

BlackBerry Investor Relations Supplement

GAAP Income Statement (Three Months Ended)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
Cybersecurity	\$ 93	\$ 79	\$ 114	\$ 92	\$ 378	\$ 85	\$ 87
IoT	45	49	55	66	215	53	55
Software and Services	138	128	169	158	593	138	142
Licensing	235	4	6	15	260	6	3
Revenue	373	132	175	173	853	144	145
Cost of Sales	194	47	48	44	333	48	51
Gross Margin	179	85	127	129	520	96	94
Operating expenses							
Research and development	54	50	42	40	186	42	37
Sales and marketing	45	43	42	41	171	38	34
General and administrative	54	30	43	53	181	40	33
Amortization	15	14	13	12	54	12	11
Impairment of goodwill	-	-	-	35	35	-	-
Impairment of long-lived assets	-	1	11	4	15	3	-
Gain on sale of property, plant and equipment, net	-	-	-	-	-	-	-
Debentures fair value adjustment	22	(6)	(13)	-	3	-	-
Litigation settlement	-	-	-	-	-	-	-
Total operating expenses	190	132	138	185	645	135	115
Operating Loss	(11)	(47)	(11)	(56)	(125)	(39)	(21)
Investment income (loss), net	3	7	5	4	19	5	3
Loss before income taxes	(8)	(40)	(6)	(52)	(106)	(34)	(18)
Provision for income taxes	3	2	15	4	24	8	1
Net Loss	\$ (11)	\$ (42)	\$ (21)	\$ (56)	\$ (130)	\$ (42)	\$ (19)
Loss per share							
Basic loss per share	\$ (0.02)	\$ (0.07)	\$ (0.04)	\$ (0.10)	\$ (0.22)	\$ (0.07)	\$ (0.03)
Diluted loss per share	\$ (0.02)	\$ (0.07)	\$ (0.05)	\$ (0.10)	\$ (0.22)	\$ (0.07)	\$ (0.03)
Weighted-average number of common shares outstanding (000s)							
Basic	582,812	583,524	584,331	587,523	584,543	589,821	590,549
Diluted	582,812	583,524	638,470	587,523	584,543	589,821	590,549

Segment Gross Margin (Three Months Ended)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
Cybersecurity							
Segment revenue	\$ 93	\$ 79	\$ 114	\$ 92	\$ 378	\$ 85	\$ 87
Segment cost of sales	37	36	37	32	142	35	39
Segment gross margin	56	43	77	60	236	50	48
Segment gross margin %	60%	54%	68%	65%	62%	59%	55%
IoT							
Segment revenue	45	49	55	66	\$ 215	53	55
Segment cost of sales	9	8	9	10	36	10	10
Segment gross margin	36	41	46	56	179	43	45
Segment gross margin %	80%	84%	84%	85%	83%	81%	82%
Licensing							
Segment revenue	235	4	6	15	\$ 260	6	3
Segment cost of sales	147	2	1	2	152	2	1
Segment gross margin	88	2	5	13	108	4	2
Segment gross margin %	37%	50%	83%	87%	42%	67%	67%
Total Segment Gross Margin	180	86	128	129	523	97	95
Adjustment to cost of sales	(1)	(1)	(1)	-	(3)	(1)	(1)
Total Gross Margin	\$ 179	\$ 85	\$ 127	\$ 129	\$ 520	\$ 96	\$ 94

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Key Metrics (Three Months Ended)

Cybersecurity Annual Recurring Revenue
 Cybersecurity Dollar-Based Net Retention Rate
 QNX Royalty Backlog

Q1FY24	Q2FY24	Q3FY24	Q4FY24		Q1FY25	Q2FY25
\$ 289	\$ 279	\$ 273	\$ 280		\$ 285	\$ 279
81%	81%	82%	85%		87%	88%
			815			

Net cash provided by (used in) operating activities

Acquisition of property, plant and equipment

Free cash flow (usage)

Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
99	(56)	(31)	(15)	(3)	(15)	(13)
(2)	(1)	(2)	(2)	(7)	(1)	(2)
\$ 97	\$ (57)	\$ (33)	\$ (17)	\$ (10)	\$ (16)	\$ (15)

Non-GAAP Income Statement (Three Months Ended)

Cybersecurity
 IoT
 Software and Services
 Licensing
Revenue
Cost of Sales
Adjusted Gross Margin
Operating expenses
 Research and development
 Sales and marketing
 General and administrative
 Amortization
 Gain on sale of property, plant and equipment, net
 Total adjusted operating expenses
Adjusted Operating Income (Loss)
 Investment income (loss), net
Adjusted Income (Loss) before income taxes
 Provision for income taxes
Adjusted Net Income (Loss)

Adjusted EBITDA

Adjusted earnings (loss) per share
 Basic and diluted earnings (loss) per share

Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
\$ 93	\$ 79	\$ 114	\$ 92	\$ 378	\$ 85	\$ 87
45	49	55	66	215	53	55
138	128	169	158	593	138	142
235	4	6	15	260	6	3
373	132	175	173	853	144	145
193	46	47	44	330	47	50
180	86	128	129	523	97	95
52	48	40	38	178	40	35
44	40	41	40	165	36	33
44	22	30	31	128	29	29
5	4	4	4	16	4	2
-	-	-	-	-	-	-
145	114	115	113	487	109	99
35	(28)	13	16	36	(12)	(4)
3	7	5	4	19	5	3
38	(21)	18	20	55	(7)	(1)
3	2	15	4	24	8	1
\$ 35	\$ (23)	\$ 3	\$ 16	\$ 31	\$ (15)	\$ (2)
\$ 41	\$ (22)	\$ 18	\$ 21	\$ 57	\$ (7)	\$ -
\$ 0.06	\$ (0.04)	\$ 0.01	\$ 0.03	\$ 0.05	\$ (0.03)	\$ (0.00)

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Reconciliation of non-GAAP based measures with most directly comparable U.S. GAAP based measures

Non-GAAP Adjustments (Three Months Ended)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
Debtentures fair value adjustment	22	(6)	(13)	-	3	-	-
Restructuring charges	5	3	9	20	37	8	1
Stock compensation expense	9	11	8	5	33	8	7
Acquired intangibles amortization	10	10	9	8	38	8	9
Impairment of goodwill	-	-	-	35	35	-	-
Impairment of long-lived assets	-	1	11	4	15	3	-
Litigation settlement	-	-	-	-	-	-	-
Total Non-GAAP Adjustments	\$ 46	\$ 19	\$ 24	\$ 72	\$ 161	\$ 27	\$ 17
Adjusted Gross Margin	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
GAAP revenue	\$ 373	\$ 132	\$ 175	\$ 173	\$ 853	\$ 144	\$ 145
Total cost of sales	194	47	48	44	333	48	51
Non-GAAP adjustments to cost of sales	(1)	(1)	(1)	-	(3)	(1)	(1)
Adjusted Gross Margin	\$ 180	\$ 86	\$ 128	\$ 129	\$ 523	\$ 97	\$ 95
Adjusted Gross Margin %	48%	65%	73%	75%	61%	67%	66%
Research and development	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
GAAP research and development expense	\$ 54	\$ 50	\$ 42	\$ 40	\$ 186	\$ 42	\$ 37
Stock compensation expense	2	2	2	2	8	2	2
Adjusted research and development expense	\$ 52	\$ 48	\$ 40	\$ 38	\$ 178	\$ 40	\$ 35
Sales and marketing	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
GAAP sales and marketing	\$ 45	\$ 43	\$ 42	\$ 41	\$ 171	\$ 38	\$ 34
Stock compensation expense	1	3	1	1	6	2	1
Adjusted sales and marketing expense	\$ 44	\$ 40	\$ 41	\$ 40	\$ 165	\$ 36	\$ 33
General and administrative	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
GAAP General and administrative expense	\$ 54	\$ 30	\$ 43	\$ 53	\$ 181	\$ 40	\$ 33
Restructuring charges	5	3	9	20	37	8	1
Stock compensation expense	5	5	4	2	16	3	3
Adjusted general and administrative expense	\$ 44	\$ 22	\$ 30	\$ 31	\$ 128	\$ 29	\$ 29
Amortization	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
GAAP amortization expense	\$ 15	\$ 14	\$ 13	\$ 12	\$ 54	\$ 12	\$ 11
Acquired intangibles amortization	10	10	9	8	38	8	9
Adjusted amortization expense	\$ 5	\$ 4	\$ 4	\$ 4	\$ 16	\$ 4	\$ 2
Adjusted EBITDA	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
GAAP operating loss	\$ (11)	\$ (47)	\$ (11)	\$ (56)	\$ (125)	\$ (39)	\$ (21)
Non-GAAP adjustments to operating loss	46	19	24	72	161	27	17
Adjusted operating income (loss)	35	(28)	13	16	36	(12)	(4)
Amortization	16	16	14	13	59	13	13
Acquired intangibles amortization	(10)	(10)	(9)	(8)	(38)	(8)	(9)
Adjusted EBITDA	\$ 41	\$ (22)	\$ 18	\$ 21	\$ 57	\$ (7)	\$ -
Reconciliation from GAAP Net Loss to Adjusted Net Income (Loss) and Adjusted Earnings (Loss) per Share	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25
GAAP net loss	\$ (11)	\$ (42)	\$ (21)	\$ (56)	\$ (130)	\$ (42)	\$ (19)
Total Non-GAAP adjustments (Three months ended, after-tax)	46	19	24	72	161	27	17
Adjusted Net Income (Loss)	\$ 35	\$ (23)	\$ 3	\$ 16	\$ 31	\$ (15)	\$ (2)
Adjusted Earnings (Loss) per Share	\$ 0.06	\$ (0.04)	\$ 0.01	\$ 0.03	\$ 0.05	\$ (0.03)	\$ (0.00)
Shares outstanding for adjusted earnings (loss) per share reconciliation	582,812	583,524	584,331	587,523	584,543	589,821	590,549

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Pre-Tax Restructuring Details

	<u>Q1FY24</u>	<u>Q2FY24</u>	<u>Q3FY24</u>	<u>Q4FY24</u>	<u>FY24</u>	<u>Q1FY25</u>	<u>Q2FY25</u>
Restructuring charges							
Cost of Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General and administration	5	3	9	20	37	8	1
Total restructuring charges	\$ 5	\$ 3	\$ 9	\$ 20	\$ 37	\$ 8	\$ 1

Amortization of Intangibles and Property, Plant and Equipment Details

	<u>Q1FY24</u>	<u>Q2FY24</u>	<u>Q3FY24</u>	<u>Q4FY24</u>	<u>FY24</u>	<u>Q1FY25</u>	<u>Q2FY25</u>
Cost of sales amortization							
Property, plant and equipment	\$ -	\$ 2	\$ -	\$ -	\$ 2	\$ -	\$ -
Intangible assets	1	-	1	1	3	1	2
Total in cost of sales amortization	1	2	1	1	5	1	2
Operating expenses amortization							
Property, plant and equipment	3	1	2	2	\$ 8	2	1
Intangible assets	12	13	11	10	46	10	10
Total in operating expenses amortization	15	14	13	12	54	12	11
Total amortization							
Property, plant and equipment	3	3	2	2	10	2	1
Intangible assets	13	13	12	11	49	11	12
Total amortization	\$ 16	\$ 16	\$ 14	\$ 13	\$ 59	\$ 13	\$ 13

Adjusted income (loss) before income taxes, adjusted net income (loss), adjusted Gross Margin, adjusted gross margin percentage, adjusted Operating Income (Loss), adjusted Earnings (Loss) Per Share, adjusted research and development expense, adjusted sales and marketing expenses, adjusted general and administrative expense, adjusted cash flow (usage) do not have standardized meanings 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 and non-GAAP ratios enables the Company and its shareholders to better assess the Company's performance 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 reported 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.

Key metrics such as Annual Recurring Revenue ("ARR"), Dollar-Based Net Retention Rate ("DBNRR") and QNX Royalty Backlog do not have standardized meanings and are not comparable to 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 future performance.