



BlackBerry Investor Presentation

Q2 FY'21

BlackBerry Public

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SAFE HARBOR STATEMENT

Some of the statements we'll be making today constitute forward-looking statements and are made pursuant to the safe harbor provisions of applicable U.S. and Canadian securities laws.

We'll indicate forward-looking statements by using words such as expect, will, should, model, intend, believe and similar expressions. Forward-looking statements are based on estimates and assumptions made by the company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors that the company believes are relevant.

Many factors could cause the company's actual results or performance to differ materially from those expressed or implied by the forward-looking statements, including the risk factors that are discussed in the company's annual report on Form 10-K and in our MD&A.

You should not place undue reliance on the company's forward-looking statements. The company has no intention and undertakes no obligation to update or revise any forward-looking statements, except as required by law.

This presentation includes certain non-GAAP measures. We believe that these non-GAAP measures, which may be defined differently by other companies, explain our results of operations in a manner that allows for a more complete understanding of the underlying trends in our business. However, these measures should not be viewed as a substitute for those determined in accordance with GAAP. For a reconciliation between the non-GAAP measures used in this presentation and our GAAP results, please see our Q2 Fiscal 2021 earnings press release and supplement available through our website and on EDGAR and SEDAR.

70% of companies
allow **BYOD**

4M+ cybersecurity
skills gap globally

Over 6K vendors
creating point-to-point
security gaps

30% of employees have
opened a **phishing** email

Over 50% of **IoT**
endpoints have been
attacked

97% of **cyberattacks**
are through the
endpoint

Human error is the
cause of 90% of data
breaches

A new **hacking** attempt
every 39 seconds

79% of employees use
security **workarounds**

100M pieces of
malware are released
every year

24,000 malicious **third-**
party apps every day

300% increase in
cybercrimes during
COVID-19

1M security alerts are
seen **daily** by over a
quarter of security teams

90% of **cyberattacks**
go unreported

76% of enterprises
have been victims of
phishing attacks

60% of enterprises
have been victims of
IoT attacks

67B connected
endpoints by 2025



BlackBerry® secures 96%+ of the enterprise threat landscape

Source: Frost & Sullivan, 2020

Q2 FY21 Financial Summary



\$266M

Non-GAAP
Revenue¹



\$0.11

Non-GAAP
Earnings per Share¹



78%

Non-GAAP
Gross Margin¹



\$977M

Total ending
Cash & Investments



~90%

Recurring Non-GAAP
Software Product
Revenue^{1,2}



\$486M

Annual Recurring
Revenue²



92%

Dollar-Based Net
Retention Rate²



\$81M

Adjusted
EBITDA^{1,2}

1. See appendix for detail and reconciliation of non-GAAP measures to US GAAP

2. See Form 10-Q for definitions of key metrics

Q2 FY21 Achievements

Customer wins for new BlackBerry Spark® Suites, continue to build, including:

- US Air Force
- UK Ministry of Defence
- Royal Canadian Mint
- Rolls Royce
- Lloyds Bank

Partnerships with **Vodafone**, **Bell** and **TELUS**.

TELUS will partner to sell BlackBerry® AtHoc®, the most secure critical event management solution, across Canada.

BlackBerry QNX and **Desay SV Automotive** together developed the autonomous driving domain controller for **Xpeng Motor's** new P7 high-performance electric vehicle.

BlackBerry® UEM became only unified endpoint management system approved to be included on **DoDIN Approved Products List** (APL).

BlackBerry SecuSUITE® for Government now used by **17 governments** around the globe.

BlackBerry® QNX® technology to be used by **StradVision**, in **ADAS** and **autonomous vehicle systems** from South Korean automakers.

BlackBerry's Value Proposition

OUR AMBITION ...

BlackBerry will be the **must-have software provider for endpoints** – how they are built, secured, managed, connected, and integrated via our open and OS agnostic ecosystem. BlackBerry will deliver a **“whole product” experience** that helps organizations realize their **digital transformation objectives** with the highest level of **security, innovation** and **efficiency**.

... CONCENTRATES ON WORKING IN THESE INDUSTRIES AND CUSTOMERS ...



Industries that require **high-security mobility** management, for endpoints and information



Leadership teams who want to **transform** their operations for the **digital age**



OEM leadership teams who want to manufacture **safety-certified** endpoints

... A MARKET FORECAST TO REACH \$38 BILLION USD BY 2021 ...



Safety-certified, **API-enabled** endpoints



Secured and **managed** endpoints



Secure **comms** between any endpoints

... THAT WILL REQUIRE THE FOLLOWING CRITICAL DIGITAL CAPABILITIES ...



Data science and AI/ML algorithms



End-to-end **layered security**



Developer SDKs and platform APIs



Cloud-first and on-prem **deployment**



Crowd-sourced data lake of endpoint telemetry

... DELIVERED PRIMARILY THROUGH THE FOLLOWING ACTIONS.



Zero-trust for unmatched security



Zero-touch for maximum productivity



Connectivity for one global community

BlackBerry: An Internet of Things Market Leader



\$1B+

Cybersecurity
company¹



500M+

Endpoints protected²



175M+

Cars protected by QNX²



38K+

Patents and applications²



~90%

Recurring software product
revenue^{2,3}



26%

Y/Y Software and
Services revenue growth^{3,4}



76%
(+29 pts)

FY20 Gross Margin (and
improvement 2016–20)³



7%
(+12 pts)

FY20 Operating Margin (and
improvement 2016–20)³

Notes: 1. FY20 non-GAAP revenue. 2. As of Q2'21 3. Non-GAAP. See appendix for detail and reconciliation to US GAAP 4. FY20 vs FY19 non-GAAP revenue

Investment Highlights

Our mission is to enable security from IT to Internet of Things (IoT) in large, critical markets

Unique portfolio in a \$38B TAM that is organically growing¹

Zero-trust based platform for security and management of all endpoints and users

Combining next-generation AI with mobile, secure communications for IoT

Positioned to secure all IoT endpoints for a comprehensive and scalable solution

Effectively secure upwards of 96% of all cyberthreats²

Leading software platform for the automotive industry

Installed in over 175M cars across 45+ automakers

Unrivaled, broad and diverse blue-chip customer base

7 of G7 governments, 18 of G20 governments, 9/10 top automakers, 9/10 largest banks

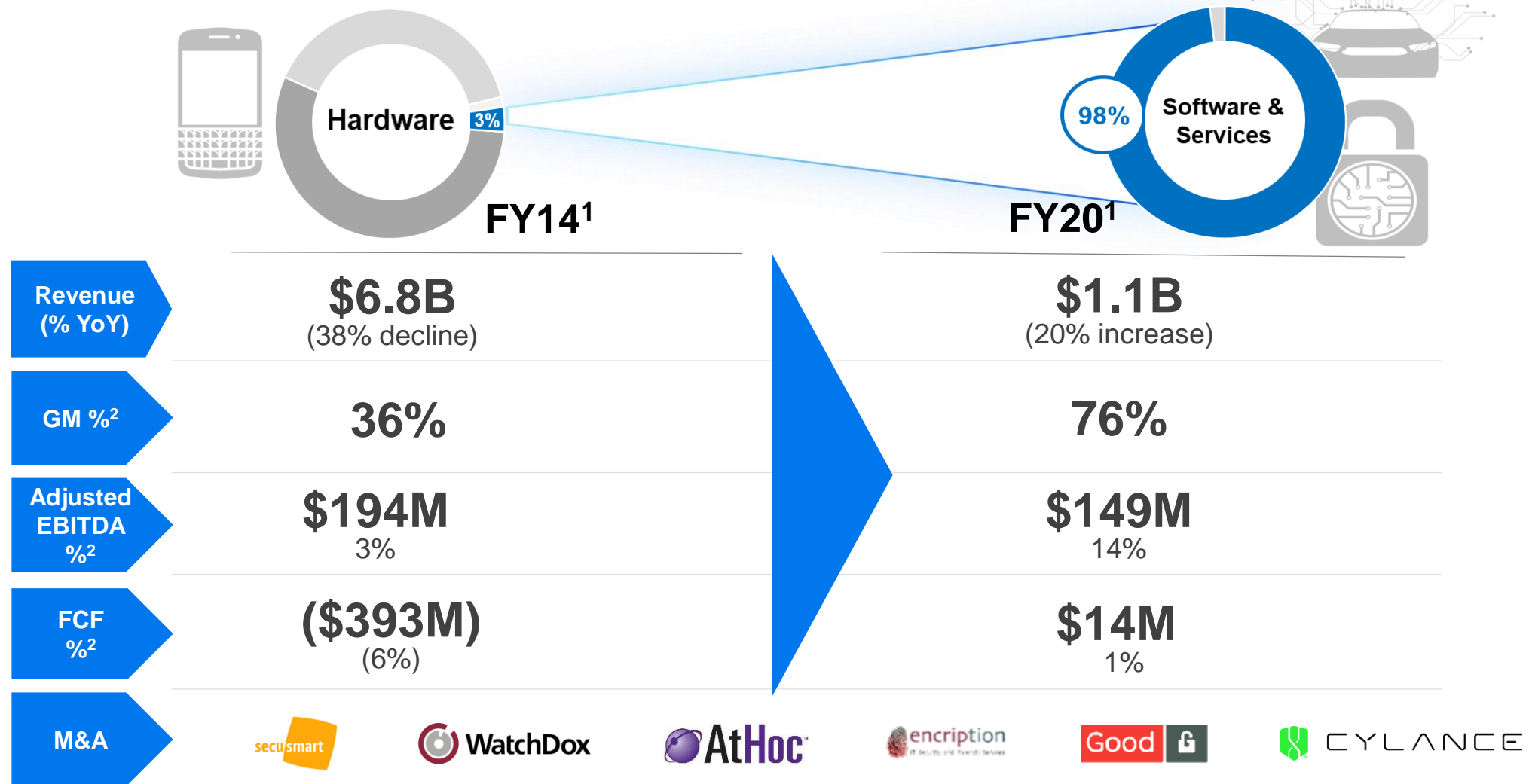
Transformed to a software-driven business with demonstrated operating leverage

~90% recurring software product revenue with 12 pts improvement in operating margin from 2016 to 2020³

Notes: 1. TAM based on market forecasts from Gartner, IDC, various other third-party sources and internal analyses.

2. Independent research from Frost & Sullivan. 3. Non-GAAP. See appendix for detail and reconciliation to GAAP.

Business Transformation: From devices to software



BlackBerry Has Undergone a Significant Shift in Business Model and Financial Profile

Notes: 1. Amounts shown are Non-GAAP. 2. Percentages are calculated on Non-GAAP revenue.

BlackBerry's Customers and Partners

Top-Tier Customers



18/20

G20 GOVERNMENTS



9/10

TOP GLOBAL BANKS



9/10

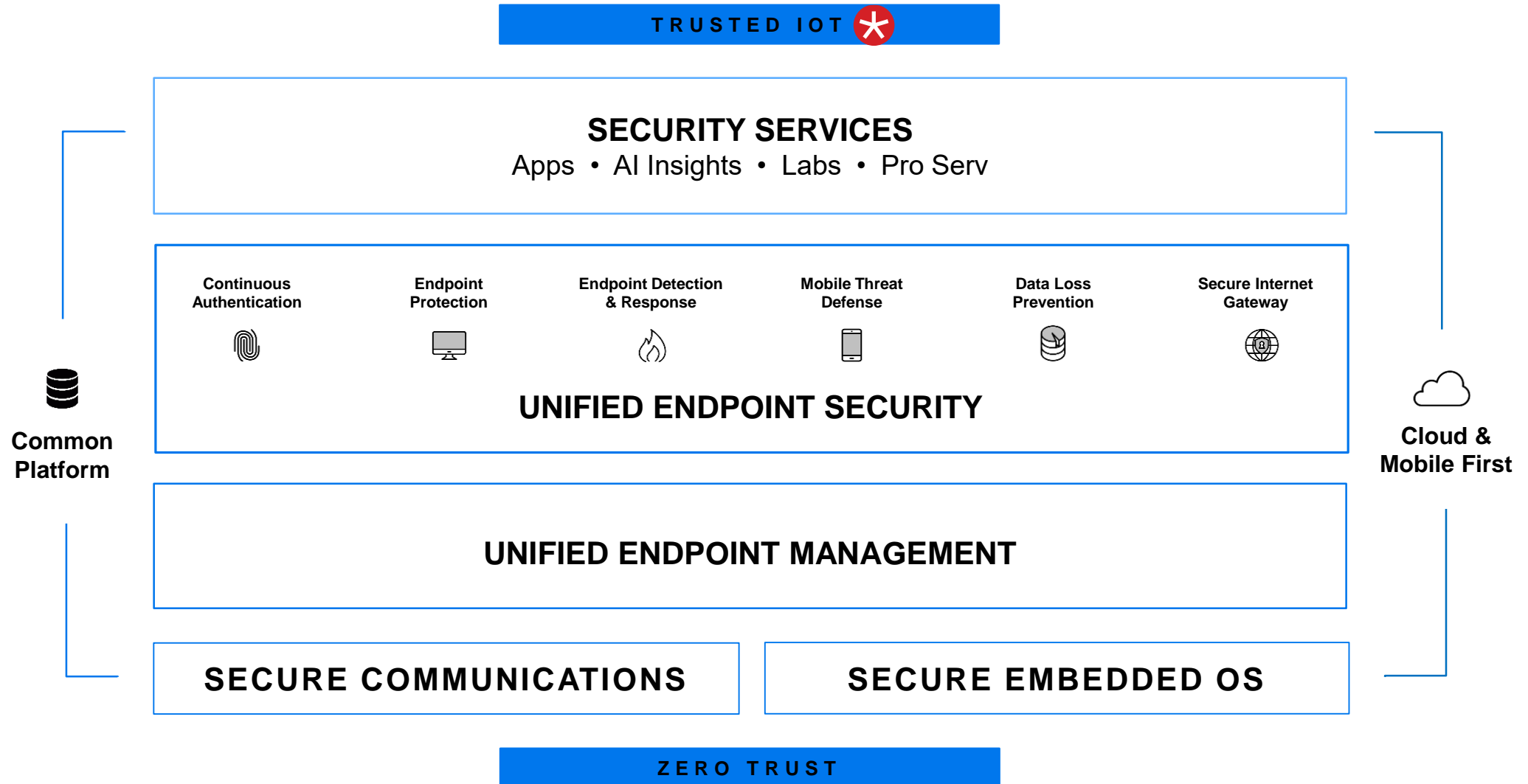
TOP AUTOMAKERS

Top-Tier Partners



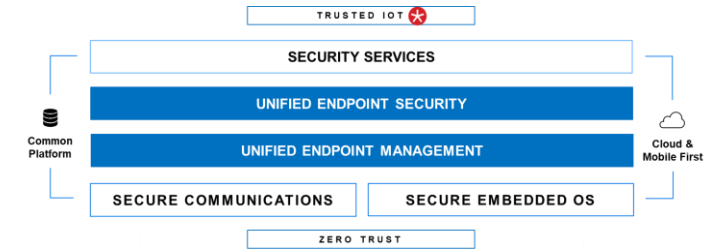
2,000+ partners across our ecosystem

BlackBerry's Secure IoT Platform



BlackBerry Spark

Solving the enterprise's top priorities



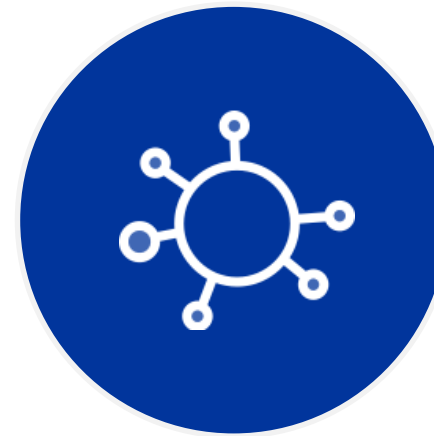
INTELLIGENT TECHNOLOGY

that evolves ahead of your needs



MOBILE & CLOUD FIRST

for secure, remote business continuity



SCALE ACROSS THE ENTIRE IOT

to address the expanding landscape

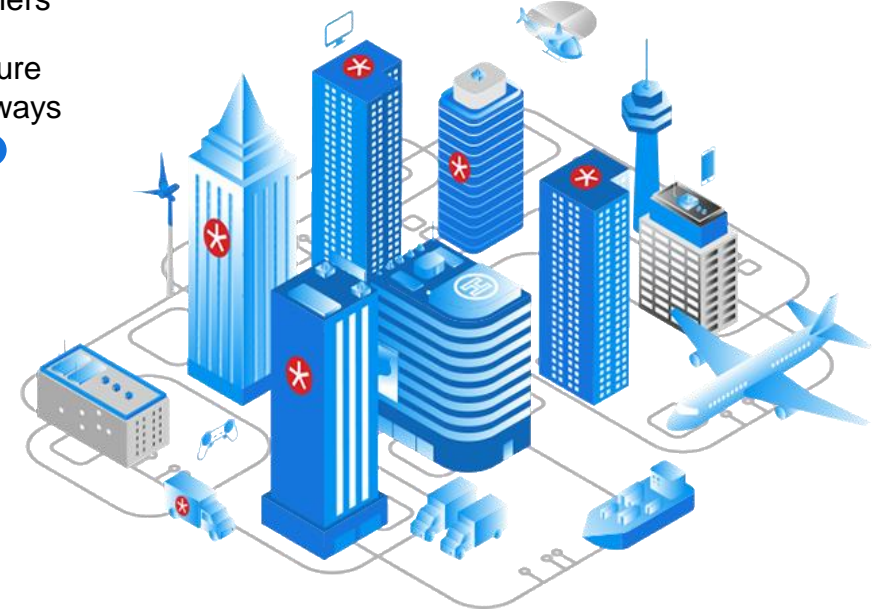
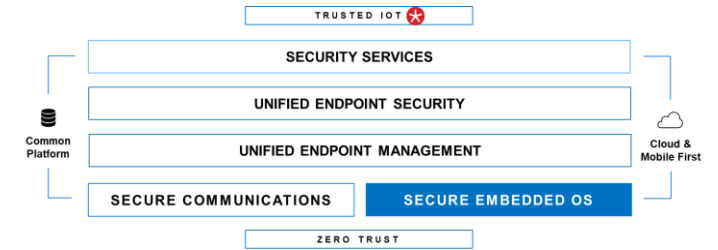
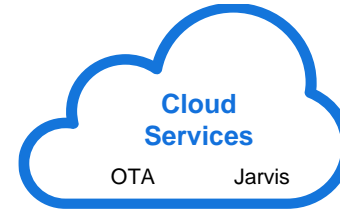
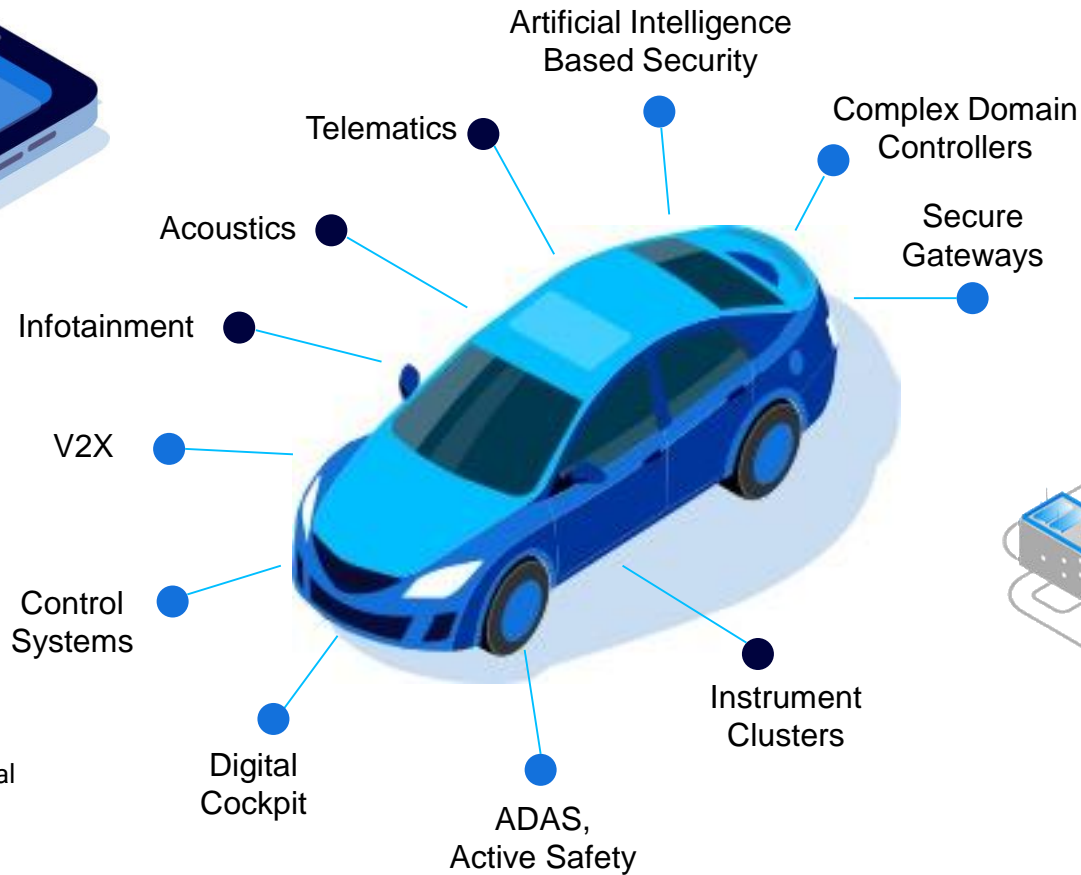


ONE SOLUTION

for UEM & UES, to simplify risks, complexity & cost

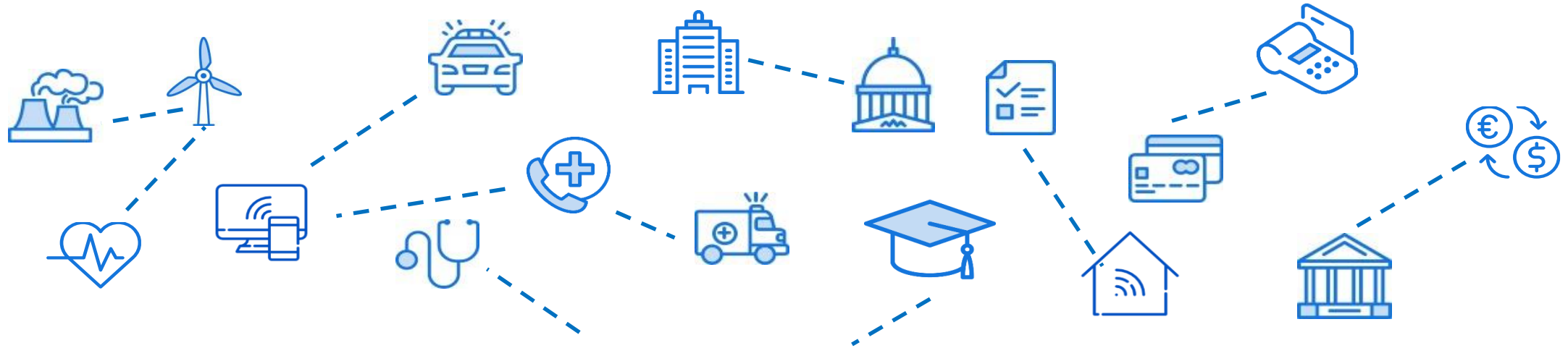
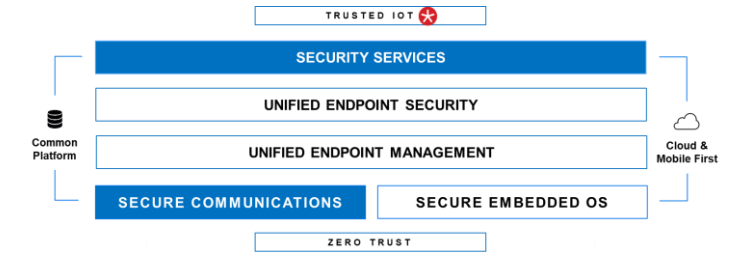
BlackBerry QNX

Secure embedded OS to secure the 'edge'



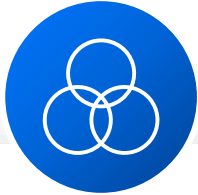
BlackBerry Secure Communications

Keeping you safe, secure and your data private



Strategic Priorities

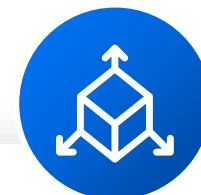
FY21 and beyond – Focused on growth



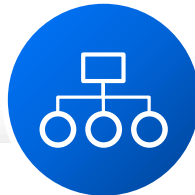
Unlock synergies from integration of UEM and Cylance and deliver on Spark, our end-to-end, unified platform for endpoint security and management



Close pipeline opportunities, grow partnerships, and increase market share in regulated industry verticals



Gain market share in both automotive safety systems and other general embedded markets



Drive Professional Services expansion



Successfully bring new product innovations to market

Timeless Model Goals

	Goals
Recurring Software Product Revenue ² (%)	~90%
Gross Margin ¹ (%)	~80–85%
Operating Income ¹ (%)	~20–25%
Adjusted EBITDA ¹ (%)	~25–30%

1. See appendix for detail and reconciliation of non-GAAP measures to US GAAP

2. See Form 10-Q for definitions of key metrics

Opportunity For Long Term Growth

**WE HAVE THE RIGHT STRATEGY, THE RIGHT TECHNOLOGY
AND ARE PLAYING IN THE RIGHT MARKETS**

**Accelerate Growth
Opportunities**

- Investing in growth
- Opportunities to lead in large markets

**Sustainable Revenue
Growth**

Capture the Future

- Innovating and investing in future categories

**Long-Term Value
Creation**

Scalable Financial Model

- Recurring revenue growth
- Efficient operating models

**Increased Earnings Power
Greater Cash Flow Generation**



Appendix – Q2 FY21 Financials

GAAP Income Statement (\$M)

	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020	Q1-21	Q2-21
Software & Services	\$ 168	\$ 168	\$ 185	\$ 170	\$ 691	\$ 148	\$ 151
Licensing and Other	79	76	82	112	349	58	108
Total GAAP Revenue	247	244	267	282	1,040	206	259
Cost of Sales	70	68	69	70	277	63	60
Gross Profit	177	176	198	212	763	143	199
Research and Development	71	62	66	60	259	57	57
Selling, Marketing and Admin	121	130	129	113	493	90	79
Amortization	49	48	49	48	194	46	46
Impairment of Long-lived Assets	-	2	3	5	10	-	21
Impairment of Goodwill	-	-	-	22	22	594	-
Debentures Fair Value Adjustment	(28)	(23)	(20)	5	(66)	1	18
Settlements, net	-	-	-	-	-	-	-
Total Operating Expenses	213	219	227	253	912	788	221
GAAP Operating Income (Loss)	(36)	(43)	(29)	(41)	(149)	(645)	(22)
Investment Income (Loss), Net	3	-	(1)	(1)	1	-	(5)
Income (Loss) before Income Taxes	(33)	(43)	(30)	(42)	(148)	(645)	(27)
Provision for (recovery of) income taxes	2	1	2	(1)	4	(9)	(4)
GAAP Net Income (Loss)	\$ (35)	\$ (44)	\$ (32)	\$ (41)	\$ (152)	\$ (636)	\$ (23)
Earning (Loss) per Share Basic	\$ (0.06)	\$ (0.08)	\$ (0.06)	\$ (0.07)	\$ (0.27)	\$ (1.14)	\$ (0.04)
Earning (Loss) per Share Diluted	\$ (0.09)	\$ (0.10)	\$ (0.07)	\$ (0.07)	\$ (0.32)	\$ (1.14)	\$ (0.04)
Weighted-average number of common shares outstanding							
Basic	551,845	552,343	554,585	556,668	553,861	557,839	558,882
Diluted	612,345	612,843	615,085	556,668	614,361	557,839	558,882

Non-GAAP Reconciliation (\$M)

<u>Non-GAAP Adjustments (Pre-Tax and After-Tax)</u>	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020	Q1-21	Q2-21
Debentures Fair Value Adjustment	(28)	(23)	(20)	5	(66)	1	18
Restructuring Charges	1	1	7	1	10	1	1
Software Deferred Revenue Acquired	20	17	13	9	59	8	7
Software Deferred Commission Acquired	(5)	(4)	(4)	(3)	(16)	(3)	(3)
Stock Compensation Expense	17	14	15	17	63	14	9
Acquired Intangible Amortization	35	36	35	35	141	33	32
Business Acquisition and Integration Costs	1	2	-	1	4	-	-
Settlements, net	-	-	-	-	-	-	-
Goodwill Impairment Charge	-	-	-	22	22	594	-
LLA Impairment Charge	-	2	3	5	10	-	21
Acquisition income tax recoveries	(1)	-	-	-	(1)	-	-
Total Non-GAAP Adjustment (Pre-Tax and After-Tax)	\$ 40	\$ 45	\$ 49	\$ 92	\$ 226	\$ 648	\$ 85

<u>GAAP to non-GAAP Gross Profit</u>	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020	Q1-21	Q2-21
GAAP Revenue	\$ 247	\$ 244	\$ 267	\$ 282	\$ 1,040	\$ 206	\$ 259
Software Deferred Revenue Acquired	20	17	13	9	59	8	7
Non-GAAP Revenue	267	261	280	291	1,099	214	266
GAAP Cost of Sales	70	68	69	70	277	63	60
Non-GAAP Adjustments to Cost of Sales	(2)	(2)	(4)	(2)	(10)	(2)	(1)
Non-GAAP Cost of Sales	68	66	65	68	267	61	59
Non-GAAP Gross Profit	199	195	215	223	832	153	207

Non-GAAP Reconciliation (\$M) (Cont.)

<u>Adjusted EBITDA</u>	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020	Q1-21	Q2-21
GAAP Operating Income (Loss)	\$ (36)	\$ (43)	\$ (29)	\$ (41)	\$ (149)	\$ (645)	\$ (22)
Non-GAAP Adjustments to Operating Income	41	45	49	92	227	648	85
Non-GAAP Operating Income	5	2	20	51	78	3	63
Amortization	53	54	53	52	212	50	50
Acquired Amortization Intangibles	(35)	(36)	(35)	(35)	(141)	(33)	(32)
Adjusted EBITDA	23	20	38	68	149	20	81

<u>Reconciliation from GAAP Net Income (Loss) to Non-GAAP Net Income and Non-GAAP Earnings per Share</u>	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020	Q1-21	Q2-21
GAAP Net Income (Loss)	\$ (35)	\$ (44)	\$ (32)	\$ (41)	\$ (152)	\$ (636)	\$ (23)
Total Non-GAAP Adjustment (After-Tax)	40	45	49	92	226	648	85
Non-GAAP Net Income (Loss)	5	1	17	51	74	12	62
Non-GAAP Basic Earning (Loss) per Share	\$ 0.01	\$ 0.00	\$ 0.03	\$ 0.09	\$ 0.13	\$ 0.02	\$ 0.11
Shares outstanding for Non-GAAP income (loss) per share reconciliation ('000)	551,845	552,343	554,585	556,668	553,861	557,839	558,882

Non-GAAP Revenue, non-GAAP Loss Before Income Taxes, non-GAAP Net Loss, non-GAAP Gross Profit, Adjusted EBITDA, and non-GAAP 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.

Amortization And Reconciliation Details (\$M)

<u>Restructuring Charges Details (Pre-Tax)</u>	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020	Q1-21	Q2-21
Cost of Sales	\$ 1	\$ 1	\$ 3	\$ -	\$ 5	\$ -	\$ -
Research and Development	-	-	-	-	-	-	-
Selling, Marketing and Administration	-	-	4	1	5	1	1
Total Restructuring Charges	\$ 1	\$ 1	\$ 7	\$ 1	\$ 10	\$ 1	\$ 1
<u>Amortization of Intangibles and PP&E Details</u>	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020	Q1-21	Q2-21
Cost of Sales Amortization							
Property, Plant and Equipment	\$ 1	\$ 2	\$ 1	\$ 2	\$ 6	\$ 1	\$ 1
Intangibles Assets	3	4	3	2	12	3	3
Total in Cost of Sales	4	6	4	4	18	4	4
Operating Expenses Amortization							
Property, Plant and Equipment	\$ 5	\$ 4	\$ 5	\$ 4	\$ 18	\$ 4	\$ 5
Intangibles Assets	44	44	44	44	176	42	41
Total in Operating Expenses Amortization	49	48	49	48	194	46	46
Total Amortization							
Property, Plant and Equipment	\$ 6	\$ 6	\$ 6	\$ 6	\$ 24	\$ 5	\$ 6
Intangibles Assets	47	48	47	46	188	45	44
Total Amortization	53	54	53	52	212	50	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.

