

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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 19, 2024

INSEEGO CORP.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38358
(Commission
file number)

81-3377646
(IRS 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**

Not Applicable
(Former Name, or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, par value \$0.001 per share	INSG	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 1.01. Entry into a Material Definitive Agreement.

On February 20, 2024, Inseego Corp. (the “Company”) entered into a fourth amendment (the “Fourth Amendment”) of the Company’s Loan and Security Agreement (the “Credit Agreement”) with Siena Lending Group LLC, as lender. The Fourth Amendment relaxed the financial covenants under the Credit Agreement by decreasing the minimum liquidity level the Company are required to maintain from \$10 million to \$8 million. No costs were incurred by the Company in connection with the Fourth Amendment.

The foregoing description of the Fourth Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Fourth Amendment, a copy of which is filed as exhibit 10.1 to this Current Report on Form 8-K.

Item 2.02. Results of Operations and Financial Condition.

The information in “Item 2.02 Results of Operations and Financial Condition” of this Current Report on Form 8-K and in Exhibit 99.1, attached hereto, is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. It may be incorporated by reference in a filing under the Exchange Act or the Securities Act of 1933, as amended, only if such subsequent filing specifically references such disclosure in this Form 8-K.

On February 21, 2024, the Company issued a press release containing preliminary financial results for the year and quarter ended December 31, 2023.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 19, 2024, Ashish Sharma resigned as Chief Executive Officer and President of the Company, to be effective as of February 23, 2024. In addition, the Company’s board of directors (the “Board”) appointed Philip G. Brace, a member of the Board, to the newly-created role of Executive Chairman, effective as of February 19, 2024 and to continue until the earlier of six (6) months or a permanent chief executive officer and president is hired.

Mr. Brace, age 53, joined the Board in September 2023. Mr. Brace has an extensive technology and operations background. His experience at technology companies over the past 30 years includes roles in a wide array of functional areas, including engineering, software, hardware, and sales and marketing. Most recently, Mr. Brace served as president and CEO of Sierra Wireless Inc. from July 2021 until its sale to Semtech Corporation in January 2023. His previous executive roles include Executive Vice President at Veritas Technologies, President of Seagate Technology’s Cloud Systems and Electronic Solutions, Executive Vice President at LSI Corporation, and General Manager at Intel Corporation. Mr. Brace currently serves on the board of directors of Lantronix, Inc. and Blackberry Limited. Mr. Brace holds a Bachelor’s degree in Applied Science from the University of Waterloo and a Master’s degree in Electrical Engineering from California State University, Sacramento.

In consideration for his service as Executive Chairman, the Board has approved a temporary increase in Mr. Brace’s director compensation to \$20,000 per month. In addition, the Board will award Mr. Brace a one-time special equity award in the form of RSUs, to be granted upon the completion of Mr. Brace’s service as Executive Chairman, with an economic value of \$50,000 per month of service in such capacity that will vest immediately upon grant.

In connection with his departure from the Company, Mr. Sharma will be entitled to receive the severance and other benefits described in the previously-disclosed Change in Control and Severance Agreement, dated September 25, 2017, between the Company and Mr. Sharma, subject to the conditions contained therein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following Exhibits are filed with this report:

- 10.1 [Fourth Amendment, dated as of February 8, 2024, 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. \(as Guarantor\).](#)
- 99.1 [Press release dated February 21, 2024.](#)
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INSEEGO CORP.

By: /s/ Steven Gatoff
Name: Steven Gatoff
Title: Chief Financial Officer

Date: February 21, 2024

**FOURTH AMENDMENT TO
LOAN AND SECURITY AGREEMENT**

This FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "*Amendment*"), effective as of February 8, 2024, is entered into by and among (1) Siena Lending Group LLC, together with its successors and assigns ("*Lender*"), (2) Insego Wireless, Inc., a Delaware corporation ("*Insego Wireless*"), and Insego North America LLC, an Oregon limited liability company ("*Insego North America*") and together with Insego Wireless and any other Person who from time to time becomes a Borrower under the below defined Loan Agreement, collectively, the "*Borrowers*" and each individually, a "*Borrower*"), and (3) each of the Affiliates of the Borrowers signatory to the below defined Loan Agreement from time to time as guarantors (each a "*Guarantor*" and collectively, the "*Guarantors*"). Terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement defined below.

RECITALS

A. Lender, Borrowers and Guarantors have previously entered into that certain Loan and Security Agreement dated as of August 5, 2022, as amended by that certain First Amendment to Loan and Security Agreement dated as of December 15, 2022, as amended by that certain Second Amendment to Loan and Security Agreement dated as of April 28, 2023, as amended by that certain Third Amendment to Loan and Security Agreement dated as of May 2, 2023 (as may be further amended, restated, supplemented or otherwise modified from time to time, the "*Loan Agreement*"), pursuant to which Lender has made certain loans and financial accommodations available to Borrowers.

C. Lender and Loan Parties now wish to further amend the Loan Agreement on the terms and conditions set forth herein.

D. Loan Parties are entering into this Amendment with the understanding and agreement that, except as specifically provided herein, none of Lender's rights or remedies as set forth in the Loan Agreement or any other Loan Document is being waived or modified by the terms of this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Amendment to Loan Agreement. *Schedule E* to the Loan Agreement is hereby amended by amending and restating clause (a) in its entirety as follows:

“(a) **Minimum Liquidity.** The Loan Parties shall not permit the consolidated Liquidity of the Loan Parties to be less than \$8,000,000.”

2. Effectiveness of this Amendment. This Amendment shall become effective as of the Fourth Amendment Effective Date upon the satisfaction, as determined by Lender, of the following conditions.

(a) Amendment. Lender shall have received this Amendment fully executed in a sufficient number of counterparts for distribution to all parties hereto.

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(b) Other Required Documentation. All other documents required to be delivered by Borrowers in connection with the transactions contemplated by this Amendment shall have been delivered or executed or recorded, as reasonably required by Lender.

3. Representations and Warranties. Each Loan Party represents and warrants as follows:

(a) Authority. Such Loan Party has the requisite corporate power and authority to execute and deliver this Amendment, and to perform its obligations hereunder. The execution, delivery and performance by such Loan Party of this Amendment have been duly approved by all necessary corporate action and no other corporate proceedings are necessary to consummate such transactions.

(b) Enforceability. This Amendment has been duly executed and delivered by each Loan Party. This Amendment is the legal, valid and binding obligation of each Loan Party, enforceable against each Loan Party in accordance with its terms, and is in full force and effect.

(c) Representations and Warranties. The representations and warranties contained in the Loan Agreement and each other Loan Document (other than any such representations or warranties that, by their terms, are specifically made as of a date other than the date hereof) are correct on and as of the date hereof as though made on and as of the date hereof.

(d) Due Execution. The execution, delivery and performance of this Amendment are within the power of each Loan Party, have been duly authorized by all necessary corporate action, have received all necessary governmental approval, if any, and do not contravene any law or any contractual restrictions binding on any Loan Party.

(e) No Default. No event has occurred and is continuing that constitutes a Default or an Event of Default.

4. Choice of Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York applied to contracts to be performed wholly within the State of New York.

5. Counterparts; Facsimile Signatures. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or other similar form of electronic transmission shall be deemed to be an original signature hereto.

6. Reference to and Effect on the other Loan Documents.

(a) Upon and after the effectiveness of this Amendment, each reference in the Loan Agreement to "*this Agreement*", "*hereunder*", "*hereof*" or words of like import referring to the Loan Agreement, and each reference in the other Loan Documents to "*the Loan Agreement*", "*thereof*" or words of like import referring to the Loan Agreement, shall mean and be a reference to the Loan Agreement as modified and amended hereby.

(b) Except as specifically amended above, the Loan Agreement and all other Loan Documents, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed and shall constitute the legal, valid, binding and enforceable obligations of Borrowers to Lender.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lender under the Loan Agreement or any of the other Loan Documents, nor constitute a waiver of any provision of the Loan Agreement or any of the other Loan Documents.

(d) To the extent that any terms and conditions in any of the other Loan Documents shall contradict or be in conflict with any terms or conditions of the Loan Agreement, after giving effect to this Amendment, such terms and conditions are hereby deemed modified or amended accordingly to reflect the terms and conditions of the Loan Agreement as modified or amended hereby.

7. Integration. This Amendment, together with the Loan Agreement and the other Loan Documents, incorporates all negotiations of the parties hereto with respect to the subject matter hereof and is the final expression and agreement of the parties hereto with respect to the subject matter hereof.

8. Severability. If any part of this Amendment is contrary to, prohibited by, or deemed invalid under applicable laws, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

9. Guarantors' Acknowledgment. With respect to the amendments to the Loan Agreement effected by this Amendment, each Guarantor hereby acknowledges and agrees to this Amendment and confirms and agrees that its Guaranty (as modified and supplemented in connection with this Amendment) is and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects except that, upon the effectiveness of, and on and after the date of this Amendment, each reference in such Guaranty to the Loan Agreement, "*thereunder*", "*thereof*" or words of like import referring to the Loan Agreement, shall mean and be a reference to the Loan Agreement as amended or modified by this Amendment. Although Lender has informed the Guarantors of the matters set forth above, and each Guarantor has acknowledged the same, each Guarantor understands and agrees that Lender has no duty under the Loan Agreement, any Guaranty or any other agreement with any Guarantor to so notify any Guarantor or to seek such an acknowledgement, and nothing contained herein is intended to or shall create such a duty as to any transaction hereafter.

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IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

BORROWERS:

INSEGO WIRELESS, INC.

By: _____

Name: Steven Gatoff
Its: President and Treasurer

INSEGO NORTH AMERICA LLC

By: _____

Name: Steven Gatoff
Its: Manager

GUARANTOR:

INSEGO CORP.

By: _____

Name: Steven Gatoff
Its: Chief Financial Officer

[Signature Page to Fourth Amendment to Loan and Security Agreement]

LENDER:

SIENA LENDING GROUP LLC

By: 

Name: Michael Zielinski
Its: Authorized Signatory

By: 

Name: Steven Sanicola
Its: Authorized Signatory

[Signature Page to Fourth Amendment to Loan and Security Agreement]



Inseego reports Fourth Quarter and Full Year 2023 Financial Results and announces CEO transition

Q4 2023 revenue of \$42.8 million

Q4 2023 Adjusted EBITDA of \$4.1 million

Fourth consecutive quarter of positive Adjusted EBITDA with \$16.7 million in positive Adjusted EBITDA in 2023

Philip Brace appointed Executive Chairman

SAN DIEGO—February 21, 2024—Inseego Corp. (Nasdaq: INSG) (the “Company”), a technology leader in 5G and 4G mobile and fixed wireless solutions for mobile network operators, Fortune 500 enterprises, SMBs, and consumers, today reported its results for the fourth quarter and year ended December 31, 2023. The Company reported fourth quarter revenue of \$42.8 million, GAAP operating loss of \$11.1 million, GAAP net loss of \$14.3 million, GAAP net loss of \$1.28 per share, and Adjusted EBITDA of positive \$4.1 million. Unrestricted cash and cash equivalents at December 31, 2023 were \$7.5 million.

Inseego also announced that Ashish Sharma has resigned as Chief Executive Officer and President, effective February 23, 2024, to pursue other interests, and that Philip Brace has been appointed to the newly created role of Executive Chairman, effective immediately. Among other responsibilities, as Executive Chairman, Brace will be leading the Board of Directors’ search for a new permanent CEO.

"Inseego is well positioned to capitalize on the growing FWA market and the changes being made today are in support of leading the company to execute on this next phase," said Philip Brace. "I was excited about the possibilities ahead when I joined the Board six months ago, and I look forward to driving the business forward in this new role as Executive Chairman on an interim basis."

Board Chairman, Jeff Tuder also commented: "We are really pleased that Phil has agreed to take on this expanded role as Executive Chairman over the next few quarters. Phil has been a tremendous addition to our Board since he joined this past September, and we are confident that his deep industry experience and product expertise will be a tremendous asset to Inseego and its leadership team during this important period." Tuder continued, "On behalf of the entire Board, I would like to thank Ashish for his contributions to Inseego over the past six years and wish him success in his next chapter."

Q4 and Full Year 2023 Financial Highlights

- Revenue for Q4 2023 was \$42.8 million; full year 2023 revenue was \$195.7 million.
- Adjusted EBITDA for Q4 2023 was \$4.1 million; full year 2023 Adjusted EBITDA was \$16.7 million.
- GAAP gross margin for Q4 2023 was 31.5%, which was impacted by non-cash inventory reserves taken during the quarter. Non-GAAP gross margin for Q4 2023 increased year-over-year from 30.3% to 39.7% as the revenue mix continues to shift to higher-margin products.
- Cash decreased in Q4 2023 due to anticipated changes in working capital.
- On February 20, 2024 the Company entered into an amendment of its Credit Agreement. The amendment relaxed the financial covenants under the Credit Agreement by decreasing the Minimum Liquidity Covenant from \$10 million to \$8 million. This will allow the Company to have increased availability to borrow under the Credit Agreement. The amendment was done at no cost to the Company.
- The Company is now reporting revenues in two revenue categories: Product Revenue (consisting of Mobile solutions and Fixed wireless access (“FWA”) solutions); and Services and Other Revenue - all prior periods have been reclassified to show revenue in these categories.

Q4 2023 Business Highlights

- Announced the launch of the Inseego Wavemaker 5G indoor router FX3100 for T-Mobile for Business, successfully transitioning from our 1st generation to our 2nd generation 5G FWA, unlocking new business opportunities with increased demand for new features and functionality.
- Achieved technical acceptance of 2nd generation 5G outdoor CPE with UScellular, with a planned launch in the second quarter of 2024.
- Received new awards for MiFi X PRO 5G mobile hotspot, and launched with multiple operators in North America.

“We remain committed to delivering profitability as we invest for growth in FWA,” said Steven Gatoff, Chief Financial Officer of Inseego. “While we’re pleased with delivering revenue and Adjusted EBITDA above guidance, we’re hyper-focused on driving revenue growth as we move into 2024.”

Q1 2024 Guidance

- Total revenue in the range of \$40.0 million to \$42.0 million.
- Adjusted EBITDA in the range of \$2.5 million to \$3.0 million.

Conference Call Information

Inseego will host a conference call and live webcast today at 5:00 p.m. ET. A Q&A session will be held live directly after the prepared remarks. To access the conference call:

- Online, visit <https://investor.inseego.com/events-presentations>
- Phone-only participants can pre-register by navigating to <https://dpregrister.com/sreg/10186208/fb845e01a0>
- Those without internet access or unable to pre-register may dial in by calling:
 - In the United States, call 1-844-282-4463
 - International parties can access the call at 1-412-317-5613

An audio replay of the conference call will be available one hour after the call through March 6, 2024. To hear the replay, parties in the United States may call 1-877-344-7529 and enter access code 6171170 followed by the # key. International parties may call 1-412-317-0088. In addition, the Inseego Corp. press release will be accessible from the Company's website before the conference call begins.

About Inseego Corp.

Inseego Corp. (Nasdaq: INSG) is the industry leader in 5G Enterprise cloud WAN solutions, with millions of end customers and thousands of enterprise and SMB customers on its 4G, 5G, and cloud platforms. Inseego’s 5G Edge Cloud combines the industry’s best 5G technology, rich cloud networking features, and intelligent edge applications. Inseego powers new business experiences by connecting distributed sites and workforces, securing enterprise data, and improving business outcomes with intelligent operational visibility---all over a 5G network. For more information on Inseego, visit www.inseego.com #Putting5GtoWork

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Cautionary Note Regarding Forward-Looking Statements

Some of the information presented in this news release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In this context, forward-looking statements often address expected future business and financial performance and often contain words such as “may,” “estimate,” “anticipate,” “believe,” “expect,” “intend,” “plan,” “project,” “will” and similar words and phrases indicating future results. The information presented in this news release related to our future business outlook, the future demand for our products, and other statements that are not purely historical facts are forward-looking. These forward-looking statements are based on management’s current expectations, assumptions, estimates, and projections. They are subject to significant risks and uncertainties that could cause results to differ materially from those anticipated in such forward-looking statements. We, therefore, cannot guarantee future results, performance, or achievements. Actual results could differ materially from our expectations.

Factors that could cause actual results to differ materially from the Company's expectations include: (1) the future demand for wireless broadband access to data and asset management software and services and our ability to accurately forecast; (2) the growth of wireless wide-area networking and asset management software and services; (3) customer and end-user acceptance of the Company's current product and service offerings and market demand for the Company's anticipated new product and service offerings; (4) our ability to develop sales channels and to onboard channel partners; (5) dependence on a small number of customers for a significant portion of the Company's revenues and accounts receivable; (6) increased competition and pricing pressure from participants in the markets in which the Company is engaged; (7) dependence on third-party manufacturers and key component suppliers worldwide; (8) the impact of fluctuations of foreign currency exchange rates; (9) the impact of supply chain challenges on our ability to source components and manufacture our products; (10) unexpected liabilities or expenses; (11) the Company's ability to introduce new products and services in a timely manner, including the ability to develop and launch 5G products at the speed and functionality required by our customers; (12) litigation, regulatory and IP developments related to our products or components of our products; (13) the Company's ability to raise additional financing when the Company requires capital for operations or to satisfy corporate obligations; (14) the Company's plans and expectations relating to acquisitions, divestitures, strategic relationships, international expansion, software and hardware developments, personnel matters, and cost containment initiatives, including restructuring activities and the timing of their implementations; (15) the global semiconductor shortage and any related price increases or supply chain disruptions, (16) the potential impact of COVID-19 or other global public health emergencies on the business, (17) the impact of high rates of inflation and rising interest rates, and (18) the impact of geopolitical instability on our business.

These factors, as well as other factors set forth as risk factors or otherwise described in the reports filed by the Company with the SEC (available at www.sec.gov), could cause results to differ materially from those expressed in the Company's forward-looking statements. The Company assumes no obligation to update publicly any forward-looking statements, even if new information becomes available or other events occur in the future, except as otherwise required under applicable law and our ongoing reporting obligations under the Securities Exchange Act of 1934, as amended.

Non-GAAP Financial Measures

Inseego Corp. has provided financial information in this press release that has not been prepared in accordance with GAAP. Adjusted EBITDA and non-GAAP operating costs and expenses, for example, exclude preferred stock dividends, share-based compensation expense, amortization of intangible assets purchased through acquisitions, amortization of discount and issuance costs related to our 2025 Notes and revolving credit facility, fair value adjustments on derivative instruments, and other non-recurring expenses. Adjusted EBITDA excludes interest, taxes, depreciation, amortization, impairment of capitalized software, impairment of long-lived assets, certain other non-recurring expenses and foreign exchange gains and losses.

Adjusted EBITDA and non-GAAP operating costs and expenses are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. These non-GAAP financial measures have limitations as an analytical tool. They are not intended to be used in isolation or as a substitute for operating expenses, net loss, net loss per share or any other performance measure determined in accordance with GAAP. We present these non-GAAP financial measures because we consider them to be an important supplemental performance measure.

We use these non-GAAP financial measures to make operational decisions, evaluate our performance, prepare forecasts and determine compensation. Further, management and investors benefit from referring to these non-GAAP financial measures in assessing our performance when planning, forecasting and analyzing future periods. Share-based compensation expenses are expected to vary depending on the number of new incentive award grants issued to both current and new employees, the number of such grants forfeited by former employees, and changes in our stock price, stock market volatility, expected option term and risk-free interest rates, all of which are difficult to estimate. In calculating non-GAAP financial measures, we exclude certain non-cash and one-time items to facilitate comparability of our operating performance on a period-to-period basis because such expenses are not, in our view, related to our ongoing operational performance. We use this view of our operating performance to compare it with the business plan and individual operating budgets and in the allocation of resources.

We believe that these non-GAAP financial measures are helpful to investors in providing greater transparency to the information used by management in its operational decision-making. The Company believes that using these non-GAAP financial measures also facilitates comparing our underlying operating performance with other companies in our industry, which use similar non-GAAP financial measures to supplement their GAAP results.

In the future, we expect to continue to incur expenses similar to the non-GAAP adjustments described above, and the exclusion of these items in the presentation of our non-GAAP financial measures should not be construed as an inference that these costs are unusual, infrequent, or non-recurring. Investors and potential investors are cautioned that material limitations are associated with using non-GAAP financial measures as an analytical tool. The limitations of relying on non-GAAP financial measures include, but are not limited to, the fact that other companies, including other companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting their usefulness as a comparative tool.

Investors and potential investors are encouraged to review the reconciliation of our non-GAAP financial measures in this press release with our GAAP financial results.

Investor Relations Contact:

IR@inseego.com

INSEEGO CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Revenues:				
Mobile solutions	\$ 16,029	\$ 21,469	\$ 80,498	\$ 143,524
Fixed wireless access solutions	12,411	16,467	54,900	43,602
Product revenues	28,440	37,936	135,398	187,126
Services and other	14,314	14,980	60,290	58,197
Total revenues	42,754	52,916	195,688	245,323
Cost of revenues:				
Product	25,782	33,021	127,157	161,943
Services and other	3,496	4,082	16,077	16,471
Total cost of revenues	29,278	37,103	143,234	178,414
Gross profit	13,476	15,813	52,454	66,909
Operating costs and expenses:				
Research and development	5,799	6,698	21,513	38,290
Sales and marketing	4,103	7,550	21,504	32,825
General and administrative	4,991	7,137	20,721	26,208
Depreciation and amortization	5,522	5,623	19,759	24,490
Impairment of capitalized software	4,124	3,014	5,239	3,014
Total operating costs and expenses	24,539	30,022	88,736	124,827
Operating loss	(11,063)	(14,209)	(36,282)	(57,918)
Other income (expense):				
Interest expense, net	(2,170)	(1,985)	(9,072)	(8,606)
Other income (expense), net	(821)	1,685	54	(1,910)
Loss before income taxes	(14,054)	(14,509)	(45,300)	(68,434)
Income tax provision (benefit)	286	118	885	(465)
Net loss	(14,340)	(14,627)	(46,185)	(67,969)
Series E preferred stock dividends and deemed dividends	(773)	(707)	(2,991)	(2,736)
Net loss attributable to common stockholders	\$ (15,113)	\$ (15,334)	\$ (49,176)	\$ (70,705)
Per share data:				
Net loss per common share:				
Basic and diluted (*)	\$ (1.28)	\$ (1.42)	\$ (4.32)	\$ (6.59)
Weighted-average shares used in computation of net loss per common share:				
Basic and diluted (*)	11,809,306	10,813,619	11,372,069	10,726,933

(*) Adjusted retroactively for reverse stock split that occurred on January 24, 2024

INSEGO CORP.
CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

ASSETS	December 31,	
	2023	2022
Current assets:		
Cash and cash equivalents	\$ 7,519	\$ 7,143
Accounts receivable, net	22,616	25,259
Inventories	22,880	37,976
Prepaid expenses and other	5,211	7,978
Total current assets	58,226	78,356
Property, plant and equipment, net	2,758	5,390
Rental assets, net	5,083	4,816
Intangible assets, net	27,140	41,383
Goodwill	21,922	21,922
Operating lease right-of-use assets	5,412	6,662
Other assets	1,256	1,420
Total assets	\$ 121,797	\$ 159,949
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 24,795	\$ 29,018
Accrued expenses and other current liabilities	27,022	27,945
Revolving credit facility, net	4,094	–
Total current liabilities	55,911	56,963
Long-term liabilities:		
2025 Notes, net	159,912	158,427
Revolving credit facility, net	–	7,851
Operating lease liabilities	5,039	5,903
Deferred tax liabilities, net	680	323
Other long-term liabilities	2,360	600
Total liabilities	223,902	230,067
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock	–	–
Common stock	12	11
Additional paid-in capital	810,138	793,952
Accumulated other comprehensive loss	(5,327)	(6,329)
Accumulated deficit	(906,928)	(857,752)
Total stockholders' deficit	(102,105)	(70,118)
Total liabilities and stockholders' deficit	\$ 121,797	\$ 159,949

INSEEGO CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Year Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net loss	\$ (46,185)	\$ (67,969)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	22,522	27,206
Fair value adjustment on derivative instrument	–	(926)
Provision for expected credit losses	446	189
Impairment of capitalized software	5,239	3,014
Provision for excess and obsolete inventory	9,562	2,614
Write-off of capitalized inventory order fees	1,275	–
Impairment of operating lease right-of-use assets	469	–
Share-based compensation expense	7,444	17,875
Amortization of debt discount and debt issuance costs	1,953	2,960
Loss on debt conversion and extinguishment, net	–	450
Deferred income taxes	388	(570)
Non-cash operating lease expense	1,726	1,268
Changes in assets and liabilities, net of effects of divestiture:		
Accounts receivable	1,891	2,441
Inventories	669	(3,065)
Prepaid expenses and other assets	2,441	5,642
Accounts payable	(1,860)	(26,313)
Accrued expenses other liabilities	1,110	3,450
Operating lease liabilities	(1,925)	(1,555)
Net cash provided by (used in) operating activities	7,165	(33,289)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(704)	(1,481)
Additions to capitalized software development costs and purchases of intangible assets	(9,465)	(11,838)
Net cash used in investing activities	(10,169)	(13,319)
Cash flows from financing activities:		
Net repayment of bank and overdraft facilities	(186)	(569)
Net (repayments) borrowings on asset-backed revolving credit facility	(3,757)	7,851
Payment of debt issuance costs on asset-backed revolving credit facility	–	(1,126)
Principal payments under finance lease obligations	–	(62)
Principal payments on financed assets	–	(1,567)
Proceeds from a public offering, net of issuance costs	6,057	–
Proceeds from stock option exercises and ESPP	97	900
Net cash provided by financing activities	2,211	5,427
Effect of exchange rates on cash	1,169	(1,488)
Net increase (decrease) in cash, cash equivalents and restricted cash	376	(42,669)
Cash, cash equivalents and restricted cash, beginning of period	7,143	49,812
Cash and cash equivalents, end of period	\$ 7,519	\$ 7,143

INSEEGO CORP.

Reconciliation of GAAP Gross Margin and Operating Costs and Expenses to Non-GAAP Gross Margin and Operating Costs and Expenses

Three Months Ended December 31, 2023

(In thousands)

(Unaudited)

	GAAP	Share-based compensation expense	Impairment of Capitalized Software	Inventory adjustment - E&O and contract manufacturer liability	Purchased intangibles amortization	Non-GAAP
Revenues	\$ 42,754					\$ 42,754
Cost of revenues	29,278	\$ 115	\$ -	\$ 3,369	\$ -	25,794
Gross Margin	\$ 13,476					\$ 16,960
Gross Margin %	31.5%					39.7%
Total operating costs and expenses	\$ 24,539	\$ 1,299	\$ 4,124	\$ -	\$ 423	\$ 18,693

See "Non-GAAP Financial Measures" for information regarding our use of Non-GAAP financial measures.

INSEEGO CORP.

Reconciliation of GAAP Gross Margin and Operating Costs and Expenses to Non-GAAP Gross Margin and Operating Costs and Expenses

Twelve Months Ended December 31, 2023

(In thousands)

(Unaudited)

	GAAP	Share-based compensation expense	Impairment of Capitalized Software	Inventory adjustment - E&O and contract manufacturer liability	Write-off of Capitalized Inventory Fees	Purchased intangibles amortization	Non-GAAP
Revenues	\$ 195,688						\$ 195,688
Cost of revenues	143,234	\$ 772	\$ -	\$ 16,340	\$ 924	\$ -	125,198
Gross Margin	\$ 52,454						\$ 70,490
Gross Margin %	26.8%						36.0%
Total operating costs and expenses	\$ 88,736	\$ 6,673	\$ 5,239	\$ -	\$ -	\$ 1,699	\$ 75,125

See “Non-GAAP Financial Measures” for information regarding our use of Non-GAAP financial measures.

INSEEGO CORP.
Reconciliation of GAAP Net Loss Attributable to Common Shareholders to Adjusted EBITDA
(In thousands)
(Unaudited)

	Three Months Ended December 31, 2023	Year Ended December 31, 2023
GAAP net loss attributable to common stockholders	\$ (15,113)	\$ (49,176)
Preferred stock dividends	773	2,991
Income tax provision (benefit)	286	885
Interest expense, net	2,170	9,072
Other income (expense), net	821	(54)
Depreciation and amortization	6,288	22,522
Share-based compensation expense	1,414	7,444
Impairment of capitalized software	4,124	5,239
Impairment of operating lease right-of-use assets	–	469
Inventory adjustments - E&O and contract manufacturer liability	3,369	16,425
Write-off of capitalized inventory order fees	–	924
Adjusted EBITDA	<u>\$ 4,132</u>	<u>\$ 16,741</u>

See “Non-GAAP Financial Measures” for information regarding our use of Non-GAAP financial measures.

INSEEGO CORP.
Supplemental Statement of Operations Data for 2023

(In thousands)

(Unaudited)

	Year Ended	Three Months Ended			
	December 31, 2023	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Mobile solutions	\$ 80,498	\$ 16,029	\$ 22,534	\$ 18,895	\$ 23,040
Fixed wireless access solutions	54,900	12,411	11,114	19,505	11,870
Product revenues	135,398	28,440	33,648	38,400	34,910
Services and other	60,290	14,314	14,935	15,157	15,884
Total revenues	195,688	42,754	48,583	53,557	50,794
Cost of revenues:					
Product	127,157	25,782	42,788	30,620	27,967
Services and other	16,077	3,496	3,900	4,041	4,640
Total cost of revenues	143,234	29,278	46,688	34,661	32,607
Gross profit	52,454	13,476	1,895	18,896	18,187
Gross profit margin (%)					
Product	6%	9%	(27)%	20%	20%
Services and other	73%	76%	74%	73%	71%
Total	27%	32%	4%	35%	36%
Operating costs and expenses:					
Research and development	21,513	5,799	5,673	6,266	3,775
Sales and marketing	21,504	4,103	5,148	5,787	6,466
General and administrative	20,721	4,991	4,575	5,431	5,724
Depreciation and amortization	19,759	5,522	4,240	4,688	5,309
Impairment of capitalized software	5,239	4,124	611	-	504
Total operating costs and expenses	88,736	24,539	20,247	22,172	21,778
Operating loss	(36,282)	(11,063)	(18,352)	(3,276)	(3,591)
Other income (expense):					
Interest expense, net	(9,072)	(2,170)	(2,891)	(2,014)	(1,997)
Other income (expense), net	54	(821)	(578)	658	795
Loss before income taxes	(45,300)	(14,054)	(21,821)	(4,632)	(4,793)
Income tax provision (benefit)	885	286	(16)	304	311
Net loss	(46,185)	(14,340)	(21,805)	(4,936)	(5,104)
Series E preferred stock dividends and deemed dividends	(2,991)	(773)	(756)	(739)	(723)
Net loss attributable to common stockholders	\$ (49,176)	\$ (15,113)	\$ (22,561)	\$ (5,675)	\$ (5,827)

INSEGO CORP.
Supplemental Statement of Operations Data for 2022
(In thousands)
(Unaudited)

	Year Ended	Three Months Ended			
	December 31, 2022	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Mobile solutions	\$ 143,524	\$ 21,469	\$ 40,292	\$ 37,469	\$ 44,294
Fixed wireless access solutions	43,602	16,467	14,173	9,935	3,027
Product revenues	187,126	37,936	54,465	47,404	47,321
Services and other	58,197	14,980	14,702	14,452	14,063
Total revenues	245,323	52,916	69,167	61,856	61,384
Cost of revenues:					
Product	161,943	33,021	46,777	39,953	42,192
Services and other	16,471	4,082	4,434	4,011	3,944
Total cost of revenues	178,414	37,103	51,211	43,964	46,136
Gross profit	66,909	15,813	17,956	17,892	15,248
Gross profit margin (%)					
Product	13%	13%	14%	16%	11%
Services and other	72%	73%	70%	72%	72%
Total	27%	30%	26%	29%	25%
Operating costs and expenses:					
Research and development	38,290	6,698	10,211	8,566	12,815
Sales and marketing	32,825	7,550	8,147	7,554	9,574
General and administrative	26,208	7,137	5,210	5,796	8,065
Depreciation and amortization	24,490	5,623	6,297	6,009	6,561
Impairment of capitalized software	3,014	3,014	-	-	-
Total operating costs and expenses	124,827	30,022	29,865	27,925	37,015
Operating loss	(57,918)	(14,209)	(11,909)	(10,033)	(21,767)
Other income (expense):					
Interest expense, net	(8,606)	(1,985)	(2,034)	(1,664)	(2,923)
Other income (expense), net	(1,910)	1,685	(1,758)	(982)	(855)
Loss before income taxes	(68,434)	(14,509)	(15,701)	(12,679)	(25,545)
Income tax provision (benefit)	(465)	118	42	(303)	(322)
Net loss	(67,969)	(14,627)	(15,743)	(12,376)	(25,223)
Series E preferred stock dividends and deemed dividends	(2,736)	(707)	(691)	(677)	(661)
Net loss attributable to common stockholders	\$ (70,705)	\$ (15,334)	\$ (16,434)	\$ (13,053)	\$ (25,884)