

BlackBerry Investor Relations Income Statement Summary

GAAP Income Statement (Three Months Ended)

	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17
Software & Services	\$ 137	\$ 73	\$ 155	\$ 131	\$ 496	\$ 142	\$ 138	\$ 160
Hardware & Other	269	206	220	190	885	152	105	62
Service Access Fees	252	211	173	143	779	106	91	67
Revenue	658	490	548	464	2,160	400	334	289
Cost of sales								
Cost of sales	327	301	303	251	1,182	200	139	94
Inventory write-down	21	4	9	3	36	46	97	2
Total cost of sales	348	305	312	254	1,219	246	236	96
Gross margin	310	185	236	210	941	154	98	193
Operating expenses								
Research and development	139	122	100	108	469	89	85	75
Selling, marketing and administration	173	186	175	179	712	129	139	145
Amortization	65	67	68	77	277	54	44	43
Impairment of goodwill	—	—	—	—	—	57	—	—
Impairment of long-lived assets	—	—	—	—	—	501	—	—
Abandonment of long-lived assets	1	5	2	127	136	3	—	—
Write-down of assets held for sale	—	—	—	—	—	—	123	42
Debentures fair value adjustment	(157)	(228)	(5)	(40)	(430)	(24)	62	2
Total operating expenses	221	152	340	451	1,164	809	453	307
Operating income (loss)	89	33	(104)	(241)	(223)	(655)	(355)	(114)
Investment loss, net	(16)	(12)	(16)	(15)	(59)	(15)	(16)	(4)
Income (loss) before income taxes	73	21	(120)	(256)	(282)	(670)	(371)	(118)
Provision for (recovery of) income taxes	5	(30)	(31)	(18)	(74)	—	1	(1)
Net income (loss)	\$ 68	\$ 51	\$ (89)	\$ (238)	\$ (208)	\$ (670)	\$ (372)	\$ (117)
Earnings (loss) per share								
Basic earnings (loss) per share	\$ 0.13	\$ 0.10	\$ (0.17)	\$ (0.45)	\$ (0.40)	\$ (1.28)	\$ (0.71)	\$ (0.22)
Diluted earnings (loss) per share	\$ (0.10)	\$ (0.24)	\$ (0.17)	\$ (0.45)	\$ (0.86)	\$ (1.28)	\$ (0.71)	\$ (0.22)
Weighted-average number of common shares outstanding ('000's)								
Basic	529,235	526,314	525,103	524,627	526,303	521,905	522,826	526,102
Diluted	670,539	667,321	525,103	524,627	651,303	521,905	522,826	526,102
Non-GAAP Adjustments (Pre-Tax)								
LLA impairment charge	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 501	\$ —	\$ —
Goodwill impairment charge	—	—	—	—	—	57	—	—
Inventory write-down	—	—	—	—	—	41	96	—
Debentures fair value adjustment	(157)	(228)	(5)	(40)	(430)	(24)	62	2
Write-down of assets held for sale	—	—	—	—	—	—	123	42
RAP charges	52	79	33	180	344	25	24	24
CORE program charges (recoveries)	9	6	(6)	2	11	(2)	(2)	(2)
Software deferred revenue acquired	—	1	9	23	33	24	18	12
Stock compensation expense	14	14	14	17	60	12	18	15
Acquired intangibles amortization	9	11	18	28	66	28	28	28
Business acquisition and integration costs	1	—	11	10	22	7	4	5
Total Non-GAAP Adjustments (Pre-Tax)	\$ (72)	\$ (117)	\$ 74	\$ 220	\$ 106	\$ 669	\$ 371	\$ 126
Non-GAAP Gross Profit								
GAAP revenue	\$ 658	\$ 490	\$ 548	\$ 464	\$ 2,160	\$ 400	\$ 334	\$ 289
Software deferred revenue acquired	—	1	9	23	33	24	18	12
Non-GAAP revenue	658	491	557	487	2,193	424	352	301
Total cost of sales	(348)	(305)	(312)	(254)	(1,219)	(246)	(236)	(96)
Non-GAAP adjustments to cost of sales	21	15	5	4	45	48	103	5
Non-GAAP Gross Profit	\$ 331	\$ 201	\$ 250	\$ 237	\$ 1,019	\$ 226	\$ 219	\$ 210
Adjusted EBITDA								
GAAP operating income (loss)	\$ 89	\$ 33	\$ (104)	\$ (241)	\$ (223)	\$ (655)	\$ (355)	\$ (114)
Non-GAAP adjustments to operating income (loss)	(72)	(117)	74	220	106	669	371	126
Non-GAAP operating income (loss)	17	(84)	(30)	(21)	(117)	14	16	12
Amortization	164	163	162	127	616	72	57	53
Acquired intangibles amortization	(9)	(11)	(18)	(28)	(66)	(28)	(28)	(28)
Adjusted EBITDA	\$ 172	\$ 68	\$ 114	\$ 78	\$ 433	\$ 58	\$ 45	\$ 37
Reconciliation from GAAP Net Income (Loss) to Non-GAAP Net Loss and Non-GAAP Loss per Share								
GAAP Net Income (Loss)	\$ 68	\$ 51	\$ (89)	\$ (238)	\$ (208)	\$ (670)	\$ (372)	\$ (117)
Total Non-GAAP adjustments (three months ended, after-tax)	(72)	(117)	74	220	106	669	371	126
Non-GAAP Net Income (Loss)	\$ (4)	\$ (66)	\$ (15)	\$ (18)	\$ (102)	\$ (1)	\$ (1)	\$ 9
Non-GAAP Income (Loss) per Share	\$ (0.01)	\$ (0.13)	\$ (0.03)	\$ (0.03)	\$ (0.19)	\$ 0.00	\$ 0.00	\$ 0.02
Shares outstanding for Non-GAAP Income (Loss) per share reconciliation	529,235	526,314	525,103	524,627	526,303	521,905	522,826	526,102

Non-GAAP revenue, non-GAAP income (loss) before income taxes, non-GAAP net income (loss), non-GAAP gross profit, adjusted EBITDA and non-GAAP 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.

BlackBerry Investor Relations Pre-Tax CORE Charge (Recovery) Details

	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17
Research and development	2	—	—	—	2	—	—	—
Selling, marketing and administration	7	6	(6)	2	9	(2)	(2)	(2)
Total CORE Charges	\$ 9	\$ 6	\$ (6)	\$ 2	\$ 11	\$ (2)	\$ (2)	\$ (2)

BlackBerry Investor Relations Pre-Tax RAP Charge Details

	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17
Cost of sales	\$ 21	\$ 14	\$ 5	\$ 4	\$ 44	\$ 7	\$ 7	\$ 5
Research and development	13	14	2	18	47	2	—	(1)
Selling, marketing and administration	18	51	26	158	253	16	140	62
Total RAP Charges	\$ 52	\$ 79	\$ 33	\$ 180	\$ 344	\$ 25	\$ 147	\$ 66

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

	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17
In cost of sales								
Property, plant and equipment	\$ 16	\$ 10	\$ 13	12	\$ 51	\$ 12	\$ 12	\$ 10
Intangible assets	83	86	81	38	288	6	1	—
Total in cost of sales	99	96	94	50	339	18	13	10
In operating expenses amortization								
Property, plant and equipment	20	22	16	15	73	12	8	6
Intangible assets	45	45	52	62	204	42	36	37
Total in operating expenses amortization	65	67	68	77	277	54	44	43
Total amortization								
Property, plant and equipment	36	32	29	27	124	24	20	16
Intangible assets	128	131	133	100	492	48	37	37
Total amortization	\$ 164	\$ 163	\$ 162	\$ 127	\$ 616	\$ 72	\$ 57	\$ 53

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.