Sierra Wireless
Corporate Overview
February 2019
Cautionary Note Regarding Forward-Looking Statements

Certain statements and information in this presentation are not based on historical facts and constitute forward-looking statements within the meaning of applicable securities laws ("forward-looking statements"). These forward-looking statements may include statements and information relating to our Q4 18 Corporate Update; Q1’19 and fiscal 2019 business outlook and beyond; statements regarding our strategy, plans, goals, objectives, expectations and future operating performance; the Company’s liquidity and capital resources; the Company’s financial and operating objectives and strategies to achieve them; general economic conditions; estimates of our expenses, future revenues, non-GAAP earnings per share and capital requirements; our expectations regarding the legal proceedings we are involved in; statements with respect to the Company’s estimated working capital; expectations with respect to the adoption of IoT solutions; expectations regarding trends in the IoT market and wireless module market; expectations regarding product and price competition from other wireless device manufacturers and solution providers; and our ability to implement effective control procedures. Forward-looking statements are provided to help you understand our current views of our short and longer term plans, expectations, and prospects. We caution you that forward-looking statements may not be appropriate for other purposes. We do not intend to update or revise our forward-looking statements unless we are required to do so by securities laws.

Forward-looking statements typically include words and phrases about the future, such as: “outlook”, “will”, “may”, “estimates”, “intends”, “believes”, “plans”, “anticipates” and “expects”, and are not promises or guarantees of future performance. They represent our current views and may change significantly. Forward-looking statements are based on a number of material assumptions, including, but not limited to, those listed below, which could prove to be significantly incorrect:

- our ability to develop, manufacture and sell new products and services that meet the needs of our customers and gain commercial acceptance;
- our ability to continue to sell our products and services in the expected quantities at the expected prices and expected times;
- expected macro-economic business conditions;
- expected cost of sales;
- expected component supply constraints;
- our ability to win new business;
- our ability to fully integrate the business, operations and workforce of Numerex and to return the Numerex business to profitable growth and realize the expected benefits of the acquisition;
- our ability to integrate other acquired businesses and realize expected benefits;
- expected deployment of next generation networks by wireless network operators;
- our operations not being adversely disrupted by other developments, operating, cyber security, litigation, or regulatory risks; and
- expected tax and foreign exchange rates.

Forward-looking statements are based on our management’s current expectations and we caution investors that forward-looking statements, particularly those that relate to longer periods of time are subject to substantial known and unknown material risks and uncertainties. Many factors could cause our actual results, achievements and developments in our business to differ significantly from those expressed or implied by our forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail. These risk factors and others are discussed in our Annual Information Form and Management’s Discussion and Analysis of Financial Condition and Results of Operations, which may be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov and in our other regulatory filings with the Securities and Exchange Commission in the United States and the provincial securities commissions in Canada:

- competition from new or established competitors or from those with greater resources;
- disruption of, and demands on, our ongoing business and diversion of management’s time and attention in connection with acquisitions or divestitures;
- the loss of, or significant demand fluctuations from, any of our significant customers;
- our ability to attract or retain key personnel and the impact of organizational change on our business;
- deterioration in macro-economic conditions and resulting reduced demand for our products and services;
- risks related to the acquisition and ongoing integration of Numerex;
- cyberattacks or other breaches of our information technology security;
- our financial results being subject to fluctuation;
- our ability to respond to changing technology, industry standards and customer requirements;
- risks related to enforcement on intellectual property rights of others;
- our ability to obtain necessary rights to use software or components supplied by third parties;
- our ability to enforce our intellectual property rights;
- our reliance on single source suppliers for certain components used in our products;
- failures of our products or services due to design flaws and errors, component quality issues, manufacturing defects, network service interruptions, cyber-security vulnerabilities or other quality issues;
- our dependence on a limited number of third party manufacturers;
- unanticipated costs associated with litigation or settlements;
- our dependence on mobile network operators to promote and offer acceptable wireless data services;
- risks related to contractual disputes with counterparties;
- risks related to governmental regulation;
- risks related to the transmission, use and disclosure of user data and personal information;
- risks inherent in foreign jurisdictions; and
- risks related to tariffs or other trade restrictions.

Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results.

USE OF NON-GAAP FINANCIAL MEASURES: This presentation contains references to certain non-GAAP financial measures and should be viewed in conjunction with our press release, which contains further information regarding our use of non-GAAP financial measures, including a reconciliation of such information to our GAAP results.
History of cellular module leadership

- 1993: Founded in
- 1st cellular module developed in 1997
- 1st smart module with OpenAT software in 2001
- 1st HSPA+ module in 2009
- 1st LTE module in 2010
- 1st LTE-M low-power demo in 2016
- 1st LTE-A module in 2013
- 1st LTE-A Pro module in 2017
- 1st NB-IoT/LTE-M dual-mode module in 2017
- 1st embedded SIM developed for M2M in 2007

Sierra Wireless has a long history of being 1st to new technologies and will continue that with to drive 5G and LPWA growth in the Internet of Things.
Aligning technology with use cases and solutions

<table>
<thead>
<tr>
<th>Technology</th>
<th>Use Cases</th>
<th>Devices</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LPWA</strong></td>
<td></td>
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<tr>
<td><strong>Cat M1/NB1</strong></td>
<td>Smart Meters</td>
<td>HL78xx</td>
<td>Ready-2-Connect Embedded</td>
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<tr>
<td>50-300Kbps</td>
<td>Smart Grid</td>
<td></td>
<td>Connectivity</td>
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<td></td>
<td>Smart City</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4G</strong></td>
<td>Fleet</td>
<td>HL Series</td>
<td>AirVantage IoT Platform</td>
</tr>
<tr>
<td><strong>Cat 1-4</strong></td>
<td>Transit</td>
<td>WP Series</td>
<td></td>
</tr>
<tr>
<td>10-150 Mbps</td>
<td>Industrial Gateways</td>
<td></td>
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<tr>
<td></td>
<td>Public Safety</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Security</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4G/5G</strong></td>
<td>Routers</td>
<td>EM Series</td>
<td>Octave™ Data Orchestration</td>
</tr>
<tr>
<td>50 Mbps-20 Gbps</td>
<td>PC-OEM</td>
<td>AR Series</td>
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<td></td>
<td>Auto</td>
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</table>
IoT Edge markets are growing to >$10B TAM by 2021

IoT Edge Addressable Market for D2C Solutions

$USD millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
<th>Hardware</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$5,925</td>
<td>$1,244</td>
<td>$7,169</td>
</tr>
<tr>
<td>2018</td>
<td>$6,823</td>
<td>$1,351</td>
<td>$8,174</td>
</tr>
<tr>
<td>2019</td>
<td>$7,862</td>
<td>$1,509</td>
<td>$9,371</td>
</tr>
<tr>
<td>2020</td>
<td>$9,210</td>
<td>$1,821</td>
<td>$11,031</td>
</tr>
<tr>
<td>2021</td>
<td>$11,035</td>
<td>$2,268</td>
<td>$13,303</td>
</tr>
</tbody>
</table>

- **Industrial Edge**: Example: Manufacturing Assets
- **Infrastructure Edge**: Example: Commercial Building Systems
- **Mobile Edge**: Example: Mobile Manufacturing Assets

Source: Sierra Wireless market model, 2018
Device-to-cloud leader at the Edge & Data tier

- **APPLI**cation TIER
  - Business domain (IT environment)
  - IoT application domain
  - Application platform

- **DATA** TIER
  - Big data analytics
  - Cloud services infrastructure
  - Data ingestion

- **EDGE** TIER
  - Connectivity services
  - Edge gateways
  - Communication devices

**Vertical markets**
- Automotive
- Smart Building
- Physical Security
- Manufacturing
- Transportation
- Utilities
- Retail
- …

**End Points**

**Data Orchestration from Device-to-Cloud**
- North bound interface to customer cloud
- Distributed deep edge and cloud processing
- South bound interface to Sensor and Assets

**Accelerates end customer IoT deployments**
- Rapid deployment at scale, secured
IoT is transforming industries

Companies globally are adopting IoT to revolutionize their businesses
### IoT deployments are complex

#### IoT drivers

- Improves operational efficiency
- Improves customer outcomes
- Improves business model
- Creates new revenue streams

#### IoT challenges

- IoT deployments are difficult
- Cyber security concerns
- Shortage of IoT and analytical skills
- IoT ecosystem is complex

*Customers Start with Sierra to simplify IoT deployments*
Our vision:
To empower businesses to reimagine their future in the connected world.
Our position:
Sierra Wireless is an IoT pioneer empowering businesses and industries to transform and thrive in the connected economy.
Sierra Wireless operates worldwide serving global OEMs and enterprises
Leader in device-to-cloud solutions for the IoT

Fully integrated solution for IoT applications
Sierra well positioned in key IoT market segments

**Automotive & Transport**
Automotive, Fleet and Asset Management, Transit, UBI, Public Safety

**Energy & Industrial**
Smart Grid, Tank Monitoring, Industrial Machines, Public Infrastructure

**Enterprise**
Payment, Mobile Computing, Networking, Retail, Surveillance

**Residential & Healthcare**
Home Security, Home Automation, Patient Monitoring
OEM Solutions: market and technology leader

Air interface innovator first to market track record: 4G LTE, LPWA, LTE-M, NB-IoT
Miniaturization and common form factor footprint (CF3)

Edge intelligence leader with application frameworks & tools to maximize investment at the edge, accelerate customers’ TTM

Open Source Platform Leader

- **Legato**: Open source Linux-based application framework
- **mangOH**: Open hardware to enable rapid prototyping & commercialization

Complimentary Short-Range and Positioning

- Bluetooth and WiFi modules, proven Bluetooth protocol stacks
- Global Navigation Satellite System embedded modules
Enterprise Solutions: secure, managed LTE networking

Mobile Networking
Secure intelligent gateways and routers with telematics capability for public safety, transit, fleets

Industrial Networking
Low power, secure, intelligent connectivity for fixed assets and infrastructure in energy & industrial

Enterprise Networking
Secure 4G LTE primary and failover connectivity for distributed enterprise and retail
IoT Services: cloud, connectivity and managed solutions

**Smart Connectivity Services**
Global connectivity services, from regional data plans to managed connectivity solutions

**IoT Cloud Platform**
Unified platform for comprehensive operations management and application enablement

**Market Ready Vertical Solutions**
End-to-end managed IoT solutions specific to various industries and vertical markets
Smart Grid analytics solution

**Sentient Energy**

Expand grid monitoring capability by adding cellular & hybrid mesh networks to quickly & easily deploy solutions with carriers across the globe.

- Deploying Sierra’ s LTE embedded modules, Smart SIM, and Connectivity Services
- Added cellular solution that enables Sentient Energy to increase customer base in regions where mesh infrastructure not as developed

“The support and pricing provided by Sierra Wireless both contributed to our selection, but the main requirement to have one module that works across global cellular network technologies was the most critical factor in our decision.”
Atlas Copco selects Device-to-Cloud solution to transform industrial compressor business

FX30 Programmable Gateway, Legato®, AirVantage® IoT Platform enable deployment of Industrial IoT applications

- securely and reliably push data from connected assets to enterprise systems

- increase machine intelligence, productivity and efficiency by deploying applications at the edge of the network
IoT Monitoring – Obstruction Lighting

**Unimar**

Remote monitoring, control and troubleshooting of Lighting Controllers

- Deploying an application using Sierra’s Passive SIM, RV50 & AirVantage
- Provides actionable data & receive alerts in mission-critical situations to ensure that their customers are FAA compliant.
Global predictive maintenance

**Mann + Hummel**

Remote monitoring and predictive maintenance of filters for large industrial & agricultural vehicles

Chose Sierra Wireless Smart SIM, combined with AirVantage IoT platform

- Quick and easy deployment, worldwide
- Always on predictive maintenance service
- No need for ever changing the equipment’s SIM
- Real-time access to machine data

“Working with Sierra Wireless to add IoT connectivity to our solution, we’re reducing downtime and saving as much as $4,200 per machine annually.”

- Charles Vaillant, CTO, MANN+HUMMEL
Global predictive maintenance

Girbau

Chose FX30 programmable gateway, Legato, Smart connectivity services to rapidly develop and deploy Industrial IoT applications

Girbau customers improve the maintenance of commercial laundry machines to:

- Reduce downtime
- Optimize operating costs
- Increase profitability
Fourth Quarter 2018 – Non-GAAP results

<table>
<thead>
<tr>
<th>Quarterly Revenue (USD millions)</th>
<th>Adjusted EBITDA(^{(1)}) (USD millions)</th>
<th>Earnings per share(^{(2)}) (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q4’17</strong></td>
<td><strong>Q4’18</strong></td>
<td><strong>Q4’17</strong></td>
</tr>
<tr>
<td>$139.8</td>
<td>$183.5</td>
<td>$13.9</td>
</tr>
<tr>
<td>$31.8</td>
<td>$30.3</td>
<td>$0.25</td>
</tr>
<tr>
<td><strong>$22.4</strong></td>
<td><strong>$201.4</strong></td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Adjusted EBITDA as defined equates to net earnings (loss) plus stock-based compensation expense and related social taxes, acquisition-related expense, restructuring expense, integration expense, impairment, certain other non-recurring expenses or recoveries, amortization, foreign exchange gains or losses on translation of balance sheet accounts, unrealized foreign exchange gains or losses on forward contracts, interest and income tax.

\(^{(2)}\) Non-GAAP financial measures exclude the impact of: stock-based compensation expense and related social taxes, acquisition-related expense, acquisition amortization, impairment, integration expense, restructuring expense, certain other non-recurring expenses or recoveries, foreign exchange gains or losses on translation of balance sheet accounts, unrealized foreign exchange gains or losses on forward contracts and certain tax adjustments.
Cash Position & Free Cash Flow

Solid balance sheet and debt free

<table>
<thead>
<tr>
<th>Description</th>
<th>Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operations</td>
<td>$ 22.4</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$(5.5)</td>
</tr>
<tr>
<td>Free Cash Flow (1)</td>
<td>$ 16.9</td>
</tr>
<tr>
<td>Proceeds from Sale (iTank)</td>
<td>$ 5.0</td>
</tr>
<tr>
<td>Other</td>
<td>$(0.3)</td>
</tr>
<tr>
<td>Increase in Cash Balance</td>
<td>$ 21.6</td>
</tr>
</tbody>
</table>

(1) Free cash flow is a non-GAAP financial measure. Free cash flow is defined as cash flow from operating activities less capital expenditures and increases in intangibles.
Sierra Wireless has launched two leading LPWA cellular modules for Cat M1/NB1 and is advancing 5G LTE & NR standards at the 3GPP standards body.
## Low Power Wide Area (LPWA) – Cat M1 & Cat NB1

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COST</strong></td>
<td>Low cost with more than 50% reduction compared to LTE. Think 2G or Bluetooth.</td>
</tr>
<tr>
<td><strong>COVERAGE</strong></td>
<td>Extended coverage of 5x–10x greater distance compared to broadband LTE.</td>
</tr>
<tr>
<td><strong>CONSUMPTION</strong></td>
<td>10+ years battery life. More than 75x lower power than broadband LTE.</td>
</tr>
<tr>
<td><strong>CAPACITY</strong></td>
<td>Supports more than one million connected devices per square kilometer.</td>
</tr>
</tbody>
</table>

**4C’s of LPWA**

- Provides a large growth opportunity in the cellular IoT market.
5G: New standards for high-speed cellular connectivity

**5G LTE**

- Also known as LTE Advanced Pro Release 15
- Evolution step from 4G LTE with the latest Release 15+ referred to as 5G
- Standard completed by 3GPP in June 2018

Low and high-bandwidth IoT applications that require nationwide broadband coverage

**5G NR**

- New radio interface requiring carrier build-out of new infrastructure & cell sites
- Standard is still being defined by the 3GPP and standalone expected in June 2018

Fixed wireless broadband access, pay TV service, hotspot connectivity for high-volume locations
Sierra Wireless is the globally leader in cellular IoT

**Leadership:** Integrated Device-to-Cloud IoT solutions → LPWA to 5G

**IoT Services:** Global MVNO & AirVantage Cloud with 3M+ subscribers

**IoT Devices:** #1 share in cellular embedded modules & gateways

**IoT Innovation:** Edge intelligence, data orchestration, security

**Execution:** Servicing & supporting blue-chip customers worldwide

**Growth:** Positioned to win in IoT 3.0
Thank you

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