UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended March 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.)**
12600 Deerfield Parkway, Suite 100 Alpharetta, Georgia	**30004**
(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, par value $0.001 per share	INSG	Nasdaq Global Select Market

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding as of April 27, 2022 was 107,397,278.

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PART I—FINANCIAL INFORMATION

Item 1. ***Financial Statements.***

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

	March 31, 2022	December 31, 2021
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 41,520	$ 46,474
Restricted cash	3,661	3,338
Accounts receivable, net of allowance for doubtful accounts of $358 and $408, respectively	21,723	26,781
Inventories	37,474	37,402
Prepaid expenses and other	10,944	13,624
Total current assets	115,322	127,619
Property, plant and equipment, net of accumulated depreciation of $23,334 and $26,692, respectively	7,828	8,102
Rental assets, net of accumulated depreciation of $5,939 and $5,392, respectively	4,713	4,575
Intangible assets, net of accumulated amortization of $54,100 and $48,404, respectively	46,318	46,995
Goodwill	21,922	20,336
Right-of-use assets, net	7,699	7,839
Other assets	378	377
Total assets	$ 204,180	$ 215,843
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 40,096	$ 48,577
Accrued expenses and other current liabilities	32,485	26,253
Total current liabilities	72,581	74,830
Long-term liabilities:		
2025 Notes, net	157,629	157,866
Deferred tax liabilities, net	1,051	852
Other long-term liabilities	7,109	7,149
Total liabilities	238,370	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, 107,389,076 and 105,380,533 shares issued and outstanding, respectively	107	105
Additional paid-in capital	784,267	770,619
Accumulated other comprehensive loss	(5,633)	(8,531)
Accumulated deficit	(812,931)	(787,047)
Total stockholders' deficit	(34,190)	(24,854)
Total liabilities and stockholders' deficit	$ 204,180	$ 215,843

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Net revenues:		
IoT & Mobile Solutions	$ 54,505	$ 42,959
Enterprise SaaS Solutions	6,879	14,638
Total net revenues	61,384	57,597
Cost of net revenues:		
IoT & Mobile Solutions	42,903	33,442
Enterprise SaaS Solutions	3,233	5,682
Total cost of net revenues	46,136	39,124
Gross profit	15,248	18,473
Operating costs and expenses:		
Research and development	18,560	14,555
Sales and marketing	9,773	11,004
General and administrative	8,238	8,644
Amortization of purchased intangible assets	444	466
Total operating costs and expenses	37,015	34,669
Operating loss	(21,767)	(16,196)
Other (expense) income:		
Loss on debt conversion and extinguishment, net	(450)	(432)
Interest expense, net	(2,923)	(1,845)
Other (expense) income, net	(405)	1,735
Loss before income taxes	(25,545)	(16,738)
Income tax (benefit) provision	(322)	221
Net loss	(25,223)	(16,959)
Less: Net income attributable to noncontrolling interests	—	(214)
Net loss attributable to Inseego Corp.	(25,223)	(17,173)
Series E preferred stock dividends	(661)	(867)
Net loss attributable to common stockholders	$ (25,884)	$ (18,040)
Per share data:		
Net loss per common share:		
Basic and diluted	$ (0.24)	$ (0.18)
Weighted-average shares used in computation of net loss per common share:		
Basic and diluted	105,649,419	101,370,433

See accompanying notes to unaudited condensed consolidated financial statements.

INSEEGO CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Net loss	$ (25,223)	$ (16,959)
Foreign currency translation adjustment	2,898	(1,732)
Total comprehensive loss	$ (22,325)	$ (18,691)
Comprehensive income attributable to noncontrolling interests	—	(214)
Comprehensive loss attributable to Inseego Corp.	$ (22,325)	$ (18,905)

See accompanying notes to unaudited condensed consolidated financial statements.

INSEEGO CORP.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(In thousands)
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balance, December 31, 2020	35	$ —	99,399	$ 99	$ 711,487	(732,422)	(6,972)	$ (91)	$ (27,899)
Net loss	—	—	—	—	—	(17,173)	—	214	(16,959)
Foreign currency translation adjustment	—	—	—	—	—	—	(1,732)	—	(1,732)
Exercise of stock options, vesting of restricted stock units and stock issued under employee stock purchase plan	—	—	1,429	1	1,560	—	—	—	1,561
Taxes withheld on net settled vesting of restricted stock units	—	—	—	—	(468)	—	—	—	(468)
Issuance of common shares in connection with conversion of 2025 Notes	—	—	429	1	5,382	—	—	—	5,383
Issuance of common shares in connection with a public offering, net of issuance costs	—	—	1,516	2	29,426	—	—	—	29,428
Share-based compensation	—	—	—	—	9,098	—	—	—	9,098
Net noncontrolling interest acquired	—	—	—	—	—	241	—	(116)	125
Series E preferred stock dividends	—	—	—	—	867	(867)	—	—	—
Balance, March 31, 2021	35	$ —	102,773	$ 103	$ 757,352	$ (750,221)	$ (8,704)	$ 7	$ (1,463)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balance, December 31, 2021	25	$ —	105,381	$ 105	$ 770,619	$ (787,047)	$ (8,531)	$ —	$ (24,854)
Net loss	—	—	—	—	—	(25,223)	—	—	(25,223)
Foreign currency translation adjustment	—	—	—	—	—	—	2,898	—	2,898
Adjustment relating to extinguishment of 2022 Notes	—	—	—	—	1,728	—	—	—	1,728
Exercise of stock options, vesting of restricted stock units and stock issued under employee stock purchase plan	—	—	2,008	2	74	—	—	—	76
Taxes withheld on net settled vesting of restricted stock units	—	—	—	—	(14)	—	—	—	(14)
Share-based compensation	—	—	—	—	11,199	—	—	—	11,199
Series E preferred stock dividends	—	—	—	—	661	(661)	—	—	—
Balance, March 31, 2022	25	$ —	107,389	$ 107	$ 784,267	$ (812,931)	$ (5,633)	$ —	$ (34,190)

INSEEGO CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities:		
Net loss	$ (25,223)	$ (16,959)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	7,243	6,230
Provision for bad debts, net of recoveries	(14)	101
Provision for excess and obsolete inventory	247	(173)
Share-based compensation expense	11,199	9,098
Amortization of debt discount and debt issuance costs	1,650	374
Fair value adjustment on derivative instrument	(609)	(1,951)
Loss on debt conversion and extinguishment, net	450	432
Deferred income taxes	189	326
Right-of-use assets	342	512
Other	—	107
Changes in assets and liabilities, net of effects of divestiture:		
Accounts receivable	5,477	2,668
Inventories	(355)	(5,414)
Prepaid expenses and other assets	2,701	1,198
Accounts payable	(10,400)	(1,937)
Accrued expenses, income taxes, and other	6,819	6,898
Operating lease liabilities	(354)	(537)
Net cash (used in) provided by operating activities	(638)	973
Cash flows from investing activities:		
Acquisition of noncontrolling interest	—	(116)
Purchases of property, plant and equipment	(763)	(1,324)
Proceeds from the sale of property, plant and equipment	—	21
Additions to capitalized software development costs	(3,127)	(7,977)
Net cash used in investing activities	(3,890)	(9,396)
Cash flows from financing activities:		
Net borrowing of bank and overdraft facilities	(54)	263
Principal payments under finance lease obligations	(62)	—
Proceeds from a public offering, net of issuance costs	—	29,428
Principal repayments on financed other assets	(1,007)	(1,237)
Proceeds from stock option exercises and employee stock purchase plan, net of taxes paid on vested restricted stock units	63	1,093
Net cash (used in) provided by financing activities	(1,060)	29,547
Effect of exchange rates on cash	957	(1,589)
Net (decrease) increase in cash, cash equivalents and restricted cash	(4,631)	19,535
Cash, cash equivalents and restricted cash, beginning of period	49,812	40,015
Cash, cash equivalents and restricted cash, end of period	$ 45,181	$ 59,550
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	$ —	$ 169
Income taxes	$ 41	$ 29
Supplemental disclosures of non-cash activities:		
Transfer of inventories to rental assets	$ 225	$ 1,289
Capital expenditures financed through accounts payable or accrued liabilities	$ 2,105	$ 2,890
Right-of-use assets obtained in exchange for operating leases liabilities	$ 79	$ 148
2025 Notes conversion, including shares issued in satisfaction of interest make-whole payment	$ —	$ 5,383

See accompanying notes to unaudited condensed consolidated financial statements.

1. Basis of Presentation

The information contained herein has been prepared by Inseego Corp. (the “Company”) in accordance with the rules of the Securities and Exchange Commission (the “SEC”). The information at March 31, 2022 and the results of the Company’s operations for the three months ended March 31, 2022 and 2021 are unaudited. The condensed consolidated financial statements reflect all adjustments, consisting of only normal recurring accruals, except otherwise disclosed herein, which are, in the opinion of management, necessary for a fair statement of the results of the interim periods presented. These unaudited condensed consolidated financial statements and notes hereto should be read in conjunction with the audited financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. The year-end condensed consolidated balance sheet data as of December 31, 2021 was derived from the Company’s audited consolidated financial statements and may not include all disclosures required by accounting principles generally accepted in the United States. Certain prior period amounts were reclassified to conform to the current period presentation. These reclassifications did not affect total revenues, costs and expenses, net loss, assets, liabilities or stockholders’ deficit. Except as set forth below, the accounting policies used in preparing these unaudited condensed consolidated financial statements are the same as those described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. The results of operations for the interim periods presented are not necessarily indicative of results to be expected for any other interim period or for the year as a whole.

Risks and Uncertainties

In December 2019, the novel coronavirus (“COVID-19”) was reported to have surfaced in Wuhan, China, resulting in shutdowns of manufacturing and commerce globally in the months that followed. Since then, the COVID-19 pandemic has spread worldwide, and has resulted in authorities implementing numerous measures to try to contain the disease or slow its spread, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. The extent of the impact of the COVID-19 pandemic on the Company’s operational and financial performance will depend on future developments, including the duration and spread of the pandemic and related actions taken by the U.S. government, state and local government officials, and international governments to prevent the spread of the disease, all of which are uncertain and cannot be predicted.

In addition, a global semiconductor supply shortage is having wide-ranging effects across the technology industry. This semiconductor shortage has not materially impacted the Company but may impact the Company’s customers, and may negatively impact the supply of materials needed for our testing and production timeline. Our suppliers, contract manufacturers, and our customers are all taking actions to reduce the impact of the semiconductor shortage; however, if the shortage persists, the impact on our business could be material.

Liquidity

As of March 31, 2022, the Company had available cash and cash equivalents totaling $41.5 million, excluding restricted cash of $3.7 million.

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”). Initial cash proceeds of approximately $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 the Company’s existing accounts payable balance to an affiliate of Convergence Partners (“Convergence”), an investment management firm in South Africa.

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.

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, together with anticipated cash flows from operations, will be sufficient to meet its cash flow needs for the next twelve months from the filing date of this report. 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 which could have an adverse impact on its ability to achieve its intended business objectives.

The Company's liquidity could be impaired if there is any interruption in its business operations, a material failure to satisfy its 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 the Company, or at all. Additionally, the Company is uncertain of the full extent to which the COVID-19 pandemic will impact the Company's business, operations and financial results.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Segment Information

Management has determined that 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 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 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, such as the economic considerations related to the impact that the COVID-19 pandemic could have on our significant accounting estimates. Significant estimates include revenue recognition, capitalized software costs, allowance for credit losses, provision for excess and obsolete inventory, valuation of intangible and long-lived assets, valuation of goodwill, valuation of derivatives, accruals relating to litigation, income taxes and share-based compensation expense.

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 any credit risk. Restricted cash consists of Company funds in escrow with a financial institution as collateral for potential future uninsured warranty claims related to the divestiture of Ctrack South Africa. 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. The following table provides a reconciliation of cash, cash equivalents and restricted cash as reported within the consolidated balance sheets to "Cash, cash equivalents, and restricted cash, end of period" as reported within the consolidated statements of cash flows (in thousands):

	March 31, 2022	December 31, 2021
Cash and cash equivalents	$ 41,520	$ 46,474
Restricted cash	3,661	3,338
Cash, cash equivalents and restricted cash, end of period	$ 45,181	$ 49,812

Recently Adopted Accounting Pronouncements

In August 2020, the 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 new guidance is effective for annual and interim periods beginning after December 15, 2021. The Company adopted this standard in the first quarter of fiscal 2022 and it did not have an impact to the condensed 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 new ASU addresses issuer's accounting for certain modifications or exchanges of freestanding equity-classified written call options. This amendment is effective for all entities for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company adopted this standard in the first quarter of fiscal 2022 and it did not have an impact to the condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

Other than the above mentioned recently adopted accounting pronouncements, there have been no recent accounting pronouncements, changes in accounting pronouncements or recent accounting pronouncements not yet adopted during the three months ended March 31, 2022 that are of significance or potential significance to the Company's financial position, results of operations and cash flows.

2. Financial Statement Details

Inventories

Inventories, net, consist of the following (in thousands):

	March 31, 2022	December 31, 2021
Finished goods	$ 33,351	$ 33,112
Raw materials and components	4,123	4,290
Total inventories	$ 37,474	$ 37,402

Prepaid expenses and other

Prepaid expenses and other consists of the following (in thousands):

	March 31, 2022	December 31, 2021
Rebate receivables	$ 3,715	$ 6,398
Receivables from contract manufacturers	1,553	2,626
Software licenses	2,021	1,261
Insurance	522	1,269
Deposits	960	1,023
Financed assets	1,014	323
Other	1,159	724
	$ 10,944	$ 13,624

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	March 31, 2022	December 31, 2021
Royalties	$ 1,828	$ 2,243
Payroll and related expenses	14,089	9,326
Warranty obligations	521	473
Professional fees	462	502
Bank overdrafts	350	370
Accrued interest	2,192	877
Contract liabilities	6,425	3,832
Operating lease liabilities	1,759	1,769
Accrued contract manufacturing liabilities	1,199	927
Liabilities related to financed assets	530	1,593
Value added tax payables	443	642
Other	2,687	3,699
Total accrued expenses and other current liabilities	$ 32,485	$ 26,253

3. Fair Value Measurement of Assets and Liabilities

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 fair market value for level 3 securities may be highly sensitive to the use of unobservable inputs and subjective assumptions. Generally, changes in significant unobservable inputs may result in significantly lower or higher fair value measurements.

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. There have been no transfers of assets or liabilities between fair value measurement classifications during the three months ended March 31, 2022 or 2021.

The following tables summarize the Company's financial instruments measured at fair value on a recurring basis in accordance with the authoritative guidance for fair value measurements as of March 31, 2022 and December 31, 2021 (in thousands):

	March 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	$ 126	$ —	$ 126
Total assets	$ 126	$ —	$ 126	$ 126	$ —	$ 126
Liabilities						
2025 Notes						
Interest make-whole payment	$ 317	$ 317	$ —	$ 926	$ 926	$ —
Total liabilities	$ 317	$ 317	$ —	$ 926	$ 926	$ —

The fair value of the interest make-whole payment derivative liability was determined using a Monte Carlo model with the following key assumptions:

	March 31, 2022	**December 31, 2021**
Volatility	50 %	50 %
Stock price	$4.05 per share	$5.83 per share
Credit spread	15.53 %	15.93 %
Term	3.09 years	3.34 years
Dividend yield	— %	— %
Risk-free rate	2.45 %	1.02 %

The following table sets forth a summary of changes in the fair value of Level 3 liabilities for the three months ended March 31, 2022 (in thousands):

	Balance as of December 31, 2021	**Additions**	**Conversions**	**Change in fair value**	**Balance as of March 31, 2022**
Liabilities:					
Interest make-whole payment	$ 926	$ —	$ —	$ (609)	$ 317

The Company evaluated the 2025 Notes under ASC 815, *Derivatives and Hedging*, and identified an embedded derivative that required bifurcation. The embedded derivative is an interest make-whole payment. The estimated fair values of the interest make-whole derivative liability at March 31, 2022 and December 31, 2021 were determined using significant 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.

Changes in the fair value of the interest make-whole payment totaling a gain of $0.6 million for the three months ended March 31, 2022 are included in the Company's condensed consolidated statement of operations within other income (expense), net. As of March 31, 2022, the embedded derivative had a fair value of $0.3 million.

Other Financial Instruments

The Company's financial assets and liabilities are carried at fair value or at amounts that, because of their short-term nature, approximate current fair value, with the exception of the 2025 Notes.

On May 12, 2020, the Company issued $180.4 million in aggregate principal amount of 2025 Notes, and restructured its outstanding debt as described further in Note 4. *Debt.* The Company carries its 2025 Notes at amortized cost adjusted for changes in fair value of the embedded derivative. As of March 31, 2022, $161.9 million in principal amount of the 2025 Notes remain outstanding. It is not practicable to determine the fair value of the 2025 Notes due to the lack of information available to calculate the fair value of such notes.

4. Debt

2025 Notes

On May 12, 2020, the Company completed its registered public offering of $100.0 million aggregate principal amount of 2025 Notes and issued $80.4 million principal amount of 2025 Notes in the privately negotiated exchange agreements that closed concurrently with the registered offering in May 2020.

During the three months ended March 31, 2021, certain holders of the 2025 Notes converted 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, net in the condensed consolidated statement of operations.

The 2025 Notes are 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, beginning on November 1, 2020.

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 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 and on or before the 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 condensed consolidated balance sheets, with subsequent changes to fair value to be recorded at each reporting period on the condensed consolidated statement of operations in other income, net.

As of March 31, 2022, $161.9 million in principal amount of the 2025 Notes were outstanding, $80.4 million of which were held by related parties, and $1.1 million of accrued interest due to related parties was included within accrued expenses and other current liabilities on the condensed consolidated balance sheets. As of December 31, 2021, $161.9 million in principal amount of the 2025 Notes were outstanding, $80.4 million of which were held by related parties, and $0.4 million of accrued interest due to related parties was included within accrued expenses and other current liabilities on the condensed 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):

	March 31, 2022	December 31, 2021
Principal	$ 161,898	$ 161,898
Add: fair value of embedded derivative	317	926
Less: unamortized debt discount	(2,554)	(2,761)
Less: unamortized issuance costs	(2,032)	(2,197)
Net carrying amount	$ 157,629	$ 157,866

The effective interest rate on the liability component of the 2025 Notes was 4.23% and 4.06% for the three months ended March 31, 2022 and 2021, respectively. The following table sets forth total interest expense recognized related to the 2025 Notes (in thousands):

	Three Months Ended March 31,	
	2022	2021
Contractual interest expense	$ 1,315	$ 1,287
Amortization of debt discount	207	208
Amortization of debt issuance costs	165	166
Total interest expense	$ 1,687	$ 1,661

5. Share-based Compensation

During the three months ended March 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, a maximum of 8,897,084 shares of common stock may be issued upon the exercise of stock options, in the form of restricted stock, or in settlement of restricted stock units (“RSUs”) or other awards, including awards with alternative vesting schedules such as performance-based criteria.

For the three months ended March 31, 2022 and 2021 the following table presents total share-based compensation expense in each functional line item on the unaudited condensed consolidated statements of operations (in thousands):

	Three Months Ended March 31,	
	2022	2021
Cost of revenues	$ 1,415	$ 1,578
Research and development	4,070	3,228
Sales and marketing	2,043	1,988
General and administrative	3,671	2,304
Total	$ 11,199	$ 9,098

During the quarter ended March 31, 2022, the Board of Directors of the Company approved and the Company granted restricted stock units to eligible employees under the 2018 Plan that were immediately vested, as fiscal 2021 annual bonus payments. The total charges recorded during the quarter ended March 31, 2022 were $8.8 million. Such bonus payments in fiscal 2021 were paid and recorded in the quarter ended March 31, 2021 and total charges related to such bonus payments were $7.0 million.

Stock Options

The Compensation Committee of the Board of Directors determines eligibility, vesting schedules and exercise prices for stock options granted. The Company generally uses the Black-Scholes option pricing model to estimate the fair value of its stock options. For performance stock awards subject to market-based vesting conditions, fair values are determined using the Monte-Carlo simulation model. Stock options generally have a term of ten years and vest over a three- to four-year period.

The following table summarizes the Company's stock option activity for the three months ended March 31, 2022:

Outstanding — December 31, 2021	8,085,793
Granted	1,302,500
Exercised	(130,790)
Canceled	(583,612)
Outstanding — March 31, 2022	8,673,891
Exercisable — March 31, 2022	4,931,898

At March 31, 2022, total unrecognized compensation expense related to stock options was $11.1 million, which is expected to be recognized over a weighted-average period of 2.97 years.

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.

The following table summarizes the Company's RSU activity:

Non-vested — December 31, 2021	1,247,723
Granted	2,139,100
Vested	(1,892,613)
Forfeited	(50,700)
Non-vested — March 31, 2022	1,443,510

At March 31, 2022, total unrecognized compensation expense related to RSUs was $5.9 million, which is expected to be recognized over a weighted-average period of 3.34 years.

6. Earnings Per Share

Basic earnings per share ("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 2025 Notes calculated using the if-converted 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):

	Three Months Ended March 31,	
	2022	2021
Net loss attributable to common stockholders	$ (25,884)	$ (18,040)
Weighted-average common shares outstanding	105,649,419	101,370,433
Basic and diluted net loss per share	$ (0.24)	$ (0.18)

For the three months ended March 31, 2022, the computation of diluted EPS excluded 27,109,523 shares, primarily related to the 2025 Notes, warrants, stock options, RSUs and employee stock purchase plan for which the effect would have been anti-dilutive.

The following is a summary of outstanding anti-dilutive potential common stock that was excluded from diluted net loss per share attributable to stockholders in the following periods:

	Three Months Ended March 31,	
(in thousands)	2022	2021
Convertible Notes	14,341	14,341
Warrants	2,500	2,500
Non-qualified stock options	8,675	7,627
Restricted stock units	1,443	400
Employee stock purchase plan	151	13
Total	27,110	24,881

7. Private Placements and Public Offering

Common Stock

On March 28, 2019, the Company issued warrants to purchase 2,500,000 shares of common stock (the “2019 Warrants”) to certain accredited investors. Each 2019 Warrant has an initial exercise price of $7.00 per share, subject to adjustment for stock splits, reverse stock splits, stock dividends and similar transactions, became exercisable on September 28, 2019, and will expire on June 30, 2022. The Company assessed the terms of the warrants under ASC 815. Pursuant to this guidance, the Company has determined that the warrants do not require liability accounting and has classified the warrants as equity.

On January 25, 2021, the Company entered into an Equity Distribution Agreement with 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. 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, and other offering fees, pursuant to the ATM Offering.

8. Geographic Information and Concentrations of Risk

Geographic Information

The following table details the Company’s net revenues by geographic region based on shipping destination (in thousands):

	Three Months Ended March 31,	
	2022	2021
United States and Canada	$ 52,642	$ 42,736
Europe	5,620	5,833
South Africa	—	7,108
Other	3,122	1,920
Total	$ 61,384	$ 57,597

Concentrations of Risk

For the three months ended March 31, 2022, two customers accounted for 37.3% and 39.9% of net revenues, respectively. For the three months ended March 31, 2021, two customers accounted for 45.0% and 15.8% of net revenues.

As of March 31, 2022 two customers accounted for 33.0% and 26.2% of accounts receivable, net, respectively. As of December 31, 2021, two customers accounted for 61.7% and 12.6% of accounts receivable, net, respectively.

9. Commitments and Contingencies

Noncancellable Purchase Obligations

The Company typically enters into commitments with its contract manufacturers that require future purchase of goods or services in the three to four quarters following the balance sheet date. Such commitments are noncancellable (“noncancellable purchase obligations”). As of March 31, 2022, future payments under these noncancellable purchase obligations were approximately $169.1 million.

Legal

The Company is, from time to time, party to various legal proceedings arising in the ordinary course of business. For example, the Company is currently named as a defendant or co-defendant in several patent infringement lawsuits in the U.S. and may be required to 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 and discussions with the Company’s intellectual property litigation counsel, 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 condensed 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 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 condensed consolidated results of operations or financial condition.

10. Leases

Lessee

The Company is a lessee in lease agreements for office space, automobiles and certain equipment. Certain of the Company’s leases contain provisions that provide for one or more options to renew at the Company’s sole discretion. The majority of the Company’s leases are comprised of fixed lease payments, with a small percentage of its real estate leases including lease payments subject to a rate or index, which may be variable. Certain real estate leases also include executory costs such as common area maintenance (non-lease component). As a practical expedient permitted under the new guidance, ASC 842 *Leases*, (“ASC 842”), the Company has elected to account for the lease and non-lease components as a single lease component. Lease payments, which may include lease components and non-lease components, are included in the measurement of the Company’s lease liabilities to the extent that such payments are either fixed amounts or variable amounts based on a rate or index (fixed in substance) as stipulated in the lease contract.

None of the Company’s lease agreements contain any material residual value guarantees or material restrictive covenants. As a result of the Company’s election of the package of practical expedients permitted within ASC 842, which among other things, allows for the carryforward of historical lease classification, all of the Company’s lease agreements in existence at the date of adoption that were classified as operating leases under the legacy guidance, ASC 840, have been classified as operating leases under ASC 842. Lease expense for payments related to the Company’s operating leases is recognized on a straight-line basis over the related lease term, which includes options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

Right-of-use assets represent the Company’s right to use an underlying asset during the lease term and lease liabilities represent the Company’s obligation to make lease payments as specified in the lease. Right-of-use assets and lease liabilities related to the Company’s operating leases are recognized at the lease commencement date based on the present value of the remaining lease payments over the lease term. When the Company’s leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available surrounding the Company’s borrowing rates at the lease commencement date in determining the present value of lease payments. The right-of-use asset also includes any lease payments made at or before lease commencement less any lease incentives.

The components of the right-of-use assets and lease liabilities were as follows (in thousands):

	Balance Sheet Classification	March 31, 2022	December 31, 2021
Right-of-use assets, net	Right-of-use assets, net	$ 7,699	$ 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	6,956	7,112
Total operating lease liabilities		$ 8,715	$ 8,881
Weighted-average remaining lease term (in years)		4.8	5.0
Weighted-average discount rate		9.1 %	9.1 %

The components of lease cost were as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Operating lease costs included in operating costs and expenses:		
Operating leases	$ 610	$ 510

Supplemental cash flow information related to leases was as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash flows related to operating leases	$ 622	$ 535
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	$ 79	$ 148

The future minimum payments under operating leases were as follows as of March 31, 2022 (in thousands):

2022 (remainder)	$ 1,918
2023	2,187
2024	2,019
2025	1,736
2026	1,727
2027	1,152
Thereafter	—
Total minimum operating lease payments	$ 10,739
Less: amounts representing interest	(2,024)
Present value of net minimum operating lease payments	8,715
Less: current portion	(1,759)
Long-term portion of operating lease obligations	$ 6,956

Lessor

Monitoring device leases in which the Company serves as lessor are classified as operating leases. Accordingly, rental devices are carried at historical cost less accumulated depreciation and impairment, if any, and are included in rental assets, net, on the condensed consolidated balance sheets.

Since the lease components meet the criteria for an operating lease under ASC 842, the Company has elected the practical expedient to combine the lease and the 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 accounts for the combined component as a single performance obligation under ASC 606, *Revenue from Contracts with Customers*.

11. Income Taxes

The Company's income tax (benefit) provision of $(0.3) million and $0.2 million for the three months ended March 31, 2022 and 2021, respectively, consisted primarily of foreign income taxes at certain of the Company's international entities and minimum state taxes for its U.S.-based entities. The Company's income tax expense is different than the expected expense based on statutory rates primarily due to full valuation allowances at all of its U.S.-based entities and several of its foreign subsidiaries. The tax benefit for the first quarter of 2022 and the tax expense for the first quarter of 2021 were largely driven by foreign currency losses, and gains, respectively, at the Company's foreign subsidiaries.

On March 11, 2021, Congress passed, and the President signed into law, the American Rescue Plan Act, 2021 (the "ARP"), which includes certain business tax provisions. The Company does not expect the ARP to have a material impact on the Company's effective tax rate or income tax expense for the year ending December 31, 2022.

On October 28, 2021, the House Rules Committee, under the Biden Administration released new proposed tax legislation under the "Build Back Better Act" ("BBBA") which contains potential reversals and revisions of key provisions of the 2017 Tax Cuts and Jobs Act. The BBBA, which was passed by the U.S. House of Representatives in November 2021, is proposed legislation that has not yet been enacted into law. Additionally, in late March 2022, the Biden administration proposed a 28% corporate income tax rate. The Company does not believe this will have a material impact on its effective tax rate, though it continues to monitor the Biden Administration's proposals.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations.***

Forward Looking Statements

This report 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"). You should not place undue reliance on these statements. These forward-looking statements include statements that reflect the views of our senior management with respect to our current expectations, assumptions, estimates and projections about 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. Forward-looking statements address matters that involve risks and uncertainties that could cause actual results to 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 manufacturer's 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, such as inflation, on the demand for our products;
- the impact of geopolitical instability on our business;
- the emergence of global public health emergencies, such as the recent 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, including government efforts to reduce the spread of the disease, on our employees, customers and supply chain and the economy and financial markets;
- 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 international conflicts such as the Russia-Ukraine crisis, and 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 or furnish to the Securities and Exchange Commission (“SEC”), including the information in “Item 1A. Risk Factors” included in Part I of our Annual Report on Form 10-K for the year ended December 31, 2021 (“Form 10-K”). 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. As used in this report on Form 10-Q, unless the context otherwise requires, 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.

The following information should be read in conjunction with the condensed consolidated financial statements and the accompanying notes included in Part I, Item 1 of this report, as well as the annual consolidated financial statements and accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2021, contained in our Form 10-K.

Business 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 fixed wireless access ("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, 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.

Our Sources of Revenue

We provide intelligent 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, Swisscom in Switzerland, as well as other international wireless operators, distributors and various companies in other vertical markets and geographies.

We sell our wireless routers for IIoT, integrated telematics and mobile tracking hardware devices through our direct sales force, value-added resellers and through distributors. The customer base for our IIoT products is comprised of transportation companies, industrial enterprises, 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 also sold under our Ctrack brand and provided as part of our integrated SaaS solutions.

We sell SaaS, software and services solutions across multiple mobile and IIoT 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, 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.

Our SaaS delivery platforms include our Ctrack platforms, which provide fleet, vehicle, aviation, asset and other telematics applications. Since the sale of our Ctrack South Africa operations was completed on July 30, 2021, certain portions of our SaaS revenue will no longer be generated, but Inseego will continue to provide telematics solutions in the rest of the world, including in North America, Europe and Australia.

Factors Which May Influence Future Results of Operations

Net Revenues. We believe that our future net revenues may 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;
- our contract manufacturer's ability to secure necessary supply to of semiconductors and other key components to build our devices;
- product pricing;
- the impact of the COVID-19 pandemic on our business; and
- changes in technologies.

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

We anticipate introducing additional products during the next twelve months, including SaaS and additional service offerings, industrial IoT hardware and services, and other mobile and fixed wireless devices 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.

In December 2019, COVID-19 was reported to have surfaced in Wuhan, China, resulting in shutdowns of manufacturing and commerce globally in the months that followed. Since then, the COVID-19 pandemic has spread worldwide, and has resulted in authorities implementing numerous measures to try to contain the disease or slow its spread, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns.

The demand environment for our 5G products during the three months ended March 31, 2022 was consistent with our expectations. Recently, our IoT & Mobile Solutions have experienced lower sales of LTE gigabit hotspots as COVID-19 pandemic demand have eased. The macroeconomic environment remains uncertain and the demand for our products in the prior year may not be sustainable for the long term. We will continue to monitor the implications of the COVID-19 pandemic on our business, as well as our customers' and suppliers' businesses.

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.

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.

Critical Accounting Policies and Estimates

In the notes to our consolidated financial statements and in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Form 10-K, we have disclosed those accounting policies that we consider to be significant in determining our results of operations and financial condition. There have been no material changes to those policies that we consider to be significant since the filing of our Form 10-K. The accounting principles used in preparing our unaudited condensed consolidated financial statements conform in all material respects to accounting principles generally accepted in the U.S.

Results of Operations

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

Net revenues. Net revenues for the three months ended March 31, 2022 were $61.4 million, compared to $57.6 million for the same period in 2021.

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

	Three Months Ended March 31,		Change	
Product Category	**2022**	**2021**	**$**	**%**
IoT & Mobile Solutions	$ 54,505	$ 42,959	$ 11,546	26.9 %
Enterprise SaaS Solutions	6,879	14,638	(7,759)	(53.0)%
Total	$ 61,384	$ 57,597	$ 3,787	6.6 %

IoT & Mobile Solutions. The increase in IoT & Mobile Solutions net revenues is primarily due to increases in our enterprise and carrier offerings within IoT & Mobile Solutions, specifically increased sales of our second-generation 5G hotspot related to our MiFi business of $16.0 million and increased revenues in our Inseego Subscribe business due to subscriber growth of $0.7 million, partially offset by $4.6 million decrease in revenues from our 4G products and others.

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. Enterprise SaaS Solutions revenues from the rest of the world stayed relatively flat. SaaS revenue was no longer generated in South Africa beginning in August 2021. We continue to provide telematics solutions in the rest of the world, including in Europe and Australia.

Cost of net revenues. Cost of net revenues for the three months ended March 31, 2022 was $46.1 million, or 75.2% of net revenues, compared to $39.1 million, or 67.9% of net revenues, for the same period in 2021.

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

Product Category	Three Months Ended March 31, 2022	2021	Change $	%
IoT & Mobile Solutions	$ 42,903	$ 33,442	$ 9,461	28.3 %
Enterprise SaaS Solutions	3,233	5,682	(2,449)	(43.1)%
Total	$ 46,136	$ 39,124	$ 7,012	17.9 %

IoT & Mobile Solutions. The increase in IoT & Mobile Solutions cost of net revenues is primarily attributable to $12.7 million increase from higher sales of our second-generation 5G hotspot, and $1.1 million increase of freight charges, partially offset by $3.6 million decrease from lower sales of our 4G products.

Enterprise SaaS Solutions. Enterprise SaaS Solutions cost of net revenues decreased by $2.4 million compared to the same period in 2021 primarily due to lower sales of Enterprise SaaS Solutions as a result of the divestiture of Ctrack South Africa on July 30, 2021. Enterprise SaaS Solutions cost of net revenues from the rest of the world stayed relatively flat.

Gross profit. Gross profit for the three months ended March 31, 2022 was $15.2 million, or a gross margin of 24.8%, compared to $18.5 million, or a gross margin of 32.1%, for the same period in 2021. The decrease in gross profit was primarily attributable to a decrease in Enterprise SaaS Solutions as a result of the sale of Ctrack South Africa, which had a higher gross profit. This decrease was partially offset by an increase in gross profit from IoT & Mobile Solutions as our 5G revenue and Inseego Subscribe business continued to grow. The following table summarizes operating costs and expenses (dollars in thousands):

Operating costs and expenses	Three Months Ended March 31, 2022	2021	Change $	%
Research and development	$ 18,560	$ 14,555	$ 4,005	27.5 %
Sales and marketing	9,773	11,004	(1,231)	(11.2)%
General and administrative	8,238	8,644	(406)	(4.7)%
Amortization of purchased intangible assets	444	466	(22)	(4.7)%
Total	$ 37,015	$ 34,669	$ 2,346	6.8 %

Research and development expenses. Research and development expenses for the three months ended March 31, 2022 were $18.6 million, or 30.2% of net revenues, compared to $14.6 million, or 25.3% of net revenues, for the same period in 2021. The increase was primarily a result of $0.9 million increase in payroll costs that were not capitalized due to timing of meeting technological feasibility milestone for capitalized software for various R&D projects, $2.3 million increase in amortization, and $0.8 million increase in share-based compensation expense.

Sales and marketing expenses. Sales and marketing expenses for the three months ended March 31, 2022 were $9.8 million, or 15.9% of net revenues, compared to $11.0 million, or 19.1% of net revenues, for the same period in 2021. The decrease was primarily a result of the decrease of payroll costs for Ctrack South Africa employees, given the divestiture was completed on July 30, 2021. This decrease was partially offset by the increase in outbound freight charges, consulting expenses and commission to employees which is in line with the revenue increase from IoT & Mobile Solutions.

General and administrative expenses. General and administrative expenses for the three months ended March 31, 2022 were $8.2 million, or 13.4% of net revenues, compared to $8.6 million, or 15.0% of net revenues, for the same period in 2021. The decrease was primarily due to the decrease in payroll costs for Ctrack South Africa employees, given the divestiture was completed on July 30, 2021. The decrease in general and administrative expenses was partially offset by a $1.4 million increase in share-based compensation expense attributed by the impact of higher fiscal 2021 bonus grants paid in the first quarter of 2022 in the form of RSUs. See Note 5. *Share-based Compensation* in the accompanying unaudited condensed consolidated financial statements for further information.

Amortization of purchased intangible assets. Amortization of purchased intangible assets for the three months ended March 31, 2022 and 2021 was $0.4 million and $0.5 million, respectively. The decrease was primarily as a result of certain purchased intangible assets being fully amortized as of the fourth quarter of 2021.

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

Other (expense) income	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Change $	Change %
Loss on debt conversion and extinguishment, net	(450)	(432)	(18)	4.2 %
Interest expense, net	(2,923)	(1,845)	(1,078)	58.4 %
Other (expense) income, net	(405)	1,735	(2,140)	(123.3)%
Total	$ (3,778)	$ (542)	$ (3,236)	597.0 %

Loss on debt conversion and extinguishment, net. The loss on debt conversion and extinguishment, net of $0.5 million during the three months ended March 31, 2022 was primarily a result of certain 2022 Notes debt extinguishments related adjustments in prior years recorded in the current period. For the same period in 2021, loss on debt conversion and extinguishment, net was $0.4 million which was primarily related to the extinguishment of the 2022 Notes.

Interest expense, net. Interest expense, net, for the three months ended March 31, 2022 and 2021 was $2.9 million and $1.8 million, respectively. The increase was primarily a result of certain 2022 Notes debt extinguishments related adjustments in prior years recorded in the current period.

Other (expense) income, net. Other expense, net, for the three months ended March 31, 2022 was $0.4 million, which primarily includes $1.0 million of foreign currency exchange gains and losses partially offset by the $0.6 million fair value adjustment related to our interest make-whole arrangement. For the same period in 2021, other income, net, was $1.7 million, which primarily includes the fair value adjustment related to our interest make-whole arrangement. Fair value input changes between the periods are primarily related to increased interest rates and a lower stock price.

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

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Change $	Change %
Income tax provision	$ (322)	$ 221	$ (543)	(245.7)%
Net income attributable to noncontrolling interests	—	(214)	214	(100.0)%
Series E preferred stock dividends	(661)	(867)	206	(23.8)%

Income tax (benefit) provision. The income tax benefit of $0.3 million for the three months ended March 31, 2022 and the income tax provision of $0.2 million for the same period in 2021, respectively, consisted primarily of foreign income taxes at certain of our international entities and minimum state taxes for our U.S.-based entities. Our income tax expense is different than the expected expense based on statutory rates primarily due to full valuation allowances at all of our U.S.-based entities and several of our foreign subsidiaries. The tax benefit for the first quarter of 2022 and the tax expense for the first quarter of 2021 were largely driven by foreign currency losses, and gains, respectively, at our foreign subsidiaries.

Net income attributable to noncontrolling interests. There was no net income or loss attributable to noncontrolling interests for the three months ended March 31, 2022, compared to a net income attributable to noncontrolling interests of $0.2 million for the same period in 2021, due to the sale of the noncontrolling interests as part of the sale of Ctrack South Africa.

Series E preferred stock dividends. During the three months ended March 31, 2022 and 2021, we recorded dividends of $0.7 million and $0.9 million, respectively, on our Fixed-Rate Cumulative Perpetual Preferred Stock, Series E, par value $0.001 per share (the "Series E Preferred Stock"). The decrease was primarily attributable to a decrease in the recurring preferred stock dividends as 10,000 shares of the original 35,000 shares of preferred stock were extinguished in September 2021, resulting in a lower preferred stock dividend accrued for the period ended March 31, 2022.

Liquidity and Capital Resources

Our principal sources of liquidity are our existing cash and cash equivalents and cash generated from operations. As of March 31, 2022, we had available cash and cash equivalents totaling $41.5 million, as well as $3.7 million of restricted cash that will become available in July 2022.

On July 30, 2021, we completed the sale of Ctrack South Africa. 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 the buyer.

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"). 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 March 31, 2022, our outstanding debt primarily consisted of $161.9 million in principal amount of 2025 Notes.

We have a history of operating and net losses and overall usage of cash from operating and investing activities. Our management believes that our cash and cash equivalents, together with anticipated cash flows from operations, will be sufficient to meet our cash flow needs for the next twelve months from the filing date of this report. Our 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 our evolving cost structure. If events or circumstances occur such that we do not meet its operating plan as expected, or if we become obligated to pay unforeseen expenditures as a result of ongoing litigation, we may be required to raise 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.

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. Ultimately, our ability to attain profitability and to generate positive cash flow is dependent upon achieving a level of revenues adequate to support our evolving cost structure and increasing working capital needs. 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. 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 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. If additional funds are raised by the issuance of debt securities, we may be subject to additional limitations on our operations. Additionally, we are uncertain of the full extent to which the COVID-19 pandemic will impact our business, operations and financial results.

Contractual Obligations and Commitments

There were no material changes in our contractual obligations in the first quarter of 2022.

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 the privately-negotiated exchange agreements that closed concurrently in May 2020.

We issued the 2025 Notes under an indenture, dated May 12, 2020 (the "Base Indenture"), between Inseego Corp. 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 us 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 Inseego Corp. and bear interest at an annual rate of 3.25%, payable semi-annually in arrears on May 1 and November 1 of each year, beginning on November 1, 2020.

Holders of the 2025 Notes may convert the 2025 Notes into shares of our 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, we will deliver for each $1,000 principal amount of 2025 Notes converted a number of shares of 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.

Holders of the 2025 Notes who convert their 2025 Notes may also be entitled to receive, under certain circumstances, an interest make-whole payment payable in, at our election, either cash or shares of the Common Stock (together with cash in lieu of any fractional share).

If a fundamental change (as defined in the Indenture) occurs at any time prior to the maturity date, then the noteholders may require us 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 we 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 our option at any time, and from time to time, on or after May 6, 2023 and on or before the 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 we send the related redemption notice; and (ii) the trading day immediately before the date we send such notice.

The Indenture contains customary events of default. If an event of default (other than certain events of bankruptcy, insolvency or reorganization involving Inseego Corp.) occurs and is continuing, the Trustee, by notice to Inseego Corp., or the holders of the 2025 Notes representing at least 25% in aggregate principal amount of the outstanding 2025 Notes, by notice to Inseego Corp. 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 Inseego Corp., 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 we elect, the sole remedy for an event of default relating to certain failures by us 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.

Historical Cash Flows

The following table summarizes our unaudited condensed consolidated statements of cash flows for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2022	2021
Net cash (used in) provided by operating activities	$ (638)	$ 973
Net cash used in investing activities	(3,890)	(9,396)
Net cash (used in) provided by financing activities	(1,060)	29,547
Effect of exchange rates on cash	957	(1,589)
Net (decrease) increase in cash, cash equivalents and restricted cash	(4,631)	19,535
Cash, cash equivalents and restricted cash, beginning of period	49,812	40,015
Cash, cash equivalents, and restricted cash, end of period	$ 45,181	$ 59,550

Operating activities. Net cash used in operating activities was $0.6 million for the three months ended March 31, 2022, compared to net cash provided by operating activities of $1.0 million for the same period in 2021. Net cash used in operating activities for the three months ended March 31, 2022 was primarily attributable to $25.2 million net loss incurred during the period and a $0.6 million non-cash gain as a result of the fair value adjustment on derivative instruments, partially offset by net cash provided by working capital of $4.2 million, depreciation and amortization of $7.2 million, share-based compensation expense of $11.2 million, amortization of debt discount and debt issuance costs of $1.7 million, and loss on debt conversion of $0.5 million. Net cash provided by operating activities for the three months ended March 31, 2021 was primarily attributable to net cash provided by working capital of $3.4 million, depreciation and amortization of $6.2 million, amortization of debt discount and debt issuance costs of $0.4 million, loss on debt conversion of $0.4 million, and share-based compensation expense of $9.1 million, offset by $17.0 million net loss incurred during the period, and a $2.0 million non-cash gain as a result of the fair value adjustment on derivative instruments.

Investing activities. Net cash used in investing activities during the three months ended March 31, 2022 was $3.9 million, compared to net cash used in investing activities of $9.4 million for the same period in 2021. Cash used in investing activities during the three months ended March 31, 2022 was primarily related to $0.8 million purchases of property, plant and equipment and $3.1 million spending on 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. Cash used in investing activities during the same period in 2021 was primarily related to $1.3 million purchases of property, plant and equipment and $8.0 million spending on certain costs related to the research and 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.

Financing activities. Net cash used in financing activities during the three months ended March 31, 2022 was $1.1 million, compared to net cash provided by financing activities of $29.5 million for the same period in 2021. Net cash used in financing activities during the three months ended March 31, 2022 was primarily related to $1.0 million principal payments for financed other assets. Net cash provided by financing activities for the same period in 2021 was primarily related to $29.4 million net proceeds received from the ATM Offering, $1.1 million proceeds from stock option exercises and purchases through our employee stock purchase plan, partially offset by $1.2 million principal payments under finance lease obligations and taxes paid on vested restricted stock units.

Off-Balance Sheet Arrangements

We do not engage in any off-balance sheet arrangements.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk.*

The Company is exposed to market risk in the ordinary course of our business. Our revenue, earnings, cash flows, receivables, and payables are subject to fluctuations due to changes in foreign currency exchange rates. The ongoing COVID-19 pandemic has increased the volatility of global financial markets, which may increase our foreign currency exchange risk.

Interest Rate Risk

2025 Notes and Embedded Derivative

Our total fixed-rate borrowings under the 2025 Notes as of both March 31, 2022 and December 31, 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 both March 31, 2022 and December 31, 2021, we had no variable-rate borrowings.

The 2025 Notes include an embedded derivative which was marked to fair value at March 31, 2022 and December 31, 2021 of $0.3 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 I Part 1 Note 3. *Fair Value Measurement of Assets and Liabilities* and Note 4. *Debt* in this Quarterly Report on Form 10-Q.

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 three months ended March 31, 2022, sales denominated in foreign currencies were approximately 14.2% 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 pound sterling, Euro, and Australian Dollar (collectively, the “Foreign Functional Currencies”). For the three months ended March 31, 2022, a hypothetical 10% change in Foreign Functional Currency exchange rates would have increased or decreased our revenue by approximately $0.9 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 4. *Controls and Procedures.*

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) promulgated under the Exchange Act, that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act 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 the Company’s management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(b) promulgated under the Exchange Act, the Company carried out an evaluation, under the supervision and with the participation of the Company’s management, including the Company’s principal executive officer and principal financial officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures as of March 31, 2022, the end of the period covered by this report. Based on the foregoing, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2022.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company’s internal control over financial reporting, as defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Exchange Act, during the three months ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. ***Legal Proceedings.***

The disclosure in Note 9. *Commitments and Contingencies*, in the accompanying unaudited condensed consolidated financial statements includes a discussion of our legal proceedings and is incorporated herein by reference.

The Company is also engaged in various other legal actions arising in the ordinary course of our business and, while there can be no assurance, the Company currently believes that the ultimate outcome of these other legal actions will not have a material adverse effect on its business, results of operations, financial condition or cash flows.

Item 1A. ***Risk Factors.***

There have been no material changes in our risk factors from those disclosed in “Item 1A. Risk Factors” of the Form 10-K, Form 10-Q, and other reports that we have filed with the SEC. Any of the risks discussed in such reports, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations, financial condition or prospects.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds.***

None.

Item 3. ***Defaults Upon Senior Securities.***

None.

Item 4. ***Mine Safety Disclosures.***

Not applicable.

Item 5. ***Other Information.***

None.

Item 6. ***Exhibits.***

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	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).
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	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.
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 (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 filed with the Secretary of State of the State of Delaware on August 8, 2019 (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).
10.1	Amended Inseego Corp. 2018 Omnibus Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed July 30, 2021).
10.2	Independent Contractor Services Agreement, dated as of August 5, 2021(incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed August 5, 2021).
10.3	Form of Exchange Agreement, dated September 3, between Inseego Corp. and certain investors holding the Company's Series E Fixed-Rate Cumulative Perpetual Preferred Stock (incorporated by reference to Exhibit 1.2 to the Company's Current Report on Form 8-K, filed September 3, 2021).
10.4	Offer Letter dated October 13, 2021 between Inseego Corp. and Robert G. Barbieri
10.5	Form of Inducement Stock Option Agreement, by and between Inseego Corp. and Robert G. Barbieri.
10.6	Change in Control Agreement dated October 25, 2021 between Inseego Corp. and Robert G. Barbieri.
10.7*	Transition Agreement dated March 1, 2022 between Inseego Corp. and Dan Mondor.
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.

Exhibit No.	Description
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).
*	Filed herewith.
#	Furnished herewith

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, thereunto duly authorized.

Date: May 4, 2022	Inseego Corp.
	By: /s/ ASHISH SHARMA
	Ashish Sharma
	Chief Executive Officer
	By: /s/ ROBERT G. BARBIERI
	Robert G. Barbieri
	Chief Financial Officer

TRANSITION AGREEMENT

This Transition Agreement ("Agreement"), dated as of March 1, 2022 is made and entered into by and between lnseego Corp., and its subsidiaries ("lnseego" or the "Company"), and Dan Mondor ("Executive").

Recitals

A. Executive and lnseego have mutually agreed that Executive's appointment as Chief Executive Officer of the Company shall end effective as of March 1, 2022 (the "Effective Date").

A. Executive and Inseego desire that through Inseego's 2022 annual meeting of stock.holders (the "Transition Completion Date") (1) Executive will continue to be an employee of the Company as Executive Chairman from the Effective Date to assist in transitioning Executive's duties and responsibilities; and (2) Executive will remain eligible for certain compensation and benefits as an employee in connection with such services, as described in this Agreement.

D. Inseego and Executive do not anticipate that there will be any disputes between them or legal claims arising out of Executive's separation from employment, but nevertheless, desire to ensure a completely amicable parting and to settle fully and finally any and all differences or claims that might arise out of Executive the employment relationship and termination thereof.

Agreement

1. Transition Services. Effective as of the end of the business day on the Effective Date, Executive's appointment as Chief Executive Officer of the Company shall end. From the Effective Date through the Transition Completion Date (the "Transition Period"), Executive will continue to be a full-time employee of the Company as Executive Chairman, with the following duties and responsibilities (the "Transition Services"): (i) providing transition services in Executive's areas of expertise and work experience and responsibility, as reasonably requested by lnseego's Chief Executive Officer and Board of Directors (the "Board"); (ii) recruiting of enterprise sales expertise;
(iii) developing relationships with strategic partners; (iv) evaluating potential strategic transactions; (iv) representing lnseego at external investor and media events and participating in media and investor events, as agreed to by Inseego's Chief Executive Officer and the Board.

1. Compensation and Benefits During Transition Period. During the Transition Period, Executive shall be entitled to the compensation and benefits described below.

a. Base Salary. During the Transition Period, lnseego shall pay Executive an annual base salary of$ l 00,000 in periodic installments **in** accordance with the Company's customary payroll practices and applicable wage payment laws, but no less frequently than monthly.

a. Bonus. For the completed 2021 calendar year, Executive shall be paid a bonus in an amount calculated in accordance with Executive's previously established target bonus for 2021 based on the achievement of the company performance goals established by the Compensation Committee of the Board. Executive shall not be eligible for any bonus with respect to 2022 or any subsequent year.

b. Equity Awards. As of the Effective Date, the vesting of25% of the options granted to Executive on June 6, 2021 shall accelerate and become immediately exercisable, and the remaining options under such grant shall be cancelled and forfeited. To the extent Executive continues to serve as a member of the Board after the Transition Completion Date he shall continue to be deemed a "Service Provider" of the Company as defined in the 2018 Omnibus Incentive Compensation Plan, as amended (the "2018 Incentive Plan"), Executive's vested options shall continue to be exercisable subject to the terms of the 2018 Incentive Plan.

c. Employee Benefits. Executive shall continue to be entitled to participate in all employee benefit plans, practices, and programs maintained by the Company, as in effect from time to time (collectively, ***"Employee Benefit Plans"),*** to the extent consistent with applicable law and the terms of the applicable Employee Benefit Plans. The Company reserves the right to amend or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and applicable law.

a. Paid Time Off. Executive will continue to be entitled to paid time off in accordance with the Company's policies for executive officers as such policies may exist from time to time. Following the Transition Completion Date, Executive shall be paid for any accrued but unused paid time off.

a. Business Expenses. Executive shall continue to be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Company's expense reimbursement policies and procedures consistent with the existing practices of the Company.

a. Success Fee. Executive shall be entitled to a cash success fee, payable upon the Transition Completion Date, determined by multiplying $50,000 by the number of employees successfully recruited by Executive during the Transition Period that are employed by Inseego on the Transition Completion Date.

a. No Other Compensation. Except as set forth herein, Executive will not be eligible for any other payments from Inseego, and all payments hereunder constitute any and all payments due to Executive in connection with his employment and the separation form the Company.

1. <u>Termination of Employment and Subsequent Board Service</u>.

   a. Effective as of the end of the business day on the Transition Completion Date, Executive's employment with Inseego shall terminate. Subject to the nomination by the Board of Directors (upon recommendation of its Nominating and Corporate Governance Committee) and approval oflnseego's stockholders, Executive shall continue to serve as a member of the Board of Directors and as Chairman of the Board following the Transition Completion Date.
   b. Following the Transition Completion Date, Executive will be compensated as a non-employee director under the Company's non-employee director compensation policies, including cash retainers for service as a Board member and Chairman of the Board, and annual equity awards commencing at the 2022 annual meeting of stockholders.
   c. Effective as of the end of the business day on the Transition Completion Date, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its affiliates (other than Chaiman of the Board and director of Inseego Corp.), and, at the Company's request, Executive shall execute such documents as are necessary or desirable to effectuate such resignations.

2. <u>Miscellaneous Provisions.</u>

   a. The terms of this Agreement, collectively with the Inventions, Disclosure, Confidentiality & Proprietary Rights Agreement between the Company and Executive entered into on or about June 6, 2017 (the <u>"Confidentiality Agreement"</u>), and the Indemnification Agreement between the Company and Executive entered into on or about June 6, 2017 (the <u>"Indemnification Agreement"</u>), is intended by the Parties to be the final expression of their agreement with respect to the employment of Executive by the Company and supersede all prior understandings and agreements with respect to employment or severance (but not the Confidentiality Agreement or the Indemnification Agreement), whether written or oral, including the Change in Control and Severance Agreement, dated June 6, 2018, Offer Letter dated June 6, 2017 (as amended by an Amendment to Offer Letter dated October 26, 2017) and the Amended and Restated Change in Control and Severance Agreement date June 7, 2021. The parties further intend that this Agreement, collectively with the Confidentiality Agreement, and the Indemnification Agreement, shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement. For the avoidance of doubt, the parties agree that the following remain in full force and effect in accordance with their terms and shall remain unaffected by virtue of this Agreement:(a) Executive's surviving rights and obligations under the Confidentiality Agreement and this Agreement; (ii) Executive's rights with respect to outstanding awards pursuant to the 2018 Incentive Plan (as modified by this Agreement); and (iii) Executive's rights under the Indemnification Agreement.
   b. This Agreement may be amended or modified only by an agreement in writing. If any provision of this Agreement is determined to be invalid or otherwise unenforceable, then that invalidity or unenforceability shall not affect any other provision of this Agreement, which shall continue and remain in full force and effect.

   a. Executive specifically represents, warrants, and confirms that as of the Effective Date he: (is) has not filed any claims, complaints, or actions of any kind against lnseego with any federal, state, or local court or government or administrative agency; (ii) does not have any claims or causes of action of any kind against Inseego arising out of his offer of employment, employment, or the termination or separation of his employment with Inseego.
   b. All of the terms and provisions of this Agreement shall be binding upon each of the parties hereto and shall inure to the benefit of the parties hereto, their heirs, executors, administrators, personal representatives, successors and permitted assigns. Executive may not assign this Agreement or any right or obligation hereunder without the express and prior written consent of Inseego.

   a. The parties agree that this Agreement shall be construed, enforced and governed by the laws of the State of California, excluding its conflict of laws rules.

   a. Each of the parties hereto shall execute any and all other documents or instruments necessary or mutually desirable in order to carry out the provisions of this Agreement in good faith.

   a. No provision of this Agreement shall be interpreted for or against any party hereto because any such party or any such party's legal counsel drafted such provision. This Agreement shall be deemed to have been duly drafted and reviewed and review by each of the parties hereof.

   a. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement may be executed by delivery of original signature via facsimile or electronic transmission.
   b. Each of the parties hereof has been adequately represented by legal counsel or has had adequate opportunity to consult with legal counsel and has affirmatively chosen to waive the right to do so. Neither party may raise any claim or defense in any interpretation of this Agreement or otherwise that asserts that: (i) such party was not adequately involved in the drafting and review of this Agreement; (ii) such party was not adequately represented by legal counsel; (iii) such party did not fully understand each of the terms and conditions of this Agreement; or (iv) such party did not intend to be legally bound by each and every provision hereof.

IN WITNESS WHEREOF the parties have hereby executed this Agreement as of the date written below.

By: /s/ Dan Mondor
Dan Mondor

Date: 2/28/2022

By: /s/ Kurt Scheuerman
Kurt Scheuerman
SVP & General Counsel

Date: 2/28/2022

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

Pursuant to Rule 13a-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ashish Sharma, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Inseego Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2022

/s/ Ashish Sharma

Ashish Sharma

Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

Pursuant to Rule 13a-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert G. Barbieri, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Inseego Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2022

/s/ Robert G. Barbieri

Robert G. Barbieri

Chief Financial Officer
(principal financial officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Ashish Sharma, Chief Executive Officer of Inseego Corp. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2022

/s/ Ashish Sharma

Ashish Sharma
Chief Executive Officer
(principal executive officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Barbieri, Chief Financial Officer of Inseego Corp. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2022

/s/ Robert G. Barbieri

Robert G. Barbieri
Chief Financial Officer
(principal financial officer)