



NEWS RELEASE

FOR IMMEDIATE RELEASE

## **BlackBerry Announces Redemption of Existing Convertible Debentures and Issuance of New Convertible Debentures**

*Waterloo, ON – August 26, 2016* – BlackBerry Limited (NASDAQ: BBRY; TSX: BB), a global leader in secure mobile communications, today announced the amendment of the indenture governing its 6% unsecured convertible debentures (BB.DB.U) (the “6% Debentures”) to permit optional redemption prior to November 13, 2016. Additionally, there will be an issuance of a notice of redemption to holders of the 6% Debentures pursuant to which BlackBerry will redeem the entire outstanding principal amount of the 6% Debentures on September 2, 2016 (the “Redemption Date”). As of the date hereof, approximately USD\$1.245 billion aggregate principal amount of 6% Debentures remains outstanding.

The 6% Debentures will be redeemed on the Redemption Date at a redemption price of 106.7213% of the outstanding principal amount of the Debentures. The redemption price includes all of BlackBerry’s obligations in respect of principal and interest, and no additional amounts will be payable under the 6% Debentures. BlackBerry may revoke the redemption notice at any time prior to the close of business on the business day prior to the Redemption Date. The normal course issuer bid for the 6% Debentures announced by BlackBerry on August 4, 2016 will terminate upon the completion of the redemption.

Holders of 6% Debentures remain entitled to convert their 6% Debentures into common shares of BlackBerry (“Common Shares”) at a conversion price of USD\$10.00 per Common Share at any time on or prior to September 1, 2016, pursuant to the terms of the 6% Debentures. Based on the conversion price, BlackBerry expects that none of the 6% Debentures will be converted.

BlackBerry also announced that it has entered into an agreement pursuant to which Fairfax Financial Holdings Limited (“Fairfax”) and other institutional investors will subscribe for 3.75% unsecured convertible debentures of BlackBerry (the “3.75% Debentures”) on a private placement basis for an aggregate subscription price of USD\$605 million. The transaction is expected to be completed on September 2, 2016. The 3.75% Debentures will be convertible into common shares of BlackBerry at a price of USD\$10.00 per Common Share and will be due on November 13, 2020. Based on the number of Common Shares currently outstanding, if all of the USD\$605 million of 3.75% Debentures were converted, the Common Shares issued upon conversion would represent approximately 11.57% of the Common Shares outstanding after giving effect to the conversion. The other terms of the 3.75% Debentures are substantially identical to those of the 6% Debentures, except that the 3.75% Debentures are not redeemable prior to maturity.



“The restructuring of our convertible debt will enable us to significantly reduce our interest expense and potential future dilution for our shareholders,” said John Chen, Executive Chairman and CEO, BlackBerry. “I am pleased that Fairfax will continue as BlackBerry’s leading lender, reinforcing its ongoing commitment to the company as we continue to execute on our strategy of pursuing growth and sustainable profitability.”

The closing of the transaction is subject to customary conditions, including approval from the Toronto Stock Exchange.

In light of Fairfax’s interest in the 6% Debentures being redeemed and its subscription for 3.75% Debentures, these transactions are “related party transactions” that will be exempt from the minority approval and valuation requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators. BlackBerry intends to complete these transactions in fewer than 21 days in order to achieve the financing objectives described above.

#### **About BlackBerry**

BlackBerry is securing a connected world, delivering innovative solutions across the entire mobile ecosystem and beyond. We secure the world’s most sensitive data across all end points – from cars to smartphones – making the mobile-first enterprise vision a reality. Founded in 1984 and based in Waterloo, Ontario, BlackBerry operates offices in North America, Europe, Middle East and Africa, Asia Pacific and Latin America. The Company trades under the ticker symbols “BB” on the Toronto Stock Exchange and “BBRY” on the NASDAQ. For more information, visit [www.BlackBerry.com](http://www.BlackBerry.com).

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Forward-looking statements in this news release are made pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. When used herein, words such as "expect", "anticipate", "estimate", "may", "will", "should", "intend", "believe", and similar expressions, are intended to identify forward-



looking statements. Forward-looking statements are based on estimates and assumptions made by BlackBerry Limited in light of its experience and its perception of 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 those described in the "Risk Factors" section of BlackBerry's Annual Information Form, which is included in its Annual Report on Form 40-F (copies of which filings may be obtained at [www.sedar.com](http://www.sedar.com) or [www.sec.gov](http://www.sec.gov)). These factors should be considered carefully, and readers should not place undue reliance on BlackBerry's forward-looking statements. 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 law.