

BlackBerry Investor Relations Income Statement Summary

GAAP Income Statement

Software and Services
Licensing and Other

Revenue

Cost of sales

Gross margin

Operating expenses

Research and development
Selling, marketing and administration
Amortization
Impairment of long-lived assets
Impairment of goodwill
Debentures fair value adjustment

Total operating expenses

Operating loss

Investment income (loss), net

Loss before income taxes

Provision for (recovery of) income taxes

Net loss

Loss per share

Basic loss per share

Diluted loss per share

Weighted-average number of common shares outstanding (000s)

Basic

Diluted

Non-GAAP Adjustments (Pre-Tax)

Debentures fair value adjustment
Restructuring charges
Software deferred revenue acquired
Software deferred commission acquired
Stock compensation expense
Acquired intangibles amortization
Business acquisition and integration
Goodwill impairment charge
LLA impairment charge
Acquisition valuation allowance

Total Non-GAAP Adjustments

Adjusted Gross Margin

GAAP revenue

Software deferred revenue acquired

Adjusted revenue

Total cost of sales

Non-GAAP adjustments to cost of sales

Adjusted Gross Margin

Adjusted EBITDA

GAAP operating loss

Non-GAAP adjustments to operating loss

Adjusted operating income

Amortization

Acquired intangibles amortization

Adjusted EBITDA

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

GAAP net loss

Total Non-GAAP adjustments (three months ended, after-tax)

Adjusted Net Income

Adjusted Earnings per Share

Shares outstanding for adjusted earnings per share reconciliation

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21	Q2 FY21
Software and Services	\$ 168	\$ 168	\$ 185	\$ 170	\$ 691	\$ 148	\$ 151
Licensing and Other	79	76	82	112	349	58	108
Revenue	247	244	267	282	1,040	206	259
Cost of sales	70	68	69	70	277	63	60
Gross margin	177	176	198	212	763	143	199
Operating expenses							
Research and development	71	62	66	60	259	57	57
Selling, marketing and administration	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
Total operating expenses	213	219	227	253	912	788	221
Operating loss	(36)	(43)	(29)	(41)	(149)	(645)	(22)
Investment income (loss), net	3	—	(1)	(1)	1	—	(5)
Loss before income taxes	(33)	(43)	(30)	(42)	(148)	(645)	(27)
Provision for (recovery of) income taxes	2	1	2	(1)	4	(9)	(4)
Net loss	\$ (35)	\$ (44)	\$ (32)	\$ (41)	\$ (152)	\$ (636)	\$ (23)
Loss per share							
Basic loss per share	\$ (0.06)	\$ (0.08)	\$ (0.06)	\$ (0.07)	\$ (0.27)	\$ (1.14)	\$ (0.04)
Diluted loss per share	\$ (0.09)	\$ (0.10)	\$ (0.07)	\$ (0.07)	\$ (0.32)	\$ (1.14)	\$ (0.04)
Weighted-average number of common shares outstanding (000s)							
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 Adjustments (Pre-Tax)							
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 intangibles amortization	35	36	35	35	141	33	32
Business acquisition and integration	1	2	—	1	4	—	—
Goodwill impairment charge	—	—	—	22	22	594	—
LLA impairment charge	—	2	3	5	10	—	21
Acquisition valuation allowance	(1)	—	—	—	(1)	—	—
Total Non-GAAP Adjustments	\$ 40	\$ 45	\$ 49	\$ 92	\$ 226	\$ 648	\$ 85
Adjusted Gross Margin							
GAAP revenue	\$ 247	\$ 244	\$ 267	\$ 282	\$ 1,040	\$ 206	\$ 259
Software deferred revenue acquired	20	17	13	9	59	8	7
Adjusted revenue	267	261	280	291	1,099	214	266
Total cost of sales	70	68	69	70	277	63	60
Non-GAAP adjustments to cost of sales	(2)	(2)	(4)	(2)	(10)	(2)	(1)
Adjusted Gross Margin	\$ 199	\$ 195	\$ 215	\$ 223	\$ 832	\$ 153	\$ 207
Adjusted EBITDA							
GAAP operating loss	\$ (36)	\$ (43)	\$ (29)	\$ (41)	\$ (149)	\$ (645)	\$ (22)
Non-GAAP adjustments to operating loss	41	45	49	92	227	648	85
Adjusted operating income	5	2	20	51	78	3	63
Amortization	53	54	53	52	212	50	50
Acquired intangibles amortization	(35)	(36)	(35)	(35)	(141)	(33)	(32)
Adjusted EBITDA	\$ 23	\$ 20	\$ 38	\$ 68	\$ 149	\$ 20	\$ 81
Reconciliation from GAAP Net Income (Loss) to Adjusted Net Income and Adjusted Earnings per Share							
GAAP net loss	\$ (35)	\$ (44)	\$ (32)	\$ (41)	\$ (152)	\$ (636)	\$ (23)
Total Non-GAAP adjustments (three months ended, after-tax)	40	45	49	92	226	648	85
Adjusted Net Income	\$ 5	\$ 1	\$ 17	\$ 51	\$ 74	\$ 12	\$ 62
Adjusted Earnings per Share	\$ 0.01	\$ 0.00	\$ 0.03	\$ 0.09	\$ 0.13	\$ 0.02	\$ 0.11
Shares outstanding for adjusted earnings per share reconciliation	551,845	552,343	554,585	556,668	553,861	557,839	558,882

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

Cost of sales
Selling, marketing and administration
Total restructuring charges

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21	Q2 FY21
	\$ 1	\$ 1	\$ 3	\$ —	\$ 5	\$ —	\$ —
	—	—	4	1	5	1	1
	\$ 1	\$ 1	\$ 7	\$ 1	\$ 10	\$ 1	\$ 1

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

Cost of sales amortization
Property, plant and equipment
Intangible assets
Total in cost of sales

Operating expenses amortization
Property, plant and equipment
Intangible assets
Total in operating expenses amortization

Total amortization
Property, plant and equipment
Intangible assets
Total amortization

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21	Q2 FY21
	\$ 1	\$ 2	\$ 1	\$ 2	\$ 6	\$ 1	\$ 1
	3	4	3	2	12	3	3
	4	6	4	4	18	4	4
	5	4	5	4	18	4	5
	44	44	44	44	176	42	41
	49	48	49	48	194	46	46
	6	6	6	6	24	5	6
	47	48	47	46	188	45	44
	\$ 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.