

BlackBerry Investor Relations Income Statement Summary

GAAP Income Statement

Cyber Security	
IoT	
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 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	

Segment Gross Margin (Three Months Ended)

Cyber Security	
Segment revenue	
Segment cost of sales	
Segment gross margin	
Segment gross margin %	
IoT	
Segment revenue	
Segment cost of sales	
Segment gross margin	
Segment gross margin %	
Licensing and Other	
Segment revenue	
Segment cost of sales	
Segment gross margin	
Segment gross margin %	

Total Segment Gross Margin

Adjustment to cost of sales	
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Total Gross Margin

Key Metrics (Three Months Ended)

Annual Recurring Revenue

Cyber Security	
IoT	

Dollar-Based Net Retention Rate

Cyber Security	
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QNX Royalty Revenue Backlog

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22
\$	119	\$ 120	\$ 130	\$ 122	\$ 491	\$ 107
	29	31	32	38	130	43
	148	151	162	160	621	150
	58	108	56	50	272	24
	206	259	218	210	893	174
	63	60	69	58	250	60
	143	199	149	152	643	114
	57	57	53	48	215	57
	90	79	83	92	344	73
	46	46	45	45	182	46
	—	21	—	22	43	—
	594	—	—	—	594	—
	1	18	95	258	372	(4)
	788	221	276	465	1,750	172
	(645)	(22)	(127)	(313)	(1,107)	(58)
	—	(5)	(1)	—	(6)	(2)
	(645)	(27)	(128)	(313)	(1,113)	(60)
	(9)	(4)	2	2	(9)	2
	\$ (636)	\$ (23)	\$ (130)	\$ (315)	\$ (1,104)	\$ (62)
	(1.14)	\$ (0.04)	\$ (0.23)	\$ (0.56)	\$ (1.97)	\$ (0.11)
	(1.14)	\$ (0.04)	\$ (0.23)	\$ (0.56)	\$ (1.97)	\$ (0.11)
	557,839	558,882	562,443	566,089	561,305	567,358
	557,839	558,882	562,443	566,089	561,305	567,358
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22
\$	119	\$ 120	\$ 130	\$ 122	\$ 491	\$ 107
	47	46	53	46	192	46
	72	74	77	76	299	61
	61 %	62 %	59 %	62 %	61 %	57 %
	29	31	32	38	130	43
	6	6	6	5	23	7
	23	25	26	33	107	36
	79 %	81 %	81 %	87 %	82 %	84 %
	58	108	56	50	272	24
	8	7	9	6	30	6
	50	101	47	44	242	18
	86 %	94 %	84 %	88 %	89 %	75 %
	145	200	150	153	648	115
	(2)	(1)	(1)	(1)	(5)	(1)
	\$ 143	\$ 199	\$ 149	\$ 152	\$ 643	\$ 114
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21		Q1 FY22
\$	370	\$ 367	\$ 365	\$ 369		\$ 364
\$	103	\$ 92	\$ 88	\$ 84		\$ 86
	101 %	100 %	95 %	95 %		94 %
	450					\$ 490

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22
Non-GAAP Adjustments (Pre-Tax)						
Debentures fair value adjustment	1	18	95	258	372	(4)
Restructuring charges	1	1	—	—	2	—
Stock compensation expense	14	9	12	17	52	7
Acquired intangibles amortization	33	32	32	32	129	32
Goodwill impairment charge	594	—	—	—	594	—
LLA impairment charge	—	21	—	22	43	—
Total Non-GAAP Adjustments	\$ 643	\$ 81	\$ 139	\$ 329	\$ 1,192	\$ 35
Adjusted Gross Margin						
GAAP revenue	\$ 206	\$ 259	\$ 218	\$ 210	\$ 893	\$ 174
Total cost of sales	63	60	69	58	250	60
Non-GAAP adjustments to cost of sales	(2)	(1)	(1)	(1)	(5)	(1)
Adjusted Gross Margin	\$ 145	\$ 200	\$ 150	\$ 153	\$ 648	\$ 115
Adjusted Gross Margin %	70 %	77 %	69 %	73 %	73 %	66 %
Adjusted EBITDA						
GAAP operating loss	\$ (645)	\$ (22)	\$ (127)	\$ (313)	\$ (1,107)	\$ (58)
Non-GAAP adjustments to operating loss	643	81	139	329	1,192	35
Adjusted operating income (loss)	(2)	59	12	16	85	(23)
Amortization	50	50	49	49	198	49
Acquired intangibles amortization	(33)	(32)	(32)	(32)	(129)	(32)
Adjusted EBITDA	\$ 15	\$ 77	\$ 29	\$ 33	\$ 154	\$ (6)
Reconciliation from GAAP Net Loss to Adjusted Net Income (Loss) and Adjusted Earnings (Loss) per Share						
GAAP net loss	\$ (636)	\$ (23)	\$ (130)	\$ (315)	\$ (1,104)	\$ (62)
Total Non-GAAP adjustments (three months ended, after-tax)	643	81	139	329	1,192	35
Adjusted Net Income (Loss)	\$ 7	\$ 58	\$ 9	\$ 14	\$ 88	\$ (27)
Adjusted Earnings (Loss) per Share	\$ 0.01	\$ 0.10	\$ 0.02	\$ 0.02	\$ 0.16	\$ (0.05)
Shares outstanding for adjusted earnings (loss) per share reconciliation	557,839	558,882	562,443	566,089	561,305	567,358

Adjusted income (loss) before income taxes, adjusted net income (loss), adjusted gross margin, adjusted EBITDA and adjusted 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.

Key metrics such as annual recurring revenue ("ARR"), dollar-based net retention rate ("DBNRR"), and QNX Royalty Revenue Backlog do not have any standardized meaning and are unlikely to be comparable to similarly titled measures reported by other companies. The Company regularly monitors a number of financial and operating metrics, including key metrics, in order to measure the Company's current performance and estimate future performance. In the first quarter of fiscal 2022, the Company discontinued its use of software deferred revenue acquired in its key metrics as the Company no longer reports non-GAAP revenue. For purposes of comparability, the Company's key metrics for prior year have been updated to conform to the current year's presentation.

BlackBerry Investor Relations Pre-Tax Restructuring Details

Cost of sales
Selling, marketing and administration
Total restructuring charges

Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1	1	—	—	2	—
\$ 1	\$ 1	\$ —	\$ —	\$ 2	\$ —

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 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21	Q1 FY22
\$ 1	\$ 1	\$ 1	\$ 1	\$ 4	\$ 1
3	3	3	3	12	2
4	4	4	4	16	3
4	5	4	4	17	3
42	41	41	41	165	43
46	46	45	45	182	46
5	6	5	5	21	4
45	44	44	44	177	45
\$ 50	\$ 50	\$ 49	\$ 49	\$ 198	\$ 49

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.