

BlackBerry Investor Relations Income Statement Summary

GAAP Income Statement (Three Months Ended)	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
Software and services	\$ 73	\$ 155	\$ 131	\$ 497	\$ 142	\$ 138	\$ 160	\$ 182	\$ 622	\$ 160
Handheld devices	206	220	190	884	152	105	62	55	374	37
Service access fees	211	173	143	779	106	91	67	49	313	38
Revenue	490	548	464	2,160	400	334	289	286	1,309	235
Cost of sales										
Cost of sales	301	303	251	1,183	200	139	94	110	542	85
Inventory write-down	4	9	3	36	46	97	2	4	150	—
Total cost of sales	305	312	254	1,219	246	236	96	114	692	85
Gross margin	185	236	210	941	154	98	193	172	617	150
Operating expenses										
Research and development	122	100	108	469	89	85	75	57	306	61
Selling, marketing and administration	157	170	166	653	129	138	141	144	553	109
Amortization	67	68	77	277	54	44	43	45	186	40
Impairment of goodwill	—	—	—	—	57	—	—	—	57	—
Impairment of long-lived assets	—	—	—	—	501	—	—	—	501	—
Loss on sale, disposal and abandonment of long-lived assets	34	7	140	195	3	124	46	(1)	171	1
Debentures fair value adjustment	(228)	(5)	(40)	(430)	(24)	62	2	(16)	24	218
Qualcomm arbitration award	—	—	—	—	—	—	—	—	—	(815)
Total operating expenses	152	340	451	1,164	809	453	307	229	1,798	(386)
Operating income (loss)	33	(104)	(241)	(223)	(655)	(355)	(114)	(57)	(1,181)	536
Investment income (loss), net	(12)	(16)	(15)	(59)	(15)	(16)	(4)	8	(27)	136
Income (loss) before income taxes	21	(120)	(256)	(282)	(670)	(371)	(118)	(49)	(1,208)	672
Provision for (recovery of) income taxes	(30)	(31)	(18)	(74)	—	1	(1)	(2)	(2)	1
Net income (loss)	\$ 51	\$ (89)	\$ (238)	\$ (208)	\$ (670)	\$ (372)	\$ (117)	\$ (47)	\$ (1,206)	\$ 671
Earnings (loss) per share										
Basic earnings (loss) per share	\$ 0.10	\$ (0.17)	\$ (0.45)	\$ (0.40)	\$ (1.28)	\$ (0.71)	\$ (0.22)	\$ (0.09)	\$ (2.30)	\$ 1.26
Diluted earnings (loss) per share	\$ (0.24)	\$ (0.17)	\$ (0.45)	\$ (0.86)	\$ (1.28)	\$ (0.71)	\$ (0.22)	\$ (0.10)	\$ (2.30)	\$ 1.23
Weighted-average number of common shares outstanding (000's)										
Basic	526,314	525,103	524,627	526,303	521,905	522,826	526,102	530,352	525,265	531,096
Diluted	667,321	525,103	524,627	651,303	521,905	522,826	526,102	590,852	525,265	544,077
Non-GAAP Adjustments (Three Months Ended, Pre-Tax and After Tax)	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
LLA impairment charge	\$ —	\$ —	\$ —	\$ —	\$ 501	\$ —	\$ —	\$ —	\$ 501	\$ —
Goodwill impairment charge	—	—	—	—	57	—	—	—	57	—
Inventory write-down	—	—	—	—	41	96	—	4	141	—
Debentures fair value adjustment	(228)	(5)	(40)	(430)	(24)	62	2	(16)	24	218
Write-down of assets held for sale	—	—	—	—	—	123	42	—	165	—
RAP charges (including patent abandonments)	79	33	180	344	25	24	24	25	99	17
CORE program charges (recoveries)	6	(6)	2	11	(2)	(2)	(2)	—	(7)	—
Software deferred revenue acquired	1	9	23	33	24	18	12	11	65	9
Stock compensation expense	14	14	17	60	12	18	15	15	60	13
Acquired intangibles amortization	11	18	28	66	28	28	28	28	112	25
Business acquisition and integration	—	11	10	22	7	4	5	3	19	11
Qualcomm arbitration award	—	—	—	—	—	—	—	—	—	(954)
Total Non-GAAP Adjustments (Three Months Ended, Pre-Tax and After Tax)	\$ (117)	\$ 74	\$ 220	\$ 106	\$ 669	\$ 371	\$ 126	\$ 70	\$ 1,236	\$ (661)

Non-GAAP Gross Profit	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
GAAP revenue	\$ 490	\$ 548	\$ 464	\$ 2,160	\$ 400	\$ 334	\$ 289	\$ 286	\$ 1,309	\$ 235
Software deferred revenue acquired	1	9	23	33	24	18	12	11	65	9
Non-GAAP revenue	491	557	487	2,193	424	352	301	297	1,374	244
Total cost of sales	(305)	(312)	(254)	(1,219)	(246)	(236)	(96)	(114)	(692)	(85)
Non-GAAP adjustments to cost of sales	15	5	4	45	48	103	5	11	167	4
Non-GAAP Gross Profit	\$ 201	\$ 250	\$ 237	\$ 1,019	\$ 226	\$ 219	\$ 210	\$ 194	\$ 849	\$ 163

Adjusted EBITDA	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
GAAP operating income (loss)	\$ 33	\$ (104)	\$ (241)	\$ (223)	\$ (655)	\$ (355)	\$ (114)	\$ (57)	\$ (1,181)	\$ 536
Non-GAAP adjustments to operating income (loss)	(117)	74	220	106	669	371	126	70	1,236	(522)
Non-GAAP operating income (loss)	(84)	(30)	(21)	(117)	14	16	12	13	55	14
Amortization	163	162	127	616	72	57	53	57	239	51
Acquired intangibles amortization	(11)	(18)	(28)	(66)	(28)	(28)	(28)	(28)	(112)	(25)
Adjusted EBITDA	\$ 68	\$ 114	\$ 78	\$ 433	\$ 58	\$ 45	\$ 37	\$ 42	\$ 182	\$ 40

Reconciliation from GAAP Net Income (Loss) to Non-GAAP Net Loss and Non-GAAP Loss per Share	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
GAAP Net Income (Loss)	\$ 51	\$ (89)	\$ (238)	\$ (208)	\$ (670)	\$ (372)	\$ (117)	\$ (47)	\$ (1,206)	\$ 671
Total Non-GAAP adjustments (three months ended, after-tax)	(117)	74	220	106	669	371	126	70	1,236	(661)
Non-GAAP Net Income (Loss)	\$ (66)	\$ (15)	\$ (18)	\$ (102)	\$ (1)	\$ (1)	\$ 9	\$ 23	\$ 30	\$ 10
Non-GAAP Income (Loss) per Share	\$ (0.13)	\$ (0.03)	\$ (0.03)	\$ (0.19)	\$ 0.00	\$ 0.00	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.02
Shares outstanding for Non-GAAP Income (Loss) per share reconciliation	526,314	525,103	524,627	526,303	521,905	522,826	526,102	530,352	525,265	531,096

Non-GAAP revenue, non-GAAP income (loss) before income taxes, non-GAAP net income (loss), non-GAAP gross profit, adjusted EBITDA and non-GAAP earnings (loss) per share do not have a standardized meaning prescribed by GAAP and thus are not comparable to similarly titled measures presented by other issuers. The Company believes that the presentation of these non-GAAP measures enables the Company and its shareholders to better assess the Company's operating results relative to its operating results in prior periods and improves the comparability of the information presented. This non-GAAP information should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. You are encouraged to review the Company's filings on SEDAR and EDGAR. The Company makes no commitment to update the information above subsequently.

BlackBerry Investor Relations Pre-Tax CORE Charge (Recovery) Details

	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
Research and development	—	—	—	2	—	—	—	—	—	—
Selling, marketing and administration	6	(6)	2	9	(2)	(2)	(2)	—	(7)	—
Total CORE charges (recoveries)	\$ 6	\$ (6)	\$ 2	\$ 11	\$ (2)	\$ (2)	\$ (2)	\$ —	\$ (7)	\$ —

BlackBerry Investor Relations Pre-Tax RAP Charge Details

	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
Cost of sales	\$ 14	\$ 5	\$ 4	\$ 44	\$ 7	\$ 7	\$ 5	\$ 6	\$ 25	\$ 3
Research and development	14	2	18	47	2	—	(1)	3	4	3
Selling, marketing and administration	51	26	158	253	16	140	62	16	235	11
Total RAP charges	\$ 79	\$ 33	\$ 180	\$ 344	\$ 25	\$ 147	\$ 66	\$ 25	\$ 264	\$ 17

BlackBerry Investor Relations Amortization of Intangibles and Property, Plant and Equipment Details

	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
In cost of sales										
Property, plant and equipment	\$ 10	\$ 13	12	\$ 51	\$ 12	\$ 12	\$ 10	\$ 9	\$ 43	\$ 7
Intangible assets	86	81	38	288	6	1	—	3	10	4
Total in cost of sales	96	94	50	339	18	13	10	12	53	11
In operating expenses amortization										
Property, plant and equipment	22	16	15	73	12	8	6	7	33	5
Intangible assets	45	52	62	204	42	36	37	38	153	35
Total in operating expenses amortization	67	68	77	212	54	44	43	45	186	40
Total amortization										
Property, plant and equipment	32	29	27	124	24	20	16	16	76	12
Intangible assets	131	133	100	492	48	37	37	41	163	39
Total amortization	\$ 163	\$ 162	\$ 127	\$ 616	\$ 72	\$ 57	\$ 53	\$ 57	\$ 239	\$ 51

The information above is supplied to provide meaningful supplemental information regarding the Company's operating results because such information excludes amounts that are not necessarily related to its operating results. The Company believes that the presentation of these non-GAAP measures enables the Company and its shareholders to better assess the Company's operating results relative to its operating results in prior periods and improves the comparability of the information presented. This non-GAAP information should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. You are encouraged to review the Company's filings on SEDAR and EDGAR. The Company makes no commitment to update the information above subsequently.