

BlackBerry Investor Relations Supplement

GAAP Income Statement (Three Months Ended)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
QNX	\$ 53.2	\$ 54.7	\$ 62.3	\$ 65.8	\$ 236.0	\$ 57.5	\$ 63.1
Secure Communications	64.2	66.5	74.6	67.3	272.6	59.5	59.9
Software and Services	117.4	121.2	136.9	133.1	508.6	117.0	123.0
Licensing	6.0	5.0	6.7	8.6	26.3	4.7	6.6
Revenue	123.4	126.2	143.6	141.7	534.9	121.7	129.6
Cost of Sales	33.4	37.6	31.4	37.6	140.0	31.4	33.0
Gross Margin	90.0	88.6	112.2	104.1	394.9	90.3	96.6
Operating expenses							
Research and development	30.6	27.1	27.9	23.2	108.8	25.0	25.6
Sales and marketing	23.8	21.3	23.4	27.1	95.5	28.7	24.4
General and administrative	40.3	32.8	36.4	50.0	159.7	30.5	31.5
Amortization	4.7	4.6	4.4	4.1	17.7	4.0	3.1
Impairment of long-lived assets	3.5	0.6	0.6	4.9	9.6	0.1	0.5
Litigation settlement	-	-	-	2.8	2.8	-	-
Total operating expenses	102.9	86.4	92.7	112.1	394.1	88.3	85.1
Operating Income (loss)	(12.9)	2.2	19.5	(8.0)	0.8	2.0	11.5
Investment income (loss), net	4.0	2.7	(0.6)	1.6	7.7	2.9	1.9
Income (loss) before income taxes	(8.9)	4.9	18.9	(6.4)	8.5	4.9	13.4
Provision for income taxes	7.6	1.4	6.6	1.4	17.0	3.0	0.1
Income (loss) from continuing operations	(16.5)	3.5	12.3	(7.8)	(8.5)	1.9	13.3
Income (loss) from discontinued operations, net of tax	(24.9)	(23.2)	(22.8)	0.4	(70.5)	-	-
Net income (loss)	\$ (41.4)	\$ (19.7)	\$ (10.5)	\$ (7.4)	\$ (79.0)	\$ 1.9	\$ 13.3
Earnings (loss) per share							
Total basic earnings (loss) per share	\$ (0.07)	\$ (0.03)	\$ (0.02)	\$ (0.01)	\$ (0.13)	\$ 0.00	\$ 0.02
Diluted basic earnings (loss) per share	\$ (0.07)	\$ (0.03)	\$ (0.02)	\$ (0.01)	\$ (0.13)	\$ 0.00	\$ 0.02
Weighted-average number of common shares outstanding (000s)							
Basic	589,821	590,549	591,240	594,267	591,470	596,300	592,938
Diluted	589,821	591,610	593,530	594,267	591,470	600,831	597,369

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Segment Adjusted Gross Margin and Adjusted EBITDA (Three Months Ended)

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
QNX							
Segment revenue	\$ 53.2	\$ 54.7	\$ 62.3	\$ 65.8	\$ 236.0	\$ 57.5	\$ 63.1
Segment cost of sales	9.5	9.3	8.9	11.1	38.8	11.2	10.7
Segment adjusted gross margin	43.7	45.4	53.4	54.7	197.2	46.3	52.4
<i>Segment adjusted gross margin %</i>	82%	83%	86%	83%	84%	81%	83%
Segment research and development	16.4	14.7	15.7	13.1	59.9	12.4	13.2
Segment sales and marketing	10.7	9.8	11.6	14.5	46.6	13.3	10.8
Segment general and administrative	8.2	8.4	8.8	8.5	33.9	8.6	8.5
Less amortization included in the above	0.5	0.6	0.6	0.6	2.3	0.7	0.6
QNX Segment Adjusted EBITDA	8.9	13.1	17.9	19.2	59.1	12.7	20.5
Secure Communications							
Segment revenue	64.2	66.5	74.6	67.3	272.6	59.5	59.9
Segment cost of sales	21.8	26.1	20.3	24.5	92.7	18.1	20.2
Segment adjusted gross margin	42.4	40.4	54.3	42.8	179.9	41.4	39.7
<i>Segment adjusted gross margin %</i>	66%	61%	73%	64%	66%	70%	66%
Segment research and development	12.3	11.7	11.1	9.1	44.2	11.3	11.1
Segment sales and marketing	12.2	11.1	11.1	12.0	46.4	13.6	12.1
Segment general and administrative	9.6	10.5	10.4	9.7	40.2	7.5	7.3
Less amortization included in the above	1.0	0.8	0.8	0.6	3.2	0.6	0.5
Secure Communications Segment Adjusted EBITDA	9.3	7.9	22.5	12.6	52.3	9.6	9.7
Licensing							
Segment revenue	6.0	5.0	6.7	8.6	26.3	4.7	6.6
Segment cost of sales	1.4	1.6	1.5	1.6	6.1	1.6	1.5
Segment adjusted gross margin	4.6	3.4	5.2	7.0	20.2	3.1	5.1
<i>Segment adjusted gross margin %</i>	77%	68%	78%	81%	77%	66%	77%
Segment general and administrative	2.1	1.7	1.8	7.8	13.4	1.6	1.6
Less amortization included in the above	2.2	2.3	2.3	2.2	9.0	2.3	2.1
Licensing Segment Adjusted EBITDA	4.7	4.0	5.7	1.4	15.8	3.8	5.6
Total Segment Adjusted Gross Margin	90.7	89.2	112.9	104.5	397.3	90.8	97.2
Adjustment to cost of sales	(0.7)	(0.6)	(0.7)	(0.4)	(2.4)	(0.5)	(0.6)
Total Gross Margin	\$ 90.0	\$ 88.6	\$ 112.2	\$ 104.1	\$ 394.9	\$ 90.3	\$ 96.6

Key Metrics (Three Months Ended)

	Q1FY25	Q2FY25	Q3FY25	Q4FY25		Q1FY26	Q2FY26
Secure Communications Annual Recurring Revenue	\$ 211	\$ 209	\$ 215	\$ 208		\$ 209	\$ 213
Secure Communications Dollar-Based Net Retention Rate	93%	93%	95%	93%		92%	93%
QNX Royalty Backlog				865			

Net cash provided by (used in) operating activities

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
Acquisition of property, plant and equipment	(15.1)	(16.0)	5.8	42.0	16.5	(18.0)	3.4
Free cash flow (usage)	(1.3)	(0.5)	(0.8)	(0.5)	(3.1)	(0.9)	(0.8)
	(16.4)	(16.5)	5.0	41.5	13.4	(18.9)	2.6

Non-GAAP Income Statement

(Three Months Ended)

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
QNX							
Segment revenue	\$ 53.2	\$ 54.7	\$ 62.3	\$ 65.8	\$ 236.0	\$ 57.5	\$ 63.1
Segment cost of sales	64.2	66.5	74.6	67.3	272.6	59.5	59.9
Software and Services	117.4	121.2	136.9	133.1	508.6	117.0	123.0
Licensing	6.0	5.0	6.7	8.6	26.3	4.7	6.6
Revenue	123.4	126.2	143.6	141.7	534.9	121.7	129.6
Cost of Sales	32.7	37.0	30.7	37.2	137.6	30.9	32.4
Adjusted Gross Margin	90.7	89.2	112.9	104.5	397.3	90.8	97.2
Operating expenses							
Research and development	28.8	25.9	26.8	22.0	103.5	23.7	24.2
Sales and marketing	23.0	20.6	22.8	26.4	92.7	27.3	23.1
General and administrative	30.1	29.1	27.5	36.6	123.5	25.1	25.5
Amortization	2.9	2.9	2.6	2.4	10.7	2.3	2.0
Total adjusted operating expenses	84.8	78.5	79.7	87.4	330.4	78.4	74.8
Adjusted Operating Income	5.9	10.7	33.2	17.1	66.9	12.4	22.4
Investment income (loss), net	4.0	2.7	(0.6)	1.6	7.7	2.9	1.9
Adjusted Income before income taxes	9.9	13.4	32.6	18.7	74.6	15.3	24.3
Provision for income taxes	7.6	1.4	6.6	1.4	17.0	3.0	0.1
Adjusted Income	2.3	12.0	26.0	17.3	57.6	12.3	24.2
Adjusted Income (Loss) from discontinued operations	(16.6)	(14.6)	(14.3)	0.4	(45.1)	-	-
Adjusted Net Income (Loss)	\$ (14.3)	\$ (2.6)	\$ 11.7	\$ 17.7	\$ 12.5	\$ 12.3	\$ 24.2

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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)

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
Restructuring charges	7.3	0.9	6.5	11.4	26.1	2.9	3.4
Stock compensation expense	6.2	5.3	4.8	4.3	20.6	5.7	5.9
Acquired intangibles amortization	1.8	1.7	1.8	1.7	7.0	1.7	1.1
Impairment of long-lived assets	3.5	0.6	0.6	4.9	9.6	0.1	0.5
Litigation settlement	-	-	-	2.8	2.8	-	-
Non-GAAP Adjustments on continuing operations	\$ 18.8	\$ 8.5	\$ 13.7	\$ 25.1	\$ 66.1	\$ 10.4	\$ 10.9

Non-GAAP Adjustments on discontinued operations (Three Months Ended)

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
Stock compensation expense	1.5	1.8	1.7	-	5.0	-	-
Acquired intangibles amortization	6.8	6.8	6.8	-	20.4	-	-
Non-GAAP Adjustments on discontinued operations	8.3	8.6	8.5	-	25.4	-	-

Adjusted Gross Margin

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
GAAP revenue	\$ 123.4	\$ 126.2	\$ 143.6	\$ 141.7	\$ 534.9	\$ 121.7	\$ 129.6
Total cost of sales	33.4	37.6	31.4	37.6	140.0	31.4	33.0
Non-GAAP adjustments to cost of sales	(0.7)	(0.6)	(0.7)	(0.4)	(2.4)	(0.5)	(0.6)
Adjusted Gross Margin	\$ 90.7	\$ 89.2	\$ 112.9	\$ 104.5	\$ 397.3	\$ 90.8	\$ 97.2
Adjusted Gross Margin %	74%	71%	79%	74%	74%	75%	75%

Research and development

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
GAAP research and development expense	\$ 30.6	\$ 27.1	\$ 27.9	\$ 23.2	\$ 108.8	\$ 25.0	\$ 25.6
Stock compensation expense	1.8	1.2	1.1	1.2	5.3	1.3	1.4
Adjusted research and development expense	\$ 28.8	\$ 25.9	\$ 26.8	\$ 22.0	\$ 103.5	\$ 23.7	\$ 24.2

Sales and marketing

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
GAAP sales and marketing	\$ 23.8	\$ 21.3	\$ 23.4	\$ 27.1	\$ 95.5	\$ 28.7	\$ 24.4
Stock compensation expense	0.8	0.7	0.6	0.7	2.8	1.4	1.3
Adjusted sales and marketing expense	\$ 23.0	\$ 20.6	\$ 22.8	\$ 26.4	\$ 92.7	\$ 27.3	\$ 23.1

General and administrative

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
GAAP General and administrative expense	\$ 40.3	\$ 32.8	\$ 36.4	\$ 50.0	\$ 159.7	\$ 30.5	\$ 31.5
Restructuring charges	7.3	0.9	6.5	11.4	26.1	2.9	3.4
Stock compensation expense	2.9	2.8	2.4	2.0	10.1	2.5	2.6
Adjusted general and administrative expense	\$ 30.1	\$ 29.1	\$ 27.5	\$ 36.6	\$ 123.5	\$ 25.1	\$ 25.5

Amortization

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
GAAP amortization expense	\$ 4.7	\$ 4.6	\$ 4.4	\$ 4.1	\$ 17.7	\$ 4.0	\$ 3.1
Acquired intangibles amortization	1.8	1.7	1.8	1.7	7.0	1.7	1.1
Adjusted amortization expense	\$ 2.9	\$ 2.9	\$ 2.6	\$ 2.4	\$ 10.7	\$ 2.3	\$ 2.0

Adjusted EBITDA

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
GAAP operating income (loss)	\$ (12.9)	\$ 2.2	\$ 19.5	\$ (8.0)	\$ 0.8	\$ 2.0	\$ 11.5
Non-GAAP adjustments to operating income (loss)	18.8	8.5	13.7	25.1	66.1	10.4	10.9
Adjusted operating income	5.9	10.7	33.2	17.1	66.9	12.4	22.4
Amortization	6.4	6.1	6.1	5.7	24.3	5.7	4.6
Acquired intangibles amortization	(1.8)	(1.7)	(1.8)	(1.7)	(7.0)	(1.7)	(1.1)
Adjusted EBITDA	\$ 10.5	\$ 15.1	\$ 37.5	\$ 21.1	\$ 84.2	\$ 16.4	\$ 25.9
Total Segment Adjusted EBITDA	22.9	25.0	46.1	33.2	127.2	26.1	35.8
Adjusted corporate operating costs excluding amortization	\$ (12.4)	\$ (9.9)	\$ (8.6)	\$ (12.1)	\$ (43.0)	\$ (9.7)	\$ (9.9)

Adjusted corporate operating costs excluding amortization

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
Corporate operating costs	\$ 25.4	\$ 13.1	\$ 16.8	\$ 31.1	\$ 86.4	\$ 14.9	\$ 16.2
Restructuring charges	7.3	0.9	6.4	11.4	26.0	2.9	3.4
Stock compensation expense	1.3	1.0	0.7	1.3	4.3	1.9	2.1
Impairment of long-lived assets	3.5	0.6	0.5	2.9	7.5	-	0.5
Litigation settlement	-	-	-	2.8	2.8	-	-
Adjusted corporate operating costs	13.3	10.6	9.2	12.7	45.8	10.1	10.2
Amortization	0.9	0.7	0.6	0.6	2.8	0.4	0.3
Adjusted corporate operating costs excluding amortization	\$ 12.4	\$ 9.9	\$ 8.6	\$ 12.1	\$ 43.0	\$ 9.7	\$ 9.9

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

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

GAAP net income (loss)

Total Non-GAAP adjustments (Three months ended, after-tax)

Adjusted Net Income (Loss)

Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
\$ (41.4)	\$ (19.7)	\$ (10.5)	\$ (7.4)	\$ (79.0)	\$ 1.9	\$ 13.3
27.1	17.1	22.2	25.1	91.5	10.4	10.9
\$ (14.3)	\$ (2.6)	\$ 11.7	\$ 17.7	\$ 12.5	\$ 12.3	\$ 24.2

Adjusted Earnings (Loss) per Share

Total adjusted earnings (loss) per share

Diluted adjusted earnings (loss) per share

\$ (0.02)	\$ 0.00	\$ 0.02	\$ 0.03	\$ 0.02	\$ 0.02	\$ 0.04
\$ (0.02)	\$ 0.00	\$ 0.02	\$ 0.03	\$ 0.02	\$ 0.02	\$ 0.04

Reconciliation of GAAP Income (Loss) from Continuing Operations, and Adjusted Earnings per Share from Continuing Operations

Income (loss) from continuing operations

Total Non-GAAP adjustments (Three months ended, after-tax)

Adjusted Net Income from Continuing Operations

Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
\$ (16.5)	\$ 3.5	\$ 12.3	\$ (7.8)	\$ (8.5)	\$ 1.9	\$ 13.3
18.8	8.5	13.7	25.1	66.1	10.4	10.9
\$ 2.3	\$ 12.0	\$ 26.0	\$ 17.3	\$ 57.6	\$ 12.3	\$ 24.2

Adjusted Earnings per Share from Continuing Operations

Total adjusted earnings (loss) per share from Continuing Operations

Diluted adjusted earnings (loss) per share from Continuing Operations

\$ 0.00	\$ 0.02	\$ 0.04	\$ 0.03	\$ 0.10	\$ 0.02	\$ 0.04
\$ 0.00	\$ 0.02	\$ 0.04	\$ 0.03	\$ 0.10	\$ 0.02	\$ 0.04

Weighted-average number of common shares outstanding for adjusted earnings

Basic

Diluted

589,821	590,549	591,240	594,267	591,470	596,300	592,938
589,821	591,610	645,076	594,267	591,470	600,831	648,915

Adjusted income (loss) before income taxes, Adjusted Income (Loss) from discontinued operations, Adjusted Net Income (loss), Adjusted Income (Loss), Adjusted Gross Margin, Adjusted Gross Margin percentage, Adjusted Operating Income (Loss), Adjusted EBITDA, Secure Communications Segment Adjusted EBITDA, QNX Segment Adjusted EBITDA, Adjusted Operating Expenses, Licensing Segment Adjusted EBITDA, Adjusted Corporate Operating Costs, Adjusted Corporate Operating Costs excluding Amortization, Segment Adjusted EBITDA, Adjusted Earnings (Loss) Per Share, Adjusted Research and Development Expense, Adjusted Sales and Marketing Expense, Adjusted General and Administrative Expense, Adjusted Amortization Expense, and Free Cash Flow (usage) do not have standardized meanings prescribed by GAAP and thus are not comparable to similarly titled measures presented by other issuer

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 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.

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 unlikely to be comparable to similarly titled 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 current performance and estimate future performance.