Sierra Wireless Corporate Overview

February 2015
Safe harbor statement

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”) including statements and information relating to our financial guidance summary for Q1 2014, our guidance drivers for 2014 and our business outlook for 2014 and beyond. Forward-looking statements are provided to help you understand our views of our short and longer term prospects. We caution you that forward-looking statements may not be appropriate for other purposes. We will not 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”, “may”, “estimates”, “intends”, “believes”, “plans”, “anticipates” and “expects”;
- are not promises or guarantees of future performance. They represent our current views and may change significantly;
- are based on a number of material assumptions, including 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 cost of goods sold;
  - Expected component supply constraints;
  - Our ability to “win” new business;
  - Expected deployment of next generation networks by wireless network operators;
  - Our operations are not adversely disrupted by component shortages or other development, operating or regulatory risks; and
  - Expected tax rates and foreign exchange rates.
- 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.
  - Actual sales volumes or prices for our products and services may be lower than we expect for any reason including, without limitation, the continuing uncertain economic conditions, price and product competition, different product mix, the loss of any of our significant customers, competition from new or established wireless communication companies;
  - The cost of products sold may be higher than planned or necessary component supplies may not be available, are delayed or are not available on commercially reasonable terms;
  - We may be unable to enforce our intellectual property rights or may be subject to litigation that has an adverse outcome;
  - The development and timing of the introduction of our new products may be later than we expect or may be indefinitely delayed;
  - Transition periods associated with the migration to new technologies may be longer than we expect; and
  - We may experience higher than anticipated costs; disruption of, and demands on, our ongoing business; diversion of management’s time and attention; adverse effects on existing business relationships with suppliers and customers and employee issues in connection with the divestiture of the AirCard assets and operations.

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 and supplementary information on our website (www.sierrawireless.com), which present a complete reconciliation of GAAP and Non-GAAP results.
Sierra Wireless

Building the Internet of Things with intelligent wireless solutions


Embedded Wireless Modules
- 2G, 3G and 4G wireless modules
- Industry leading product portfolio
- Smart and Essential modules

Intelligent Wireless Gateways
- Rugged gateways and modems
- Mission-critical connectivity
- Mobile, Industrial and Enterprise

Cloud + Connectivity Services
- Seamless, secure cloud services
- Device to cloud connectivity
- Enterprise Platform & Mgt. Services
- Connectivity with Wireless Maingate

2014 revenue US$549 million; 920 employees; customers in 130+ countries
Building the Internet of Things

By providing intelligent wireless solutions
Long-term growth opportunity in IoT

Billions of connected devices

- 2012: 1.4B
- 2020: 12B
- 2022: 50B

$14.4T
Value from M2M 2013-2022 (Cisco)

$14.4T
Value from M2M 2013-2022 (Cisco)

Human population growth: *(US Census Bureau) ** (UN)
Sierra Wireless is the market leader

#1 in machine-to-machine market globally

Cellular M2M Embedded Module Revenue Market Share in 2013\(^{(1)}\)

- Sierra Wireless: 34%
- 25%
- 19%
- 22%

Blue-chip customers and partners

- Cisco
- Denso
- Schneider Electric
- Philips
- Ingenico Group
- Renault
- Honeywell
- Lenovo

\(^{(1)}\) Source: ABI Research - 2014
Strong position in key IoT vertical markets
Enhanced Device-to-Cloud Offering

Comprehensive end-to-end platform that makes it faster, easier and less expensive for customers to build, deploy and manage their IoT applications

- **intelligent devices**
  - AirPrime® Embedded Wireless Modules
  - AirLink® Gateways and Modems

- **connectivity service**

- **secure cloud services**
  - AirVantage® M2M Cloud

Connected devices & machines for IoT deployments

Wireless Network

Applications & enterprise integration
### Sierra acquires Wireless Maingate

**Highlights**

- Wireless Maingate founded in 1998, based in Karlskrona Sweden, 30 employees
- Strong presence in the Nordics
- Strength in key M2M segments: Energy, Security, Sales and Payment
- Strong technology platform
- Horizontal & pan-European capabilities
- Range of value-add managed services

**Services Offering**

- Wireless connectivity services
- SIM logistics & support
- Value Added Services (private networks, messaging, traffic mgt.)
- Over-the-air SIM provisioning and switching capabilities

### Key Vertical Markets

- Smart Meter
- Security
- POS

Acquisition of Wireless Maingate was closed on Jan. 16, 2015 for US$91.6 million
Strategic Rationale

Accelerates device-to-cloud strategy

• Expands Sierra’s position in the M2M value chain, adding connectivity services to device-to-cloud offering
• Complementary to devices and AirVantage cloud services

Strengthens customer solution offering

• Provides customers with a complete M2M solution platform
• Value added services including subscription management and fully integrated HW, SW and development tools

Enhances financial profile

• Strong base of recurring high margin revenue
• Immediately accretive to earnings
• Significant opportunity for growth synergies
Sierra Wireless Business Segments

**OEM Solutions**

**Embedded Wireless Modules**
- **AirPrime**: the industry’s broadest portfolio of 2G, 3G, and 4G LTE wireless modules
- **Smart Modules**: entire M2M ecosystem on a module, including processing capabilities, integrated software (Legato and OpenAT) and cloud-based services
- **Essential Modules**: easy integration, upgradeable, and reliable connectivity
- **Industry leaders** at 4G LTE

**Enterprise Solutions**

**Gateways and Cloud Services**
- **AirLink**: intelligent gateways and programmable modems for Enterprise, Mobility and Industrial applications providing mission-critical connectivity
- **AirVantage M2M Cloud Services**: provides seamless connectivity and end-to-end data security so customers can collect and deliver valuable field data (includes AV Enterprise Platform and AV Management Services)
- **Wireless Maingate**: IoT Connectivity Services
AirPrime® Embedded Wireless Modules

Wireless modules, software and services for OEMs

Embedded Modules
2G / 3G / 4G LTE

Software Solutions and Services

Embedded Applications
AirVantage Management Services
Development Tools

Essential Modules
Smart Modules
Embedded SIM
Legato™: Open source platform built on Linux

Designed to **simplify** and **accelerate** embedded M2M development

- **Ready-to-run**
  - Integrated, tested, validated

- **Ready-to-build**
  - Open source, flexible foundation

- **Ready-to-connect**
  - Any cloud, network, peripheral
AirLink® Gateways, Modems and Solutions

Programmable Modems

Platform for creating cellular wireless enabled products and services

Intelligent Gateways

Out-of-the-box connectivity linking remote assets to the enterprise

InMotion Solutions

Communications system that extends the enterprise network to the vehicle

Application Framework
AirVantage® M2M Cloud

Your real-world raw data

AirLink™ Intelligent Gateways
AirPrime™ Embedded Modules


Your valuable machine information

Management Service
Enterprise Platform

Your M2M applications and enterprise systems
Strong presence around the world

Sierra Wireless operates worldwide serving global network operators, OEMs, enterprises
Partnered with network operators globally

- Hundreds of platforms certified and launched, worldwide
- Deep knowledge about individual carriers’ unique requirements
- Services offering and relationships to get OEM products certified
- AirVantage M2M Cloud connected to operator infrastructure
Sierra Wireless is Building the Internet of Things

✓ Well positioned to capture IoT / M2M growth opportunity

✓ Clear market share and innovation leader

✓ Driving revenue growth and expanding earnings

✓ Track record of accelerating growth and value through M&A

✓ Strong balance sheet with no debt outstanding

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Q4 2014 Financial Results
Q4 2014 Highlights

• Revenue increased 26% year-over-year to $149.0 million
  – Year-over-year organic growth of 21%

• Adjusted EBITDA more than doubled to $12.7 million

• Non-GAAP earnings from operations increased 287% year-over-year to $10.0 million

• Solid cash generation

• Expanding into IoT connectivity services with acquisition of Maingate
OEM Solutions

Q4 Revenue of $129.5M ↑27% YoY (Non-GAAP GM: 30.5%)

• Strong year-over-year revenue growth of 27% led by automotive, transportation, mobile computing and networking
• Continued growth in 3G / 4G as market transitions to next generation networks
• Solid design win activity in Fourth Quarter
  – Automotive, Security, Energy, Transportation, Mobile Computing
• New products continuing to gain traction
  – Smart modules – with Legato platform
  – Essential modules – scalable, flexible HL series
Enterprise Solutions

Q4 Revenue of $19.5M ↑16% YoY (Non-GAAP GM: 54.3%)

- Year-over-year revenue growth of 16%
  - Solid contribution from In Motion in the Regional Transit & Public Safety markets

- Solid sequential improvement in legacy Enterprise revenue

- New customer wins in Public Safety, Utilities, Power Systems and Retail

- Launched AirLink GX450 and ES450
  - Next-gen 4G products announced Jan’15

- Strengthening our device-to-cloud offer with addition of Wireless Maingate
Q4 2014 – Non GAAP Operating Results (1)

Quarterly Revenue
($USD millions)

Q4 2013
$118.6
Q4 2014
$149.0

Enterprise Solutions
$16.8
OEM Solutions
$101.8

26% increase

Adjusted EBITDA (2)
($USD millions)

Q4 2013
$2.6
Q4 2014
$12.7

287% increase

Earnings from Operations
($USD millions)

Q4 2013
$10.0
Q4 2014
$19.5

107% increase

(1) Non-GAAP financial measures exclude the impact of: stock-based compensation expense and related social taxes, acquisition and disposition costs, acquisition amortization, impairment, integration costs, restructuring costs, foreign exchange gains or losses on translation of balance sheet accounts, and certain tax adjustments.

(2) Adjusted EBITDA as defined equates to earnings (loss) from operations plus stock-based compensation expense and related social taxes, acquisition costs, restructuring costs, integration costs, impairment and amortization.
Strong Cash Position and Debt Free

Cash, Cash Equivalents & Short-Term Investments
($USD millions)

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<th>Q4 '13</th>
<th>Q3 '14</th>
<th>Q4 '14</th>
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<tbody>
<tr>
<td>Cash</td>
<td>$179.9</td>
<td>$196.1</td>
<td>$207.1</td>
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Cash provided by operations        $ 11.3      $ 48.7
Capital expenditures              $ (3.8)       $(10.8)
Free cash flow (1)                $  7.5      $ 37.9
Cash provided by other activities          $  3.5      $(10.7)
Increase in cash balance:         $ 11.0      $ 27.2

(1) Free cash flow is a non-GAAP financial measure and is defined as cash flow from operating activities less capital expenditures.