

BlackBerry Investor Presentation

Q4 FY'20

BlackBerry Public

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Strategy

BlackBerry Vision

Securing a connected future you can trust

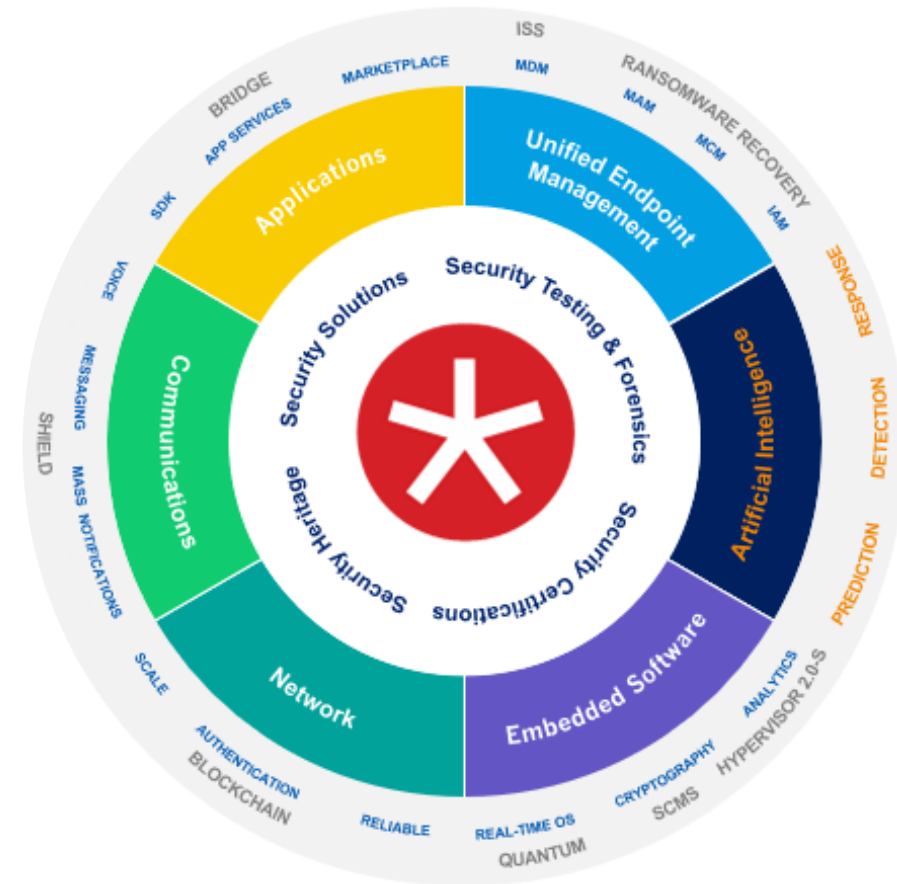
BlackBerry Mission (1984)

Always try to build something special...build important things and have an impact on society

BlackBerry Strategy

The complete platform for a trusted Internet of Things

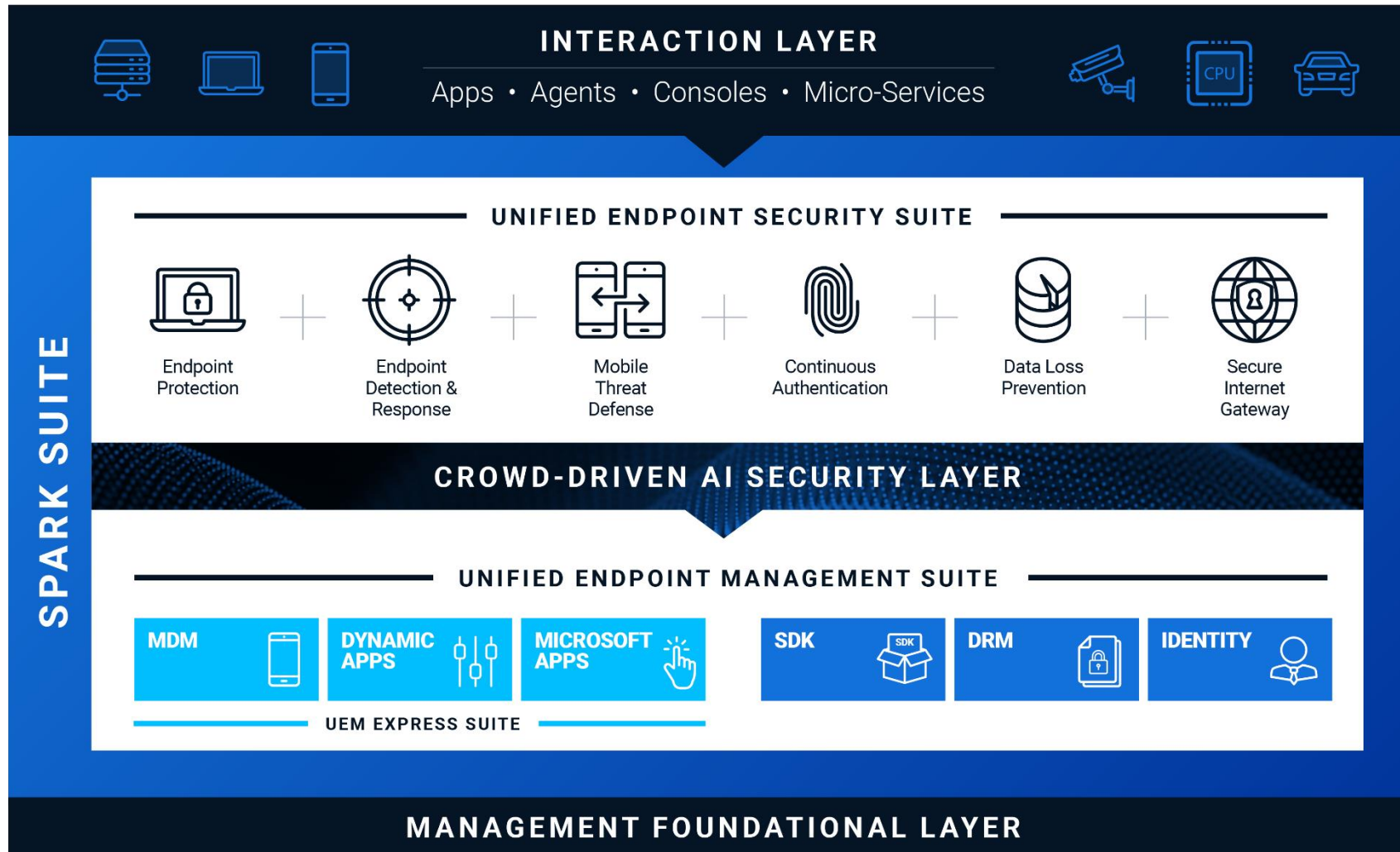
- FY20 Growth
- FY19 Product portfolio established
- FY18 Software pivot complete
- FY15 Strategy formulated



Organic investments
 Inorganic investments

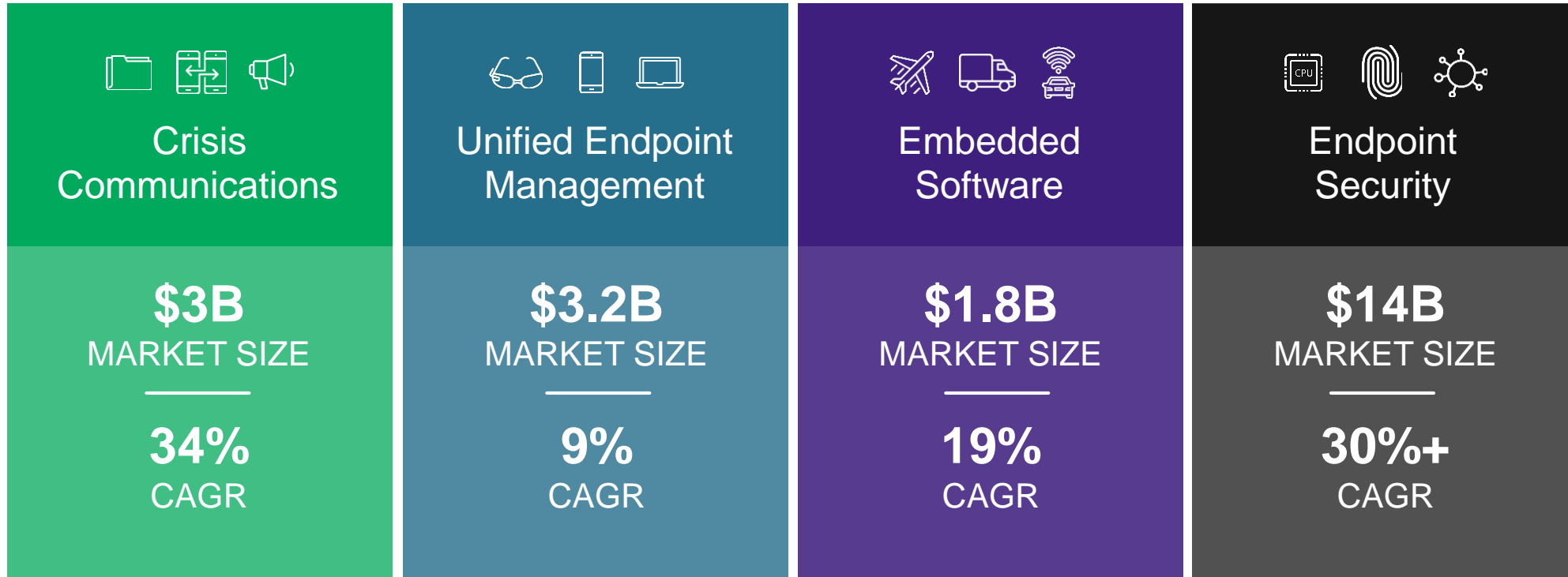


Order is achieved through BlackBerry's AI-powered Unified Endpoint Security platform



BlackBerry Strategy

BlackBerry operates in a \$22B Internet of Things TAM, with a 27% CAGR



... & Trust Is The #1 Catalyst

CAGR: 2018-2021; Sources: Worldwide EMM Software Market Shares; Evolving Mobility Use Cases Drive Market Growth; Worldwide IT Security Products Forecast; Comprehensive Security Products Forecast Review

BlackBerry Strategy

Pivotal moments of the past 12 months



Expanded from EoT to IoT



AI / ML capabilities added

\$1B

1B cybersecurity company



Over 150 million cars



Over half a billion endpoints
connected and protected

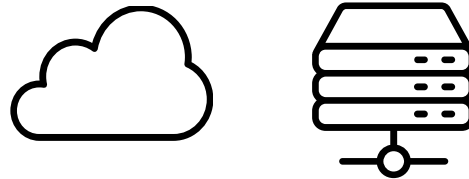


Established BGS

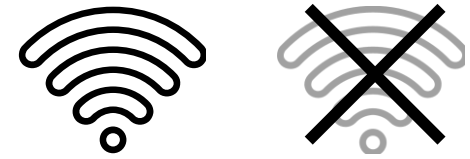
Why Cylance



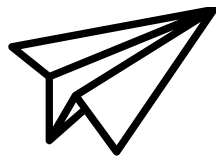
AI / ML Based
Next-Generation Security



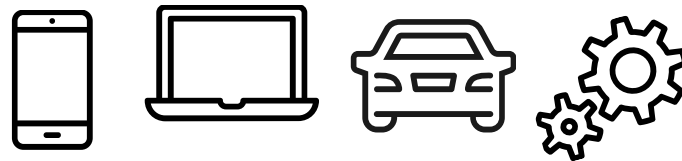
Cloud & On-Prem
Offerings



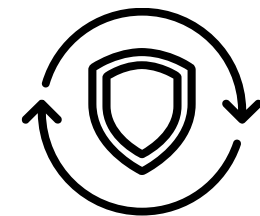
Operates Online
& Offline



Lightweight
Agent



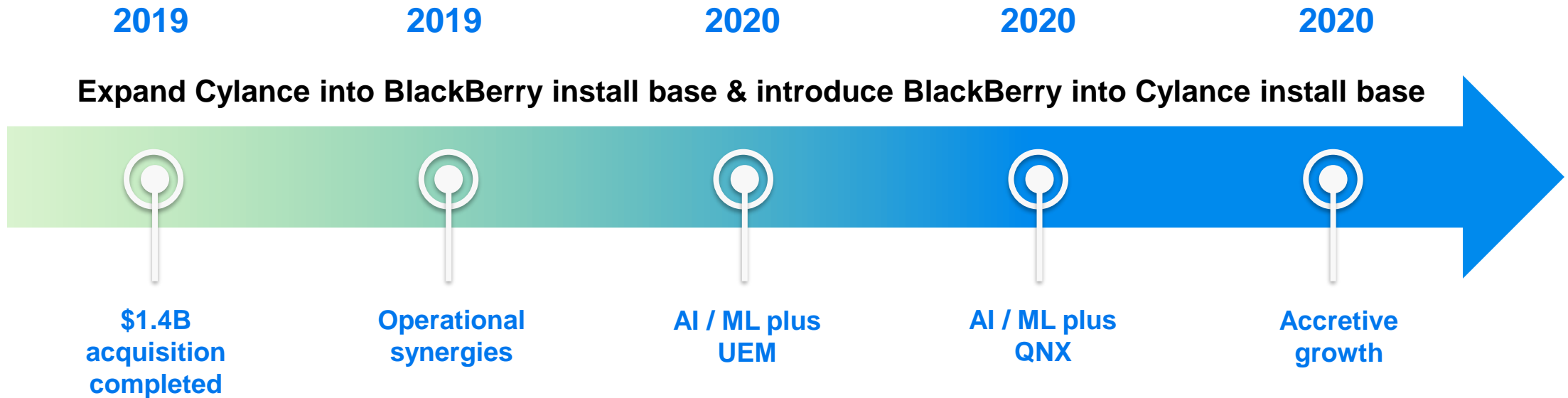
Scales To All
IoT Endpoints



Complements
BlackBerry Portfolio

BlackBerry Cylance

Natural synergies for an advanced integration timeline



FY20 Operational Priorities

We will continue to invest in our product and go-to-market



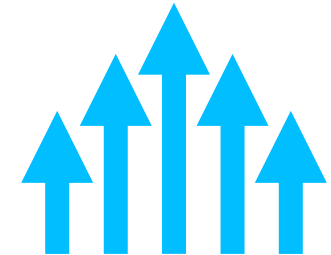
Deliver BlackBerry
Spark



Integrate BlackBerry
Cylance portfolio



Broaden reach in
regulated verticals



Expand into new
verticals



Financials

BlackBerry's Strategic Priorities In FY20

IoT	BlackBerry Cylance	Licensing
<ul style="list-style-type: none">• Increase market share in regulated industry verticals• Expand design wins in ADAS, Digital Cockpits and other new automobile applications• Invest in expansion for Secure Voice and Emergency Mass Notification• Integrate UEM / Cylance technologies and QNX / Cylance technologies for market expansion• Release BlackBerry Spark module and develop partner GTM eco-system	<ul style="list-style-type: none">• Continue revenue growth via new customer acquisition and existing customers expansion• Successfully bring new product innovation to market• Improve profitability• Reduce cash burn	<ul style="list-style-type: none">• Close pipeline opportunities for patent monetization with direct and indirect channel• Grow annual recurring revenue run-rate of \$160M+

INVEST FOR FUTURE GROWTH

Looking to the Future— Timeless Model Assumptions

		<i>Accelerated Growth From the IoT</i>
	FY19 Results	Timeless Model
Recurring Software & Services Revenue ¹	91%²	~90%
Gross Margin ¹	78%	~80-85%
Operating Income ¹	13%	~20-25%
Adjusted EBITDA ¹	20%	~25-30%

Notes: 1. All metrics shown above are on a Non-GAAP basis. 2. Includes perpetual licenses that are recognized ratably in FY19.

GAAP Income Statement (\$M)

	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
IoT	125	137	148	144	554	135	133	145	127	540
BlackBerry Cylance	1	-	1	3	5	33	35	40	43	151
Licensing	63	56	68	99	286	72	71	77	108	328
Software & Services	\$ 189	\$ 193	\$ 217	\$ 246	\$ 845	\$ 240	\$ 239	\$ 262	\$ 278	\$ 1,019
Other	24	17	9	9	59	7	5	5	4	21
Total GAAP Revenue	213	210	226	255	904	247	244	267	282	1,040
Cost of Sales	52	49	56	49	206	70	68	69	70	227
Gross Profit	161	161	170	206	698	177	176	198	212	763
Research and Development	61	51	55	52	219	71	62	66	60	259
Selling, Marketing and Admin	100	106	93	110	409	121	130	129	113	493
Amortization	37	35	33	31	136	49	48	49	48	194
Impairment of Long-lived Assets	-	-	-	-	-	-	2	3	5	10
Impairment of Goodwill	-	-	-	-	-	-	-	-	22	22
Debentures Fair Value Adjustment	28	(70)	(69)	(6)	(117)	(28)	(23)	(20)	5	(66)
Settlements, net	-	-	-	(9)	(9)	-	-	-	-	-
Total Operating Expenses	226	122	112	178	638	213	219	227	253	912
GAAP Operating Income (Loss)	(65)	39	58	28	60	(36)	(43)	(29)	(41)	(149)
Investment Income (Loss), Net	6	5	2	4	17	3	-	(1)	(1)	1
Income (Loss) before Income Taxes	(59)	44	60	32	77	(33)	(43)	(30)	(42)	(148)
Provision for (recovery of) income taxes	1	1	1	(19)	(16)	2	1	2	(1)	4
GAAP Net Income (Loss)	\$ (60)	\$ 43	\$ 59	\$ 51	\$ 93	\$ (35)	\$ (44)	\$ (32)	\$ (41)	\$ (152)
Earning (Loss) per Share Basic	\$ (0.11)	\$ 0.08	\$ 0.11	\$ 0.09	\$ 0.17	\$ (0.06)	\$ (0.08)	\$ (0.06)	\$ (0.07)	\$ (0.27)
Earning (Loss) per Share Diluted	\$ (0.11)	\$ (0.04)	\$ (0.01)	\$ 0.08	\$ 0.00	\$ (0.09)	\$ (0.10)	\$ (0.07)	\$ (0.07)	\$ (0.32)
Weighted-average number of common shares outstanding										
Basic	536,964	537,299	540,406	547,272	540,477	551,845	552,343	554,585	556,668	553,861
Diluted	536,964	597,799	600,906	615,593	616,467	612,345	612,843	615,085	556,668	614,361

Non-GAAP Reconciliation (\$M)

Non-GAAP Adjustments (Pre-Tax and After-Tax)

	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
Debentures Fair Value Adjustment	28	(70)	(69)	(6)	(117)	(28)	(23)	(20)	5	(66)
Restructuring Charges	4	3	1	3	11	1	1	7	1	10
Software Deferred Revenue Acquired	4	4	2	2	12	20	17	13	9	59
Software Deferred Commission Acquired	-	-	-	-	-	(5)	(4)	(4)	(3)	(16)
Stock Compensation Expense	18	21	15	14	68	17	14	15	17	63
Acquired Intangible Amortization	22	22	20	18	82	35	36	35	35	141
Business Acquisition and Integration Costs	1	(2)	5	8	12	1	2	-	1	4
Settlements, net	-	-	-	(9)	(9)	-	-	-	-	-
Goodwill Impairment Charge	-	-	-	-	-	-	-	-	22	22
LLA Impairment Charge	-	-	-	-	-	-	2	3	5	10
Acquisition income tax recoveries	-	-	-	(21)	(21)	(1)	-	-	-	(1)
Total Non-GAAP Adjustment (Pre-Tax and After-Tax)	\$ 77	\$ (22)	\$ (26)	\$ 9	\$ 38	\$ 40	\$ 45	\$ 49	\$ 92	\$ 226

GAAP to non-GAAP Gross Profit

	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
GAAP Revenue	\$ 213	\$ 210	\$ 226	\$ 255	\$ 904	\$ 247	\$ 244	\$ 267	\$ 282	\$ 1,040
Software Deferred Revenue Acquired	4	4	2	2	12	20	17	13	9	59
Non-GAAP Revenue	217	214	228	257	916	267	261	280	291	1,099
GAAP Cost of Sales	52	49	56	49	206	70	68	69	70	277
Non-GAAP Adjustments to Cost of Sales	(1)	(2)	(1)	(2)	(6)	(2)	(2)	(4)	(2)	(10)
Non-GAAP Cost of Sales	51	47	55	47	200	68	66	65	68	267
Non-GAAP Gross Profit	166	167	173	210	716	199	195	215	223	832

Non-GAAP Reconciliation (\$M) (Cont.)

Adjusted EBITDA

	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
GAAP Operating Income (Loss)	\$ (65)	\$ 39	\$ 58	\$ 28	\$ 60	\$ (36)	\$ (43)	\$ (29)	\$ (41)	\$ (149)
Non-GAAP Adjustments to Operating Income	77	(22)	(26)	30	59	41	45	49	92	227
Non-GAAP Operating Income	12	17	32	58	119	5	2	20	51	78
Amortization	41	38	37	33	149	53	54	53	52	212
Acquired Amortization Intangibles	(22)	(22)	(20)	(18)	(82)	(35)	(36)	(35)	(35)	(141)
Adjusted EBITDA	31	33	49	73	186	23	20	38	68	149

Reconciliation from GAAP Net Income (Loss) to Non-GAAP Net Income and Non-GAAP Earnings per Share

	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
GAAP Net Income (Loss)	\$ (60)	\$ 43	\$ 59	\$ 51	\$ 93	\$ (35)	\$ (44)	\$ (32)	\$ (41)	\$ (152)
Total Non-GAAP Adjustment (After-Tax)	77	(22)	(26)	9	38	40	45	49	92	226
Non-GAAP Net Income (Loss)	17	21	33	60	131	5	1	17	51	74
Non-GAAP Basic Earning (Loss) per Share	\$ 0.03	\$ 0.04	\$ 0.06	\$ 0.11	\$ 0.24	\$ 0.01	\$ 0.00	\$ 0.03	\$ 0.09	\$ 0.13
Shares outstanding for Non-GAAP income (loss) per share reconciliation ('000)	536,964	537,299	540,406	547,272	540,477	551,845	552,343	554,585	556,668	553,861

Non-GAAP Revenue, non-GAAP Loss Before Income Taxes, non-GAAP Net Loss, non-GAAP Gross Profit, Adjusted EBITDA, and non-GAAP 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.

Amortization And Reconciliation Details (\$M)

Restructuring Charges Details (Pre-Tax)	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
Cost of Sales	\$ -	\$ 1	\$ -	\$ 1	\$ 2	\$ 1	\$ 1	\$ 3	\$ -	\$ 5
Research and Development	2	-	-	-	2	-	-	-	-	-
Selling, Marketing and Administration	2	2	1	2	7	-	-	4	1	5
Total Restructuring Charges	\$ 4	\$ 3	\$ 1	\$ 3	\$ 11	\$ 1	\$ 1	\$ 7	\$ 1	\$ 10
Amortization of Intangibles and PP&E Details										
	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
Cost of Sales Amortization										
Property, Plant and Equipment	\$ 2	\$ 1	\$ 2	\$ 1	\$ 6	\$ 1	\$ 2	\$ 1	\$ 2	\$ 6
Intangibles Assets	2	2	2	1	7	3	4	3	2	12
Total in Cost of Sales	4	3	4	2	13	4	6	4	4	18
Operating Expenses Amortization										
Property, Plant and Equipment	\$ 3	\$ 3	\$ 4	\$ 4	\$ 14	\$ 5	\$ 4	\$ 5	\$ 4	\$ 18
Intangibles Assets	34	32	29	27	122	44	44	44	44	176
Total in Operating Expenses Amortization	37	35	33	31	136	49	48	49	48	194
Total Amortization										
Property, Plant and Equipment	\$ 5	\$ 4	\$ 6	\$ 5	\$ 20	\$ 6	\$ 6	\$ 6	\$ 6	\$ 24
Intangibles Assets	36	34	31	28	129	47	48	47	46	188
Total Amortization	41	38	37	33	149	53	54	53	52	212

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.

THANK YOU