

**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): November 2, 2022

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
(I.R.S. Employer
identification number)

**9710 Scranton Road, Suite 200
San Diego, California 92121**
(Address of principal executive offices) (Zip Code)

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

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 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 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 November 2, 2022, Inseego Corp. issued a press release containing preliminary financial results for the quarter ended September 30, 2022.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

99.1 [Press release, dated November 2, 2022, containing Inseego Corp. preliminary financial results for the quarter ended September 30, 2022](#)

SIGNATURES

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

Date: November 2, 2022

Inseego Corp.

By: /s/ Robert G. Barbieri
Robert G. Barbieri
Chief Financial Officer



Inseego Reports Third Quarter 2022 Financial Results

*Continued ramp in enterprise FWA revenue; now represents over 13% revenue
Next generation 5G hotspot launches with Verizon and Telstra*

SAN DIEGO—November 2, 2022—Inseego Corp. (Nasdaq: INSG) (the “Company”), a leader in 5G edge cloud solutions, today reported its results for the third quarter ended September 30, 2022. The Company reported third quarter net revenue of \$69.2 million, GAAP operating loss of \$11.9 million, GAAP net loss of \$15.7 million, GAAP net loss of \$0.15 per share, adjusted EBITDA of negative \$2.5 million, and non-GAAP net loss of \$0.11 per share. Unrestricted cash and cash equivalents at quarter end was \$18.1 million.

“We’re pleased to report strong revenue results for the third quarter,” said Ashish Sharma, CEO of Inseego. “The driver for Inseego’s future growth is the enterprise FWA business, which now represents 13% of our revenue. This year, we signed up hundreds of new customers for our 5G FWA solutions, and we’ve added a lot of new enterprise customers to the list of ongoing pilots of both 5G FWA and our new enterprise networking solution, 5G SD EDGE, which was released earlier in the quarter. Thanks to the breadth of our 5G portfolio, we are seeing a trend of more and more customers choosing Inseego over the competition.”

Business Highlights

- 5G revenue up 22% year-over-year
- Software solutions represented 21% of total revenue in the quarter
- Sold 5G products to over 600 enterprises by quarter-end
- Enterprise base now exceeds 1,000 customers
- Introduced Inseego 5G SD EDGE™ cloud enterprise WAN networking solution with zero trust networking access (ZTNA)
 - Provides corporate IT teams the ability to extend IT policies to the edge
 - Pilots with Fortune 500 companies underway
- Launch of Inseego Wavemaker™ 5G indoor CPE FG2000 with Drei Austria in September, the second member of the 3 Group to launch Inseego 5G fixed wireless access products
- Next generation 5G mobile hotspot launches with Verizon and Telstra

“We exceeded our sales expectations for the quarter due in large part to the successful launch of our next-generation 5G mobile hotspot and continued ramp in 5G FWA enterprise deployments,” said Bob Barbieri, CFO of Inseego. “This quarter’s gross margin was impacted by the higher volume of carrier hotspot sales as well as elevated supply chain costs. We expect gross margin to improve in Q4 and with it our quarterly cash usage will trend lower. This will allow us to achieve our goal of cash flow breakeven during Q1 2023.”

Conference Call Information

Inseego will host a conference call and live webcast for analysts and investors today at 5:00 p.m. ET. A Q&A session with analysts 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/10163627/f141da2f15>
- 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 beginning one hour after the call through November 16, 2022. To hear the replay, parties in the United States may call 1-877-344-7529 and enter access code 5671868 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. 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 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, as well as other statements that are not purely statements of historical fact, are forward-looking in nature. These forward-looking statements are made on the basis of management's current expectations, assumptions, estimates and projections and are subject to significant risks and uncertainties that could cause actual 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; (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) increased competition and pricing pressure from participants in the markets in which the Company is engaged; (5) dependence on third-party manufacturers and key component suppliers worldwide; (6) the impact that new or adjusted tariffs may have on the cost of components or our products, and our ability to sell products internationally; (7) the impact of fluctuations of foreign currency exchange rates; (8) the impact of geopolitical instability and supply chain challenges on our ability to source components and manufacture our products; (9) unexpected liabilities or expenses; (10) 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; (11) litigation, regulatory and IP developments related to our products or components of our products; (12) dependence on a small number of customers for a significant portion of the Company's revenues and accounts receivable; (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, and (16) the potential impact of COVID-19 on the 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 actual 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 for any reason, even if new information becomes available or other events occur in the future, except as otherwise required pursuant to applicable law and our on-going reporting obligations under the Securities Exchange Act of 1934, as amended.

Non-GAAP Financial Measures

Inseego Corp. has provided financial information in this news release that has not been prepared in accordance with GAAP. Adjusted EBITDA, non-GAAP net loss, non-GAAP net loss per share and non-GAAP operating costs and expenses exclude preferred stock dividends, share-based compensation expense, amortization of intangible assets purchased through acquisitions, amortization of discount and issuance costs related to the Company's 2025 Notes and the revolving credit facility, fair value adjustments on derivative instruments, a one-time prior period adjustment related to unamortized debt discount and loss on debt extinguishment relating to the Company's 2022 Notes, and other non-recurring legal expenses. Adjusted EBITDA also excludes interest, taxes, depreciation and amortization, foreign exchange gains and losses, and other.

Adjusted EBITDA, non-GAAP net loss, non-GAAP net loss per share 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 and 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 each to be an important supplemental measure of our performance.

Management uses these non-GAAP financial measures to make operational decisions, evaluate the Company's performance, prepare forecasts and determine compensation. Further, management believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing the Company's 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 the Company's 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, management excludes certain non-cash and one-time items in order to facilitate comparability of the Company's operating performance on a period-to-period basis because such expenses are not, in management's view, related to the Company's ongoing operating performance. Management uses this view of the Company's operating performance for purposes of comparison with its business plan and individual operating budgets and in the allocation of resources.

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

In the future, the Company expects to continue to incur expenses similar to the non-GAAP adjustments described above, and 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 there are material limitations associated with the use of 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 contained within this news release with our GAAP financial results.

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|-------------|------------------------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net revenues: | | | | |
| IoT & Mobile Solutions | \$ 62,633 | \$ 56,975 | \$ 172,129 | \$ 151,770 |
| Enterprise SaaS Solutions | 6,534 | 9,242 | 20,279 | 37,737 |
| Total net revenues | 69,167 | 66,217 | 192,408 | 189,507 |
| Cost of net revenues: | | | | |
| IoT & Mobile Solutions | 48,209 | 43,595 | 131,805 | 116,777 |
| Enterprise SaaS Solutions | 3,002 | 3,679 | 9,505 | 14,965 |
| Total cost of net revenues | 51,211 | 47,274 | 141,310 | 131,742 |
| Gross profit | 17,956 | 18,943 | 51,098 | 57,765 |
| Operating costs and expenses: | | | | |
| Research and development | 15,417 | 12,626 | 47,597 | 38,954 |
| Sales and marketing | 8,295 | 9,172 | 25,789 | 29,997 |
| General and administrative | 5,720 | 6,599 | 20,101 | 22,657 |
| Amortization of purchased intangible assets | 433 | 519 | 1,319 | 1,649 |
| Impairment of capitalized software | — | — | — | 1,197 |
| Total operating costs and expenses | 29,865 | 28,916 | 94,806 | 94,454 |
| Operating loss | (11,909) | (9,973) | (43,708) | (36,689) |
| Other (expense) income: | | | | |
| Gain on sale of Ctrack South Africa | — | 5,262 | — | 5,262 |
| Loss on debt conversion and extinguishment, net | — | — | (450) | (432) |
| Interest expense, net | (2,034) | (1,655) | (6,621) | (5,178) |
| Other (expense) income, net | (1,758) | (828) | (3,145) | 291 |
| Total other (expense) income | (3,792) | 2,779 | (10,216) | (57) |
| Loss before income taxes | (15,701) | (7,194) | (53,924) | (36,746) |
| Income tax provision (benefit) | 42 | (4) | (582) | 445 |
| Net loss | (15,743) | (7,190) | (53,342) | (37,191) |
| Less: Net income attributable to noncontrolling interests | — | — | — | (214) |
| Net loss attributable to Inseego Corp. | (15,743) | (7,190) | (53,342) | (37,405) |
| Series E preferred stock dividends | (691) | (1,843) | (2,029) | (3,596) |
| Net loss attributable to common stockholders | \$ (16,434) | \$ (9,033) | \$ (55,371) | \$ (41,001) |
| Per share data: | | | | |
| Net loss per common share: | | | | |
| Basic and diluted | \$ (0.15) | \$ (0.09) | \$ (0.52) | \$ (0.40) |
| Weighted-average shares used in computation of net loss per common share: | | | | |
| Basic and diluted | 107,747,468 | 103,430,083 | 106,977,201 | 102,586,121 |

INSEGO CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value and share data)
(Unaudited)

| | September 30, 2022 | December 31, 2021 |
|--|-----------------------|----------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 18,063 | \$ 46,474 |
| Restricted cash | — | 3,338 |
| Accounts receivable, net of allowance for doubtful accounts of \$371 and \$408, respectively | 28,668 | 26,781 |
| Inventories | 42,406 | 37,402 |
| Prepaid expenses and other | 10,902 | 13,624 |
| Total current assets | 100,039 | 127,619 |
| Property, plant and equipment, net of accumulated depreciation of \$25,240 and \$26,692, respectively | 6,157 | 8,102 |
| Rental assets, net of accumulated depreciation of \$5,919 and \$5,392, respectively | 4,411 | 4,575 |
| Intangible assets, net of accumulated amortization of \$63,425 and \$48,404, respectively | 44,406 | 46,995 |
| Goodwill | 21,922 | 20,336 |
| Right-of-use assets, net | 6,902 | 7,839 |
| Other assets | 563 | 377 |
| Total assets | \$ 184,400 | \$ 215,843 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable | \$ 39,537 | \$ 48,577 |
| Accrued expenses and other current liabilities | 31,476 | 26,253 |
| Total current liabilities | 71,013 | 74,830 |
| Long-term liabilities: | | |
| 2025 Notes, net | 158,079 | 157,866 |
| Revolving credit facility, net | 3,451 | — |
| Deferred tax liabilities, net | 816 | 852 |
| Other long-term liabilities | 6,841 | 7,149 |
| Total liabilities | 240,200 | 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, liquidation preference of \$1,000 per share (plus any accrued but unpaid dividends) | — | — |
| Common stock, par value \$0.001; 150,000,000 shares authorized, 107,846,082 and 105,380,533 shares issued and outstanding, respectively | 108 | 105 |
| Additional paid-in capital | 790,460 | 770,619 |
| Accumulated other comprehensive loss | (3,950) | (8,531) |
| Accumulated deficit | (842,418) | (787,047) |
| Total stockholders' deficit | (55,800) | (24,854) |
| Total liabilities and stockholders' deficit | \$ 184,400 | \$ 215,843 |

INSEGO CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Cash flows from operating activities: | | | | |
| Net loss | \$ (15,743) | \$ (7,190) | \$ (53,342) | \$ (37,191) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | | |
| Depreciation and amortization | 6,981 | 6,080 | 20,936 | 19,131 |
| Provision for bad debts | 44 | 80 | 29 | 346 |
| Impairment of capitalized software | — | — | — | 1,197 |
| Provision for excess and obsolete inventory | 434 | 91 | 1,330 | 587 |
| Share-based compensation expense | 2,406 | 3,062 | 15,892 | 14,467 |
| Amortization of debt discount and debt issuance costs | 450 | 371 | 2,472 | 1,117 |
| Fair value adjustment on derivative instrument | — | (1,612) | (902) | (3,435) |
| Loss on debt conversion and extinguishment, net | — | — | 450 | 432 |
| Gain on sale of Ctrack South Africa | — | (5,262) | — | (5,262) |
| Deferred income taxes | (127) | 137 | (223) | 175 |
| Right-of-use assets | (13) | 481 | 1,057 | 1,364 |
| Other | — | 19 | — | 572 |
| Changes in assets and liabilities, net of effects of divestiture: | | | | |
| Accounts receivable | (5,800) | (3,649) | (561) | 2,834 |
| Inventories | 4,222 | (7,055) | (5,926) | (7,889) |
| Prepaid expenses and other assets | (377) | 271 | 2,723 | 1,429 |
| Accounts payable | (7,341) | 8,809 | (13,548) | (7,206) |
| Accrued expenses, income taxes, and other | 8,016 | 3,500 | 6,276 | 4,797 |
| Operating lease liabilities | (257) | (860) | (1,366) | (2,222) |
| Net cash used in operating activities | (7,105) | (2,727) | (24,703) | (14,757) |
| Cash flows from investing activities: | | | | |
| Acquisition of noncontrolling interest | — | — | — | (116) |
| Purchases of property, plant and equipment | (144) | (1,844) | (1,203) | (4,299) |
| Proceeds from the sale of property, plant and equipment | — | 637 | — | 1,143 |
| Proceeds from sale of Ctrack South Africa, net of cash divested | — | 31,526 | — | 31,526 |
| Additions to capitalized software development costs | (3,020) | (5,220) | (9,242) | (20,589) |
| Net cash (used in) provided by investing activities | (3,164) | 25,099 | (10,445) | 7,665 |
| Cash flows from financing activities: | | | | |
| Net (repayment) borrowing of bank and overdraft facilities | (317) | 20 | (458) | 315 |
| Principal payments under finance lease obligations | — | (965) | (62) | (3,138) |
| Proceeds from a public offering, net of issuance costs | — | 1 | — | 29,370 |
| Principal payments on financed assets | (337) | — | (1,567) | — |
| Borrowings on revolving credit facility | 9,000 | — | 9,000 | — |
| Repayments on revolving credit facility | (4,500) | — | (4,500) | — |
| Payment of debt issuance costs on revolving credit facility | (1,126) | — | (1,126) | — |
| Proceeds from stock option exercises and employee stock purchase plan, net of taxes paid on vested restricted stock units | 80 | 412 | 196 | 2,432 |
| Net cash provided by financing activities | 2,800 | (532) | 1,483 | 28,979 |
| Effect of exchange rates on cash | 1,172 | (614) | 1,916 | (293) |
| Net (decrease) increase in cash, cash equivalents and restricted cash | (6,297) | 21,226 | (31,749) | 21,594 |
| Cash, cash equivalents and restricted cash, beginning of period | 24,360 | 40,383 | 49,812 | 40,015 |
| Cash, cash equivalents and restricted cash, end of period | <u>\$ 18,063</u> | <u>\$ 61,609</u> | <u>\$ 18,063</u> | <u>\$ 61,609</u> |

INSEEGO CORP.

Reconciliation of GAAP Net Loss Attributable to Common Shareholders to Non-GAAP Net Loss

(In thousands, except per share data)

(Unaudited)

| | Three Months Ended September 30, 2022 | | Nine Months Ended September 30, 2022 | |
|--|--|--------------------|---|--------------------|
| | Net Loss | Net Loss Per Share | Net Loss | Net Loss Per Share |
| GAAP net loss attributable to common shareholders | \$ (16,434) | \$ (0.15) | \$ (55,371) | \$ (0.52) |
| Adjustments: | | | | |
| Preferred stock dividends ^(a) | 691 | 0.01 | 2,029 | 0.02 |
| Share-based compensation expense | 2,406 | 0.02 | 15,892 | 0.16 |
| Purchased intangibles amortization | 517 | — | 1,610 | 0.02 |
| Debt discount and issuance costs amortization ^(b) | 450 | — | 2,472 | 0.02 |
| Fair value adjustment on derivative instrument ^(c) | — | — | (902) | (0.01) |
| Loss on debt conversion and extinguishment, net ^(d) | — | — | 450 | — |
| Other | — | — | (109) | — |
| Non-GAAP net loss | <u>\$ (12,370)</u> | <u>\$ (0.11)</u> | <u>\$ (33,929)</u> | <u>\$ (0.31)</u> |

Note: Amounts may not foot due to rounding.

- (a) Includes accrued dividends on Series E Preferred Stock.
- (b) Includes the debt discount and issuance costs amortization related to the 2025 Notes, and the issuance costs related to the revolving credit facility.
- (c) Includes the fair value adjustment related to the Company's interest make-whole derivative instrument.
- (d) Includes the loss on debt conversion and extinguishment of the 2025 Notes.

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

INSEGO CORP.
Reconciliation of GAAP Operating Costs and Expenses to Non-GAAP Operating Costs and Expenses
Three Months Ended September 30, 2022
(In thousands)
(Unaudited)

| | GAAP | Share-based compensation expense | Purchased intangibles amortization | Non-GAAP |
|---|-----------|-------------------------------------|--|-----------|
| Cost of net revenues | \$ 51,211 | \$ 199 | \$ 84 | \$ 50,928 |
| Operating costs and expenses: | | | | |
| Research and development | 15,417 | 513 | — | 14,904 |
| Sales and marketing | 8,295 | 489 | — | 7,806 |
| General and administrative | 5,720 | 1,205 | — | 4,515 |
| Amortization of purchased intangible assets | 433 | — | 433 | — |
| Total operating costs and expenses | \$ 29,865 | \$ 2,207 | \$ 433 | \$ 27,225 |
| Total | | \$ 2,406 | \$ 517 | |

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

INSEGO CORP.
Reconciliation of GAAP Operating Costs and Expenses to Non-GAAP Operating Costs and Expenses
 Nine Months Ended September 30, 2022
 (In thousands)
 (Unaudited)

| | GAAP | Share-based compensation expense | Purchased intangibles amortization | Non-GAAP |
|---|------------------|-------------------------------------|--|------------------|
| Cost of net revenues | \$ 141,310 | \$ 1,873 | \$ 290 | \$ 139,147 |
| Operating costs and expenses: | | | | |
| Research and development | 47,597 | 5,011 | — | 42,586 |
| Sales and marketing | 25,789 | 3,087 | — | 22,702 |
| General and administrative | 20,101 | 5,921 | — | 14,180 |
| Amortization of purchased intangible assets | 1,319 | — | 1,319 | — |
| Total operating costs and expenses | <u>\$ 94,806</u> | <u>\$ 14,019</u> | <u>\$ 1,319</u> | <u>\$ 79,468</u> |
| Total | | <u>\$ 15,892</u> | <u>\$ 1,609</u> | |

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 September 30, 2022 | Nine Months Ended September 30, 2022 |
|---|--|---|
| GAAP net loss attributable to common shareholders | (16,434) | \$ (55,371) |
| Preferred stock dividends ^(a) | 691 | 2,029 |
| Income tax provision (benefit) | 42 | (582) |
| Depreciation and amortization | 6,981 | 20,936 |
| Share-based compensation expense | 2,406 | 15,892 |
| Fair value adjustment of derivative ^(b) | — | (902) |
| Interest expense, net ^(c) | 2,034 | 6,621 |
| Loss on debt conversion and extinguishment ^(d) | — | 450 |
| Other ^(e) | 1,759 | 4,093 |
| Adjusted EBITDA | <u>\$ (2,521)</u> | <u>\$ (6,834)</u> |

(a) Includes accrued dividends on Series E Preferred Stock.

(b) Includes the fair value adjustment related to the Company's interest make-whole derivative instrument.

(c) Includes the debt discount and issuance costs amortization related to the 2025 Notes, and the issuance costs related to the revolving credit facility.

(d) Includes the loss on debt conversion and extinguishment of the 2025 Notes.

(e) Primarily includes a benefit recorded related to non-recurring legal settlements and foreign exchange gains and losses.

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

INSEGO CORP.
Quarterly Net Revenues by Product Grouping
(In thousands)
(Unaudited)

| | Three Months Ended | | | | |
|---------------------------|--------------------|------------------|------------------|-------------------|--------------------|
| | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 | September 30, 2021 |
| IoT & Mobile Solutions | \$ 62,633 | \$ 54,990 | \$ 54,505 | \$ 66,214 | \$ 56,975 |
| Enterprise SaaS Solutions | 6,534 | 6,866 | 6,879 | 6,678 | 9,242 |
| Total net revenues | \$ 69,167 | \$ 61,856 | \$ 61,384 | \$ 72,892 | \$ 66,217 |