

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	Q4 FY17	FY17
Software & Services	\$ 137	\$ 73	\$ 155	\$ 131	\$ 497	\$ 142	\$ 138	\$ 160	\$ 182	\$ 622
Hardware & Other	269	206	220	190	884	152	105	62	55	374
Service Access Fees	252	211	173	143	779	106	91	67	49	313
Revenue	658	490	548	464	2,160	400	334	289	286	1,309
Cost of sales										
Cost of sales	327	301	303	251	1,183	200	139	94	110	542
Inventory write-down	21	4	9	3	36	46	97	2	4	150
Total cost of sales	348	305	312	254	1,219	246	236	96	114	692
Gross margin	310	185	236	210	941	154	98	193	172	617
Operating expenses										
Research and development	139	122	100	108	469	89	85	75	57	306
Selling, marketing and administration	161	157	170	166	653	129	138	141	144	553
Amortization	65	67	68	77	277	54	44	43	45	186
Impairment of goodwill	—	—	—	—	—	57	—	—	—	57
Impairment of long-lived assets	—	—	—	—	—	501	—	—	—	501
Loss on sale, disposal and abandonment of long-lived assets	13	34	7	140	195	3	124	46	(1)	171
Debentures fair value adjustment	(157)	(228)	(5)	(40)	(430)	(24)	62	2	(16)	24
Total operating expenses	221	152	340	451	1,164	809	453	307	229	1,798
Operating income (loss)	89	33	(104)	(241)	(223)	(655)	(355)	(114)	(57)	(1,181)
Investment loss, net	(16)	(12)	(16)	(15)	(59)	(15)	(16)	(4)	8	(27)
Income (loss) before income taxes	73	21	(120)	(256)	(282)	(670)	(371)	(118)	(49)	(1,208)
Provision for (recovery of) income taxes	5	(30)	(31)	(18)	(74)	—	1	(1)	(2)	(2)
Net income (loss)	\$ 68	\$ 51	\$ (89)	\$ (238)	\$ (208)	\$ (670)	\$ (372)	\$ (117)	\$ (47)	\$ (1,206)
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)	\$ (0.09)	\$ (2.30)
Diluted earnings (loss) per share	\$ (0.10)	\$ (0.24)	\$ (0.17)	\$ (0.45)	\$ (0.86)	\$ (1.28)	\$ (0.71)	\$ (0.22)	\$ (0.10)	\$ (2.30)
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	530,352	525,265
Diluted	670,539	667,321	525,103	524,627	651,303	521,905	522,826	526,102	590,852	525,265
Non-GAAP Adjustments (Pre-Tax)										
	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17
LLA impairment charge	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 501	\$ —	\$ —	\$ —	\$ 501
Goodwill impairment charge	—	—	—	—	—	57	—	—	—	57
Inventory write-down	—	—	—	—	—	41	96	—	4	141
Debentures fair value adjustment	(157)	(228)	(5)	(40)	(430)	(24)	62	2	(16)	24
Write-down of assets held for sale	—	—	—	—	—	—	123	42	—	165
RAP charges (including patent abandonments)	52	79	33	180	344	25	24	24	25	99
CORE program charges (recoveries)	9	6	(6)	2	11	(2)	(2)	(2)	—	(7)
Software deferred revenue acquired	—	1	9	23	33	24	18	12	11	65
Stock compensation expense	14	14	14	17	60	12	18	15	15	60
Acquired intangibles amortization	9	11	18	28	66	28	28	28	28	112
Business acquisition and integration costs	1	—	11	10	22	7	4	5	3	19
Total Non-GAAP Adjustments (Pre-Tax)	\$ (72)	\$ (117)	\$ 74	\$ 220	\$ 106	\$ 669	\$ 371	\$ 126	\$ 70	\$ 1,236
Non-GAAP Gross Profit										
	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17
GAAP revenue	\$ 658	\$ 490	\$ 548	\$ 464	\$ 2,160	\$ 400	\$ 334	\$ 289	\$ 286	\$ 1,309
Software deferred revenue acquired	—	1	9	23	33	24	18	12	11	65
Non-GAAP revenue	658	491	557	487	2,193	424	352	301	297	1,374
Total cost of sales	(348)	(305)	(312)	(254)	(1,219)	(246)	(236)	(96)	(114)	(692)
Non-GAAP adjustments to cost of sales	21	15	5	4	45	48	103	5	11	167
Non-GAAP Gross Profit	\$ 331	\$ 201	\$ 250	\$ 237	\$ 1,019	\$ 226	\$ 219	\$ 210	\$ 194	\$ 849
Adjusted EBITDA										
	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17
GAAP operating income (loss)	\$ 89	\$ 33	\$ (104)	\$ (241)	\$ (223)	\$ (655)	\$ (355)	\$ (114)	\$ (57)	\$ (1,181)
Non-GAAP adjustments to operating income (loss)	(72)	(117)	74	220	106	669	371	126	70	1,236
Non-GAAP operating income (loss)	17	(84)	(30)	(21)	(117)	14	16	12	13	55
Amortization	164	163	162	127	616	72	57	53	57	239
Acquired intangibles amortization	(9)	(11)	(18)	(28)	(66)	(28)	(28)	(28)	(28)	(112)
Adjusted EBITDA	\$ 172	\$ 68	\$ 114	\$ 78	\$ 433	\$ 58	\$ 45	\$ 37	\$ 42	\$ 182
Reconciliation from GAAP Net Income (Loss) to Non-GAAP Net Loss and Non-GAAP Loss per Share										
	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17
GAAP Net Income (Loss)	\$ 68	\$ 51	\$ (89)	\$ (238)	\$ (208)	\$ (670)	\$ (372)	\$ (117)	\$ (47)	\$ (1,206)
Total Non-GAAP adjustments (three months ended, after-tax)	(72)	(117)	74	220	106	669	371	126	70	1,236
Non-GAAP Net Income (Loss)	\$ (4)	\$ (66)	\$ (15)	\$ (18)	\$ (102)	\$ (1)	\$ (1)	\$ 9	\$ 23	\$ 30
Non-GAAP Income (Loss) per Share	\$ (0.01)	\$ (0.13)	\$ (0.03)	\$ (0.03)	\$ (0.19)	\$ 0.00	\$ 0.00	\$ 0.02	\$ 0.04	\$ 0.06
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	530,352	525,265

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

BlackBerry Investor Relations Pre-Tax RAP Charge Details

	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17
Cost of sales	\$ 21	\$ 14	\$ 5	\$ 4	\$ 44	\$ 7	\$ 7	\$ 5	\$ 6	\$ 25
Research and development	13	14	2	18	47	2	—	(1)	3	4
Selling, marketing and administration	18	51	26	158	253	16	140	62	16	235
Total RAP Charges	\$ 52	\$ 79	\$ 33	\$ 180	\$ 344	\$ 25	\$ 147	\$ 66	\$ 25	\$ 264

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	Q4 FY17	FY17
In cost of sales										
Property, plant and equipment	\$ 16	\$ 10	\$ 13	12	\$ 51	\$ 12	\$ 12	\$ 10	\$ 9	\$ 43
Intangible assets	83	86	81	38	288	6	1	—	3	10
Total in cost of sales	99	96	94	50	339	18	13	10	12	53
In operating expenses amortization										
Property, plant and equipment	20	22	16	15	73	12	8	6	7	33
Intangible assets	45	45	52	62	204	42	36	37	38	153
Total in operating expenses amortization	65	67	68	77	277	54	44	43	45	186
Total amortization										
Property, plant and equipment	36	32	29	27	124	24	20	16	16	76
Intangible assets	128	131	133	100	492	48	37	37	41	163
Total amortization	\$ 164	\$ 163	\$ 162	\$ 127	\$ 616	\$ 72	\$ 57	\$ 53	\$ 57	\$ 239

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.