



Sequans Investor Presentation

November 2024

Dr. Georges Karam, CEO
Deborah Choate, CFO

Safe Harbor

This presentation contains certain statements that are, or may be deemed to be, forward-looking statements with respect to the financial condition, results of operations and business of Sequans, including the impact of the recently closed Qualcomm strategic transaction on our continuing operations, revenue expectations in Q4 2024 and continuing into 2025 and anticipated breakeven timeline. These forward-looking statements include, but are not limited to, statements that are not historical fact. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements also often use words such as “anticipate,” “target,” “continue,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “goal,” “believe,” “hope,” “aims,” “continue,” “could,” “project,” “should,” “will” or other words of similar meaning. These statements are based on assumptions and assessments made by Sequans in light of its experience and perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this presentation could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct, and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement.

Forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Such risks and uncertainties include, but are not limited to, potential adverse reactions or changes to business relationships resulting from the completion of the Qualcomm transaction; significant or unexpected costs, charges or expenses resulting from the Qualcomm transaction; and negative effects of the transaction on the market price of Sequans’ ADS and ordinary shares. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business and competitive environments, market and regulatory forces. If any one or more of these risks or uncertainties materialize or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. A more complete description of these and other material risks can be found in Sequans’ filings with the SEC, including its annual report on Form 20-F for the year ended December 31, 2023, subsequent filings on Form 6-K and other documents that may be filed from time to time with the SEC. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this presentation. Sequans undertakes no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by applicable law. We are still completing the purchase accounting for the recently closed transaction with Qualcomm, which could result in changes to our preliminary interim 2024 financial results.

Sequans Key Highlights

- **Leading semiconductor company** specializing in wireless cellular technology for the Internet of Things (IoT)
- **Unique expertise** in designing 4G/5G connectivity solutions optimized for IoT, delivering breakthroughs in performance, low-power, cost efficiency and security.
- **Comprehensive product portfolio**, including chips, modules and IP for both 4G LTE-M/NB-IoT and Cat 1bis, and 5G NR RedCap and eRedCap

\$34.4M

CY 2023 Annual Revenue¹

~200

Team Worldwide

\$173.6M

Cash and cash equivalents²

22%

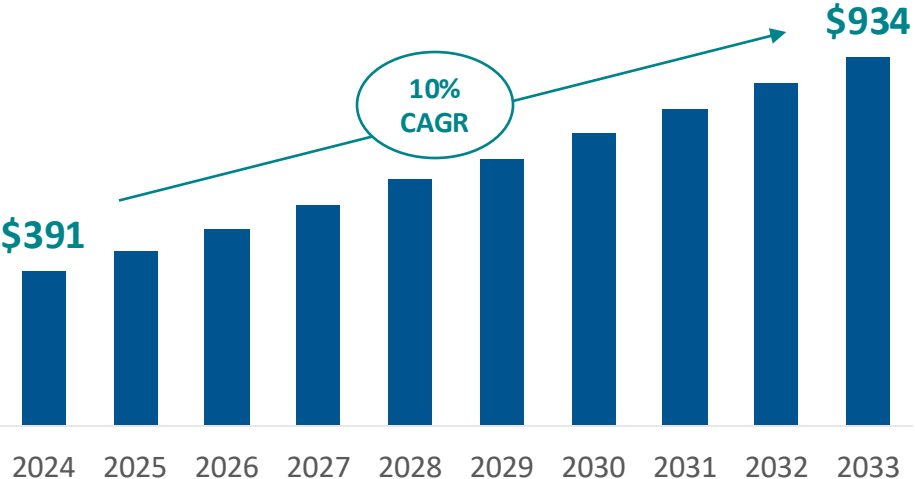
Insider Ownership

1. Calendar year ended December 31, 2023.

2. Includes cash and cash equivalents as of September 30, 2024, before debt repayment and payment of fees and account payables in October 2024.

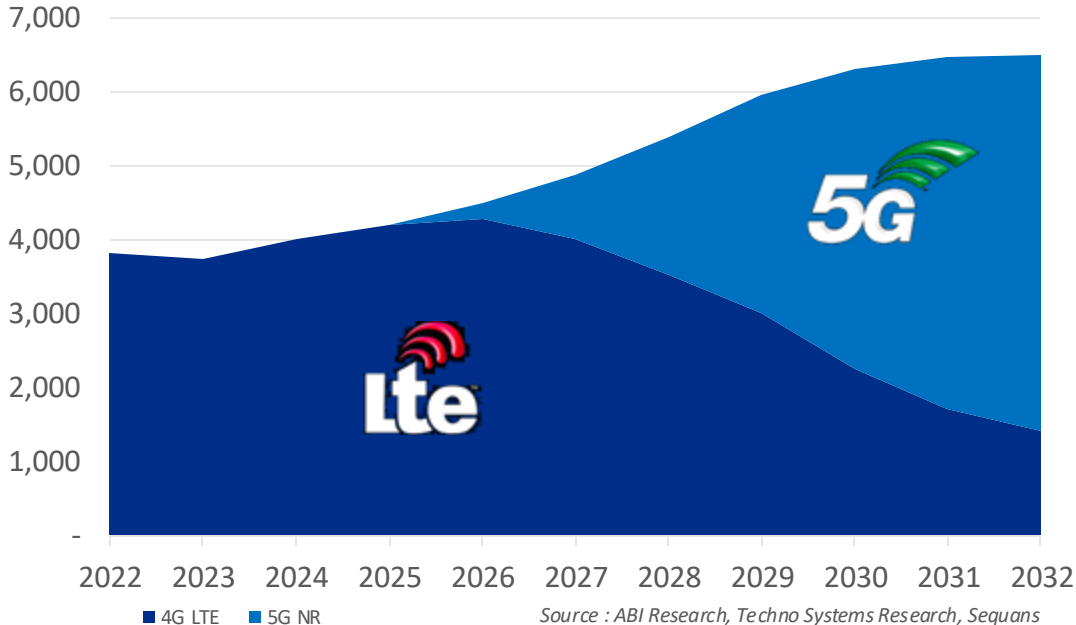
4G & 5G IoT Opportunity Is Expanding Globally

Internet of Things (IoT) Global Revenue
(in USD Billion)



Source : Transforma Insights

Global Revenue TAM for Cellular IoT Modules
(in USD Millions)



Source : ABI Research, Techno Systems Research, Sequans

Global IoT revenue is forecast to triple over the next decade as more IoT applications come online

5G IoT (RedCap and eRedCap) interest increased for future-proof connectivity as networks evolve to pure 5G

Sequans' Unique Position Favored by Market Dynamics

Western Semiconductor Companies Serving the Cellular IoT Market



Sequans is well positioned to capture a significant share of the cellular IoT market

\$200 Million Asset Sale of 4G IoT Technology to Qualcomm

Transaction Transforms Balance Sheet Sequans Retains 4G License for Ongoing Use and Development

Technology Asset Acquisition

- As of September 30, 2024, Sequans completed the asset sale of its 4G IoT technology (NB-IoT, LTE-M, and LTE Cat 1bis) to Qualcomm.
- Sequans retains rights to sell, support, maintain, and enhance its existing products while developing the next generation of 4G, RedCap, and eRedCap 5G technology.
- Full ownership of Sequans' 5G technology remains with the company.
- No impact on Sequans' contractual obligations or operations with customers and industry partners.

Financial Impact

- \$172 million in proceeds received on September 30, 2024
- In October 2024, repaid ~ \$85 million in debt and interest, lowering the debt balance shown on the balance sheet as of September 30, by the same amount
- Remaining debt is \$4 million with the French government and \$2.7 million of R&D financing repayable over several years
- Also paid down overdue supplier accounts and fees related to the transaction

1 Solid Financial Foundation

Strong balance sheet enables:

- Design win projects to mass production
- Innovation with next-generation and new products
- Revenue growth with aim of achieving EBIT breakeven in H2 2026

2 Best-in-Class Technology & Expertise

- Endorsed by industry leaders
- Track record in innovation and IP development
- 4G IP becoming a cornerstone in the industry, utilized by both Qualcomm and Sequans
- Top-tier engineering team with deep 4G/5G expertise, fully dedicated to IoT

3 Comprehensive 4G & 5G IoT portfolio

- High-performance, low cost and power-efficient IoT technology optimized for Cellular IoT
- Solutions for public and private networks
- 4G IoT: LTE-M/NB-IoT, Cat 1bis, Cat 4/6
- 5G IoT Roadmap: RedCap, eRedCap

4 Differentiated Go-to-market

- Flexibility to support our customers in unique ways
- Ability to supply and tailor all elements needed : chips, module, software and services
- Provide customization to address the needs of the various IoT applications

Legacy of Innovation, Leadership and Value Creation

Sequans Look Back

- **2003** Co-founded by CEO, Georges Karam in France
- **2011** ADS listed on NYSE (Ticker: SQNS)
- **2011** First 4G-LTE only (FDD/TDD) chip
- **2016** World's first LTE-M/NB-IoT chip
- **2019** Ultra Low-power 2nd Gen LTE-M/NB-IoT
- **2021** First Western LTE Cat 1bis chip
- **2024** \$200M sales of 4G IP to Qualcomm, retaining perpetual license for its usage

Sequans Moving Forward

- Exiting 2024 with strong Balance Sheet – virtually debt-free and solid cash position
- Built a Comprehensive 4G IoT Portfolio
- Pipeline holds \$250M 3Yr Revenue of 4G IoT Design Wins and numerous other Opportunities
- Advanced Roadmap for 5G IoT RedCap and eRedCap solutions, supported by 11 million Euros of government funding

Recognized by IoT Industry Leaders



Tom Deitrich, CEO of Itron, leader in Smart Metering

"Sequans is a strategic partner, allowing Itron to increase the value we can create for our customers and all stakeholders."



Derek Luke, COO of Geotab, leader in Connected Fleet and Asset

"Sequans has always been a technology leader, especially with the first LTE Cat 1bis technology for North America. Sequans is a trusted partner of Geotab, providing us with exceptional support. They are now set to become an industry leader in IoT."



Cameron Coursey, Vice President of AT&T Connected Solutions

"Sequans has been at the forefront of Cat 1bis and LTE-M technology, and we are enthusiastic about its upcoming innovations in 5G IoT with RedCap and eRedCap."



Dan Shey, Vice President of ABI Research

"The 4G intellectual property developed by Sequans is now poised to become a cornerstone of the mass market IoT industry, utilized by both Qualcomm and Sequans."

Portfolio Optimized for Cellular IoT

Unique expertise in designing 4G & 5G semiconductor solutions optimized for IoT, delivering breakthroughs in performance, low-power, cost efficiency and security

Leading 4G IoT Portfolio



Monarch LTE-M/NB-IoT
Low power, low speed applications

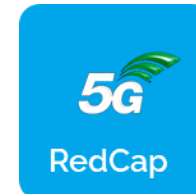


Calliope Cat 1/Cat 1bis
Medium speed and voice applications

Innovative 5G IoT Roadmap



5G NR eRedCap
Low power, low and medium speed applications



5G NR RedCap
High speed applications

Addressing Key IoT Markets and Stakeholders



Smart Meters



Telematics



Smart City



Healthcare



Asset Tracking



Security Systems



Smart Cities



Payment



Smart Home



Tracker



Wearable



Space & Defense

Industry Leaders Trust Sequans' Technology

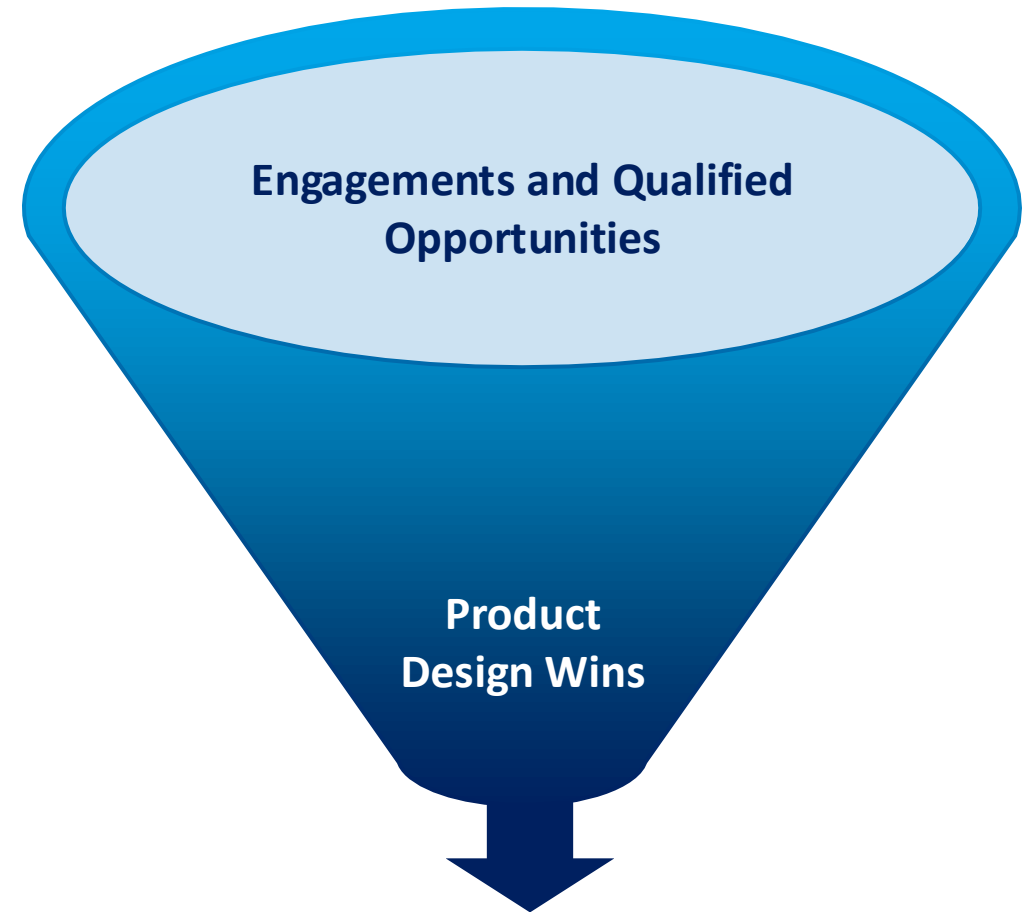


Product Revenue Pipeline

Growth supported by a strong pipeline of 4G product revenue:

**With \$250M of 3Y LNR in Design-Wins,
And numerous advanced opportunities**

- Represents for each customer project, 3-years of net revenue (3Y LNR)
- IP and Services revenue not included



\$250M 3Y Design Wins

Executing Growth Levers to Drive Future Performance

- **Growth drivers 2025 – 2028**

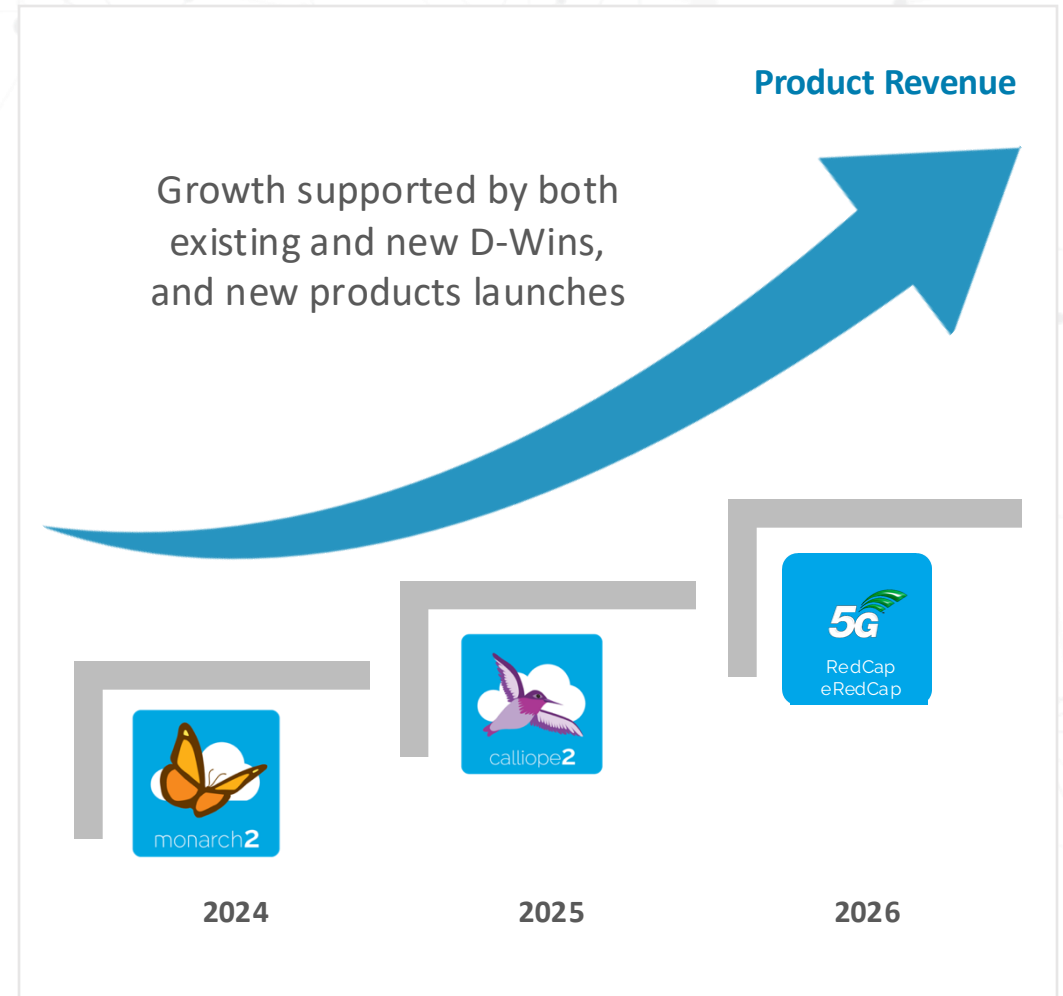
1. 4G Product revenue:

- Existing \$250M of 3Y LNR pipeline D-Win projects moving to mass production
- And new D-Wins, boosted by Cat 1bis launch

2. 5G Products (RedCap/eRedCap) revenue from 2026+

3. Additional 5G IP Licensing revenue, addressing new market segments and regions

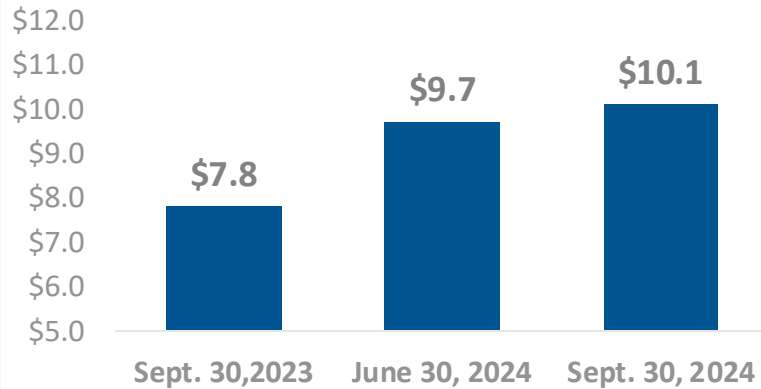
- **Trajectory toward achieving break-even by 2026**



Financial Overview

Quarterly Net Revenues

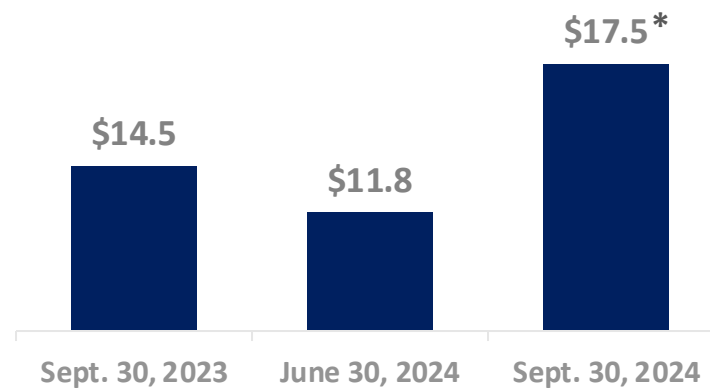
(in millions)



Product revenue expected to improve as existing customers move design wins into production in late 2024 and 2025

Operating Expenses

(in millions)

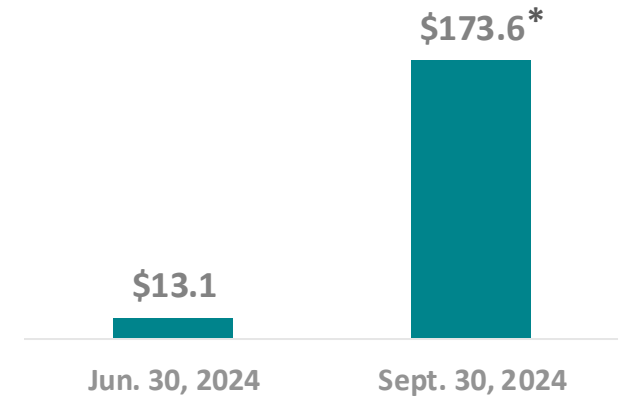


Targeting cash operating expenses below \$10 million/quarter on average and interest income expected on excess cash

* Excludes net gain on the sale of the 4G assets sold to Qualcomm of \$152.7 million and \$56.6 million impairment of Taurus intangible and tangible assets; reflects higher, nonrecurring R&D and G&A expenses related to Qualcomm transaction.

Cash & Cash Equivalents

(in millions)



As of October 2024, the balance sheet is nearly debt-free, and the cash position is significantly improved.

Sept. 30, 2024, cash balance includes \$172 million in proceeds from the Qualcomm transaction received on September 30, 2024

Key Takeaways

With a solid foundation built on :

- Strong balance sheet,
- Recognized expertise,
- Comprehensive portfolio, and
- Differentiated Go-To-Market strategy.

Sequans is executing on a growth trajectory toward achieving break-even by 2026





Sequans Investor Presentation

Thank you!

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Appendix

- Leadership Team and Board of Directors
- Income Statement
- Balance Sheet
- Non-IFRS Financial Results Reconciliation
- Capitalization Table

Leadership Team and Board of Directors

Leadership Team



Dr. Georges Karam
President and Chief Executive Officer



Deborah Choate
Chief Financial Officer



Bertrand Debray
Chief of Staff



Louis (Ping Lin) Chuang
Executive Vice President of Product Management



Nick Taluja
Executive Vice President, Worldwide Sales



Olivier Pauzet
Executive Vice President, Marketing and Strategy



Danny Kedar
Executive Vice President of Operations

Board of Directors



Dr. Georges Karam
Chairman



Wes Cummins
Director



Dr. Richard N.
Nottenburg
Director



Hubert de Pesquidoux
Director



Dominique Pitteloud
Director



Zvi Slonimsky
Director



Maria Marced
Director



Yves Maitre
Director

PRELIMINARY UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands of US\$, except share and per share amounts)	Three months ended		
	Sept 30, 2024 ⁽¹⁾	June 30, 2024	Sept 30, 2023
Revenue :			
Product revenue	\$ 2,357	\$ 2,435	\$ 753
License and services revenue	7,723	7,240	7,033
Total revenue	10,080	9,675	7,786
Cost of revenue	(1,767)	(1,547)	(1,105)
Gross profit	8,313	8,128	6,681
Gain on sale of 4G intangible and tangible assets, net	152,719	—	—
Research and development expense	(8,603)	(5,789)	(5,974)
Sales and marketing expense	(3,359)	(3,131)	(2,935)
General and administrative expense	(5,512)	(2,916)	(5,618)
Impairment of Taurus intangible and tangible assets	(56,589)	—	—
Operating profit (loss)	86,969	(3,708)	(7,846)
Financial income (expense):			
Interest income (expense), net	(9,294)	(10,806)	(2,802)
Change in fair value of convertible debt derivative	—	39	439
Impact of debt amendment	—	13,620	247
Foreign exchange gain (loss)	(714)	90	513
Profit (Loss) before income taxes	76,961	(765)	(9,449)
Income tax expense	(4,682)	(146)	(104)
Profit (Loss)	\$ 72,279	\$ (911)	\$ (9,553)
Attributable to :			
Shareholders of the parent	72,279	(911)	(9,553)
Minority interests	—	—	—
Basic income (loss) per ADS	\$2.90	(\$0.04)	(\$0.41)
Diluted income (loss) per ADS	\$2.61	(\$0.04)	(\$0.41)
Weighted average number of ADS used for computing:			
— Basic ⁽²⁾	24,891,762	24,765,063	23,434,530
— Diluted ⁽²⁾	27,675,736	24,765,063	23,434,530

(1) Final results are subject to finalization of the allocation of the Qualcomm deal transaction proceeds

(2) Reflects the change in ADS to ordinary share ratio effective October 9, 2024

PRELIMINARY UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of US\$)	At Sept 30, 2024 ⁽¹⁾	At Dec 31, 2023
ASSETS		
Non-current assets		
Property, plant and equipment	\$ 4,404	\$ 6,815
Intangible assets	4,440	64,300
Available for sale assets	221	—
Deposits and other receivables	3,375	801
Other non-current financial assets	365	360
Total non-current assets	12,805	72,276
Current assets		
Inventories	4,147	6,335
Trade receivables	3,439	8,115
Contract assets	131	497
Prepaid expenses	1,221	1,422
Other receivables	17,874	4,839
Research tax credit receivable	8,919	9,983
Cash and cash equivalents	173,583	5,705
Total current assets	209,314	36,896
Total assets	\$ 222,119	\$ 109,172

EQUITY AND LIABILITIES

Equity		
Issued capital, euro 0.01 nominal value, 249,928,692 shares authorized, issued and outstanding at September 30, 2024 (246,262,004 shares at December 31, 2023)	\$ 2,918	\$ 2,878
Share premium	14,528	14,568
Other capital reserves	74,060	70,261
Accumulated deficit	(33,784)	(93,362)
Other components of equity	(278)	(416)
Total equity	57,444	(6,071)
Non-current liabilities		
Government grant advances, loans and other liabilities	7,110	3,256
Lease liabilities	649	1,645
Provisions	1,576	2,222
Deferred tax liabilities	278	264
Total non-current liabilities	10,477	7,387
Current liabilities		
Trade payables	19,794	16,281
Interest-bearing receivables financing	5,280	9,544
Lease liabilities	1,363	1,471
Convertible debt	57,135	52,278
Convertible debt embedded derivative	—	3
Unsecured related party loan	26,537	8,922
Government grant advances and loans	7,822	4,606
Contract liabilities	16,540	5,852
Other current liabilities and provisions	19,727	8,899
Total current liabilities	154,198	107,856
Total equity and liabilities	\$ 222,119	\$ 109,172

(1) Final results are subject to finalization of the allocation of the Qualcomm deal transaction proceeds

PRELIMINARY UNAUDITED RECONCILIATION OF NON-IFRS FINANCIAL RESULTS

(in thousands of US\$, except share and per share amounts)	Three months ended		
	Sept 30, 2024 ⁽³⁾	June 30, 2024	Sept 30, 2023
Net IFRS gain (loss) as reported	\$ 72,279	\$ (911)	\$ (9,553)
Add back			
Non-cash stock-based compensation expense according to IFRS 2 ⁽¹⁾	682	1,847	1,757
Non-cash change in the fair value of convertible debt embedded derivative	—	(39)	(439)
Non-cash interest on convertible debt and other financing ⁽²⁾	7,510	6,972	1,709
Non-cash impact of convertible debt amendment	—	(13,620)	(247)
Non-IFRS gain (loss) adjusted	\$ 80,471	\$ (5,751)	\$ (6,773)
<i>IFRS basic gain (loss) per ADS as reported ⁽⁴⁾</i>	<i>\$2.90</i>	<i>(\$0.04)</i>	<i>(\$0.41)</i>
Add back			
Non-cash stock-based compensation expense according to IFRS 2 ⁽¹⁾	\$0.03	\$0.07	\$0.07
Non-cash change in the fair value of convertible debt embedded derivative	\$0.00	\$0.00	(\$0.02)
Non-cash interest on convertible debt and other financing ⁽²⁾	\$0.30	\$0.29	\$0.07
Non-cash impact of convertible debt amendment	\$0.00	(\$0.55)	\$0.00
<i>Non-IFRS basic gain (loss) per ADS ⁽⁴⁾</i>	<i>\$3.23</i>	<i>(\$0.23)</i>	<i>(\$0.29)</i>
<i>IFRS diluted gain (loss) per ADS ⁽⁴⁾</i>	<i>\$2.61</i>	<i>(\$0.04)</i>	<i>(\$0.41)</i>
Add back			
Non-cash stock-based compensation expense according to IFRS 2 ⁽¹⁾	\$0.02	\$0.07	\$0.07
Non-cash change in the fair value of convertible debt embedded derivative	\$0.00	\$0.00	(\$0.02)
Non-cash interest on convertible debt and other financing ⁽²⁾	\$0.28	\$0.29	\$0.07
Non-cash impact of convertible debt amendment	\$0.00	(\$0.55)	\$0.00
<i>Non-IFRS diluted gain (loss) per ADS ⁽⁴⁾</i>	<i>\$2.91</i>	<i>(\$0.23)</i>	<i>(\$0.29)</i>

(1) Included in the IFRS loss as follows:

Cost of product revenue	\$ 22	\$ 27	\$ 24
Research and development	(333)	509	481
Sales and marketing	355	435	393
General and administrative	638	876	859

(2) Related to the difference between contractual and effective interest rates

(3) Final results are subject to finalization of the allocation of the Qualcomm deal transaction proceeds

(4) Reflects the change in ADS to ordinary share ratio effective October 9, 2024

Capital – fully diluted as of October 31, 2024

		Shares	ADS
October 31, 2024	Total issued shares/ADS	249,973,692	24,997,369
Fully Diluted, assuming all warrants/SO exercised:			
	Nokomis Warrants, \$10.30/ADS exer price, exp 08/2026	594,680	59,468
	Nokomis Warrants, \$8.082/ADS exer price, exp 08/2026	1,244,820	124,482
	Harbert Warrants, \$13.40/ADS exer price, exp 10/2028	816,716	81,672
	Concord Warrants, €0.20/ADS exer price, exp 02/2034	9,392,986	939,299
	Unvested RSA	27,476,693	2,747,669
	Stock options/warrants (most out of the money)	9,792,775	979,278
	Fully diluted shares/ADS	299,292,362	29,929,236