

Form 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to 1.75% unsecured subordinated convertible debentures maturing November 13, 2023 (the “**Debentures**”) of BlackBerry Limited (“**BlackBerry**”) and 3.75% unsecured subordinated convertible debentures (the “**Redeemed Debentures**”) of BlackBerry maturing November 13, 2020.

BlackBerry’s address is:

2200 University Avenue East
Waterloo, ON N2K 0A7

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The Debentures were acquired from BlackBerry pursuant to a private placement. The Redeemed Debentures were redeemed by BlackBerry prior to the issuance by BlackBerry of the Debentures.

Item 2 - Identity of the Acquiror

2.1 State the name and address of the acquiror.

Fairfax Financial Holdings Limited (“**Fairfax**”)
95 Wellington Street West
Suite 800
Toronto, ON M5J 2N7

Fairfax was incorporated under the laws of Canada. Fairfax is a holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and the associated investment management.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

Fairfax acquired, through the investment portfolios of certain of its insurance subsidiaries, ownership of US\$330,000,000 aggregate principal amount of Debentures representing approximately 90% of BlackBerry’s private placement of an aggregate principal amount of US\$365,000,000 of Debentures that closed on September 1, 2020 (the “**Private Placement**”). The Debentures are convertible at the option of the holder into common shares of BlackBerry (“**Common Shares**”) at a price of US\$6.00 per

Common Share and, therefore, the Debentures purchased by Fairfax's subsidiaries (the "**Purchased Debentures**") are convertible into 55,000,000 Common Shares.

Prior to the redemption thereof (the "**Redemption**"), which redemption was completed prior to the Private Placement, Fairfax held, through the investment portfolios of certain of its insurance subsidiaries, ownership of US\$500,000,000 aggregate principal amount of Redeemed Debentures. The Redeemed Debentures were convertible at the option of the holder into Common Shares at a price of US\$10.00 per Common Share and, therefore, the Redeemed Debentures held by Fairfax's subsidiaries (the "**Fairfax Redeemed Debentures**") were convertible into 50,000,000 Common Shares.

2.3 State the names of any joint actors.

Not applicable.

Item 3 - Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

See item 2.2 above.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

Fairfax's subsidiaries acquired the Purchased Debentures, as a result of which Fairfax now beneficially owns, and has control or direction over the Purchased Debentures.

BlackBerry redeemed the Fairfax Redeemed Debentures, as a result of which Fairfax no longer beneficially owns or has control or direction over the Fairfax Redeemed Debentures.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the Redemption, Fairfax beneficially owned, and exercised control or direction over, the Fairfax Redeemed Debentures, representing 50,000,000 Common Shares assuming full conversion, which debentures were redeemed by BlackBerry prior to the purchase of the Purchased Debentures. Together with Common Shares already owned by Fairfax and its subsidiaries and assuming full conversion of the Fairfax Redeemed

Debentures, Fairfax would have beneficially owned 96,724,700 Common Shares representing, assuming all other Redeemed Debentures were converted, approximately 15.7% of the total Common Shares outstanding or, if no other Redeemed Debentures were converted, approximately 16.0% of the total Common Shares outstanding, each as of August 28, 2020.

Had Fairfax not participated in the Private Placement, Fairfax would have beneficially owned, and exercised control or direction over 46,724,700 Common Shares, representing approximately 8.4% of the Common Shares outstanding as of August 28, 2020, and no other securities of BlackBerry.

After the Redemption and Private Placement, Fairfax now beneficially owns, and exercises control or direction over, the Purchased Debentures, representing 55,000,000 Common Shares assuming full conversion. Together with Common Shares already owned by Fairfax and its subsidiaries and assuming full conversion of the Purchased Debentures, Fairfax would beneficially own 101,724,700 Common Shares representing, assuming all other Debentures are converted, approximately 16.5% of the total Common Shares outstanding or, if no other Debentures are converted, approximately 16.6% of the total Common Shares outstanding, each as of August 28, 2020.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

Fairfax owns, and exercises control or direction over, the Purchased Debentures, representing 55,000,000 Common Shares assuming full conversion. Together with Common Shares already owned by Fairfax and its subsidiaries and assuming full conversion of the Purchased Debentures, Fairfax would beneficially own 101,724,700 Common Shares representing, assuming all other Debentures are converted, approximately 16.5% of the total Common Shares outstanding or, if no other Debentures are converted, approximately 16.6% of the total Common Shares outstanding, each as of August 28, 2020.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

- 3.6 **If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 **If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 **If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 - Consideration Paid

- 4.1 **State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The Canadian dollar value of the US\$330,000,000 principal amount of the Purchased Debentures was CA\$430,815,000 based on the applicable closing exchange rate published by the Bank of Canada on September 1, 2020.

- 4.2 **In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See item 4.1.

4.3 **If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) **the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) **a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) **a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) **a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) **a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) **a material change in the reporting issuer's business or corporate structure;**
- (g) **a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) **a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) **the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) **a solicitation of proxies from securityholders;**
- (k) **an action similar to any of those enumerated above.**

In connection with the acquisition of the Purchased Debentures, Fairfax agreed to a "standstill" provision (the "**Standstill**") to the effect that it and its affiliates will not: (i) acquire or offer to acquire by any means whatsoever beneficial ownership of any Common Shares, (ii) without limiting clause (i) above, acquire or offer to acquire by any means whatsoever beneficial ownership of any securities of BlackBerry if, following any such acquisition, Fairfax would,

directly or indirectly, together with their joint actors, beneficially own more than 19.99% of the outstanding Common Shares (assuming, for this purpose, the conversion into, or exchange or exercise for, Common Shares of all securities beneficially owned by Fairfax and their joint actors that are convertible into, or exchangeable or exercisable for, Common Shares), (iii) propose or seek to effect any merger, business combination, tender offer, exchange offer, take-over bid, statutory arrangement, material asset purchase transaction or other change of control, business combination or business disposition transaction involving BlackBerry, its shareholders (in their capacity as shareholders of BlackBerry) or its securities, (iv) effect, conduct or participate in any solicitation of proxies with respect to any securities of BlackBerry (other than any solicitation of proxies conducted by management of BlackBerry), it being recognized that Fairfax shall, however, be entitled to vote their Common Shares in their sole discretion, (v) otherwise attempt to control the management or Board of BlackBerry, (vi) make any public announcement or disclosure regarding an intention to do any action restricted by any of the foregoing, or (vii) advise, assist, encourage or act as a financing source for or otherwise join with or invest in any other person in connection with any action restricted by any of the foregoing, in each case without the prior written consent of BlackBerry. These restrictions will cease to apply after six months or following the announcement or disclosure of a BlackBerry-supported take-over bid or a third party agreement with BlackBerry to acquire a majority of BlackBerry's assets or voting securities.

Fairfax has acquired the Purchased Debentures for investment purposes, and in the future, it may discuss with management and/or the board of directors of BlackBerry any of the transactions listed in clauses (a) to (k) above and, subject to the Standstill, it may further purchase, hold, vote, trade, dispose or otherwise deal in the securities of BlackBerry, in such manner as it deems advisable to benefit from changes in market prices of BlackBerry securities, publicly disclosed changes in the operations of BlackBerry, its business strategy or prospects or from a material transaction of BlackBerry.

Item 6 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Fairfax and another institutional investor (the "Purchasers") entered into a subscription agreement (the "Subscription Agreement") with BlackBerry on August 31, 2020 pursuant to which the Purchasers agreed to invest in BlackBerry through the Private Placement. A copy of the Subscription Agreement will be available under BlackBerry's SEDAR profile at www.sedar.com.

Item 7 - Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable, other than as described in this report.

Item 8 - Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 - Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: September 2, 2020

Signature: /s/ Patrick Clarke
Name: Patrick Clarke
Title: Chief Operating Officer