

BlackBerry Investor Relations Income Statement Summary

GAAP Income Statement (Three Months Ended)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21
Software and Services	\$ 168	\$ 168	\$ 185	\$ 170	\$ 691	\$ 148
Licensing and Other	79	76	82	112	349	58
Revenue	247	244	267	282	1,040	206
Cost of sales	70	68	69	70	277	63
Gross margin	177	176	198	212	763	143
Operating expenses						
Research and development	71	62	66	60	259	57
Selling, marketing and administration	121	130	129	113	493	90
Amortization	49	48	49	48	194	46
Impairment of long-lived assets	—	2	3	5	10	—
Impairment of goodwill	—	—	—	22	22	594
Debentures fair value adjustment	(28)	(23)	(20)	5	(66)	1
Total operating expenses	213	219	227	253	912	788
Operating loss	(36)	(43)	(29)	(41)	(149)	(645)
Investment income (loss), net	3	—	(1)	(1)	1	—
Loss before income taxes	(33)	(43)	(30)	(42)	(148)	(645)
Provision for (recovery of) income taxes	2	1	2	(1)	4	(9)
Net loss	\$ (35)	\$ (44)	\$ (32)	\$ (41)	\$ (152)	\$ (636)
Loss per share						
Basic loss per share	\$ (0.06)	\$ (0.08)	\$ (0.06)	\$ (0.07)	\$ (0.27)	\$ (1.14)
Diluted loss per share	\$ (0.09)	\$ (0.10)	\$ (0.07)	\$ (0.07)	\$ (0.32)	\$ (1.14)
Weighted-average number of common shares outstanding (000s)						
Basic	551,845	552,343	554,585	556,668	553,861	557,839
Diluted	612,345	612,843	615,085	556,668	614,361	557,839
Non-GAAP Adjustments (Three Months Ended, Pre-Tax and After Tax)	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21
Debentures fair value adjustment	(28)	(23)	(20)	5	(66)	1
Restructuring charges	1	1	7	1	10	1
Software deferred revenue acquired	20	17	13	9	59	8
Software deferred commission acquired	(5)	(4)	(4)	(3)	(16)	(3)
Stock compensation expense	17	14	15	17	63	14
Acquired intangibles amortization	35	36	35	35	141	33
Business acquisition and integration	1	2	—	1	4	—
Goodwill impairment charge	—	—	—	22	22	594
LLA impairment charge	—	2	3	5	10	—
Acquisition valuation allowance	(1)	—	—	—	(1)	—
Total Non-GAAP Adjustments	\$ 40	\$ 45	\$ 49	\$ 92	\$ 226	\$ 648
Adjusted Gross Margin	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21
GAAP revenue	\$ 247	\$ 244	\$ 267	\$ 282	\$ 1,040	\$ 206
Software deferred revenue acquired	20	17	13	9	59	8
Adjusted revenue	267	261	280	291	1,099	214
Total cost of sales	70	68	69	70	277	63
Non-GAAP adjustments to cost of sales	(2)	(2)	(4)	(2)	(10)	(2)
Adjusted Gross Margin	\$ 199	\$ 195	\$ 215	\$ 223	\$ 832	\$ 153
Adjusted EBITDA	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21
GAAP operating loss	\$ (36)	\$ (43)	\$ (29)	\$ (41)	\$ (149)	\$ (645)
Non-GAAP adjustments to operating loss	41	45	49	92	227	648
Adjusted operating income	5	2	20	51	78	3
Amortization	53	54	53	52	212	50
Acquired intangibles amortization	(35)	(36)	(35)	(35)	(141)	(33)
Adjusted EBITDA	\$ 23	\$ 20	\$ 38	\$ 68	\$ 149	\$ 20

Reconciliation from GAAP Net Income (Loss) to Adjusted Net Income and Adjusted Earnings per Share

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21
GAAP net loss	\$ (35)	\$ (44)	\$ (32)	\$ (41)	\$ (152)	\$ (636)
Total Non-GAAP adjustments (three months ended, after-tax)	40	45	49	92	226	648
Adjusted Net Income	\$ 5	\$ 1	\$ 17	\$ 51	\$ 74	\$ 12
Adjusted Earnings per Share	\$ 0.01	\$ 0.00	\$ 0.03	\$ 0.09	\$ 0.13	\$ 0.02
Shares outstanding for adjusted earnings per share reconciliation	551,845	552,343	554,585	556,668	553,861	557,839

Adjusted revenue, adjusted income before income taxes, adjusted net income, adjusted gross margin, adjusted EBITDA and adjusted earnings 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 Restructuring Details

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21
Cost of sales	\$ 1	\$ 1	\$ 3	\$ —	\$ 5	\$ —
Selling, marketing and administration	—	—	4	1	5	1
Total restructuring charges	\$ 1	\$ 1	\$ 7	\$ 1	\$ 10	\$ 1

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

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21
Cost of sales amortization						
Property, plant and equipment	\$ 1	\$ 2	\$ 1	\$ 2	\$ 6	\$ 1
Intangible assets	3	4	3	2	12	3
Total in cost of sales	4	6	4	4	18	4
Operating expenses amortization						
Property, plant and equipment	5	4	5	4	18	4
Intangible assets	44	44	44	44	176	42
Total in operating expenses amortization	49	48	49	48	194	46
Total amortization						
Property, plant and equipment	6	6	6	6	24	5
Intangible assets	47	48	47	46	188	45
Total amortization	\$ 53	\$ 54	\$ 53	\$ 52	\$ 212	\$ 50

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.