

BlackBerry Investor Relations Income Statement Summary

GAAP Income Statement (Three Months Ended)

	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
Software and services	\$ 497	\$ 142	\$ 138	\$ 160	\$ 182	\$ 622	\$ 160
Handheld devices	884	152	105	62	55	374	37
Service access fees	779	106	91	67	49	313	38
<b>Revenue</b>	<b>2,160</b>	<b>400</b>	<b>334</b>	<b>289</b>	<b>286</b>	<b>1,309</b>	<b>235</b>
<b>Cost of sales</b>							
Cost of sales	1,183	200	139	94	110	542	85
Inventory write-down	36	46	97	2	4	150	—
Total cost of sales	1,219	246	236	96	114	692	85
<b>Gross margin</b>	<b>941</b>	<b>154</b>	<b>98</b>	<b>193</b>	<b>172</b>	<b>617</b>	<b>150</b>
<b>Operating expenses</b>							
Research and development	469	89	85	75	57	306	61
Selling, marketing and administration	653	129	138	141	144	553	109
Amortization	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	195	3	124	46	(1)	171	1
Debt covenants fair value adjustment	(430)	(24)	62	2	(16)	24	218
Qualcomm arbitration award	—	—	—	—	—	—	(815)
Total operating expenses	1,164	809	453	307	229	1,798	(386)
<b>Operating income (loss)</b>	<b>(223)</b>	<b>(655)</b>	<b>(355)</b>	<b>(114)</b>	<b>(57)</b>	<b>(1,181)</b>	<b>536</b>
Investment income (loss), net	(59)	(15)	(16)	(4)	8	(27)	136
<b>Income (loss) before income taxes</b>	<b>(282)</b>	<b>(670)</b>	<b>(371)</b>	<b>(118)</b>	<b>(49)</b>	<b>(1,208)</b>	<b>672</b>
<b>Provision for (recovery of) income taxes</b>	<b>(74)</b>	<b>—</b>	<b>1</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>1</b>
<b>Net income (loss)</b>	<b>\$ (208)</b>	<b>\$ (670)</b>	<b>\$ (372)</b>	<b>\$ (117)</b>	<b>\$ (47)</b>	<b>\$ (1,206)</b>	<b>\$ 671</b>
<b>Earnings (loss) per share</b>							
Basic earnings (loss) per share	\$ (0.40)	\$ (1.28)	\$ (0.71)	\$ (0.22)	\$ (0.09)	\$ (2.30)	\$ 1.26
Diluted earnings (loss) per share	\$ (0.86)	\$ (1.28)	\$ (0.71)	\$ (0.22)	\$ (0.10)	\$ (2.30)	\$ 1.23
<b>Weighted-average number of common shares outstanding (000's)</b>							
Basic	526,303	521,905	522,826	526,102	530,352	525,265	531,096
Diluted	651,303	521,905	522,826	526,102	590,852	525,265	544,077
<b>Non-GAAP Adjustments (Pre-Tax)</b>							
	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	—
Debt covenants fair value adjustment	(430)	(24)	62	2	(16)	24	218
Write-down of assets held for sale	—	—	123	42	—	165	—
RAP charges (including patent abandonments)	344	25	24	24	25	99	17
CORE program charges (recoveries)	11	(2)	(2)	(2)	—	(7)	—
Software deferred revenue acquired	33	24	18	12	11	65	9
Stock compensation expense	60	12	18	15	15	60	13
Acquired intangibles amortization	66	28	28	28	28	112	25
Business acquisition and integration	—	—	—	—	—	—	—
Qualcomm arbitration award	22	7	4	5	3	19	11
	—	—	—	—	—	—	(954)
<b>Total Non-GAAP Adjustments (Pre-Tax)</b>	<b>\$ 106</b>	<b>\$ 669</b>	<b>\$ 371</b>	<b>\$ 126</b>	<b>\$ 70</b>	<b>\$ 1,236</b>	<b>\$ (661)</b>
<b>Non-GAAP Gross Profit</b>							
	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
GAAP revenue	\$ 2,160	\$ 400	\$ 334	\$ 289	\$ 286	\$ 1,309	\$ 235
Software deferred revenue acquired	33	24	18	12	11	65	9
Non-GAAP revenue	2,193	424	352	301	297	1,374	244
Total cost of sales	(1,219)	(246)	(236)	(96)	(114)	(692)	(85)
Non-GAAP adjustments to cost of sales	45	48	103	5	11	167	4
<b>Non-GAAP Gross Profit</b>	<b>\$ 1,019</b>	<b>\$ 226</b>	<b>\$ 219</b>	<b>\$ 210</b>	<b>\$ 194</b>	<b>\$ 849</b>	<b>\$ 163</b>
<b>Adjusted EBITDA</b>							
	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
GAAP operating income (loss)	\$ (223)	\$ (655)	\$ (355)	\$ (114)	\$ (57)	\$ (1,181)	\$ 536
Non-GAAP adjustments to operating income (loss)	106	669	371	126	70	1,236	(522)
Non-GAAP operating income (loss)	(117)	14	16	12	13	55	14
Amortization	616	72	57	53	57	239	51
Acquired intangibles amortization	(66)	(28)	(28)	(28)	(28)	(112)	(25)
<b>Adjusted EBITDA</b>	<b>\$ 433</b>	<b>\$ 58</b>	<b>\$ 45</b>	<b>\$ 37</b>	<b>\$ 42</b>	<b>\$ 182</b>	<b>\$ 40</b>
<b>Reconciliation from GAAP Net Income (Loss) to Non-GAAP Net Loss and Non-GAAP Loss per Share</b>							
	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
GAAP Net Income (Loss)	\$ (208)	\$ (670)	\$ (372)	\$ (117)	\$ (47)	\$ (1,206)	\$ 671
Total Non-GAAP adjustments (three months ended, after-tax)	106	669	371	126	70	1,236	(661)
<b>Non-GAAP Net Income (Loss)</b>	<b>\$ (102)</b>	<b>\$ (1)</b>	<b>\$ (1)</b>	<b>\$ 9</b>	<b>\$ 23</b>	<b>\$ 30</b>	<b>\$ 10</b>
<b>Non-GAAP Income (Loss) per Share</b>	<b>\$ (0.19)</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.02</b>	<b>\$ 0.04</b>	<b>\$ 0.06</b>	<b>\$ 0.02</b>
Shares outstanding for Non-GAAP Income (Loss) per share reconciliation	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**

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

**BlackBerry Investor Relations Pre-Tax RAP Charge Details**

	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
Cost of sales	\$ 44	\$ 7	\$ 7	\$ 5	\$ 6	\$ 25	\$ 3
Research and development	47	2	—	(1)	3	4	3
Selling, marketing and administration	253	16	140	62	16	235	11
<b>Total RAP charges</b>	<b>\$ 344</b>	<b>\$ 25</b>	<b>\$ 147</b>	<b>\$ 66</b>	<b>\$ 25</b>	<b>\$ 264</b>	<b>\$ 17</b>

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

	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18
<b>In cost of sales</b>							
Property, plant and equipment	\$ 51	\$ 12	\$ 12	\$ 10	\$ 9	\$ 43	\$ 7
Intangible assets	288	6	1	—	3	10	4
Total in cost of sales	339	18	13	10	12	53	11
<b>In operating expenses amortization</b>							
Property, plant and equipment	73	12	8	6	7	33	5
Intangible assets	204	42	36	37	38	153	35
Total in operating expenses amortization	212	54	44	43	45	186	40
<b>Total amortization</b>							
Property, plant and equipment	124	24	20	16	16	76	12
Intangible assets	492	48	37	37	41	163	39
<b>Total amortization</b>	<b>\$ 616</b>	<b>\$ 72</b>	<b>\$ 57</b>	<b>\$ 53</b>	<b>\$ 57</b>	<b>\$ 239</b>	<b>\$ 51</b>

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.