

June 22, 2018

FOR IMMEDIATE RELEASE

BlackBerry Reports Fiscal Year 2019 First Quarter Results

- **Non-GAAP total software and services revenue of \$193 million, up 14% year-over-year; GAAP total software and services revenue of \$189 million, up 18% year-over-year**
- **Total software and services billings grew double-digits from the prior year period**
- **Recurring software and services revenue of 86%**

Waterloo, Ontario - BlackBerry Limited (NYSE: BB; TSX: BB), an enterprise software and services company focused on securing and managing IoT endpoints, today reported financial results for the three months ended May 31, 2018 (all figures in U.S. dollars and U.S. GAAP, except where otherwise indicated).

First Quarter Fiscal 2019 Results

- Total company non-GAAP revenue for the first quarter of fiscal 2019 was \$217 million with GAAP revenue of \$213 million. Total non-GAAP software and services revenue of \$193 million, up 14% year-over-year. Total GAAP software and services revenue was \$189 million, up 18% year-over-year. Approximately 86% of first quarter software and services revenue (excluding IP licensing and professional services) was recurring, up from approximately 70% in the fourth quarter of fiscal year 2018. Gross margin of 76% (both non-GAAP and GAAP).
- Non-GAAP operating income was \$12 million, and positive for the ninth consecutive quarter. GAAP operating loss was \$65 million. Non-GAAP earnings per share was \$0.03 (basic and diluted). GAAP net loss for the quarter was \$0.11 per share (basic and diluted). GAAP net loss includes a charge of \$28 million related to the fair value adjustment on the debentures, \$22 million in acquired intangibles amortization expense, \$18 million in stock compensation expense, \$4 million in restructuring charges, and other amounts as summarized in a table below.

- Total cash, cash equivalents, short-term and long-term investments were approximately \$2.3 billion as of May 31, 2018. Free cash flow, before considering the impact of restructuring and legal proceedings, was positive \$3 million. Cash used in operations was \$7 million and capital expenditures were \$5 million. Excluding \$605 million in the face value of the company's debt, the net cash balance at the end of the quarter was approximately \$1.7 billion.

“We are off to a solid start in fiscal 2019, with 14% year-over-year growth in total software and services revenue driven by strong double-digit billings and an increase in recurring revenue” said John Chen, Executive Chairman and CEO, BlackBerry. “I am pleased that BlackBerry QNX software is now embedded in over 120 million automobiles worldwide, doubling the install base in the last three years. We are very excited about the opportunities ahead of us in automobiles and in other EoT verticals.”

Outlook

BlackBerry's outlook for fiscal 2019 is as follows:

- Total company software and services billings growth is expected to be double-digits
- Non-GAAP EPS is expected to be positive
- Free cash flow is expected to be positive for the full year, before considering the impact of restructuring and legal proceedings
- Total software and services revenue growth of between 8% to 10% year-over-year

Reconciliation of GAAP revenue, gross margin, gross margin percentage, loss before income taxes, net loss and basic loss per share to Non-GAAP revenue, gross margin, gross margin percentage, income before income taxes, net income and basic earnings per share for the three months ended May 31, 2018:

| Q1 Fiscal 2019 Non-GAAP Adjustments | | For the Three Months Ended May 31, 2018 (in millions, except for per share amounts) | | | | | |
|---|---------------------------------------|--|--------------------------------|----------------------------------|---|----------------------|---------------------------------------|
| | Income statement location | Revenue | Gross margin (before taxes) | Gross margin % (before taxes) | Income (loss) before income taxes | Net income (loss) | Basic earnings (loss) per share |
| As reported | | \$ 213 | \$ 161 | 75.6 % | \$ (59) | \$ (60) | \$ (0.11) |
| Debentures fair value adjustment ⁽²⁾ | Debentures fair value adjustment | — | — | — % | 28 | 28 | |
| Resource Alignment Program charges ⁽³⁾ | Research and development | — | — | — % | 2 | 2 | |
| Resource Alignment Program charges ⁽³⁾ | Selling, marketing and administration | — | — | — % | 2 | 2 | |
| Software deferred revenue acquired ⁽⁴⁾ | Revenue | 4 | 4 | 0.4 % | 4 | 4 | |
| Stock compensation expense ⁽⁵⁾ | Cost of sales | — | 1 | 0.5 % | 1 | 1 | |
| Stock compensation expense ⁽⁵⁾ | Research and development | — | — | — % | 3 | 3 | |
| Stock compensation expense ⁽⁵⁾ | Selling, marketing and administration | — | — | — % | 14 | 14 | |
| Acquired intangibles amortization ⁽⁶⁾ | Amortization | — | — | — % | 22 | 22 | |
| Business acquisition and integration costs ⁽⁷⁾ | Selling, marketing and administration | — | — | — % | 1 | 1 | |
| Adjusted | | <u>\$ 217</u> | <u>\$ 166</u> | <u>76.5 %</u> | <u>\$ 18</u> | <u>\$ 17</u> | <u>\$ 0.03</u> |

Note: Non-GAAP revenue, non-GAAP gross margin, non-GAAP gross margin percentage, non-GAAP income before income taxes, non-GAAP net income and non-GAAP income 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. Investors should consider these non-GAAP measures in the context of the Company's GAAP results.

- (1) During the first quarter of fiscal 2019, the Company reported GAAP gross margin of \$161 million or 75.6% of revenue. Excluding the impact of stock compensation expense included in cost of sales and software deferred revenue acquired included in revenue, the non-GAAP gross margin was \$166 million, or 76.5% of revenue.
- (2) During the first quarter of fiscal 2019, the Company recorded the Q1 Fiscal 2019 Debentures Fair Value Adjustment of \$28 million. This adjustment was presented on a separate line in the Consolidated Statements of Operations.
- (3) During the first quarter of fiscal 2019, the Company incurred charges related to the Resource Alignment Program of approximately \$4 million, of which \$2 million was included in research and development and \$2 million was included in selling, marketing and administration expense.
- (4) During the first quarter of fiscal 2019, the Company recorded software deferred revenue acquired but not recognized due to business combination accounting rules of \$4 million, which was included in enterprise software and services revenue.
- (5) During the first quarter of fiscal 2019, the Company recorded stock compensation expense of \$18 million, of which \$1 million was included in cost of sales, \$3 million was included in research and development, and \$14 million was included in selling, marketing and administration expenses.

- (6) During the first quarter of fiscal 2019, the Company recorded amortization of intangible assets acquired through business combinations of \$22 million, which was included in amortization expense.
- (7) During the first quarter of fiscal 2019, the Company recorded business acquisition and integration costs incurred through business combinations of \$1 million, which were included in selling, marketing and administration expenses.

Supplementary Geographic Revenue Breakdown

BlackBerry Limited
(United States dollars, in millions)
Revenue by Region

| | For the Quarters Ended | | | | | | | | | |
|--------------------------------|------------------------|---------------|-------------------|---------------|-------------------|---------------|-----------------|---------------|---------------|---------------|
| | May 31, 2018 | | February 28, 2018 | | November 30, 2017 | | August 31, 2017 | | May 31, 2017 | |
| North America | \$ 139 | 65.3% | \$ 147 | 63.1% | \$ 133 | 58.9% | \$ 133 | 55.9% | \$ 127 | 54.0% |
| Europe, Middle East and Africa | 52 | 24.4% | 63 | 27.0% | 69 | 30.5% | 76 | 31.9% | 70 | 29.8% |
| Other regions | 22 | 10.3% | 23 | 9.9% | 24 | 10.6% | 29 | 12.2% | 38 | 16.2% |
| Total | \$ 213 | 100.0% | \$ 233 | 100.0% | \$ 226 | 100.0% | \$ 238 | 100.0% | \$ 235 | 100.0% |

Supplementary Revenue by Product and Service Type Breakdown

BlackBerry Limited
(United States dollars, in millions)
Revenue by Product and Service Type

| | US GAAP | | Adjustments | | Non-GAAP | |
|----------------------------------|----------------------------|---------------|----------------------------|--------------|----------------------------|---------------|
| | For the Three Months Ended | | For the Three Months Ended | | For the Three Months Ended | |
| | May 31, 2018 | May 31, 2017 | May 31, 2018 | May 31, 2017 | May 31, 2018 | May 31, 2017 |
| Enterprise software and services | \$ 79 | \$ 92 | \$ 4 | \$ 9 | \$ 83 | \$ 101 |
| BlackBerry Technology Solutions | 47 | 36 | — | — | 47 | 36 |
| Licensing, IP and other | 63 | 32 | — | — | 63 | 32 |
| Handheld devices | 8 | 37 | — | — | 8 | 37 |
| SAF | 16 | 38 | — | — | 16 | 38 |
| Total | \$ 213 | \$ 235 | \$ 4 | \$ 9 | \$ 217 | \$ 244 |

Conference Call and Webcast

A conference call and live webcast will be held today beginning at 8 a.m. ET, which can be accessed by dialing 1-866-496-6675 or by logging on at <http://ca.blackberry.com/company/investors/events.html>. A replay of the conference call will also be available at approximately 11 a.m. ET by dialing 1-888-203-1112 and entering Conference ID #8263166 and at the link above.

About BlackBerry

BlackBerry is an enterprise software and services company focused on securing and managing IoT endpoints. The company does this with BlackBerry Secure, an end-to-end Enterprise of Things platform, comprised of its enterprise communication and collaboration software and safety-certified embedded solutions.

Based in Waterloo, Ontario, BlackBerry was founded in 1984 and operates in North America, Europe, Asia, Australia, Middle East, Latin America and Africa. The Company trades under the ticker symbol "BB" on the Toronto Stock Exchange and the New York Stock Exchange. For more information visit BlackBerry.com, and follow the company on LinkedIn, Twitter and Facebook.

Investor Contact:

BlackBerry Investor Relations

+1-519-888-7465

investor_relations@blackberry.com

Media Contact:

BlackBerry Media Relations

(519) 597-7273

mediarelations@blackberry.com

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This news release contains forward-looking statements within the meaning of certain securities laws, including under the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws, including statements regarding: the Company's plans, strategies and objectives, including the anticipated benefits of its strategic initiatives and its intentions to grow revenue and increase and enhance its product and service offerings; and the Company's expectations regarding its free cash flow, intellectual property revenue, recurring revenue, total software and services revenue, total software and services billings growth, non-GAAP gross margin and non-GAAP earnings per share for fiscal 2019.

The words "expect", "anticipate", "estimate", "may", "will", "should", "could", "intend", "believe", "target", "plan" and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are based on estimates and assumptions made by BlackBerry in light of its experience, historical trends, current conditions and expected future developments, as well as other factors that BlackBerry believes are appropriate in the circumstances. Many factors could cause BlackBerry's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including the following risks: BlackBerry's ability to enhance, develop, introduce or monetize products and services for the enterprise market in a timely manner with competitive pricing, features and performance; BlackBerry's ability to maintain or expand its customer base for its software and services offerings to grow revenue or achieve sustained profitability; the intense competition faced by BlackBerry; the occurrence or perception of a breach of BlackBerry's network or product security measures or an inappropriate disclosure of confidential or personal information; risks related to BlackBerry's continuing ability to attract new personnel, retain existing key personnel and manage its staffing effectively; BlackBerry's dependence on its relationships with resellers and distributors; the risk that network disruptions or other business interruptions could have a material adverse effect on BlackBerry's business and harm its reputation; risks related to

acquisitions, divestitures, investments and other business initiatives, which may negatively affect BlackBerry's results of operations; risks related to BlackBerry's products and services being dependent upon interoperability with rapidly changing systems provided by third parties; BlackBerry's ability to generate revenue and profitability through the licensing of security software and services or the BlackBerry brand to device manufacturers; the risk that failure to protect BlackBerry's intellectual property could harm its ability to compete effectively and BlackBerry may not earn the revenues it expects from intellectual property rights; the risk that BlackBerry could be found to have infringed on the intellectual property rights of others; the risk that litigation against BlackBerry may result in adverse outcomes; risks related to the use and management of user data and personal information, which could give rise to liabilities as a result of legal, customer and other third-party requirements; BlackBerry's ability to obtain rights to use third-party software; the substantial asset risk faced by BlackBerry, including the potential for charges related to its long-lived assets and goodwill; risks related to BlackBerry's indebtedness, which could adversely affect its operating flexibility and financial condition; risks related to government regulations applicable to BlackBerry's products and services, including products containing encryption capabilities, which could negatively impact BlackBerry's business; risks related to foreign operations, including fluctuations in foreign currencies; risks associated with any errors in BlackBerry's products and services, which can be difficult to remedy and could have a material adverse effect on BlackBerry's business; risks related to the failure of BlackBerry's suppliers, subcontractors, third-party distributors and representatives to use acceptable ethical business practices or comply with applicable laws; BlackBerry's reliance on third parties to manufacture and repair its hardware products; risks related to fostering an ecosystem of third-party application developers; risks related to regulations regarding health and safety, hazardous materials usage and conflict minerals, and to product certification risks; risks related to tax provision changes, the adoption of new tax legislation, or exposure to additional tax liabilities; risks related to the fluctuation of BlackBerry's quarterly revenue and operating results; the volatility of the market price of BlackBerry's common shares; and risks related to adverse economic and geopolitical conditions. These risk factors and others relating to BlackBerry are discussed in greater detail in BlackBerry's Annual Information Form, which is included in its Annual Report on Form 40-F and the "Cautionary Note Regarding Forward-Looking Statements" section of BlackBerry's MD&A (copies of which filings may be obtained at www.sedar.com or www.sec.gov). All of these factors should be considered carefully, and readers should not place undue reliance on BlackBerry's forward-looking statements. Any statements that are forward-looking statements are intended to enable BlackBerry's shareholders to view the anticipated performance and prospects of BlackBerry from management's perspective at the time such statements are made, and they are subject to the risks that are inherent in all forward-looking statements, as described above, as well as difficulties in forecasting BlackBerry's financial results and performance for future periods, particularly over longer periods, given the ongoing transition in BlackBerry's business strategy and the rapid technological changes, evolving industry standards, intense competition and short product life cycles that characterize the industries in which BlackBerry operates. BlackBerry has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

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BlackBerry Limited
 Incorporated under the Laws of Ontario
 (United States dollars, in millions except share and per share amounts) (unaudited)

Consolidated Statements of Operations

| | For the Three Months Ended | | |
|--|-----------------------------------|--------------------------|---------------------|
| | May 31, 2018 | February 28, 2018 | May 31, 2017 |
| Revenue | \$ 213 | \$ 233 | \$ 235 |
| Cost of sales | 52 | 56 | 85 |
| Gross margin | <u>161</u> | <u>177</u> | <u>150</u> |
| Gross margin % | 75.6% | 76.0% | 63.8% |
| Operating expenses | | | |
| Research and development | 61 | 58 | 61 |
| Selling, marketing and administration | 100 | 133 | 110 |
| Amortization | 37 | 37 | 40 |
| Debentures fair value adjustment | 28 | (34) | 218 |
| Qualcomm arbitration award | — | — | (815) |
| | <u>226</u> | <u>194</u> | <u>(386)</u> |
| Operating income (loss) | <u>(65)</u> | <u>(17)</u> | <u>536</u> |
| Investment income, net | 6 | 3 | 136 |
| Income (loss) before income taxes | <u>(59)</u> | <u>(14)</u> | <u>672</u> |
| Provision for (recovery of) income taxes | 1 | (4) | 1 |
| Net income (loss) | <u>\$ (60)</u> | <u>\$ (10)</u> | <u>\$ 671</u> |
| Earnings (loss) per share | | | |
| Basic | <u>\$ (0.11)</u> | <u>\$ (0.02)</u> | <u>\$ 1.26</u> |
| Diluted | <u>\$ (0.11)</u> | <u>\$ (0.06)</u> | <u>\$ 1.23</u> |
| Weighted-average number of common shares outstanding (000's) | | | |
| Basic | 536,964 | 536,594 | 531,096 |
| Diluted | 536,964 | 597,094 | 544,077 |
| Total common shares outstanding (000's) | 537,112 | 536,734 | 531,476 |

BlackBerry Limited
 Incorporated under the Laws of Ontario
 (United States dollars, in millions) (unaudited)

Consolidated Balance Sheets

As at

| | May 31, 2018 | February 28, 2018 |
|---|---------------------|-------------------|
| Assets | | |
| Current | | |
| Cash and cash equivalents | \$ 520 | \$ 816 |
| Short-term investments | 1,725 | 1,443 |
| Accounts receivable, net | 126 | 151 |
| Other receivables | 63 | 71 |
| Income taxes receivable | 17 | 26 |
| Other current assets | 56 | 38 |
| | 2,507 | 2,545 |
| Restricted cash and cash equivalents | 35 | 39 |
| Long-term investments | 55 | 55 |
| Other long-term assets | 30 | 28 |
| Deferred income tax assets | 2 | 3 |
| Property, plant and equipment, net | 64 | 64 |
| Goodwill | 566 | 569 |
| Intangible assets, net | 447 | 477 |
| | \$ 3,706 | \$ 3,780 |
| Liabilities | | |
| Current | | |
| Accounts payable | \$ 37 | \$ 46 |
| Accrued liabilities | 162 | 205 |
| Income taxes payable | 19 | 18 |
| Deferred revenue, current | 166 | 142 |
| | 384 | 411 |
| Deferred revenue, non-current | 111 | 53 |
| Other long-term liabilities | 20 | 23 |
| Long-term debt | 810 | 782 |
| Deferred income tax liabilities | 5 | 6 |
| | 1,330 | 1,275 |
| Shareholders' equity | | |
| Capital stock and additional paid-in capital | 2,580 | 2,560 |
| Deficit | (185) | (45) |
| Accumulated other comprehensive loss | (19) | (10) |
| | 2,376 | 2,505 |
| | \$ 3,706 | \$ 3,780 |

BlackBerry Limited
 Incorporated under the Laws of Ontario
 (United States dollars, in millions except per share data) (unaudited)

Consolidated Statements of Cash Flows

| | For the Three Months Ended | |
|--|-----------------------------------|--------------------------|
| | May 31, 2018 | May 31, 2017 |
| Cash flows from operating activities | | |
| Net income (loss) | \$ (60) | \$ 671 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Amortization | 41 | 51 |
| Stock-based compensation | 18 | 13 |
| Debentures fair value adjustment | 28 | 218 |
| Other | 2 | 1 |
| Net changes in working capital items: | | |
| Accounts receivable, net | 25 | 35 |
| Other receivables | 8 | 1 |
| Income taxes receivable | 9 | (2) |
| Other assets | (10) | 21 |
| Accounts payable | (9) | (59) |
| Income taxes payable | 1 | 1 |
| Accrued liabilities | (42) | (50) |
| Deferred revenue | (15) | (36) |
| Other long-term liabilities | (3) | (2) |
| Net cash provided by (used in) operating activities | (7) | 863 |
| Acquisition of long-term investments | — | (25) |
| Acquisition of property, plant and equipment | (5) | (3) |
| Proceeds on sale of property, plant and equipment | — | 1 |
| Acquisition of intangible assets | (7) | (7) |
| Acquisition of short-term investments | (1,011) | (1,015) |
| Proceeds on sale or maturity of short-term investments | 730 | 378 |
| Net cash used in investing activities | (293) | (671) |
| Cash flows from financing activities | | |
| Issuance of common shares | 2 | 3 |
| Net cash provided by financing activities | 2 | 3 |
| Effect of foreign exchange gain (loss) on cash, cash equivalents, restricted cash, and restricted cash equivalents | (2) | 1 |
| Net increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents during the period | (300) | 196 |
| Cash, cash equivalents, restricted cash, and restricted cash equivalents, beginning of period | 855 | 785 |
| Cash, cash equivalents, restricted cash, and restricted cash equivalents, end of period | \$ 555 | \$ 981 |
| As at | May 31, 2018 | February 28, 2018 |
| Cash and cash equivalents | \$ 520 | \$ 816 |
| Short-term investments | \$ 1,725 | \$ 1,443 |
| Long-term investments | \$ 55 | \$ 55 |
| Restricted cash and cash equivalents | \$ 35 | \$ 39 |