



Reconciliation of Q1 2017 GAAP to Non-GAAP Results

May 4, 2017

**Sierra Wireless is building the
Internet of Things.**



Reconciliation of GAAP to Non-GAAP Results

With reference to our press release of May 4, 2017, we are providing additional non-material information regarding our reconciliation of Q1 2017 GAAP to non-GAAP results.

Our consolidated financial statements are prepared in accordance with U.S. GAAP on a basis consistent for all periods presented. In addition to results reported in accordance with U.S. GAAP, we use non-GAAP financial measures as supplemental indicators of our operating performance. The term “non-GAAP financial measure” is used to refer to a numerical measure of a company’s historical or future financial performance, financial position or cash flows that: (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with U.S. GAAP in a company’s statement of earnings, balance sheet or statement of cash flows; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. We refer to gross margin, operating expenses, earnings (loss) from operations, net earnings (loss) and earnings (loss) per share adjusted for specific items that affect comparability as non-GAAP gross margin, non-GAAP operating expenses, non-GAAP earnings (loss) from operations, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), non-GAAP net earnings (loss) and non-GAAP diluted earnings (loss) per share, respectively. We disclose non-GAAP amounts as we believe that these measures provide better information on actual operating results and assist in comparisons from one period to another.

Readers are cautioned that non-GAAP financial measures do not have any standardized meaning prescribed by U.S. GAAP and therefore may not be comparable to similar measures presented by other companies.

Q1 2017 Reconciliation of GAAP to Non-GAAP Results

In thousands of US\$, Except earnings per share	GAAP Q1	Acquisition-related, Integration, Restructuring & Impairment					Non GAAP Q1
		Purchase Price Amortization	Stock Compensation & related Social Taxes	Foreign Exchange Gain	Tax Adjustments		
Revenue	161,793						161,793
Cost of goods sold	106,132			108			106,024
Gross margin	55,661	0	0	(108)	0	0	55,769
<i>GM %</i>	<i>34.4%</i>						<i>34.5%</i>
Sales and marketing	18,167			533			17,634
Research and development	19,477	142		430			18,905
Administration	10,386			1,077		276	9,033
Restructuring	373		373				0
Acquisition-related and Integration	451		451				0
Impairment	3,668		3,668				0
Amortization	4,626	3,499					1,127
Total Operating Expenses	57,148	3,641	4,492	2,040	0	276	46,699
Earnings (loss) from operations	(1,487)	(3,641)	(4,492)	(2,148)	0	(276)	9,070
Foreign exchange gain	1,099				1,099		0
Other income	9						9
Total other income	1,108	0	0	0	1,099	0	9
Earnings (loss) before income taxes	(379)	(3,641)	(4,492)	(2,148)	1,099	(276)	9,079
Income tax expense (recovery)	(168)	(139)	(864)	(477)	88	(194)	1,418
Net earnings (loss)	(211)	(3,502)	(3,628)	(1,671)	1,011	(82)	7,661
Diluted earnings (loss) per share	(0.01)						0.24
Weighted average diluted shares	31,909						31,909