

The image features a night-time city skyline with numerous skyscrapers and lights. Overlaid on this are several bright blue, glowing lines that radiate from the center, creating a sense of digital connectivity and data flow. The BlackBerry logo, consisting of a stylized 'B' made of three horizontal bars, is positioned to the left of the brand name. The tagline 'Intelligent Security. Everywhere.' is centered below the brand name.

BlackBerry[®]
Intelligent Security. Everywhere.

INVESTOR PRESENTATION | Q3 FY2025

Safe Harbor Statement

Some of the statements made within this presentation constitute forward-looking statements and are made pursuant to the safe harbor provisions of applicable U.S. and Canadian securities laws.

Forward-looking statements are indicated by using words such as expect, will, should, model, intend, believe and similar expressions. Forward-looking statements are based on estimates and assumptions made by the company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors that the company believes are relevant.

Many factors could cause the company's actual results or performance to differ materially from those expressed or implied by the forward-looking statements, including the risk factors that are discussed in the company's annual report on Form 10-K and in our MD&A.

You should not place undue reliance on the company's forward-looking statements. Any forward-looking statements are made only as of the date of publication and the company has no intention and undertakes no obligation to update or revise any of them, except as required by law.

This presentation includes certain non-GAAP measures. We believe that these non-GAAP measures, which may be defined differently by other companies, explain our results of operations in a manner that allows for a more complete understanding of the underlying trends in our business. However, these measures should not be viewed as a substitute for those determined in accordance with GAAP. For a reconciliation between the non-GAAP measures used in this presentation and our GAAP results, please see our Q3 Fiscal 2025 earnings press release available through our website and on EDGAR and SEDAR+.

Q3 FY25 Financial Summary



\$162M

Revenue¹

%

74%

GAAP & Non-GAAP
Gross Margin^{1, 2}

\$

\$0.02

Non-GAAP
Earnings per Share²

\$

\$23M

Adjusted
EBITDA^{1, 2}

\$

\$266M

Total ending
Cash & Investments

\$

\$3M

Operating Cash Flow
(\$34M improvement
year-over-year)

\$

\$101M

Non-GAAP OPEX^{1, 2}
(\$29M lower than \$130M baseline
provided prior to recent cost
reductions)

%

~80%

Recurring software product
revenue^{1, 3}

Arctic Wolf and BlackBerry Announce Acquisition Agreement for Cylance

Who is Arctic Wolf?

A GLOBAL LEADER IN
SECURITY OPERATIONS

7,000+

Customers

700+

Security
Engineers

7T+

Security Events
per Week

Key Deal Terms:

- **\$160M Cash, subject to adjustments**
 - **\$80M at closing**
 - **\$40M 1 year following closing**
- **5.5M common shares in Arctic Wolf**
- **Subject to customary closing conditions**
- **Expected to close in BlackBerry's Q4FY25**

TRIED, TESTED, & PROVEN



2X LEADER
MDR MarketScape

Gartner
Peer Insights™

MOST RECOMMENDED
MDR, Vulnerability Assessment,
and Security Awareness



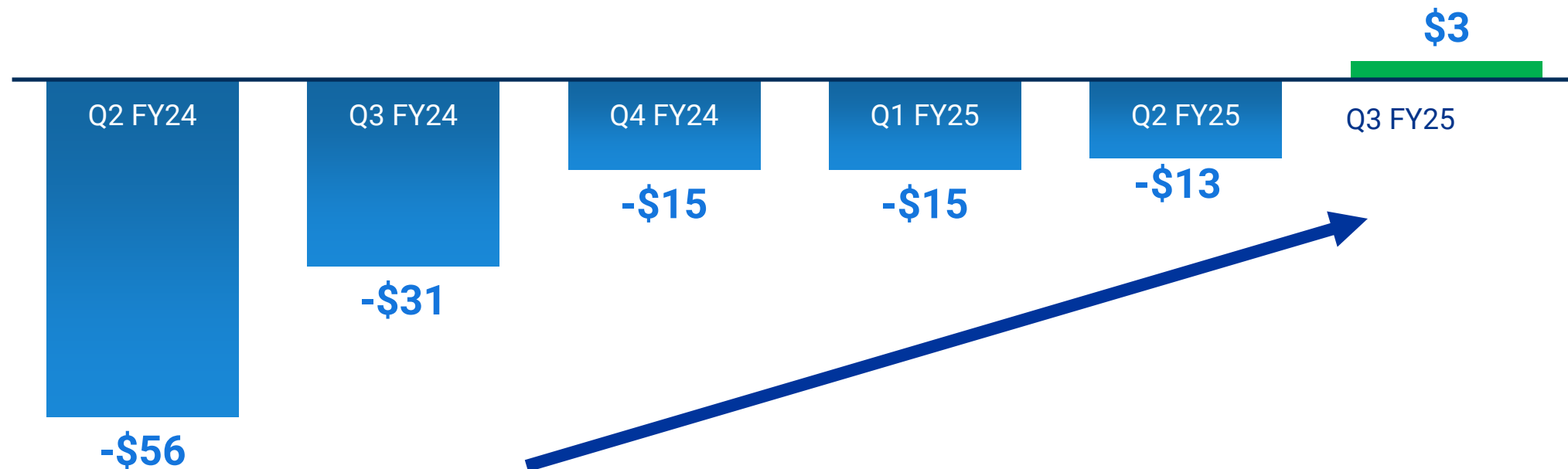
3X WINNER
Only Cybersecurity Company Ever



Security Operations
Platform
of the year

Q3 FY25: Achieves Positive Cash Flow Ahead of Expectations

- Non-GAAP OPEX for Q3 FY25 was \$101M, \$29M better than \$130M baseline
- Operating cash flow \$34M better than Q3 FY24, and \$136M better for the first three quarters of FY25 YTD relative to first three quarters of FY24²
- Free Cash Flow and Operating Cash Flow positive for first time in 12 quarters²



Q3 IoT Summary

IoT

SEGMENT FINANCIALS	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Segment revenue (\$M)	55	66	215	53	55	62
Segment cost of sales (\$M)	8	10	34	9	10	9
Segment gross margin (\$M)	47	56	181	44	45	53
Segment gross margin %	85%	85%	84%	83%	82%	85%
Segment Adjusted EBITDA	12	19	34	9	13	18
KEY METRICS						
QNX Royalty Backlog (\$M)		~815				

- Revenue of \$62M beats top end of guidance range
 - Strong royalty Revenue
 - Development Seat Revenue increased both sequentially and year-over-year
- 13% year-on-year revenue growth
- Gross margin increased 2% sequentially to 85%
- Automotive Design Wins
 - Solid momentum in core digital cockpit and ADAS
- Traction in General Embedded Market (GEM)
 - Upgrade to SDP 8.0 by large industrial manufacturer
 - Several net new logos in adjacent verticals, e.g., rail

Q3 FY25 Summary: Cybersecurity

CYBERSECURITY

SEGMENT FINANCIALS	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Segment revenue (\$M)	114	92	378	85	87	93
Segment cost of sales (\$M)	36	30	136	34	38	31
Segment gross margin (\$M)	78	62	242	51	49	62
Segment gross margin %	68%	67%	64%	60%	56%	67%
Segment Adjusted EBITDA	14	1		-7	-6	8
KEY METRICS						
ARR: Cybersecurity (\$M)	273	280		285	279	281
DBNRR: Cybersecurity (%)	82%	85%		87%	88%	90%

- Revenue of \$93M exceeded top end of guidance range
 - 7% sequential Revenue growth
- Gross Margin increased 12% sequentially to 67%
- Cybersecurity ARR grew 3% year-over-year to \$281M
- Cybersecurity DBNRR improved 2 ppts sequentially, for the fifth consecutive quarter, to 90%, an 8% increase year-over-year

Q3 FY25 Summary: Secure Communications

SECURE COMMUNICATIONS

SEGMENT FINANCIALS	Q3 FY24	Q4 FY24	FY24	Q1 FY25	Q2 FY25	Q3 FY25
Segment revenue (\$M)	91	72	284	64	67	74
Segment cost of sales (\$M)	23	19	81	21	26	20
Segment gross margin (\$M)	68	53	203	43	41	54
Segment gross margin %	75%	74%	71%	67%	61%	73%
Segment Adjusted EBITDA	33	18	47	10	8	22
KEY METRICS						
ARR: Cybersecurity (\$M)	199	202		211	209	215
DBNRR: Cybersecurity (%)	91%	91%		93%	93%	95%

- Revenue of \$74M, meaning 10% sequential Revenue growth
 - UEM had another solid quarter and delivered both sequential and year-over-year revenue growth for Q3
 - Secusmart Revenue remains strong, powered by renewals in core German market
- Gross Margin was 73%
- Secure Communications ARR grew 7% year-over year to \$215M
- Secure Communications DBNRR was 95%

Q3 FY25 Summary: Licensing

LICENSING

SEGMENT FINANCIALS	<u>Q3</u> <u>FY24</u>	<u>Q4</u> <u>FY24</u>	<u>FY24</u>	<u>Q1</u> <u>FY25</u>	<u>Q2</u> <u>FY25</u>	<u>Q3</u> <u>FY25</u>
Segment revenue (\$M)	6	15	260	6	3	7
Segment cost of sales (\$M)	1	2	152	2	1	2
Segment gross margin (\$M)	5	13	108	4	2	5
Segment gross margin %	83%	87%	42%	67%	67%	71%
Segment Adjusted EBITDA	2	11	95	4	2	6

Financial Outlook

Q4 & FY25 OUTLOOK

	<u>Q4</u> <u>FY25</u>	<u>FY25</u>
Total Revenue (\$M)	126 - 135	517 - 526
IoT Revenue (\$M)	60 - 65	230 - 235
Secure Comms Revenue (\$M)	62 - 66	267 - 271
Licensing Revenue (\$M)	~4	~20
Adjusted EBITDA (\$M)	10 - 20	60 - 70
IoT Adjusted EBITDA (\$M)	8 - 10	48 - 50
Secure Adjusted EBITDA (\$M)	4 - 6	43 - 45
Licensing Adjusted EBITDA (\$M)	~3	~16
Non-GAAP basic EPS (\$)	(0.01) - 0.01	(0.02) - Breakeven

The following guidance, except for non-GAAP basic EPS, is reflective solely of the expected results of the Company's continuing operations.

Q3 FY25 Achievements

Arctic Wolf and BlackBerry
Announce Acquisition
Agreement for Cylance

BlackBerry QNX Introduces
Software-Defined Functional
Safety Platform In
Collaboration With Intel For
Industrial Automation

Hyundai Mobis Selects
BlackBerry QNX to Power
Next-Generation Digital
Cockpit Platform

QNX Embedded Technology
Powers 255 Million Vehicles
On The Road Today

BlackBerry QNX Research
Reveals Rising Pressure on
Software Engineers Leads
to Critical Trade-Offs in
Safety and Security

BlackBerry AtHoc® "In
Process" Finalization for
FedRAMP High
Authorization

BlackBerry Partners with
ISC2 to Advance
Cybersecurity Skills in
Malaysia

BlackBerry QNX and TTTech
Auto Launch New
MotionWise Scheduling
Solution for QNX® SDP 8.0

Investment Highlights



BlackBerry Snapshot (NYSE: BB; TSX: BB)

Waterloo, Canada

Headquarters

\$1.9B¹

Market Cap

2,500+

Employees

20

Countries

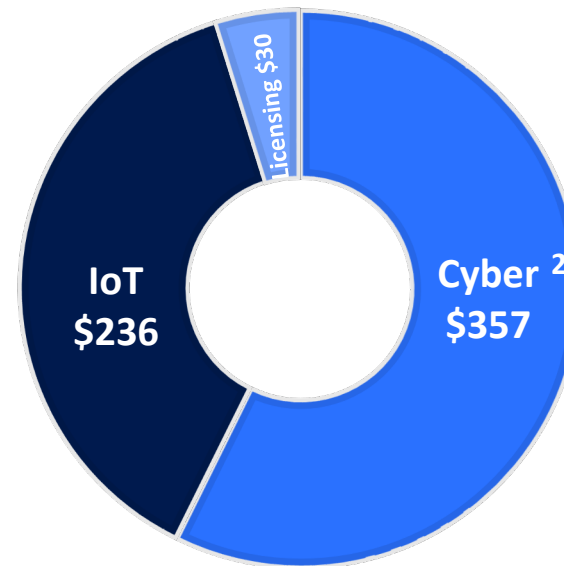
~\$623M²

LTM Revenue
as of Q3FY25

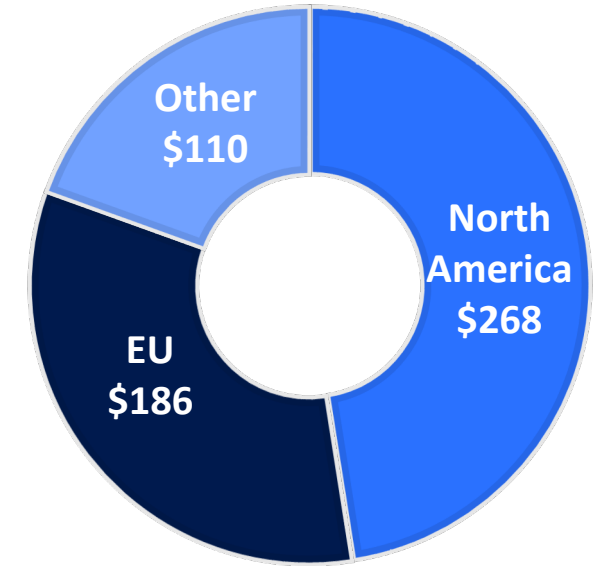
3 Divisions

- **IoT:** Trusted supplier of market-leading QNX® operating systems, hypervisors, development tools and support to automotive OEMs, Tier 1 vendors and the general embedded market
- **Cybersecurity:** Leading secure communications portfolio and endpoint security; including critical event management and encrypted voice, as well as next-generation endpoint security and managed service solutions
- **Licensing:** Leveraging its rich, decades-long heritage in Intellectual Property

LTM Revenue by Segment (\$Mil)²
as of Q3FY25



LTM Revenue by Region (\$Mil)²
as of Q3FY25



LTM = Last twelve months

Leading Provider of Software and Security Solutions to Governments and Enterprises Around the Globe

1. Market Cap as of December 18, 2024
2. Includes discontinued operations from Cylance business, reclassified as held for sale as at November 30, 2024

Why Invest with BlackBerry

-  **1 Strength of Portfolio**  Multiple market-leading businesses with strong growth prospects supported by long-term, secular tailwinds
-  **2 Fundamental Business Strength**  Improving business fundamentals, as reflected by stabilization and improvement of key metrics
-  **3 Enhanced Cash Flow Profile**  Meaningfully improved operating cash flow and target for cash generation by end of current fiscal year
-  **4 Strategic Capital Allocation**  Greater clarity and focus regarding capital allocation priorities in growth areas, with emphasis on driving strong shareholder returns

1 Our Strong Product Portfolio

IoT



Clear leader in Automotive:
255M+ vehicles

Defensive moat: Combine leading performance with leading functional safety

Strong multi-year secular tailwinds

CYBERSECURITY

Secure Communications



BlackBerry AtHoc

#1 Critical Event Management solution in US Federal Govt



BlackBerry UEM

Highly secure, leading UEM solution. Preferred choice for on-premise deployment



Highly secure encrypted voice and data solution trusted by NATO and governments around the world

Endpoint Security



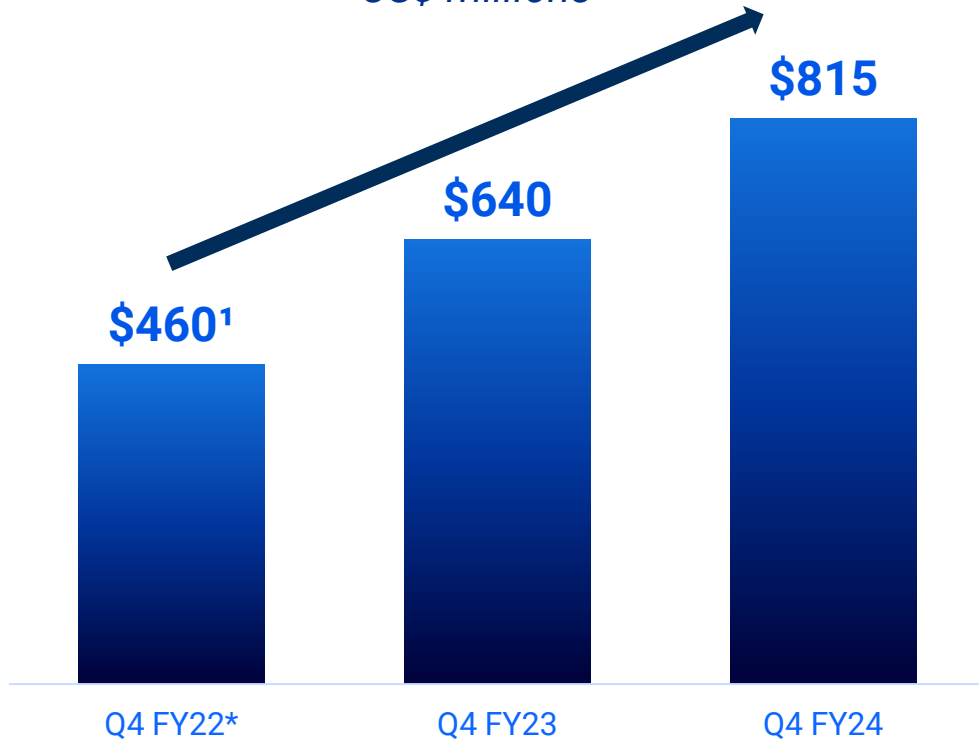
CYLANCE

Most effective AI/ML endpoint security solution with more AI/ML patents than competitors

Range of MDR and XDR managed service solutions to address large opportunity

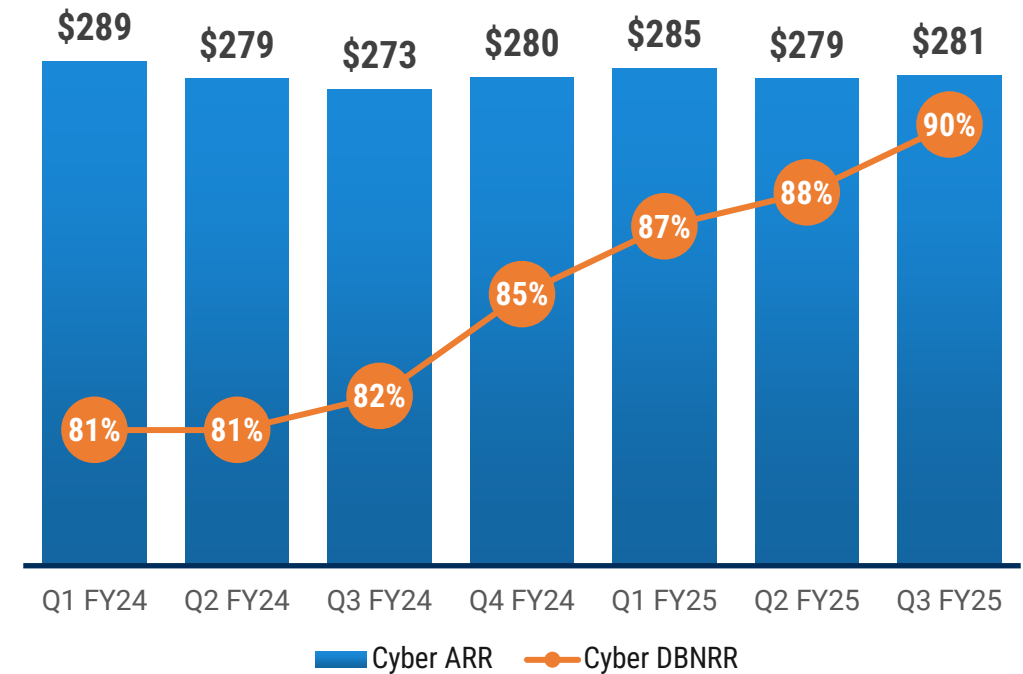
2 Improving Business Fundamentals

QNX Royalty Backlog
US\$ millions



* Q4 FY22 provided for comparability and was not previously disclosed. For reference, Q1 FY23 was previously provided at \$560M.

Cyber ARR and DBNRR
US\$ millions



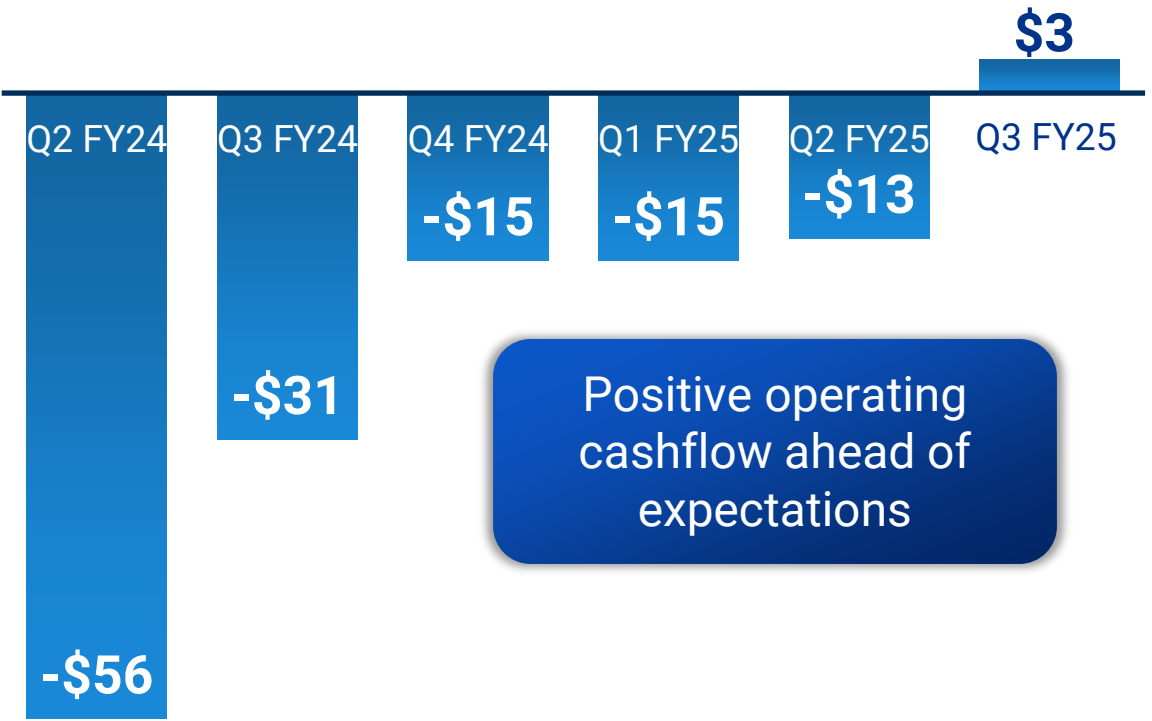
3 Significant Improvement in Cashflow Profile

Improving Operating Cash Usage

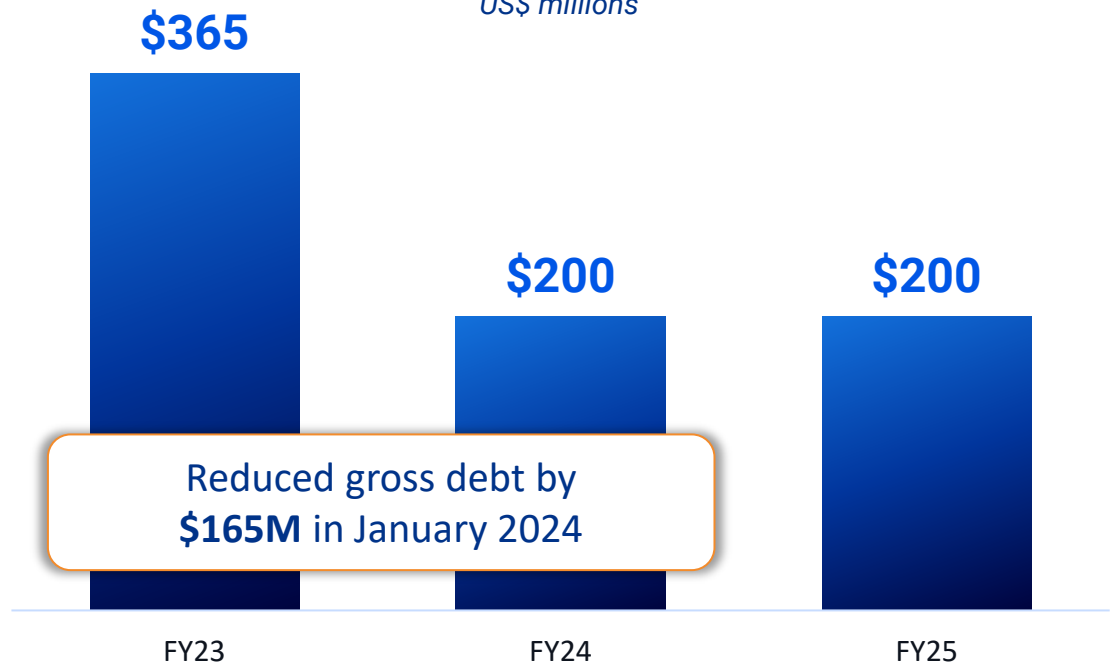


Enhanced Balance Sheet & Liquidity

US\$ millions



US\$ millions



- No debt maturities until 2029
- Remain net cash positive

4 Shifting Our Portfolio and Prudently Allocating Capital

Cylance

- Cylance required **high levels of investment** to close product gaps and remain competitive
- Significant progress made to date, but **the market remains highly competitive**
- Significant, **multi-year investment required** to grow to scale and profitability
- Currently **generating meaningful Adj. EBITDA losses**

IoT & Secure Comms

- BlackBerry has significant growth opportunity with **QNX – a clear market leader with secular tailwinds and deep competitive moat generating meaningful positive Adj. EBITDA**
- Secure Communications is a **stable, government-focused business generating positive Adj. EBITDA**

Announced Acquisition Agreement for Cylance that will address the challenges with Cylance financial profile

Expected adjusted EBITDA is a non-GAAP financial measure; the Company does not provide a reconciliation of expected adjusted EBITDA to the most directly comparable expected GAAP measures because it is unable to predict with reasonable certainty, among other things, restructuring charges and impairment charges and, accordingly, a reconciliation is not available without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the guidance period.

IoT Division: Leading With Innovation

Extending our Market Position with Leading Technology



IoT: A Compelling Driver of Investment Valuation

Attractive Fundamentals

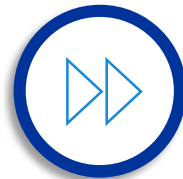
Large, Growing Market Opportunity with Attractive Economics

- Still in early stages of multi-year market growth trajectory
- Even *greater* opportunity due to recent OEM program delays



Commercial and Technical Trends Pushing the Industry in Our Direction

- OEM's key platform challenges directly addressed with FY24 product launches and FY25 investments



Leading Market Position

Clear Segment Leader with Unique Capabilities, IP, and Track Record

- Winning in automotive – the most advanced IoT segment
- Position in the ecosystem has never been stronger



Deep, Long-Standing Relationships with Leading Customers and Partners

- More than a decade of delivering innovative customer solutions
- Positioned for continued industry leadership



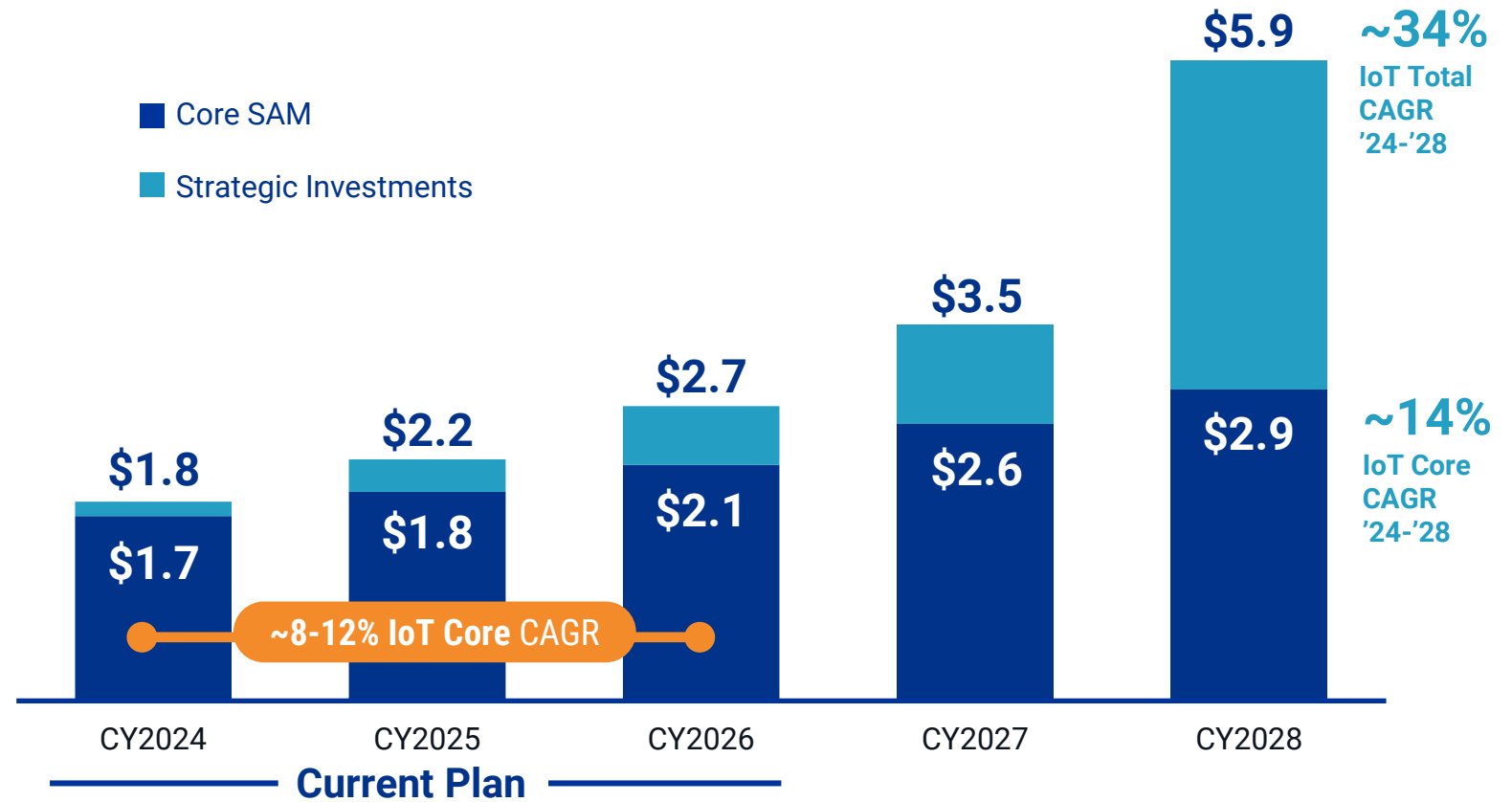
Addressable Market Remains Large and Growing

Growing Market



SAM by IoT Core and Strategic Initiatives (\$B)

- IoT Core Serviceable Addressable Market (SAM)¹ growing at **~8-12% CAGR** CY24-26, reaching **\$2.1B** by CY26
- Strategic investments² have the potential to substantially increase the size of the SAM over the next 5 years



Strong Core Market Growth + Strategic Investments Drive Significant Upside Potential

Positioned to Benefit From Powerful Industry Trends

Secular
Tailwinds



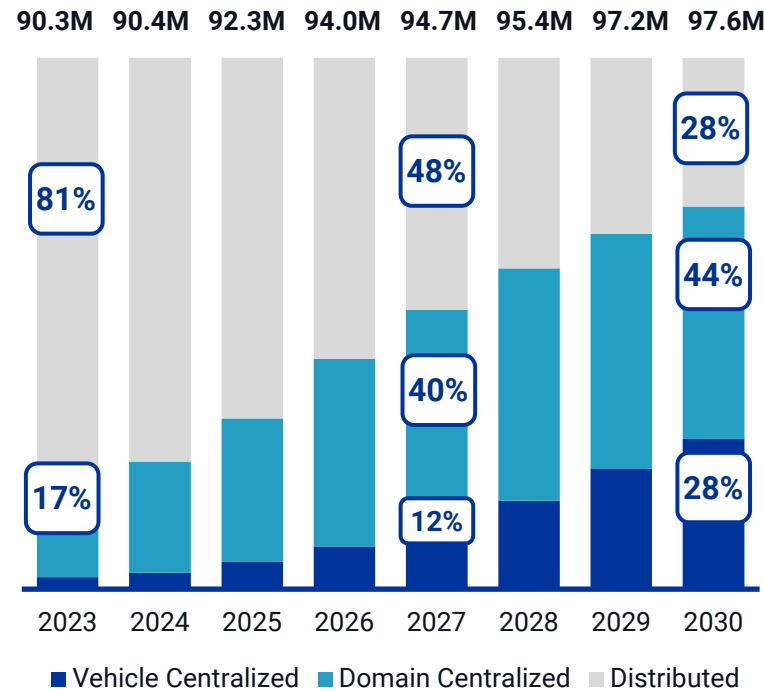
Increasing Vehicle Complexity

More Computing Power in the Vehicle

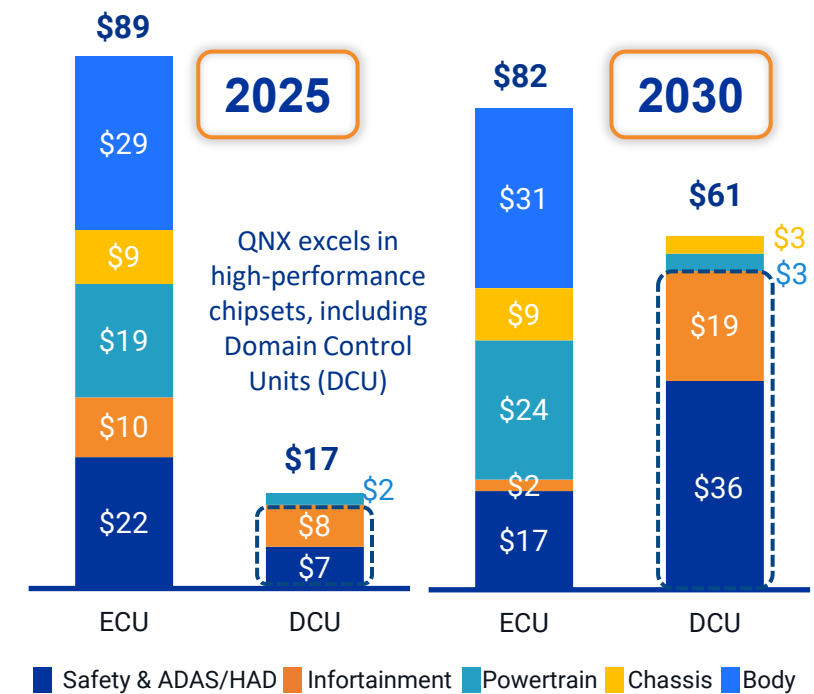
Shift in Focus to Safety Critical Domains

-  **Up to 500M**
Lines of Code
-  **<10 millisecond**
Latency
-  **100-500 Watts**
Energy Consumption
-  **Stringent Safety Requirements**
ISO26262, ASIL-D, IEC 61508
-  **Cloud - EDGE**
Rapidly growing dependencies
-  **Extensive Sensor Inputs**
Average 12 cameras, LiDAR, Radar, GPS, USS

Global Light Passenger Vehicle (LPV) Volumes



ECU/DCU Market by Domains, \$ billions



Industry Leadership Position Places BlackBerry at the Forefront of Change

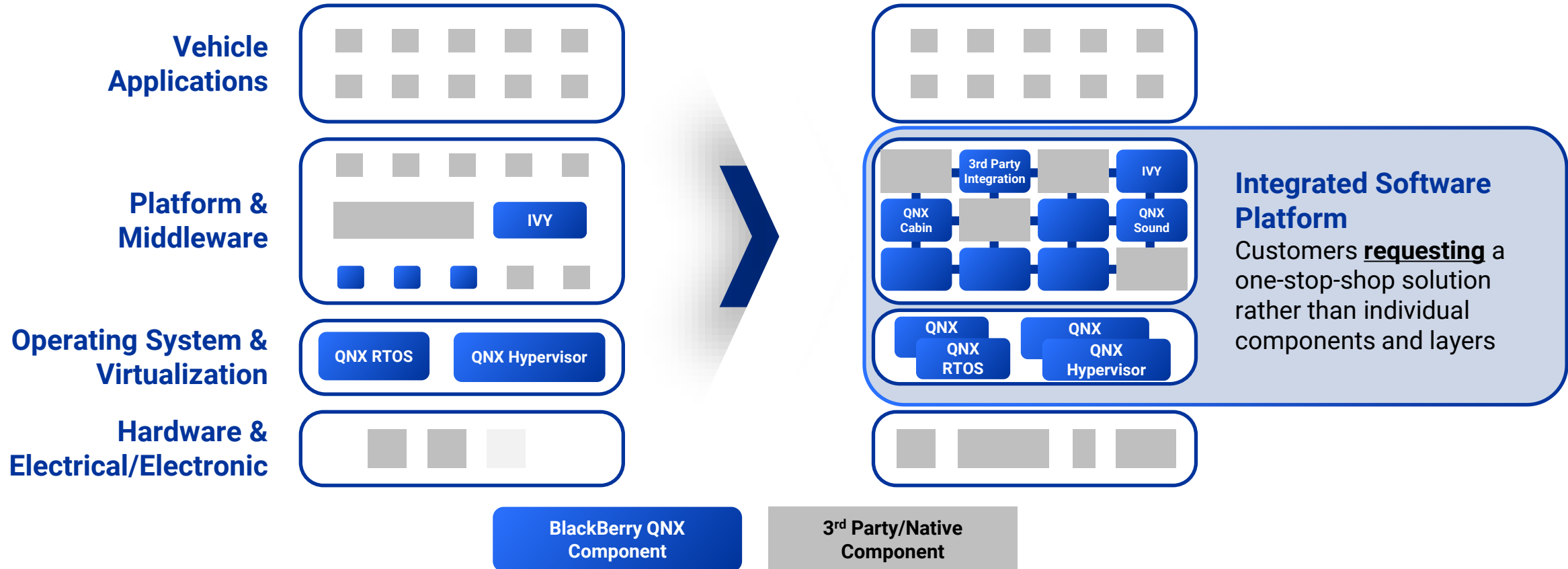
Long-term Software Platform Growth Opportunity

Leading Capabilities



From Individual Sockets/Layers...

...to Requests for an Integrated Software Platform



Integrated Software Platform Captures a Much Larger Share of Wallet and Expands QNX Market Opportunity

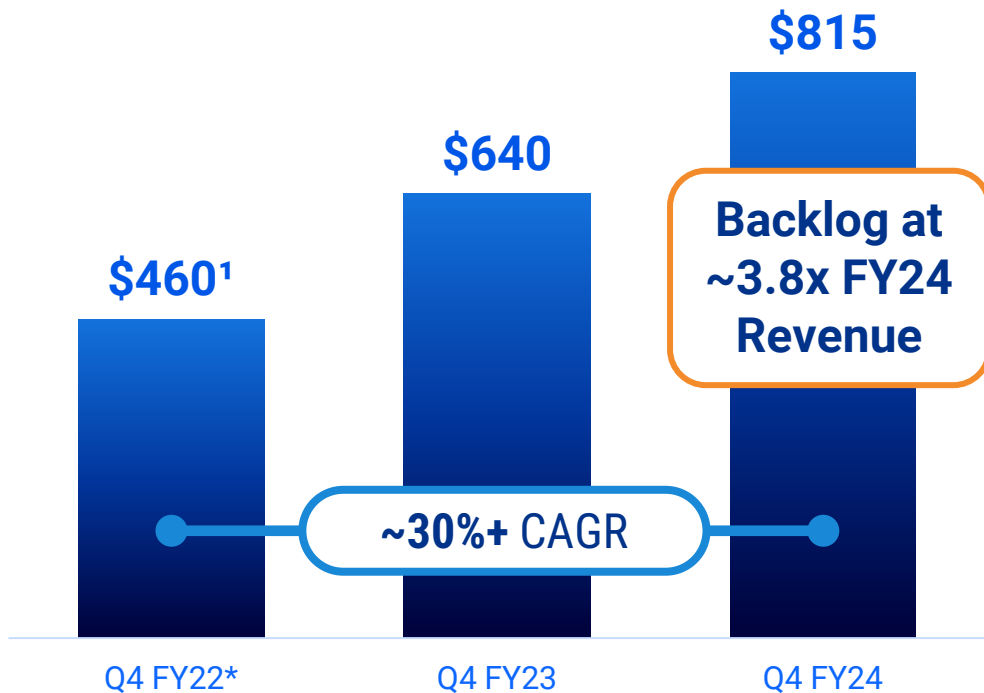
Diversified Business Mix, Backed by a Sizeable Backlog

Leading Capabilities



QNX Royalty Backlog

US\$ Millions



* Q4 FY22 provided for comparability and was not previously disclosed. For reference, Q1 FY23 was previously provided at \$560M.

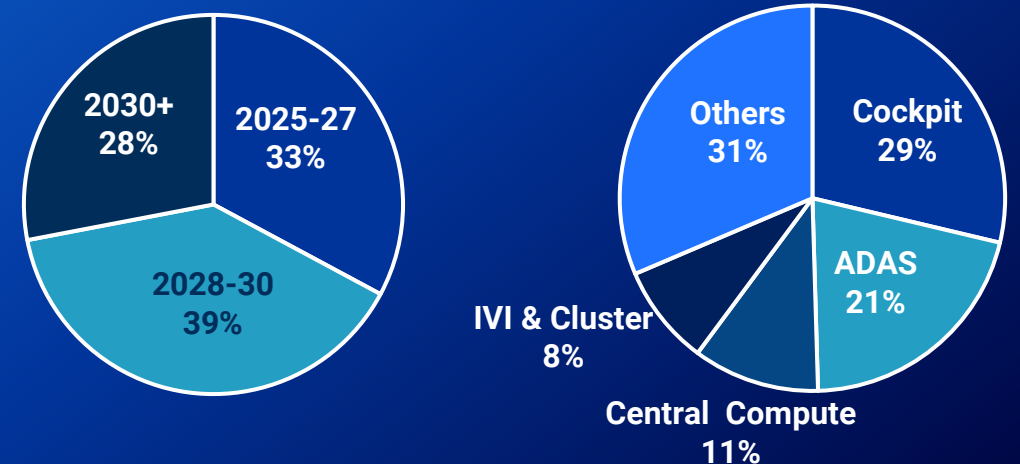
FY24 Royalty Backlog (\$815m)

Each project has significant lifetime value with years-long revenue stream

- Out of the ~\$0.5 B+ in projects secured in the last 2 years, less than \$20M is hitting revenue in FY25

Awards based on long term roadmap, trust in service delivery/capacity and commercials

- Multiyear upfront investment before award, but significant long-term security



Leadership in Core Cockpit and ADAS with Growing Opportunity in Other Domains

Working with Industry-Leading Customers and Partners to Drive Innovation

Deep Relationships



Developing industry-leading foundational Edge Compute software for Auto and GEM¹ applications

100+ Design Wins

In the Past 18 Months

Leveraging dominant market position to win outsized share of future market growth

10/10

Top Automakers

7/7

Top T1 OEMs

24/25

Top EV Makers

9/10

Top Medical device companies

255M

Cars on the Road

Examples of Automotive Wins

8 of >50 total new wins



- Auto still dominated by high end compute stacks (DC, ADAS, Centralized HPC etc.)
- Early examples of other MPU domains emerging (Zonal, GWs, B&C...)

Examples of GEM¹ Wins

7 of >50 total new wins



- GEM¹ applications more fragmented than automotive software but showing continued strength across medical, industrial automation, and robotics

Select QNX SDP 8 silicon commitments:

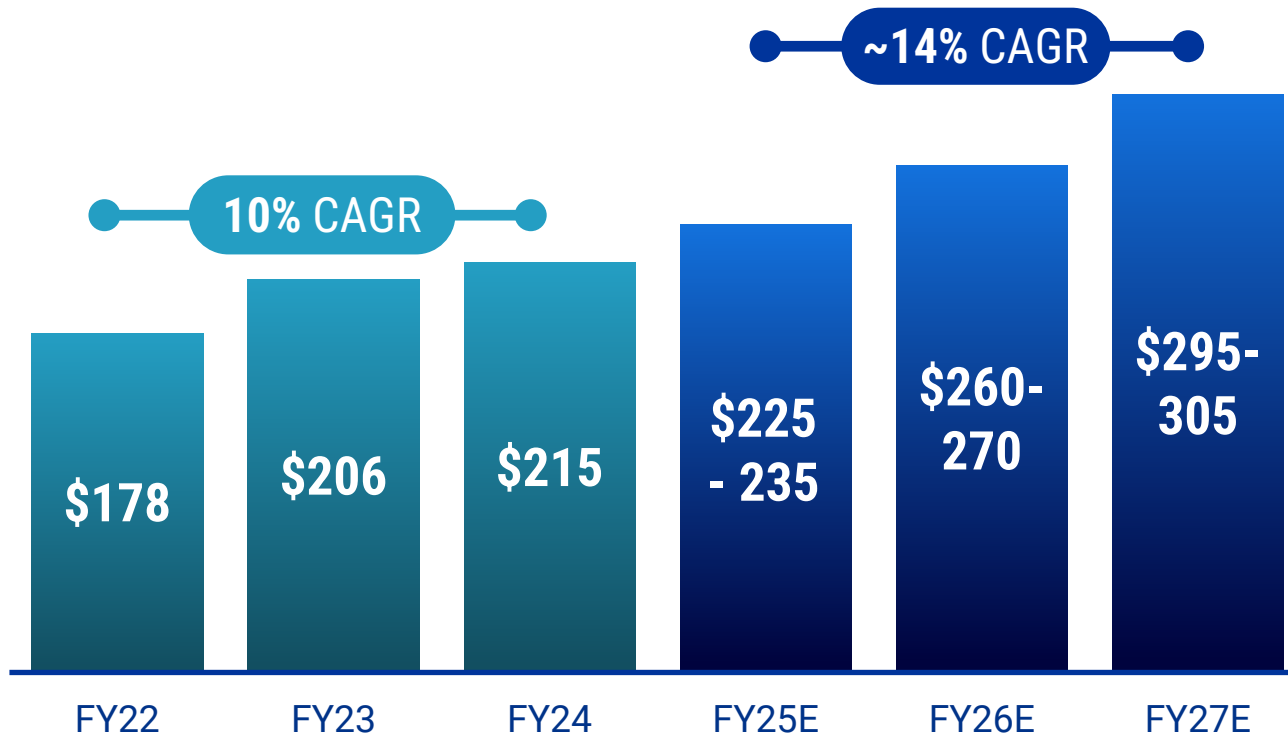


Customers and Partners Directly Drive a Significant Portion of our Development

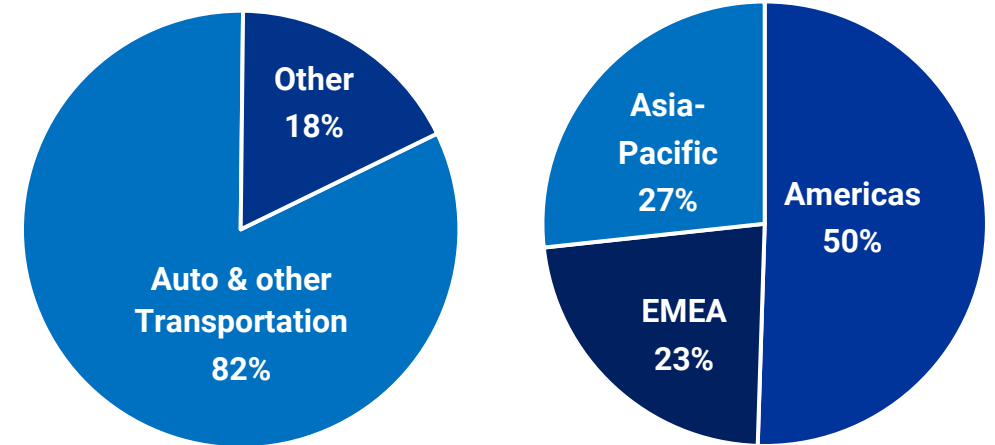
Proven and Consistent IoT Revenue Growth

Track Record of Double-digit Revenue Growth

US\$ millions



IoT FY24 Sales Mix (~\$215m)

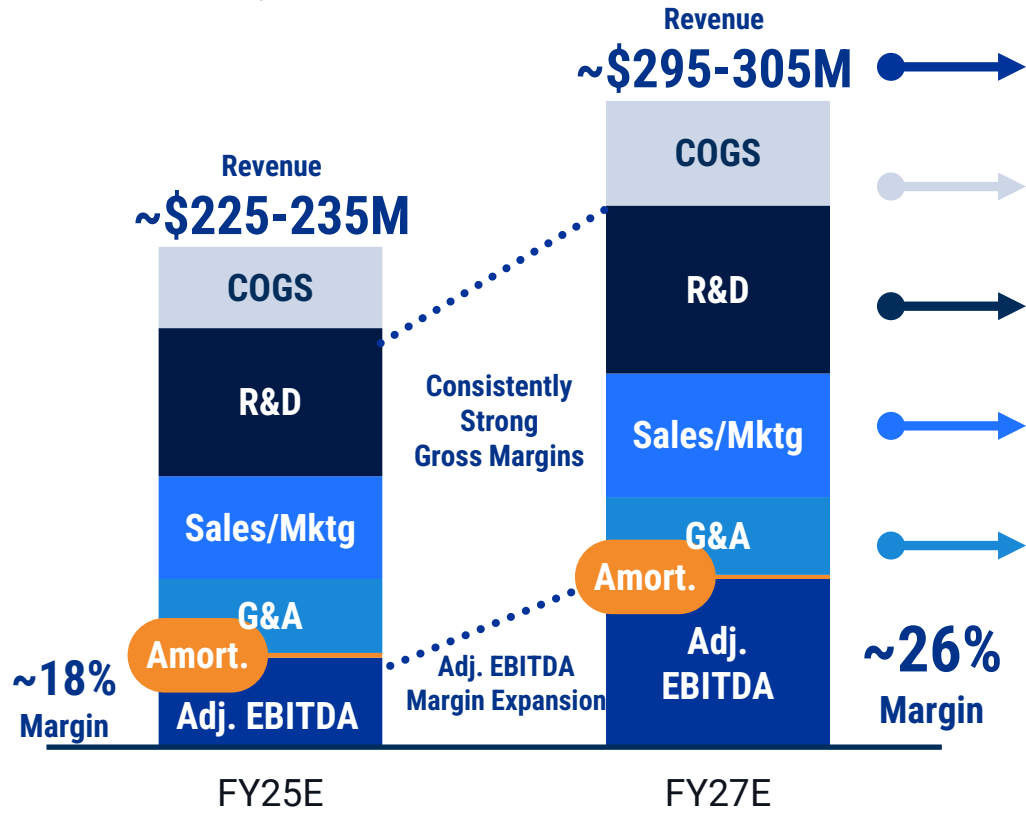


- Forecasted growth in line with past performance through industry cycles
- Upside impact from new platform initiatives expected to be material after FY27

Capitalizing on Recent Investments to Accelerate Near-Term Revenue Growth

Clear Path to Adj. EBITDA Expansion

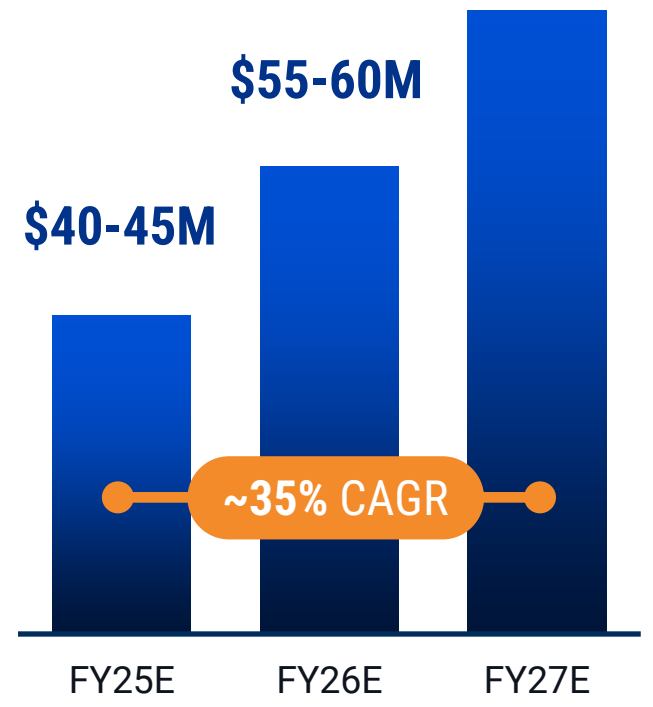
Adj. EBITDA Margin Growth



- Double-digit revenue CAGR driven by base of secured QNX royalty backlog
- +80% gross margin driven by high mix of development platform and royalties
- Normalization of R&D spend following current platform investment phase
- Consistent sales/marketing spend (as % of revenue) to support go-to-market
- Operating leverage in G&A

~Double Adj. EBITDA over 3 Years

Adj. EBITDA Growth Profile (\$M)



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Delivering Strong Adj. EBITDA Expansion through Revenue and Margin Growth

Strengthening Our Cybersecurity Business



Optimizing Our Valuable Cybersecurity Portfolio

Secure Communications



BlackBerry UEM

Highly secure, leading UEM solution. Market-leader for on-premise deployment

\$0.8B

Addressable



BlackBerry AtHoc

#1 Critical Events Management solution in US Federal Govt

\$1.8B

Addressable



Highly secure encrypted voice and data solution trusted by NATO and governments around world

\$2B

Addressable

Endpoint Security



CYLANCE

Leading AI/ML endpoint security solution with most patents

Range of MDR and XDR managed service solutions to address large opportunity

\$2B

Addressable

- **Profitable, stable business** with solid long-term growth prospects
- **Clear go-to-market synergies** driven by focus on government customers
- **Cash generator** for higher-growth parts of business

- **Strong IP portfolio** and competitive market offerings (EDR & MDR)
- **Improving metrics** in customer retention and cost efficiency

Growing Our Profitable Secure Comms Franchise While Further Optimizing Endpoint Security

Building on our Secure Communications Foundation

Secure
Comms

Endpoint
Security



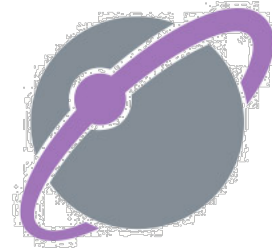
BlackBerry UEM

Overview

- Major contributor to Cybersecurity revenue
- Strong focus on retention, efficiency & profitability

Competitive Advantages

- Data Sovereignty / On-Premise Multi-tenant
- Application, Data, & Browser Security
- Regulatory Certifications



BlackBerry AtHoc

Overview

- Strong customer base and growing in US Government
- Focus on police/fire/ambulance opportunities

Competitive Advantages

- Scale & reliability for major events with comprehensive workflows
- Wide array of alerting integrations (cameras, alarms, displays, etc.)
- Extensive US Government & International Certifications



BlackBerry SecuSuite

Overview

- Strong German Government base
- Focus on new mobile app suite & growth outside of Germany

Competitive Advantages

- NSA certified end-to-end encryption
- Cryptographic proof of identity
- Data sovereignty
- Extensive certifications



Profit Driver

\$0.8B

Addressable
Market



Growth Driver

\$1.8B

Addressable
Market



Growth Driver

\$2.0B

Addressable
Market

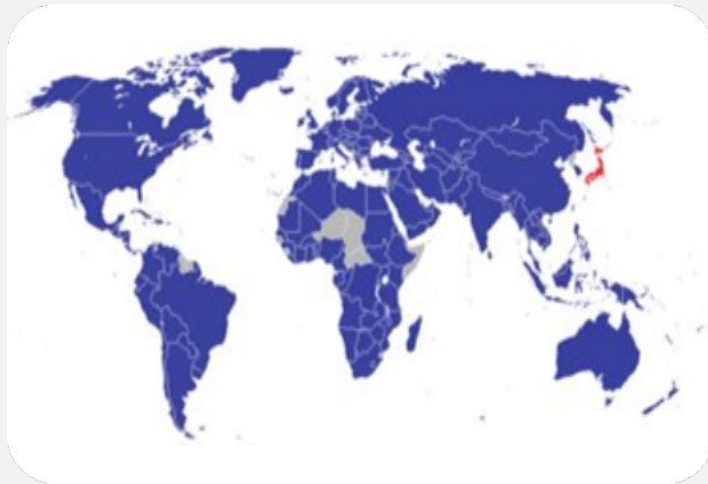
Strong Foundation of Highly Satisfied & Loyal Customers



80%

Government & Large Enterprise
With \$250k+ ARR

STRONG RETENTION



45%

North America

45%

EMEA

10%

Asia Pacific



Preferred Choice

National Governments

Military

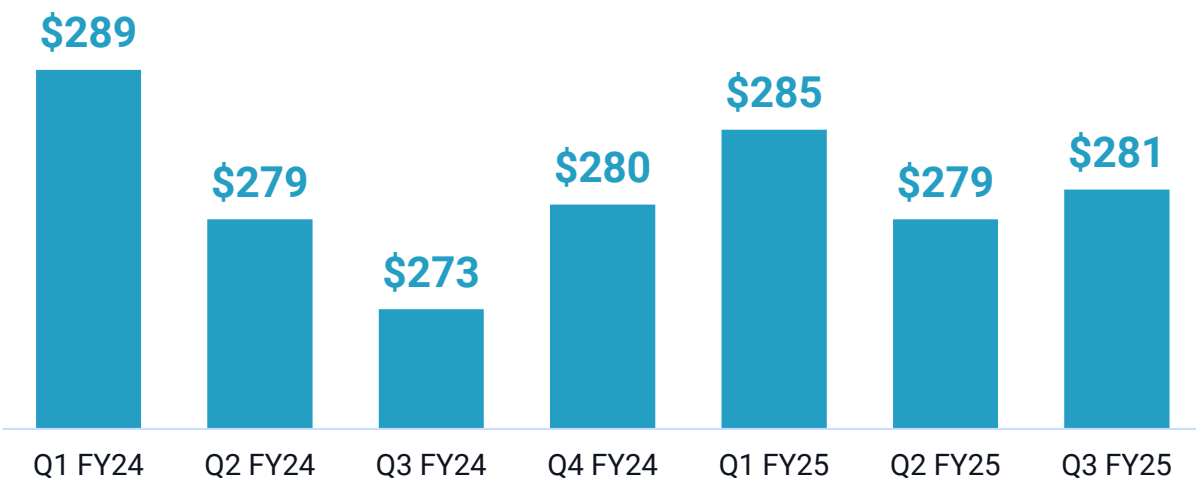
**UNITED STATES, CANADA,
GERMANY, MALAYSIA, AND MORE**

% mix of secure communications ARR (as of September 2024)

\$17M ARR from Customers With 2 or 3 Secure Communications Solutions, With Strong Opportunity to Expand

Building on Improving Fundamentals

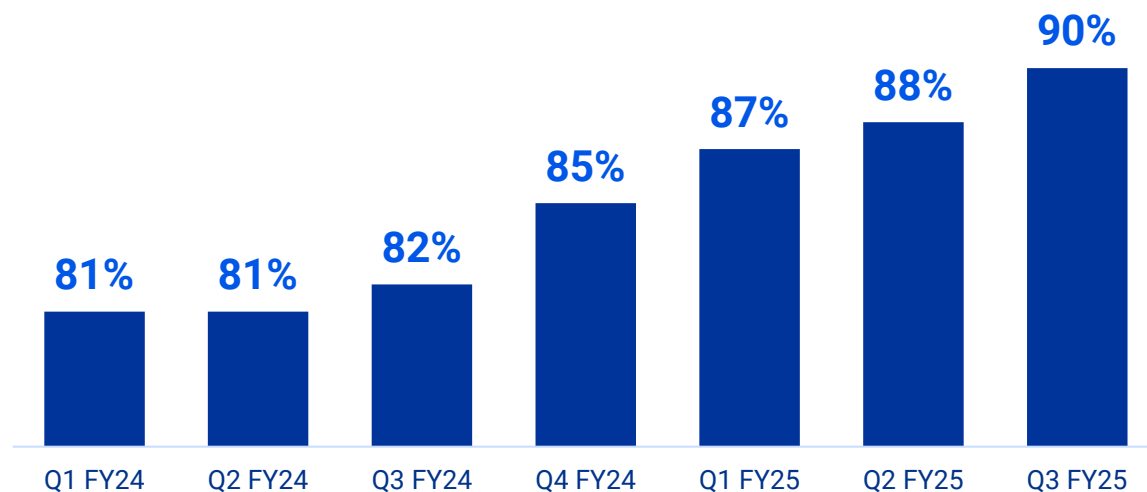
Annual Recurring Revenue (ARR)



ARR Stabilization

- **~80% of Cyber revenue is ratable & recurring**
- Prior period headwinds driven by Cylance & UEM customer churn
- **Stabilization in past year** driven by UEM business

Dollar-Based Net Retention Rate (DBNRR)



DBNRR Improvement

- **Demonstrated ability to retain and upsell** customers
- **Significant improvement in UEM retention** and **~100% retention in AtHoc** business, offsetting pressure from Cylance customer churn

Improving Revenue Durability Through Greater Strategic Focus

Appendix (Q3 FY25 Financials)

GAAP Income Statement (\$M)

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25
Secure Communications	\$ 68	\$ 53	\$ 91	\$ 72	\$ 284	\$ 64	\$ 67	\$ 74
IoT	45	49	55	66	215	53	55	62
Software and Services	113	102	146	138	499	117	122	136
Licensing	235	4	6	15	260	6	3	7
Revenue from Continuing Operations	348	106	152	153	759	123	125	143
Cost of Sales	176	30	33	31	270	33	38	31
GAAP Gross Margin	172	76	119	122	489	90	87	112
Research and development	36	33	29	29	127	31	26	27
Sales and marketing	27	26	25	26	104	24	22	23
General and administrative	55	32	45	54	186	41	33	38
Amortization	8	8	6	5	27	5	5	4
Impairment of goodwill	-	-	-	35	35	-	-	-
Impairment of long-lived assets	-	1	9	2	12	3	-	1
Prior Debentures fair value adjustment	22	(6)	(13)	-	3	-	-	-
Total operating expenses	148	94	101	151	494	104	86	93
Operating Income (loss)	24	(18)	18	(29)	(5)	(14)	1	19
Investment income, net	3	7	5	4	19	5	3	-
Income (loss) before income taxes	27	(11)	23	(25)	14	(9)	4	19
Provision for income taxes	3	2	15	4	24	8	1	7
Income (loss) from continuing operations	24	(13)	8	(29)	(10)	(17)	3	12
Loss from discontinued operations, net of tax	(35)	(29)	(29)	(27)	(120)	(25)	(22)	(23)
GAAP Net Loss	\$ (11)	\$ (42)	\$ (21)	\$ (56)	\$ (130)	\$ (42)	\$ (19)	\$ (11)
Total basic loss per share	\$ (0.02)	\$ (0.07)	\$ (0.04)	\$ (0.10)	\$ (0.22)	\$ (0.07)	\$ (0.03)	\$ (0.02)
Diluted basic loss per share	\$ (0.02)	\$ (0.07)	\$ (0.05)	\$ (0.10)	\$ (0.22)	\$ (0.07)	\$ (0.03)	\$ (0.02)
Weighted-average number of common shares outstanding (000s)								
Basic	582,812	583,524	584,331	587,523	584,543	589,821	590,549	591,240
Diluted	582,812	583,524	638,470	587,523	584,543	589,821	590,549	593,530

Discontinued Operations (\$M)

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25
Revenue	\$ 25	\$ 26	\$ 23	\$ 20	\$ 94	\$ 21	\$ 20	\$ 19
Cost of Sales	16	15	13	11	55	13	12	11
GAAP Gross Margin	9	11	10	9	39	8	8	8
Operating expenses								
Research and development	15	13	10	8	46	9	9	9
Sales and marketing	16	15	15	14	60	13	11	11
General and administrative	6	6	5	5	22	4	4	4
Amortization	7	6	7	7	27	7	6	7
Impairment of long-lived assets	-	-	2	2	4	0	-	-
Total operating expenses	44	40	39	36	159	33	30	31
GAAP Operating Loss	(35)	(29)	(29)	(27)	(120)	(25)	(22)	(23)
Provision for income taxes	-	-	-	-	-	-	-	-
Loss from discontinued operations	\$ (35)	\$ (29)	\$ (29)	\$ (27)	\$ (120)	\$ (25)	\$ (22)	\$ (23)

Segment Information (\$M)

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25
Secure Communications								
Segment revenue	\$ 68	\$ 53	\$ 91	\$ 72	\$ 284	\$ 64	\$ 67	\$ 74
Segment cost of sales	20	19	23	19	81	21	26	20
Secure Communications Segment gross margin	48	34	68	53	203	43	41	54
<i>Segment gross margin %</i>	71%	64%	75%	74%	71%	67%	61%	73%
Segment research and development	17	15	12	12	56	12	12	11
Segment sales and marketing	16	15	15	12	58	12	11	12
Segment general and administrative	13	13	9	12	47	10	11	10
Less amortization included in the above	1	2	1	1	5	1	1	1
Secure Communications Segment EBITDA	3	-7	33	18	47	10	8	22
IoT								
Segment revenue	45	49	55	66	\$ 215	53	55	62
Segment cost of sales	8	8	8	10	34	9	10	9
IoT Segment gross margin	37	41	47	56	181	44	45	53
<i>Segment gross margin %</i>	82%	84%	85%	85%	84%	83%	82%	85%
Segment research and development	17	17	15	15	64	17	14	16
Segment sales and marketing	11	10	10	12	43	11	10	11
Segment general and administrative	11	11	10	11	43	8	8	9
Less amortization included in the above	1	1	-	1	3	1	-	1
IoT Segment EBITDA	(1)	4	12	19	34	9	13	18
Licensing								
Segment revenue	235	4	6	15	\$ 260	6	3	7
Segment cost of sales	147	2	1	2	152	2	1	2
Licensing Segment gross margin	88	2	5	13	108	4	2	5
<i>Segment gross margin %</i>	37%	50%	83%	87%	42%	67%	67%	71%
Segment research and development	-	-	-	-	-	-	-	-
Segment sales and marketing	-	-	-	-	-	-	-	-
Segment general and administrative	9	4	6	4	23	2	2	1
Less amortization included in the above	3	2	3	2	10	2	2	2
Licensing Segment EBITDA	82	-	2	11	95	4	2	6
Total Segment Gross Margin	173	77	120	122	492	91	88	112
Adjustment to cost of sales	(1)	(1)	(1)	-	(3)	(1)	(1)	-
Total Gross Margin	\$ 172	\$ 76	\$ 119	\$ 122	\$ 489	\$ 90	\$ 87	\$ 112

Adjusted EBITDA does 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 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.

Non-GAAP Reconciliation EBITDA (\$M)

	<u>Q1FY24</u>	<u>Q2FY24</u>	<u>Q3FY24</u>	<u>Q4FY24</u>	<u>FY24</u>	<u>Q1FY25</u>	<u>Q2FY25</u>	<u>Q3FY25</u>
Net loss	\$ (11)	\$ (42)	\$ (21)	\$ (56)	\$ (130)	\$ (42)	\$ (19)	\$ (11)
Non-GAAP adjustments to operating loss								
Restructuring charges	5	3	9	20	37	8	1	7
Stock compensation expense	9	11	8	5	33	8	7	6
Prior Debentures fair value adjustment	22	(6)	(13)	-	3	-	-	-
Acquired intangibles amortization	10	10	9	8	38	8	9	9
Impairment of goodwill	-	-	-	35	35	-	-	-
Impairment of long-lived assets	-	1	11	4	15	3	-	1
Total Non-GAAP adjustments	46	19	24	72	161	27	17	23
Amortization	16	16	14	13	59	13	13	13
Acquired intangibles amortization	(10)	(10)	(9)	(8)	(38)	(8)	(9)	(9)
Investment Income	(3)	(7)	(5)	(4)	(19)	(5)	(3)	-
Provision for income taxes	3	2	15	4	24	8	1	7
Total Company Adjusted EBITDA	\$ 41	\$ (22)	\$ 18	\$ 21	\$ 57	\$ (7)	\$ -	\$ 23
Less:								
IoT Segment EBITDA	(1)	4	12	19	34	9	13	18
Licensing Segment EBITDA	82	-	2	11	95	4	2	6
Corporate general and administrative expense	(16)	3	(10)	(10)	(34)	(13)	(9)	(9)
Total Cybersecurity Adjusted EBITDA	\$ (24)	\$ (29)	\$ 14	\$ 1	\$ (38)	\$ (7)	\$ (6)	\$ 8

Adjusted EBITDA does 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 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.

Non-GAAP Adjustments (\$M)

Non-GAAP Adjustments on continuing operations	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25
Prior Debentures fair value adjustment	22	(6)	(13)	-	3	-	-	-
Restructuring charges	5	3	9	20	37	8	1	7
Stock compensation expense	8	10	7	4	29	7	5	4
Acquired intangibles amortization	3	4	2	1	10	1	3	2
Impairment of goodwill	-	-	-	35	35	-	-	-
Impairment of long-lived assets	-	1	9	2	12	3	-	1
Total Non-GAAP Adjustments on continuing operations	\$ 38	\$ 12	\$ 14	\$ 62	\$ 126	\$ 19	\$ 9	\$ 14
Non-GAAP Adjustments on discontinued operations	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25
Stock based Compensation	1	1	1	1	4	1	2	2
Impairment of long-lived assets	-	-	2	2	4	-	-	-
Acquired intangibles amortization	7	6	7	7	27	7	6	7
Total Non-GAAP Adjustments on discontinued operations	\$ 8	\$ 7	\$ 10	\$ 10	\$ 35	\$ 8	\$ 8	\$ 9
Total Company Non-GAAP Adjustments	\$ 46	\$ 19	\$ 24	\$ 72	\$ 161	\$ 27	\$ 17	\$ 23

Adjusted EBITDA does 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 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.

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