non-management directors or a specific director. Our Secretary will review all communications and will, on a periodic basis, forward all communications to the appropriate director or directors, other than those communications that are merely solicitations for products or services or that relate to matters that are clearly improper or irrelevant to the functioning of the Board.

INFORMATION REGARDING THE BOARD AND ITS COMMITTEES

The Board currently consists of five members. The Board is divided into three classes with each class serving a three-year term. The term of one class expires at each annual meeting of stockholders of the Company.

There are no family relationships among any of our directors and/or executive officers. There are currently no legal proceedings, and during the past 10 years there have been no legal proceedings, that are material to the evaluation of the ability or integrity of any of our directors.

Board Meetings and Director Attendance

Each director is expected to devote sufficient time, energy and attention to ensure diligent performance of his duties and to attend all meetings of the Board and the committees on which he serves. In 2022, the Board met four times and each incumbent Board member attended at least 75% of the meetings of the Board and the committees on which he served during the period for which he was a director or committee member.

Annual Meeting of Stockholders

While we encourage our directors to attend our annual meetings of stockholders, we do not have a formal policy regarding their attendance. All of our then-current directors attended the 2022 annual meeting of stockholders.

Board Committees

The Board currently has three standing committees: an Audit Committee; a Compensation Committee; and a Nominating and Corporate Governance Committee. Each committee operates under a written charter adopted by the Board. All of the charters are publicly available on our website at *investor.inseego.com* under “Corporate Governance.” You may also obtain a copy of these charters by sending a written request to our Secretary at our principal executive offices.

Upon the recommendation of the Nominating and Corporate Governance Committee, the Board appoints committee members annually. The table below sets forth the current composition of our Board committees:

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
James B. Avery	✓	✓	☑
Stephanie Bowers			✓
Christopher Harland	✓		
Jeffrey Tuder	☑	☑	✓

☑ Chair ✓ Member

Audit Committee

The Audit Committee oversees our accounting and financial reporting processes and the audits of our financial statements and internal control over financial reporting.

The functions and responsibilities of the Audit Committee include:

- engaging our independent registered public accounting firm and conducting an annual review of the independence of that firm;
- reviewing with management and the independent registered public accounting firm the scope and the planning of the annual audit;
- reviewing the annual audited financial statements and quarterly unaudited financial statements with management and the independent registered public accounting firm;

- reviewing the findings and recommendations of the independent registered public accounting firm and management's response to the recommendations of that firm;
- discussing with management and the independent registered public accounting firm, as appropriate, the Company's policies with respect to financial risk assessment and financial risk management;
- overseeing compliance with applicable legal and regulatory requirements, including ethical business standards;
- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- establishing procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- preparing the Audit Committee Report to be included in our annual proxy statement;
- monitoring ethical compliance, including review of related party transactions; and
- periodically reviewing the adequacy of the Audit Committee charter.

In 2022, the Audit Committee met four times.

Our independent registered public accounting firm reports directly to the Audit Committee. Each member of the Audit Committee must have the ability to read and understand fundamental financial statements and at least one member must have past employment experience in finance or accounting, and the requisite professional certification in accounting or another comparable experience or background. The Board has determined that each member of the Audit Committee is "independent" as defined by the NASDAQ listing requirements and SEC rules. The Board has also determined that Mr. Tuder, the Chair of the Audit Committee, meets the requirements of an "audit committee financial expert" as defined by SEC rules.

Compensation Committee

The Compensation Committee establishes, administers and oversees compliance with our policies, programs and procedures for compensating our executive officers and the Board.

The functions and responsibilities of the Compensation Committee include:

- establishing and reviewing our general compensation policies and levels of compensation applicable to our executive officers and our non-management directors;
- evaluating the performance of, and determining the compensation for, our executive officers, including our Chief Executive Officer;
- reviewing regional and industry-wide compensation practices in order to assess the adequacy and competitiveness of our executive compensation programs;
- administering our employee benefits plans, including approving awards of stock, restricted stock units ("RSUs") and stock options to employees and other parties under our equity incentive compensation plans; and
- periodically reviewing the adequacy of the Compensation Committee charter.

In 2022, the Compensation Committee met four times. The Board has determined that each member of the Compensation Committee is "independent" as defined by the NASDAQ listing requirements and SEC rules.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee considers, evaluates and nominates director candidates, including the members of the Board eligible for re-election and the recommendations of potential director candidates from stockholders.

The functions and responsibilities of the Nominating and Corporate Governance Committee include:

- developing and recommending a set of corporate governance guidelines applicable to the Company;
- identifying and evaluating candidates to serve on the Board, including determining whether incumbent directors should be nominated for re-election to the Board, and reviewing and evaluating director nominees submitted by stockholders;
- reviewing possible conflicts of interest of prospective Board members;
- recommending director nominees;
- establishing procedures and guidelines for individuals to be considered to become directors;
- recommending the appropriate size and composition of the Board and each of its committees;
- overseeing periodic evaluations of the performance of the Board, the Board committees and the directors;
- monitoring the continued legal compliance of our established principles and policies; and
- periodically reviewing the adequacy of the Nominating and Corporate Governance Committee charter.

In 2022, the Nominating and Corporate Governance Committee met four times. The Board has determined that each member of the Nominating and Corporate Governance Committee is “independent” as defined by the NASDAQ listing requirements.

Board Leadership Structure

The Company’s policy as to whether the roles of Chair of the Board and Chief Executive Officer should be combined is based on the Company’s needs at any particular time. While Dan Mondor served as the Company’s Chief Executive Officer, the Company combined the positions of the Chair of the Board and Chief Executive Officer. When Mr. Mondor’s term as a director ended at the 2022 annual meeting of stockholders, the Board separated these two roles and appointed Jeffrey Tuder to the role of Chair of the Board as an independent director.

Advisory Board

In 2021, the Board established an Advisory Board to enhance the Company’s strategic development, acquire additional expertise of industry leaders, and enable former members of the Board or the Company’s management to continue to make significant contributions to the Company. One of our former directors, Brian Miller, currently serves as a member of the Advisory Board.

Board’s Role in Risk Oversight

The Board plays an active role in the Company’s risk oversight and is responsible for overseeing the processes established to report and monitor systems that mitigate material risks applicable to the Company. The Board delegates certain risk management responsibilities to the committees of the Board. The Audit Committee reviews and discusses with management the Company’s policies regarding risk assessment and risk management and the Company’s significant financial risk exposures and the actions that management has taken to limit, monitor or control those exposures. The Compensation Committee reviews the compensation of the Company’s executive officers at least annually and considers the design of compensation programs and arrangements and potential risks presented thereby. The Nominating and Corporate Governance Committee considers potential risks presented by corporate governance issues affecting the Company and makes recommendations to the Board as appropriate. Each of these committees regularly reports to the Board on matters that involve the specific areas of risk that each committee oversees. The Board also receives regular reports on the Company's risk management from senior representatives of the Company's independent registered public accounting firm.

Compensation Committee Interlocks and Insider Participation

Messrs. Avery and Tuder served on our Compensation Committee during 2022. None of the members of our Compensation Committee during 2022 has ever been one of our officers or employees. None of our executive officers currently serves, or has served during the last completed fiscal year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board or Compensation Committee.

Director Compensation

We use a combination of cash and equity-based incentive compensation to attract and retain qualified candidates to serve on the Board. Upon the recommendation of the Compensation Committee, the Board makes all compensation decisions for our non-management directors. In recommending director compensation, the Compensation Committee considers, among other things, the amount of time required of directors to fulfill their duties. A director who is also an employee of the Company does not receive additional compensation for serving as a director.

Cash Compensation. The Board has approved the following components of the annual cash retainer fee to our non-management directors for Board and Board committee service in 2022 (which amounts are prorated for directors who only served for a portion of the year):

	Chair	Member
Board of Directors	$ 80,000[(1)]	$ 40,000
Audit Committee	$ 20,000	$ 10,000
Compensation Committee	$ 14,000	$ 6,000
Nominating and Corporate Governance Committee	$ 10,000	$ 5,000

(1) For independent directors only. If the Chair is also an employee or officer of the Company they will not receive retainers for service on the Board. Effective June 1, 2023, the Board has approved a temporary one-year increase in Mr. Tuder's compensation to a monthly fee of $35,000 per month (in lieu of any other cash compensation) as compensation for various special projects the Chair will be engaged in at the request and direction of the Board, with a goal of achieving sustainable positive free cash flow, including but not limited to: (i) assisting management to identify and implement cost savings and operational efficiencies; (ii) overseeing initiatives to improve the Company's balance sheet and optimize the Company's capital structure; (iii) reviewing and assessing the Company's strategy and consideration of strategic alternatives; and (iv) optimizing the Company's management and organizational structure.

Equity-Based Compensation. The Board approved the following components for equity compensation to be awarded to each non-management director of the Company for fiscal 2022.

- An initial equity award upon joining the Board in the form of RSUs with an economic value of $145,000. The RSUs vest in three equal annual installments beginning with the first anniversary of the grant date.

- Thereafter, an annual equity award in the form of RSUs with an economic value of $125,000 that vests in full on the first anniversary of the grant date.

Based on the foregoing policy, the Compensation Committee awarded non-management directors 49,801 RSUs in August 2022 as compensation for Board service from August 2022 until the 2023 annual meeting of stockholders. The non-management directors will be eligible for annual awards during 2023 as described above.

Director Compensation Table. The table below summarizes the compensation paid to our non-management directors for service on the Board for the fiscal year ended December 31, 2022. In addition to the payments below, the Company reimburses directors for reasonable out-of-pocket expenses incurred in connection with attending Board and Board committee meetings.

Name	Fees Earned in Cash ($)	Stock Awards ($)[1][2]	All Other Compensation ($)	Total ($)
James B. Avery[3]	66,000	$ 125,001	–	$ 191,001
Stephanie Bowers	45,000	$ 125,001	–	$ 170,001
Christopher Harland	50,000	$ 125,001	–	$ 175,001
Christopher Lytle	40,000	$ 225,001 (4)	–	$ 265,001
Jeffrey Tuder	85,466	$ 125,001	–	$ 210,467

(1) Represents the aggregate grant date fair value of the equity awards granted in 2022 as computed in accordance with Accounting Standards Codification ("ASC") Topic 718, excluding the effect of estimated forfeitures. Assumptions used in the calculation of these amounts are included in Note 9, *Share-based Compensation*, in the 2022 Annual Report.

(2) The following table shows, for each of our non-management directors, the aggregate number of shares subject to stock options and unvested stock awards outstanding as of December 31, 2022.

Name	Stock Awards (#)	Option Awards (#)
James B. Avery (issued to Tavistock Financial LLC)	49,801	–
Stephanie Bowers	59,034	–
Christopher Harland	49,801	–
Christopher Lytle	55,096	–
Jeffrey Tuder	49,801	56,912

(3) As required by the terms of his employment with Tavistock Financial, LLC, all cash director fees earned by Mr. Avery are paid to Tavistock Foundation, Inc., a non-profit incorporated and existing under the laws of the State of Florida, and all equity awards to which he would be entitled for service as a director of the Company are issued to Tavistock Financial LLC.

(4) Includes both an annual grant made to Mr. Lytle and a supplemental special grant in recognition of extraordinary service.

INFORMATION REGARDING OUR EXECUTIVE OFFICERS

The following table sets forth certain information with respect to our current executive officers:

Executive	Age	Title
Ashish Sharma	51	Chief Executive Officer & President
Robert Barbieri	68	Chief Financial Officer
Doug Kahn	64	Executive Vice President of Operations

Ashish Sharma has served as the Company's Chief Executive Officer and President since March 2022. He previously served as the Company's President from June 2021 to March 2022 and as President of IoT & Mobile Solutions from February 2020 to June 2021. Prior to that, he had served as the Company's Executive Vice President IoT & Mobile Solutions since joining the Company in September 2017. Prior to joining the Company, Mr. Sharma was Chief Marketing Officer at Spectralink Corporation, a provider of enterprise grade mobile solutions, from December 2015 to September 2017. Prior to that, Mr. Sharma served as Senior Vice President and General Manager, Americas for Graymatics, Inc., a cognitive media processing company, from January 2015 to December 2015 and as Chief Marketing Officer at FreeWave Technologies, an industrial wireless networking company, from November 2010 to January 2015. Mr. Sharma holds a Bachelor of Science in Electrical Engineering from the University of District of Columbia, a Master of Science in Electrical Engineering from George Mason University and a Master of Business Administration from the UCLA Anderson School of Management in Finance, Marketing and Strategy.

Robert Barbieri has served as the Company's Chief Financial Officer since October 2021, and served as the Company's interim Chief Financial Officer from April 2021 to October 2021. He was a Partner with TechCXO, LLC ("TechCXO"), a professional services firm that provides experienced, C-Suite professionals to deliver strategic and functional consulting services, from 2019 to 2021. Before joining TechCXO, Mr. Barbieri led his own firm, CxO Advisory Services, which provided similar strategic and functional consulting services, from 2010 to 2019. Mr. Barbieri has more than 30 years of experience as a senior executive, strategic partner, and management advisor. Mr. Barbieri has served in senior financial leadership positions with a number of companies, including Chief Financial Officer at ABILITY Network, Inc., a leading healthcare technology company; Chief Financial Officer at Converge One, a leader in telecommunication technology; Executive Vice President and Chief Financial Officer at TriZetto, a publicly traded healthcare IT company; Chief Financial Officer at Textura, a cloud collaboration company; Chief Financial Officer at Apogee Enterprises, a publicly traded glass and coatings technologies company; Chief Financial and Performance Officer at Lawson Software, Inc., a publicly traded international technology, software and e-commerce solution company; and a senior executive with Air Products, a global manufacturing and services company. Mr. Barbieri is a Certified Management Accountant and holds both a Bachelor of Science in Business Administration and Accounting and a Master of Business Administration in Financial Management from Drexel University.

Doug Kahn joined the Company in February 2019 as Executive Vice President of Operations. Prior to joining the Company, Mr. Kahn was Vice President of Global Supply Chain at Vispero, Inc., a provider of assistive technology solutions for the visually impaired, from 2018 to 2019. Mr. Kahn was Executive Vice President of Global Operations and Customer Support for Tintri, Inc., a virtualized storage company from 2014 to 2018. Prior to that, he was Vice President of Global Purchasing and Vice President of Operations for TomTom International BV, a global GPS company, from 2012 to 2014. Mr. Kahn has held several additional leadership roles in all major supply chain functions, including Vice President of Supply Chain and IT for Synaptics Inc. Earlier in his career, Mr. Kahn spent 17 years with Hewlett Packard in roles of increasing responsibility in Supply Chain Development and Operations. Mr. Kahn earned a Bachelor of Art from the University of California, Berkeley, a Master of Science in Geophysics and a Master of Business Administration in finance and statistics from the University of Chicago.

There are no family relationships among any of our executive officers and/or directors. There are currently no legal proceedings, and during the past 10 years there have been no legal proceedings, that are material to the evaluation of the ability or integrity of any of our current executive officers.

COMPENSATION OF NAMED EXECUTIVE OFFICERS

Compensation Discussion and Analysis for Named Executive Officers

The following Compensation Discussion and Analysis describes the material elements of compensation for the Company's named executive officers, which consist of: (1) our President and Chief Executive Officer, (2) our Chief Financial Officer, (3) our Executive Vice President of Operations, and (4) our former Chief Executive Officer.

Objectives of Compensation Program

The primary objectives of the Company's compensation program, including our executive compensation program, are to maintain a pay-for-performance compensation program that will fairly compensate our executives and employees, attract and retain qualified executives and employees who are able to contribute to our long-term success, induce performance consistent with clearly defined corporate goals and align our executives' long-term interests with those of our stockholders. To that end, the Company's compensation practices are intended to:

- provide overall compensation (assuming that targeted levels of performance are achieved) that is sufficient to attract and retain executives and key employees;
- tie total compensation to Company performance and individual performance in achieving financial and non-financial objectives; and
- closely align senior management's interests with stockholders' interests through long-term equity incentive compensation.

How the Compensation Committee Determines the Forms and Amounts of Compensation

The Compensation Committee structures our compensation programs and establishes compensation levels for our executives and senior officers. The Compensation Committee annually determines the compensation levels for our executive officers by considering several factors, including competitive market data, each executive officer's roles and responsibilities, how the executive officer is performing those responsibilities and our historical financial performance.

The Compensation Committee considers the recommendations from our Chief Executive Officer in determining executive compensation. In making his recommendations, the Chief Executive Officer receives input from our Human Resources Department.

The Compensation Committee makes all decisions for the total direct compensation, which includes base salary, bonus compensation based upon annual incentive goals and objectives and long-term stock-based awards, of the Company's executive officers and other members of the Company's senior management team, including the named executive officers.

The Compensation Committee engages independent compensation consultants from time-to-time to assist the Compensation Committee in its duties, including providing advice regarding industry trends relating to the form and amount of compensation provided to executives by companies with which we compete for executive talent and other similarly situated companies. The Compensation Committee retained Compensia during 2021 to provide competitive compensation data and analysis. The Compensation Committee considers available market data as one factor in making executive compensation decisions, but has not adopted a specific benchmark or peer group as a guideline in its determination of compensation.

The Compensation Committee annually reviews and approves corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluates the Chief Executive Officer's performance in light of those goals and objectives, and determines the Chief Executive Officer's compensation levels based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee considers corporate performance, the impact of incentive awards on the Chief Executive Officer's total compensation and the awards given to the Chief Executive Officer in past years. For the other named executive officers, the Compensation Committee receives a performance assessment and compensation recommendation from the Chief Executive Officer and also exercises its judgment based on the Board's interactions with the named executive officers. As with the Chief Executive Officer, the performance evaluation of these executives is based on his or her contributions to the Company's performance and other leadership accomplishments.

Components of Executive Compensation

The elements of the Company's compensation program are base salaries, bonus compensation based upon incentive goals and objectives and stock-based equity awards. Our compensation program is designed to balance our need to provide our named executive officers with incentives to achieve our short- and long-term performance goals with the need to pay competitive base salaries. There is no pre-established policy for allocating between cash and non-cash or short-term or long-term compensation. Each named executive officer's current and prior compensation is considered in setting future compensation.

Base Salaries. Base salary is the guaranteed element of employees' annual cash compensation. Base salaries are generally based on relative responsibility and are targeted to provide competitive guaranteed cash compensation. The value of base salary reflects the employee's long-term performance, skill set and the market value of that skill set. Base salaries for our named executive officers are reviewed on an annual basis and adjustments are made to reflect performance-based factors, as well as competitive conditions. The Company does not apply specific formulas to determine increases. In setting base salaries, the Compensation Committee considers the following factors:

- The Company's overall financial condition;
- Internal relativity, meaning the relative pay differences for different job levels;
- Individual performance;
- Overall economic conditions and market factors; and
- Consideration of the mix of overall compensation.

In March 2022, the Compensation Committee increased the base salary of Mr. Sharma in connection with his appointment as Chief Executive Officer. This decision was based upon Mr. Sharma's increase in responsibilities, salary history and internal relativity. Neither Mr. Barbieri's nor Mr. Kahn's base salaries were changed in 2022. The fiscal 2022 base salaries for each of the named executive officers as of the end of 2022 are shown in the following table.

Name	Base Salary (as of 12/31/2022)
Ashish Sharma	$ 500,000
Robert Barbieri	$ 400,000
Doug Kahn	$ 325,000
Dan Mondor	$ -

Annual Incentive Bonuses

The Company believes that as an employee's level of responsibility increases, a greater portion of the individual's cash compensation should be variable and linked to both quantitative and qualitative expectations, including key financial, operational and strategic metrics. To that end, the Company awards annual bonuses in order to align employees' goals with the Company's financial, strategic and tactical objectives for the current year.

Executive Bonuses for 2022. For 2022, the Compensation Committee established the Senior Management Bonus Program for the year ended December 31, 2022 (the "2022 Bonus Program"). Under the 2022 Bonus Program, bonus target amounts, expressed as a percentage of base salary, were established for participants. Bonus payouts for the year were then determined by (a) the achievement by the Company of certain financial goals and/or targets set forth in the 2022 Bonus Program related to the Company's revenue performance and cash flow; and (b) each participating employee's individual performance. Satisfactory individual performance is a condition to payment.

The Compensation Committee considered the following when establishing the awards for 2022:

- *Bonus Targets*. Target bonuses are expressed as a percentage of the participant's base salary earned during the plan year. Bonus targets were based on job responsibilities and internal relativity. Consistent with the Company's executive compensation policy, individuals with greater job responsibilities had a greater proportion of their total compensation tied to Company performance in the 2022 Bonus Program. With the exception of Mr. Sharma, bonus targets for the named executive officers were unchanged for 2022 compared to prior years. Prior to 2022, Mr. Sharma had an annual target bonus equal to 50% of his annual base salary. For 2022, Mr. Sharma's target bonus was increased to 65% to reflect his appointment as Chief Executive Officer. Mr. Mondor was not a participant in the 2022 Bonus Program. The schedule below shows the target incentives for the 2022 awards for each of the named executive officers as a percentage of 2022 base salary:

Name	Target Bonus % of Salary	Target Bonus Dollars	2022 Bonus Earned
Ashish Sharma	65%	$ 325,000	$ –
Robert Barbieri	50%	$ 200,000	$ –
Doug Kahn	40%	$ 120,000	$ –
Dan Mondor	–	$ –	$ –

- *Company performance measures.* For all participants in the 2022 Bonus Program, including the named executive officers, the Compensation Committee established performance measures based upon total revenue, cash flow and specific product line revenues. In 2022, The Company failed to meet the performance measures, and no bonuses were awarded to the named executive officers.

- *Personal performance.* Based on individual performance, the Compensation Committee uses its discretion to adjust bonus payouts – either up or down – to reflect the individual performance of each named executive officer during the year. No discretionary bonuses were awarded for fiscal 2022 to the named executive officers.

Long-Term Incentives. Long-term incentive awards are a key element of the Company's total compensation package for the named executive officers. We also have adopted an equity incentive approach intended to reward longer-term performance and to help align the interest of our named executive officers with those of our stockholders. We believe that long-term performance is achieved through an ownership culture that rewards performance by our named executive officers through the use of equity incentives. Our equity incentive plans have been established to provide our employees, including our named executive officers, with incentives to help align those employees' interests with the interests of our stockholders. Our equity incentive plans have provided the principal method for our named executive officers to acquire equity interests in the Company.

The size and terms of the awards for an individual recipient will depend upon the level of responsibility of the recipient; the expected future contributions to the growth and development of the Company; the value of past service; and the number of options and restricted shares owned by other executives in comparable positions within the Company. The Company's 2018 Omnibus Incentive Compensation Plan provides for a variety of long-term awards including stock options, restricted stock, restricted share units and performance awards.

Stock Options and RSU Awards

The Compensation Committee continually evaluates its equity compensation program to determine whether to issue either restricted stock units ("RSUs"), stock options or a combination thereof. In making such determinations, the Compensation Committee considers the accounting treatment, the retention and the number of shares available for grant under the Company's equity incentive plan and the potential dilutive impact on the Company's stockholders.

The Compensation Committee primarily relies on stock options as the main equity vehicle for our named executive officers. Stock options provide for financial gain derived from the potential appreciation in stock price from the date that the option is granted until the date that the option is exercised. The grant date is established when the Compensation Committee approves the grant and all key terms have been determined. The exercise price of stock option grants is set at the fair market value on the date of grant, which is the closing price on the NASDAQ Stock Market. Under the stockholder-approved 2018 Omnibus Incentive Compensation Plan, the Company may not grant stock options at a discount to the fair market value or reduce the exercise price of outstanding options, except with the approval of the stockholders or except in the case of a stock split or other similar event. The Company does not grant stock options with "reload" features and it does not loan funds to employees to enable them to exercise stock options.

From time to time, our Compensation Committee may also issue RSUs to our named executive officers. RSUs are generally less dilutive to our stockholders, as fewer shares of our common stock are granted to achieve an equivalent value relative to stock options, and because RSU awards are an effective retention tool that maintain value even in cases where the share price is trading lower than the initial grant price.

The equity awards granted to our named executive officers during 2022 are reflected in the "Grants of Plan-Based Awards Table" below.

Other Elements of Compensation

Perquisites and Other Benefits. The Company does not provide significant perquisites or personal benefits to our named executive officers. Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees generally.

Retirement Plans. We currently maintain a 401(k) retirement savings plan that allows eligible employees to defer a portion of their compensation, within limits prescribed by the Internal Revenue Code, on a pre-tax or after-tax basis through contributions to the plan. Our named executive officers are eligible to participate in the 401(k) plan on the same terms as other full-time employees generally. Currently, we match contributions made by participants in the 401(k) plan at $0.50 for each $1.00 contributed, up to 6% of an employee's eligible compensation. We believe that providing a vehicle for retirement savings through our 401(k) plan adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Severance and Change-in-Control Arrangements

We generally enter into offer letters, rather than formal employment agreements, with our named executive officers. The letters set forth the initial salary and bonus terms for each named executive officer. The current base salaries and bonus targets for the named executive officers are set forth above.

In addition, each of the named executive officers, as well as certain other key employees, is a party to a change in control and severance agreement with the Company. The principal purpose of the agreements is to protect the Company from certain business risks (*e.g.,* threats from loss of confidentiality or trade secrets, disparagement, solicitation of customers and employees) and to define the Company's right to terminate the employment relationship. In return, the executive officers are provided assurances with regard to salary and other compensation and benefits, as well as certain severance benefits.

For a description of these agreements and the severance benefits provided under these arrangements, see – *Potential Payments Upon Termination or Change-in-Control–Severance Agreements*.

2022 Say-On-Pay Vote

At our 2022 annual meeting of stockholders, our stockholders approved, on a non-binding, advisory basis, the compensation paid to our named executive officers described in our 2022 proxy statement. Approximately 89.4% of the votes cast on the matter were voted in favor of this "say-on-pay" approval. The Board and the Compensation Committee considered the voting results and high level of stockholder support when establishing our executive compensation programs for fiscal 2022.

Clawback Guidelines

Our Corporate Governance Guidelines provide that in the event of any accounting restatement of the financial statements of the Company, the Board will review the incentive compensation and awards made to the executive officers based on the financial results during the period covered by the restatement and, in appropriate circumstances and to the extent permitted by applicable law and the Company's policies and plans, seek to recover or cancel the portion of any such compensation or awards in excess of what would have been received under the restated financial statements. Among the key factors that the Board will consider in determining whether seeking recovery is appropriate is whether the executive officer engaged in fraud or willful misconduct that resulted in the need for a restatement. We intend to adopt a clawback policy complying with the rules of the SEC and the Nasdaq Stock Exchange prior to December 1, 2023.

Tax Considerations

Section 162(m) of the Internal Revenue Code generally prohibits a publicly-held company from deducting compensation paid to a current or former named executive officer that exceeds $1 million during the tax year. Certain awards granted before November 2, 2017 that were based upon attaining pre-established performance measures that were set by the Compensation Committee under a plan approved by our stockholders, as well as amounts payable to former executives pursuant to a written binding contract that was in effect on November 2, 2017, may qualify for an exception to the $1 million deductibility limit.

The Compensation Committee notes this deductibility limitation as one of the factors in its consideration of compensation matters. However, the Compensation Committee generally has the flexibility to take any compensation-related actions that it determines are in the Company's and its stockholders' best interest, including designing and awarding compensation for our executive officers that is not fully deductible for tax purposes.

Stock Ownership Requirements

The Board has historically encouraged its members and members of senior management to acquire and maintain stock in the Company to link the interests of such persons to the stockholders. However, neither the Board nor the Compensation Committee has established stock ownership guidelines for members of the Board or the executive officers of the Company.

Securities Trading Policy/Hedging Prohibition

Officers and other employees may not engage in any transaction in which they may profit from short-term speculative swings in the value of the Company's securities. This includes "short sales" (selling borrowed securities which the seller hopes can be purchased at a lower price in the future) or "short sales against the box" (selling owned, but not delivered securities), "put" and "call" options (publicly available rights to sell or buy securities within a certain period of time at a specified price) and hedging transactions, such as zero-cost collars and forward sale contracts. In addition, this policy is designed to ensure compliance with all insider trading rules.

Indemnification Agreements

The Company has entered into indemnification agreements with each of its directors and executive officers (each, an "Indemnitee"). In general, the indemnification agreements provide that, subject to certain limitations, the Company will indemnify and hold harmless each Indemnitee against all expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such Indemnitee or on such Indemnitee's behalf, in connection with certain pending, completed or threatened proceedings, as defined in the indemnification agreements, if the Indemnitee acted in good faith and reasonably in the best interests of the Company and, with respect to any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Risk Assessment of Compensation Program

In April 2023, management assessed our compensation program for the purpose of reviewing and considering any risks presented by our compensation policies and practices that are reasonably likely to have a material adverse effect on us. As part of that assessment, management reviewed the primary elements of our compensation program, including base salary, short-term incentive compensation and long-term incentive compensation. Management's risk assessment included a review of the overall design of each primary element of our compensation program, and an analysis of the various design features, controls and approval rights in place with respect to compensation paid to management and other employees that mitigate potential risks to us that could arise from our compensation program. Following the assessment, management determined that our compensation policies and practices did not create risks that were reasonably likely to have a material adverse effect on us and reported the results of the assessment to our compensation committee.

Compensation Committee Report

The Compensation Committee of our Board of Directors has submitted the following report for inclusion in this proxy statement:

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis set forth above. Based on such review and discussions, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Annual Report on Form 10-K for the year ended December 31, 2022 and this Proxy Statement, filed by us with the SEC.

This report of the Compensation Committee is not “soliciting material,” shall not be deemed “filed” with the SEC and shall not be incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such acts.

The foregoing report has been furnished by the Compensation Committee.

Respectfully submitted,

The Compensation Committee of the Board of Directors
Jeffrey Tuder (Chairman)
James B. Avery

Summary Compensation Table

The following table sets forth information regarding the compensation of our named executive officers for the years ended December 31, 2022, 2021 and 2020.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(2)	All Other Compensation ($)(3)	Total ($)
Ashish Sharma	2022	482,308	270,000(4)	956,000	3,741,983	12,056	5,462,347
Chief Executive Officer &	2021	388,128	175,056(5)	–	2,415,000	9,626	2,987,810
President	2020	317,153	81,985(6)	–	1,415,375	7,929	1,822,442
Robert Barbieri(7)	2022	400,000	225,000(4)	–	–	10,154	635,154
Chief Financial Officer	2021	69,231	–(5)	–	2,456,250	405,694(8)	2,931,175
Doug Kahn	2022	325,000	200,000(4)	–	–	9,000	534,000
Executive Vice President,	2021	311,762	182,597(5)	282,600	857,650	8,228	1,642,837
Operations	2020	299,776	66,480(6)	–	272,295	8,250	646,801
Dan Mondor(9)	2022	140,385	949,997(4)	–	–	10,134	1,100,516
Former Chief Executive	2021	550,411	469,333(5)	–	4,830,000	12,750	5,862,494
Officer	2020	549,589	199,522(6)	–	–	75,251	824,362

(1) Represents bonus payments made during the applicable year for prior year performance. Bonus payments were made through an award of fully vested shares under the 2018 Omnibus Incentive Compensation Plan. The number of RSUs issued was determined by dividing the amount of the bonus award by the 5-day weighted average sales price for the Company’s common stock. Represents the aggregate grant date fair value of the shares issued in the respective fiscal year as computed in accordance with ASC Topic 718, excluding the effect of estimated forfeitures. Assumptions used in the calculation of these amounts are included in Note 9, *Share-based Compensation*, in the 2022 Annual Report.
(2) Represents the aggregate grant date fair value of the stock and option awards granted in the respective fiscal year as computed in accordance with ASC Topic 718, excluding the effect of estimated forfeitures. Assumptions used in the calculation of these amounts are included in Note 9, *Share-based Compensation*, in the 2022 Annual Report.
(3) See the *All Other Compensation* table below for additional information.
(4) Represents a bonus payment made during fiscal 2022 based on individual and Company performance during 2021. No bonuses were earned with respect to the Company’s performance during fiscal 2022.
(5) Represents a bonus payment made during fiscal 2021 based on individual and Company performance during 2020.
(6) Represents a bonus payment made during fiscal 2020 based on individual and Company performance during 2019.
(7) Mr. Barbieri joined as the Company’s permanent Chief Financial Officer starting October 25, 2021.
(8) Mr. Barbieri served on a consulting basis as Interim Chief Financial Officer from March 2021 to October 2021 and amounts reflect compensation paid to the consulting firm, TechCXO, LLC, for Mr. Barbieri’s services.
(9) Mr. Mondor served as the Company’s Chief Executive Officer until February 28, 2022, and served as Executive Chairman from March 1, 2022 through August 3, 2022.

All Other Compensation

The following table sets forth information concerning *All Other Compensation* in the table above:

Name	Year	401(k) Employer Match ($)	Other Compensation ($)	Total ($)
Ashish Sharma	2022	12,056	–	12,056
	2021	9,626	–	9,626
	2020	7,929	–	7,929
Robert Barbieri	2022	10,154	–	10,154
	2021	–	405,694(1)	405,694
Doug Kahn	2022	9,000	–	9,000
	2021	8,228	–	8,228
	2020	8,250	–	8,880
Dan Mondor	2022	2,602	7,532(2)	10,134
	2021	12,750	–	12,750
	2020	8,550	66,701(3)	75,251

(1) Represents compensation paid to TechCXO, LLC for consulting services provided by Mr. Barbieri as interim Chief Financial Officer.
(2) Represents accrued vacation paid upon termination.
(3) Represents a living expense allowance plus tax gross-up.

Grants of Plan-Based Awards

The table below sets forth information on grants of options, stock awards and other plan-based awards to the named executive officers in 2022.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Option (#)	Exercise or Base Price of Option Awards ($/share)	Grant Date Fair Value of Stock and Option Awards ($)(1)
Mr. Sharma	3/1/2022	–	–	–	–	–	–	200,000(2)	–	–	956,000
	3/1/2022	–	–	–	–	–	–	–	250,000(3)	$ 4.78	885,188
	3/1/2022	–	–	–	–	–	–	–	250,000(3)	$ 7.50	809,679
	3/1/2022	–	–	–	–	–	–	–	250,000(3)	$ 10.00	754,559
	3/1/2022	–	–	–	–	–	–	–	250,000(3)	$ 15.00	675,017
	3/1/2022	–	–	–	–	–	–	–	250,000(3)	$ 20.00	617,538
	3/4/2022							57,692(4)	–	–	270,000
Mr. Barbieri	3/4/2022	–	–	–	–	–	–	48,077(4)	–	–	225,000
Mr. Kahn	3/4/2022	–	–	–	–	–	–	42,735(4)	–	–	200,000
Mr. Mondor	3/4/2022	–	–	–	–	–	–	202,991(4)	–	–	949,997

(1) Represents the aggregate grant date fair value of the stock and option awards granted in the respective fiscal year as computed in accordance with ASC Topic 718, excluding the effect of estimated forfeitures. Assumptions used in the calculation of these amounts are included in Note 9, *Share-based Compensation*, in the 2022 Annual Report.

(2) Represents an award of RSUs, which are scheduled to vest over a four-year period, with one-fourth vesting on each anniversary of the grant date.

(3) Twenty-five percent (25%) of the shares subject to the options shall be first eligible to vest and become exercisable on the first anniversary of the grant date and (b) 1/48 of the shares vest on each monthly anniversary thereafter (such options which have become so eligible, "Eligible Options"), such that one hundred percent (100%) of the options shall become Eligible Options on the four-year anniversary of the Grant Date. The options shall vest and become exercisable only if (a) they have become Eligible Options; and (b) the average of the per-share closing price of the Company's common stock as reported on the principal exchange on which the shares are listed has equaled or exceeded the exercise price for ten (10) trading days within any 30 day period prior to the date of exercise.

(4) Represents bonuses paid in March 2022 in the form of immediately vesting RSUs, based upon Company and individual performance during 2021.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information regarding the stock options and RSUs held by our named executive officers that were outstanding at December 31, 2022.

		Option Awards				Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)(1)	Option Exercise Price ($)	Option Expiration Date	Number of shares of stock that have not vested (#)(2)	Market value of shares of stock that have not vested ($)(3)
Ashish Sharma	3/1/2022	–	–	–	–	200,000	168,000
	3/1/2022	–	250,000(4)	4.78	3/1/2032		
	3/1/2022	–	250,000(4)	7.50	3/1/2032		
	3/1/2022	–	250,000(4)	10.00	3/1/2032		
	3/1/2022	–	250,000(4)	15.00	3/1/2032		
	3/1/2022	–	250,000(4)	20.00	3/1/2032		
	6/6/2021	93,750	156,250	9.66	6/6/2031		
	2/5/2020	177,083	72,917	7.70	2/5/2030		
	7/30/2018	250,000	–	1.80	7/30/2028		
	9/25/2017	150,000	–	1.38	9/25/2027		
Robert Barbieri	10/25/2021	109,375	265,625	6.55	10/25/2031		
Doug Kahn	12/15/2021	–	–	–	–	33,750	28,350
	06/30/2021	31,875	53,125	10.09	06/30/2031		
	7/29/2020	15,104	9,896	13.72	7/29/2030		
	10/4/2019	33,333	19,417	4.78	10/4/2029		
	2/13/2019	91,667	8,333	4.84	2/13/2029		
Dan Mondor	6/6/2021	125,000	–	9.66	8/3/2023		
	6/6/2018	1,250,000	–	2.00	8/3/2023		
	6/6/2017	462,771	–	0.94	8/3/2023		

(1) Unless otherwise indicated, stock options are scheduled to vest over a four-year period, with one-fourth vesting on the first anniversary of the grant date and the remainder vesting ratably on a monthly basis thereafter through the fourth anniversary of the grant date.
(2) Represents RSU awards. RSUs are scheduled to vest over a four-year period, with one-fourth vesting on the first anniversary of the grant date and the remainder vesting ratably on a monthly basis thereafter through the fourth anniversary of the grant date.
(3) Calculated based on the closing price per share of our common stock on December 30, 2022 ($0.84).
(4) Twenty-five percent (25%) of the shares subject to the options shall be first eligible to vest and become exercisable on the first anniversary of the grant date and (b) 1/48 of the shares vest on each monthly anniversary thereafter (such options which have become so eligible, "Eligible Options"), such that one hundred percent (100%) of the options shall become Eligible Options on the four-year anniversary of the Grant Date. The options shall vest and become exercisable only if (a) they have become Eligible Options; and (b) the average of the per-share closing price of the Company's common stock as reported on the principal exchange on which the shares are listed has equaled or exceeded the exercise price for ten (10) trading days within any 30 day period prior to the date of exercise.

Option Exercises and Stock Vested

The following table sets forth information regarding option exercises and stock awards that vested during 2022 with respect to our named executive officers.

Name and Position	Option Awards Number of Shares Acquired On Exercise (#)	Value Realized on Exercise ($)(1)	Stock Awards Number of Shares Acquired On Vesting (#)	Value Realized on Vesting ($)(2)
Ashish Sharma	–	$ –	57,692	$ 267,114
Robert Barbieri	–	$ –	48,077	$ 222,597
Doug Kahn	–	$ –	53,985	$ 208,551
Dan Mondor	137,229	$ 406,767	202,991	$ 939,848

Potential Payments Upon Termination or Change-in-Control

Change-in-Control and Severance Agreements

The Company has entered into Change-in-Control and Severance Agreements with Messrs. Sharma, Barbieri and Kahn - all with substantially identical provisions - to provide severance benefits in the event the executive's employment is terminated. A description of the material terms of the agreements, including the severance benefits payable under these agreements is set forth below.

In addition, prior to his transition to Executive Chairman on March 1, 2022, the Company was a party to a Change-in-Control and Severance Agreement with Mr. Mondor, which agreement terminated effective upon his transition.

Under the terms of the agreements, if the employment of a named executive officer is terminated by the Company without cause or by the named executive officer for good reason not in connection with a Change-in-Control, then the named executive officer is entitled to the following severance benefits:

- an amount equal to the named executive officer's unpaid base salary and incentive pay through the date of termination and any other amounts owed to the named executive officer under our compensation plans;
- an amount equal to six months of the named executive officer's base salary, payable in cash in the form of salary continuation;
- immediate vesting of the portion of the named executive officer's outstanding equity awards under our compensation plans that would have vested or become exercisable had his employment continued through the next vesting date;
- a lump-sum bonus payment equal to the pro-rated portion of the target bonus in the year of termination based on actual achievement of corporate performance goals and assumed full achievement of any individual performance goals; and
- continued participation for up to nine months by the named executive officer and his dependents in our group health plan, at the same benefit and contribution levels in effect immediately prior to the termination;

provided, however, that in order to receive the aforementioned severance benefits (other than the named executive officer's unpaid base salary and incentive pay through the date of termination and any other amounts owed to the named executive officer under our compensation plans), the named executive officer must execute a general release of claims.

Under the agreements, subject to the executive's execution of a general release of claims (other than with respect to the first severance benefit noted below), the named executive officer is entitled to the following severance benefits, in lieu of the benefits described above, if the named executive officer 's employment is terminated by the Company without cause or by the named executive officer for good reason during a Change-in-Control Period:

- an amount equal to the named executive officer's unpaid base salary and incentive pay through the date of termination and any other amounts owed to the named executive officer under our compensation plans;
- an amount equal to the sum of 18 months of the named executive officer's base salary;

- an amount equal to 12 months of the named executive officer’s target annual bonus opportunity;
- immediate vesting of outstanding equity awards under our compensation plans; and
- continued participation for up to 18 months by the named executive officer and his dependents in our group health plan, at the same benefit and contribution levels in effect immediately before the termination.

The Change-in-Control and Severance Agreements described above utilize the following definitions:

“Cause” means:

- any act of material misconduct or material dishonesty by the named executive officer in the performance of his or her duties;
- any willful failure, gross neglect or refusal by the named executive officer to attempt in good faith to perform his or her duties to the Company or to follow the lawful instructions of the Board (except as a result of physical or mental incapacity or illness) which is not promptly cured after written notice;
- the named executive officer’s commission of any fraud or embezzlement against the Company (whether or not a misdemeanor);
- any material breach of any written agreement with the Company, which breach has not been cured by the named executive officer (if curable) within 30 days after written notice thereof to the named executive officer by the Company;
- the named executive officer’s being convicted of (or pleading guilty or nolo contendere to) any felony or misdemeanor involving theft, embezzlement, dishonesty or moral turpitude; and/or
- the named executive officer’s failure to materially comply with the material policies of the Company in effect from time to time relating to conflicts of interest, ethics, codes of conduct, insider trading, or discrimination and harassment, or other breach of the named executive officer’s fiduciary duties to the Company, which failure or breach is or could reasonably be expected to be materially injurious to the business or reputation of the Company.

“Good Reason” means the occurrence, without the named executive officer ’s consent, for more than thirty days after such named executive officer provides the Company a written notice detailing such conditions of:

- a material diminution in his or her base compensation;
- a material diminution in his or her job responsibilities, duties or authorities; or
- a relocation of his or her principal place of work by more than 50 miles.

“Change-in-Control” means:

- a transaction after which an individual, entity or group owns 50% or more of the outstanding shares of our common stock, subject to limited exceptions;
- a sale of all or substantially all of the Company’s assets; or
- a merger, consolidation or similar transaction, unless immediately following such transaction (a) the holders of our common stock immediately prior to the transaction continue to beneficially own more than 50% of the combined voting power of the surviving entity in substantially the same proportion as their ownership immediately prior to the transaction, (b) no person becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the outstanding shares of the voting securities eligible to elect directors of the surviving entity and (c) at least a majority of the members of the board of directors of the surviving entity immediately following the transaction were also members of the Board at the time the Board approved the transaction.

"Change-in-Control Period" means the period commencing 30 days prior to a Change-in-Control and ending on the 12-month anniversary of such Change-in-Control.

Equity Award Agreements

The following is a summary of the material terms applicable to the outstanding equity awards held by our named executive officers as of December 31, 2022.

2018 Omnibus Incentive Compensation Plan. The award agreements covering grants of stock options and RSUs made to our named executive officers under our 2018 Omnibus Incentive Compensation Plan provide that the Board, in its discretion, may accelerate the vesting of any unvested stock options or RSUs in the event of a change-in-control.

Under our 2018 Omnibus Incentive Compensation Plan, a "change-in-control" is defined as:

- any person becoming the beneficial owner of 50% or more of the combined voting power of the then-outstanding shares of our common stock, subject to certain exceptions;
- a majority of the Board ceasing to be comprised of directors who (a) were serving as members of the Board on May 11, 2018 or (b) became members of the Board after May 11, 2018 and whose nomination, election or appointment was approved by a vote of two-thirds of the then-incumbent directors;
- a reorganization, merger, consolidation, sale of all or substantially all of the assets of the Company or similar transaction, unless the holders of our common stock immediately prior to the transaction beneficially own more than 50% of the combined voting power of the shares of the surviving entity and certain other conditions are satisfied; or
- a liquidation or dissolution of the Company approved by the Company's stockholders.

Mondor Transition Agreement

Effective March 1, 2022, Mr. Mondor transitioned from the role of Chief Executive Officer of the Company to Executive Chairman, to serve in such capacity until the Annual Meeting, pursuant to the terms of a transition agreement between Mr. Mondor and the Company (the "Transition Agreement"). Pursuant to the Transition Agreement, Mr. Mondor's base salary as Executive Chairman was $100,000 per year, until his employment with the Company ended at our 2022 annual meeting of stockholders on August 3, 2022. Mr. Mondor was also entitled to a cash success fee of $50,000 for successfully recruiting certain employees during his transition period. On March 1, 2022, the vesting of 25% of the options granted to Mr. Mondor on June 6, 2021 accelerated and became immediately exercisable, and the remaining options under such grant were cancelled. On June 21, 2022, the Transition Agreement was amended to (i) provide that the Company will pay for COBRA coverage for Mr. Mondor through December 31, 2022, and (ii) to extend the post-termination exercise period for Mr. Mondor's vested stock options to 12 months following the termination of his employment with the Company.

Potential Payments Upon Termination or Change in Control Table

The following table summarizes the potential payments to our named executive officers in two scenarios: (1) upon termination by us without cause or the executive's resignation for good reason apart from a change in control; or (2) upon termination by us without cause or the executive's resignation for good reason within 30 days prior to or 12 months following a Change-in-Control. The table assumes that the termination of employment or Change-in-Control, as applicable, occurred on December 31, 2022. The value of the accelerated vesting of stock and option awards was computed using $0.84, which was the price of our common stock at December 30, 2022 (less, in the case of option awards, the exercise price per share of such option awards).

The employment of Mr. Mondor terminated effective August 3, 2022. Accordingly, he is not included in the table below as he would not have been entitled to any benefits in the event of the occurrence of any of the triggering events described in the table on December 31, 2022.

Name/Benefit	Involuntary Termination Without Cause/Resignation for Good Reason Apart from a Change in Control ($) (1)	Involuntary Termination Without Cause/Resignation for Good Reason in Connection with a Change in Control ($) (2)
Ashish Sharma		
Cash severance	575,000	1,075,000
Accelerated Vesting of Equity	42,000	168,000
Health Benefits	18,000	36,000
Total	635,000	1,279,000
Robert Barbieri		
Cash severance	400,000	800,000
Accelerated Vesting of Equity	–	–
Health Benefits	13,500	27,000
Total	413,500	827,000
Doug Kahn		
Cash severance	292,500	617,500
Accelerated Vesting of Equity	7,088	28,350
Health Benefits	9,000	27,000
Total	308,588	672,850

(1) Represents base salary for 6 months, a prorated target annual bonus for the year of termination, and continued health plan coverage for up to 9 months at our expense. Also includes the value the equity awards eligible for accelerated vesting upon such termination.

(2) Represents base salary for 18 months, payable in a lump sum, the executive's target annual bonus for the year of termination, and continued health plan coverage for up to 18 months at our expense. Also reflects the value of the accelerated vesting of all outstanding stock and option awards.

CEO Pay Ratio

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are providing disclosure regarding the ratio of the annual total compensation of Mr. Sharma, who was our Chief Executive Officer during the majority of fiscal 2022, to the median of the total annual compensation of our employees other than Mr. Sharma. We identified our employee with the median annual compensation using cash compensation for calendar year 2022 of all employees who were employed by us on December 31, 2022, at which date our global workforce consisted of 405 employees, of which 229 were U.S. employees and 176 were non-U.S. employees. We did not include any contractors or other non-employee workers in our employee population. We annualized the compensation for any employees who commenced work during calendar 2022. We believe cash compensation for all employees is reasonable to use as a consistently applied compensation measure because we do not have a broad-based equity award plan. We selected December 31, 2022, which is within the last three months of our fiscal 2022, for the date as of when we would identify the employee with the median annual compensation, because it enabled us to make such identification in a reasonably efficient and economical manner.

After identifying the employee with the median total cash compensation for the 12 months ended December 31, 2022, we calculated total compensation for this employee for the fiscal year ended December 31, 2022 using the same methodology that we use for our named executive officers in the Summary Compensation Table above.

For fiscal 2022, the total compensation of Mr. Sharma was $5,462,347 and the total compensation of our employee with median annual compensation was $88,588. Accordingly, we estimated our CEO pay ratio for fiscal 2022 to be 62 to 1.

Pay Versus Performance

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(v) of Regulation S-K, we are providing the following disclosure regarding executive compensation for our CEO and other NEOs, our total shareholder return and that of our selected peer group, our net income and the most important "financial performance measure" used by us to link executive pay with Company performance. This table and the accompanying disclosures are prescribed by SEC rules. Those rules require amounts included in the "compensation actually paid" columns of the table to be calculated according to a particular formula intended to demonstrate the relationship between "compensation actually paid" to a company's NEOs and the company's performance. The formula reflects a number of fair value adjustments to equity awards intended to show the change in value of those awards from one year to another. They do not reflect, however, the precise amounts actually earned by or paid to our executives during the years shown in the table.

For further information concerning our pay-for-performance philosophy and how we structure our executive compensation to drive and reward performance, refer to "Executive Compensation—Compensation Discussion and Analysis."

The following table presents information regarding our executive compensation pay relative to corporate performance of our principal executive officers ("PEO") and non-PEO named executive officers ("NEOs") for 2020, 2021 and 2022.

Year (1)	Summary Compensation Table Total for PEO		Compensation Actually Paid to PEO (2)		Average Summary Compensation Table Total for Non-PEO NEOs (2)	Average Compensation Actually Paid to Non-PEO NEOs (2)	Value of Initial Fixed $100 Investment Based On:		Net Income (Loss) (in thousands) (5)	Adjusted EBITDA (in thousands) (6)
	PEO1 (Mondor)	PEO2 (Sharma)	PEO1 (Mondor)	PEO2 (Sharma)			Total Shareholder Return (3)	Peer Group Total Shareholder Return (4)*		
2022	1,100,516	5,462,347	1,048,917	389,531	584,577	(81,888)	$11.46	$95.61	(67,969)	(9,801)
2021	5,862,494	–	453,320	–	2,520,607	1,016,130	$79.54	$127.87	(47,911)	(2,862)
2020	824,362	–	3,323,545	–	1,234,622	3,840,944	$211.05	$122.04	(111,186)	16,988

(1) Dan Mondor served as PEO in 2020, 2021 and through February 28, 2022. Ashish Sharma has served as PEO since March 1, 2022. The other NEOs for those years were as follows: for 2022, Robert Barbieri and Doug Kahn; for 2021, Ashish Sharma, Robert Barbieri, Doug Kahn, Craig Foster, and Wei Ding; and for 2020, Ashisa Sharma, Doug Kahn, Stephen Smith, and Craig Foster.

(2) The Summary Compensation Table ("SCT") totals reported for the PEOs and the average of the other NEOs for each year were subject to the adjustments summarized in the two tables below as required by Regulation S-K Item 402(v)(2)(iii) to calculate "compensation actually paid." Equity values are calculated in accordance with FASB ASC Topic 718. Valuation assumptions used to calculate fair values at the times indicated in the two tables below did not materially differ from those disclosed at the time of grant except for the stock price, percentage of volatility, risk free rate and the term used to calculate the valuations. The following table shows the adjustments made to the SCT totals to calculate "compensation actually paid":

	2022			2021		2020	
	PEO1 (Mondor) $	PEO2 (Sharma) $	Average Non-PEO NEOs $	PEO $	Average Non-PEO NEOs $	PEO $	Average Non-PEO NEOs $
Total Compensation from Summary Compensation Table	**1,100,516**	**5,462,347**	**584,577**	**5,862,494**	**2,520,607**	**824,362**	**1,234,622**
Adjustments for Equity Awards							
Adjustment for grant date values in the Summary Compensation Table	(949,997)	(4,967,983)	(212,500)	(5,299,333)	(1,061,526)	(199,522)	(459,034)
Year-end fair value of unvested awards granted in the current year	–	555,500	28,350	304,300	904,301	–	1,639,778
Year-over-year difference of year-end fair values for unvested awards granted in prior years	–	(545,589)	(467,304)	–	(1,010,564)	1,649,318	1,087,852
Fair values at vest date for awards granted and vested in current year	949,998	269,999	212,500	469,333	178,827	199,522	74,232
Difference in fair values between prior year-end fair values and vest date fair values for awards granted in prior years	(51,600)	(384,742)	(227,512)	(883,474)	(515,515)	849,865	263,494
Total Adjustments for Equity Awards							

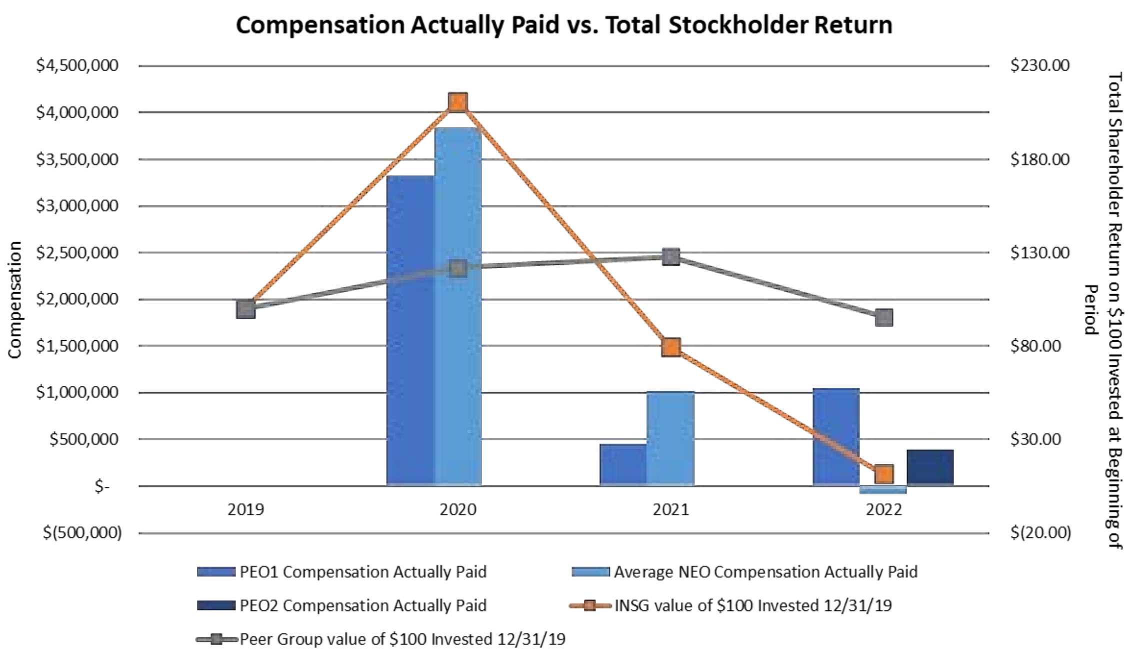
Compensation Actually Paid (as calculated)	**1,048,917**	**389,531**	**(81,888)**		**453,320**	**1,016,130**		**3,323,545**	**3,840,944**

(3) Represents the total shareholder return ("TSR") of a $100 investment in the Company's shares as of December 31, 2019, valued again on each of December 31, 2020, 2021 and 2022.
(4) Represents the TSR of the Nasdaq Telecommunications Index based on a $100 investment as of December 31, 2019, valued again on each of December 31, 2020, 2021 and 2022.
(5) Net income as reported in the Company's audited financial statements.
(6) We determined Adjusted EBITDA to be the most important financial performance measure used to link Company performance to Compensation Actually Paid to our PEOs and non-PEO NEOs in 2022. Adjusted EBITDA is a non-GAAP financial measure. This performance measure may not have been the most important financial performance measure for years 2021 and 2020 and we may determine a different financial performance measure to be the most important financial performance measure in future years.

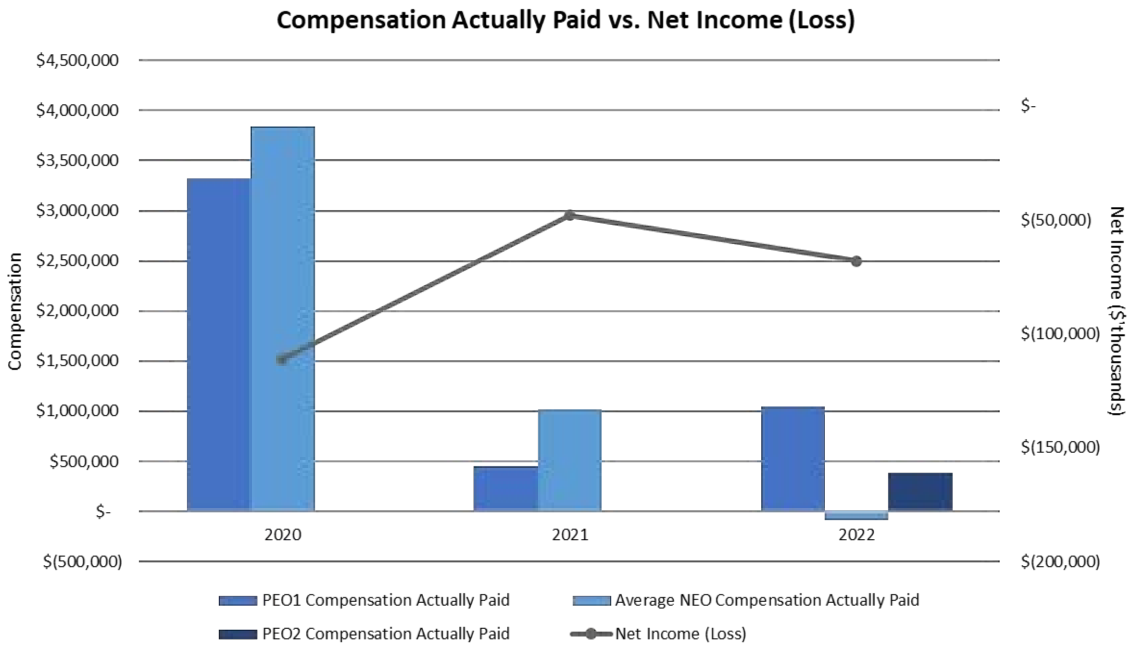
Analysis of the Information Presented in the Pay versus Performance Table

In accordance with Item 402(v) of Regulation S-K, we are providing the following graphic analysis showing a comparison of the compensation actually paid to executives and total shareholder return, net income and Adjusted EBITDA.

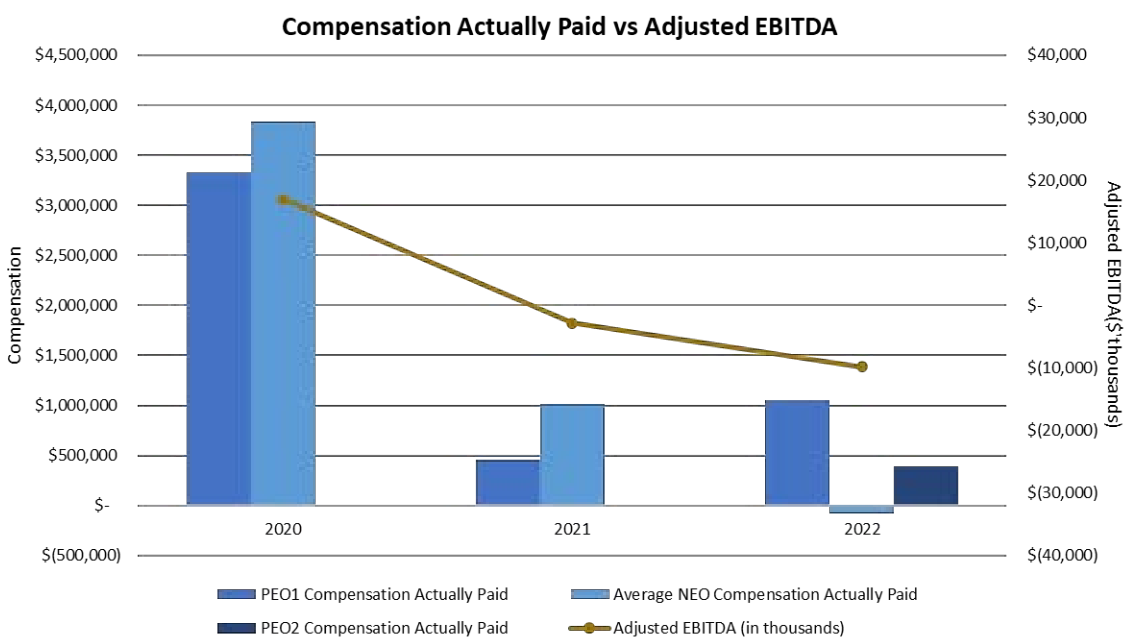
The following chart sets forth the relationship between compensation actually paid to our PEOs, the average of compensation actually paid to our non-PEO NEOs, and the Company's cumulative TSR and the Nasdaq Telecommunications Index cumulative TSR over the three most recently completed fiscal years.



The following chart sets forth the relationship between compensation actually paid to our PEOs, the average of compensation actually paid to our non-PEO NEOs, and our net income (loss) during the three most recently completed fiscal years.



The following chart sets forth the relationship between compensation actually paid to our PEOs, the average of compensation actually paid to our non-PEO NEOs, and our Adjusted EBITDA during the three most recently completed fiscal years.

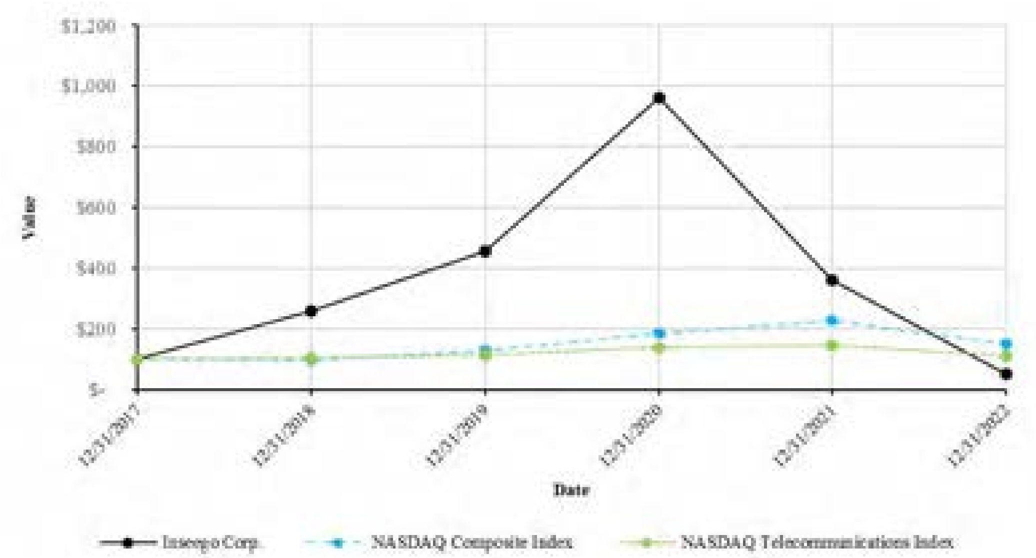


List of Most Important Financial and Non-Financial Performance Measures

The financial performance measures, which in the Company's assessment represent the most important financial performance measures used by the Company to link compensation actually paid to the NEOs, for the most recently completed fiscal year, to company performance, are as follows: (1) Adjusted EBITDA, (2) Core Revenue, and (3) TSR.

Performance Graph

The following graph compares the cumulative total stockholder return on our common stock since the end of 2017. with the cumulative total return of the NASDAQ Composite Index (b) the NASDAQ Telecommunications Index. The comparison assumes $100 was invested at the end of 2017 in our common stock and in each of the indices shown and assumes that all dividends were reinvested.



Index	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Inseego Corp.	$100.00	$257.76	$455.28	$960.87	$362.11	$52.17
NASDAQ Composite Index	$100.00	$96.12	$129.97	$186.69	$226.63	$151.61
NASDAQ Telecommunications Index	$100.00	$103.03	$114.76	$140.05	$146.74	$109.72

Equity Compensation Plan Information

As of December 31, 2022, the Company's Amended and Restated 2000 Employee Stock Purchase Plan (the "Purchase Plan") and the 2018 Omnibus Incentive Compensation Plan were the only compensation plans under which securities of the Company were authorized for grant. The Purchase Plan and the 2018 Omnibus Incentive Compensation Plan were approved by our stockholders. In 2019, the Board terminated the Company's 2015 Incentive Compensation Plan (the "2015 Incentive Plan"), which was adopted by the Board without stockholder approval pursuant to NASDAQ Listing Rule 5635. The following table provides information as of December 31, 2022 regarding the Company's existing and predecessor plans:

Plan category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of options outstanding	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	7,524,628	$ 4.52[1]	9,743,889[2]
Equity compensation plans not approved by security holders	556,248[3]	$ 5.39	–

(1) Amount is based on the weighted-average exercise price of vested and unvested stock options outstanding under the 2018 Omnibus Incentive Compensation Plan and predecessor plans. RSUs, which have no exercise price, are excluded from this calculation.

(2) Represents shares available for future issuance under the Purchase Plan and the 2018 Omnibus Incentive Compensation Plan. As of December 31, 2022, there were 895,141 shares of our common stock available for issuance under the Purchase Plan (all of which were eligible to be purchased during the offering period in effect on such date) and 8,848,748 shares of our common stock available for issuance under the 2018 Omnibus Incentive Compensation Plan.

(3) Represents outstanding options under the 2015 Incentive Plan and the Inducement Options (as defined below) issued to our Chief Financial Officer. The 2015 Incentive Plan, which includes the same material terms as the 2018 Omnibus Incentive Compensation Plan, could only be used for inducement grants to individuals to induce them to become employees of the Company or any of its subsidiaries, or, in conjunction with a merger or acquisition, to convert, replace or adjust outstanding stock options or other equity compensation awards, or for any other reason for which there is an applicable exception from the stockholder approval requirements of NASDAQ Listing Rule 5635, in each such case, subject to the applicable requirements of the NASDAQ Listing Rules.

TRANSACTIONS WITH RELATED PERSONS

Pursuant to the Audit Committee charter, the Audit Committee is responsible for implementing the Company's written policies and procedures regarding transactions with a related person (as defined in SEC regulations). In considering related person transactions, the Audit Committee takes into account the relevant available facts and circumstances, including:

- the risks, costs and benefits to the Company;
- the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties or to or from employees generally.

In the event a director has an interest in the proposed transaction, the director must recuse himself from the deliberations. When reviewing a related person transaction, the Audit Committee determines in good faith whether the transaction is in, or is not inconsistent with, the best interests of the Company and its stockholders.

Interest Payments on Convertible Notes

During fiscal 2022, the Company made interest payments to Golden Harbor Ltd., a five percent holder, North Sound Trading, L.P., a five percent holder, and an individual retirement account held by Mr. Lytle's mother, over which Mr. Lytle has investment discretion in the amounts of $794,820, $1,805,180, and $12,188 respectively, pursuant to the Company's 3.25% Convertible Senior Notes due 2025.

Review, Approval and Ratification of Transactions with Related Persons

The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities and recognizes that related party transactions can present a heightened risk of potential or actual conflicts of interest.

Our Audit Committee charter requires that members of the Audit Committee review and approve all related party transactions. Current SEC rules define a related party transaction to include any transaction, arrangement or relationship in which:

- we are a participant;
- the amount involved exceeds $120,000; and
- an executive officer, director or director nominee, or any person who is known to be the beneficial owner of more than 5% of our common stock, or any person who is an immediate family member of an executive officer, director or director nominee or beneficial owner of more than 5% of our common stock had or will have a direct or indirect material interest.

In addition, the Audit Committee is responsible for reviewing and investigating any matters pertaining to the integrity of management, including conflicts of interest and adherence to our Code of Conduct. Under our Code of Conduct, directors, officers and all other members of the workforce are expected to avoid any relationship, influence or activity that would cause or even appear to cause a conflict of interest. All directors must recuse themselves from any discussion or decision affecting their personal, business or professional interests.

All related party transactions shall be disclosed in our applicable filings with the SEC as required under SEC rules.

Parents of the Company

The Company has no parents except to the extent that either of the Investors may be deemed a parent by virtue of their ownership of the Company's outstanding shares of Common Stock, and their Board nomination and appointment rights under the Securities Purchase Agreement, dated August 6, 2018, by and among the Company, Golden Harbor Ltd. and North Sound Trading, L.P.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The tables below provide information regarding the beneficial ownership of our common stock as of July 14, 2023 by: (i) each of our directors; (ii) each of our NEOs; (iii) all current directors and executive officers as a group; and (iv) each beneficial owner of more than five percent of our common stock.

Beneficial ownership is determined in accordance with SEC rules and regulations, and generally includes voting power or investment power with respect to securities held. Unless otherwise indicated and subject to applicable community property laws, we believe that each of the stockholders named in the table below has sole voting and investment power with respect to the shares shown as beneficially owned. Securities that may be beneficially acquired within 60 days after July 14, 2023 are deemed to be beneficially owned by the person holding such securities for the purpose of computing the ownership of such person, but are not treated as outstanding for the purpose of computing the ownership of any other person.

The address for directors and executive officers is 9710 Scranton Road, Suite 200, San Diego, California 92121. The tables below list the number and percentage of shares beneficially owned based on 116,870,324 shares of common stock outstanding as of July 14, 2023. The Company is not aware of any arrangements that have resulted, or may at a subsequent date result, in a change of control of the Company.

Directors and Named Executive Officers

Name of Beneficial Owner	Shares Owned (#)	Right to Acquire (#)[1]	Total Shares of Common Stock Beneficially Owned (#)	Percentage
Dan Mondor	146,482	1,837,771	1,984,253	1.7%
Ashish Sharma	282,861	764,583	1,047,444	*
Robert Barbieri	35,414	171,875	207,289	*
Doug Kahn	91,380	197,604	288,984	*
James B. Avery	—[2]	—[2]	—[2]	*
Stephanie Bowers	28,594	49,801	78,395	*
Christopher Harland	56,502	49,801	106,303	*
Christopher Lytle	324,277	79,535	403,812[3]	*
Jeffrey Tuder	151,048	106,713	257,761	*
All directors and executive officers as a group (eight persons)	970,076	1,419,912	2,389,988	2.0%

* Represents beneficial ownership of less than 1% of the outstanding shares of our common stock.

(1) Represents shares of common stock that may be acquired pursuant to stock options or warrants that are or will become exercisable, or that underly restricted stock units that will vest, within 60 days after July 14, 2023.

(2) Does not include shares of common stock held by Braslyn, Ltd., Golden Harbor Ltd. or Tavistock Financial, LLC, in which Mr. Avery disclaims beneficial ownership, which are reported in the table below under *Five Percent Holders*. Mr. Avery is obligated to transfer any shares issued pursuant to any equity awards made to him by the Company, or the economic benefits thereof, to Tavistock Financial, LLC.

(3) Includes 29,722 shares of common stock issuable upon the conversion outstanding convertible notes held in an individual retirement for the benefit of Mr. Lytle's mother. Mr. Lytle has investment power with respect to such shares and may be deemed to be the beneficial owner thereof. Mr. Lytle disclaims beneficial ownership of such shares.

Five Percent Holders

The following table sets forth information regarding the number and percentage of shares of common stock held by all persons and entities known by us to beneficially own five percent or more of our outstanding common stock. The information regarding beneficial ownership of the persons and entities identified below is included in reliance on reports filed by the persons and entities with the SEC, except for modifications that are disclosed below and except that the percentage is based upon our calculations made in reliance upon the number of shares reported to be beneficially owned by such person or entity in such report and the 116,870,324 shares of common stock outstanding on July 14, 2023.

Name and Address of Beneficial Owner	Shares Owned (#)	Right to Acquire (#)	Total Shares of Common Stock Beneficially Owned (#)	Percentage
Golden Harbor Ltd.[1] Cay House EP Taylor Drive N7776 Lyford Cay New Providence C5	21,033,412	1,988,907	23,022,319	19.4%
North Sound Management, Inc. [2] c/o Edward E. Murphy 115 East Putnam Avenue Greenwich, CT 06830	4,691,897	4,404,758	9,096,655	7.5%

(1) According to a Schedule 13D/A filed by Golden Harbor Ltd., Braslyn Ltd., Tavistock Financial, LLC and Joe Lewis with the SEC on September 24, 2021, Golden Harbor Ltd. has shared voting and dispositive power over

14,908,149 shares of common stock, Braslyn Ltd. has shared voting and dispositive power over 7,908,678 shares of common stock, Tavistock Financial, LLC has shared voting and dispositive power over 77,364 shares of common stock and Joe Lewis has shared voting and dispositive power over 22,894,191 shares of common stock. Includes the following shares that were not included in the beneficial ownership amounts disclosed in the Schedule 13D/A filed on September 24, 2021: (1) 1,939,106 shares of common stock issuable upon the conversion outstanding convertible notes that are currently exercisable because the ownership limitation in the convertible notes has terminated, (2) 14,221 shares of common stock issued upon vesting of restricted stock units during 2022, and (3) 49,801 shares of common stock underlying restricted stock units that will vest within 60 days after July 14, 2023.

(2) According to a Schedule 13D/A filed by North Sound Management, Inc., North Sound Trading, LP and Brian Miller with the SEC on March 2, 2021, North Sound Management, Inc. has sole voting and dispositive power over 4,788,213 shares of common stock, North Sound Trading, LP has sole voting and dispositive power over 4,788,213 shares of common stock and Mr. Miller has shared voting and dispositive power over 4,845,133 shares of common stock. Includes 56,920 shares of common stock held directly by Mr. Miller. Includes the following shares that were not included in the beneficial ownership amounts disclosed in the Schedule 13D/A filed on March 2, 2021: (1) 4,404,758 shares of common stock issuable upon the conversion outstanding convertible notes that are currently exercisable because the ownership limitation in the convertible notes has terminated, (2) 14,202 shares of common stock issued upon vesting of restricted stock units during 2022, and (3) 457,562 shares of common stock issued in September 2021 in exchange for shares of the Company's Fixed-Rate Cumulative Perpetual Preferred Stock, Series E, par value $0.001 per share, pursuant to an exchange agreement.

PROPOSAL 2: RATIFICATION OF THE APPOINTMENT OF THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Marcum LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2023. The Board is asking stockholders to ratify this appointment. Although SEC regulations require the Company's independent registered public accounting firm to be engaged, retained and supervised by the Audit Committee, the Board considers the selection of an independent registered public accounting firm to be an important matter to stockholders and considers a proposal for stockholders to ratify such appointment to be an opportunity for stockholders to provide input to the Audit Committee and the Board on a key corporate governance issue. In the event that our stockholders do not ratify the appointment, it will be considered as a direction to our Audit Committee to consider the selection of a different firm.

Marcum LLP has been the Company's independent registered public accounting firm since 2018. Representatives of Marcum LLP are expected to be present at the Annual Meeting and will be offered the opportunity to make a statement if they so desire. They will also be available to answer questions.

Principal Accountant Fees and Services

The following table sets forth fees for services rendered by Marcum LLP for 2022 and 2021.

	2022	2021
Audit Fees[(1)]	$ 717,653	$ 870,865
Audit-Related Fees[(2)]	$ 8,755	$ 26,368
Tax Fees	–	–
All Other Fees	–	–
Total	$ 726,408	$ 897,233

(1) Audit fees consist principally of fees for the audits of our annual consolidated financial statements and internal control over financial reporting, and review of our interim consolidated financial statements.

(2) Audit-related fees consist primarily of fees for accounting consultations, comfort letters, consents and any other audit attestation services.

Pre-Approval Policies and Procedures

The Audit Committee annually reviews and pre-approves certain audit and non-audit services that may be provided by our independent registered public accounting firm and establishes and pre-approves the aggregate fee level for these services. Any proposed services that would cause us to exceed the pre-approved aggregate fee amount must be pre-approved by the Audit Committee. All audit and non-audit services for 2022 and 2021 were pre-approved by the Audit Committee.

Recommendation and Vote Required

Assuming that a quorum is present, the affirmative vote of the holders of a majority of the shares of our outstanding common stock present, in person or represented by proxy, and entitled to vote at the Annual Meeting is required to ratify the appointment of Marcum LLP. Abstentions will have the same effect as votes AGAINST this proposal. The ratification of the appointment of Marcum LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2023, is considered a routine matter under applicable rules. A broker, dealer, bank or other nominee may generally vote on routine matters, and therefore no broker non-votes are expected in connection with this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THIS PROPOSAL.

PROPOSAL 3: ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

In accordance with Section 14A of the Exchange Act, we are asking stockholders to approve an advisory resolution on our executive compensation as reported in this Proxy Statement.

In making decisions with respect to compensation for our executive officers, the Compensation Committee is guided by a pay-for-performance philosophy. The Compensation Committee believes that a significant portion of each executive's total compensation opportunity should vary with achievement of the Company's annual and long-term financial, operational and strategic goals. In designing the compensation program for our executive officers, the Compensation Committee seeks to achieve the following key objectives:

Motivate Executives. The compensation program should encourage our executive officers to achieve the Company's annual and long-term goals.

Align Interests with Stockholders. The compensation program should align the interests of our executive officers with those of our stockholders, promoting actions that will have a positive impact on total stockholder return over the long term.

Attract and Retain Talented Executives. The compensation program should provide each executive officer with a total compensation opportunity that is market competitive. This objective is intended to ensure that we are able to attract and retain qualified executives while maintaining an appropriate cost structure for the Company.

We believe our executive compensation is structured in the manner that best serves the interests of the Company and its stockholders.

Accordingly, we are asking stockholders to approve the following advisory resolution at the Annual Meeting:

"RESOLVED, that the stockholders of Inseego Corp. (the "Company") approve, on an advisory and non-binding basis, the compensation of the Company's named executive officers, as disclosed in this Proxy Statement."

Effect of Proposal

The result of the say-on-pay vote is non-binding on us and our Board and Compensation Committee. As a result, the Board and Compensation Committee retain discretion to change executive compensation from time to time if they conclude that such a change would be in the best interest of the Company. No determination has been made as to what action, if any, would be taken if our stockholders fail to approve our executive compensation. However, our Board and Compensation Committee value the opinions of stockholders and will carefully consider the result of the say-on-pay vote. We currently conduct say-on-pay votes on an annual basis.

Recommendation and Vote Required

Assuming that a quorum is present, approval of this proposal requires the affirmative vote of the holders of a majority of the shares of our outstanding common stock present in person or represented by proxy and entitled to vote on this proposal at the Annual Meeting. Because abstentions are counted as present for purposes of the vote on this matter but are not votes FOR this proposal, they have the same effect as votes AGAINST this proposal. Broker non-votes will not have any effect on this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THIS PROPOSAL.

PROPOSAL 4: ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON EXECUTIVE COMPENSATION

Overview

In accordance with Section 14A of the Exchange Act, we are asking stockholders for an advisory vote on the frequency of future advisory votes on executive compensation. This advisory vote gives stockholders the opportunity to provide input to the Board as to how often the Company should include a proposal regarding executive compensation in its annual proxy statement. Stockholders may vote for the proposal to be included in the Company's proxy statement every one, two or three years or may abstain from voting.

Because the Board values stockholder input on executive compensation and believes that an annual advisory vote will provide the Board with regular input on important issues relating to executive compensation, the Board recommends that the advisory vote to approve executive compensation occur each year.

Effect of Proposal

The vote on the frequency of advisory votes to approve executive compensation is non-binding on us and our Board. Our Board values the opinions of stockholders and will carefully consider the results of this advisory vote. However, irrespective of the results of the advisory vote, the Board may decide to conduct an advisory vote to approve executive compensation on a more or less frequent basis as it determines would be in the best interest of the Company.

Recommendation and Vote Required

Our Board recommends that an advisory vote to approve executive compensation be held every year. Stockholders may vote for one of the following options: one year, two years, three years or abstain. Stockholders are not voting to approve or disapprove the recommendation of the Board. The proxy holders will vote all proxies received for ONE YEAR unless instructed otherwise. The next non-binding advisory vote on the frequency of the advisory vote to approve the compensation of our named executive officers will occur at the 2029 annual meeting of stockholders.

The frequency that receives a plurality of the votes cast will be considered the advisory vote of the Company's stockholders. Abstentions and broker non-votes will not have any effect on this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE OF "1 YEAR" THIS PROPOSAL.

PROPOSAL 5: APPROVAL OF AMENDMENT TO CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT

Introduction

Our Board of Directors has approved, subject to shareholder approval, an amendment to our Certificate of Incorporation to effect a reverse stock split, of all issued and outstanding shares of our Common Stock, at a ratio ranging from 1-for-5 to 1-for-10 (the "Reverse Stock Split"). The Reverse Stock Split would not alter the number of authorized shares of Common Stock. Our Board of Directors has recommended that the proposed amendment be presented to our stockholders for approval. Our stockholders are being asked to approve the proposed amendment pursuant to Proposal 5 to effect a Reverse Stock Split of the issued and outstanding shares of Common Stock. Accordingly, effecting a Reverse Stock Split would reduce the number of outstanding shares of Common Stock.

Our Board of Directors has adopted and is recommending that our stockholders approve an amendment to our certificate of incorporation to effect a Reverse Stock Split. If this Proposal 5 is approved by our stockholders, and the Board exercises its discretion to implement the Reverse Stock Split, Article Four of our Certificate of Incorporation will be amended and restated in its entirety as follows:

> "(A) The Corporation is authorized to issue two classes of stock to be designated, respectively, 'Common Stock' and 'Preferred Stock.' The total number of shares which the Corporation is authorized to issue is One Hundred Fifty Two Million (152,000,000) shares each with a par value of $0.001 per share. One Hundred Fifty Million (150,000,000) shares shall be Common Stock and Two Million (2,000,000) shares shall be Preferred Stock.
>
> "Upon the filing and effectiveness (the "Effective Time") pursuant to the Delaware General Corporation Law of this Certificate of Amendment to the Certificate of Incorporation of the Corporation, each [*NUMBER OF SHARES BETWEEN 5 AND 10, TO BE DETERMINED BY THE BOARD*] shares of Common Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock (the "Reverse Stock Split"). No fractional shares shall be issued in connection with the Reverse Stock Split. Stockholders who otherwise would be entitled to receive fractional shares of Common Stock shall be entitled to receive cash (without interest or deduction) from the Corporation's transfer agent in lieu of such fractional share interests upon the submission of a transmission letter by a stockholder holding the shares in book-entry form and, where shares are held in certificated form, upon the surrender of the stockholder's Old Certificates (as defined below), in an amount equal to the product obtained by multiplying (a) the closing price per share of the Common Stock as reported on the Nasdaq Global Select Market as of the date of the Effective Time, by (b) the fraction of one share owned by the stockholder. Each certificate that immediately prior to the Effective Time represented shares of Common Stock ("Old Certificates"), shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been combined, subject to the elimination of fractional share interests as described above."

We are proposing that our Board of Directors have the discretion to select the Reverse Stock Split ratio from within a range between and including 1-for-5 to 1-for-10, rather than proposing that stockholders approve a specific ratio at this time, in order to give our Board of Directors the flexibility to implement a Reverse Stock Split at a ratio that reflects the Board's then-current assessment of the factors described below under "Criteria to be Used for Determining the Reverse Stock Split Ratio to Implement." If Proposal No. 5 is approved, we will file the Certificate of Amendment with the Secretary of State of the State of Delaware and the Reverse Stock Split will be effective at 5:00 p.m., Eastern time, on the date of filing of the Certificate of Amendment with the office of the Secretary of State of the State of Delaware, or such later date as is chosen by the Board of Directors and set forth in the Certificate of Amendment. Except for adjustments that may result from the treatment of fractional shares as described below, each of our stockholders will hold the same percentage of our outstanding Common Stock immediately following the Reverse Stock Split as such stockholder holds immediately prior to the Reverse Stock Split.

Purposes of the Proposal

To maintain our listing on The Nasdaq Global Select Market. On March 24, 2023, the Company received a written notice from the staff (the “Staff”) of the Listing Qualifications Department of The Nasdaq Stock Market (“Nasdaq”), notifying the Company that, for the 30 consecutive business day period between February 9, 2023 through March 23, 2023, the Company’s Common Stock had not maintained a minimum bid price of $1.00 per share, required for continued listing on The Nasdaq Global Select Market pursuant to Nasdaq Listing Rule 5450(a)(1) (the “Minimum Bid Price Requirement”).

In accordance with Nasdaq Listing Rule 5810(c)(3)(A) (the “Compliance Period Rule”), the Company has 180 calendar days, or until September 20, 2023 (the “Compliance Date”), to regain compliance with the Minimum Bid Price Requirement. The Company believes that implementing a Reverse Stock Split could help the Company regain compliance with the Minimum Bid Price Requirement. As such, the Board of Directors believes that it is prudent to seek stockholder approval for the Reverse Stock Split.

If the Company does not regain compliance with the Minimum Bid Price Requirement by the Compliance Date, the Company may be eligible for an additional 180 calendar day compliance period. To qualify, the Company would be required to transfer its listing to The Nasdaq Capital Market and meet the continued listing requirement for the market value of publicly held shares and all other applicable initial listing standards for The Nasdaq Capital Market, with the exception of the Minimum Bid Price Requirement, and would need to provide written notice to Nasdaq of its intention to cure the deficiency during the additional 180-day compliance period. As part of its review process, the Staff will make a determination of whether it believes the Company will be able to cure this deficiency.

If it appears to the Staff that the Company will not be able to cure the deficiency during the additional 180-day compliance period, then the Staff will provide written notice to the Company that the Common Stock will be subject to delisting. At that time, the Company may appeal the Staff’s delisting determination to a Nasdaq Hearing Panel. There can be no assurance that, if the Company receives a delisting notice and appeals the delisting determination by the Staff to a Hearing Panel, such appeal would be successful.

The Board of Directors has considered the potential harm to us and our stockholders if Nasdaq delists our Common Stock from Nasdaq. Delisting could adversely affect the liquidity of our Common Stock since alternatives, such as the OTC Bulletin Board and the pink sheets, are generally considered to be less efficient markets. An investor likely would find it less convenient to sell, or to obtain accurate quotations in seeking to buy, our Common Stock on an over-the-counter market. Many investors likely would not buy or sell our Common Stock due to difficulty in accessing over-the-counter markets, policies preventing them from trading in securities not listed on a national exchange or for other reasons.

To potentially improve the marketability and liquidity of our Common Stock. Our Board of Directors believes that the increased market price of our Common Stock expected as a result of implementing a Reverse Stock Split could improve the marketability and liquidity of our Common Stock and encourage interest and trading in our Common Stock.

- Stock Price Requirements: Many brokerage houses, institutional investors and funds have internal policies and practices that either prohibit them from investing in low-priced stocks or tend to discourage individual brokers from recommending low-priced stocks to their customers or by restricting or limiting the ability to purchase such stocks on margin. Additionally, a Reverse Stock Split could help increase analyst and broker interest in our Common Stock as their internal policies might discourage them from following or recommending companies with low stock prices.
- Stock Price Volatility: Because of the trading volatility often associated with low-priced stocks, many brokerage houses and institutional investors have internal policies and practices that either prohibit them from investing in low-priced stocks or tend to discourage individual brokers from recommending low-priced

stocks to their customers. Some of those policies and practices may make the processing of trades in low-priced stocks economically unattractive to brokers.

- Transaction Costs: Investors may be dissuaded from purchasing stocks below certain prices because brokers' commissions, as a percentage of the total transaction value, can be higher for low-priced stocks.

To increase the number of shares of Common Stock available for issuance. Our Certificate of Incorporation currently authorizes us to issue a maximum of 150,000,000 shares of Common Stock, par value $0.001 per share, and 5,000,000 shares of preferred stock, $0.001 par value per share. As of July 14, 2023, there were 116,870,324 shares of Common Stock outstanding. In addition, we have reserved 15,404,174 shares of Common Stock for issuance upon conversion of our 3.25% Convertible Senior Notes due 2025 and 7,374,376 shares of Common Stock for issuance pursuant to outstanding stock options and restricted stock units. As a result, the Company has only 7,161,901 shares of Common Stock remaining for all other purposes, including capital raising, and future awards of stock options, restricted stock units and purchased under our Employee Stock Purchase Plan.

Because the Reverse Stock Split would not alter the number of authorized shares of Common Stock, the Reverse Stock Split would effectively increase the number of shares available for future issuance.

Criteria to be Used for Determining the Reverse Stock Split Ratio to Implement

In determining which Reverse Stock Split ratio to implement, if any, following receipt of stockholder approval of Proposal 5, our Board of Directors may consider, among other things, various factors, such as:

- The historical trading price and trading volume of our Common Stock;
- The then-prevailing trading price and trading volume of our Common Stock tock and the expected impact of the Reverse Stock Split on the trading market for our Common Stock in the short- and long-term;
- Our ability to maintain our listing on The Nasdaq Global Select Market;
- Which Reverse Stock Split ratio would result in the least administrative cost to us;
- Prevailing general market and economic conditions; and
- Whether and when our Board of Directors desires to have the additional authorized but unissued shares of Common Stock that will result from the implementation of a Reverse Stock Split available to provide the flexibility to use our Common Stock for business and/or financial purposes, as well as to accommodate the shares of our Common Stock to be authorized and reserved for future equity awards.

Effects of Reverse Stock Split

After the effective date of the Reverse Stock Split, each stockholder will own a reduced number of shares of Common Stock. However, the Reverse Stock Split will affect all of our stockholders uniformly and will not affect any stockholder's percentage ownership interests in the Company, except to the extent that the Reverse Stock Split results in any of our stockholders owning a fractional share as described below.

Voting rights and other rights and preferences of the holders of our Common Stock will not be affected by a Reverse Stock Split (other than as a result of the payment of cash in lieu of fractional shares). For example, a holder of 2% of the voting power of the outstanding shares of our Common Stock immediately prior to a Reverse Stock Split would continue to hold 2% (assuming there is no impact as a result of the payment of cash in lieu of issuing fractional shares) of the voting power of the outstanding shares of our Common Stock immediately after such Reverse Stock Split. The number of stockholders of record will not be affected by a Reverse Stock Split (except to the extent that any stockholder holds only a fractional share interest and receives cash for such interest after such Reverse Stock Split).

The principal effects of a Reverse Stock Split will be that:

- Depending on the Reverse Stock Split ratio selected by the Board of Directors, each five to ten shares of our Common Stock owned by a stockholder will be combined into one new share of our Common Stock;
- No fractional shares of Common Stock will be issued in connection with the Reverse Stock Split; instead, holders of Common Stock who would otherwise receive a fractional share of Common Stock pursuant to the Reverse Stock Split will receive cash in lieu of the fractional share as explained more fully below;
- The total number of authorized shares of our Common Stock will remain at 150,000,000;
- The total number of authorized shares of our preferred stock will remain at 5,000,000;
- The Company's outstanding shares of Series E Preferred Stock are not convertible into Common Stock. Accordingly, the Reverse Stock Split will have no effect on the number of shares of authorized or outstanding Series E Preferred Stock.
- Based upon the Reverse Stock Split ratio selected by the Board of Directors, proportionate adjustments will be made to the per share exercise price and/or the number of shares issuable upon the exercise or vesting of all then outstanding stock options and restricted stock units (collectively, "Equity Awards"), which will result in a proportional decrease in the number of shares of Common Stock reserved for issuance upon exercise or vesting of such Equity Awards, and, in the case of stock options, a proportional increase in the exercise price of all such stock options;
- Based upon the Reverse Stock Split ratio selected by the Board of Directors, proportionate adjustments will be made to the per share conversion price of the Company's outstanding 3.25% Senior Convertible Notes due 2025 (the "Convertible Notes") and/or the number of Common Stock issuable upon the conversion of then outstanding Convertible Notes, which will result in a proportional decrease in the number of shares of Common Stock reserved for issuance upon conversion of such Convertible Notes and a proportional increase in the conversion price of all such Convertible Notes; and
- The number of shares then reserved for issuance under our equity compensation plans will be reduced proportionately based upon the Reverse Stock Split ratio selected by the Board of Directors.

The following table shows number of outstanding shares of Common Stock and the number of shares reserved for issuance upon the exercise or vesting of Equity Awards and the Convertible Notes, based upon potential Reverse Stock Split ratios to be selected by the Board of Directors, and the number of shares of common stock currently authorized (and assuming the proposed amendment in Proposal 6 to increase the number of authorized shares of Common Stock to 300 million shares is not implemented).

	Current as of June 30, 2023	**After 1:5 Reverse Stock Split**	**After 1:10 Reverse Stock Split**
Shares Authorized	150,000,000	150,000,000	150,000,000
Shares Outstanding	116,870,194	23,374,038	11,687,019
Reserved for Convertible Notes	15,404,174	3,080,834	1,540,417
Reserved for Stock Options Outstanding	7,423,488	1,474,875	737,437
Reserved for RSUs Outstanding	3,226,564	637,871	318,935
Remaining Shares Available	7,161,901	121,432,380	135,716,190

If both the Reverse Stock Split and the proposed amendment to increase in authorized shares of Common Stock in Proposal 6 are implemented, the shares of Common Stock remaining available would be higher than those reflected in the above table by 150 million shares.

After the effective date of the Reverse Stock Split, our Common Stock would have a new committee on uniform securities identification procedures, or CUSIP number, a number used to identify our Common Stock.

Our Common Stock is currently registered under Section 12(b) of the Securities Exchange Act, and we are subject to the periodic reporting and other requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The implementation of any proposed Reverse Stock Split will not affect the registration of our Common Stock under the Exchange Act. Our Common Stock would continue to be listed on The Nasdaq Global Select Market under the symbol “INSG” immediately following the Reverse Stock Split, although it is likely that Nasdaq would add the letter “D” to the end of the trading symbol for a period of twenty trading days after the effective date of the Reverse Stock Split to indicate that the Reverse Stock Split had occurred.

Effective Date

The proposed Reverse Stock Split would become effective at 5:00 p.m., Eastern time, on the date of filing of a Certificate of Amendment with the office of the Secretary of State of the State of Delaware, or such later date as is chosen by the Board of Directors and set forth in the Certificate of Amendment, which date we refer to in this Proposal 5 as the Reverse Split Effective Date. Except as explained below with respect to fractional shares, effective as of 5:00 p.m., Eastern time, on the Reverse Split Effective Date, shares of Common Stock issued and outstanding immediately prior thereto will be combined, automatically and without any action on the part of us or our stockholders, into a lesser number of new shares of our Common Stock in accordance with the Reverse Stock Split ratio determined by our Board of Directors within the limits set forth in this Proposal 5.

Cash Payment In Lieu of Fractional Shares

No fractional shares of Common Stock will be issued as a result of the Reverse Stock Split. Instead, in lieu of any fractional shares to which a stockholder of record would otherwise be entitled as a result of the Reverse Stock Split, we will pay cash (without interest) equal to such fraction multiplied by the average of the closing sales prices of the Common Stock on The Nasdaq Capital Market during regular trading hours for the five consecutive trading days immediately preceding the Reverse Split Effective Date (with such average closing sales prices being adjusted to give effect to the Reverse Stock Split). After the Reverse Stock Split, a stockholder otherwise entitled to a fractional interest will not have any voting, dividend or other rights with respect to such fractional interest except to receive payment as described above.

As of June 30, 2023, there were 22 stockholders of record of our Common Stock. Upon stockholder approval of this Proposal 5, and upon effectiveness of the Certificate of Amendment effecting the Reverse Stock Split, stockholders owning, prior to the Reverse Stock Split, less than the number of whole shares of Common Stock that will be combined into one share of Common Stock in the Reverse Stock Split would no longer be stockholders. For example, if a stockholder held fewer than 10 shares of Common Stock immediately prior to the Reverse Stock Split and the Reverse Stock Split ratio selected by the Board was 1-for-10, then such stockholder would cease to be a stockholder of the Company following the Reverse Stock Split and would not have any voting, dividend or other rights except to receive payment for the fractional share as described above. Based on our stockholders of record as of June 30, 2023, and assuming a Reverse Stock Split ratio of 1-for-10, we expect that cashing out fractional stockholders would reduce the number of stockholders of record by 6 holders. In addition, we do not intend for this transaction to be the first step in a series of plans or proposals of a “going private transaction” within the meaning of Rule 13e-3 of the Exchange Act.

Record and Beneficial Stockholders

If this Proposal 5 is approved by our stockholders, and upon effectiveness of the Certificate of Amendment effecting the Reverse Stock Split, stockholders of record holding all of their shares of our Common Stock electronically in book-entry form under the direct registration system for securities will be automatically exchanged by the exchange agent and will receive a transaction statement at their address of record indicating the number of new post-split shares of our Common Stock they hold after the Reverse Stock Split along with payment in lieu of any fractional shares. Non-registered stockholders holding Common Stock through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Reverse Stock Split and making payment for fractional shares than those that would be put in place by us for registered stockholders. If you hold your shares with such a bank, broker or other nominee and if you have questions in this regard, you are encouraged to contact your nominee.

If this Proposal 5 is approved by our stockholders and, upon effectiveness of the Certificate of Amendment effecting the Reverse Stock Split, stockholders of record holding some or all of their shares in certificate form will receive a letter of transmittal from the Company or its exchange agent, as soon as practicable after the Reverse Split Effective Date. Our transfer agent is expected to act as “exchange agent” for the purpose of implementing the exchange of stock certificates. Holders of pre-Reverse Stock Split shares will be asked to surrender to the exchange agent certificates representing pre-Reverse Stock Split shares in exchange for post-Reverse Stock Split shares and payment in lieu of fractional shares (if any) in accordance with the procedures to be set forth in the letter of transmittal. No new post-Reverse Stock Split share certificates will be issued. The Post-Reverse Stock Split shares will be issued in book entry form. Post-Reverse Stock Split book entry shares will only be issued to a stockholder once such stockholder has surrendered such stockholder’s outstanding certificate(s).

STOCKHOLDERS SHOULD NOT DESTROY ANY PRE-SPLIT STOCK CERTIFICATE AND SHOULD NOT SUBMIT ANY CERTIFICATES UNTIL THEY ARE REQUESTED TO DO SO.

Accounting Consequences

The par value per share of our Common Stock would remain unchanged at $0.0001 per share after the Reverse Stock Split. As a result, on the Reverse Stock Split Effective Date, the stated capital on our balance sheet attributable to the Common Stock would be reduced proportionally, based on the actual Reverse Stock Split ratio, from its present amount, and the additional paid-in capital account would be credited with the amount by which the stated capital would be reduced. The net income or loss per share of Common Stock would be increased because there would be fewer shares of Common Stock outstanding. Additionally, as of the Reverse Stock Split Effective Date, stock options will adjust and proportionately decrease the number of shares of Common Stock subject to, and adjust and proportionately increase the exercise price of, all stock options to acquire Common Stock. The Reverse Stock Split would be reflected retroactively in certain of our consolidated financial statements. We do not anticipate that any other accounting consequences would arise as a result of the Reverse Stock Split.

Potential Anti-Takeover Effect

Even though the proposed Reverse Stock Split would result in an increased proportion of unissued authorized shares to issued shares, which could, under certain circumstances, have an anti-takeover effect (for example, by permitting issuances that would dilute the stock ownership of a person seeking to effect a change in the composition of the Board or contemplating a tender offer or other transaction for the combination of us with another company), the Reverse Stock Split is not being proposed in response to any effort of which we are aware to accumulate shares of our common stock or obtain control of us, nor is it part of a plan by management to recommend a series of similar amendments to the Board and our stockholders.

No Appraisal Rights

Our stockholders are not entitled to dissenters’ or appraisal rights under the General Corporation Law of the State of Delaware with respect to the proposed amendment to our Certificate of Incorporation to effect a Reverse Stock Split.

Material U.S. Federal Income Tax Considerations of the Reverse Stock Split

The following discussion is a summary of the material U.S. federal income tax consequences of the Reverse Stock Split to U.S. Holders (as defined below) of our Common Stock, but does not purport to be a complete analysis of all potential tax consequences. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the Internal Revenue

Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service, or the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a U.S. Holder of our Common Stock. We have not sought and do not intend to seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a position contrary to that discussed below regarding the tax consequences of the Reverse Stock Split.

This discussion is limited to U.S. Holders that hold our Common Stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences that may be relevant to a U.S. Holder’s particular circumstances, including the impact of the alternative minimum tax or the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- U.S. Holders whose functional currency is not the U.S. dollar;
- persons holding Common Stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- real estate investment trusts or regulated investment companies;
- brokers, dealers or traders in securities;
- persons for whom Common Stock constitutes “qualified small business stock” within the meaning of Section 1202 of the Code;
- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- S corporations, partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to Common Stock being taken into account in an “applicable financial statement” (as defined in the Code);
- persons deemed to sell Common Stock under the constructive sale provisions of the Code;
- persons who hold or received Common Stock pursuant to the exercise of any employee stock option or otherwise as compensation; and
- tax-qualified retirement plans.

If an entity treated as a partnership for U.S. federal income tax purposes holds our Common Stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our Common Stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE REVERSE STOCK SPLIT ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of our Common Stock that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

The Reverse Stock Split

The Reverse Stock Split should constitute a "recapitalization" for U.S. federal income tax purposes. As a result, a U.S. Holder generally should not recognize gain or loss upon the Reverse Stock Split, except with respect to cash received in lieu of a fractional share of Common Stock, as discussed below. A U.S. Holder's aggregate tax basis in the shares of Common Stock received pursuant to the Reverse Stock Split should equal the aggregate tax basis of the shares of Common Stock surrendered (excluding any portion of such basis that is allocated to any fractional share of Common Stock), and such U.S. Holder's holding period in the shares of Common Stock received should include the holding period in the shares of Common Stock surrendered. Treasury Regulations provide detailed rules for allocating the tax basis and holding period of the shares of Common Stock surrendered to the shares of Common Stock received pursuant to the Reverse Stock Split. Holders of shares of Common Stock acquired on different dates and at different prices should consult their tax advisors regarding the allocation of the tax basis and holding period of such shares.

A U.S. Holder that receives cash In lieu of a fractional share of Common Stock pursuant to the Reverse Stock Split should recognize capital gain or loss in an amount equal to the difference between the amount of cash received and the U.S. Holder's tax basis in the shares of Common Stock surrendered that is allocated to such fractional share of our Common Stock. Such capital gain or loss should be long-term capital gain or loss if the U.S. Holder's holding period for Common Stock surrendered exceeded one year at the effective time of the Reverse Stock Split.

Information Reporting and Backup Withholding

A U.S. Holder may be subject to information reporting and backup withholding when such holder receives cash in lieu of fractional shares of Common Stock in the Reverse Stock Split. Certain U.S. Holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. Holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the holder fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;

- the holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or
- the holder fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Possible Effects of Disapproval of this Proposal

If this Proposal 5 is not approved by our stockholders, it may be difficult to for us to maintain compliance with the Bid Price Rule and to maintain our listing on The Nasdaq Capital Market which would have a material adverse effect on our ability to raise additional funds. Our ability to successfully implement our business plans and ultimately generate value for our stockholders is dependent on our ability to maximize capital raising opportunities. If we were unsuccessful in raising additional capital, we would be required to curtail our plans to expand our manufacturing and sales capabilities and instead reduce operating expenses, dispose of assets, as well as seek extended terms on our obligations, the effect of which would adversely impact future operating results.

Reservation of Right to Abandon Reverse Stock Split

The Board of Directors reserves the right to abandon the Reverse Stock Split without further action by our stockholders at any time before the effectiveness of the filing with the Secretary of State of the State of Delaware of the Certificate of Amendment, even if the authority to effect the Reverse Stock Split has been approved by our stockholders at the Annual Meeting.

Recommendation and Vote Required

Assuming that a quorum is present, the affirmative vote of the holders of a majority of the shares of our outstanding common stock present, in person or represented by proxy, and entitled to vote at the Annual Meeting, is required to approve the amendment of the Certificate of Incorporation. Because abstentions are counted as present for purposes of the vote on this matter but are not votes FOR this proposal, they have the same effect as votes AGAINST this proposal. Broker non-votes will not have any effect on this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THIS PROPOSAL.

PROPOSAL 6: AUTHORIZE THE BOARD TO AMEND THE COMPANY'S AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK FROM 150,000,000 SHARES TO 300,000,000 SHARES

Overview

As of July 14, 2023, there were 116,870,324 shares of Common Stock outstanding. In addition, we have reserved 15,404,174 shares of Common Stock for issuance upon conversion of our 3.25% Convertible Senior Notes due 2025 and 7,374,376 shares of Common Stock for issuance pursuant to outstanding stock options and restricted stock units. As a result, the Company has only 7,161,901 shares of Common Stock remaining for all other purposes, including capital raising, and future awards of stock options, restricted stock units and purchased under our Employee Stock Purchase Plan, which we believe is inadequate to provide us with the flexibility necessary to respond to future needs and opportunities.

As described above in Proposal 5, if approved and implemented, the Reverse Stock Split will effectively increase the number of shares of Common Stock available for future issuance. However, if the Reverse Stock Split is not implemented, (or if the Reverse Stock Split is implemented at a low ratio), the number of shares of Common Stock may continue to be inadequate.

Accordingly, the board of directors has unanimously approved, subject to stockholder approval, an amendment to Article 4 of our Amended and restated Certificate of Incorporation to increase the number of authorized shares of our common stock from 150,000,000 shares to 300,000,000 shares. If this amendment is approved by our stockholders, Article Four of our Certificate of Incorporation will be amended and restated in its entirety as follows:

> "(A) The Corporation is authorized to issue two classes of stock to be designated, respectively, 'Common Stock' and 'Preferred Stock.' The total number of shares which the Corporation is authorized to issue is Three Hundred Two Million (302,000,000) shares each with a par value of $0.001 per share. Three Hundred Million (300,000,000) shares shall be Common Stock and Two Million (2,000,000) shares shall be Preferred Stock."

The remaining provisions of our Certificate of Incorporation would remain unchanged. The board of directors has determined that this amendment is in the best interest of the Company and its stockholders and recommends that the stockholders approve this amendment.

If the amendment is approved and filed, then the number of authorized shares of common stock would be increased to 300,000,000. The board of directors believes that the proposed increase in the number of authorized shares of common stock will benefit us by improving our flexibility in responding to future business needs and opportunities. The additional authorized shares will be available for issuance from time to time to enable us to respond to future business opportunities requiring the issuance of shares, including stock splits or dividends, the consummation of common stock-based financings, acquisition or strategic joint venture transactions involving the issuance of common stock, issuances of common stock under equity compensation plans and employee stock purchase plans, and issuances of common stock for other general corporate purposes that the board of directors may deem advisable.

The board of directors is seeking approval for the amendment at this time because opportunities requiring prompt action may arise in the future, and the board of directors believes the delay and expense in seeking approval for additional authorized common stock at a special meeting of stockholders could deprive us and our stockholders of the ability to take advantage of potential opportunities. The terms upon which any such shares of common stock may be issued would be determined by the board of directors.

The proposed increase in the number of authorized shares of common stock is not intended to impede a change of control of the Company, and we are not aware of any current efforts to acquire control of the Company or otherwise accumulate shares of our common stock. It is possible, however, that the additional shares contemplated by the amendment could be issued in connection with defending the Company against a hostile takeover bid to dilute the equity ownership of a person or entity seeking to obtain control of the Company, or in a private placement with purchasers who might side with the board of directors if it chose to oppose a specific change of control. These additional shares also could be issued in order to deter an attempt to replace the board of directors by diluting the percentage of shares held by persons seeking to control us by obtaining seats on the board of directors. Accordingly, the amendment could have the effect of discouraging efforts to gain control of the Company in a matter not approved by the board of directors. The actual issuance of additional shares of our common stock in the future could have a dilutive effect on earnings per share and on the equity and voting rights of the present holders of our common stock. We currently have no formal plans, understandings, contracts, agreements or arrangements with respect to the issuance of additional shares of common stock not previously authorized for issuance by the board of directors.

If the amendment is approved by our stockholders, it will become effective upon the filing of articles of amendment with the Secretary of State of the State of Delaware.

Our stockholders have no preemptive rights to acquire additional shares of common stock, which means that current stockholders do not have a right to purchase any new issuance of shares of common stock in order to maintain their proportionate ownership interests in the Company. Since our stockholders have no preemptive rights, we could implement the amendment at any time following stockholder approval without further authorization from the stockholders of the Company, except to the extent otherwise required by law or regulation or Nasdaq rules and listing standards. The additional shares for which authorization is sought would be identical to the shares of our common stock now authorized.

Reservation of Right to Abandon Amendment to Increase Authorized Shares of Common Stock

The Board of Directors reserves the right to abandon the amendment of the Certificate of Incorporation to increase the number of authorized shares of our common stock from 150,000,000 shares to 300,000,000 shares without further action by our stockholders at any time before the effectiveness of the filing with the Secretary of State of the State of Delaware of the Certificate of Amendment, even if the authority to amend the Certificate of Incorporation to increase the number of authorized shares of our common stock from 150,000,000 shares to 300,000,000 shares has been approved by our stockholders at the Annual Meeting. For example, if the Reverse Stock Split is implemented, the Board may choose to abandon the amendment of the Certificate of Incorporation to increase the number of authorized shares of our Common Stock, since the Reverse Stock Split would effectively increase the number of authorized shares available for future issuance.

Recommendation and Vote Required

Assuming that a quorum is present, the affirmative vote of the holders of a majority of the shares of our outstanding common stock present, in person or represented by proxy, and entitled to vote at the Annual Meeting, is required to approve the amendment of the Certificate of Incorporation to increase the number of authorized shares of our common stock from 150,000,000 shares to 300,000,000 shares. Because abstentions are counted as present for purposes of the vote on this matter but are not votes FOR this proposal, they have the same effect as votes AGAINST this proposal. Broker non-votes will not have any effect on this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THIS PROPOSAL.

PROPOSAL 7: APPROVE AN ADJOURNMENT OF THE ANNUAL MEETING, IF NECESSARY, TO SOLICIT ADDITIONAL PROXIES IF THERE ARE NOT SUFFICIENT VOTES IN FAVOR OF ANY OF PROPOSALS 1 TO 6

Overview

As described above, our Board has recommended the election of two directors to serve as members of the Board (Proposal 1), the ratification of the appointment of Marcum LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2023 (Proposal 2), the approval of the Compensation of our Named Executive Officers (Proposal 3), the approval of one year as the frequency of the advisory vote on executive compensation (Proposal 4), the authorization of the Company's Board to amend the Company's Certificate of Incorporation to effect a reverse stock split of all of the Company's outstanding shares of common stock, par value $0.0001 per share, by a ratio in the range of one-for-five to one-for-ten (Proposal 5), and the approval of an amendment to the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 150,000,000 shares to 300,000,000 shares; and (Proposal 6).

In furtherance of these recommendations, we are asking our stockholders to approve an adjournment of the Annual Meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of any of Proposals 1 to 6.

Recommendation and Vote Required

Proposal 7, to approve an adjournment of the Annual Meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of any of the Proposals, will require the affirmative vote of a majority of the votes present and entitled to vote at the Annual Meeting with respect to such matter.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THIS PROPOSAL.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibility to oversee management's implementation of the Company's financial reporting process. The Audit Committee Charter can be viewed on the Company's website at *investor.inseego.com* under "Corporate Governance" and is available in print upon request. In discharging its oversight role, the Audit Committee reviewed and discussed the audited financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 with the Company's management and its independent registered public accounting firm. Management is responsible for the financial statements and the reporting process, including the system of disclosure controls and procedures and internal control over financial reporting. The independent registered public accounting firm is responsible for expressing an opinion on the conformity of the Company's financial statements with accounting principles generally accepted in the United States and on the effectiveness of the Company's internal control over financial reporting.

The Audit Committee met with the independent registered public accounting firm and discussed the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC. In addition, the Audit Committee discussed with the independent registered public accounting firm its independence from the Company and its management; received the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence; and considered whether the provision of non-audit services was compatible with maintaining the accounting firm's independence.

In reliance on the reviews and discussions outlined above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, for filing with the SEC.

AUDIT COMMITTEE

Jeffrey Tuder, *Chair*
James B. Avery
Christopher Harland

The foregoing Report of the Audit Committee is not "soliciting material," is not deemed "filed" with the SEC, and shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing of ours under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate this report by reference.

STOCKHOLDER PROPOSALS

Stockholder Proposals for Inclusion in 2024 Proxy Statement. In order to be included in our proxy materials for our 2024 annual meeting of stockholders, a stockholder proposal or information about a proposed director candidate must be timely received in writing by the Company at Inseego Corp., Attention: Secretary, 9710 Scranton Road, Suite 200, San Diego, California 92121, by April 6, 2024, and otherwise comply with all requirements of the SEC, the General Corporation Law of Delaware and the Bylaws.

Stockholder Proposals to be presented at the 2024 Annual Meeting of Stockholders. If you do not wish to submit a proposal or information about a proposed director candidate for inclusion in next year's proxy materials, but instead wish to present it directly at the 2024 annual meeting of stockholders, you must give timely written notice of the proposal to our Secretary. To be timely, the notice must be received no earlier than May 9, 2024 and no later than the close of business on June 8, 2024. The notice must describe the stockholder proposal in reasonable detail and provide certain other information required by our Bylaws, a copy of which is available upon request from our Secretary at the above address.

DELINQUENT SECTION 16(A) REPORTS

Section 16(a) of the Exchange Act requires our directors, executive officers, and anyone holding 10% or more of a registered class of our equity securities to file reports with the SEC showing their holdings of, and transactions in, these securities. Based solely on a review of copies of such reports we received, we believe that during 2022 all its reporting persons filed such reports on a timely basis.

ANNUAL REPORT ON FORM 10-K

The Company will furnish without charge, to each person whose proxy is solicited upon the written request of such person, a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the SEC, including the financial statements and financial statement schedules. In addition, upon request, the exhibits to that document will be furnished subject to payment of a specified fee. Requests for copies of these documents should be directed to: Inseego Corp., 9710 Scranton Road, Suite 200, San Diego, California 92121, Attention: Corporate Secretary.

MISCELLANEOUS AND OTHER MATTERS

The Board knows of no other matters to be presented for stockholder action at the Annual Meeting. However, if other matters do properly come before the Annual Meeting or any adjournment or postponements thereof, the Board intends that the persons named in the proxies will vote upon such matters in accordance with their best judgment.

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE YOUR SHARES ONLINE, BY TELEPHONE OR, IF YOU REQUESTED PRINTED COPIES OF THESE MATERIALS, BY SIGNING AND PROMPTLY RETURNING YOUR PROXY CARD IN THE POSTAGE-PAID ENVELOPE PROVIDED. YOU MAY REVOKE YOUR PROXY AT ANY TIME PRIOR TO THE ANNUAL MEETING. THANK YOU FOR YOUR ATTENTION TO THIS MATTER. YOUR PROMPT RESPONSE WILL GREATLY FACILITATE ARRANGEMENTS FOR THE ANNUAL MEETING.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For fiscal year ended December 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-38358

INSEEGO CORP.

(Exact name of registrant as specified in its charter)

Delaware	**81-3377646**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
9710 Scranton Road, Suite 200	
San Diego, California	**92121**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (858) 812-3400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	INSG	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issue its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the voting common stock held by non-affiliates of the registrant, based on the closing price of the registrant's common stock on June 30, 2022, as reported by The Nasdaq Global Select Market, was approximately $152.9 million. For the purposes of this calculation, shares owned by officers and directors (and their affiliates) have been excluded. This exclusion is not intended, nor shall it be deemed, to be an admission that such persons are affiliates of the registrant. The registrant does not have any non-voting common stock outstanding.

The number of shares of the registrant's common stock outstanding as of February 24, 2023 was 108,476,337.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the 2023 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A are incorporated by reference into Part III of this Form 10-K to the extent stated herein.

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Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You should not place undue reliance on these statements. These forward-looking statements include, without limitation, statements that reflect the views of our senior management with respect to our current expectations, assumptions, estimates and projections about Inseego Corp. (the “Company” or “Inseego”) and our industry. These forward-looking statements speak only as of the date of this report. We disclaim any undertaking to publicly update or revise any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Statements that include the words “may,” “could,” “should,” “would,” “estimate,” “anticipate,” “believe,” “expect,” “preliminary,” “intend,” “plan,” “project,” “outlook,” “will” and similar words and phrases identify forward-looking statements (although not all forward-looking statements contain these words). Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified; therefore, our actual results may differ materially from those anticipated in these forward-looking statements as of the date of this report. We believe that these factors include those related to:

- our ability to compete in the market for wireless broadband data access products, wireless modem products, and asset management, monitoring, telematics, vehicle tracking and fleet management products;
- our ability to develop and introduce new products and services successfully;
- our ability to meet the price and performance standards of the evolving 5G New Radio (“5G NR”) products and technologies;
- our ability to expand our customer reach/reduce customer concentration;
- our ability to grow the Internet of Things (“IoT”) and mobile portfolio outside of North America;
- our ability to grow our Ctrack/asset tracking solutions within North America;
- our dependence on a small number of customers for a substantial portion of our revenues;
- our ability to make scheduled payments on or to refinance our indebtedness, including our convertible notes obligations;
- our ability to introduce and sell new products that comply with current and evolving industry standards and government regulations;
- our ability to develop and maintain strategic relationships to expand into new markets;
- our ability to properly manage the growth of our business to avoid significant strains on our management and operations and disruptions to our business;
- our reliance on third parties to manufacture our products;
- our contract manufacturers’ ability to secure necessary supply to build our devices;
- increases in costs, disruption of supply or the shortage of semiconductors or other key components of our products;
- our ability to mitigate the impact of tariffs or other government-imposed sanctions;
- our ability to accurately forecast customer demand and order the manufacture and timely delivery of sufficient product quantities;
- our reliance on sole source suppliers for some products and devices used in our solutions;
- the continuing impact of uncertain global economic conditions on the demand for our products;
- the impact of geopolitical instability on our business, including the current conflict between Russia and Ukraine;
- the emergence of global public health emergencies, such as the outbreak of the 2019 novel coronavirus (2019-nCoV), known as “COVID-19”, which could extend lead times in our supply chain and lengthen sales cycles with our customers;

- direct and indirect effects of COVID-19 on our employees, customers and supply chain and the economy and financial markets;
- the impact of high rates of inflation and rising interest rates;
- our ability to be cost competitive while meeting time-to-market requirements for our customers;
- our ability to meet the product performance needs of our customers in wireless broadband data access in industrial IoT ("IIoT") markets;
- demand for fleet, vehicle and asset management software-as-a-service ("SaaS") telematics solutions;
- our dependence on wireless telecommunication operators delivering acceptable wireless services;
- the outcome of any pending or future litigation, including intellectual property litigation;
- infringement claims with respect to intellectual property contained in our solutions;
- our continued ability to license necessary third-party technology for the development and sale of our solutions;
- the introduction of new products that could contain errors or defects;
- conducting business abroad, including foreign currency risks;
- the pace of 5G wireless network rollouts globally and their adoption by customers;
- our ability to make focused investments in research and development; and
- our ability to hire, retain and manage additional qualified personnel to maintain and expand our business.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this and other reports we file with the Securities and Exchange Commission (the "SEC"), including the information in "Item 1A. Risk Factors" in Part I of this report. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Unless the context requires otherwise, in this Annual Report on Form 10-K the terms "we," "us," "our," the "Company" and "Inseego" refer to Inseego Corp., a Delaware corporation, and its wholly owned subsidiaries.

Trademarks

"Inseego", "Inseego Subscribe", "Inseego Manage", "Inseego Secure", "Inseego Vision", the Inseego logo, "MiFi", "MiFi Intelligent Mobile Hotspot", "Wavemaker", "Clarity", and "Skyus" are trademarks or registered trademarks of Inseego and its subsidiaries. Other trademarks, trade names or service marks used in this report are the property of their respective owners.

PART I

Item 1. *Business*

Overview

Inseego Corp. is a leader in the design and development of cloud-managed 5G wireless wide area network (WWAN) and intelligent edge solution. Our portfolio is comprised of secure, high-performance, cloud-managed fixed and mobile WWAN modems, routers, and gateways; enterprise networking software-defined edge (“SD EDGE”) solutions powered by our 5G WWAN portfolio that secures and prioritizes corporate network traffic; and intelligent edge and telematics solutions with built-in artificial intelligence (“AI”) technology, created to improve business outcomes. All of these products and solutions are designed and developed in the U.S. and are used in mission-critical applications requiring the highest levels of security and zero unscheduled downtime. These solutions support business applications such as enterprise networking, software-defined wide area network (“SD-WAN”) failover management, asset tracking, edge computing and artificial intelligence, fleet management, and other services.

Inseego has been at the forefront of the ways in which the world stays connected and accesses information, protects, and derives intelligence from that information. With multiple first-to-market innovations across a number of wireless technologies, including 5G, and a strong and growing portfolio of hardware and software innovations for enterprise solutions, Inseego has been advancing technology and driving industry transformations for over 30 years. It is this proven expertise, commitment to quality, obsession with innovation and relentless focus on execution that makes us a preferred global partner of service providers, distributors, value-added resellers, system integrators, and enterprises worldwide.

Inseego Corp. is a Delaware corporation formed in 2016 as the successor to Novatel Wireless, Inc., a Delaware corporation formed in 1996, resulting from an internal reorganization that was completed in November 2016. Our principal executive office as well as our corporate offices are located at 9710 Scranton Road, Suite 200, San Diego, CA 92121, and our sales and engineering offices are located throughout the world. Inseego’s common stock trades on The NASDAQ Global Select Market under the trading symbol “INSG”.

Industry Trends

For over two decades, the mobile industry has experienced tremendous advancements and growth. As the largest technology platform in the world, mobile connectivity has changed the way we work, the way we live and the way we connect with each other. The scale and pace of innovation in mobile technology, especially around connectivity and computing capabilities, is also impacting industries beyond traditional wireless.

We are working with leading global service providers and enterprises in the mobile and 5G fixed wireless access (“FWA”) ecosystems to further develop, commercialize and accelerate the availability of 5G-based solutions, which represent the next generation of mobile technology. 5G enables intelligent connectivity and is a catalyst for innovation and acceleration of the fourth industrial revolution across a wide range of vertical markets, including manufacturing, agriculture, utilities, industrial automation, retail, education, government, and healthcare.

5G addresses the constraints of 4G LTE technology with wider spectrum bandwidths, multi-gigabit speeds, and ultra-reliable low latency, in addition to other advancements. As the fifth-generation wireless broadband technology, 5G is based on the Release 15 standard defined by the Generation Partnership Project (“3GPP”), an international consortium responsible for the development of mobile standards. The key operating ranges for the 5G spectrum globally are in the sub-6 GHz (below 6 GHz), and millimeter wave (28 GHz and 39 GHz) bands, with speed offerings greater than 1 Gigabit (“Gb”) per second and sub-millisecond latency, providing better coverage and signaling efficiency.

The technological advancements of 5G technology, combined with many of the innovations developed for 4G LTE, provide a scalable and adaptable solution for a variety of use cases, which enable the creation of new industries and services, such as autonomous vehicles, telemedicine, live ultra-high-definition video streaming, cloud gaming, edge computing, and countless industrial applications such as augmented reality and robotics for smart manufacturing.

The development of these new services and applications results in a growing demand for high-speed data, increased capacity, and low latency requirements which are key factors contributing to the accelerated growth and roll-out of 5G networks. 4G LTE is expected to continue to operate alongside 5G as a major part of the wireless ecosystem. Based on industry reports, such as the Global System for Mobile Communications Association (“GSMA”) Intelligence’s report *The Mobile Economy*, and the biannual Ericsson *Mobility Report* we believe that 4G and 5G networks will coexist and remain complementary for many years. This means that operators will be able to service a significant share of the data traffic on 4G networks, leaving 5G with the dual remit of absorbing overflow capacity and underpinning consumer and enterprise services that require higher speeds and/or lower latency. As such, most 5G devices are expected to include multimode support for 4G and Wi-Fi, enabling service continuity where 5G has yet to be deployed and simultaneous connectivity across 4G and Wi-Fi technologies, while also allowing mobile operators to utilize current 5G network deployments. At the same time, 4G is expected to continue to evolve in parallel with the development of 5G and become fundamental to many of the key 5G technologies, such as support for unlicensed spectrum, gigabit LTE user data rates (currently available from Inseego) and cellular IoT with connectivity designed to meet the needs of ultra-low-power and low-cost applications.

Further, based on reports from analyst firms including GSMA Intelligence and IoT Analytics, we expect that the number of IoT connections could grow to 27 billion by 2025, of which cellular-based IoT connections could reach 4 billion. By 2025, global 4G connections will reach just under 55% of total connections. Meanwhile, 5G migration is gaining pace. According to Ericsson's Mobility Report, November 2022 Edition, the rise of 5G has outpaced 4G within the first years of deployment. By the end of 2028, over five billion 5G subscriptions are forecast globally, which would account for 55 percent of all mobile subscriptions. 5G subscription uptake has been faster than that of 4G, following the launch of 4G in 2009, with 5G expected to reach one billion subscriptions two years sooner than with the 4G launch. 4G is now declining rapidly in many markets and is expected to fall behind 5G in terms of adoption for the first time in 2023.

Based on reports, we believe that 5G will bring a number of enhanced benefits not available using 4G networks, including providing networks with massive numbers of IoT devices and wireless edge technologies with differing speed, bandwidth and quality of service demands for use cases including manufacturing, augmented and virtual reality, and video AI, and networking. We are increasingly diversifying our business as this 5G opportunity comes into realization and our addressable market expands.

The adoption of 5G and the cloud continues to grow as companies across a wide range of industries are leveraging digital transformation technologies to increase efficiency, gain better customer insights, facilitate compliance and build new business models. This growth is expanding broadly, and adoption is particularly strong in the telematics and transportation industries and in industrial IoT markets such as smart city infrastructure, utilities, energy management, retail and manufacturing. We are building intelligent edge capabilities by leveraging business models that monetize usage on most major carrier networks. We have developed solutions that address key market needs for asset tracking applications, telematics, SD-WAN failover management, retail, remote work, remote monitoring and various other automation applications. In addition, our cloud solutions can turn the data that our solutions provide into actionable insights for our customers so they can develop new services and create revenue growth.

Our Strategy

Our objective is to be a leader in high performance 5G fixed, mobile, and IIoT device-to-cloud solutions for large enterprise verticals, service providers and small and medium-sized businesses around the globe. We will meet this objective through innovations we are driving in IIoT, fixed, mobile and SaaS technologies. In furtherance of that objective, we will continue to focus on developing mission critical enterprise applications, such as mobile and fixed broadband, industrial IoT, SD-WAN failover management, asset tracking and fleet management services. Our solutions will be powered by our key innovations in 5G WWAN, purpose-built SaaS platforms for the enterprise and advanced wireless technologies.

The key elements of our strategy are to:

- *Capitalize on our direct relationships with wireless operators, infrastructure providers, original equipment manufacturers ("OEMs") and component suppliers.* We intend to continue to capitalize on our direct and long-standing relationships with wireless operators, infrastructure providers, OEMs and component suppliers in order to strengthen our worldwide market position, using these long-standing relationships to springboard both the expansion of the 4G LTE and 5G platforms globally, and influence the adoption of our 5G solutions around the world.

- *Expand our 5G WWAN solutions portfolio by leveraging our core mobile technologies and platforms.* We intend to expand our 5G WWAN solutions portfolio with 5G device-cloud-managed solutions for the enterprise in North America, Australia, and targeted international markets that include edge devices based on the latest mobile technologies and cloud solutions.

- *Aggressively expand our go-to-market offerings through sales and marketing expansion, channel development and strategic partnerships*. We intend to expand our go-to-market 5G WWAN cloud-managed offerings in North America, Australia, and targeted international markets.

- *Improve SaaS solution penetration*. Through our telematics and asset tracking platform solutions, we provide customers in our current target markets throughout Europe, the United Kingdom, Australia and New Zealand with actionable insights and workflow efficiencies with highly secure intelligent device-to-cloud platforms. We also intend to roll out our cloud-based SaaS portfolio with enhancements in the areas of device management and security in our target markets, and we continue to offer the subscription management solution in North America.

- *Increase the value of our offerings.* As we seek to capitalize on potential growth opportunities, we continue to develop cutting edge fixed, mobile and cloud solutions, with specific focus on end-to-end solutions that enable the best connected experiences for our customers. In addition, our complete portfolio of advanced 4G and 5G solutions opens us up to larger worldwide potential markets. Finally, continued investment within both edge devices and cloud platform solutions in predictive analytics, machine learning, and edge intelligence should expand our market opportunities.

Our Sources of Revenue

We provide intelligent, cloud-managed wireless 4G and 5G hardware products for the worldwide mobile communications and IIoT markets. Our hardware products address multiple vertical markets including private LTE/5G networks, the First Responders Network Authority/Firstnet, SD-WAN, telematics, remote monitoring and surveillance, and fixed wireless access and mobile broadband devices. Our broad range of products principally includes intelligent 4G and 5G fixed wireless routers and gateways, mobile hotspots, wireless gateways and routers for IIoT applications, Gb speed 4G LTE hotspots and USB modems, integrated telematics and mobile tracking hardware devices, which are supported by applications software and cloud services designed to enable customers to easily analyze data insights and configure/manage their hardware remotely. Our products currently operate on most major global cellular wireless networks. Our mobile hotspots sold under the MiFi brand have been sold to millions of end users, and provide subscribers with secure and convenient high-speed access to corporate, public and personal information through the Internet and enterprise networks. Our wireless standalone and USB modems and gateways allow us to address the rapidly growing and underpenetrated IoT market segments. Our telematics and mobile asset tracking hardware devices collect and control critical vehicle data and driver behaviors, and can reliably deliver that information to the cloud, all managed by our services enablement platforms.

Our MiFi customer base is comprised of wireless operators to whom we provide intelligent fixed and mobile wireless devices. These wireless operators include Verizon Wireless, T-Mobile and U.S. Cellular in the United States, Rogers and Telus in Canada, Telstra in Australia, as well as other international wireless operators, distributors and various companies in other vertical markets and geographies.

We sell our 5G WWAN solutions, integrated telematics and mobile tracking hardware devices through our direct sales force, value-added resellers and through distributors. The customer base for our products is comprised of transportation companies, industrial enterprises, retailers, manufacturers, application service providers, system integrators and distributors in various industries, including fleet and vehicle transportation, aviation ground service management, energy and industrial automation, security and safety, medical monitoring and government. Integrated telematics and asset tracking devices are provided as part of our integrated SaaS solutions.

We sell SaaS, software and services solutions across multiple vertical markets, including fleet management, vehicle telematics, stolen vehicle recovery, asset tracking, monitoring, business connectivity and subscription management. Our SaaS delivery platforms include our telematics and asset tracking and management platforms, which provide fleet, vehicle, aviation, municipalities, healthcare, utilities asset and other telematics applications. Our SaaS platforms are device-agnostic and provide a standardized, scalable way to order, connect and manage remote assets and to improve business operations. The platforms are flexible and support both on-premise server or cloud-based deployments and are the basis for the delivery of a wide range of IoT services in multiple industries.

We classify our revenues from the sale of our products and services into two distinct groupings, specifically IoT & Mobile Solutions and Enterprise SaaS Solutions. Both IoT & Mobile Solutions and Enterprise SaaS Solutions revenues include any hardware and software required for the respective solution.

For the years ended December 31, 2022, 2021 and 2020, our total net revenues were $245.3 million, $262.4 million and $313.8 million, respectively.

Our Business

IoT and Mobile Solutions

Our 4G and 5G WWAN business focuses on addressing applications for a variety of enterprise verticals. These applications include, among others, smart city infrastructure management, remote monitoring and control, SD-WAN failover and enterprise connectivity. Our Skyus branded wireless gateways, routers and modems serve as connectivity solutions for the rapidly growing and underpenetrated IoT market segments. Worldwide IoT spending is expected to increase at a 20% compound annual growth rate between 2022 and 2027 (as reported by IoT Analytics, 2023). With many enterprise customers using our solutions, we believe that we already have a solid footing in this market. We are continuing to invest and grow our product portfolio to realize the opportunities in the growing IoT market.

Our 4G and 5G WWAN business has been driving advanced mobile technologies for a multitude of consumer and enterprise applications for over 20 years. In the 2000s, Inseego invented mobile hotspots sold under the MiFi brand. During the

2010s, Inseego was a leader in the 4G mobile hotspot market—delivering the highest 4G mobile hotspot performance in the market. In 2019, Inseego developed and produced the world's first 5G mobile hotspot. In 2022, we launched our fourth generation 5G mobile hotspot with Telstra, Verizon, and T-Mobile.

Our 4G and 5G WWAN business product portfolio consists of intelligent mobile broadband solutions, HD quality VoLTE products, residential 4G gateways and an advanced 5G portfolio of mobile and fixed wireless products. Our mobile broadband solutions, sold under the MiFi brand, are actively used by millions of end users annually to provide secure and convenient high-speed access to corporate, public and personal information through the Internet and enterprise networks. The introduction of 5G technology is rapidly expanding new enterprise and consumer market use cases and opportunities, including residential broadband gateways, industrial automation, massive machine connectivity and autonomous vehicles. We believe we are strategically well placed to realize the opportunity for 5G and we are focused on developing a comprehensive portfolio of 5G products for fixed and mobile wireless applications.

Our cloud offering includes Inseego Connect for device management, Inseego Subscribe™ which helps organizations manage the selection, deployment and spend of their customer's wireless assets, helping them save money on personnel and telecom expenses and 5G SD EDGE enterprise networking.

Telematics and Asset Tracking Business Intelligence-Business/Enterprise SaaS Solutions

Inseego entered the telematics software and services industry through the acquisition of DigiCore Holdings Limited (which was renamed Ctrack Holdings (Pty) Ltd ("Ctrack") in October 2015). Ctrack was founded in South Africa in 1985, and today Ctrack operations span over 50 countries on six continents. Through a series of global acquisitions and mergers, the Ctrack group broadened its international reach by expanding into the United Kingdom, Europe, and Australia/New Zealand, and using distributors in emerging markets such as Asia.

On February 24, 2021, we entered into a Share Purchase Agreement (the "Purchase Agreement") with an affiliate of Convergence Partners ("Convergence"), an investment management firm in South Africa, to sell our Ctrack business operations in Africa, Pakistan and the Middle East (together, "Ctrack South Africa"), in an all-cash transaction for 528.9 million South African Rand ("ZAR") (approximately $36.6 million U.S. Dollars). On July 30, 2021, we completed the sale of Ctrack South Africa (the "Ctrack Transaction"). See Part IV Item 15 Note 5. *Business Divestiture* for additional information about the divestiture of Ctrack South Africa.

Following the Ctrack Transaction, we continue to provide telematics solutions under the Inseego brand in the rest of the world including in Europe, the United Kingdom and Australia. With more than 30 years of experience, we are recognized as a leading global provider of advanced fleet management telematics and asset tracking solutions that add value to a global base of customers. We design, develop and sell a robust range of asset management and monitoring systems using GPS satellite positioning, advanced cellular communications and advanced sensory technologies. The result is innovative solutions ranging from basic track-and-trace, with stolen vehicle response services, to complete integrated enterprise-level solutions for large fleet owners across the globe.

We believe that our continued emphasis on development of next-generation products keeps Inseego telematics ahead of the market, meeting demands for value-added, flexible, feature-rich and cost-effective technology across multiple market verticals. Our solutions, coupled with a proven track record in the successful implementation and support of projects of all sizes worldwide, provide Inseego with a competitive edge with respect to attracting and retaining customers.

Sales and Marketing

We engage in a wide variety of sales and marketing activities, driving market leadership and global demand through integrated marketing campaigns. This includes product marketing, corporate communications, brand marketing and demand generation.

Competition

The market for our mobile, 5G WWAN and asset tracking/telematics services and solutions is rapidly evolving and highly competitive. It is likely to continue to be affected by new product introductions and industry participants.

We believe the principal competitive factors impacting the market for our products are features and functionality, performance, quality and brand. To maintain and improve our competitive position, we must continue to expand our customer base, invest in research and development, grow our distribution network, and leverage our strategic relationships.

Our products compete with a variety of telematics solutions providers and IoT solutions suppliers. Our current competitors include:

- Fleet management SaaS and services providers, such as Lytx, Sierra Wireless, Samsara and Cartrack;
- Fixed wireless, mobile hotspot and wireless data modem providers, such as NETGEAR, Franklin Wireless, WNC, Nokia, TCL, ZTE and Huawei;
- IoT solution providers, such as Cradlepoint, Cisco, and Sierra Wireless; and
- Customer experience software solutions and services providers, such as Cisco.

As the market for our solutions and services expands, other entrants may seek to compete with us either directly or indirectly.

Research and Development

Our research and development efforts are focused on developing innovative fixed and mobile devices, including IoT and advanced gateway solutions in both the 4G LTE and 5G markets, and for device management, cloud enterprise networking, edge computing and telematics solutions and services, while improving the functionality, design and performance of our current products and solutions.

We intend to continue to identify and respond to our customers' needs by introducing new SaaS, 5G WWAN and mobile solutions and product designs that meet the needs of the market and our customers, with an emphasis on creating next generation wireless product platforms targeting mass market initiatives in high growth verticals and technologies such as 5G NR and easy-to-use products and services that enable customers to connect, track, and manage their business systems and assets.

We manage our research and development through a structured life-cycle process, from identifying initial customer requirements through development and commercial introduction to eventual phase-out. During product development, emphasis is placed on quality, reliability, performance, time-to-market, meeting industry standards and customer-product specifications, ease of integration, cost reduction, and manufacturability.

Intellectual Property

Our solutions rely on and benefit from our portfolio of intellectual property, including patents and trademarks. We currently own 44 patents and have 18 patent applications pending. The patents that we currently own will expire at various times between 2023 and 2041.

We, along with our subsidiaries, also hold a number of trademarks or registered trademarks including "Inseego", "Inseego Subscribe", "Inseego Manage", "Inseego Secure", "Inseego Vision", the Inseego logo, "MiFi", "MiFi Intelligent Mobile Hotspot", "Wavemaker" and "Skyus".

Key Partners and Customers

We have strategic technology, development and marketing relationships with several of our customers and partners. Our strong customer and partner relationships provide us with the opportunity to expand our market reach and sales. We partner with leading OEMs, wireless telecom service providers, and value-added resellers and distributors which allows us to offer customers integrated and holistic solutions. Our telematics platform uses leading cellular providers such as Vodafone, Telstra and Optus to ensure the optimal real-time visibility of tracked vehicles and systems, supported by accurate and sophisticated mapping services such as the HERE Open Location Platform.

Customers for our products include transportation companies, industrial companies, governmental agencies, manufacturers, application service providers, system integrators, distributors, and enterprises in various industries, including fleet and vehicle transportation, finance, accounting, legal, insurance, energy and industrial automation, security and safety, medical monitoring and government.

Our telematics customer base is comprised of wireless operators, distributors, OEMs and various companies in other vertical markets. Fleet management customers include global enterprises such as BHP Billiton, Super Group, Mammoet and Australia Post. Our customers for our business connectivity products include EnerNOC, Thermo Fisher Scientific, US Army, Fastenal, T-Mobile and Verizon Wireless, amongst others. Customers for our device management solutions include carriers such as T-Mobile.

A significant portion of our revenue during the year ended December 31, 2022 came from two customers, Verizon and T-Mobile, which together represented approximately 67.3% of our total revenues for the year ended December 31, 2022. It is our intention to continue to diversify our customer base.

Manufacturing and Operations

The hardware used in our solutions is produced by contract manufacturers. Our primary contract manufacturers include Hon Hai Precision Industry Co., Ltd. (“Foxconn”) and Inventec Appliance Corporation (“IAC”), each of whom manufactures our product outside of mainland China. Under our manufacturing agreements, such contract manufacturers provide us with services including component procurement, product manufacturing, final assembly, testing, quality control and fulfillment. These contract manufacturers are located in Asia and are able to produce our products using modern state-of-the-art equipment and facilities with relatively low-cost labor.

We outsource our manufacturing in an effort to:

- focus on our core competencies of design, development and marketing;
- minimize our capital expenditures and lease obligations;
- realize manufacturing economies of scale;
- achieve production scalability by adjusting manufacturing volumes to meet changes in demand; and
- access best-in-class component procurement and manufacturing resources.

Our operations team manages our relationships with the contract manufacturers as well as other key suppliers. Our operations team focuses on supply chain management and logistics, product quality, inventory and cost optimization, customer fulfillment and new product introduction. We develop and control the software that goes on our devices.

Employees

At December 31, 2022, we had 411 employees of which 391 were full-time employees. We also use the services of consultants and temporary workers from time to time. Our employees are not represented by any collective bargaining unit and we consider our relationship with our employees to be good.

Cybersecurity

In the normal course of business, we may collect and store personal information and certain sensitive Company information, including proprietary and confidential business information, trade secrets, intellectual property, sensitive third-party information and employee information. To protect this information, our existing cybersecurity policies require monitoring and detection programs, network security measures, encryption of critical data, and security assessment of vendors. We perform cyber-incident simulations and tabletop exercises to help with our overall risk-preparedness. We maintain various protections designed to safeguard against cyberattacks, including firewalls and virus detection software. We have established and test our disaster recovery plan and we protect against business interruption by backing up our major systems. Additionally, we routinely scan our environment for any vulnerabilities, perform penetration testing and engage third parties to assess the effectiveness of our data security practices. Our internal security team makes continuous efforts to prevent and mitigate cyber-attacks. We continue to make significant investments in security and maintain insurance that includes cybersecurity coverage.

Our cybersecurity program is led by our Director of Information Security and Privacy. The program incorporates industry-standard frameworks, policies and practices designed to protect the privacy and security of our sensitive information. Our cybersecurity team provides regular, timely updates to the Board of Directors on information security and cybersecurity matters, as needed. Our Security Council, has oversight responsibility for our data security practices and we believe the committee has the requisite skills and visibility into the design and operation of our data security practices to fulfill this responsibility effectively.

Despite the implementation of our cybersecurity program, our security measures cannot guarantee that a significant cyberattack will not occur. A successful attack on our information technology systems could have significant consequences to the business. While we devote resources to our security measures to protect our systems and information, these measures cannot provide absolute security. See “Risk Factors” for additional information about the risks to our business associated with a breach or compromise to our information technology systems.

Human Capital Resources

Our Culture: Culture is critically important to our growth and performance. We are driven by our values of Accountability, Sense of Urgency, Market Driven Innovation, Customer Focus, and Integrity. We are committed to creating a world class employee experience through leadership development, career planning, open two-way communications, total compensation, and positive work environment.

Diversity & Inclusion: Our people are our most important asset. At Inseego, we embrace an inclusive culture because good ideas come from everywhere. Diversity comes in all forms, from different backgrounds and experiences to different perspectives and skill sets. It is this diversity that fuels innovation. It is this common passion to innovate that makes Inseego an equal opportunity employer. Inseego does not unlawfully discriminate in any employment decisions, including hiring, compensation, promotion, discipline, or termination on the basis of race, religion, color, national origin, sex, sexual orientation, gender identity, age, protected veteran status or disability. Inseego is also committed to providing reasonable accommodations to qualified individuals with disabilities and individuals with sincerely held religious beliefs and practices.

Talent: We believe that talent is key to our success. Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing, and integrating our existing and new employees. Our company size and culture allows employees to build and expand their skill set in ways that will enrich their careers. Our goal setting and performance evaluation process enables the company to focus on accelerating development for those who are top performers and strengthening the talent pipeline.

Work Life Balance: We believe that it is important to provide Work Life Harmony and our practices can vary globally. In the U.S., employees have Friday 'summer hours' where two hours in the afternoon are blocked from meetings to ensure that there is "work" and "think" time. This time can be used to catch up on tasks, conduct a review of the past week, and plan for the following week. Inseego has a flexible time off policy that does not limit employee time off to fixed accruals for exempt employees in the U.S. This program gives team members the flexibility to take time off that makes sense for them and frees employees from the confines of traditional accrued time off policies. We also encourage flexibility and balance by embracing remote and hybrid work whenever possible.

Employee Health and Wellness: As the success of our business is fundamentally connected to the well-being of our employees, we are committed to their health, safety and wellness. We provide our employees and their families with access to convenient health and wellness programs. These programs include benefits that provide protection and security to help give our employees peace of mind concerning events that may require time away from work or that may impact their financial well-being. We offer choice where possible so employees can customize their benefits to meet their needs and the needs of their families. We also sponsor various Health & Wellness Initiatives in the U.S. to help employees find ways to create more balance in their lives.

Governmental Regulations

Environmental Laws: Our products and manufacturing process are subject to numerous governmental regulations, which cover both the use of various materials as well as environmental concerns. Environmental issues such as pollution and climate change have had significant legislative and regulatory effects on a global basis, and there are expected to be additional changes to the regulations in these areas. These changes could directly increase the cost of energy, which may have an impact on the way we manufacture products or utilize energy to produce our products. In addition, any new regulations or laws in the environmental area might increase the cost of raw materials we use in our products and the cost of compliance. Other regulations in the environmental area may require us to continue to monitor and ensure proper disposal or recycling of our products. To the best of our knowledge, we maintain compliance with all current government regulations concerning our production processes for all locations in which we operate. Since we operate on a global basis, this is a complex process that requires continual monitoring of regulations and compliance effort to ensure that we and our suppliers are in compliance with all existing regulations.

Other Regulations: As a company with global operations, we are subject to complex foreign and U.S. laws and regulations, including trade regulations, tariffs, import and export regulations, anti-bribery and corruption laws, antitrust or competition laws, data privacy laws, such as the EU General Data Protection Regulation (the "GDPR"), and environmental regulations, among others. We have policies and procedures in place to promote compliance with these laws and regulations. To date, our compliance actions and costs relating to these laws, rules and regulations have not resulted in a material cost or effect on our capital expenditures, earnings or competitive position. Government regulations are subject to change, and accordingly we are unable to assess the possible effect of compliance with future requirements or whether our compliance with such regulations will materially impact our business in the future.

Website Access to SEC Filings

We file annual, quarterly and special reports, proxy statements and other information with the SEC. The SEC maintains an Internet website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including Inseego. We maintain an Internet website at www.inseego.com. The information contained on our website or that can be accessed through our website does not constitute a part of this report. We make available, free of charge through our Internet website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file or furnish this information to the SEC.

Item 1A. *Risk Factors*

The risks and uncertainties described below are those that we currently deem to be material, and do not represent all of the risks that we face. Additional risks and uncertainties not presently known to us or that we currently do not consider material may in the future become material and impair our business operations. Some of the risks and uncertainties described herein have been grouped so that related risks can be viewed together. You should not draw conclusions regarding the relative magnitude or likelihood of any risk based on the order in which risks or uncertainties are presented herein. If any of the following risks actually occur, our business could be materially harmed, and our financial condition and results of operations could be materially and adversely affected. As a result, the trading price of our securities could decline. You should also refer to the other information contained in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes.

SUMMARY OF RISK FACTORS

Risks Related to Our Business

- Our quarterly operating results have fluctuated in the past and may fluctuate in the future, which could cause declines or volatility in the price of our common stock.
- We have an accumulated deficit and may not be able to achieve or sustain profitability, which may negatively impact our ability to achieve our business objectives.
- The 5G market may take longer to materialize than we expect or, if it does materialize rapidly, we may not be able to meet the development schedule and other customer demands.
- Our plan to position ourselves as a leading provider of industrial IoT products and services to our customer base could subject us to increased costs and related risks and may not achieve the intended results.
- If we fail to develop and timely introduce new products and services or enter new markets for our products and services successfully, we may not achieve our revenue targets, or we may lose key customers or sales and our business could be harmed.
- An assertion by a third party that we are infringing its intellectual property could subject us to costly and time-consuming litigation or expensive licenses and our business could be harmed.
- If we are unable to protect our intellectual property and proprietary rights, our competitive position and our business could be harmed.
- Our future capital needs are uncertain, and we may need to raise additional funds in the future. We may not be able to raise such additional funds on acceptable terms or at all.
- Our debt service requirements are significant, and we may not have sufficient cash flow from our business to pay our substantial debt.

Risks Related to Corporate Development Activities

- We may, as part of our growth strategy, acquire companies and businesses, and/or divest assets or businesses. The completion of acquisition or divestiture transactions could have an adverse effect on our financial condition.
- Following acquisitions and/or divestitures, our reorganized business may not perform as we or the market expects, which could have an adverse effect on the price of our common stock.

Risks Related to Competition

- The market for the products and services that we offer is rapidly evolving and highly competitive. We may be unable to compete effectively.
- The market for asset management and fleet management solutions and the markets for telemetry and tracking solutions are all highly fragmented and competitive, with low barriers to entry. If we do not compete effectively, our operating results may be harmed.
- Industry consolidation may result in increased competition, which could result in a loss of customers or a reduction in revenue.

Risks Related to Our Customers and Demand for Our Solutions

- Our inability to adapt to rapid technological change in our markets could impair our ability to remain competitive and adversely affect our results of operations.
- We depend upon Verizon Wireless and T-Mobile for a substantial portion of our revenues, and our business would be negatively affected by an adverse change in our dealings with either of these customers.

- We may not be able to retain and increase sales to our existing customers, which could negatively impact our financial results.
- Loss of, or a significant reduction in business from, one or more enterprise or government customers could adversely affect our revenue and profitability.
- Adverse economic conditions or reduced spending on information technology solutions may adversely impact our revenue and profitability.
- The marketability of our products may suffer if wireless telecommunications operators do not deliver acceptable wireless services.

Risks Related to Developing, Manufacturing and Delivering Our Solutions

- We currently rely on third parties to manufacture and warehouse many of our products, which exposes us to a number of risks and uncertainties outside our control.
- We depend on sole source suppliers for some products used in our services. The availability and sale of those services would be harmed if any of these suppliers is not able to meet our demand and alternative suitable products are not available on acceptable terms, or at all.
- If disruptions in our transportation network occur or our shipping costs substantially increase, we may be unable to sell or timely deliver our products, and our operating expenses could increase.
- We may be unable to adequately control the costs or maintain adequate supply of components and raw materials associated with our operations.
- If we do not effectively manage our sales channel inventory and product mix, we may incur costs associated with excess inventory or lose sales from having too few products.
- Our software may contain undetected errors, defects or other software problems, and if we fail to correct any defect or other software problems, we could lose customers or incur significant costs, which could result in damage to our reputation or harm to our operating results.
- Any significant disruption in service on our websites or in our computer systems could damage our reputation and result in a loss of customers, which would harm our business and operating results.
- We provide minimum service level commitments to certain of our customers, and our failure to meet them could require us to issue credits for future subscriptions or pay penalties, which could harm our results of operations.
- Failure to maintain the security of our information and technology networks, including information relating to our customers and employees and access to our asset and fleet management and telemetry solutions, could adversely affect us.
- Our business may be adversely affected by unfavorable macroeconomic conditions

Risks Related to International Operations

- Due to the global nature of our operations, we are subject to political and economic risks of doing business internationally.
- Weakness or deterioration in global economic or political conditions in jurisdictions where we have significant foreign operations could have a material adverse effect on our results of operations and financial condition.

Risks Related to Regulations, Taxation and Accounting Matters

- A governmental challenge to our transfer pricing policies or practices could impose significant costs on us.
- Evolving regulations and changes in applicable laws relating to data privacy may increase our expenditures related to compliance efforts or otherwise limit the solutions we can offer, which may harm our business and adversely affect our financial condition.
- Enhanced United States fiscal, tax and trade restrictions and executive and legislative actions could adversely affect our business, financial condition, and results of operations.

Risks Related to Owning Our Securities

- Our share price has been highly volatile in the past and could be highly volatile in the future.
- Future settlements of any conversion obligations with respect to the 2025 Notes may result in dilution to existing stockholders, lower prevailing market prices for our common stock or require a significant cash outlay.
- Ownership of our common stock is concentrated, and as a result, certain stockholders may exercise significant influence over us.
- Our outstanding Series E Preferred Stock or future equity offerings could adversely affect the holders of our common stock in some circumstances.

RISKS RELATED TO OUR BUSINESS

Our quarterly operating results have fluctuated in the past and may fluctuate in the future, which could cause declines or volatility in the price of our common stock.

Our quarterly operating results have fluctuated in the past and may fluctuate in the future as a result of a variety of factors, many of which are outside of our control. If our quarterly operating results or guidance fall below the expectations of research analysts or investors, the price of our common stock could decline substantially. The following factors, among others, could cause fluctuations in our quarterly operating results:

- our ability to attract new customers and retain existing customers;
- our ability to accurately forecast revenue and appropriately plan our expenses;
- our ability to accurately predict changes in customer demand due to matters beyond our control;
- our ability to introduce new features, including integration of our existing solutions with third-party software and devices;
- the actions of our competitors, including consolidation within the industry, pricing changes or the introduction of new services;
- our ability to effectively manage our growth;
- our ability to attract and retain key employees, given intense competition for qualified personnel;
- our ability to successfully manage and realize the anticipated benefits of any future divestitures or acquisitions of businesses, solutions or technologies;
- our ability to successfully launch new services or solutions or sell existing services or solutions into additional geographies or vertical markets;
- the timing and cost of developing or acquiring technologies, services or businesses;
- the timing, operating costs, and capital expenditures related to the operation, maintenance and expansion of our business;
- service outages or security breaches and any related occurrences which could impact our reputation;
- the impact of worldwide economic, industry, and market conditions, including disruptions in financial markets and the deterioration of the underlying economic conditions in some countries, rises in inflation and interest rates, and those conditions specific to Internet usage and online businesses;
- the emergence of global public health emergencies, such as the outbreak of COVID-19, which could extend lead times in our supply chain and lengthen sales cycles with our customers;
- fluctuations in currency exchange rates;
- trade protection measures (such as tariffs and duties) and import or export licensing requirements;
- costs associated with defending intellectual property infringement and other claims;
- changes in laws and regulations affecting our business; and
- the provision of fleet management solutions or asset management solutions from cellular carrier-controlled or OEM-controlled channels from which Inseego may be excluded.

We believe that our quarterly revenue and operating results may vary significantly in the future and that period-to-period comparisons of our operating results may not be meaningful. You should not rely on the results of any quarter as an indication of future performance.

We have an accumulated deficit and may not be able to achieve or sustain profitability, which may negatively impact our ability to achieve our business objectives.

We have reported net losses in each of the last six fiscal years, and we cannot predict when we will become profitable or if such profitability can be sustained. We expect to continue making significant expenditures to develop and expand our business.

Any growth in our revenue or customer base may not be sustainable, and we may not generate sufficient revenue to become profitable. We may incur significant losses in the future for a number of reasons, including the other risks described in this section, and we may encounter unforeseen expenses, difficulties, complications and delays and other unknown events. Accordingly, we may not be able to achieve or sustain profitability, and the failure to fund our capital requirements may negatively impact our ability to achieve our business objectives.

The 5G market may take longer to materialize than we expect or, if it does materialize rapidly, we may not be able to meet the development schedule and other customer demands.

Growth of the 5G market and its emerging standards, including the newly defined 5G NR standard, is accelerating and we believe that we are at the forefront of this newly emerging standard and already have a solid footing in this growing market. However, this market may not see as much growth as we expect or this growth may take longer to materialize than we expect which could delay important commercial network launches. Even if the market does materialize at the rapid pace that we are expecting, we may have difficulties meeting aggressive timing expectations of our current customers and getting our target products to market on time to meet the demands of our target customers. The 5G market requires us to design routers and antennas that meet certain technical specifications. While we launched our fourth generation mobile hotspot in 2022, we may have difficulties meeting the market and any further technical specifications and timelines. Additionally, our target customers have no guarantee that the configurations of their respective target products will be successful or that they can reach the appropriate target client base to provide a positive return on the research and development investments we are making in the 5G market. While we believe that 5G technology will provide expanded use cases and opportunities and that we are strategically placed to realize these opportunities, the development of our products and our portfolio may not prove to be as successful as we expect. Furthermore, we are pursuing 5G opportunities in the United States and abroad. 5G markets outside of the United States will develop at different rates and we will encounter these challenges to varying degrees in different countries. Failure to manage challenges related to 5G markets and opportunities could have a material adverse effect on our financial condition and results of operations.

Our plan to position ourselves as a leading provider of industrial IoT products and services to our customer base could subject us to increased costs and related risks and may not achieve the intended results.

Our strategic plan to position ourselves as a leading provider of high value industrial IoT products and services could subject us to unexpected costs and risks. Such activities could subject us to increased operating costs, product liability, regulatory requirements and reputational risks. Our expansion into new and existing markets and implementation of our strategic plan may present competitive and distribution challenges that differ from those of our historical business model. We may be less familiar with the target customers and may face different or additional risks, as well as increased or unexpected costs, compared to existing operations. Growth into new markets may also bring us into direct competition with companies with whom we have little or no past experience as competitors. To the extent we are reliant upon expansion into new product markets and implementation of our strategic plan for growth and do not meet the new challenges posed by such expansion and implementation, our future sales growth could be negatively impacted, our operating costs could increase, and our business operations and financial results could be negatively affected. Implementing our plan to position the Company as a leading provider of industrial IoT products and solutions has required, and is expected to continue to require, additional investments by us in both product development and go-to-market resources and additional attention from management, and if not successful, we may not realize the return on our investments as anticipated or our operating results could be adversely affected by slower than expected sales growth or additional costs.

If we fail to develop and timely introduce new products and services or enter new markets for our products and services successfully, we may not achieve our revenue targets, or we may lose key customers or sales and our business could be harmed.

The development of new solutions for mobile broadband data, vehicle tracking, asset management, fleet management and telemetry applications can be difficult, time-consuming and costly. There are inherent risks and uncertainties associated with offering new products and services, especially when new markets are not fully developed, related technology standards are not mature, or when the laws and regulations regarding a new product or solution are not mature. Factors outside of our control, such as developing laws and regulations, regulatory orders, competitive product offerings and changes in commercial and consumer demand for products or services may also materially impact the successful implementation of new products or services. As we introduce new products or solutions, our current customers may not require or desire the features of these new offerings and may not purchase them or might purchase them in smaller quantities than we had expected. We may face similar risks that our products or solutions will not be accepted by customers as we enter new markets for our solutions, both in the United States and international markets.

Further, as part of our business, we may enter into contracts with some customers in which we would agree to develop products or solutions that we would sell to such customers. Our ability to generate future revenue and operating income under any such contracts would depend upon, among other factors, our ability to timely and profitably develop products or solutions that can be cost-effectively deployed and that meet required design, technical and performance specifications.

If we are unable to successfully manage these risks or meet required delivery specifications or deadlines in connection with one or more of our key contracts, we may lose key customers or orders and our business could be harmed.

An assertion by a third party that we are infringing its intellectual property could subject us to costly and time-consuming litigation or expensive licenses and our business could be harmed.

The technology industries involving mobile data communications, IoT devices, software and services are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. Much of this litigation involves patent holding companies or other adverse patent owners who have no relevant product revenues of their own, and against whom our own patent portfolio may provide little or no deterrence. One or more patent infringement lawsuits from non-practicing entities are brought against us or our subsidiaries each year in the ordinary course of business.

We cannot assure you that we or our subsidiaries will prevail in any current or future intellectual property infringement or other litigation given the complex technical issues and inherent uncertainties in such litigation. Defending such claims, regardless of their merit, could be time-consuming and distracting to management, result in costly litigation or settlement, cause development delays, or require us or our subsidiaries to enter into royalty or licensing agreements. In addition, we or our subsidiaries could be obligated to indemnify our customers against third parties' claims of intellectual property infringement based on our products or solutions. If our products or solutions violate any third-party intellectual property rights, we could be required to withdraw them from the market, re-develop them or seek to obtain licenses from third parties, which might not be available on reasonable terms or at all. Any efforts to re-develop our products or solutions, obtain licenses from third parties on favorable terms or license a substitute technology might not be successful and, in any case, might substantially increase our costs and harm our business, financial condition and operating results. Withdrawal of any of our products or solutions from the market could harm our business, financial condition and operating results.

In addition, we incorporate open source software into our products and solutions. Given the nature of open source software, third parties might assert copyright and other intellectual property infringement claims against us based on our use of certain open source software programs. The terms of many open source licenses to which we are subject have not been interpreted by U.S. courts or courts of other jurisdictions, and there is a risk that those licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to commercialize our products and solutions. In that event, we could be required to seek licenses from third parties in order to continue offering our products and solutions, to re-develop our solutions, to discontinue sales of our solutions, or to release our proprietary software source code under the terms of an open source license, any of which could adversely affect our business.

If we are unable to protect our intellectual property and proprietary rights, our competitive position and our business could be harmed.

We rely on a combination of patent laws, trademark laws, copyright laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property and proprietary rights. However, our issued patents and any future patents that may be issued may not survive a legal challenge to their scope, validity or enforceability, or provide significant protection for us. The failure of our patents to adequately protect our technology might make it easier for our competitors to offer similar products or technologies. In addition, patents may not issue from any of our current or any future applications and significant portions of our intellectual property are held in the form of trade secrets which are not protected by patents.

Monitoring unauthorized use of our intellectual property is difficult and costly. The steps we have taken to protect our proprietary rights may not be adequate to prevent misappropriation of our intellectual property. We may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Our competitors may also independently develop similar technology. In addition, the laws of many countries do not protect our proprietary rights to as great an extent as do the laws of the United States. Any failure by us to meaningfully protect our intellectual property could result in competitors offering products that incorporate our most technologically advanced features, which could seriously reduce demand for our products and solutions. In addition, we may in the future need to initiate infringement claims or litigation. Litigation, whether we are a plaintiff or a defendant, can be expensive, time consuming and may divert the efforts of our technical staff and managerial personnel, which could harm our business, whether or not such litigation results in a determination favorable to us.

We may not be able to maintain and expand our business if we are not able to hire, retain and manage additional qualified personnel.

Our success in the future depends in part on the continued contribution of our executive, technical, engineering, sales, marketing, operations and administrative personnel. Recruiting and retaining skilled personnel in the industries in which we operate, including engineers and other technical staff and skilled sales and marketing personnel, is highly competitive. In addition, in the event that we acquire another business or company, the success of any acquisition will depend in part on our retention and integration of key personnel from the acquired company or business.

Although we may enter into employment agreements with members of our senior management and other key personnel, these arrangements do not prevent any of our management or key personnel from leaving the Company. If we are not able to attract or retain qualified personnel in the future, or if we experience delays in hiring required personnel, particularly qualified technical and sales personnel, we may not be able to maintain and expand our business.

The mobile hotspot business is subject to a number of challenges that are difficult to overcome.

The mobile hotspot business has relatively low gross margins and operates in a very competitive market environment. While our mobile hotspot products tend to have advanced features which often enable them to be sold at premium prices when they are first introduced, we also have higher costs than most of our competitors due to our small scale and heavy use of U.S. based engineers in product development. Many of our competitors have substantially greater resources and scale, as would be expected in the relatively mature, consumer electronics product categories which comprise our mobile hotspot business. Our wireless data modem and mobile hotspots, for example, compete against similar products offered by Huawei, ZTE, Sierra Wireless, TCL, Franklin Wireless, WNC, Nokia and NETGEAR. More broadly, those products also compete against wireless handset manufacturers such as HTC, Apple, LG and Samsung, which all offer mobile hotspot capability as a feature of their cellular smartphones. Failure to manage these challenges, or failure of our hotspot product or service offerings to be successful and profitable, could have a material adverse effect on our financial condition and results of operations.

Our future capital needs are uncertain, and we may need to raise additional funds in the future. We may not be able to raise such additional funds on acceptable terms or at all.

We may need to raise substantial additional capital in the future to fund our operations, develop and commercialize new products and solutions or acquire companies. If we require additional funds in the future, we may not be able to obtain those funds on acceptable terms, or at all. If we raise additional funds by issuing equity securities, our stockholders may experience dilution. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any debt or additional equity financing that we raise may contain terms that are not favorable to us or our stockholders. In addition, restrictions in our existing debt agreements may limit the amount and/or type of indebtedness that we are able to incur.

If we do not have, or are not able to obtain, sufficient funds, we may have to delay development or commercialization of our products and solutions, liquidate some or all of our assets, or delay, reduce the scope of or eliminate some or all of our sales and marketing expansion programs. Any of these actions could harm our operating results.

Our debt service requirements are significant, and we may not have sufficient cash flow from our business to pay our substantial debt.

During the second quarter of 2020, we issued $180.4 million of 3.25% convertible senior notes due 2025 (the “2025 Notes”) and used a portion of the proceeds to repay our previous term loan in full and retire the 5.5% convertible senior notes due 2022 (the “2022 Notes” formerly referred to as the “Inseego Notes”). The principal amount of 2025 Notes outstanding at December 31, 2022 is $161.9 million. Further, on August 5, 2022, we entered into a Loan and Security Agreement (the “Credit Agreement”) by and among Siena Lending Group LLC, as lender, the borrower parties thereto and the Company, as guarantor, which established a $50 million revolving credit facility (the “Credit Facility”). As of December 31, 2022, the Credit Facility had outstanding borrowings of $7.9 million, gross borrowing base of $15.7 million and availability of $7.8 million.

Our ability to make scheduled payments on, or to refinance our indebtedness, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our debt and other fixed charges, fund working capital needs and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, refinancing or restructuring debt or obtaining additional equity capital on terms that may be onerous or dilutive. Our ability to refinance or restructure our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on favorable terms, which could result in a default on our debt obligations. Any default under such indebtedness could have a material adverse effect on our business, results of operations and financial condition.

We are required to comply with certain financial and other covenants under our Credit Agreement and, if we fail to meet those covenants or otherwise suffer a default thereunder, our lender may accelerate the payment of such obligations.

The Credit Agreement contains various covenants, restrictions and events of default. Among other things, these provisions require us to maintain a certain level of consolidated liquidity and impose certain limits on our ability to engage in certain activities. The restrictions in the Credit Agreement impose operating and financial restrictions on us and may limit our ability to compete effectively, take advantage of new business opportunities or take other actions that may be in our, or our shareholders’, best interests. Further, various risks and uncertainties may impact our ability to comply with our obligations under the Credit Agreement. Our obligations under the Credit Agreement are secured by a continuing security interest in all property (other than certain excluded collateral) of the Company and each of the borrower parties.

Our inability to comply with any of the provisions of the Credit Agreement could result in a default under it. If such a default occurs, the lender may elect to (a) terminate all or any portion of its commitments without prior notice, (b) demand payment in full of all or any portion of our obligations under the Credit Facility, along with an early payment/termination premium and (c) demand that the letters of credit be cash collateralized. The occurrence of any of these events could have a material adverse effect on our business, financial condition, results of operations and liquidity.

Uncertainties relating to recent changes in our management team may adversely affect our operations.

Over the last three years, we have experienced significant turnover and additions to our senior management. While we are currently engaged in an orderly transition process as we integrate newly appointed officers and managers, we face a variety of risks and uncertainties relating to the lack of management continuity, including diversion of management attention from business concerns, failure to retain other key personnel or inability to hire new key personnel. These risks and uncertainties could result in operational and administrative inefficiencies and added costs, which could adversely impact our results of operations, stock price and customer relationships.

RISKS RELATED TO CORPORATE DEVELOPMENT ACTIVITIES

If we do not properly manage the development of our business, we may experience significant strains on our management and operations and disruptions in our business.

Various risks arise if companies and industries quickly grow or evolve. If our business or industry develops more quickly than our ability to respond, our ability to meet customer demand in a timely and efficient manner could be challenged. We may also experience development, certification or production delays as we seek to meet demand for our products or unanticipated product requirements. Our failure to properly manage the developments that we or our industry might experience could negatively impact our ability to execute on our operating plan and, accordingly, could have an adverse impact on our business, our cash flow and results of operations and our reputation with our current or potential customers.

We may, as part of our growth strategy, acquire companies and businesses, and/or divest assets or businesses. The completion of acquisition or divestiture transactions could have an adverse effect on our financial condition.

As part of our business strategy, we may review acquisition and divestiture opportunities that we believe would be advantageous or complementary to the development of our business. Based on these opportunities, we may acquire additional businesses, assets or technologies in the future. Alternatively, we may divest businesses, assets or technologies. All of these activities are subject to risks and uncertainties and could disrupt or harm our business. For example, if we make an acquisition, we could take any or all of the following actions, any one of which could adversely affect our business, financial condition, results of operations or stock price:

- use a substantial portion of our available cash;
- incur substantial debt, which may not be available to us on favorable terms and may adversely affect our liquidity;
- issue equity or equity-based securities that would dilute the percentage ownership of existing stockholders;
- assume contingent liabilities; and
- take substantial charges in connection with acquired assets.

Acquired businesses may have liabilities or adverse operating issues that we fail to discover through due diligence prior to the acquisition, such as:

- failure by previous management to comply with applicable laws or regulations;
- inaccurate representations; and
- unfulfilled contractual obligations to customers or vendors.

Following acquisitions and/or divestitures, our reorganized business may not perform as we or the market expects, which could have an adverse effect on the price of our common stock.

The reorganized company resulting from any acquisitions and/or divestitures we pursue and consummate may not perform as we or the market expect. Risks associated with such acquisitions and divestitures, including the Ctrack Transaction, include the following:

- integrating new business acquisitions and divesting existing lines of business is a difficult, expensive and time-consuming process and will divert management's attention from existing operations, and the failure to successfully manage such transitions could adversely affect our financial condition and results of operations;
- acquisitions and divestitures may change the nature of the business in which we have historically operated, including entering markets in which we have limited or no prior experience, and if we are not able to effectively adjust to such changes in the fundamental nature of our business, our financial condition and results of operations may be adversely affected;
- our assumptions with respect to future revenue, growth rates, expense rates and synergies resulting from acquisitions and/or divestitures may prove to be inaccurate, which may adversely affect the price of our common stock;
- it is possible that our key employees might decide not to remain with us as a result of these changes in our business or for other reasons, and the loss of such personnel could have a material adverse effect on our financial condition, results of operations and growth prospects;
- relationships with third parties, including key vendors and customers, may be affected by changes in our business resulting from these acquisitions and divestitures, and any adverse changes in these third party relationships could adversely affect our business, financial condition and results of operations; and
- the price of our common stock may be affected by factors different from those that affected the price of our common stock prior to such acquisitions and/or divestitures.

As a result, if we fail to properly evaluate or implement acquisitions or divestitures, we may not achieve the anticipated benefits of any such transactions, and we may incur unanticipated costs, either of which could harm our business and operating results.

If our goodwill and acquired intangible assets become impaired, we may be required to record a significant charge to earnings.

Goodwill is required to be tested for impairment at least annually. Factors that may be considered when determining if the carrying value of our goodwill or intangible assets may not be recoverable include a significant decline in our expected future cash flows or a sustained, significant decline in our stock price and market capitalization.

As a result of our acquisition strategy, we may have significant goodwill and intangible assets recorded on our balance sheets. In addition, significant negative industry or economic trends, such as those that have occurred as a result of the recent economic downturn, including reduced estimates of future cash flows or disruptions to our business could indicate that goodwill and intangible assets might be impaired. If, in any period our stock price decreases to the point where our market capitalization is less than our book value, this too could indicate a potential impairment and we may be required to record an impairment charge in that period. Our valuation methodology for assessing impairment requires management to make judgments and assumptions based on projections of future operating performance. The estimates used to calculate the fair value of a reporting unit change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and goodwill impairment for each reporting unit. We operate in highly competitive environments and projections of future operating results and cash flows may vary significantly from actual results. As a result, we may incur substantial impairment charges to earnings in our financial statements should an impairment of our goodwill and intangible assets be determined resulting in an adverse impact on our results of operations.

RISKS RELATED TO COMPETITION

The market for the products and services that we offer is rapidly evolving and highly competitive. We may be unable to compete effectively.

The market for the products and services that we offer is rapidly evolving and highly competitive. We expect competition to continue to increase and intensify, especially in the 5G market. Many of our competitors or potential competitors have significantly greater financial, technical, operational and marketing resources than we do. These competitors, for example, may be able to respond more rapidly or more effectively than we can to new or emerging technologies, changes in customer requirements, supplier-related developments, or a shift in the business landscape. They also may devote greater or more effective resources than we do to the development, manufacture, promotion, sale, and post-sale support of their respective products and services.

Many of our current and potential competitors have more extensive customer bases and broader customer, supplier and other industry relationships that they can leverage to establish competitive dealings with many of our current and potential customers. Some of these companies also have more established and larger customer support organizations than we do. In addition, these companies may adopt more aggressive pricing policies or offer more attractive terms to customers than they currently do, or than we are able to do. They may bundle their competitive products with broader product offerings and may introduce new products, services and enhancements. Current and potential competitors might merge or otherwise establish cooperative relationships among themselves or with third parties to enhance their products, services or market position. In addition, at any time any given customer or supplier of ours could elect to enter our then existing line of business and thereafter compete with us, whether directly or indirectly. As a result, it is possible that new competitors or new or otherwise enhanced relationships among existing competitors may emerge and rapidly acquire significant market share to the detriment of our business.

Our products compete with a variety of solutions, including other wireless modems and mobile hotspots, wireless handsets, wireless handheld computing devices, IoT wireless solutions and enterprise software solutions. Our current competitors include:

- fleet management SaaS and services providers, such as Verizon Connect, Masternaut, MiX Telematics and Cartrack;
- mobile hotspot providers, such as NETGEAR, Franklin Wireless, Sierra Wireless, Nokia, TCL, ZTE and Huawei;
- IoT solution providers, such as Cradlepoint and Sierra Wireless; and
- customer experience software solutions and services providers, such as Amdocs.

We expect our competitors to continue to improve the features and performance of their current products and to introduce new products, services and technologies which, if successful, could reduce our sales and the market acceptance of our products, generate increased price competition and make our products obsolete. For our products to remain competitive, we must, among other things, continue to invest significant resources (financial, human and otherwise) in, among other things, research and development, sales and marketing, and customer support. We cannot be sure that we will have or will continue to have sufficient resources to make these investments or that we will be able to make the technological advances in the marketplace, meet changing customer requirements, achieve market acceptance and respond to our competitors' products.

The 5G fixed wireless access gateway business is subject to a number of challenges that will be difficult to overcome.

The developing market for FWA devices is very competitive. In addition to other challenges, our fixed wireless access gateway products compete against similar products offered by mature companies, including Samsung, Ericsson, Nokia and Wistron NeWeb Corporation. Failure to manage these challenges, or failure of our fixed wireless access business to grow to become successful and profitable, could have a material adverse effect on our financial condition and results of operations.

The market for asset management and fleet management solutions and the markets for telemetry and tracking solutions are all highly fragmented and competitive, with low barriers to entry. If we do not compete effectively, our operating results may be harmed.

The market for asset management and fleet management solutions and the markets for telemetry and tracking solutions are all highly fragmented, consisting of a large number of vendors, competitive and rapidly changing product and service offerings, with relatively low barriers to entry. Competition in all these markets is based primarily on the level of difficulty in installing, using and maintaining solutions, total cost of ownership, product performance, functionality, interoperability, brand and reputation, distribution channels, industries and the financial resources of the vendor. We expect competition to intensify in the future with the introduction of new technologies and market entrants. For example, in the telematics market, mobile service and software providers, such as Google and makers of GPS navigation devices, such as Garmin, provide limited services at lower prices or at no charge, such as basic GPS-based mapping, tracking and turn-by-turn directions that could be expanded or further developed to more directly compete with our fleet management solutions. In addition, wireless carriers, such as Verizon Wireless, offer fleet management solutions that benefit from the carrier's scale and cost advantages which we are unable to match. Similarly, vehicle OEMs may provide factory-installed devices and effectively compete against us directly or indirectly by partnering with other fleet management suppliers. We can provide no assurances that we will be able to compete effectively in this ecosystem as the competitive landscape continues to develop. Competition could result in reduced operating margins, increased sales and marketing expenses and the loss of market share, any of which would likely cause serious harm to our operating results.

Industry consolidation may result in increased competition, which could result in a loss of customers or a reduction in revenue.

Some of our competitors have made or may make acquisitions or may enter into partnerships or other strategic relationships to offer more comprehensive services than they individually had offered or achieve greater economies of scale. In addition, new entrants not currently considered to be competitors may enter our market through acquisitions, partnerships or strategic relationships. We expect these trends to continue as companies attempt to strengthen or maintain their market positions. Many of the potential entrants may have competitive advantages over us, such as greater name recognition, longer operating histories, more varied services and larger marketing budgets, as well as greater financial, technical and other resources. These pressures could result in a substantial loss of our customers, a reduction in our revenue or increased costs as we seek ways to become more competitive.

RISKS RELATED TO OUR CUSTOMERS AND DEMAND FOR OUR SOLUTIONS

Our inability to adapt to rapid technological change in our markets could impair our ability to remain competitive and adversely affect our results of operations.

All of the markets in which we operate are characterized by rapid technological change, frequent introductions of new products, services and solutions and evolving customer demands. In addition, we are affected by changes in the many industries related to the products or services we offer, including the aviation, automotive, telematics, wireless telemetry, GPS navigation device and work flow software industries. As the technologies used in each of these industries evolves, we will face new integration and competition challenges. For example, as automobile manufacturers evolve in-vehicle technology, GPS tracking devices may become standard equipment in new vehicles and compete against some segments of our telematics or asset tracking service offerings. If we are unable to adapt to rapid technological change, it could adversely affect our results of operations and our ability to remain competitive.

If we fail to develop and maintain strategic relationships, we may not be able to penetrate new markets.

A key element of our business strategy is to penetrate new markets by developing new service offerings through strategic relationships with industry participants. We are currently investing, and plan to continue to invest, significant resources to develop these relationships. We believe that our success in penetrating new markets for our products will depend, in part, on our ability to develop and maintain these relationships and to cultivate additional or alternative relationships. There can be no assurance, however, that we will be able to develop additional strategic relationships, that existing relationships will survive and successfully achieve their purposes or that the companies with whom we have strategic relationships will not form competing arrangements with others or determine to compete with us.

We depend upon Verizon Wireless and T-Mobile for a substantial portion of our revenues, and our business would be negatively affected by an adverse change in our dealings with either of these customers.

As a result of the significant revenues associated with our MiFi business, sales to Verizon Wireless and T-Mobile collectively accounted for 67%, 70% and 55% of our consolidated net revenues for each of the years ended December 31, 2022, 2021 and 2020, respectively. While we have accelerated our engagements with prospective new MiFi customers and continue to focus on growing revenue in other parts of our business, we expect that Verizon Wireless and T-Mobile will continue to account for a substantial portion of our net revenues, and any impairment of our relationship with Verizon Wireless or T-Mobile would adversely affect our business. Additionally, any change in the forecasted or actual product sell-through of Verizon Wireless or T-Mobile could have a detrimental impact on our revenue, bottom line and cash position.

We may not be able to retain and increase sales to our existing customers, which could negatively impact our financial results.

We generally seek to license our software and enterprise solutions pursuant to customer agreements with multi-year terms and subscriptions. However, our customers have no obligation to renew these agreements after their initial terms expire. We also actively seek to sell additional solutions to our existing customers. If our efforts to satisfy our existing customers are not successful, we may not be able to retain them or sell additional functionality to them and, as a result, our revenue and ability to grow could be adversely affected. Customers may choose not to renew their subscriptions for many reasons, including the belief that our service is not required for their business needs or is otherwise not cost-effective, a desire to reduce discretionary spending, or a belief that our competitors' services provide better value. Additionally, our customers may not renew for reasons entirely out of our control, such as the dissolution of their business or an economic downturn in their industry. A significant increase in our churn rate would have an adverse effect on our business, financial condition, and operating results.

A part of our growth strategy is to sell additional new features and solutions to our existing customers. Our ability to sell new features to customers will depend in significant part on our ability to anticipate industry evolution, practices and standards and to continue to enhance existing solutions or introduce or acquire new solutions on a timely basis to keep pace with technological developments both within our industry and in related industries, and to remain compliant with any regulations mandated by federal agencies or state-mandated or foreign government regulations as they pertain to our customers. However, we may prove unsuccessful either in developing new features or in expanding the third-party software and products with which our solutions integrate. In addition, the success of any enhancement or new feature depends on several factors, including the timely completion, introduction and market acceptance of the enhancement or feature. Any new solutions we develop or acquire might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of our competitors implement new technologies before we are able to implement them or better anticipate the innovation and integration opportunities in related industries, those competitors may be able to provide more effective or cheaper solutions than ours.

Another part of our growth strategy is to sell additional subscriptions to existing customers as their fleet sizes or asset portfolios increase. We cannot be assured that our customers' fleet sizes or asset portfolios will continue to increase. A significant decrease in our ability to sell additional functionality or subscriptions to existing customers could have an adverse effect on our business, financial condition, and operating results.

Loss of, or a significant reduction in business from, one or more enterprise or government customers could adversely affect our revenue and profitability.

Loss of one or more of our large enterprise or government customers could result in a meaningful decrease in revenue and profitability, as well as a material increase in our customer churn rate. Because of the variability of industries in which our enterprise and government customers operate and the unpredictability of economic conditions in any particular industry which comprises a significant number of our enterprise or government customers, the composition of, and the volume of business from, our enterprise and government customers is likely to change over time. If we lose one or more large enterprise or government customers, or if we experience a significant reduction in business from one or more large enterprise or government customers, there is no assurance that we would be able to replace those customers to generate comparable revenue over a short time period, which could harm our operating results and profitability.

Adverse economic conditions or reduced spending on information technology solutions may adversely impact our revenue and profitability.

Uncertainty about future economic conditions makes it difficult for us to forecast operating results and to make decisions about future investments. We are unable to predict the likely duration and severity of adverse economic conditions in the United States and other countries, but the longer the duration, the greater risks we face in operating our business. We cannot assure you that current economic conditions, worsening economic conditions or prolonged poor economic conditions will not have a significant adverse impact on the demand for our solutions, and consequently on our results of operations and prospects.

The marketability of our products may suffer if wireless telecommunications operators do not deliver acceptable wireless services.

The success of our business depends, in part, on the capacity, affordability, reliability and prevalence of wireless data networks provided by wireless telecommunications operators and on which our products and solutions operate. Currently, various wireless telecommunications operators, either individually or jointly with us, sell our products in connection with the sale of their wireless data services to their customers. Growth in demand for wireless data access may be limited if, for example, wireless telecommunications operators cease or materially curtail operations, fail to offer services that customers consider valuable at acceptable prices, fail to maintain sufficient capacity to meet demand for wireless data access, delay the expansion of their wireless networks and services, fail to offer and maintain reliable wireless network services or fail to market their services effectively.

Changes in practices of insurance companies in the markets in which we provide our solutions could materially and adversely affect demand for products and services.

We depend in part on the practices of insurance companies in some of our markets to support demand for certain of our products and services. In certain markets, these practices include: (i) accepting mobile asset location technologies such as ours as a preferred security product; (ii) providing premium discounts for using location and recovery products and services such as ours; and/or (iii) mandating the use of our products and services, or similar products and services, for certain vehicles. If any of these policies or practices change, revenues from sale of our products and services could decline, which would materially and adversely affect our business, results of operations and financial condition.

Reduction in regulation in certain markets may adversely impact demand for certain of our solutions by reducing the necessity for, or desirability of, our solutions.

Regulatory compliance and reporting is driven by legislation and requirements, which are often subject to change, from regulatory authorities in nearly every jurisdiction globally. For example, in the United States, fleet operators can face numerous complex regulatory requirements, including mandatory Compliance, Safety and Accountability driver safety scoring, hours of service, compliance and fuel tax reporting. The reduction in regulation in certain markets may adversely impact demand for certain of our solutions, which could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATED TO DEVELOPING, MANUFACTURING AND DELIVERING OUR SOLUTIONS

We currently rely on third parties to manufacture and warehouse many of our products, which exposes us to a number of risks and uncertainties outside our control.

We currently outsource the manufacturing of many of our products to companies including Foxconn and AsiaTelco Technologies Co. If one of these third-party manufacturers were to experience delays, disruptions, capacity constraints or quality control problems in its manufacturing operations, product shipments to our customers could be delayed or rejected or our customers could consequently elect to change product demand or cancel the underlying subscription or service. These disruptions would negatively impact our revenues, competitive position and reputation. Further, if we are unable to manage successfully our relationship with a manufacturer, the quality and availability of products used in our services and solutions may be harmed. None of our third-party manufacturers are obligated to supply us with a specific quantity of products, except as may be provided in a particular purchase order that we have submitted to, and that has been accepted by, such third-party manufacturer. Our third-party manufacturers could, under some circumstances, decline to accept new purchase orders from us or otherwise reduce their business with us. If a manufacturer stopped manufacturing our products for any reason or reduced manufacturing capacity, we may be unable to replace the lost manufacturing capacity on a timely and comparatively cost-effective basis, which would adversely impact our operations. In addition, we generally do not enter into long-term contracts with our manufacturers. As a result, we are subject to price increases due to availability, and subsequent price volatility, in the marketplace of the components and materials needed to manufacture our products. If a third-party manufacturer were to negatively change the product pricing and other terms under which it agrees to manufacture for us and we were unable to locate a suitable alternative manufacturer, our manufacturing costs could increase.

Because we outsource the manufacturing of our products, the cost, quality and availability of third-party manufacturing operations is essential to the successful production and sale of our products. Our reliance on third-party manufacturers exposes us to a number of risks which are outside our control, including:

- unexpected increases in manufacturing costs;
- interruptions in shipments if a third-party manufacturer is unable to complete production in a timely manner;
- inability to control quality of finished products;
- inability to control delivery schedules;
- inability to control production levels and to meet minimum volume commitments to our customers;
- inability to control manufacturing yield;
- inability to maintain adequate manufacturing capacity; and
- inability to secure adequate volumes of acceptable components at suitable prices or in a timely manner.

Although we promote ethical business practices and our operations personnel periodically visit and monitor the operations of our manufacturers, we do not control the manufacturers or their labor and other legal compliance practices. If our current manufacturers, or any other third-party manufacturer which we may use in the future, violate U.S. or foreign laws or regulations, we may be subjected to extra duties, significant monetary penalties, adverse publicity, the seizure and forfeiture of products that we are attempting to import or the loss of our import privileges. The effects of these factors could render the conduct of our business in a particular country undesirable or impractical and have a negative impact on our operating results.

We depend on sole source suppliers for some products used in our services. The availability and sale of those services would be harmed if any of these suppliers is not able to meet our demand and alternative suitable products are not available on acceptable terms, or at all.

Our services use hardware and software from various third parties, some of which are procured from single suppliers. For example our MiFi mobile hotspots rely substantially on chipsets from Qualcomm. From time to time, certain components used in our products or solutions have been in short supply or their anticipated commercial introduction has been delayed or their availability has been interrupted for reasons outside our control. If there is a shortage or interruption in the availability to us of any such components or products and we cannot timely obtain a commercially and technologically suitable substitute or make sufficient and timely design or other modifications to permit the use of such a substitute component or product, we may not be able to timely deliver sufficient quantities of our products or solutions to satisfy our contractual obligations and may not be able to meet particular revenue expectations. Moreover, even if we timely locate a substitute part or product, but its price materially exceeds the original cost of the component or product, then our results of operations could be adversely affected.

Natural disasters, public health crises, political crises and other catastrophic events or other events outside of our control could damage our facilities or the facilities of third parties on which we depend, and could impact consumer spending.

Our corporate offices are located in San Diego, California near major earthquake faults and fire zones. If any of our facilities or the facilities of our third-party service providers, dealers or partners is affected by natural disasters, such as earthquakes, tsunamis, wildfires, power shortages, floods, public health crises (such as pandemics and epidemics), political crises (such as terrorism, war, political instability or other conflict) or other events outside our control, including a cyberattack, our critical business or IT systems could be destroyed or disrupted and our ability to conduct normal business operations and our revenues and operating results could be adversely affected. Moreover, these types of events could negatively impact consumer spending in the impacted regions or, depending upon the severity, globally, which could adversely impact our operating results.

Our business may be adversely affected by unfavorable macroeconomic conditions

Our business, our results of operations and our financial condition could be adversely affected by various macroeconomic factors and the current and future conditions in the global financial markets. The global credit and financial markets have recently experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, rising interest rates, inflation, increases in unemployment rates and uncertainty about economic stability. The financial markets and the global economy may also be adversely affected by the current or anticipated impact of military conflict, including the conflict between Russia and Ukraine, terrorism or other geopolitical events. Sanctions imposed by the U.S. and other countries in response to such conflicts, including the one in Ukraine, may also adversely impact the financial markets and the global economy, and any economic countermeasures by affected countries and others could exacerbate market and economic instability. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price.

In addition, these macroeconomic factors could affect the ability of our current or potential future third-party manufacturers or sole source suppliers to remain in business, or otherwise maintain our manufacturing or supply demands, which could result in potential supply chain disruptions. This, along with any of the foregoing factors, could impact our financial conditions, results of operations and cash flows. We cannot anticipate all of the ways in which the current and future economic climate and financial market conditions could adversely impact our business.

Our business is subject to risks arising from epidemic diseases, such as the recent COVID-19 pandemic.

The COVID-19 pandemic continues to impact worldwide economic activity. A pandemic, including COVID-19 or other public health epidemic, poses the risk that we or our employees, manufacturers, suppliers and other partners may be prevented from conducting business activities for an indefinite period of time, including due to spread of the disease within these groups or due to shutdowns that may be requested or mandated by governmental authorities. The COVID-19 pandemic and mitigation measures have also had an adverse impact on global economic conditions which could have an adverse effect on our business and financial condition. The extent to which the COVID-19 pandemic, or any other outbreak of an epidemic disease, impacts our results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact.

Prolonged impacts of COVID-19 could result in delays in payment by customers, the speed of regulatory approvals such as Federal Communications Commission (FCC) and other licenses that are needed for releases of new products, and delays in new 5G network rollouts. Accordingly, recent growth in our business particularly during the onset of the COVID-19 pandemic, may not continue into the future, and you should not rely on our revenue or key business metrics for any previous quarterly or annual period as an indication of our revenue, revenue growth, key business metrics, or key business metrics growth in future periods.

Supply chain disruptions due to factory shutdowns and logistics congestion have improved considerably over the past year. Lead times for raw material have also improved from their peak during the pandemic. While freight costs have declined considerably from their peak during the pandemic, they still remain elevated compared to pre-pandemic levels. Direct labor costs have increased as a result of inflation over the past year, and we do not expect to see a decline from current levels. As restrictions in China have been relaxed, we are experiencing more predictability in the flow of raw material from suppliers there. Should COVID-19 re-emerge in China or other geographies where raw material is sourced and restrictions reimposed, this could result in delays or disruptions in the supply of our products and could impact our ability to meet customer demand. If we are not able to implement alternatives or other mitigations with respect to suppliers that may have potential delivery impacts due to COVID-19, our sales and financial results could be adversely impacted.

The continuing effects of COVID-19 have increased competition for qualified personnel in the industries in which we operate. Additionally, changes we make to our current and future work environments may not meet the needs or expectations of our employees or may be perceived as less favorable compared to other companies' policies, which could negatively impact our ability to hire and retain qualified personnel.

Further, to the extent the COVID-19 pandemic or any other outbreak of an epidemic disease adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section.

If disruptions in our transportation network occur or our shipping costs substantially increase, we may be unable to sell or timely deliver our products, and our operating expenses could increase.

We are highly dependent upon the transportation systems we use to ship our products, including surface and air freight. Our attempts to closely match our inventory levels to our product demand intensify the need for our transportation systems to function effectively and without delay. For example, the outbreak of the COVID-19 pandemic has led to significant limitations on the availability of key transportation resources and an increase in the cost of air and ocean freight. These developments negatively impact our profitability as we seek to transport an increased number of products from manufacturing locations in Asia to other markets around the world as quickly as possible.

The transportation network is subject to disruption or congestion from a variety of causes, including labor disputes or port strikes, acts of war or terrorism, natural disasters, pandemics like COVID-19 and congestion resulting from higher shipping volumes. Labor disputes among freight carriers and at ports of entry are common, particularly in Europe, and we expect labor unrest and its effects on shipping our products to be a continuing challenge for us. A port worker strike, work slow-down or other transportation disruption in the ports of Los Angeles or Long Beach, California, could significantly disrupt our business. Additionally, our international freight is regularly subjected to inspection by governmental entities. If our delivery times increase unexpectedly for these or any other reasons, our ability to deliver products on time would be materially adversely affected and result in delayed or lost revenue as well as customer imposed penalties. In addition, if increases in fuel prices continue to occur, our transportation costs would likely increase. Moreover, the cost of shipping our products by air freight is greater than other methods. From time to time in the past, we have shipped products using extensive air freight to meet unexpected spikes in demand, shifts in demand between product categories, to bring new product introductions to market quickly and to timely ship products previously ordered. If we rely more heavily upon air freight to deliver our products, our overall shipping costs will increase. A prolonged transportation disruption or a significant increase in the cost of freight could severely disrupt our business and harm our operating results.

We may be unable to adequately control the costs or maintain adequate supply of components and raw materials associated with our operations.

From time to time, we may experience increases in the cost or a sustained interruption in the supply or shortage of components or raw materials associated with our operations. We expect to incur significant costs related to procuring raw materials required to manufacture and assemble our products. The prices for and availability of these raw materials fluctuate depending on factors beyond our control. For example, our business depends on the continued supply of semiconductor chips, which are integral components for our 5G and 4G products. A global semiconductor supply shortage is having wide-ranging effects across the technology industry and may negatively impact the supply of semiconductors needed for our testing and production timeline.

Any reduced availability of these raw materials or substantial increases in the prices for such materials may increase the cost of our components and consequently, the cost of our products. There can be no assurance that we will be able to recoup increasing costs of our components by increasing prices, which in turn could have a material adverse impact on our financial condition, results of operations and cash flows.

We continue to work closely with suppliers and customers to minimize the potential adverse impact of the semiconductor supply shortage and monitor the availability of semiconductor chips and other component parts and raw materials. However, if we are not able to mitigate the semiconductor shortage impact, any direct or indirect supply chain disruptions may have a material adverse impact on our financial condition, results of operations and cash flows.

If we do not effectively manage our sales channel inventory and product mix, we may incur costs associated with excess inventory, or lose sales from having too few products.

If we are unable to properly monitor and manage our sales channel inventory and maintain an appropriate level and mix of products with our distributors and within our sales channels, we may incur increased and unexpected costs associated with this inventory. We determine production levels based on our forecasts of demand for our products. Actual demand for our products depends on many factors, which makes it difficult to forecast. We have experienced differences between our actual and our forecasted demand in the past and expect differences to arise in the future. If we improperly forecast demand for our products, we could end up with too many products and be unable to sell the excess inventory in a timely manner, if at all, or, alternatively we could end up with too few products and not be able to satisfy demand. This problem is exacerbated because we attempt to closely match inventory levels with product demand leaving limited margin for error. If these events occur, we could incur increased expenses associated with writing off excessive or obsolete inventory, lose sales, incur penalties for late delivery or have to ship products by air freight to meet immediate demand incurring incremental freight costs above the sea freight costs, a preferred method, and suffering a corresponding decline in gross margins.

Product liability, product replacement or recall costs could adversely affect our business and financial performance.

We are subject to product liability and product recall claims if any of our products and services are alleged to have resulted in injury to persons or damage to property. If any of our products proves to be defective, we may need to recall and/or redesign them. In addition, any claim or product recall that results in significant adverse publicity may negatively affect our business, financial condition, or results of operations. We maintain product liability insurance, but this insurance may not adequately cover losses related to product liability claims brought against us. We may also be a defendant in class action litigation, for which no insurance is available. Product liability insurance could become more expensive and difficult to maintain and may not be available on commercially reasonable terms, if at all. In addition, we do not maintain any product recall insurance, so any product recall we are required to initiate could have a significant impact on our financial position, results of operations or cash flows.

We rely on third-party software and other intellectual property to develop and provide our solutions and significant increases in licensing costs or defects in third-party software could harm our business.

We rely on software and other intellectual property licensed from third parties to develop and offer our solutions. In addition, we may need to obtain future licenses from third parties to use software or other intellectual property associated with our solutions. We cannot assure you that these licenses will be available to us on acceptable terms, without significant price increases or at all. Any loss of the right to use any such software or other intellectual property required for the development and maintenance of our solutions could result in delays in the provision of our solutions until equivalent technology is either developed by us, or, if available from others, is identified, obtained, and integrated, which could harm our business. Any errors or defects in third-party software could result in errors or a failure of our solutions, which could harm our business.

Our solutions integrate with third-party technologies and if our solutions become incompatible with these technologies, our solutions would lose functionality and our customer acquisition and retention could be adversely affected.

Our solutions integrate with third-party software and devices to allow our solutions to perform key functions. Errors, viruses or bugs may be present in third-party software that our customers use in conjunction with our solutions. Changes to third-party software that our customers use in conjunction with our solutions could also render our solutions inoperable. Customers may conclude that our software is the cause of these errors, bugs or viruses and terminate their subscriptions. The inability to easily integrate with, or any defects in, any third-party software could result in increased costs, or in delays in software releases or updates to our products until such issues have been resolved, which could have a material adverse effect on our business, financial condition, results of operations, cash flows and future prospects and could damage our reputation.

Our software may contain undetected errors, defects or other software problems, and if we fail to correct any defect or other software problems, we could lose customers or incur significant costs, which could result in damage to our reputation or harm to our operating results.

Although we warrant that our software will be free of defects for various periods of time, our software platform and its underlying infrastructure are inherently complex and may contain material defects or errors. We must update our solutions quickly to keep pace with the rapidly changing market and the third-party software and devices with which our solutions integrate. We have from time to time found defects in our software and may discover additional defects in the future, particularly as we continue to migrate our product offerings to new platforms or use new devices in connection with our services and solutions. We may not be able to detect and correct defects or errors before customers begin to use our platform or its applications. Consequently, our solutions could contain undetected errors or defects, especially when first introduced or when new versions are released or when new hardware or software is integrated into our solutions. We implement bug fixes and upgrades as part of our regular system maintenance, which may lead to system downtime. Even if we are able to implement the bug fixes and upgrades in a timely manner, any history of defects or inaccuracies in the performance of our software for our customers could result in damage to our reputation or harm to our operating results.

Our "over-the-air" transmission of firmware updates could permit a third party to disable our customers' in-vehicle devices or introduce malware into our customers' in-vehicle devices, which could expose us to widespread loss of service and customer claims.

“Over-the-air” transmission of our firmware updates may provide the opportunity for a third party, who has deep inside knowledge of our systems, to modify or disable our customers’ in-vehicle systems or introduce malware into our customers’ in-vehicle systems. No such incidents have occurred to date, but there can be no assurance that they will not occur in the future. Damage to our customers’ in-vehicle devices as a result of such incidents could only be remedied through direct servicing of their installed in-vehicle devices by trained personnel, which would impose a very significant cost on us, particularly if the incidents are widespread. Moreover, such incidents could expose us to widespread loss of service and claims by our customers under various theories of liability, the outcome of which would be uncertain. Third party interference with our over-the-air transmission of firmware, or with our customers’ in-vehicle devices during such process, could materially and adversely affect our business, financial condition and results of operations.

Our solutions rely on cellular and GPS networks and any disruption, failure or increase in costs could impede our profitability and harm our financial results.

Two critical links in our current solutions are between in-vehicle devices and GPS satellites and between in-vehicle devices or customer premise equipment and cellular networks, which allow us to obtain location data and transmit it to our system. Increases in the fees charged by cellular carriers for data transmission or changes in the cellular networks, such as a cellular carrier discontinuing support of the network currently used by our in-vehicle devices or customer premise equipment, requiring retrofitting of our devices could increase our costs and impact our profitability. In addition, technologies that rely on GPS depend on the use of radio frequency bands and any modification of the permitted uses of these bands may adversely affect the functionality of GPS and, in turn, our solutions.

The mobile carriers can and will discontinue radio frequency technologies as they become obsolete. If we are unable to design our solutions into new technologies such as 4G, 4G LTE and 5G or 5G NR, our future prospects and revenues could be limited.

Any significant disruption in service on our websites or in our computer systems could damage our reputation and result in a loss of customers, which would harm our business and operating results.

Our brand, reputation, and ability to attract, retain, and serve our customers are dependent upon the reliable performance of our services and our customers’ ability to access our solutions at all times. Our customers rely on our solutions to make operating decisions related to their businesses, as well as to measure, store and analyze valuable data regarding their businesses. Our solutions are vulnerable to interruption and our data centers are vulnerable to damage or interruption from human error, intentional bad acts, computer viruses or hackers, earthquakes, hurricanes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures, and similar events, any of which could limit our customers’ ability to access our solutions. Prolonged delays or unforeseen difficulties in connection with adding capacity or upgrading our network architecture may cause our service quality to suffer. Any event that significantly disrupts our service or exposes our data to misuse could damage our reputation and harm our business and operating results, including reducing our revenue, causing us to issue credits to customers, subjecting us to potential liability, harming our churn rates, or increasing our cost of acquiring new customers.

We host our solutions and serve our customers from network servers hosted by third parties, which are located at data center facilities in the United States, Europe and Australia. If these data centers are unable to keep up with our growing needs for capacity, this could have an adverse effect on our business. Our disaster recovery systems are located at third-party hosting facilities. While we are increasing redundancy, our systems have not been tested under actual disaster conditions and may not have sufficient capacity to recover all data and services in the event of an outage. In the event of a disaster in which our disaster recovery systems are irreparably damaged or destroyed, we would experience interruptions in access to our products. Any changes in third-party service levels at our data centers or any errors, defects, disruptions, or other performance problems with our solutions could harm our reputation and may damage our data. Interruptions in our services might reduce our revenue, cause us to issue credits or refunds to customers, subject us to potential liability, or harm our churn rates.

We provide minimum service level commitments to certain of our customers, and our failure to meet them could require us to issue credits for future subscriptions or pay penalties, which could harm our results of operations.

Certain of our customer agreements currently, and may in the future, provide minimum service level commitments regarding items such as system availability, functionality or performance. If we are unable to meet the stated service level commitments for these customers or suffer extended periods of service unavailability, we are or may be contractually obligated to provide these customers with credits for future subscriptions, provide services at no cost, or pay other penalties which could adversely impact our revenue. We do not currently have any reserves on our balance sheet for these commitments.

Failure to maintain the security of our information and technology networks, including information relating to our customers and employees, could adversely affect us. Furthermore, if security breaches in connection with the delivery of our services allow unauthorized third parties to obtain control or access of our asset management, fleet management and telemetry solutions, our reputation, business, results of operations and financial condition could be harmed.

We are dependent on information technology networks and systems, including the Internet, to process, transmit and store electronic information and, in the normal course of our business, we collect and retain certain information pertaining to our customers and employees. The protection of customer and employee data is critical to us. We devote significant resources to addressing security vulnerabilities in our products and information technology systems, however, the security measures put in place by us cannot provide absolute security, and our information technology infrastructure may be vulnerable to criminal cyber-attacks or data security incidents due to employee or customer error, malfeasance, or other vulnerabilities. Cybersecurity attacks are increasingly sophisticated, change frequently, and often go undetected until after an attack has been launched. We may fail to identify these new and complex methods of attack or fail to invest sufficient resources in security measures. We cannot be certain that advances in cyber-capabilities or other developments will not compromise or breach the technology protecting the networks that access our services.

As cyber-attacks become more sophisticated, the need to develop our infrastructure to secure our business and customer data can lead to increased cybersecurity protection costs. Such costs may include making organizational changes, deploying additional personnel and protection technologies, training employees, and engaging third party experts and consultants. These efforts come at the potential cost of revenues and human resources that could be utilized to continue to enhance our product offerings.

If a security breach occurs, our reputation, business, results of operations and financial condition could be harmed. We may also be subject to costly notification and remediation requirements if we, or a third party, determines that we have been the subject of a data breach involving personal information of individuals. Though it is difficult to determine what harm may directly result from any specific interruption or security breach, any failure or perceived failure to maintain performance, reliability, security and availability of systems or the actual or potential theft, loss, fraudulent use or misuse of our products or the personally identifiable data of a customer or employee, could result in harm to our reputation or brand, which could lead some customers to seek to stop using certain of our services, reduce or delay future purchases of our services, use competing services, or materially and adversely affect the overall market perception of the security and reliability of our services. A security breach also exposes us to litigation and legal risks, including regulatory actions by state and federal governmental authorities and non-U.S. authorities. We may not have adequate insurance coverages for a cybersecurity breach or may realize increased insurance premiums as a result of a security breach. Ultimately, a security breach exposes us to potential reputational harm among our customers and investors, along with uncertain damages to our competitiveness, stock price, and long-term shareholder value.

RISKS RELATED TO INTERNATIONAL OPERATIONS

Due to the global nature of our operations, we are subject to political and economic risks of doing business internationally.

International revenue represents a significant percentage of our worldwide revenue. The risks inherent in global operations include:

- difficulty managing sales, product development and logistics and support across continents;
- limitations on ownership or participation in local enterprises;
- lack of familiarity with, and unexpected changes in, foreign laws, regulations and legal standards, including employment laws, product liability laws, privacy laws and environmental laws, which may vary widely across the countries in which we operate;
- increased expense to comply with U.S. laws that apply to foreign operations, including the U.S. Foreign Corrupt Practices Act (the "FCPA") and Office of Foreign Assets Control regulations;
- compliance with, and potentially adverse tax consequences of, foreign tax regimes;
- fluctuations in currency exchange rates, currency exchange controls, price controls and limitations on repatriation of earnings;
- transportation delays and interruptions;
- local labor laws;
- local economic conditions;

- political, social and economic instability and disruptions;
- acts of terrorism and other security concerns;
- the escalation or continuation of armed conflict, hostilities or economic sanctions between countries or regions, including the current conflict between Russia and Ukraine;
- government embargoes or foreign trade restrictions such as tariffs, duties, taxes or other controls;
- import and export controls;
- increased product development costs due to differences among countries' safety regulations and radio frequency allocation schemes and standards;
- longer warranty terms and broader product warranty requirements;
- increased expense related to localization of products and development of foreign language marketing and sales materials;
- longer sales cycles;
- longer accounts receivable payment cycles and difficulty in collecting accounts receivable in foreign countries;
- increased financial accounting and reporting burdens and complexities;
- workforce reorganizations in various locations;
- restrictive employment regulations;
- difficulties in staffing and managing multi-national operations;
- difficulties and increased expense in implementing corporate policies and controls;
- international intellectual property laws, which may be more restrictive or offer lower levels of protection than U.S. law;
- compliance with differing and changing local laws and regulations in multiple international locations, including regional data privacy laws, as well as compliance with U.S. laws and regulations where applicable in these international locations; and
- limitations on our ability to enforce legal rights and remedies.

If we are unable to successfully manage these and other risks associated with managing and expanding our international business, the risks could have a material adverse effect on our business, results of operations or financial condition.

Weakness or deterioration in global economic conditions or jurisdictions where we have significant foreign operations could have a material adverse effect on our results of operations and financial condition.

As a result of weak or deteriorating economic conditions globally, or in certain jurisdictions where we have significant foreign operations, we could experience lower demand for our products, which could adversely impact our results of operations. Additionally, there could be a number of related effects on our business resulting from weak economic conditions, including the insolvency of one or more of our suppliers resulting in product launch or product delivery delays, customer insolvencies resulting in that customer's inability to order products from us or pay for already delivered products, and reduced demand by the ultimate end-users of our products. Although we continue to monitor market conditions, we cannot predict future market conditions or their impact on demand for our products.

Weakness or deterioration in global political conditions where we have significant business interests could have a material adverse effect on our business, results of operations and financial condition.

We sell to customers throughout the world and we currently have operations and activities in Europe, China and other Asian countries. The political risks associated with the our global operations include:

- economic and commercial instability risks, corruption and changes in local government laws, regulations and policies, such as those related to tariffs and trade barriers, taxation, exchange controls, employment regulations and repatriation of earnings;

- political instability, civil unrest, expropriation, nationalization of properties by a government, imposition of sanctions and changes to import or export regulations and fees;
- conflicts, territorial disputes, war or terrorist activities;
- major public health issues, such as an outbreak of a pandemic or epidemic, which could cause disruptions in our operations or workforce, or the supply of products; and
- difficulties enforcing intellectual property and contractual rights in certain jurisdictions.

The impact of any of the foregoing factors is difficult to predict, and any one or more of them could adversely affect our business, operating results and financial condition. Existing insurance arrangements may not provide protection for the costs that may arise from such events.

Fluctuations in foreign currency exchange rates could adversely affect our results of operations.

A significant portion of our revenues are generated from sales agreements denominated in foreign currencies, and we expect to enter into additional such agreements as we expand our international customer base. In addition, we employ a significant number of employees outside the United States, and the associated employment and facilities costs are denominated in foreign currencies. As a result, we are exposed to changes in foreign currency exchange rates. Fluctuations in the value of foreign currencies will create greater uncertainty in our revenues and can significantly and adversely affect our operating results.

We do not currently employ any vehicles as a hedge against currency fluctuations, however, we may decide to use hedging vehicles in the future. At times, we may attempt to manage the risk associated with currency changes, in part, by minimizing the effects of volatility on cash flows by identifying forecasted transactions exposed to these risks, or we may decide to use hedging vehicles such as foreign exchange forward contracts. Since there is a high correlation between the hedging instruments and the underlying exposures, the gains and losses on these underlying exposures are generally offset by reciprocal changes in the value of the hedging instruments. We may use derivative financial instruments as risk management tools and not for trading or speculative purposes. Nevertheless, there can be no assurance that we will not incur foreign currency losses or that foreign exchange forward contracts we may enter into to reduce the risk of such losses will be successful.

Unionization efforts in certain countries in which we operate could materially increase our costs or limit our flexibility.

Efforts may be made from time to time to unionize portions of our global workforce. In addition, we may be subject to strikes or work stoppages and other labor disruptions in the future. Unionization efforts, collective bargaining agreements or work stoppages could materially increase our costs, reduce our net revenues or limit our operational flexibility.

RISKS RELATED TO REGULATIONS, TAXATION AND ACCOUNTING MATTERS

Our substantial international operations may increase our exposure to potential liability under anti-corruption, trade protection, tax and other laws and regulations.

The FCPA and other anti-corruption laws and regulations ("Anti-Corruption Laws") prohibit corrupt payments by our employees, vendors or agents. From time to time, we may receive inquiries from authorities in the United States and elsewhere about our business activities outside of the United States and our compliance with Anti-Corruption Laws. While we devote substantial resources to our global compliance programs and have implemented policies, training and internal controls designed to reduce the risk of corrupt payments, our employees, vendors or agents may violate our policies.

Our failure to comply with Anti-Corruption Laws could result in significant fines and penalties, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business, and damage to our reputation. Operations outside of the United States may be affected by changes in trade protection laws, policies and measures, and other regulatory requirements affecting trade and investment.

As a result of our international operations we are subject to foreign tax regulations. Such regulations may not be clear, not consistently applied and subject to sudden change, particularly with regard to international transfer pricing. Our earnings could be reduced by the uncertain and changing nature of such tax regulations.

Our software contains encryption technologies, certain types of which are subject to U.S. and foreign export control regulations and, in some foreign countries, restrictions on importation and/or use. Any failure on our part to comply with encryption or other applicable export control requirements could result in financial penalties or other sanctions under the U.S. or foreign export regulations, including restrictions on future export activities, which could harm our business and operating results. Regulatory restrictions could impair our access to technologies needed to improve our solutions and may also limit or reduce the demand for our solutions outside of the United States.

A governmental challenge to our transfer pricing policies or practices could impose significant costs on us.

Our company has intercompany transactions with our subsidiaries and consequently closely monitors the appropriateness of our transfer pricing policies and compliance therewith. The global transfer pricing environment, including with respect to operational and reporting requirements, is continuously evolving and subject to input from multiple sources and jurisdictions. These complexities require management to closely monitor new developments, which it does.

Many countries routinely examine transfer pricing policies of taxpayers subject to their jurisdiction, and authorities challenge transfer pricing policies aggressively where there is potential non-compliance and impose interest and penalties where non-compliance is determined. Although the documentation of and support for our transfer pricing policies has not been the subject of a governmental proceeding beyond examination to date, there can be no assurance that a governmental authority will not challenge these policies more aggressively in the future or, if challenged, that we will prevail. We could suffer costs related to one or more challenges to our transfer pricing policies.

Evolving regulations and changes in applicable laws relating to data privacy may increase our expenditures related to compliance efforts or otherwise limit the solutions we can offer, which may harm our business and adversely affect our financial condition.

Our products and solutions enable us to collect, manage and store a wide range of data related to vehicle tracking and fleet management such as vehicle location and fuel usage, speed and mileage. Some of the data we collect or use in our business is subject to data privacy laws, which are complex and increase our cost of doing business. The U.S. federal government and various state governments have adopted or proposed limitations on the collection, distribution and use of personal information. Many foreign jurisdictions, including the European Union and the United Kingdom, have adopted legislation (including directives or regulations) that increase or change the requirements governing data collection and storage in these jurisdictions. In addition, the California Consumer Privacy Act, which took effect on January 1, 2020, provides new data privacy rights for California consumers, including the right to know what personal information is being collected about them and how it is being used. We market our products in over 50 countries, and accordingly, we are subject to many different, and potentially conflicting, privacy laws. If our privacy or data security measures fail to comply, or are perceived to fail to comply, with current or future laws and regulations, we may be subject to litigation, regulatory investigations or other liabilities.

Furthermore, there can be no assurance that our employees, contractors and agents will comply with the policies and procedures we establish regarding data privacy and data security, particularly as we expand our operations through organic growth and acquisitions. While our employees may violate our policies and procedures, we remain responsible for, and obligated to implement, policies and procedures and enter into contracts with service providers that require appropriate protection. Any violations could subject us to civil or criminal penalties, including substantial fines or prohibitions on our ability to offer our products in one or more countries, and could also materially damage our reputation, our brand, our international expansion efforts, our business, results of operations and financial condition.

The transmission of data over the Internet and cellular networks is a critical component of our SaaS business model. Additionally, as cloud computing continues to evolve, increased regulation by federal, state or foreign agencies becomes more likely, particularly in the areas of data privacy and data security. In addition, taxation of services provided over the Internet or other charges imposed by government agencies, or by private organizations for accessing the Internet, may be imposed. Any regulation imposing greater fees for Internet use or restricting information exchange over the Internet, could result in a decline in the use of the Internet and the viability of Internet-based services, which could harm our business.

Our solutions and products enable us to collect, manage and store a wide range of data related to fleet management such as mobile asset location and fuel usage, speed and mileage. We obtain our data from a variety of sources, including our customers and third-party providers. The United States and various state governments have adopted or proposed limitations on the collection, distribution and use of personal data, as well as requirements that must be followed if a breach of such personal data occurs. The European Union and the United Kingdom have adopted legislation (including directives, national laws and regulations) that increase or change the requirements governing data collection, use, storage and disclosure of personal data in these jurisdictions. The current European Union legislation related to data protection is the GDPR, which came into effect on May 25, 2018. We have updated and will continue to evaluate our group data protection and security policies, charters, and procedures to assist in maintaining data privacy and data security in line with international practices.

We may also be subject to costly notification and remediation requirements if we, or a third party, determines that we have been the subject of a data breach involving personal data of individuals. Data breach notification regulations vary among the countries where we conduct business, and also vary among the states of the United States, and any breach of personal data could be subject to any number of these requirements.

As noted above, we have sought to implement internationally recognized practices regarding data privacy and data security. If our privacy or data security measures fail to comply, or are perceived to fail to comply, with current or future laws and regulations, we may be subject to litigation, regulatory investigations or other liabilities. Moreover, if future laws and regulations limit our customers' ability to use and share this data or our ability to store, process and share data with our customers over the Internet, demand for our solutions could decrease and our costs could increase. We might also have to limit the manner in which we collect data, the types of personal data that we collect, or the solutions we offer. Any of these risks would materially and adversely affect our business, results of operations and financial condition.

Enhanced United States fiscal, tax and trade restrictions and executive and legislative actions could adversely affect our business, financial condition, and results of operations.

There is currently significant uncertainty about the future relationship between the United States and various other countries, most significantly China, with respect to trade policies, treaties, tariffs and taxes. The current and former U.S. administrations have called for substantial changes to U.S. foreign trade policy with respect to China and other countries, including significant new and increased tariffs on goods imported into the United States. In 2018, the Office of the U.S. Trade Representative (the "USTR") enacted tariffs on imports into the U.S. from China, including communications equipment products and components manufactured and imported from China. The tariff became effective in September 2018, with an initial rate of 10% that increased to 25% in May 2019. The current U.S. administration has kept the tariffs in place, however trade negotiations between the U.S. and China continue and there is a possibility that certain product exclusions from the tariffs may be reinstated at some point in the future. Our business may also be affected by tariffs set by countries into which we sell our products, whether as a response to U.S. foreign trade policy or otherwise. In addition, changes in international trade agreements, regulations, restrictions and tariffs, including new tariffs, may increase our operating costs, reduce our margins and make it more difficult for us to compete in the U.S. and overseas markets, and our business, financial condition and results of operations could be adversely impacted.

We have taken actions to mitigate the impact of such tariffs, however, there is no assurance that all such efforts will be successful. These actions include moving our contract manufacturing out of mainland China and working directly with U.S. Customs and Border Protection ("CBP") to address the harmonized tariff codes used for our products. The majority of our move out of mainland China has been completed in prior years. The inability to mitigate the impact of the recently enacted tariffs, including the inability to obtain favorable results from our efforts with CBP, or any similar future increases in tariffs would increase our costs, and our business, financial condition and results of operations could be adversely affected.

In some cases, the U.S. government's imposition of trade restrictions involving products sold by certain Chinese manufacturers has caused U.S. wireless carriers to divert business from international providers to us, and accordingly, we have invested resources in satisfying the needs of such customers. If the U.S. government were to remove or reduce such trade restrictions, it could cause such carriers to reduce their business with us and we may be unable to recoup or attain a return on such investments.

In August 2022, the Inflation Reduction Act of 2022 was signed into law which includes provisions that will impact the U.S. federal income taxation of corporations. Among other items, this legislation includes provisions that will impose a minimum tax on the book income of certain large corporations and an excise tax on certain corporate stock repurchases that would be imposed on the corporation repurchasing such stock. It is unclear how this legislation will be implemented by the U.S. Department of the Treasury and we cannot predict how this legislation or any future changes in tax laws might affect us or purchasers of our securities.

The increasing focus on environmental sustainability and social initiatives could increase our costs, harm our reputation and adversely impact our financial results.

There has been increasing public focus by investors, environmental activists, the media and governmental and nongovernmental organizations on a variety of environmental, social and other sustainability matters. We may experience pressure to make commitments relating to sustainability matters that affect us, including the design and implementation of specific risk mitigation strategic initiatives relating to sustainability. If we are not effective in addressing environmental, social and other sustainability matters affecting our business, or setting and meeting relevant sustainability goals, our reputation and financial results may suffer. In addition, we may experience increased costs in order to execute upon our sustainability goals and measure achievement of those goals, which could have an adverse impact on our business and financial condition.

In addition, this emphasis on environmental, social and other sustainability matters has resulted and may result in the adoption of new laws and regulations, including new reporting requirements. If we fail to comply with new laws, regulations or reporting requirements, our reputation and business could be adversely impacted.

RISKS RELATED TO OWNING OUR SECURITIES

Our share price has been highly volatile in the past and could be highly volatile in the future.

The market price of our common stock can be highly volatile due to the risks and uncertainties described in this report, as well as other factors, including: comments by securities analysts; announcements by us or others regarding, among other things, operating results, additions or departures of key personnel, and acquisitions or divestitures; additional equity or debt financing; technological innovations; introductions of new products; litigation; price and volume fluctuations in the overall stock market; the level of demand for our stock, including the amount of short interest in our stock, and particularly with respect to market prices and trading volumes of other high technology stocks; and our failure to meet market expectations.

In addition, the stock market has from time to time experienced extreme price and volume fluctuations that were unrelated to the operating performance of particular companies. In the past, some companies have experienced volatility that subsequently resulted in securities class action litigation. If litigation were instituted on this basis, it could result in substantial costs and a diversion of management's attention and resources.

Failure to meet the continued listing requirements of The NASDAQ Global Select Market, could result in delisting of our common stock, which in turn would negatively affect the price of our common stock and limit investors' ability to trade in our common stock.

Our common stock trades on The NASDAQ Global Select Market. The standards for continued listing on The NASDAQ Global Select Market include, among other things, that the minimum closing bid price for the listed securities not fall below $1.00 for a period in excess of thirty consecutive business days. During the months of December 2022, January 2023 and February 2023, our common stock periodically traded at levels below $1.00 per share, but never for thirty consecutive days. At February 24, 2023, the closing bid price of our common stock was $0.88.

If the closing bid price of our common stock were to fail to meet the minimum closing bid price requirement, or if we otherwise fail to meet any other applicable requirements of The NASDAQ Global Select Market and we are unable to regain compliance, there may be a determination to delist our common stock. Such a delisting would likely have a negative effect on the price of our common stock and would impair your ability to sell or purchase our common stock when you wish to do so. If our common stock is delisted from The NASDAQ Global Select Market, we could face significant material adverse consequences, including:

- limited availability of market quotations for our common stock;
- reduced liquidity with respect to our common stock;
- a determination that our shares of common stock are a "penny stock" which would require broker-dealers trading in our common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our common stock;
- a limited amount of news and analyst coverage for our company; and
- a limited ability to issue additional securities or obtain additional financing in the future.

In the event of a delisting notification, we anticipate that we would take actions to restore our compliance with the requirements for continued listing on The NASDAQ Global Select Market, such as stabilize our market price, improve the liquidity of our common stock, prevent our common stock from dropping below such exchange's minimum bid price requirement, or prevent future non-compliance with such exchange's listing requirements, but there is no guarantee that our actions would be successful.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

At December 31, 2022, the Company had U.S. federal net operating loss carryforwards ("NOLs") related to tax years 2020 and prior of approximately $417.2 million. Approximately $110.0 million of these NOLs have no expiration date. The remainder began to expire in 2023, unless previously utilized. Some of these NOLs may be limited by either past or future changes in control events. The Company had California NOLs at December 31, 2022 of approximately $62.0 million, which begin to expire in 2028, unless previously utilized, and foreign NOLs for its active foreign subsidiaries of approximately $22.7 million, which generally have no expiration date. At December 31, 2022, the Company had federal research and development tax credit carryforwards of approximately $15.9 million, which begin to expire in 2026, unless previously utilized, and California research and development tax credit carryforwards of approximately $17.4 million, which have no expiration date. It is possible that we will not generate taxable income in time to use these NOLs before their expiration and additional NOLs will expire unused.

Under legislative changes made in December 2017, as modified by federal tax law changes enacted in March 2020, U.S. federal net operating losses incurred in tax years beginning after December 31, 2017 and in future years may be carried forward indefinitely, but, for tax years beginning after December 31, 2020, the deductibility of such net operating losses is limited. In addition, the federal and state net operating loss carryforwards and certain tax credits may be subject to significant limitations under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended, or the Code, respectively, and similar provisions of state law. Under those sections of the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change attributes, such as research tax credits, to offset its post-change income or tax may be limited. In general, an "ownership change" will occur if there is a cumulative change in our ownership by "5-percent shareholders" that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. We have completed a Section 382 review and have determined that none of the operating losses will expire solely due to Section 382 limitation(s). However, we may experience ownership changes in the future as a result of future shifts in our stock ownership, some of which may be outside of our control. If an ownership change occurs and our ability to use our net operating loss carryforwards and tax credits is materially limited, it would harm our business by effectively increasing our future tax obligations.

The price of our stock may be vulnerable to manipulation, including through short sales.

We believe there has been and may continue to be substantial off-market transactions in derivatives of our stock, including short selling activity or related similar activities, which are beyond our control and which may be beyond the full control of the SEC and Financial Institutions Regulatory Authority (“FINRA”). Short sales are transactions in which a market participant sells a security that it does not own. To complete the transaction, the market participant must borrow the security to make delivery to the buyer. The market participant is then obligated to replace the security borrowed by purchasing the security at the market price at the time of required replacement. If the price at the time of replacement is lower than the price at which the security was originally sold by the market participant, then the market participant will realize a gain on the transaction. Thus, it is in the market participant’s interest for the market price of the underlying security to decline as much as possible during the period prior to the time of replacement. While SEC and FINRA rules prohibit some forms of short selling and other activities that may result in stock price manipulation, such activity may nonetheless occur without detection or enforcement. Significant short selling or other types of market manipulation could cause our stock trading price to decline, to become more volatile, or both.

Previous short selling efforts have impacted, and may in the future continue to impact, the value of our stock in an extreme and volatile manner to our detriment and the detriment of our stockholders. In addition, market participants with admitted short positions in our stock have published, and may in the future continue to publish, negative information regarding us and our management team on internet sites or blogs that we believe is inaccurate and misleading. We believe that the publication of this negative information may in the future lead to significant downward pressure on the price of our stock to our detriment and the further detriment of our stockholders. These and other efforts by certain market participants to manipulate the price of our common stock for their personal financial gain may cause our stockholders to lose a portion of their investment, may make it more difficult for us to raise equity capital when needed without significantly diluting existing stockholders, and may reduce demand from new investors to purchase shares of our stock.

Future settlements of any conversion obligations with respect to the 2025 Notes may result in dilution to existing stockholders, lower prevailing market prices for our common stock or require a significant cash outlay.

The 2025 Notes are currently convertible at the option of the holders at any time until close of business on the business day immediately preceding the maturity date. The 2025 Notes are convertible into shares of the Company’s common stock at a conversion rate of 79.2896 shares of common stock per $1,000 principal amount of 2025 Notes (which is equivalent to an initial conversion price of $12.61 per share of common stock). The conversion rate is subject to adjustment if certain events occur, but in no event will the conversion rate exceed 95.1474 shares of common stock per $1,000 principal amount of 2025 Notes (which is equivalent to a conversion price of $10.51 per share of common stock). Holders of the 2025 Notes who convert may also be entitled to receive, under certain circumstances, an interest make-whole payment payable in, at our election, either cash or shares of common stock. Approximately $18.5 million of 2025 Notes have been converted as of December 31, 2022. If additional holders of the 2025 Notes elect to convert their 2025 Notes into common stock, or if we elect to settle any interest make-whole payments due upon conversion of the 2025 Notes with shares of common stock, this may cause significant dilution to our existing stockholders. Any sales in the public market of the common stock issued upon such conversion could adversely affect prevailing market prices of our common stock. If we do elect to settle any interest make-whole payments due upon conversion of the 2025 Notes with cash, such payments could adversely affect our liquidity.

Certain provisions in the indenture governing the 2025 Notes (as amended or supplemented, the “Indenture”) could make it more difficult or more expensive for a third party to acquire us and could delay or prevent an otherwise beneficial takeover or takeover attempt. For example, if a takeover would constitute a fundamental change (as defined in the Indenture), holders of the 2025 Notes will have the right to require us to repurchase their notes in cash. In addition, if a takeover constitutes a make-whole fundamental change, we may be required to increase the conversion rate for holders who convert their 2025 Notes in connection with such takeover. In either case, and in other cases, our obligations under the 2025 Notes and the related Indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us.

Ownership of our common stock is concentrated, and as a result, certain stockholders may exercise significant influence over us.

As of December 31, 2022, North Sound Trading, L.P. and Golden Harbor Ltd. (together the "Investors") and their affiliates own an aggregate of approximately 31.1% of the outstanding shares of our common stock. The Investors and their affiliates also hold approximately $80.4 million of the 2025 Notes (49.7% of the outstanding principal amount). The Indenture relating to the 2025 Notes includes a Section 382 conversion blocker that may prevent the Investors from converting their 2025 Notes unless they receive the prior written approval of our Board of Directors. Assuming the conversion of the 2025 Notes owned by the Investors and their affiliates and the exercise of the warrants also owned by the Investors and their affiliates, the Investors and their affiliates would own approximately 31.4% of the outstanding shares of our common stock. As a result, the Investors have the ability to significantly influence the outcome of any matter submitted for the vote of the holders of our common stock.

The concentration of voting power could exert substantial influence over our business. For example, the concentration of voting power could delay, defer or prevent a change of control, entrench our management and the board of directors or delay or prevent a merger, consolidation, takeover or other business combination involving us on terms that other security holders may desire. In addition, conflicts of interest could arise in the future between us on the one hand, and either or both of the Investors on the other hand, concerning potential competitive business activities, business opportunities, capital financing, the issuance of additional securities and other matters.

In addition, pursuant to that certain Securities Purchase Agreement, dated August 6, 2018, by and among Inseego and the Investors (the "Purchase Agreement"), each of the Investors has the right to nominate a director so long as such Investor and its affiliates beneficially own at least 5% of the issued and outstanding shares of common stock of the Company, subject to satisfaction of reasonable qualification standards. The Purchase Agreement further provides that, at any time at which either Investor, together with its affiliates, beneficially owns more than 20% of the issued and outstanding common shares of stock of the Company, such Investor shall be entitled to appoint a second director, and the size of our Board of Directors shall not be increased to exceed seven directors. Notwithstanding the fact that all directors will be subject to fiduciary duties to the Company and to applicable law, the interests of the directors designated by the Investors may differ from the interests of our security holders as a whole or of our other directors.

Our outstanding Series E Preferred Stock or future equity offerings could adversely affect the holders of our common stock in some circumstances.

As of December 31, 2022, there were 25,000 shares of Series E Fixed-Rate Cumulative Perpetual Preferred Stock, par value $0.001 per share (the "Series E Preferred Stock") outstanding with an aggregate liquidation preference of $25 million. The Series E Preferred Stock is senior to our shares of common stock in right of payment of dividends and other distributions. In the event of a liquidation, dissolution or winding up of the Company, the holders of the Series E Preferred Stock will be entitled to receive, after satisfaction of liabilities to creditors and subject to the rights of holders of any senior securities, but before any distribution of assets is made to holders of common stock or any other junior securities, the Series E Base Amount (as defined below) in Note 8. *Preferred Stock and Common Stock* in the Notes to the Consolidated Financial Statements) plus (without duplication) any accrued and unpaid dividends. In the future, we may offer additional shares of Series E Preferred Stock or other equity, equity-linked or debt securities, which may have rights, preferences or privileges senior to our common stock. Because our decision to issue debt or equity securities or incur other borrowings in the future will depend on market conditions and other factors beyond our control, the amount, timing, nature or success of our future capital raising efforts is uncertain. Thus, holders of our common stock bear the risk that our future issuances of debt or equity securities or our incurrence of other borrowings may negatively affect the market price of our common stock.

We do not currently intend to pay dividends on our common stock, and, consequently, your ability to achieve a return on your investment will depend on appreciation, if any, in the price of our common stock.

We have never declared or paid any cash dividend on our common stock. We currently anticipate that we will retain any future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, the terms of our debt agreements and any future debt agreements may preclude us from paying dividends. Any return to stockholders will therefore be limited to the appreciation of their stock. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which stockholders have purchased their shares.

Our restated certificate of incorporation and restated bylaws and Delaware law could prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock.

Our restated certificate of incorporation and restated bylaws contain provisions that could delay or prevent a change in control of us. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include: providing for a classified board of directors with staggered, three-year terms; authorizing the board of directors to issue, without stockholder approval, preferred stock with rights senior to those of our common stock; providing that vacancies on our board of directors be filled by appointment by the board of directors; prohibiting stockholder action by written consent; requiring that certain litigation must be brought in Delaware; limiting the persons who may call special meetings of stockholders; and requiring advance notification of stockholder nominations and proposals. In addition, we are subject to Section 203 of the Delaware General Corporation Law which may prohibit large stockholders, in particular those owning fifteen percent or more of our outstanding voting stock, from merging or combining with us for a certain period of time without the consent of our board of directors. These and other provisions in our restated certificate of incorporation and our restated bylaws and under the Delaware General Corporation Law could discourage potential takeover attempts, reduce the price that investors might be willing to pay in the future for shares of our common stock and result in the market price of our common stock being lower than it would be without these provisions.

GENERAL RISK FACTORS

If financial or industry analysts do not publish research or reports about our business, or if they issue negative or misleading evaluations of our stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts, or the content and opinions included in their reports. If one or more of the analysts who cover us were to adversely change their recommendation regarding our stock, or provide more favorable relative recommendations about our competitors, our stock price could decline. If one or more of the analysts who cover us cease coverage of our Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

If we fail to maintain an effective system of internal controls over financial reporting, we may not be able to report our financial results timely and accurately, which could adversely affect investor confidence in us, and in turn, our results of operations and our stock price.

Effective internal controls are necessary for us to provide reliable financial reports and operate successfully as a public company. Section 404 of the Sarbanes-Oxley Act of 2002 requires that companies evaluate and report on their systems of internal control over financial reporting. In addition, our independent registered public accounting firm must report on its evaluation of those controls.

Any failure to maintain effective internal controls could cause a delay in compliance with our reporting obligations, SEC rules and regulations or Section 404 of the Sarbanes-Oxley Act of 2002, which could subject us to a variety of administrative sanctions, including, but not limited to, SEC enforcement action, ineligibility for short form registration, the suspension or delisting of our common stock from the stock exchange on which it is listed and the inability of registered broker-dealers to make a market in our common stock, which could adversely affect our business and the trading price of our common stock.

If the accounting estimates we make, and the assumptions on which we rely, in preparing our financial statements prove inaccurate, our actual results may be adversely affected.

Our financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments about, among other things, allowance for credit losses, provision for excess and obsolete inventory, valuation of intangible and long-lived assets, valuation of goodwill, royalty costs, accruals relating to litigation and restructuring, income taxes, share-based compensation expense and our ability to continue as a going concern. These estimates and judgments affect the reported amounts of our assets, liabilities, revenues and expenses, the amounts of charges accrued by us, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances and at the time they are made. If our estimates or the assumptions underlying them are not correct, actual results may differ materially from our estimates and we may need to, among other things, accrue additional charges that could adversely affect our results of operations, which in turn could adversely affect our stock price. In addition, new accounting pronouncements and interpretations of accounting pronouncements have occurred and may occur in the future that could adversely affect our reported financial results.

Any changes to the accounting systems or new accounting system implementations may be ineffective or cause delays in our ability to provide timely financial results.

A change in our accounting systems or new accounting system implementations could cause trial balances to be out of balance or hinder the reconciliation of items which are time consuming to diagnose, impacting our ability to provide timely audited and unaudited financial results. Any such change could have a significant impact on the effectiveness of our system of internal controls and could cause a delay in compliance with our reporting obligations, which could adversely affect our business and the trading price of our common stock.

Any changes to existing accounting pronouncements or taxation rules or practices may cause adverse fluctuations in our reported results of operations or affect how we conduct our business.

A change in accounting pronouncements or taxation rules or practices can have a significant effect on our reported results and may affect our reporting of transactions completed before the change is effective. New accounting pronouncements, taxation rules and varying interpretations of accounting pronouncements or taxation rules have occurred in the past and may occur in the future. The change to existing rules, future changes, if any, or the need for us to modify a current tax position may adversely affect our reported financial results or the way we conduct our business.

We may be exposed to risks related to litigation and administrative proceedings that could materially and adversely affect our business, results of operations and financial condition.

In addition to intellectual property and other claims mentioned above, our business may expose us to litigation and administrative proceedings relating to labor, regulatory, tax proceedings, governmental investigations, tort claims, contractual disputes and criminal prosecution, among other matters, that could materially and adversely affect our business, results of operations, and financial condition. In the context of these proceedings, we may not only be required to pay fines or monetary damages but also be subject to sanctions or injunctions affecting our ability to continue our operations. While we may contest these matters vigorously and make insurance claims when appropriate, litigation and other proceedings are inherently costly and unpredictable, making it difficult to accurately estimate the outcome of actual or potential litigation or proceedings. Although we will establish provisions in accordance with the requirements of GAAP, the amounts that we reserve could vary significantly from any amounts we actually pay due to the inherent uncertainties in the estimation process. In addition, litigation and administrative proceedings can involve significant management time and attention and be expensive, regardless of outcome. During the course of any litigation and administrative proceedings, there may be announcements of the results of hearings and motions and other interim developments. If securities analysts or investors regard these announcements as negative, the trading price of our common stock may decline.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

Our principal executive office is located in San Diego, California. Our corporate offices are located in San Diego, California where we lease approximately 25,000 square feet under an arrangement that expires in July 2027 and approximately 13,000 square feet under an arrangement that expires in July 2027. We also currently lease approximately 14,000 square feet in Eugene, Oregon under a lease arrangement that expired in January 2023. We further lease space in various geographic locations abroad primarily for sales and support personnel, for research and development, or for temporary facilities. We believe that our existing facilities are adequate to meet our current needs and that we can renew our existing leases or obtain alternative space on terms that would not have a material impact on our financial condition.

Item 3. *Legal Proceedings*

We are engaged in legal actions that arise in the ordinary course of our business. In general, while there can be no assurance, we believe that the ultimate outcome of these legal actions will not have a material adverse effect on our business, results of operations, financial condition or cash flows.

See Part IV Item 15 Note 11. *Commitments and Contingencies*, in the accompanying consolidated financial statements for additional disclosure, which is incorporated herein by reference.

Item 4. *Mine Safety Disclosures*

None.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Common Stock Data

Shares of our common stock are currently quoted and traded on The Nasdaq Global Select Market under the symbol "INSG".

Number of Stockholders of Record

As of February 24, 2023, there were approximately 29 holders of record of our common stock. Because many of the shares of our common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Dividends

We have never declared or paid cash dividends on any shares of our capital stock. We currently intend to retain all available funds for use in the operation and development of our business and, therefore, do not anticipate paying any cash dividends in the foreseeable future. Any future determination relating to our dividend policy will be made at the discretion of our Board of Directors and will depend on a number of factors, including future earnings, capital requirements, financial condition and future prospects and other factors the Board of Directors may deem relevant.

Unregistered Sales of Equity Securities

None, except as previously disclosed in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Purchases of Equity Securities

None.

Item 6. *Reserved*

None.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion of our consolidated financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this report. This report contains certain forward-looking statements relating to future events or our future financial performance. These statements are subject to risks and uncertainties which could cause actual results to differ materially from those discussed in this report. You are cautioned not to place undue reliance on this information which speaks only as of the date of this report. Except as required by law, we assume no responsibility for updating any forward-looking statements, whether as a result of new information, future events or otherwise. For a discussion of the important risks related to our business and future operating performance, see the discussion under the caption "Item 1A. Risk Factors" and under the caption "Factors Which May Influence Future Results of Operations" below.

Overview

Inseego Corp. is a leader in the design and development of fixed and mobile wireless solutions (advanced 4G and 5G NR), IIoT and cloud solutions for Fortune 500 enterprises, service providers, small and medium-sized businesses, governments, and consumers around the globe. Our product portfolio consists of fixed and mobile device-to-cloud solutions that provide compelling, intelligent, reliable and secure end-to-end IoT services with deep business intelligence. Inseego's products and solutions, designed and developed in the U.S., power mission critical applications with a "zero unscheduled downtime" mandate, such as our 5G FWA gateway solutions, 4G and 5G mobile broadband, IIoT applications such as SD-WAN failover management, asset tracking and fleet management services. Our solutions are powered by our key wireless innovations in mobile and FWA technologies, including a suite of products employing the 5G NR standards, and purpose-built SaaS cloud platforms.

We have been at the forefront of the ways in which the world stays connected and accesses information, and protects and derives intelligence from that information. With multiple first-to-market innovations across a number of wireless technologies, including 5G, and a strong and growing portfolio of hardware and software innovations for IIoT solutions, Inseego has been advancing technology and driving industry transformations for over 30 years. It is this proven expertise, commitment to quality, obsession with innovation and a relentless focus on execution that makes us a preferred global partner of service providers, distributors, value-added resellers, system integrators, and enterprises worldwide.

On July 30, 2021, we completed the sale of Ctrack South Africa to an affiliate of Convergence. Initial cash proceeds of $36.6 million were received. Final cash proceeds were subject to certain post-closing working capital adjustments which totaled $2.6 million, $2.2 million of which was received on October 29, 2021, and the remaining $0.4 million was offset with our existing accounts payable balance to Convergence.

Business Segment Reporting

We operate as one business segment. Our Chief Executive Officer, who is also our Chief Operating Decision Maker, evaluates the business as a single entity and reviews financial information and makes business decisions based on the overall results of the business. As such, our operations constitute a single operating segment and one reportable segment.

Factors Which May Influence Future Results of Operations

Net Revenues. We believe that our future net revenues will be influenced by a number of factors including:

- economic environment and related market conditions;
- increased competition from other fleet and vehicle telematics solutions, as well as suppliers of emerging devices that contain wireless data access or device management features;
- acceptance of our products by new vertical markets;
- growth in the aviation ground vertical;
- rate of change to new products;
- deployment of 5G infrastructure equipment;
- adoption of 5G end point products;
- competition in the area of 5G technology;
- product pricing; and

- changes in technologies.

Our revenues are also significantly dependent upon the availability of materials and components used in our hardware products.

A number of the products that we invested in and launched in 2021 and 2022 will continue to drive revenue in 2023 as the 5G markets grow. We will supplement our portfolio with strategic additions of both hardware and SaaS offerings targeting the emerging 5G market. We continue to develop and maintain strategic relationships with service providers and other wireless industry leaders such as Verizon Wireless, T-Mobile and Qualcomm. Through strategic relationships, we have been able to maintain market penetration by leveraging the resources of our channel partners, including their access to distribution resources, increased sales opportunities and market opportunities.

Cost of Net Revenues. Cost of net revenues includes all costs associated with our contract manufacturers, distribution, fulfillment and repair services, delivery of SaaS services, warranty costs, amortization of intangible assets, royalties, operations overhead, costs associated with cancellation of purchase orders and costs related to outside services. Also included in cost of net revenues are costs related to inventory adjustments, as well as any write downs for excess and obsolete inventory and abandoned product lines. Inventory adjustments are impacted primarily by demand for our products, which is influenced by the factors discussed above.

Operating Costs and Expenses. Our operating costs consist of three primary categories: research and development, sales and marketing and general and administrative costs.

Research and development is at the core of our ability to produce innovative, leading-edge products. These expenses consist primarily of engineers and technicians who design and test our highly complex products and the procurement of testing and certification services.

Sales and marketing expenses consist primarily of our sales force and product-marketing professionals. In order to maintain strong sales relationships, we provide co-marketing, trade show support and product training. We are also engaged in a wide variety of marketing activities, such as awareness and lead generation programs as well as product marketing. Other marketing initiatives include public relations, seminars and co-branding with partners.

General and administrative expenses include primarily corporate functions such as accounting, human resources, legal, administrative support and professional fees. This category also includes the expenses needed to operate as a publicly traded company, including compliance with the Sarbanes-Oxley Act of 2002, as amended, SEC filings, stock exchange fees and investor relations expense. Although general and administrative expenses are not directly related to revenue levels, certain expenses such as legal expenses and provisions for bad debts may cause significant volatility in future general and administrative expenses which may, in turn, impact net revenue levels.

Operating Results. Our results are affected by numerous macroeconomic factors including inflation, consumer spending confidence and global supply chains. The existence of inflation in the U.S. and global economy has resulted in, and may continue to result in, higher interest rates and capital costs, increased costs of labor, fluctuating exchange rates and other similar effects. If the inflation rate continues to increase, it could affect our expenses, especially employee compensation expense. Inflation and related increases in interest rates could also increase our customers' operating costs, which could result in reduced operating budgets. To the extent our products are perceived by customers and potential customers as discretionary, our revenue may be disproportionately affected by delays or reductions in general information technology spending. Such delays or reductions in technology spending are often associated with enhanced budget scrutiny by our customers including additional levels of approvals, cloud optimization efforts and additional time to evaluate and test our products, which can lead to long and unpredictable sales cycles. Such increases have, and may continue to have, a negative impact on the Company’s revenue and profit margins, if the selling prices of products do not increase with the increased costs.

Business Strategy. As part of our business strategy, we may review acquisition or divestiture opportunities that we believe would be advantageous or complementary to the development of our business. Given our current cash position and recent losses, any additional acquisitions we make would likely involve issuing stock in order to provide the purchase consideration for the acquisitions. If we make any additional acquisitions, we may incur substantial expenditures in conjunction with the acquisition process and the subsequent assimilation of any acquired business, products, technologies or personnel.

Results of Operations

The following table sets forth our consolidated statements of operations in dollars (in thousands) and expressed as a percentage of net revenues, derived from the accompanying consolidated financial statements for the periods indicated.

	Year Ended December 31,					
	2022		2021		2020	
Net revenues:						
IoT & Mobile Solutions	$ 218,401	89.0 %	$ 217,984	83.1 %	$ 261,169	83.2 %
Enterprise SaaS Solutions	26,922	11.0	44,415	16.9	52,663	16.8
Total net revenues	245,323	100.0	262,399	100.0	313,832	100.0
Cost of net revenues:						
IoT & Mobile Solutions	166,033	67.7	168,604	64.3	202,421	64.5
Enterprise SaaS Solutions	12,381	5.0	17,870	6.8	20,568	6.6
Total cost of net revenues	178,414	72.7	186,474	71.1	222,989	71.1
Gross profit	66,909	27.3	75,925	28.9	90,843	28.9
Operating costs and expenses:						
Research and development	59,237	24.1	52,673	20.1	44,953	14.3
Sales and marketing	33,488	13.7	38,234	14.6	35,750	11.4
General and administrative	27,339	11.1	28,250	10.8	30,689	9.8
Amortization of purchased intangible assets	1,749	0.7	2,092	0.8	3,175	1.0
Impairment of capitalized software	3,014	1.2	1,197	0.5	1,410	0.4
Total operating costs and expenses	124,827	50.9	122,446	46.7	115,977	37.0
Operating loss	(57,918)	(23.6)	(46,521)	(17.7)	(25,134)	(8.0)
Other income (expense):						
Gain on sale of Ctrack South Africa	—	—	5,262	2.0	—	—
Loss on debt conversion and extinguishment, net	(450)	(0.2)	(432)	(0.2)	(76,354)	(24.3)
Interest expense, net	(8,606)	(3.5)	(6,874)	(2.6)	(9,942)	(3.5)
Other (expense) income, net	(1,460)	(0.6)	845	0.3	992	0.3
Loss before income taxes	(68,434)	(27.9)	(47,720)	(18.2)	(110,438)	(35.2)
Income tax (benefit) provision	(465)	(0.2)	191	0.1	748	0.2
Net loss	(67,969)	(27.7)	(47,911)	(18.3)	(111,186)	(35.4)
Less: Net income attributable to noncontrolling interests	—	—	(214)	(0.1)	(29)	0.0
Net loss attributable to Inseego Corp.	(67,969)	(27.7)	(48,125)	(18.3)	(111,215)	(35.4)
Series E preferred stock dividends	(2,736)	(1.1)	(4,243)	(1.6)	(2,904)	(90.0)
Net loss attributable to common stockholders	$ (70,705)	(28.8)%	$ (52,368)	(20.0)%	$ (114,119)	(36.4)%

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

Net revenues. Net revenues for the year ended December 31, 2022 were $245.3 million, a decrease of $17.1 million, or 6.5%, compared to the same period in 2021.

The following table summarizes net revenues by our two product categories (dollars in thousands):

Product Category	Year Ended December 31, 2022	Year Ended December 31, 2021	Change $	Change %
IoT & Mobile Solutions	$ 218,401	$ 217,984	$ 417	0.2 %
Enterprise SaaS Solutions	26,922	44,415	(17,493)	(39.4)
Total	$ 245,323	$ 262,399	$ (17,076)	(6.5)

IoT & Mobile Solutions. The $0.4 million increase in IoT & Mobile Solutions net revenues is primarily due to decreases in our carrier offerings and lower sales of LTE gigabit hotspots as the COVID-19 pandemic demand eased. Sales of our second-generation and fourth generation (launched in later part of 2022) 5G hotspot related to our MiFi business also increased as well as revenues in our Enterprise and Inseego Subscribe businesses due to subscriber growth.

Enterprise SaaS Solutions. Enterprise SaaS Solutions net revenues decreased year-over-year as a result of the divestiture of Ctrack South Africa on July 30, 2021. SaaS revenue was no longer generated in Africa, Pakistan or the Middle East beginning in August 2021. See Part IV Item 15 Note 5. *Business Divestiture*. Following the divestiture of Ctrack South Africa, we continue to provide telematics solutions in the rest of the world, including in Europe and Australia. The resulting decrease was partially offset by an increase in Enterprise SaaS Solutions net revenue throughout the rest of the world as a result of the lifting of COVID-19 related installation restrictions in place during fiscal 2021.

Cost of net revenues. Cost of net revenues for the year ended December 31, 2022 was $178.4 million, or 72.7% of net revenues, compared to $186.5 million, or 71.1% of net revenues, for the same period in 2021.

The following table summarizes cost of net revenues by our two product categories (dollars in thousands):

Product Category	Year Ended December 31, 2022	Year Ended December 31, 2021	Change $	Change %
IoT & Mobile Solutions	$ 166,033	$ 168,604	$ (2,571)	(1.5)%
Enterprise SaaS Solutions	12,381	17,870	(5,489)	(30.7)
Total	$ 178,414	$ 186,474	$ (8,060)	(4.3)

IoT & Mobile Solutions. The decrease in IoT & Mobile Solutions cost of net revenues is primarily a result of lower sales of LTE gigabit hotspots.

Enterprise SaaS Solutions. Enterprise SaaS Solutions cost of net revenues decreased as a result of the divestiture of Ctrack South Africa on July 30, 2021. See Part IV Item 15 Note 5. *Business Divestiture*.

Gross profit. Gross profit for the year ended December 31, 2022 was $66.9 million, or a gross margin of 27.3%, compared to $75.9 million, or a gross margin of 28.9%, for the same period in 2021. The gross margin percentage slightly decreased due to an unfavorable product mix and a decrease in Enterprise SaaS Solutions as a result of the divestiture of Ctrack South Africa which had a higher gross margin, offset by higher Inseego Subscribe revenue and gross margin.

Operating costs and expenses. The following table summarizes operating costs and expenses (dollars in thousands):

Operating costs and expenses	Year Ended December 31, 2022	Year Ended December 31, 2021	Change $	Change %
Research and development	$ 59,237	$ 52,673	$ 6,564	12.5 %
Sales and marketing	33,488	38,234	(4,746)	(12.4)
General and administrative	27,339	28,250	(911)	(3.2)
Amortization of purchased intangible assets	1,749	2,092	(343)	(16.4)
Impairment of capitalized software	3,014	1,197	1,817	151.8
Total	$ 124,827	$ 122,446	$ 2,381	1.9

Research and development expenses. Research and development expenses for the year ended December 31, 2022 were $59.2 million, or 24.1% of net revenues, compared to $52.7 million, or 20.1% of net revenues, for the same period in 2021. The increase was primarily driven by an increase in capitalized project amortization, partially offset by a decrease in consulting services for 2021 efforts towards internal SaaS use projects.

Sales and marketing expenses. Sales and marketing expenses for the year ended December 31, 2022 were $33.5 million, or 13.7% of net revenues, compared to $38.2 million, or 14.6% of net revenues, for the same period in 2021. The decrease in sales and marketing expenses was due to the divestiture of Ctrack South Africa employees on July 30, 2021. See Part IV Item 15. Note 5. *Business Divestiture*.

General and administrative expenses. General and administrative expenses for the year ended December 31, 2022 were $27.3 million, or 11.1% of net revenues, compared to $28.3 million, or 10.8% of net revenues, for the same period in 2021. The decrease was primarily due to the divestiture of Ctrack South Africa on July 30, 2021. See Part IV Item 15. Note 5. *Business Divestiture* for more information on the sale of Ctrack South Africa. This decrease was partially offset by the impact of bonus stock award grants and a full year of licenses for our enterprise resource planning ("ERP") system. See Part IV Item 15. Note 9. *Share-based Compensation* in the accompanying consolidated financial statements for further information.

Amortization of purchased intangible assets. The amortization of purchased intangible assets for the years ended December 31, 2022 and 2021 was $1.7 million and $2.1 million, respectively. The change was related to the divestiture of Ctrack South Africa for the year ended December 31, 2021.

Impairment of capitalized software. For the years ended December 31, 2022 and 2021, we recorded losses of $3.0 million and $1.2 million, respectively, on capitalized software development costs related to decreases in sales and dormant projects.

Other income (expense). The following table summarizes other income (expense) (dollars in thousands):

	Year Ended December 31,		Change	
Other income (expense)	**2022**	**2021**	**$**	**%**
Gain on sale of Ctrack South Africa	$ —	$ 5,262	$ (5,262)	100.0 %
Loss on debt conversion and extinguishment, net	(450)	(432)	(18)	4.2
Interest expense, net	(8,606)	(6,874)	(1,732)	25.2
Other (expense) income, net	(1,460)	845	(2,305)	(272.8)
Total	$ (10,516)	$ (1,199)	$ (9,317)	777.1

Gain on sale of Ctrack South Africa. Gain on sale of Ctrack South Africa during the year ended December 31, 2021 was $5.3 million, related to the gain recognized on sale of Ctrack South Africa, while there was no such gain for the same period in fiscal 2022.

Loss on debt conversion and extinguishment, net. The loss on debt conversion and extinguishment, net for each of the years ended December 31, 2022 and 2021 was $0.5 million and $0.4 million, respectively.

Interest expense, net. Interest expense, net, for the years ended December 31, 2022 and 2021 was $8.6 million and $6.9 million, respectively. The increase in interest expense was primarily due to an adjustment made to the 2022 Notes.

Other (expense) income, net. Other expense, net, for the year ended December 31, 2022 was $1.5 million, which primarily included the fair value adjustment related to our interest make-whole payment on the 2025 Notes as well as foreign currency transaction gains and losses. Other income, net for the same period in 2021 was $0.8 million, which primarily consisted of the fair value adjustment related to our interest make-whole payment on the 2025 Notes as well as foreign currency transaction gains and losses.

Income tax provision, net income attributable to noncontrolling interests, and Series E preferred stock dividends and deemed dividends from the preferred stock exchange (dollars in thousands):

	Year Ended December 31,		Change	
	2022	**2021**	**$**	**%**
Income tax (benefit) provision	$ (465)	$ 191	$ (656)	(343.5)%
Net income attributable to noncontrolling interests	—	(214)	214	(100.0)
Series E preferred stock dividends and deemed dividends from the preferred stock exchange	(2,736)	(4,243)	1,507	(35.5)

Income tax (benefit) provision. Income tax provision for the years ended December 31, 2022 and 2021 was a benefit of $0.5 million and a provision of $0.2 million, respectively, which, in each case, primarily related to certain of our profitable subsidiaries in foreign jurisdictions. The effective tax rate for the year ended December 31, 2022 is different than the U.S. statutory rate primarily due to a valuation allowance recorded against additional tax assets generated during the year and certain profitable foreign subsidiaries.

Net income attributable to noncontrolling interests. For the years ended December 31, 2022 and 2021 there was $0 and $0.2 million, respectively, of net income attributable to noncontrolling interests. Due to the sale of Ctrack South Africa in 2021, no such non-controlling interest existed in 2022.

Series E Preferred Stock dividends and deemed dividend from the preferred stock exchange. During the years ended December 31, 2022 and 2021, we recorded dividends of $2.7 million and $4.2 million, respectively, on our Series E Preferred Stock. The decrease was primarily attributable to the impact of the deemed dividend of $1.1 million as part of the preferred stock exchange in September 2021, resulting in a lower preferred stock dividends accrued through the end of 2022. See Part IV Item 15. Note 8. *Preferred Stock and Common Stock* in the accompanying consolidated financial statements for further information.

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Net revenues. Net revenues for the year ended December 31, 2021 were $262.4 million, a decrease of $51.4 million, or 16.4%, compared to the same period in 2020.

The following table summarizes net revenues by our two product categories (dollars in thousands):

	Year Ended December 31,		Change	
Product Category	**2021**	**2020**	**$**	**%**
IoT & Mobile Solutions	$ 217,984	$ 261,169	$ (43,185)	(16.5)%
Enterprise SaaS Solutions	44,415	52,663	(8,248)	(15.7)
Total	$ 262,399	$ 313,832	$ (51,433)	(16.4)

IoT & Mobile Solutions. The decrease in IoT & Mobile Solutions net revenues is primarily due to decreases in our enterprise and carrier offerings, and lower sales of LTE gigabit hotspots as the COVID-19 pandemic demand eased, partially offset by increased sales of our second-generation 5G hotspot related to our MiFi business and increased revenues in our Inseego Subscribe business due to subscriber growth.

Enterprise SaaS Solutions. Enterprise SaaS Solutions net revenues decreased year-over-year as a result of the divestiture of Ctrack South Africa as of July 30, 2021. SaaS revenue was no longer generated in Africa, Pakistan or the Middle East beginning in August 2021. See Part IV Item 15 Note 5. *Business Divestiture*. Following the divestiture of Ctrack South Africa, we continue to provide telematics solutions in the rest of the world, including in Europe and Australia. The impact of the divestiture was partially offset by an increase in Enterprise SaaS Solutions net revenue throughout the rest of the world as a result of the lifting of COVID-19 related installation restrictions in place during fiscal 2021.

Cost of net revenues. Cost of net revenues for the year ended December 31, 2021 was $186.5 million, or 71.1% of net revenues, compared to $223.0 million, or 71.1% of net revenues, for the same period in 2020.

The following table summarizes cost of net revenues by our two product categories (dollars in thousands):

	Year Ended December 31,		Change	
Product Category	**2021**	**2020**	**$**	**%**
IoT & Mobile Solutions	$ 168,604	$ 202,421	$ (33,817)	(16.7)%
Enterprise SaaS Solutions	17,870	20,568	(2,698)	(13.1)
Total	$ 186,474	$ 222,989	$ (36,515)	(16.4)

IoT & Mobile Solutions. The decrease in IoT & Mobile Solutions cost of net revenues is primarily a result of lower sales of LTE gigabit hotspots.

Enterprise SaaS Solutions. Enterprise SaaS Solutions cost of net revenues decreased as a result of the divestiture of Ctrack South Africa on July 30, 2021. See Part IV Item 15 Note 5. *Business Divestiture*.

Gross profit. Gross profit for the year ended December 31, 2021 was $75.9 million, or a gross margin of 28.9%, compared to $90.8 million, or a gross margin of 28.9%, for the same period in 2020. The gross margin percentage remained stable due to an unfavorable product mix and a decrease in Enterprise SaaS Solutions as a result of the divestiture of Ctrack South Africa which has a higher gross margin, offset by higher Inseego Subscribe revenue.

Operating costs and expenses. The following table summarizes operating costs and expenses (dollars in thousands):

Operating costs and expenses	Year Ended December 31, 2021	Year Ended December 31, 2020	Change $	Change %
Research and development	$ 52,673	$ 44,953	$ 7,720	17.2 %
Sales and marketing	38,234	35,750	2,484	6.9
General and administrative	28,250	30,689	(2,439)	(7.9)
Amortization of purchased intangible assets	2,092	3,175	(1,083)	(34.1)
Impairment of capitalized software	1,197	1,410	(213)	(15.1)
Total	$ 122,446	$ 115,977	$ 6,469	5.6

Research and development expenses. Research and development expenses for the year ended December 31, 2021 were $52.7 million, or 20.1% of net revenues, compared to $45.0 million, or 14.3% of net revenues, for the same period in 2020. The increase was primarily a result of increased staffing, test units, and other development spending related to 5G product programs.

Sales and marketing expenses. Sales and marketing expenses for the year ended December 31, 2021 were $38.2 million, or 14.6% of net revenues, compared to $35.8 million, or 11.4% of net revenues, for the same period in 2020. The increase was primarily a result of higher spend on the marketing of our 5G products. The increase in sales and marketing expenses was partially offset by a decrease in payroll costs for Ctrack South Africa employees, given the divestiture that was completed on July 30, 2021. See Part IV Item 15. Note 5. *Business Divestiture*.

General and administrative expenses. General and administrative expenses for the year ended December 31, 2021 were $28.3 million, or 10.8% of net revenues, compared to $30.7 million, or 9.8% of net revenues, for the same period in 2020. The decrease was primarily due to the decrease in payroll costs for Ctrack South Africa employees, given the divestiture that was completed on July 30, 2021. See Part IV Item 15. Note 5. *Business Divestiture*. The decrease in general and administrative expenses was partially offset by the impact of bonus grants to employees who contributed to the completion of the Ctrack South Africa sale. See Part IV Item 15. Note 9. *Share-based Compensation* in the accompanying consolidated financial statements for further information.

Amortization of purchased intangible assets. The amortization of purchased intangible assets for the years ended December 31, 2021 and 2020 was $2.1 million and $3.2 million, respectively. The decrease was related to the divestiture of Ctrack South Africa as well as certain purchased intangibles becoming fully amortized for the year ended December 31, 2021.

Impairment of capitalized software. For the years ended December 31, 2021 and 2020, we recorded losses of $1.2 million and $1.4 million, respectively, on capitalized software development costs related to an internal enterprise resource planning project.

Other income (expense). The following table summarizes other income (expense) (dollars in thousands):

Other income (expense)	Year Ended December 31, 2021	Year Ended December 31, 2020	Change $	Change %
Gain on sale of Ctrack South Africa	$ 5,262	$ —	$ 5,262	100.0 %
Loss on debt conversion and extinguishment, net	(432)	(76,354)	75,922	(99.4)
Interest expense, net	(6,874)	(9,942)	3,068	(30.9)
Other income, net	845	992	(147)	(14.8)
Total	$ (1,199)	$ (85,304)	$ 84,105	(98.6)

Gain on sale of Ctrack South Africa. Gain on sale of Ctrack South Africa during the year ended December 31, 2021 was $5.3 million, related to the gain recognized on sale of Ctrack South Africa, while there was no such gain for the same period in fiscal 2020.

Loss on debt conversion and extinguishment, net. The loss on debt conversion and extinguishment, net for each of the years ended December 31, 2021 and 2020 was $0.4 million and $76.4 million, respectively. These amounts represent the loss on debt conversion of the 2025 Notes during fiscal 2021 and the debt conversion and extinguishment of the 2022 Notes during fiscal 2020, respectively.

Interest expense, net. Interest expense, net, for the years ended December 31, 2021 and 2020 was $6.9 million and $9.9 million, respectively. The decrease in interest expense was primarily due to the lower interest rate on the 2025 Notes, as compared to the 2022 Notes and our previous term loan, partially offset by the higher principal amount of the 2025 Notes.

Other income, net. Other income, net, for the year ended December 31, 2021 was $0.8 million, which primarily included the fair value adjustment related to our interest make-whole payment on the 2025 Notes as well as foreign currency transaction gains and losses. Other income, net for the same period in 2020 was $1.0 million, which primarily consisted of the fair value adjustment related to our interest make-whole payment on the 2025 Notes as well as foreign currency transaction gains and losses.

Income tax provision, net income attributable to noncontrolling interests, and Series E preferred stock dividends and deemed dividends from the preferred stock exchange, The following table summarizes our income tax provision, net income attributable to noncontrolling interests, and Series E preferred stock dividends and deemed dividends from the preferred stock exchange (dollars in thousands):

	Year Ended December 31,		Change	
	2021	2020	$	%
Income tax provision	$ 191	$ 748	$ (557)	(74.5)%
Net income attributable to noncontrolling interests	(214)	(29)	(185)	637.9
Series E preferred stock dividends and deemed dividends from the preferred stock exchange	(4,243)	(2,904)	(1,339)	46.1

Income tax provision. Income tax provision for the years ended December 31, 2021 and 2020 was $0.2 million and $0.7 million, respectively, which, in each case, primarily related to certain of our profitable subsidiaries in foreign jurisdictions. The effective tax rate for the year ended December 31, 2021 is different than the U.S. statutory rate primarily due to a valuation allowance recorded against additional tax assets generated during the year and certain profitable foreign subsidiaries.

Net income attributable to noncontrolling interests. For the years ended December 31, 2021 and 2020 there was $0.2 million and $29 thousand, respectively, of net income attributable to noncontrolling interests.

Series E Preferred Stock dividends and deemed dividend from the preferred stock exchange. During the years ended December 31, 2021 and 2020, we recorded dividends of $4.2 million and $2.9 million, respectively, on our Series E Preferred Stock. The increase was primarily attributable to the impact of the deemed dividend of $1.1 million as part of the preferred stock exchange, offset by a decrease in the recurring preferred stock dividends as 10,000 shares of Series E Preferred Stock were extinguished in September 2021, resulting in a lower preferred stock dividends accrued through the end of 2021. See Part IV Item 15. Note 8. *Preferred Stock and Common Stock* in the accompanying consolidated financial statements for further information.

Liquidity and Capital Resources

Our principal sources of liquidity are our existing cash and cash equivalents, cash generated from operations and a revolving credit facility as discussed further below. As of December 31, 2022, we had available unrestricted cash and cash equivalents totaling $7.1 million and $6.1 million of availability under the Credit Facility compared with cash and cash equivalents of $46.5 million as of December 31, 2021. As of December 31, 2022, we had working capital of $21.4 million compared to working capital as of December 31, 2021 of $52.8 million.

On July 30, 2021, we completed the sale of our Ctrack South Africa operations in Africa, Pakistan and the Middle East to an affiliate of Convergence. Initial cash proceeds of $36.6 million were received. Net cash proceeds received were $31.5 million, net of cash divested of $5.0 million. Final cash proceeds were subject to certain post-closing working capital adjustments which totaled $2.6 million, out of which $2.2 million was received on October 29, 2021, and the remaining $0.4 million was offset with our existing accounts payable balance to an affiliate of Convergence, an investment management firm in South Africa.

On January 25, 2021, we entered into an Equity Distribution Agreement with Canaccord Genuity LLC (the “Agent”), pursuant to which we may offer and sell, from time to time, through or to the Agent, up to $40.0 million of shares of our common stock (the “ATM Offering”) pursuant to the Company’s Registration Statement on Form S-3ASR (File No. 333-238057), as filed with the SEC on May 7, 2020 and amended from time to time. In January 2021, we sold 1,516,073 shares of common stock, at an average price of $20.11 per share, for net proceeds of $29.4 million, after deducting underwriter fees and discounts of $0.9 million, and other offering fees, pursuant to the ATM Offering. As of December 31, 2022, there was approximately $9.5 million of cash, before underwriter fees and discounts, that we may generate from the issuance of shares of our common stock pursuant to the ATM Offering.

We have a history of operating and net losses and overall usage of cash from operating and investing activities. We believe that our cash and cash equivalents, anticipated cash flows from operations, and our revolving credit facility will be sufficient to meet our cash flow needs for the next twelve months from the filing date of this report. Our ability to achieve profitable operations and generate positive cash flow is dependent upon achieving a level and mix of revenues adequate to support our evolving cost structure and increasing working capital needs. Our liquidity could be compromised if there is any interruption in our business operations, a material failure to satisfy our contractual commitments or a failure to generate revenue from new or existing products. There can be no assurance that any required or desired restructuring or financing will be available on terms favorable to us, or at all. If events or circumstances occur such that we do not meet our operating plan as expected, we may be required to raise additional capital, reduce planned research and development activities, incur additional restructuring charges or reduce other operating expenses which could have an adverse impact on our ability to achieve our intended business objectives. If additional funds are raised by the issuance of equity securities, Company stockholders could experience dilution of their ownership interests and securities issued may have rights senior to those of the holders of the Company’s common stock. Additionally, we are uncertain of the full extent to which the COVID-19 pandemic may impact our business, operations and financial results.

Revolving Credit Facility

On August 5, 2022, we entered into a Loan and Security Agreement (the “Credit Agreement”), by and among Siena Lending Group LLC, as lender (“Lender”), Inseego Wireless, Inc., a Delaware corporation (“Inseego Wireless”), and Inseego North America LLC, an Oregon limited liability company, as borrowers (together with Inseego Wireless, the “Borrowers”), and the Company, as guarantor (together with the Borrowers, the “Loan Parties”), as subsequently amended on February 25, 2023. The Credit Agreement establishes a secured asset-backed revolving credit facility which is comprised of a maximum $50 million revolving credit facility (the “Credit Facility”), with a minimum draw of $4.5 million upon execution of the Credit Agreement. The Credit Facility matures on December 31, 2024. Availability under the Credit Facility is determined monthly by a Borrowing Base (as defined in the Credit Agreement) comprised of a percentage of eligible accounts receivable and eligible inventory of the Borrowers. Outstanding amounts exceeding the borrowing base must be repaid immediately. The Borrowers’ obligations under the Credit Agreement are guaranteed by us. Our obligations under the Credit Agreement are secured by a continuing security interest in all property of each Loan Party, subject to certain Excluded Collateral (as defined in the Credit Agreement).

Borrowings under the Credit Facility may take the form of base rate (“Base Rate”) loans or Secured Overnight Financing Rate (“SOFR”) loans. SOFR loans will bear interest at a rate per annum equal to Term SOFR (as defined in the Credit Agreement as the Term SOFR Reference Rate for a term of one month on the day) plus the Applicable Margin (as defined in the Credit Agreement), with a Term SOFR floor of 1%. Base Rate loans will bear interest at a rate per annum equal to the Applicable Margin plus the greatest of (a) the per annum rate of interest which is identified as the “Prime Rate” and normally published in the Money Rates section of The Wall Street Journal, (b) the sum of the Federal Funds Rate (as defined in the Credit Agreement) plus 0.5% and (c) 3.50% per annum.

The Applicable Margin varies depending on the average outstanding amount for a preceding month. If the average outstanding amount for a preceding month is less than $15 million, the Applicable Margin will be 2.50% for Base Rate loans and 3.50% for SOFR loans. If the average outstanding amount for a preceding month is between $15 million and $25 million, the Applicable Margin will be 3.00% for Base Rate loans and 4.00% for SOFR loans. If the average outstanding amount for a preceding month is greater than $25 million, the Applicable Margin will be 4.5% for Base Rate loans and 5.50% for SOFR loans. We pay monthly fees of 0.4% per annum on the unused portion of the Credit Facility.

The Credit Agreement contains a financial covenant whereby the Loan Parties shall not permit the consolidated Liquidity (as defined in the Credit Agreement) to be less than $10 million at any time (the "Liquidity Covenant"). The Credit Agreement also contains certain customary covenants, which include, but are not limited to, restrictions on indebtedness, liens, fundamental changes, restricted payments, asset sales, and investments, and places limits on various other payments.

We determined that the term "Eligible Accounts", as defined in the Credit Agreement would have excluded certain balances used in the determination of eligible collateral upon which our borrowing base is calculated and that exclusion would have resulted in a violation of the liquidity covenant as of December 31, 2022. Accordingly, to clarify this matter and others, the Loan Parties agreed to amend the Credit Agreement, (the "Amended Credit Agreement") to modify and clarify the definitions of "Eligible Accounts", "Permitted Indebtedness" and "Eligible Inventory". The Amended Credit Agreement was entered into on February 25, 2023 with an effective date of December 15, 2022. We were in compliance with the financial covenants in the Amended Credit Agreement as of December 31, 2022.

Upon execution of the Credit Agreement, we paid $1.1 million of debt issuance costs. As of December 31, 2022, we had outstanding borrowings of $7.9 million, gross borrowing base of $15.7 million and availability of $7.8 million.

2025 Notes

On May 12, 2020, we completed a registered public offering of $100.0 million aggregate principal amount of 2025 Notes and issued $80.4 million principal amount of 2025 Notes in privately negotiated exchange agreements that closed concurrently with the registered offering in May 2020.

As of December 31, 2022 and December 31, 2021, $161.9 million in principal amount of the 2025 Notes were outstanding. Assuming no repurchases or conversions of the 2025 Notes prior to May 1, 2025, the entire principal balance of $161.9 million is due on May 1, 2025. The 2025 Notes are senior unsecured obligations of the Company and bear interest at an annual rate of 3.25%, payable semi-annually in arrears on May 1 and November 1 of each year.

Historical Cash Flows

The following table summarizes our consolidated statements of cash flows for the periods indicated (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Net cash (used in) provided by operating activities	$ (33,289)	$ (25,212)	$ 20,050
Net cash (used in) provided by investing activities	(13,319)	6,078	(34,713)
Net cash provided by financing activities	5,427	29,921	42,081
Effect of exchange rates on cash	(1,488)	(990)	523
Net (decrease) increase in cash, cash equivalents and restricted cash	(42,669)	9,797	27,941
Cash, cash equivalents and restricted cash, beginning of period	49,812	40,015	12,074
Cash, cash equivalents and restricted cash, end of period	$ 7,143	$ 49,812	$ 40,015

Operating activities.

Net cash used in operating activities for the year ended December 31, 2022 was $33.3 million and reflected a net loss of $68.0 million due to changes in working capital and non-cash fair value adjustment on our derivative instruments, offset by non-cash charges for share-based compensation expense, depreciation and amortization, including the amortization of debt discount and debt issuance costs and capitalized software impairment.

Net cash used in operating activities for the year ended December 31, 2021 was $25.2 million and reflected a net loss of $47.9 million due to changes in working capital, the gain on sale of Ctrack South Africa and a non-cash fair value adjustment on our derivative instruments, offset by non-cash charges for share-based compensation expense, depreciation and amortization, including the amortization of debt discount and debt issuance costs.

Net cash provided by operating activities for the year ended December 31, 2020 was primarily attributable to non-cash charges for loss on debt extinguishment, depreciation and amortization, including the amortization of debt discount and debt issuance costs, and share-based compensation expense, offset by the net loss of $111.2 million incurred during the period and changes in working capital.

Investing activities.

Net cash used in investing activities during the year ended December 31, 2022 was $13.3 million compared to $6.1 million provided by investing activities for the year ended December 31, 2021**.**

Net cash used in investing activities during the year ended December 31, 2022 was primarily from capitalization of certain costs related to the development of software to be sold in our products, as well as purchases of property, plant and equipment.

Net cash provided by investing activities during the year ended December 31, 2021 was primarily from the proceeds from sale of Ctrack South Africa, partially offset by purchases of intangible assets and capitalization of certain costs related to the development of software to be sold in our products, as well as purchases of property, plant and equipment.

Net cash used in investing activities during the year ended December 31, 2020 was primarily related to the purchases of property, plant and equipment and capitalization of certain costs related to the development of software to be sold in our products, in large part due to the increase in development in support of 5G products and services as well as certain internally developed software projects.

Financing activities.

Net cash provided by financing activities during the year ended December 31, 2022 was primarily comprised of $6.8 million of cash inflows (consisting of borrowings of $12.4 million, net of $4.5 million in repayments and $1.1 million in debt issuance costs) related to our Credit Facility, partially offset by $1.6 million in principal payments for finance assets.

Net cash provided by financing activities during the year ended December 31, 2021 was primarily related to net proceeds received from the ATM Offering, stock option exercises and purchases through our employee stock purchase plan, partially offset by principal payments under finance lease arrangements.

Net cash provided by financing activities during the year ended December 31, 2020 was primarily attributable to the proceeds received from the issuance of our 2025 Notes, net of issuance costs, the issuance and sale of Series E Preferred Stock and the exercise of warrants to purchase common stock, as well as proceeds received from stock option exercises and purchases made under the employee stock purchase plan, partially offset by net repayments of bank and overdraft facilities, repurchase of Series E preferred stock, principal payments under our previous term loan, principal payments under finance lease obligations and taxes paid on vested restricted stock units.

Contractual Obligations and Commitments

In order to mitigate the risk of material shortages and price increases, we enter into non-cancellable purchase obligations with certain key contract manufacturers for the purchase of goods and services in the three to four quarters following the balance sheet date. Our purchase obligations consist of agreements to purchase goods and services entered into in the ordinary course of business. As of December 31, 2022, our material contractual obligations consisted of the following:

- $161.9 million in outstanding principal amount of 2025 Notes with required interest payments; see Part IV Item 15 Note 6. *Debt*;
- $7.9 million in outstanding borrowings under the Credit Facility; see Part IV Item 15 Note 6. *Debt*;
- Operating lease liabilities that are included on our consolidated balance sheet; see Part IV Item 15 Note 12. *Leases*; and
- other non-cancellable unconditional purchase obligations totaling approximating $77.6 million; see Part IV Item 15 Note 11. *Commitments and Contingencies*.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues, expenses and disclosures of contingent assets and liabilities. Actual results could differ from these estimates.

Software Development Costs for External Use

Software development costs for external use are expensed as incurred until technological feasibility has been established, at which time those costs are capitalized as intangible assets until the software is available for general release to customers.

The establishment of technological feasibility and the ongoing assessment for recoverability of capitalized computer software development costs requires considerable judgment by us with respect to certain external factors including, but not limited to, technological feasibility, anticipated future gross revenues, estimated economic life and changes in software and hardware technologies. Capitalized software development costs are comprised primarily of salaries, other direct payroll-related costs and payments to third party vendors.

Capitalized software development costs are amortized on a straight-line basis over the estimated economic life. Costs incurred to enhance existing software or after the software is available for general release to customers are expensed in the period they are incurred and included in research and development expense in our consolidated statements of operations. The straight-line recognition method approximates the manner in which the expected benefit will be derived. At each balance sheet date, the unamortized capitalized software development costs for external use is compared to the net realizable value of that product by analyzing critical inputs such as expected future lifetime revenue. The amount by which unamortized software costs exceed the net realizable value, if any, is recognized as a charge to amortization expense in the period it is determined.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Interest Rate Risk

2025 Notes and Embedded Derivative

Our total fixed-rate borrowings under the 2025 Notes as of December 31, 2022 and 2021 were $161.9 million. We record all of our fixed-rate borrowings at amortized cost and therefore, any changes in interest rates do not impact the values that we report for these senior notes on our consolidated financial statements. As of December 31, 2022 and 2021, we had no variable-rate borrowings related to the 2025 Notes.

The 2025 Notes include an embedded derivative which was marked to fair value at December 31, 2022 and 2021 of $0.0 million and $0.9 million, respectively. The fair value inputs to the derivative valuation include dividend yield, term, volatility, stock price, and risk-free rate. Consequently we may incur gains and losses on the derivative as changes occur in the stock price, volatility, and risk-free rate at each reporting period. Additional details regarding our 2025 Notes and the embedded derivative are included in Item IV Part 15 Note 4. *Fair Value Measurement of Assets and Liabilities* and Note 6. *Debt* in this Annual Report on Form 10-K.

Revolving Credit Facility

We are exposed to interest rate risk associated with fluctuations in interest rates on our Credit Facility. As of December 31, 2022, assuming our Credit Facility was fully drawn up to the $15.7 million borrowing base, a 1% increase in interest rates would result in a $0.1 million change in annualized interest expense.

Inflation Risk

Inflation has increased during the period covered by this Annual Report on Form 10-K, and is expected to continue to increase for the near future. Inflationary factors, such as increases in the cost of our materials, supplies, and overhead costs may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, we may experience some effect if inflation rates continue to rise. Significant adverse changes in inflation and prices in the future could result in material losses.

Currency Risk

Foreign Currency Transaction Risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. A majority of our revenue is denominated in U.S. Dollars, and therefore, our revenue is not directly subject to foreign currency risk. However, as we have operations in foreign countries, primarily in Europe, a stronger U.S. Dollar could make our products and services more expensive in foreign countries and therefore reduce demand. A weaker U.S. Dollar could have the opposite effect. Such economic exposure to currency fluctuations is difficult to measure or predict because our sales are also influenced by many other factors.

For the fiscal year ended December 31, 2022, sales denominated in foreign currencies were approximately 17.7% of total revenue. Our expenses are generally denominated in the currencies in which our operations are located, which are primarily in the U.S. and to a lesser extent in Europe. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. These foreign functional currencies consist of the British Pound Sterling, Euro, and Australian Dollar (collectively, the "Foreign Functional Currencies"). For the twelve months ended December 31, 2022, a hypothetical 10% change in Foreign Functional Currency exchange rates would have increased or decreased our revenue by approximately $4.3 million. Actual gains and losses in the future may differ materially from the hypothetical gains and losses discussed above based on changes in the timing and amount of foreign currency exchange rate movements. With the completion of Ctrack South Africa divestiture in July 2021, our foreign currency transaction risk is expected to decrease.

Foreign Currency Translation Risk

Fluctuations in foreign currencies impact the amount of total assets, liabilities, earnings and cash flows that we report for our foreign subsidiaries upon the translation of these amounts into U.S. Dollars for, and as of the end of, each reporting period. In particular, the strengthening of the U.S. Dollar generally will reduce the reported amount of our foreign-denominated cash, cash equivalents, marketable securities, total revenues and total expense that we translate into U.S. Dollars and report in our consolidated financial statements for, and as of the end of, each reporting period. With the completion of the Ctrack South Africa divestiture in July 2021, our foreign currency translation risk is expected to decrease.

Item 8. *Financial Statements and Supplementary Data*

Our consolidated financial statements and the Reports of Independent Registered Public Accounting Firms appear in Part IV of this report.

Item 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed in our reports to the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial and accounting officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by SEC rules, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and our principal financial and accounting officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2022, the end of the period covered by this report. Based on the foregoing, our principal executive officer and principal financial and accounting officer concluded that our disclosure controls and procedures were effective as of December 31, 2022.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that internal controls may become inadequate because of changes in conditions, or because the degree of compliance with policies and procedures may deteriorate.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework set forth in by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2013 framework) in *Internal Control—Integrated Framework*. Based on our evaluation under the framework in *Internal Control—Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of December 31, 2022.

Marcum LLP, the independent registered public accounting firm that audited the consolidated financial statements included in this Annual Report on Form 10-K, has also audited our internal control over financial reporting as of December 31, 2022. Their report on the effectiveness of the Company's internal control over financial reporting is included below.

Changes in Internal Control over Financial Reporting

An evaluation was also performed under the supervision and with the participation of our management, including our principal executive officer and our principal financial and accounting officer, of any change in our internal control over financial reporting that occurred during our last fiscal quarter and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. The evaluation did not identify any change in our internal control over financial reporting that occurred during our latest fiscal quarter and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Stockholders and Board of Directors of Inseego Corp.

Opinion on Internal Control over Financial Reporting

We have audited Inseego Corp.'s (the "Company") internal control over financial reporting as of December 31, 2022 based on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets as of December 31, 2022 and 2021 and the related consolidated statements of operations, comprehensive loss, stockholders' deficit, and cash flows and the related notes for each of the three years in the period ended December 31, 2022 of the Company, and our report dated March 2, 2023 expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; 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 financial statements.

Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that degree of compliance with the policies or procedures may deteriorate.

/s/ Marcum LLP

Marcum LLP

Philadelphia, Pennsylvania

March 2, 2023

Item 9B. ***Other Information***

None.

Item 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.***

Not applicable.

PART III

Items 10, 11, 12, 13 and 14.

The information required by Items 10, 11, 12, 13 and 14 is incorporated by reference from the Company's definitive proxy statement for the 2023 Annual Meeting of Stockholders or an amendment to this report, which the Company intends to file with the SEC within 120 days of the end of the fiscal year end to which this report relates.

PART IV

Item 15. *Exhibit and Financial Statement Schedules*

(a)(1) The Company's consolidated financial statements and report of the Marcum LLP, Independent Registered Public Accounting Firm, are included in Section IV of this report beginning on page F-1.

(a)(2) Schedules have been omitted because they are not applicable or are not required or the information required to be set forth therein is included in the consolidated financial statements or related notes thereto.

(a)(3) Exhibits

The following Exhibits are filed as part of, or incorporated by reference into this report:

Exhibit No.	Description
2.1	Share Purchase Agreement, dated as of February 24, 2021, by and between Inseego Corp. and Main Street 1816 Proprietary Limited (in the process of being renamed Convergence CTSA Proprietary Limited)(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed February 25, 2021).
2.2	First Addendum dated March 17, 2021 to the Share Purchase Agreement dated February 24, 2021 between Main Street 1816 Proprietary Limited (in the process of being renamed Convergence CTSA Proprietary Limited) and Inseego Corp. (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed June 30, 2021.)
2.3	Second Addendum dated April 30, 2021 to the Share Purchase Agreement dated February 24, 2021 between Main Street 1816 Proprietary Limited (in the process of being renamed Convergence CTSA Proprietary Limited) and Inseego Corp. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed June 30, 2021).
2.4	Third Addendum dated June 30, 2021 to the Share Purchase Agreement dated February 24, 2021 between Main Street 1816 Proprietary Limited (in the process of being renamed Convergence CTSA Proprietary Limited) and Inseego Corp. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 30, 2021.)
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed November 9, 2016).
3.2	Amended and Restated Bylaws of Inseego Corp. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed November 9, 2016).
3.3	Certificate of Designation of Series D Junior Participating Preferred Stock of Inseego Corp. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed January 22, 2018).
3.4	Certificate of Designation of Series E Fixed-Rate Cumulative Perpetual Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed August 13, 2019).
3.5	Certificate of Amendment to Certificate of Designation of Series E Fixed-Rate Cumulative Perpetual Preferred Stock (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed March 10, 2020).
4.1	Form of Inseego Corp. Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed November 9, 2016).
4.2	Description of Equity Securities Registered under Section 12 of the Exchange Act. (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K filed on March 1, 2021).
4.3	Base Indenture, dated May 12, 2020, between Inseego Corp. and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed May 12,
4.4	First Supplemental Indenture, dated May 12, 2020, between Inseego Corp. and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, filed May 12, 2020).

Exhibit No.	Description
4.5	Form of 3.25% convertible senior note due 2025 (incorporated by reference Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q, filed August 10, 2020).
4.6	Registration Rights Agreement, dated August 6, 2018, by and among Inseego Corp. and the Investors identified on Exhibit A to the Securities Purchase Agreement (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K, filed August 7, 2018).
10.1*	Amended and Restated Inseego Corp. 2000 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-38358), filed on August 9, 2022).
10.2*	Change in Control Agreement dated September 25, 2017 between Inseego Corp. and Ashish Sharma.
10.3*	Form of Indemnification (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed August 21, 2017).
10.4*	Transition Agreement, dated March 1, 2022, between Inseego Corp. and Dan Mondor (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q, filed May 4, 2022).
10.5*	Inseego Corp. 2015 Incentive Compensation Plan (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K, filed on March 16, 2018).
10.6*	Form of Nonstatutory Stock Option Agreement under the Inseego Corp. 2015 Incentive Compensation Plan (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K, filed on March 16, 2018).
10.7*	Amended Inseego Corp. 2018 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-38358), filed on August 9, 2022).
10.8	Securities Purchase Agreement, dated August 6, 2018, by and among Inseego Corp. and the Investors identified on Exhibit A thereto (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed August 7, 2018).
10.9	Assignment and License Agreement, dated as of February 24, 2021, by and between Inseego Corp. and certain entities that will be acquired by Purchaser in the Sale Transaction (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed February 25, 2021).
10.10	Transitional Services Agreement, dated as of February 24, 2021, by and between Inseego Corp. and certain entities that will be acquired by Purchaser in the Sale Transaction (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed February 25, 2021).
10.11	Trademark Agreement, dated as of February 24, 2021, by and between Inseego Corp. Ctrack Holdings (Pty) Limited, and certain entities that will be acquired by Purchaser in the Sale Transaction (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K, filed February 25, 2021).
10.12	Equity Distribution Agreement, dated as of January 25, 2021, by and between Inseego Corp. and Canaccord Genuity LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed January 26, 2021).
10.13*	Amended and Restated Change in Control and Severance Agreement, dated June 7, 2021, by and between the Company and Dan Mondor (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed June 10, 2021).
10.16*	Offer Letter dated October 13, 2021 between Inseego Corp. and Robert G. Barbieri. (incorporated by reference to Exhibit 10.1 to the Company's Current on Form 8-K/A, filed October 26, 2021).
10.17*	Form of Inducement Stock Option Agreement, by and between Inseego Corp. and Robert G. Barbieri (incorporated by reference to Exhibit 10.2 to the Company's Current on Form 8-K/A, filed October 26, 2021).
10.18*	Change in Control Agreement dated October 25, 2021 between Inseego Corp. and Robert G. Barbieri (incorporated by reference to Exhibit 10.3 to the Company's Current on Form 8-K/A, filed October 26, 2021).
10.19	Loan and Security Agreement, dated as of August 5, 2022, among Siena Lending Group LLC (as Lender), Inseego Wireless, Inc., and Inseego North America LLC (as Borrowers), and Inseego Corp. (as Guarantor).
10.20	First Amendment, dated as of December 15, 2022, to Loan and Security Agreement, dated as of August 5, 2022, among Siena Lending Group LLC (as Lender), Inseego Wireless, Inc., and Inseego North America LLC (as Borrowers), and Inseego Corp. (as Guarantor).
21**	Subsidiaries of Inseego Corp.

Exhibit No.	Description
23.1**	Consent of Independent Registered Public Accounting Firm (Marcum LLP).
31.1**	Certification of our Principal Executive Officer adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of our Principal Financial Officer adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal 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	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
*	Management contract, compensatory plan or arrangement
**	Filed herewith

(b) See Item 15(a)(3) above.

(c) See Item 15(a)(2) above.

Item 16. Form 10-K Summary

None.

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.

Date: March 2, 2023

INSEEGO CORP.

By /s/ Ashish Sharma

Ashish Sharma
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ashish Sharma **Ashish Sharma**	Chief Executive Officer (Principal Executive Officer and Director)	March 2, 2023
/s/ Robert G. Barbieri **Robert G. Barbieri**	Chief Financial Officer (Principal Financial and Accounting Officer)	March 2, 2023
/s/ Christopher Harland **Christopher Harland**	Director	March 2, 2023
/s/ Christopher Lytle **Christopher Lytle**	Director	March 2, 2023
/s/ Jeffrey Tuder **Jeffrey Tuder**	Director	March 2, 2023
/s/ James B. Avery **James B. Avery**	Director	March 2, 2023
/s/ Stephanie Bowers **Stephanie Bowers**	Director	March 2, 2023

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Inseego Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Inseego Corp. (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive loss, stockholders' deficit and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2022, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013 and our report dated March 2, 2023, expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2018.

Philadelphia, Pennsylvania

March 2, 2023

INSEEGO CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	December 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,143	$ 46,474
Restricted cash	—	3,338
Accounts receivable, net of allowances of $541 and $408, respectively	25,259	26,781
Inventories	37,976	37,402
Prepaid expenses and other	7,978	13,624
Total current assets	78,356	127,619
Property, plant and equipment, net of accumulated depreciation of $26,049 and $26,692, respectively	5,390	8,102
Rental assets, net of accumulated depreciation of $5,484 and $5,392, respectively	4,816	4,575
Intangible assets, net of accumulated amortization of $31,629 and $48,404, respectively	41,383	46,995
Goodwill	21,922	20,336
Right-of-use assets	6,662	7,839
Other assets	488	377
Total assets	$ 159,017	$ 215,843
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 29,018	$ 48,577
Accrued expenses and other current liabilities	27,945	26,253
Total current liabilities	56,963	74,830
Long-term liabilities:		
2025 Notes, net	158,427	157,866
Revolving credit facility, net	6,919	—
Deferred tax liabilities, net	323	852
Other long-term liabilities	6,503	7,149
Total liabilities	229,135	240,697
Commitments and Contingencies		
Stockholders' deficit:		
Preferred stock, par value $0.001; 2,000,000 shares authorized:		
Series E Preferred stock, par value $0.001; 39,500 shares designated, 25,000 shares issued and outstanding as of December 31, 2022 and 2021, liquidation preference of $1,000 per share (plus any accrued but unpaid dividends)	—	—
Common stock, par value $0.001; 150,000,000 shares authorized, 108,468,150 shares issued and outstanding as of December 31, 2022 and 105,380,533 shares issued and outstanding as of December 31, 2021	108	105
Additional paid-in capital	793,855	770,619
Accumulated other comprehensive loss	(6,329)	(8,531)
Accumulated deficit	(857,752)	(787,047)
Total stockholders' deficit	(70,118)	(24,854)
Total liabilities and stockholders' deficit	$ 159,017	$ 215,843

See accompanying notes to consolidated financial statements.

INSEEGO CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Year Ended December 31,		
	2022	2021	2020
Net revenues:			
IoT & Mobile Solutions	$ 218,401	$ 217,984	$ 261,169
Enterprise SaaS Solutions	26,922	44,415	52,663
Total net revenues	245,323	262,399	313,832
Cost of net revenues:			
IoT & Mobile Solutions	166,033	168,604	202,421
Enterprise SaaS Solutions	12,381	17,870	20,568
Total cost of net revenues	178,414	186,474	222,989
Gross profit	66,909	75,925	90,843
Operating costs and expenses:			
Research and development	59,237	52,673	44,953
Sales and marketing	33,488	38,234	35,750
General and administrative	27,339	28,250	30,689
Amortization of purchased intangible assets	1,749	2,092	3,175
Impairment of capitalized software	3,014	1,197	1,410
Total operating costs and expenses	124,827	122,446	115,977
Operating loss	(57,918)	(46,521)	(25,134)
Other income (expense):			
Gain on sale of Ctrack South Africa	—	5,262	—
Loss on debt conversion and extinguishment, net	(450)	(432)	(76,354)
Interest expense, net	(8,606)	(6,874)	(9,942)
Other (expense) income, net	(1,460)	845	992
Loss before income taxes	(68,434)	(47,720)	(110,438)
Income tax (benefit) provision	(465)	191	748
Net loss	(67,969)	(47,911)	(111,186)
Less: Net income attributable to noncontrolling interests	—	(214)	(29)
Net loss attributable to Inseego Corp.	(67,969)	(48,125)	(111,215)
Series E preferred stock dividends and deemed dividends from the preferred stock exchange	(2,736)	(4,243)	(2,904)
Net loss attributable to common stockholders	$ (70,705)	$ (52,368)	$ (114,119)
Per share data:			
Net loss per common share:			
Basic and diluted	$ (0.66)	$ (0.51)	$ (1.19)
Weighted-average shares used in computation of net loss per common share:			
Basic and diluted	107,269,331	103,246,308	96,111,547

See accompanying notes to consolidated financial statements.

INSEEGO CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31,		
	2022	2021	2020
Net loss	$ (67,969)	$ (47,911)	$ (111,186)
Foreign currency translation adjustment	2,202	(3,167)	(3,093)
Release of cumulative foreign currency translation adjustments as a result of the sale of Ctrack South Africa	—	1,608	—
Total comprehensive loss	(65,767)	(49,470)	(114,279)
Comprehensive income attributable to noncontrolling interests	—	(214)	(29)
Comprehensive loss attributable to Inseego Corp.	$ (65,767)	$ (49,684)	$ (114,308)

See accompanying notes to consolidated financial statements.

INSEEGO CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(in thousands)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount					
Balance, December 31, 2019	10	$ —	81,974	$ 82	$ 584,862	$ (618,303)	$ (3,879)	$ (120)	$ (37,358)
Net loss	—	—	—	—	—	(111,215)	—	29	(111,186)
Foreign currency translation adjustment	—	—	—	—	—	—	(3,093)	—	(3,093)
Exercise of stock options, vesting of restricted stock units (RSUs) and stock issued under employee stock purchase plan (ESPP)	—	—	2,081	2	5,420	—	—	—	5,422
Taxes withheld on net settled vesting of RSUs	—	—	—	—	(354)	—	—	—	(354)
Issuance of Series E preferred stock	25	—	—	—	25,000	—	—	—	25,000
Issuance of Series E preferred stock in lieu of interest	2	—	—	—	2,330	—	—	—	2,330
Repurchase of Series E preferred stock	(2)	—	—	—	(2,354)	—	—	—	(2,354)
Issuance of common stock in connection with Notes Exchange	—	—	13,739	14	66,074	—	—	—	66,088
Issuance of common stock related to conversion of 2025 Notes	—	—	1,177	1	14,353	—	—	—	14,354
Exercise of warrants	—	—	338	—	1,861	—	—	—	1,861
Share-based compensation	—	—	—	—	10,419	—	—	—	10,419
Series E preferred stock dividends	—	—	—	—	2,904	(2,904)	—	—	—
Issuance of common stock under settlement agreement	—	—	90	—	972	—	—	—	972
Balance, December 31, 2020	35	—	99,399	99	711,487	(732,422)	(6,972)	(91)	(27,899)
Net loss	—	—	—	—	—	(48,125)	—	214	(47,911)
Foreign currency translation adjustment	—	—	—	—	—	—	(3,167)	—	(3,167)
Exercise of stock options, vesting of RSUs and stock issued under ESPP	—	—	2,512	2	4,763	—	—	—	4,765
Taxes withheld on net settled vesting of RSUs	—	—	—	—	(1,279)	—	—	—	(1,279)
Divestiture of Ctrack South Africa	—	—	—	—	8	(2,497)	1,608	(8)	(889)
Issuance of common stock related to conversion of 2025 Notes	—	—	429	—	5,382	—	—	—	5,382
Issuance of common stock in connection with public offering, net of issuance costs	—	—	1,516	2	29,368	—	—	—	29,370
Share-based compensation	—	—	—	—	16,649	—	—	—	16,649
Series E preferred stock dividends	—	—	—	—	3,139	(3,139)	—	—	—
Series E preferred stock exchange	(10)	—	1,525	2	1,102	(1,104)	—	—	—
Net noncontrolling interest acquired	—	—	—	—	—	240	—	(115)	125
Balance, December 31, 2021	25	—	105,381	105	770,619	(787,047)	(8,531)	—	(24,854)
Net loss	—	—	—	—	—	(67,969)	—	—	(67,969)
Foreign currency translation adjustment	—	—	—	—	—	—	2,202	—	2,202
Adjustment relating to extinguishment of 2022 Notes	—	—	—	—	1,728	—	—	—	1,728
Exercise of stock options, vesting of RSUs and stock issued under ESPP	—	—	3,092	3	1,187	—	—	—	1,190
Taxes withheld on net settled vesting of RSUs	—	—	(5)	—	(290)	—	—	—	(290)
Share-based compensation	—	—	—	—	17,875	—	—	—	17,875
Series E preferred stock dividends	—	—	—	—	2,736	(2,736)	—	—	—
Balance, December 31, 2022	25	$ —	108,468	$ 108	$ 793,855	$ (857,752)	$ (6,329)	$ —	$ (70,118)

See accompanying notes to consolidated financial statements.

INSEEGO CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2022	**2021**	**2020**
Cash flows from operating activities:			
Net loss	$ (67,969)	$ (47,911)	$ (111,186)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities			
Depreciation and amortization	27,206	25,330	27,946
Fair value adjustment on derivative instrument	(926)	(3,826)	597
Provision for bad debts, net of recoveries	189	401	512
Impairment of capitalized software	3,014	1,197	1,410
Provision for excess and obsolete inventory	2,614	657	538
Share-based compensation expense	17,875	16,649	10,419
Amortization of debt discount and debt issuance costs	2,960	1,495	4,016
Loss on debt conversion and extinguishment, net	450	432	76,354
Gain on sale of Ctrack South Africa	—	(5,262)	—
Deferred income taxes	(570)	(53)	659
Right-of-use assets	1,268	1,144	1,432
Other	—	286	(765)
Changes in assets and liabilities, net of effects of divestiture:			
Accounts receivable	2,441	(1,148)	(10,797)
Inventories	(3,065)	(12,494)	(13,336)
Prepaid expenses and other assets	5,642	(1,988)	(3,070)
Accounts payable	(26,313)	(3,108)	27,087
Accrued expenses, income taxes, and other	3,450	4,448	8,785
Operating lease liabilities	(1,555)	(1,461)	(551)
Net cash (used in) provided by operating activities	(33,289)	(25,212)	20,050
Cash flows from investing activities:			
Acquisition of noncontrolling interest	—	(116)	—
Purchases of property, plant and equipment	(1,481)	(4,928)	(5,736)
Proceeds from the sale of property, plant and equipment	—	1,338	392
Proceeds from sale of Ctrack South Africa, net of cash divested[1]	—	33,689	—
Additions to capitalized software development costs and purchases of intangible assets	(11,838)	(23,905)	(29,369)
Net cash (used in) provided by investing activities	(13,319)	6,078	(34,713)
Cash flows from financing activities:			
Gross proceeds received from issuance of Series E preferred stock	—	—	25,000
Gross proceeds from the issuance of 2025 Notes	—	—	100,000
Payment of issuance costs related to 2025 Notes	—	—	(3,645)
Cash paid to investors in private exchange transactions	—	—	(32,062)
Payoff of term loan and related extinguishment costs	—	—	(48,830)
Repurchase of Series E preferred stock	—	—	(2,354)
Proceeds from the exercise of warrants to purchase common stock	—	—	1,861
Net borrowing of bank and overdraft facilities	(569)	265	(199)
Principal payments on financed assets	(1,567)	—	—
Borrowings on asset-backed revolving credit facility	12,351	—	—
Repayment on asset-backed revolving credit facility	(4,500)	—	—
Payment of debt issuance costs on asset-backed revolving credit facility	(1,126)	—	—
Principal payments under finance lease obligations	(62)	(3,200)	(2,756)
Proceeds from a public offering, net of issuance costs	—	29,370	—
Proceeds from stock option exercises and ESPP, net of taxes paid on vested restricted stock units	900	3,486	5,066
Net cash provided by financing activities	5,427	29,921	42,081
Effect of exchange rates on cash	(1,488)	(990)	523
Net (decrease) increase in cash, cash equivalents and restricted cash	(42,669)	9,797	27,941
Cash, cash equivalents and restricted cash, beginning of period	49,812	40,015	12,074
Cash, cash equivalents and restricted cash, end of period	$ 7,143	$ 49,812	$ 40,015
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	$ 5,535	$ 5,387	$ 3,215
Income taxes	$ 168	$ 523	$ 142
Supplemental disclosures of non-cash activities:			

Transfer of inventories to rental assets	$	442	$	5,142	$	4,036
Purchases of property, plant and equipment under finance leases	$	—	$	—	$	664
Right-of-use assets obtained in exchange for operating leases liabilities	$	705	$	658	$	7,931
Proceeds related to divestiture of Ctrack South Africa in exchange for settlement of tax liabilities	$	—	$	421	$	—
Exchange of Series E Preferred Stock for common stock	$	—	$	11,982	$	—
Issuance of common stock in exchange for Series E Preferred Stock	$	—	$	13,086	$	—
Deemed dividend on exchange of Series E Preferred Stock for common stock	$	—	$	1,104	$	—
Capital expenditures financed through accounts payable or accrued liabilities	$	2,276	$	748	$	5,710
Issuance of common stock under Settlement Agreement	$	—	$	—	$	972
Preferred stock issued in extinguishment of term loan accrued interest	$	—	$	—	$	2,330
Debt discount and issuance costs extinguished in notes conversion	$	—	$	—	$	1,728
2022 Notes conversion to equity	$	—	$	—	$	59,907
Novatel Wireless Notes conversion to equity	$	—	$	—	$	250
2025 Notes issued to extinguish 2022 Notes	$	—	$	—	$	80,375
2025 Notes conversion, including shares issued in satisfaction of interest-make-whole payment	$	—	$	5,382	$	14,353

[1]The amount for the year ended December 31, 2021 is net of cash divested of $5.0 million.

See accompanying notes to consolidated financial statements.

1. Nature of Business and Significant Accounting Policies

Inseego Corp. (the “Company”, “Inseego”, “We” or “Our”) is a leader in the design and development of fixed and mobile wireless solutions (advanced 4G and 5G NR), Industrial Internet of Things (“IIoT”) and cloud solutions for Fortune 500 enterprises, service providers, small and medium-sized businesses, governments, and consumers around the globe. Our product portfolio consists of fixed and mobile device-to-cloud solutions that provide compelling, intelligent, reliable and secure end-to-end IoT services with deep business intelligence. Inseego’s products and solutions, designed and developed in the U.S., power mission critical applications with a “zero unscheduled downtime” mandate, such as our 5G fixed wireless access (“FWA”) gateway solutions, 4G and 5G mobile broadband, IIoT applications such as software-defined wide area network failover management, asset tracking and fleet management services. Our solutions are powered by our key wireless innovations in mobile and FWA technologies, including a suite of products employing the 5G NR standards, and purpose-built SaaS cloud platforms.

Inseego is a Delaware corporation formed in 2016 and is the successor to Novatel Wireless, Inc., a Delaware corporation formed in 1996, resulting from an internal reorganization that was completed in November 2016. The Company’s principal executive office is located at 9710 Scranton Road, Suite 200, San Diego, CA 92121. The Company’s corporate offices are also located at 9710 Scranton Road, Suite 200, San Diego CA 92121 and its sales and engineering offices are located throughout the world. Inseego’s common stock trades on the NASDAQ Global Select Market under the trading symbol “INSG”.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Basis of presentation

The consolidated financial statements of Inseego Corp. present information in accordance with generally accepted accounting principles in the U.S. (“GAAP”), have been prepared pursuant to the rules and regulations of the SEC and, in the opinion of management, present fairly the consolidated financial position, results of operations and cash flows of the Company and its wholly-owned subsidiaries for the periods presented.

Reclassifications

Certain amounts recorded in the prior period consolidated financial statements have been reclassified to conform to the current period financial statement presentation. These reclassifications had no effect on previously reported operating results.

Segment Information

The Company has one reportable segment. The Chief Executive Officer, who is also the Chief Operating Decision Maker, does not manage any part of the Company separately, and the allocation of resources and assessment of performance is based solely on the Company’s consolidated operations and operating results.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent liabilities. Actual results could differ materially from these estimates. Estimates are assessed each period and updated to reflect current information. Significant estimates include revenue recognition, capitalized software costs, allowance for credit losses, provision for excess and obsolete inventory, valuation of long-lived assets, valuation of goodwill and indefinite-lived intangible assets, valuation of derivatives, accruals relating to litigation, income taxes and share-based compensation expense.

Risks and Uncertainties

The COVID-19 pandemic continues to impact worldwide economic activity. A pandemic, including COVID-19 or other public health epidemic, poses the risk that we or our employees, manufacturers, suppliers and other partners may be prevented from conducting business activities for an indefinite period of time, including due to spread of the disease within these groups or due to shutdowns that may be requested or mandated by governmental authorities. The COVID-19 pandemic and mitigation measures have also had an adverse impact on global economic conditions which could have an adverse effect on our business and financial condition. The extent to which the COVID-19 pandemic, or any other outbreak of an epidemic disease, impacts our results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and the actions to contain its impact.

In addition, a global semiconductor supply shortage is causing wide-ranging impacts across the technology industry. While the shortage has not materially impacted the Company's operations and financial results, it may negatively impact our customers and the supply of materials needed for our testing and production timeline. Our suppliers, contract manufacturers, and customers are all taking actions to reduce the impact of the semiconductor shortage; however, if the shortage persists, the impact on our operations and financial results could be material.

The inflationary pressures impacting the global supply chain could potentially increase our future cost of net revenues. The ongoing inflation challenges could adversely impact our future revenues, gross margins and financial results.

Sale of Ctrack South Africa

On July 30, 2021, the Company completed the sale of its Ctrack business operations in Africa, Pakistan and the Middle East (together "Ctrack South Africa") and recognized a pre-tax gain of $5.3 million. Total cash proceeds received from the sale were $31.5 million, net of cash divested of $5.0 million. See Note 5. *Business Divestiture*, for more information.

Liquidity

As of December 31, 2022, the Company had available unrestricted cash and cash equivalents totaling $7.1 million, working capital of $21.4 million, and $6.1 million of availability under its secured asset-backed Credit Facility (as defined below in Note 6. *Debt*). See Note 6. *Debt*, for more information on this new Credit Facility.

The Company has a history of operating and net losses and overall usage of cash from operating and investing activities. The Company's management believes that its cash and cash equivalents on-hand, together with anticipated cash flows from operations, availability under its secured asset-backed Credit Facility, and anticipated savings from ongoing cost reduction efforts, will be sufficient to meet its cash flow needs for the next twelve months from the filing date of this report. To the extent that additional liquidity may be needed, the Company may issue up to $9.5 million in equivalent shares of the Company's common stock available, pursuant to a shelf-registration statement filed with the SEC on May 7, 2020 and amended from time to time. The Company's ability to attain more profitable operations and continue to generate positive cash flow is dependent upon achieving a level and mix of revenues adequate to support its evolving cost structure. If events or circumstances occur such that the Company does not meet its operating plan as expected, or if the Company becomes obligated to pay unforeseen expenditures as a result of ongoing litigation, the Company may be required to raise capital, reduce planned research and development activities, incur additional restructuring charges or reduce other operating expenses and capital expenditures, which could have an adverse impact on its ability to achieve its intended business objectives.

The Company's liquidity could also be impaired by significant interruptions in its business operations, such as those described above under the heading *Risks and Uncertainties*, or, a material failure to satisfy its contractual commitments or a failure to generate revenues from new or existing products. In addition, there can be no assurance that any required or desired restructuring or financing will be available on terms favorable to the Company, or at all.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. The Company's cash and cash equivalents are generally held with large financial institutions worldwide to reduce the amount of exposure to credit risk. Cash, cash equivalents and restricted cash are recorded at market value, which approximates cost. Gains and losses associated with the Company's foreign currency denominated demand deposits are recorded as a component of other income, net, in the consolidated statements of operations. Restricted cash held in escrow with a financial institution as of December 31, 2021, which was set up as collateral for potential future uninsured warranty claims related to the divestiture of Ctrack South Africa, was released during the third quarter of 2022, and we no longer have any restricted cash on our balance sheet as of December 31, 2022. See Note 5. *Business Divestiture* for additional information about the divestiture of Ctrack South Africa.

	December 31,	
	2022	**2021**
Cash and cash equivalents	$ 7,143	$ 46,474
Restricted cash	—	3,338
Cash, cash equivalents and restricted cash, end of period	$ 7,143	$ 49,812

Revenue Recognition

The Company's products and services primarily include intelligent mobile hotspots, wireless routers for IoT applications, USB modems, integrated telematics and mobile tracking hardware devices, which are supported by applications software and cloud services designed to enable customers to easily analyze data insights and configure and manage their hardware.

The Company classifies its revenues from the sale of its products and services into two distinct groupings, IoT & Mobile Solutions and Enterprise SaaS Solutions. Both IoT & Mobile Solutions and Enterprise SaaS Solutions revenues include any hardware and software required for the respective solution.

Net revenues by grouping for the years ended December 31, 2022, 2021 and 2020 were as follows (in thousands):

	Year Ended December 31,		
	2022	**2021**	**2020**
IoT & Mobile Solutions	$ 218,401	$ 217,984	$ 261,169
Enterprise SaaS Solutions	26,922	44,415	52,663
Total	$ 245,323	$ 262,399	$ 313,832

See geographic disaggregation information in Note 13. *Geographic Information and Concentrations of Risk*.

IoT & Mobile Solutions. The IoT & Mobile Solutions portfolio is comprised of end-to-end edge to cloud solutions including 4G LTE mobile broadband gateways, routers, modems, hotspots, HD quality VoLTE based wireless home phones, cloud management software and an advanced 5G portfolio of products (currently in various stages of development). The solutions are offered under the MiFi™ brand for consumer and business markets, and under the Skyus brand for industrial IoT markets. IoT & Mobile Solutions also includes Inseego Subscribe™, a hosted SaaS platform that helps organizations manage the selection, deployment and spend of their customer's wireless assets, helping them save money on personnel and telecom expenses.

Enterprise SaaS Solutions. The Enterprise SaaS Solutions portfolio consists of various subscription offerings within the Company's Ctrack telematics platforms, which provide fleet vehicle, aviation ground vehicle and asset tracking and performance information, and other telematics applications.

Revenue Recognition Criteria

The Company follows Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)* (as amended, "ASC 606"), which provides guidance on recognizing revenue, including a five-step model to determine when revenue recognition is appropriate. The standard requires that an entity recognize revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company recognizes revenue upon transfer of control of products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company determines revenue recognition according to the following five steps: (i) identification of the contract, or contracts, with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contract; and (v) recognition of revenue when, or as, performance obligations are satisfied.

Customer Contracts

The Company routinely enters into a variety of agreements with customers, including quality agreements, pricing agreements and master supply agreements which outline the general commercial terms and conditions under which the Company does business with a specific customer, including shipping terms and pricing for the products and services that the Company offers. The Company also sells to some customers solely based on purchase orders. The Company has concluded, for the vast majority of its revenues, that its contracts with customers are either a purchase order or the combination of a purchase order with a master supply agreement.

The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Performance Obligations

The Company's performance obligations are established when a customer submits a purchase order notification (in writing, electronically or verbally) for goods and services, and the Company accepts the order. The Company identifies performance obligations as the delivery of the requested product or service in appropriate quantities and to the location specified in the customer's contract and/or purchase order. The Company generally recognizes revenue upon the satisfaction of these criteria when control of the product or service has been transferred to the customer at which time the Company has an unconditional right to receive payment. The Company's prices are fixed and have no history of being affected by contingent events that could impact the transaction price. The Company does not offer price concessions and does not accept payment that is less than the price stated upon acceptance of a customer purchase order.

The Company enters into contracts that may include various combinations of products and services which are generally capable of being distinct and accounted for as separate performance obligations.

Hardware. Hardware revenue from the sale of the Company's IoT & Mobile Solutions devices is recognized when the Company transfers control to the customer, typically at the time when the product is delivered, shipped or installed, at which time, title passes to the customer and there are no further performance obligations with regards to the hardware device. The Company also considered the performance obligations in its customer master supply agreements and determined that, for the majority of its revenue, the Company generally satisfies performance obligations at a point in time upon delivery of the product to the customer.

SaaS and other services. SaaS subscription revenue is recognized over time on a ratable basis over the contract term beginning on the date that its service is made available to the customer. Subscription periods range from monthly to multi-year, with the majority of contracts being one to three years in length. Revenues from the Company's SaaS subscription services represent a single promise to provide continuous access to its software solutions and their processing capabilities, in the form of a service, through one of the Company's data centers or a hosted data center. As each day of providing access to the software is substantially the same, and the customer simultaneously receives and consumes the benefits as access is provided, the Company has determined that its subscription services arrangements include a single performance obligation comprised of a series of distinct services. The Company's SaaS subscriptions also include an unspecified volume of call center support and any remote system diagnostic and software upgrades as needed. These services are combined with the recurring monthly subscription service since they are highly interrelated and interdependent.

Our telematics services include devices which collect and transmit information from vehicles or other assets. The Company's customers have an option to purchase the monitoring device or lease it over the term of the contract. If the customer purchases the hardware device, the Company recognizes the revenue at a point in time as discussed above. Because the Company's rental asset contracts qualify as operating leases under Accounting Standards Codification ("ASC") 842, *Leases*, and the contracts also include services to operate and maintain the underlying asset, the Company has elected to combine the lease and non-lease components because the service is the predominant element in the eyes of the customer and the pattern of service delivery is the same for both elements. The Company recognizes revenue ratably over time throughout the term of the contract.

Maintenance and support services revenue. Periodically, the Company sells separately-priced warranty contracts that extend beyond the Company's base warranty period. The separately priced service contracts range from 12 months to 36 months. The Company typically receives payment at the inception of the contract and recognizes revenue as earned on a straight-line basis over the term of the contract. The Company's estimated allowances for product warranties can vary from actual results and the Company may have to record additional charges to cost of revenue.

Within cost of revenue, the Company records an estimate to reflect its standard warranty obligation to end users to provide for replacement of a defective product. The standard obligation period for most regions is 12 months. Factors that affect the warranty obligation include product failure rates, material usage, and service delivery costs incurred in correcting product failures.

Professional services revenue. From time to time, the Company enters into special engineering design service agreements. Revenues from engineering design services are designed to meet specifications of a particular product, and therefore do not create an asset with an alternative use. The Company recognizes revenue based on the achievement of certain applicable milestones and the amount of payment the Company believes it is entitled to at the time.

Multiple performance obligations. The Company's contracts with customers may include commitments to transfer multiple products and services to a customer. When hardware, software and services are sold in various combinations, judgment is required to determine whether each performance obligation is considered distinct and accounted for separately, or not distinct and accounted for together with other performance obligations. The Company considered the performance obligations in its customer master supply agreements and determined that, for the majority of its revenue, the Company generally satisfies performance obligations at a point in time upon delivery of the product to the customer.

In instances where the software elements included within hardware for various products are considered to be functioning together with non-software elements to provide the tangible product's essential functionality, these arrangements are accounted for as a single distinct performance obligation.

Judgment is required to determine the stand-alone selling price ("SSP") for each distinct performance obligation. When available, the Company uses observable inputs to determine SSP. In instances where SSP is not directly observable, such as when the Company does not sell the product or service separately, it determines the SSP based on a cost-plus model as market and other observable inputs are seldom present based on the proprietary nature of the Company's products.

Contract Assets

The Company capitalizes sales commissions earned by its sales force as contract acquisition costs if such costs are significant and both incremental and recoverable. Any capitalized sales commissions are either deferred and amortized over a period of benefit exceeding one year or are expensed as incurred if the period of benefit is one year or less. There were no contract assets related to customer acquisition costs as of December 31, 2022 or 2021 since the Company's customer contracts are predominantly hardware sales that are immediately recognized as revenue upon either shipment or delivery, and therefore the related contract acquisition costs are also immediately recognized. Sales commissions are included in sales and marketing expense as incurred. Sales commissions associated with SaaS offerings are not material.

Contract Liabilities

Timing of revenue recognition may differ from the timing of invoicing to customers. If customers are invoiced for subscription services in advance of the service period, then deferred revenue is recorded. Contract liabilities are also recorded when the Company collects payments in advance of performing the services. As of December 31, 2022 and 2021, the Company had $5.1 million and $3.8 million, respectively, of contract liabilities which represent our deferred revenue included within accrued expenses and other current liabilities, and $0.6 million and $0.1 million, respectively, of contract liabilities included within other long-term liabilities on the consolidated balance sheets.

Cost of Net Revenues

Cost of net revenues includes the costs associated with the manufacturing of our portfolio of hardware devices, as well as personnel costs for employees and contractors, depreciation, allocated overhead costs and other period adjustments related to costs of inventories sold or for sale or use in manufacturing.

Shipping and Handling Charges

Fees charged to customers for shipping and handling of products are included in product revenues, and costs for shipping and handling of products are included as a component of sales and marketing expense.

Taxes Collected from Customers

Taxes collected on the value of transaction revenue are excluded from product and services revenues and cost of sales and are accrued in current liabilities until remitted to governmental authorities.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are customer obligations generally due under normal trade terms for the industry. Credit terms are granted and periodically revised based on evaluations of the customer's financial condition. The Company performs ongoing credit evaluations of its customers. The Company's payment terms are generally net 30 days from invoice date and could go up to 90 days for large carrier customers.

The Company recognizes an allowance for credit losses at the time a receivable is recorded based on its estimate of expected credit losses and adjusts this estimate over the life of the receivable as needed. The Company evaluates the aggregation and risk characteristics of a receivable pool and develops loss rates that reflect historical collections, current forecasts of future economic conditions over the time horizon the Company is exposed to credit risk, and payment terms or conditions that may materially affect future forecasts.

As of December 31, 2022 and 2021, the Company reported $25.3 million and $26.8 million, respectively, of accounts receivable, net of allowances of $0.5 million and $0.4 million, respectively.

Inventories and Provision for Excess and Obsolete Inventory

Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value. Inbound shipping and handling costs are classified as a component of cost of net revenues in the consolidated statements of operations. The Company reviews the components of its inventory and its inventory purchase commitments on a regular basis for excess and obsolete inventory based on estimated future usage and sales. Write-downs in inventory value or losses on inventory purchase commitments depend on various items, including factors related to customer demand, economic and competitive conditions, technological advances or new product introductions by the Company or its customers that vary from its current expectations. Whenever inventory is written down, a new cost basis is established and the inventory is not subsequently written up if market conditions improve. The Company believes that, when made, the estimates used in calculating the inventory provision are reasonable and properly reflect the risk of excess and obsolete inventory.

Intangible Assets other than Goodwill

Intangible assets include purchased finite-lived and indefinite-lived intangible assets resulting from previous acquisitions, along with the costs of non-exclusive and perpetual worldwide software technology licenses and capitalized software development costs for both internal and external use. Finite-lived intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets. Indefinite-lived intangible assets, including in-process capitalized software development costs, are not amortized; however, they are tested for impairment annually, and between annual tests, if certain events occur indicating that the carrying amounts may be impaired.

Software Development Costs for External Use

Software development costs for external use are expensed as incurred until technological feasibility has been established, at which time those costs are capitalized as intangible assets until the software is available for general release to customers. Capitalized software development costs are amortized on a straight-line basis over the estimated economic life. The straight-line recognition method approximates the manner in which the expected benefit will be derived. At each balance sheet date, the unamortized capitalized software development cost for external use is compared to the net realizable value of that product by analyzing critical inputs such as expected future lifetime revenue. The amount by which unamortized software costs exceed the net realizable value, if any, is recognized as a charge to amortization expense in the period it is determined. Costs incurred to enhance existing software or after the software is available for general release to customers are expensed in the period they are incurred and included in research and development expense in the consolidated statements of operations.

Software Development Costs for Internal Use

Costs incurred in the preliminary stages of development are expensed as incurred and included in research and development expense in the consolidated statements of operations. Once an application has reached the development stage, internal and external costs, if direct and incremental, are capitalized. Capitalization ceases upon completion of all substantial testing performed to ensure the product is ready for its intended use. The Company also capitalizes costs related to specific upgrades and enhancements of internal-use software when it is probable that the expenditures will result in additional functionality. Maintenance and training costs are expensed as incurred. Capitalized internal-use software costs are recorded as intangible assets and are amortized on a straight-line basis to general and administrative expense in the consolidated statement of operations over the estimated useful life of the software. The Company tests these assets for impairment whenever events or circumstances occur that could impact their recoverability. For the years ended December 31, 2022, 2021, and 2020, the

Company recorded impairment losses of $3.0 million, $1.2 million and $1.4 million, respectively, related to software development costs for internal use.

Valuation of Indefinite-Lived Intangible Assets

The Company performs an annual impairment review of indefinite-lived assets during the fourth quarter of each year, and more frequently if the Company believes indicators of impairment exist. To review for impairment, the Company first assesses qualitative factors to determine whether events or circumstances lead to a determination that it is more likely than not that the fair value of the asset is less than its carrying amount. The Company's qualitative assessment is based on various macroeconomic, industry-specific, and company specific factors. These factors include: (i) industry or economic trends; (ii) current, historical, or projected financial performance, and; (iii) the Company's market capitalization. After assessing the totality of events and circumstances, if the Company determines that it is not more likely than not that the fair value of the asset is less than its carrying amount, then no further assessment is performed. If the Company determines that it is more likely than not that the fair value of the asset is less than its carrying amount, then the Company calculates the fair value of the asset and compares the fair value to the asset's carrying value. An impairment charge is recognized if the asset's estimated fair value is less than it's carrying value. For the years ended December 31, 2022, 2021 and 2020 the Company recorded zero impairment loss related to indefinite-lived intangible assets.

Goodwill

Goodwill represents the excess purchase price over estimated fair value of net assets of businesses acquired in a business combination. Goodwill is tested for impairment during the fourth quarter of each year, and more frequently if the Company believes indicators of impairment exist.

Valuation of Goodwill

Goodwill is tested for impairment at the reporting unit level by first assessing qualitative factors to determine whether events or circumstances lead to a determination that it is more likely than not that the fair value of the Company's reporting unit is less than its carrying amount. The Company's qualitative assessment is based on various macroeconomic, industry-specific, and company specific factors. These factors include: (i) industry or economic trends; (ii) current, historical, or projected financial performance, and; (iii) the Company's market capitalization. After assessing the totality of events and circumstances, if the Company determines that it is not more likely than not that the fair value of the Company's reporting unit is less than its carrying amount, no further assessment is performed. If the Company determines that it is more likely than not that the fair value of the Company's reporting unit is less than its carrying amount, the Company calculates the fair value of the reporting unit and compares the fair value to the reporting unit's carrying amount. An impairment charge is recognized if the fair value of the business (reporting unit) is less than its carrying value. The Company has identified two reporting units for the purpose of goodwill impairment testing, Ctrack and Inseego North America ("INA"), and performed a qualitative test for goodwill impairment of the two reporting units during the fourth fiscal quarter. Based upon the results of qualitative testing, the Company believed that it was more-likely-than not that the fair value of these reporting units were greater than their respective carrying values. For the years ended December 31, 2022, 2021 and 2020, the Company recorded no impairment loss related to goodwill.

Long-Lived Assets

The Company periodically evaluates the carrying value of the unamortized balances of its long-lived assets, including property, plant and equipment and rental assets, to determine whether impairment of these assets has occurred or whether a revision to the related amortization periods should be made. If the carrying value of the long-lived asset group exceeds the estimated future undiscounted cash flows, an impairment loss is recorded based on the amount by which the asset group's carrying amount exceeds its fair value. Fair value is determined based on an evaluation of the assets' associated discounted future cash flows or appraised value. For the years ended December 31, 2022, 2021 and 2020, the Company had no impairment loss related to long-lived assets, except for the impairment of the capitalized software development costs for internal use, noted above.

Property, Plant and Equipment

Property, plant and equipment are initially stated at cost and depreciated using the straight-line method. Land is not depreciated. Buildings are depreciated over 50 years. Leasehold improvements are depreciated over the shorter of the related remaining lease period or useful life, not to exceed 5 years. Product tooling is depreciated over 13 months. Computer equipment, purchased software, vehicles, production equipment, and furniture and fixtures, are depreciated over lives ranging from 2 to 7 years. Amortization of equipment under finance leases is included in depreciation expense.

Expenditures for repairs and maintenance are expensed as incurred. Expenditures for major renewals and betterment that extend the useful lives of existing property, plant and equipment are capitalized and depreciated. Upon retirement or disposition of property, plant and equipment, any resulting gain or loss is recognized in other income (expense), net, in the consolidated statements of operations.

Rental Assets

The cost of rental assets, which represents fleet management and vehicle tracking hardware installed in customers' vehicles where such hardware is provided as part of a fixed term contract with the customer, is capitalized and disclosed separately in the consolidated balance sheets. The Company recognizes depreciation expense on rental assets within Enterprise SaaS cost of net revenues on a straight-line basis over the term of the contract, generally three to four years, commencing on installation of the rental asset.

Convertible Debt Instruments

The Company evaluates embedded features within convertible debt that will be settled in shares upon conversion under ASC 815, *Derivatives and Hedging* ("ASC 815") to determine whether the embedded feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings.

If an embedded derivative is bifurcated from share-settled convertible debt, then the Company records the debt component at cost less a debt discount equal to the bifurcated derivative's fair value. The Company amortizes the debt discount over the life of the debt instrument as additional non-cash interest expense utilizing the effective interest method. The convertible debt and the derivative liability are presented in total on the consolidated balance sheet. The derivative liability is remeasured at each reporting period with changes in fair value recorded in the consolidated statements of operations within other income (expense), net.

Derivative Financial Instruments

The Company evaluates stock warrants, debt instruments and other contracts to determine if those contracts or embedded components of those contracts qualify as derivative financial instruments to be separately accounted for under the relevant sections of ASC 815. The result of this accounting treatment could be that the fair value of a financial instrument is classified as a derivative financial instrument and is marked-to-market at each balance sheet date and recorded as an asset or liability. In the event that the fair value is recorded as an asset or liability, the change in fair value is recorded in the consolidated statements of operations as other income or other expense. Upon conversion, exercise or expiration of a derivative financial instrument, the instrument is marked to fair value.

Research and Development

Research and development expense consists primarily of personnel costs for our engineers engaged in the design and development of our products, software and technologies, project material costs, services, depreciation and amortization. Such costs are charged to research and development expense as they are incurred, to the extent not capitalized as software development costs for external or internal use.

Lease Accounting

Lessee Arrangements

The Company determines if an arrangement contains a lease at inception. The Company primarily leases office space, automobiles and equipment. Certain of the Company's leases contain provisions that provide for one or more options to renew at the Company's sole discretion. Certain real estate leases also include executory costs such as common area maintenance. The Company accounts for lease and non-lease components, including common area maintenance, as a single lease component as a practical expedient election. None of the Company's operating lease agreements contain any material residual value guarantees or material restrictive covenants.

Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The lease term includes the base non-cancelable term, and any renewal options that are reasonably certain to be exercised at the commencement date. The Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. ROU assets also include any lease prepayments made and exclude lease incentives. Rental expense related to operating leases is recognized on a straight-line basis over the lease term. The

Company has elected the practical expedient to exclude any short-term lease, defined as a lease with an original term of 12 months or less, from the provisions of ASC 842, *Leases*.

Variable lease payments that do not depend on an index or rate are excluded from the measurement of ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred.

Lessor Arrangements

The Company serves as lessor for certain monitoring device leases and classifies such arrangements as operating leases. Accordingly, the Company carries rental devices at historical cost less accumulated depreciation and impairment, if any. The Company combines the lease and the non-lease components under these arrangements because the service is the predominant element from the customer's perspective and the pattern of service delivery is the same for both elements. The Company accounts for the combined component as a single performance obligation under ASC 606.

Foreign Currency Transactions

Foreign currency transactions are transactions denominated in a currency other than a subsidiary's functional currency. A change in the exchange rate between a subsidiary's functional currency and the currency in which a transaction is denominated increases or decreases the expected amount of functional currency cash flows upon settlement of the transaction. Such increase or decrease is reported by the Company as a foreign currency transaction gain or loss within other income (expense), net, in the consolidated statements of operations. We recognize foreign currency transaction gains and losses primarily on intercompany transactions between certain subsidiaries in foreign countries . Based upon historical experience, the Company anticipates repayment of these transactions in the foreseeable future and recognizes realized and unrealized gains and losses on these transactions in the period in which they occur.

Foreign Currency Translation

Assets and liabilities of the Company's international subsidiaries in which the local currency is the functional currency are translated into U.S. Dollars at period-end exchange rates. Income and expenses are translated into U.S. Dollars at the average exchange rates during the period. The resulting translation adjustments are included in the Company's consolidated balance sheets as a component of accumulated other comprehensive loss.

Income Taxes

The Company recognizes federal, state and foreign current tax liabilities or assets based on its estimate of taxes payable to or refundable by tax authorities in the current fiscal year. The Company also recognizes federal, state and foreign deferred tax liabilities or assets based on the Company's estimate of future tax effects attributable to temporary differences and carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are reduced by valuation allowances if, based on the consideration of all available evidence, it is more likely than not that some portion of the deferred tax asset will not be realized. The Company evaluates deferred income taxes on a quarterly basis to determine if valuation allowances are required by considering available evidence. If the Company is unable to generate sufficient future taxable income in certain tax jurisdictions, or if there is a material change in the actual effective tax rates or time period within which the underlying temporary differences become taxable or deductible, the Company could be required to increase its valuation allowance against its deferred tax assets which could result in an increase in the Company's effective tax rate and an adverse impact on operating results. The Company will continue to evaluate the necessity of the valuation allowance based on the remaining deferred tax assets.

The Company recognizes the impact of an uncertain income tax position on an income tax return at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. Uncertain tax positions are recognized in the first subsequent financial reporting period in which that threshold is met or from changes in circumstances such as the expiration of applicable statutes of limitations. The Company's policy is to include interest and penalties related to such positions as a component of income tax expense.

Litigation

The Company is, from time to time, party to various legal proceedings arising in the ordinary course of business. The Company records a loss when information indicates that a loss is both probable and reasonably estimable. Where a liability is probable and there is a range of estimated loss with no best estimate in the range, the Company records the minimum estimated liability related to the claim. As additional information becomes available, the Company revises its estimates, if necessary. The Company expenses litigation costs as incurred.

Share-Based Compensation

The Company has granted stock options and restricted stock units ("RSUs") to employees, non-employee consultants and non-employee members of our Board of Directors. The Company also has an employee stock purchase plan ("ESPP") for eligible employees. The Company measures the compensation cost associated with all share-based payments based on grant date fair values. The fair value of each stock option and stock purchase right is estimated on the date of grant using an option pricing model that meets certain requirements. The Company generally uses the Black-Scholes option pricing model to estimate the fair value of its stock options and stock purchase rights. The determination of the fair value of share-based payment awards utilizing the Black-Scholes model is affected by the Company's stock price and a number of assumptions, including expected volatility, expected term, risk-free interest rate and expected dividends.

For grants of stock options, the Company uses a blend of historical and implied volatility for traded options on its stock in order to estimate the expected volatility assumption required in the Black-Scholes model. The Company's use of a blended volatility estimate in computing the expected volatility assumption for stock options is based on its belief that while the implied volatility is representative of expected future volatility, the historical volatility over the expected term of the award is also an indicator of expected future volatility. Due to the short duration of stock purchase rights under the Company's ESPP, the Company utilizes a blended volatility estimate that consists of implied volatility and historical volatility in order to estimate the expected volatility assumption of the Black-Scholes model.

The expected term of stock options granted is estimated using historical experience. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected terms of the Company's stock options and stock purchase rights. The dividend yield assumption is based on the Company's history and expectation of no dividend payouts. The Company estimates forfeitures at the time of grant and revises these estimates, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company estimates its forfeiture rate assumption for all types of share-based compensation awards based on historical forfeiture rates related to each category of award.

Compensation cost associated with grants of restricted stock units are measured at fair value, which has historically been the closing price of the Company's common stock on the date of grant.

The Company recognizes share-based compensation expense over the requisite service period of each individual award, which generally equals the vesting period, using the straight-line method for awards that contain only service conditions. For awards that contain performance conditions, the Company recognizes the share-based compensation expense on a straight-line basis for each vesting tranche.

The Company evaluates the assumptions used to value stock awards on a quarterly basis. If factors change and the Company employs different assumptions, share-based compensation expense may differ significantly from what it has recorded in the past. If there are any modifications or cancellations of the underlying unvested securities, the Company may be required to accelerate, increase or cancel any remaining unearned share-based compensation expense.

Net Loss Per Share Attributable to Inseego Corp.

Net loss attributable to common stockholders is computed by dividing the net loss by the weighted-average number of shares that were outstanding during the period. Diluted net loss attributable to common stockholders ("EPS") reflects the potential dilution that could occur if securities or other contracts to acquire common stock were exercised or converted into common stock. Potentially dilutive securities are excluded from the diluted EPS computation in loss periods as their effect would be anti-dilutive.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). A fair value measurement reflects the assumptions market participants would use in pricing an asset or liability based on the best available information. These assumptions include the risk inherent in a particular valuation technique (such as a pricing model) and the risks inherent in the inputs to the model.

The Company classifies inputs to measure fair value using a three-level hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The categorization of financial instruments within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) and is defined as follows:

Level 1: Pricing inputs are based on quoted market prices for identical assets or liabilities in active markets (e.g., NYSE or NASDAQ). Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Pricing inputs include benchmark yields, trade data, reported trades and broker dealer quotes, two-sided markets and industry and economic events, yield to maturity, Municipal Securities Rule Making Board reported trades and vendor trading platform data. Level 2 includes those financial instruments that are valued using various pricing services and broker pricing information including Electronic Communication Networks and broker feeds.

Level 3: Pricing inputs include significant inputs that are generally less observable from objective sources, including the Company's own assumptions.

The Company reviews the fair value hierarchy classification on a quarterly basis. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

Comprehensive Loss

Comprehensive loss consists of net earnings and foreign currency translation adjustments.

Recently Adopted Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, *Debt with Conversion and Other Options* (Subtopic 470-20) and *Derivatives and Hedging-Contracts in Entity's Own Equity* (Subtopic 815-40)-*Accounting For Convertible Instruments and Contracts in an Entity's Own Equity*. The ASU simplifies accounting for convertible instruments by removing major separation models required under current GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for it. The ASU also simplifies the diluted net income per share calculation in certain areas. The guidance is effective for annual and interim periods beginning after December 15, 2021. The Company adopted the ASU in the first quarter of fiscal 2022 and there was no impact to the consolidated financial statements.

In May 2021, the FASB issued ASU 2021-04, *Earnings Per Share* (Topic 260), *Debt-Modifications and Extinguishments* (Subtopic 470-50), *Compensation-Stock Compensation* (Topic 718), and *Derivatives and Hedging-Contracts in Entity's Own Equity* (Subtopic 815-40). The ASU addresses issuer's accounting for certain modifications or exchanges of freestanding equity-classified written call options. The ASU is effective for annual and interim periods beginning after December 15, 2021. The Company adopted the ASU in the first quarter of fiscal 2022 and there was no impact to the consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities—Supplier Finance Programs* (Subtopic 405-50). The ASU requires disclosure of the key terms of outstanding supplier finance programs and a rollforward of the related obligations. The ASU does not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. The ASU is effective for annual and interim periods beginning after December 15, 2022, except for the rollforward requirement, which is effective for annual periods beginning after December 15, 2023. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial position or results of operations.

2. Financial Statement Details

Inventories

Inventories consist of the following (in thousands):

	December 31, 2022	December 31, 2021
Finished goods	$ 31,153	$ 33,112
Raw materials and components	6,823	4,290
Total inventories	$ 37,976	$ 37,402

Prepaid expenses and other

Prepaid expenses and other consists of the following (in thousands):

	December 31, 2022	December 31, 2021
Rebate receivables	$ 2,038	$ 6,398
Receivables from contract manufacturers	3,561	2,626
Software licenses	772	1,261
Insurance	12	1,269
Deposits	829	1,023
Financed assets	—	323
Other	766	724
Total prepaid expenses and other	$ 7,978	$ 13,624

Property, plant and equipment

Property, plant and equipment consists of the following (in thousands):

	December 31, 2022	December 31, 2021
Test equipment	$ 19,724	$ 19,095
Computer equipment and purchased software	4,603	7,618
Product tooling	5,007	4,350
Furniture and fixtures	1,214	1,214
Vehicles	119	1,654
Leasehold improvements	772	863
Total property, plant and equipment, gross	31,439	34,794
Less—accumulated depreciation and amortization	(26,049)	(26,692)
Total property, plant and equipment, net	$ 5,390	$ 8,102

At December 31, 2022, the Company had property, plant and equipment under finance leases with an aggregate carrying value of $3.1 million, net of accumulated amortization of $2.1 million. At December 31, 2021, the Company had property, plant and equipment under finance leases with an aggregate carrying value of $3.1 million, net of accumulated amortization of $1.3 million.

Rental assets

Rental assets consist of the following (in thousands):

	December 31, 2022	December 31, 2021
Rental assets	$ 10,300	$ 9,967
Less—accumulated depreciation	(5,484)	(5,392)
Total rental assets	$ 4,816	$ 4,575

Depreciation and amortization

Depreciation and amortization expense related to property, plant and equipment, including rental assets and property, plant and equipment under finance leases, was $7.1 million, $9.8 million and $10.0 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	December 31, 2022	December 31, 2021
Royalties	$ 992	$ 2,243
Payroll and related expenses	8,873	9,326
Warranty obligations	480	473
Professional fees	738	502
Bank overdrafts	—	370
Accrued interest	1,112	877
Deferred revenue	5,060	3,832
Customer advances	2,828	—
Operating lease liabilities	1,759	1,769
Accrued contract manufacturing liabilities	1,416	927
Liabilities related to financed assets	—	1,593
Value added tax payables	449	642
Other	4,238	3,699
Total accrued expenses and other current liabilities	$ 27,945	$ 26,253

3. Goodwill and Other Intangible Assets

A summary of the activity in goodwill is presented below (in thousands):

Balance at December 31, 2020	$ 32,511
Effect of Ctrack South Africa divestiture	(10,734)
Effect of change in foreign currency exchange rates	(1,441)
Balance at December 31, 2021	20,336
Effect of change in foreign currency exchange rates	1,586
Balance at December 31, 2022	$ 21,922

The Company’s intangible assets are comprised of the following (in thousands):

	December 31, 2022			
	Weighted-Average Life (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Finite-lived intangible assets:				
Developed technologies	6.0	$ 4,534	$ (4,016)	$ 518
Trademarks and trade names	10.0	9,513	(7,105)	2,408
Customer relationships	10.0	8,500	(6,597)	1,903
Capitalized software development costs	2.8	40,767	(11,686)	29,081
Other	3.0	2,884	(2,225)	659
Total finite-lived intangible assets		$ 66,198	$ (31,629)	34,569
Indefinite-lived intangible assets:				
In-process capitalized software development costs				6,814
Total intangible assets				$ 41,383

	December 31, 2021			
	Weighted-Average Life (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Finite-lived intangible assets:				
Developed technologies	6.0	$ 8,305	$ (7,100)	$ 1,205
Trademarks and trade names	10.0	9,088	(5,920)	3,168
Customer relationships	10.0	11,995	(9,242)	2,753
Capitalized software development costs	3.1	54,581	(24,604)	29,977
Other	3.0	2,885	(1,538)	1,347
Total finite-lived intangible assets		$ 86,854	$ (48,404)	38,450
Indefinite-lived intangible assets:				
In-process capitalized software development costs				8,545
Total intangible assets				$ 46,995

Amortization expense for the years ended December 31, 2022, 2021 and 2020 was approximately $20.1 million, $15.5 million, and $18.0 million, respectively, including approximately $17.9 million, $12.2 million and $12.9 million related to capitalized software development costs for the years ended December 31, 2022, 2021 and 2020, respectively.

For the years ended December 31, 2022, 2021, and 2020, the Company recorded $3.0 million, $1.2 million, and $1.4 million, respectively, of impairment losses on intangible assets related to internal use capitalized software.

The following table represents details of the amortization of finite-lived intangible assets that is estimated to be expensed in the future (in thousands):

2023	$ 15,181
2024	9,235
2025	3,976
2026	2,178
2027	2,104
Thereafter	1,895
Total	$ 34,569

4. Fair Value Measurement of Assets and Liabilities

The following table summarizes the Company's financial instruments measured at fair value on a recurring basis as of December 31, 2022 and 2021 (in thousands):

	December 31, 2022			December 31, 2021		
	Total Fair Value	Level 3	Level 1	Total Fair Value	Level 3	Level 1
Assets						
Cash equivalents						
Money market funds	$ —	$ —	$ —	$ 126	$ —	$ 126
Total assets	$ —	$ —	$ —	$ 126	$ —	$ 126
Liabilities						
2025 Notes						
Interest make-whole payment	$ —	$ —	$ —	$ 926	$ 926	$ —
Total liabilities	$ —	$ —	$ —	$ 926	$ 926	$ —

During the years ended December 31, 2022 and 2021, there were no transfers between the levels within the fair value hierarchy.

The fair value of the interest make-whole payment derivative liability was determined using a Monte Carlo model with the following key assumptions:

	December 31, 2022	December 31, 2021
Volatility	50 %	50 %
Stock price	$0.84 per share	$5.83 per share
Credit spread	56.52 %	15.93 %
Term	2.34 years	3.34 years
Dividend yield	— %	— %
Risk-free rate	4.35 %	1.02 %

The estimated fair value of the interest make-whole derivative liability at December 31, 2022 and December 31, 2021 was determined using assumptions which include an implied credit spread rate for notes with a similar term, the expected volatility and dividend yield of the Company's common stock and the risk-free interest rate.

During the year ended December 31, 2022, there were no conversions of the 3.25% convertible senior notes due 2025 (the "2025 Notes") into shares of the Company's common stock. During the year ended December 31, 2021, certain holders of the 2025 Notes converted an aggregate of approximately $5.0 million in principal amount of the 2025 Notes into shares of the Company's common stock in accordance with the terms of such notes and a portion of the embedded derivative was settled in shares of the Company's common stock resulting in $0.1 million of the derivative liability being extinguished upon conversion.

There was a $0.9 million reduction in the fair value of the interest make-whole liability for the year ended December 31, 2022. For the years ended December 31, 2021 and 2020, the Company recorded a $3.8 million gain and a $0.6 million loss, respectively, as a result of the changes in fair value of the interest make-whole liability.

Other Financial Instruments

The carrying values of the Company's other financial assets and liabilities approximate their fair values because of their short-term nature, with the exception of the 2025 Notes. The 2025 Notes are carried at amortized cost, adjusted for changes in fair value of the embedded derivative.

5. Business Divestiture

Sale of Ctrack South Africa Operations

On July 30, 2021, the Company completed the sale of Ctrack South Africa to an affiliate of Convergence Partners ("Convergence"), an investment management firm in South Africa. Net cash proceeds received were approximately $33.7 million, net of cash divested of $5.0 million. The Company placed in escrow approximately $3.3 million, which was released to the Company on July 30, 2022. The funds in escrow allowed for Convergence to submit claims that were deemed to be uninsured warranties as defined in the purchase agreement. Such funds in escrow were recorded as restricted cash on the Company's consolidated balance sheet prior to their release.

The transaction was considered a deconsolidation of a subsidiary. Accordingly, upon the sale of Ctrack South Africa, the Company recognized a pre-tax gain of $5.3 million for the year ended December 31, 2021. Such gain was recognized as gain on the sale of Ctrack South Africa in the consolidated statement of operations during the year ended December 31, 2021 The Company also recorded $2.2 million of transaction costs within other income (expense), net, in the consolidated results of operations for the year ended December 31, 2021.

The carrying values of the assets and liabilities of Ctrack South Africa sold in the transaction as of July 30, 2021, are summarized below:

(in thousands)		
Assets:		
Cash and cash equivalents	$	5,040
Accounts receivable, net		3,505
Inventory		3,821
Prepaid expenses and other		370
Property, plant and equipment, net		4,545
Rental assets, net		2,448
Intangible assets, net		11,278
Goodwill		10,734
Total assets		41,741
Accounts payable		3,961
Accrued expenses and other liabilities		1,107
Deferred tax liabilities, net		3,647
Other long-term liabilities		746
Total liabilities		9,461
Net assets	$	32,280

Total consideration recognized was comprised of the following:

(in thousands)		
Initial purchase consideration received, upon close	$	36,566
Working capital adjustments [a]		2,584
Total consideration recognized	$	39,150

[a] $2.2 million was received on October 29, 2021, and the remaining $0.4 million was offset with the Company's existing accounts payable balance to Convergence.

Net gain on sale is comprised of the following:

(in thousands)		
Total consideration recognized	$	39,150
Less: Book value of net assets sold		32,280
Less: Release of cumulative foreign currency translation adjustments related to Ctrack South Africa		1,608
Net gain on sale	$	5,262

6. Debt

Convertible Notes

2025 Notes

In May 2020, the Company completed its registered public offering of $100.0 million aggregate principal amount of the 2025 Notes.

Also in May 2020, the Company entered into privately negotiated exchange agreements (the “Exchange Agreements”) with certain related party holders of the 5.5% convertible senior notes due 2022 (the “2022 Notes”). Pursuant to the Exchange Agreements, these noteholders agreed to exchange the 2022 Notes that they held (representing an aggregate of $45.0 million principal amount of 2022 Notes with an estimated fair value of approximately $112.4 million as of the date of exchange) for an aggregate of $32.0 million in cash and $80.4 million principal amount of 2025 Notes in private placement transactions that closed concurrently with the registered offering (the “Private Exchange Transaction”). In connection therewith, the Company recorded a $67.2 million loss on debt conversion and extinguishment in the consolidated statements of operations in the year ended December 31, 2020. The 2025 Notes issued in the Private Exchange Transaction are part of the same series as the 2025 Notes issued in the registered offering.

During the year ended December 31, 2021, certain holders of the 2025 Notes converted, pursuant to the original terms of the 2025 Notes, an aggregate of approximately $5.0 million in principal amount of the 2025 Notes into 428,669 shares of the Company’s common stock, including 32,221 shares of common stock issued in satisfaction of the interest make-whole payment. In connection therewith, the Company recorded a loss of $0.4 million on debt conversion, shown as net in the consolidated statement of operations.

The 2025 Notes were issued under an indenture, dated May 12, 2020 (the “Base Indenture”), between the Company and Wilmington Trust, National Association, as trustee (the “Trustee”), as supplemented by the first supplemental indenture, dated May 12, 2020 (the “Supplemental Indenture” and, together with the Base Indenture, the “Indenture”), between the Company and the Trustee.

The 2025 Notes will mature on May 1, 2025, unless earlier repurchased, redeemed or converted. The 2025 Notes are senior unsecured obligations of the Company and bear interest at an annual rate of 3.25%, payable semi-annually in arrears on May 1 and November 1 of each year.

Holders of the 2025 Notes may convert the 2025 Notes into shares of the Company’s common stock (together with cash in lieu of any fractional share), at their option, at any time until the close of business on the scheduled trading day immediately before the maturity date. Upon conversion of the 2025 Notes, the Company will deliver for each $1,000 principal amount of 2025 Notes converted a number of shares of the Company’s common stock (together with cash in lieu of any fractional share), equal to the conversion rate.

The initial conversion rate for the 2025 Notes is 79.2896 shares of common stock per $1,000 principal amount of 2025 Notes, which represents an initial conversion price of approximately $12.61 per share, and is subject to adjustment upon the occurrence of certain events, including, but not limited to, certain stock dividends, splits and combinations, the issuance of certain rights, options or warrants to holders of the common stock, certain distributions of assets, debt securities, capital stock or other property to holders of the common stock, cash dividends on the common stock and certain Company tender or exchange offers.

If a fundamental change (as defined in the Indenture) occurs at any time prior to the maturity date, then the noteholders may require the Company to repurchase their 2025 Notes at a cash repurchase price equal to the principal amount of the 2025 Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. If a make-whole fundamental change (as defined in the Indenture) occurs, then the Company will in certain circumstances increase the conversion rate for a specified period of time.

The 2025 Notes will be redeemable, in whole or in part, at the Company’s option at any time, and from time to time, on or after May 6, 2023 through the last scheduled trading day before the maturity date, at a cash redemption price equal to the principal amount of the 2025 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, as long as the last reported sale price per share of the common stock exceeds 130% of the conversion price on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (ii) the trading day immediately before the date the Company sends such notice.

The Indenture contains customary events of default. If an event of default (other than certain events of bankruptcy, insolvency or reorganization involving the Company) occurs and is continuing, the Trustee, by notice to the Company, or the holders of the 2025 Notes representing at least 25% in aggregate principal amount of the outstanding 2025 Notes, by notice to the Company and the Trustee, may declare 100% of the principal of, and all accrued and unpaid interest on, all of the then outstanding 2025 Notes to be due and payable immediately. Upon the occurrence of certain events of bankruptcy, insolvency or reorganization involving the Company, 100% of the principal of, and all accrued and unpaid interest on, all of the then outstanding 2025 Notes will automatically become immediately due and payable. Notwithstanding the foregoing, the Indenture provides that, to the extent the Company elects, the sole remedy for an event of default relating to certain failures by the Company to comply with certain reporting covenants in the Indenture will, for the first 360 days after such event of default, consist exclusively of the right to receive additional interest on the 2025 Notes.

Interest make-whole payment

The 2025 Notes also include an interest make-whole payment feature whereby if the last reported sale price of the Company's common stock for each of the five trading days immediately preceding a conversion date is greater than or equal to $10.51, the Company will, in addition to the other consideration payable or deliverable in connection with such conversion, make an interest make-whole payment to the converting holder equal to the sum of the present values of the scheduled payments of interest that would have been made on the 2025 Notes to be converted had such notes remained outstanding from the conversion date through the earlier of (i) the date that is three years after the conversion date and (ii) the maturity date. The present values will be computed using a discount rate equal to 1%. The Company will satisfy its obligation to pay the interest make-whole payment, at its election, in cash or shares of common stock (together with cash in lieu of fractional shares). The Company has determined that this feature is an embedded derivative and has recognized the fair value of this derivative as a liability in the consolidated balance sheets, with subsequent changes to fair value to be recorded at each reporting period on the consolidated statement of operations in other income, net.

As of December 31, 2022 and 2021, $161.9 million of principal of the 2025 Notes was outstanding. As of December 31, 2022 and 2021, $80.4 million principal amount of 2025 Notes was held by related parties and $0.9 million of accrued interest due to related parties was included within accrued expenses and other current liabilities on the consolidated balance sheets. Assuming no repurchases or conversions of the 2025 Notes prior to May 1, 2025, the entire principal balance of $161.9 million of the 2025 Notes is due on May 1, 2025.

The 2025 Notes consist of the following (in thousands):

	December 31,	
	2022	2021
Principal	$ 161,898	$ 161,898
Add: fair value of embedded derivative	—	926
Less: unamortized debt discount	(1,933)	(2,761)
Less: unamortized issuance costs	(1,538)	(2,197)
Net carrying amount	$ 158,427	$ 157,866

The effective interest rate of the 2025 Notes was 4.17% and 4.15%, respectively, for the twelve months ended December 31, 2022 and 2021. The following table sets forth total interest expense recognized related to the 2025 Notes (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Contractual interest expense	$ 5,262	$ 5,271	$ 3,434
Amortization of debt discount	828	829	552
Amortization of debt issuance costs	659	660	439
Total interest expense	$ 6,749	$ 6,760	$ 4,425

The contractual interest expense on the 2025 Notes recorded within interest expense, net on the consolidated statements of operations attributable to related parties was $2.6 million in each of the years ended December 31, 2022 and 2021 and $1.7 million in the year ended December 31, 2020.

The Company's consolidated statements of operations for the year ended December 31, 2020 included related party interest expense of $0.8 million related to the 2022 Notes.

The Company had interest expense relating to the following debt obligations that were fully settled in 2020 as follows:

	Year Ended December 31, 2020	
	2022 Notes	Novatel Wireless Notes
Contractual interest expense	$ 768	$ 1,667
Amortization of debt discount	1,952	859
Amortization of debt issuance costs	111	103
Total interest expense	$ 2,831	$ 2,629

The effective interest rates on the 2022 Notes and the Novatel Wireless Notes in the year ended December 31, 2020 were 12.89% and 15.19%, respectively.

Asset-Backed Revolving Credit Facility

On August 5, 2022, the Company entered into a Loan and Security Agreement (the "Credit Agreement"), by and among Siena Lending Group LLC, as lender ("Lender"), Inseego Wireless, Inc., a Delaware corporation ("Inseego Wireless"), a subsidiary of the Company, and Inseego North America LLC, an Oregon limited liability company, an indirect subsidiary of the Company, as borrowers (together with Inseego Wireless, the "Borrowers"), and the Company, as guarantor (together with the Borrowers, the "Loan Parties") as amended on February 25, 2023. The Credit Agreement establishes a secured asset-backed revolving credit facility which is comprised of a maximum $50 million revolving credit facility ("Credit Facility"), with a minimum draw of $4.5 million upon execution of the Credit Agreement. The Credit Facility matures on December 31, 2024. Availability under the Credit Facility is determined monthly by a borrowing base comprised of a percentage of eligible accounts receivable and eligible inventory of the Borrowers. Outstanding amounts exceeding the borrowing base must be repaid immediately. The Borrowers' obligations under the Credit Agreement are guaranteed by the Company. The Loan Parties' obligations under the Credit Agreement are secured by a continuing security interest in all property of each Loan Party, subject to certain Excluded Collateral (as defined in the Credit Agreement).

Borrowings under the Credit Facility may take the form of base rate ("Base Rate") loans or Secured Overnight Financing Rate ("SOFR") loans. SOFR loans will bear interest at a rate per annum equal to Term SOFR (defined in the Credit Agreement as the Term SOFR Reference Rate for a term of one month on the day) plus the Applicable Margin (as defined in the Credit Agreement), with a Term SOFR floor of 1%. Base Rate loans will bear interest at a rate per annum equal to the Applicable Margin plus the greatest of (a) the per annum rate of interest which is identified as the "Prime Rate" and normally published in the Money Rates section of The Wall Street Journal, (b) the sum of the Federal Funds Rate (as defined in the Credit Agreement) plus 0.5% and (c) 3.50% per annum.

The Applicable Margin varies depending on the average outstanding amount for a preceding month. If the average outstanding amount for a preceding month is less than $15 million, the Applicable Margin will be 2.50% for Base Rate loans and 3.50% for SOFR loans. If the average outstanding amount for a preceding month is between $15 million and $25 million, the Applicable Margin will be 3.00% for Base Rate loans and 4.00% for SOFR loans. If the average outstanding amount for a preceding month is greater than $25 million, the Applicable Margin will be 4.5% for Base Rate loans and 5.50% for SOFR loans. The Company pays monthly fees of 0.4% per annum on the unused portion of the Credit Facility.

The Credit Agreement contains a financial covenant whereby the Loan Parties shall not permit the consolidated Liquidity (as defined in the Amended Credit Agreement) to be less than $10 million at any time (the "Liquidity Covenant"). The Credit Agreement also contains certain customary covenants, which include, but are not limited to, restrictions on indebtedness, liens, fundamental changes, restricted payments, asset sales, and investments, and places limits on various other payments.

The Company determined that the term "Eligible Accounts", as defined in the Credit Agreement would have excluded certain balances used in the determination of eligible collateral upon which the Company's borrowing base is calculated and that exclusion would have resulted in a violation of the Liquidity Covenant as of December 31, 2022. Accordingly, to clarify this matter and others, the Loan Parties agreed to amend the Credit Agreement, (the "Amended Credit Agreement") to modify and clarify the definitions of "Eligible Accounts", "Permitted Indebtedness" and also "Eligible Inventory". The Amendment was entered into on February 25, 2023 with an effective date of December 15, 2022. The Company was in compliance with the financial covenants in the Amended Credit Agreement as of December 31, 2022.

Upon execution of the Credit Agreement on August 5, 2022, the Company paid $1.1 million of debt issuance costs, which are being amortized to interest expense throughout the term of the agreement. Amortization expense of $0.2 million related to debt issuance cost was recognized for the year ended December 31, 2022. As of December 31, 2022, the Company had outstanding borrowings of $7.9 million, gross borrowing base of $15.7 million and availability of $7.8 million. The Company's policy is to classify outstanding borrowings as long-term so long as such borrowings are not expected to exceed the borrowing base over the 12 months subsequent to the balance sheet date, in which case, any excess borrowings would be classified as short-term.

	December 31,
	2022
Gross amount outstanding (in thousands)	$ 7,851
Less: unamortized debt issuance cost	(932)
Revolving credit facility, net	$ 6,919

The effective interest rate of the Credit Facility was 17.71%, which includes 8.50% related to amortization of original issuance costs, for the twelve months ended December 31, 2022. The following table sets forth total interest expense recognized related to the Credit Facility (in thousands):

	December 31,
	2022
Contractual interest expense	$ 211
Amortization of debt issuance costs	194
Total interest expense	$ 405

7. Income Taxes

The Company's loss before income taxes for the years ended December 31, 2022, 2021 and 2020 is comprised of the following (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Domestic	$ (63,939)	$ (40,897)	$ (109,837)
Foreign	(4,495)	(6,823)	(601)
Loss before income taxes	$ (68,434)	$ (47,720)	$ (110,438)

The (benefit) provision for income taxes for the years ended December 31, 2022, 2021 and 2020 is comprised of the following (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Current:			
Federal	$ —	$ —	$ —
State	50	30	(4)
Foreign	55	214	93
Total current	105	244	89
Deferred:			
Federal	15	12	12
State	—	—	—
Foreign	(585)	(65)	647
Total deferred	(570)	(53)	659
(Benefit) Provision for income taxes	$ (465)	$ 191	$ 748

The Company's net deferred tax liabilities consist of the following (in thousands):

	December 31,	
	2022	2021
Deferred tax assets:		
Accrued expenses	$ 715	$ 1,016
Provision for excess and obsolete inventory	759	466
Capitalized research and experimental expenditures	8,986	—
Convertible debt	9,782	9,804
Interest expense limitation	12,722	11,113
Net operating loss and tax credit carryforwards	112,297	110,463
Share-based compensation	3,375	2,562
Right-of-use-asset	2,294	1,765
Unrecognized tax benefits	1,942	1,567
Deferred tax assets	152,872	138,756
Valuation allowances	(145,431)	(132,132)
Deferred tax assets, net of valuation allowances	7,441	6,624
Deferred tax liabilities:		
Operating lease liability	(2,518)	(1,830)
Acquired intangible assets	(599)	(666)
Depreciation and amortization	(4,288)	(4,376)
Unrealized foreign currency gains	(359)	(604)
Deferred tax liabilities	(7,764)	(7,476)
Deferred tax liabilities, net	$ (323)	$ (852)

The Company recognizes federal, state and foreign current tax liabilities or assets based on its estimate of taxes payable to or refundable by tax authorities in the current fiscal year. The Company also recognizes federal, state and foreign deferred tax liabilities or assets based on the Company's estimate of future tax effects attributable to temporary differences and carryforwards. The Company records a valuation allowance to reduce any deferred tax assets by the amount of any tax benefits that, based on available evidence and judgment, are not expected to be realized.

The Company assesses whether a valuation allowance should be recorded against its deferred tax assets based on the consideration of all available evidence, using a "more likely than not" realization standard. The four sources of taxable income that must be considered in determining whether deferred tax assets will be realized are: (1) future reversals of existing taxable temporary differences (i.e., offset of gross deferred tax assets against gross deferred tax liabilities); (2) taxable income in prior carryback years, if carryback is permitted under the applicable tax law; (3) tax planning strategies; and (4) future taxable income exclusive of reversing temporary differences and carryforwards.

During the years ended December 31, 2022 and 2021, the Company recognized valuation allowances of $13.6 million, and $6.0 million, respectively, related to its deferred tax assets created in those respective years for entities with historical losses and full valuation allowances. In 2021, certain valuation allowances in the amount of $10.0 million were released related to entities included in the divestiture of Ctrack South Africa. The Company also recognized $3.0 million of additional valuation allowance in 2021 related to true-up of prior year deferred taxes, partially offset by foreign currency loss of $0.2 million. Based on the Company's current position on valuation allowance, no net income tax benefits resulted in the Company's consolidated statements of operations from the operating losses created during those years.

Beginning January 1, 2022, we are required to capitalize certain research and development expenditures in accordance with Section 174 of the Internal Revenue Code, as amended by the Tax Cuts and Jobs Act of 2017, instead of expensing such expenditures, as previously allowed. Amortization of such capitalized expenditures are allowed over a 5-year period if incurred domestically or a 15-year period if incurred outside the United States.

The (benefit) provision for income taxes reconciles to the amount computed by applying the statutory federal income tax rate of 21% in 2022, 2021 and 2020 to loss before income taxes as follows (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Federal tax benefit, at statutory rate	$ (14,371)	$ (10,021)	$ (23,192)
State benefit, net of federal benefit	(370)	(148)	(1,285)
Foreign tax rate difference	(259)	(358)	(140)
Valuation allowance against future tax benefits	13,564	6,029	26,410
Gain on sale of foreign subsidiaries	—	3,008	—
Sub-part F income	—	791	—
Loss on conversion of debt	—	—	2,015
Research and development credits	(2,222)	(1,415)	(2,355)
Share-based compensation	1,010	(879)	(1,134)
Non-deductible officers compensation	108	1,449	—
True-up of prior year provisions	2,123	1,681	—
Other	(48)	54	429
(Benefit) Provision for income taxes	$ (465)	$ 191	$ 748

At December 31, 2022, the Company had U.S. federal net operating loss carryforwards ("NOLs") related to tax years 2020 and prior of approximately $417.2 million. Approximately $110.0 million of these NOLs have no expiration date. The remainder began to expire in 2023, unless previously utilized. Some of these NOLs may be limited by either past or future changes in control events. The Company has California NOLs at December 31, 2022 of approximately $62.0 million, which begin to expire in 2028, unless previously utilized, and foreign NOLs for its active foreign subsidiaries of approximately $22.7 million, which generally have no expiration date. At December 31, 2022, the Company had federal research and development tax credit carryforwards of approximately $15.9 million, which begin to expire in 2026, unless previously utilized, and California research and development tax credit carryforwards of approximately $17.4 million, which have no expiration date.

Pursuant to Internal Revenue Code ("IRC") Sections 382 and 383, annual use of the Company's net operating loss and research and development credit carryforwards may be limited in the event a cumulative change in ownership of more than 50% occurs within a rolling three-year period. An analysis was performed for the period through December 31, 2022 and did not identify any events of cumulative change in ownership during the review period. The Company will continue monitoring any future changes in stock ownership.

It is the Company's intention to reinvest undistributed earnings of its foreign subsidiaries and thereby indefinitely postpone their remittance. Accordingly, no provision has been made for foreign withholding taxes on U.S. income taxes which may become payable if undistributed earnings of the foreign subsidiary were paid as dividends to the Company.

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which includes modifications to the limitation on business interest expense and net operating loss provisions, and provides a payment delay of employer payroll taxes during 2020 after the date of enactment. Payments of approximately $1.4 million of employer payroll taxes otherwise due in 2020, were delayed with 50% due and paid by December 31, 2021 and the remaining 50% in February 2023. The CARES Act did not have a material impact on the Company's consolidated financial statements.

The Company follows the accounting guidance related to financial statement recognition, measurement and disclosure of uncertain tax positions. The Company recognizes the impact of an uncertain income tax position on an income tax return at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. No income tax benefit was recognized during the years ended December 31, 2022, 2021 and 2020. At December 31, 2022, 2021 and 2020, the Company did not have interest expense related to uncertain tax positions or a liability for unrecognized tax benefits. The Company does not expect changes to its uncertain tax position in the next twelve months.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in thousands):

Balance at December 31, 2020	$	39,631
Increases related to current and prior year tax positions		1,998
Balance at December 31, 2021		41,629
Increases related to current and prior year tax positions		1,286
Balance at December 31, 2022	$	42,915

There are no tax benefits that, if recognized, would affect the effective tax rate that are included in the balances of unrecognized tax benefits at December 31, 2022.

The Company and its subsidiaries file U.S., state and foreign income tax returns in jurisdictions with various statutes of limitations. The Company's tax returns are subject to examination by federal, state and foreign taxing authorities. The Company's federal and state tax returns are subject to examination for the years beginning in 2019 and 2018, respectively. Net operating loss carryforwards arising prior to these years are also open to examination, if and when utilized. The Company believes appropriate provisions for all outstanding issues have been made for all jurisdictions and all open years. However, because audit outcomes and the timing of audit settlements are subject to significant uncertainty, the Company's current estimate of the total amounts of unrecognized tax benefits could increase or decrease for all open years.

On August 16, 2022, Congress passed, and the President signed into law, the Inflation Reduction Act of 2022 (the "IRA"), which includes certain business tax provisions. The IRA provides for excise taxes on corporate stock buy-backs and a minimum tax on corporate financial statement income in excess of $1.0 billion. These new provisions become effective January 1, 2023. The Company does not expect the IRA to have a material impact on the Company's effective tax rate or income tax expense for the year ending December 31, 2023.

8. Preferred Stock and Common Stock

Preferred Stock

The Company has a total of 2,000,000 shares of preferred stock authorized for issuance at a par value of $0.001 per share, 150,000 of which have been designated Series D Preferred Stock and 39,500 of which have been designated Series E Preferred Stock.

Each share of Series E Preferred Stock entitles the holder thereof to receive, when and if declared by the Company out of assets legally available therefor, cumulative cash dividends at an annual rate of 9.00% payable quarterly in arrears on January 1 April 1, July 1 and October 1 of each year, beginning on October 1, 2019. If dividends are not declared and paid in any quarter, or if such dividends are declared but holders of the Series E Preferred Stock elect not to receive them in cash, the quarterly dividend will be deemed to accrue and will be added to the Series E Base Amount (as defined below). The Series E Preferred Stock has no voting rights unless otherwise required by law. The Series E Preferred Stock is perpetual and has no maturity date. However, the Company may, at its option, redeem shares of the Series E Preferred Stock, in whole or in part, on or after July 1, 2022, at a price equal to 110% of the Series E Base Amount plus (without duplication) any accrued and unpaid dividends. The "Series E Base Amount" means $1,000 per share, plus any accrued but unpaid dividends, whether or not declared by the Company's board of directors, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series E Preferred Stock. In the event of a liquidation, dissolution or winding up of the Company, the holders of the Series E Preferred Stock will be entitled to receive, after satisfaction of liabilities to creditors and subject to the rights of holders of any senior securities, but before any distribution of assets is made to holders of common stock or any other junior securities, the Series E Base Amount plus (without duplication) any accrued and unpaid dividends.

Exchange Transactions

On March 6, 2020, the Company entered into a Securities Purchase Agreement with an accredited investor pursuant to which, among other things, the Company issued and sold to the investor, in a private placement transaction, an aggregate of 25,000 shares of the Company's Series E Preferred Stock, for a purchase price of $1,000 per share of Series E Preferred Stock, resulting in gross proceeds to the Company of $25.0 million.

On September 3, 2021, the Company entered into separate privately-negotiated exchange agreements (the "September Exchange Agreements") with Golden Harbor Ltd. and North Sound Trading, L.P. (the "Participating Stockholders"), holders of the Company's outstanding Series E Preferred Stock. Pursuant to each respective September Exchange Agreement, each of the Participating Stockholders agreed to exchange Series E Preferred Stock that they held (representing an aggregate of 10,000 shares of Series E Preferred Stock) for an aggregate of 1,525,207 shares of common stock, of the Company (the "Series E Exchange Transactions"). The Company did not receive any cash proceeds from the Participating Stockholders in connection with the Series E Exchange Transactions.

The Company used the Guidance in ASC 470 *Debt*, regarding the modification of debt instruments and determined that the Series E Exchange Transactions were an extinguishment. If a modification or exchange represents an extinguishment for accounting purposes, it is accounted for as a redemption of the existing equity instrument and the issuance of a new instrument.

ASC 260-10-S99-2, *"SEC Staff Announcement: The Effect on the Calculation of Earnings Per Share for a Period That Includes the Redemption or Induced Conversion of Preferred Stock,"* provides guidance on the accounting for extinguishments (redemptions) of equity-classified preferred stock. Under that guidance, an SEC registrant compares (1) the fair value of the consideration transferred to the holders of the preferred stock and (2) the carrying amount of the preferred stock immediately before the modification or exchange (net of issuance costs). The difference is treated as a return to (or from) the holder of the preferred stock in a manner similar to dividends paid on preferred stock. Any excess of fair value of the consideration transferred to the holders of the preferred stock over the carrying amount of the preferred stock in the issuer's balance sheet is treated as a dividend to those holders and charged against retained earnings.

The Company determined that the Series E Exchange Transactions resulted in an extinguishment of preferred stock and an issuance of common stock. The difference between the carrying amount of the preferred stock plus accrued dividends, and the fair value of the common stock exchanged for such preferred stock, totaled $1.1 million. This difference was treated as a deemed dividend, and was included within the Series E Preferred Stock dividends and deemed dividends from the preferred stock exchange, in the consolidated results of operations for the year ended December 31, 2021.

During the years ended December 31, 2022, 2021 and 2020, dividends declared, but not paid, related to the Series E Preferred Stock resulted in $9.1 million, $6.4 million and $3.3 million of dividends accrued, approximating $365.60, $256.16 and $130.60 per preferred share, as of December 31, 2022, 2021, and 2020, respectively.

Common Stock

On August 6, 2018, the Company completed a private placement of 12,062,000 shares of its common stock and warrants (the "2018 Warrants") to purchase an additional 4,221,700 shares of its common stock, subject to adjustment for stock splits, reverse stock splits, stock dividends and similar transactions, to certain accredited investors for gross proceeds of $19.7 million in cash. Each warrant had an initial exercise price of $2.52 per share, subject to adjustment for stock splits, reverse stock splits, stock dividends and similar transactions.

On March 28, 2019, the 2018 Warrants were exercised at an exercise price of $2.52 per share, for aggregate cash proceeds to the Company of approximately $10.6 million. In connection with the exercise of the 2018 Warrants, on March 28, 2019, the Company issued additional warrants to purchase 2,500,000 shares of common stock (the "2019 Warrants") to the accredited investors. Each 2019 Warrant had an initial exercise price of $7.00 per share, subject to adjustment for stock splits, reverse stock splits, stock dividends and similar transactions, were exercisable at any time on or after September 28, 2019. The 2019 Warrants were not exercised and expired on June 30, 2022.

The Company assessed the terms of the warrants under ASC 815. Pursuant to this guidance, the Company determined that the warrants did not require liability accounting and classified the warrants as equity.

On January 25, 2021, the Company entered into an Equity Distribution Agreement with Canaccord Genuity LLC (the “Agent”), pursuant to which the Company may offer and sell, from time to time, through or to the Agent, up to $40.0 million of shares of its common stock (the “ATM Offering”). In January 2021, the Company sold 1,516,073 shares of common stock, at an average price of $20.11 per share, for net proceeds of $29.4 million, after deducting underwriter fees and discounts of $0.9 million, and other offering fees, pursuant to the ATM Offering.

Common Shares Reserved for Future Issuance

The Company had reserved shares of common stock for possible future issuance as of December 31, 2022 and 2021 as follows:

	December 31,	
	2022	2021
Common stock warrants outstanding	—	2,500,000
Stock options outstanding	8,132,959	8,085,793
Restricted stock units outstanding	1,178,370	1,247,723
Shares available for issuance pursuant to Convertible Notes	14,090,448	14,340,786
Shares available for future grants of awards under the 2018 Omnibus Incentive Compensation Plan	8,848,748	3,311,023
Shares available under the 2000 Employee Stock Purchase Plan	895,141	170,811
Total shares of common stock reserved for issuance	33,145,666	29,656,136

9. Share-based Compensation

During the year ended December 31, 2022, the Company granted awards under the 2018 Omnibus Incentive Compensation Plan, previously named the Amended and Restated 2009 Omnibus Incentive Compensation Plan (the “2018 Plan”), and the 2015 Incentive Compensation Plan (the “2015 Plan”). The Compensation Committee of the Board of Directors administers the plans. Under the 2018 Plan, shares of common stock may be issued upon the exercise of stock options, in the form of restricted stock, or in settlement of RSUs or other awards, including awards with alternative vesting schedules such as performance-based criteria. The 2018 Plan authorizes 32,753,085 shares, of which 8,848,748 remain available for future grants.

During the year ended December 31, 2022, the Board of Directors of the Company approved and the Company granted RSUs to eligible employees under the 2018 Omnibus Incentive Compensation Plan, previously named the Amended and Restated 2009 Omnibus Incentive Compensation Plan (the “2018 Plan”) that were immediately vested, as fiscal 2021 annual bonus payments. The total charges recorded for the year ended December 31, 2022 were $8.8 million. Total charges related to bonus payments recorded for the year ended December 31, 2021 were $7.0 million. Total charges related to bonus payments recorded for the year ended December 31, 2020 were $2.7 million. During the year ended December 31, 2021, the Board of Directors of the Company approved, and the Company granted additional RSUs under the 2018 Plan to certain employees who contributed to the completion of the divestiture of Ctrack South Africa. Such grants were immediately vested, and the total charges were $0.6 million.

For the years ended December 31, 2022, 2021 and 2020 the following table presents total share-based compensation expense in each functional line item on the consolidated statements of operations (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Cost of revenues	$ 2,110	$ 2,469	$ 1,583
Research and development	5,369	4,813	2,823
Sales and marketing	3,528	3,704	2,346
General and administrative	6,868	5,663	3,667
Total	$ 17,875	$ 16,649	$ 10,419

Stock Options

The Compensation Committee of the Board of Directors determines eligibility, vesting schedules and exercise prices for stock options granted. Stock options generally have a term of ten years and vest over a three- to four-year period.

The following table presents the weighted-average assumptions used in the Black-Scholes valuation model by the Company in calculating the fair value of each stock option granted:

	Year Ended December 31,	
	2022	2021
Expected dividend yield	— %	— %
Risk-free interest rate	0.4 %	0.9 %
Volatility	16 %	73 %
Expected term (in years)	1.1	5.4

The weighted-average fair value of stock option awards granted during the years ended December 31, 2022 and 2021 was $2.91 and $5.41, respectively.

The following table summarizes the Company's stock option activity for the years ended December 31, 2022, 2021 and 2020 (dollars in thousands, except per share data):

	Stock Options Outstanding	Weighted-Average Exercise Price Per Option	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding — December 31, 2019	9,044,304	$ 2.91		
Granted	1,526,000	9.41		
Exercised	(1,357,620)	3.06		
Canceled	(732,705)	3.60		
Outstanding — December 31, 2020	8,479,979	$ 3.99		
Granted	1,929,500	8.86		
Exercised	(1,315,552)	2.62		
Canceled	(1,008,134)	8.60		
Outstanding — December 31, 2021	8,085,793	$ 4.81		
Granted	1,505,000	4.63		
Exercised	(370,688)	1.37		
Canceled	(1,087,146)	7.97		
Outstanding — December 31, 2022	8,132,959	$ 4.65	5.25	$ —
Vested and Expected to Vest — December 31, 2022	7,573,152	$ 4.49	5.01	$ 1
Exercisable — December 31, 2022	5,550,858	$ 3.87	3.69	$ 1

The total intrinsic value of stock options exercised to purchase common stock during the years ended December 31, 2022, 2021 and 2020 was approximately $3.7 million, $4.3 million and $11.7 million, respectively.

As of December 31, 2022, total unrecognized share-based compensation expense related to non-vested stock options was $7.1 million, which is expected to be recognized over a weighted-average period of approximately 2.69 years. The Company recognized approximately $5.9 million, $6.3 million and $5.8 million of share-based compensation expense related to the vesting of stock option awards during the years ended December 31, 2022, 2021 and 2020, respectively.

Restricted Stock Units

Pursuant to the 2018 Plan and the 2015 Plan, the Company may issue RSUs that, upon satisfaction of vesting conditions, allow recipients to receive common stock. Issuances of such awards reduce common stock available under the 2018 Plan and 2015 Plan for stock incentive awards. The Company measures compensation cost associated with grants of RSUs at fair value, which is generally the closing price of the Company's stock on the date of grant. RSUs generally vest over a three- to four-year period.

A summary of restricted stock unit activity under all plans for the years ended December 31, 2022, 2021 and 2020 is presented below:

	Number of Shares	Weighted-Average Grant-Date Fair Value
Non-vested — December 31, 2019	400,315	$ 3.95
Granted	570,368	10.52
Vested	(548,160)	7.28
Forfeited	(5,418)	4.06
Non-vested — December 31, 2020	417,105	8.68
Granted	1,931,263	8.53
Vested	(1,019,686)	10.20
Forfeited	(80,959)	10.75
Non-vested — December 31, 2021	1,247,723	7.65
Granted	2,544,053	4.51
Vested	(2,278,818)	4.53
Forfeited	(334,588)	3.45
Non-vested — December 31, 2022	1,178,370	7.33

During the years ended December 31, 2022, 2021 and 2020, the total fair value of shares vested was $9.5 million, $10.4 million and $5.1 million, respectively.

As of December 31, 2022, there was $4.0 million of unrecognized share-based compensation expense related to non-vested RSUs, which is expected to be recognized over a weighted-average period of 2.40 years. The Company recognized approximately $11.7 million, $9.6 million and $4.1 million of share-based compensation expense related to the vesting of RSUs during the years ended December 31, 2022, 2021 and 2020 respectively.

2000 Employee Stock Purchase Plan

The ESPP permits eligible employees of the Company to purchase newly issued shares of common stock, at a price equal to 85% of the lower of the fair market value on (i) the first day of the offering period or (ii) the last day of each six-month purchase period, through payroll deductions of up to 10% of their annual cash compensation. Under the ESPP, a maximum of 5,324,000 shares of common stock may be purchased by eligible employees.

During the years ended December 31, 2022 and 2021, the Company issued 525,670 shares and 220,390 shares, respectively, under the ESPP. The Company recognized approximately $0.3 million, $0.7 million and $0.6 million of share-based compensation expense related to the ESPP during the years ended December 31, 2022, 2021 and 2020, respectively.

10. Earnings per Share

Basic EPS excludes dilution and is computed by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock using the treasury stock method. Potentially dilutive securities (consisting primarily of the convertible notes calculated using the if-converted and treasury stock method and warrants, stock options and RSUs calculated using the treasury stock method) are excluded from the diluted EPS computation in loss periods and when the applicable exercise price is greater than the market price on the period end date as their effect would be anti-dilutive.

The calculation of basic and diluted earnings per share was as follows (in thousands, except share and per share data):

	Year Ended December 31,		
	2022	2021	2020
Net loss attributable to common stockholders	$ (70,705)	$ (52,368)	$ (114,119)
Weighted-average common shares outstanding	107,269,331	103,246,308	96,111,547
Basic and diluted net loss per share	$ (0.66)	$ (0.51)	$ (1.19)

The following is a summary of outstanding potential shares of common stock that have been excluded from the computation of diluted net loss per share attributable to common stockholders because their inclusion would have been anti-dilutive:

	Year Ended December 31,		
(in thousands)	2022	2021	2020
Convertible notes	14,090	14,341	14,784
Warrants	—	2,500	2,500
Non-qualified stock options	8,133	8,086	8,480
Restricted stock units	1,178	1,248	417
Employee Stock Purchase Plan	426	144	25
Total	23,827	26,319	26,206

11. Commitments and Contingencies

Noncancellable Purchase Obligations

The Company typically enters into commitments with its contract manufacturers that require future purchases of goods or services in the upcoming three to four quarters following the balance sheet date. Such commitments are noncancellable (“noncancellable purchase obligations). As of December 31, 2022, future payments under these noncancellable purchase obligations were approximately $77.6 million.

Legal

The Company is, from time to time, party to various legal proceedings arising in the ordinary course of business. The Company is regularly required to directly or indirectly participate in other U.S. patent infringement actions pursuant to its contractual indemnification obligations to certain customers. Based on an evaluation of these matters the Company currently believes that liabilities arising from, or sums paid in settlement of these existing matters, if any, would not have a material adverse effect on its consolidated results of operations or financial condition.

Indemnification

In the normal course of business, the Company periodically enters into agreements that require the Company to indemnify and defend its customers for, among other things, claims alleging that the Company’s products infringe upon third-party patents or other intellectual property rights. The Company’s maximum exposure under these indemnification provisions cannot be estimated but the Company does not believe that there are any matters individually or collectively that would have a material adverse effect on its consolidated results of operations or financial condition.

12. Leases

The components of the right-of-use assets and lease liabilities were as follows (in thousands):

	Balance Sheet Classification	December 31, 2022	December 31, 2021
Operating right-of-use assets	Right-of-use assets	$ 6,662	$ 7,839
Current operating lease liabilities	Accrued expenses and other current liabilities	$ 1,759	$ 1,769
Non-current operating lease liabilities	Other long-term liabilities	5,903	7,112
Total operating lease liabilities		$ 7,662	$ 8,881
Weighted-average remaining lease term (in years)		4.1	5.0
Weighted-average discount rate		9.0 %	9.1 %

The components of lease cost were as follows (in thousands):

	Year Ended December 31, 2022		
	2022	2021	2020
Operating lease costs included in operating costs and expenses	$ 2,453	$ 2,800	$ 2,200

Supplemental cash flow information related to leases was as follows (in thousands):

	Year Ended December 31, 2022		
	2022	2021	2020
Operating cash flows related to operating leases	$ 2,464	$ 2,600	$ 1,900
Operating right-of-use assets obtained in exchange for lease liabilities	$ 705	$ 658	$ 7,931

The future minimum payments under operating leases were as follows at December 31, 2022 (in thousands):

2023	$ 2,459
2024	2,203
2025	1,763
2026	1,698
2027	1,125
Total minimum operating lease payments	9,248
Less: amounts representing interest	(1,586)
Present value of net minimum operating lease payments	7,662
Less: current portion	(1,759)
Long-term portion of operating lease obligations	$ 5,903

13. Geographic Information and Concentrations of Risk

Geographic Information

The following table details the geographic concentration of the Company's assets (in thousands):

	December 31,	
	2022	2021
United States and Canada	$ 122,074	$ 176,094
Europe	32,903	35,630
Other	4,040	4,119
	$ 159,017	$ 215,843

The following table details the Company’s net revenues by geographic region based on shipping destination (in thousands):

	Year Ended December 31,		
	2022	2021	2020
United States and Canada	$ 201,799	$ 215,520	$ 260,009
Europe	27,562	23,123	21,720
Australia	11,250	4,202	3,333
South Africa	—	17,346	28,208
Other	4,712	2,208	562
Total	$ 245,323	$ 262,399	$ 313,832

Concentrations of Risk

For the year ended December 31, 2022, two customers accounted for 35.1% and 32.2% of net revenues, respectively. For the year ended December 31, 2021, the same two customers accounted for 43.9% and 26.4% of net revenues, respectively. For the year ended December 31, 2020, only one of these two customers accounted for 54.5% of net revenues.

At December 31, 2022, two customers accounted for 37.4% and 21.9% of total accounts receivable, net, respectively. At December 31, 2021, two customers accounted for 61.7% and 12.6% of total accounts receivable, net, respectively.

14. Retirement Savings Plan

The Company has a defined contribution 401(k) retirement savings plan (the “Plan”). Substantially all of the Company’s U.S. employees are eligible to participate in the Plan after meeting certain minimum age and service requirements. The Company matches 50% of the first 6% of an employee’s designated deferral of their eligible compensation. Employees may make discretionary contributions to the Plan subject to Internal Revenue Service limitations. Employer matching contributions under the Plan were $0.9 million, $0.9 million and $0.7 million for the years ended December 31, 2022, 2021 and 2020, respectively. Employer matching contributions vest immediately.

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