

BlackBerry Investor Relations Income Statement Summary

GAAP Income Statement (Three Months Ended)	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19
Enterprise software and services	\$ 84	\$ 87	\$ 91	\$ 344	\$ 92	\$ 91	\$ 97	\$ 108	\$ 388	\$ 79
BlackBerry Technology Solutions	38	43	35	151	36	38	43	46	163	47
Licensing, IP & other	16	30	56	127	32	56	50	58	196	63
Software and services	138	160	182	622	160	185	190	212	747	189
Handheld devices	105	62	55	374	37	16	9	2	64	8
Service access fees	91	67	49	313	38	37	27	19	121	16
Revenue	334	289	286	1,309	235	238	226	233	932	213
Cost of sales										
Cost of sales	139	94	110	542	85	63	58	56	262	52
Inventory write-down	97	2	4	150	—	—	—	—	—	—
Total cost of sales	236	96	114	692	85	63	58	56	262	52
Gross margin	98	193	172	617	150	175	168	177	670	161
Operating expenses										
Research and development	85	75	57	306	61	60	60	58	239	61
Selling, marketing and administration	138	141	144	553	109	110	118	131	467	100
Amortization	44	43	45	186	40	39	37	37	153	37
Impairment of goodwill	—	—	—	57	—	—	—	—	—	—
Impairment of long-lived assets	—	—	—	501	—	11	—	—	11	—
Loss on sale, disposal and abandonment of long-lived assets	124	46	(1)	171	1	3	2	2	9	—
Debentures fair value adjustment	62	2	(16)	24	218	(70)	77	(34)	191	28
Arbitration awards (charges)	—	—	—	—	(815)	—	132	—	(683)	—
Total operating expenses	453	307	229	1,798	(386)	153	426	194	387	226
Operating income (loss)	(355)	(114)	(57)	(1,181)	536	22	(258)	(17)	283	(65)
Investment income (loss), net	(16)	(4)	8	(27)	136	1	(17)	3	123	6
Income (loss) before income taxes	(371)	(118)	(49)	(1,208)	672	23	(275)	(14)	406	(59)
Provision for (recovery of) income taxes	1	(1)	(2)	(2)	1	4	—	(4)	1	1
Net income (loss)	\$ (372)	\$ (117)	\$ (47)	\$ (1,206)	\$ 671	\$ 19	\$ (275)	\$ (10)	\$ 405	\$ (60)
Earnings (loss) per share										
Basic earnings (loss) per share	\$ (0.71)	\$ (0.22)	\$ (0.09)	\$ (2.30)	\$ 1.26	\$ 0.04	\$ (0.52)	\$ (0.02)	\$ 0.76	\$ (0.11)
Diluted earnings (loss) per share	\$ (0.71)	\$ (0.22)	\$ (0.10)	\$ (2.30)	\$ 1.23	\$ (0.07)	\$ (0.52)	\$ (0.06)	\$ 0.74	\$ (0.11)
Weighted-average number of common shares outstanding (000's)										
Basic	522,826	526,102	530,352	525,265	531,096	531,381	532,496	536,594	532,888	536,964
Diluted	522,826	526,102	590,852	525,265	544,077	606,645	532,496	597,094	545,886	536,964
Non-GAAP Adjustments (Three Months Ended, Pre-Tax and After Tax)	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19
LLA impairment charge	\$ —	\$ —	\$ —	\$ 501	\$ —	\$ 11	\$ —	\$ —	\$ 11	\$ —
Selective patent abandonments	—	1	1	4	1	2	—	2	4	—
Goodwill impairment charge	—	—	—	57	—	—	—	—	—	—
Inventory write-down	96	—	4	141	—	—	—	—	—	—
Debentures fair value adjustment	62	2	(16)	24	218	(70)	77	(34)	191	28
Write-down of assets held for sale	123	42	—	165	—	—	—	—	—	—
RAP charges	24	23	24	95	16	16	20	26	78	4
CORE program recoveries	(2)	(2)	—	(7)	—	—	—	—	—	—
Software deferred revenue acquired	18	12	11	65	9	11	9	6	35	4
Stock compensation expense	18	15	15	60	13	12	12	13	49	18
Acquired intangibles amortization	28	28	28	112	25	24	23	22	95	22
Business acquisition and integration	4	5	3	19	11	1	1	—	14	1
Arbitration charges (awards)	—	—	—	—	(954)	—	149	(1)	(806)	—
Legacy royalty adjustments	—	—	—	—	—	—	—	1	1	—
Total Non-GAAP Adjustments	\$ 371	\$ 126	\$ 70	\$ 1,236	\$ (661)	\$ 7	\$ 291	\$ 35	\$ (328)	\$ 77

Non-GAAP Gross Profit	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19
GAAP revenue	\$ 334	\$ 289	\$ 286	\$ 1,309	\$ 235	\$ 238	\$ 226	\$ 233	\$ 932	\$ 213
Software deferred revenue acquired	18	12	11	65	9	11	9	6	35	4
Non-GAAP revenue	352	301	297	1,374	244	249	235	239	967	217
Total cost of sales	236	96	114	692	85	63	58	56	262	52
Non-GAAP adjustments to cost of sales	(103)	(5)	(11)	(167)	(4)	(4)	(3)	(5)	(16)	(1)
Non-GAAP Gross Profit	\$ 219	\$ 210	\$ 194	\$ 849	\$ 163	\$ 190	\$ 180	\$ 188	\$ 721	\$ 166

Adjusted EBITDA	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19
GAAP operating income (loss)	\$ (355)	\$ (114)	\$ (57)	\$ (1,181)	\$ 536	\$ 22	\$ (258)	\$ (17)	\$ 283	\$ (65)
Non-GAAP adjustments to operating income (loss)	371	126	70	1,236	(522)	7	274	36	(205)	77
Non-GAAP operating income	16	12	13	55	14	29	16	19	78	12
Amortization	57	53	57	239	51	45	42	39	177	41
Acquired intangibles amortization	(28)	(28)	(28)	(112)	(25)	(24)	(23)	(22)	(95)	(22)
Adjusted EBITDA	\$ 45	\$ 37	\$ 42	\$ 182	\$ 40	\$ 50	\$ 35	\$ 36	\$ 160	\$ 31

Reconciliation from GAAP Net Income (Loss) to Non-GAAP Net Loss and Non-GAAP Loss per Share	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19
GAAP net income (loss)	\$ (372)	\$ (117)	\$ (47)	\$ (1,206)	\$ 671	\$ 19	\$ (275)	\$ (10)	\$ 405	\$ (60)
Total Non-GAAP adjustments (three months ended, after-tax)	371	126	70	1,236	(661)	7	291	35	(328)	77
Non-GAAP Net Income (Loss)	\$ (1)	\$ 9	\$ 23	\$ 30	\$ 10	\$ 26	\$ 16	\$ 25	\$ 77	\$ 17
Non-GAAP Income (Loss) per Share	\$ 0.00	\$ 0.02	\$ 0.04	\$ 0.06	\$ 0.02	\$ 0.05	\$ 0.03	\$ 0.05	\$ 0.14	\$ 0.03
Shares outstanding for Non-GAAP Income per share reconciliation	522,826	526,102	530,352	525,265	531,096	531,381	532,496	536,594	532,888	536,964

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 RAP Charge Details

	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19
Cost of sales	\$ 7	\$ 5	\$ 6	\$ 18	\$ 3	\$ 3	\$ 2	\$ 3	\$ 11	\$ —
Research and development	—	(1)	3	2	3	1	1	—	5	2
Selling, marketing and administration	17	19	15	52	10	12	17	23	62	2
Total RAP charges	\$ 24	\$ 23	\$ 24	\$ 72	\$ 16	\$ 16	\$ 20	\$ 26	\$ 78	\$ 4

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

	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19
In cost of sales										
Property, plant and equipment	\$ 12	\$ 10	\$ 9	\$ 31	\$ 7	\$ 4	\$ 5	\$ 2	\$ 18	\$ 2
Intangible assets	1	—	3	4	4	2	—	—	6	2
Total in cost of sales	13	10	12	35	11	6	5	2	24	4
In operating expenses amortization										
Property, plant and equipment	8	6	7	21	5	5	3	5	18	3
Intangible assets	36	37	38	111	35	34	34	32	135	34
Total in operating expenses amortization	44	43	45	132	40	39	37	37	153	37
Total amortization										
Property, plant and equipment	20	16	16	52	12	9	8	7	36	5
Intangible assets	37	37	41	115	39	36	34	32	141	36
Total amortization	\$ 57	\$ 53	\$ 57	\$ 167	\$ 51	\$ 45	\$ 42	\$ 39	\$ 177	\$ 41

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.