



INVESTOR PRESENTATION | Q1 FY2026

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 Q1 Fiscal 2026 earnings press release available through our website and on EDGAR and SEDAR+.

Q1 FY26 Financial Summary



\$121.7M

Revenue

%

75%

Non-GAAP
Gross Margin¹

\$

\$0.02

Non-GAAP
Earnings per Share¹

\$

\$1.9M

GAAP
Net Income

\$

\$16.4M

Adjusted
EBITDA¹

\$

\$381.9M

Total ending
Cash & Investments

\$

\$18.0M

Operating Cash Usage

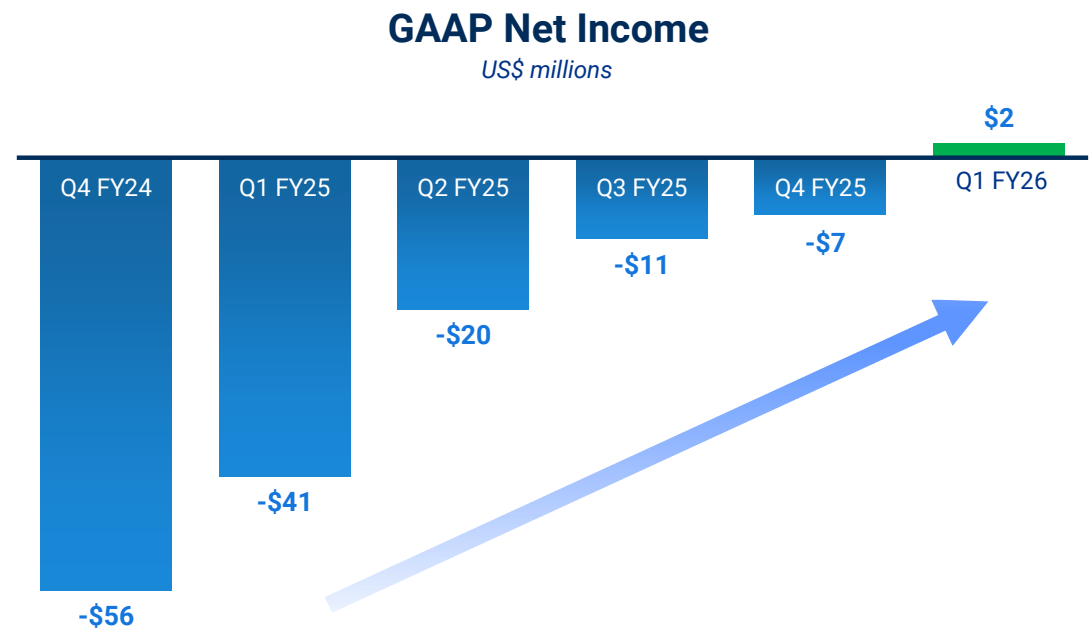
\$

\$78.4M

Non-GAAP OPEX¹

Q1 FY26: Delivers GAAP Net Income for the First Time Since FY22

- Q1 FY26 GAAP Net Income **improved \$43M year-over-year**
 - Driven by the cost reduction efforts taken over the past year
- Adjusted EPS¹ was \$0.02 in Q1
- \$10M of capital returned** to shareholders through **share buyback program**



BlackBerry has a solid cash and investment position in excess of \$380 million

Q1 FY26 Summary: QNX

QNX

SEGMENT FINANCIALS	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26
Segment revenue (\$M)	53.2	54.7	62.3	65.8	236	57.5
Segment cost of sales (\$M)	9.5	9.3	8.9	11.1	38.8	11.2
Segment gross margin (\$M)	43.7	45.4	53.4	54.7	197.2	46.3
Segment gross margin %	82%	83%	86%	83%	84%	81%
Segment adjusted R&D	16.4	14.7	15.7	13.1	59.9	12.4
Segment adjusted S&M	10.7	9.8	11.6	14.5	46.6	13.3
Segment adjusted G&A	8.2	8.4	8.8	8.5	33.9	8.6
Segment adjusted OPEX	35.3	32.9	36.1	36.1	140.4	34.3
Less Amortization in the above	0.5	0.6	0.6	0.6	2.3	0.7
Segment Adjusted EBITDA	8.9	13.1	17.9	19.2	59.1	12.7
Segment Adjusted EBITDA %	17%	24%	29%	29%	25%	22%
KEY METRICS						
QNX Royalty Backlog (\$M)				~865		

- Revenue of \$57.5M beats top end of guidance range and grew 8% year-over-year
 - Development Seat and Royalty revenue both increased year-over-year
- Gross margin in Q1 decreased 1% year-over-year to 81%
- Automotive design wins
 - Continued wins in digital cockpit and ADAS
- New Product Traction
 - SDP 8.0 pipeline grew 55% in the quarter
- Traction in adjacent verticals - General Embedded Market (GEM)
 - GEM represents 43% of total SDP 8.0 pipeline

Q1 FY26 Summary: Secure Communications

SECURE COMMUNICATIONS

SEGMENT FINANCIALS	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25	FY25	Q1 FY26
Segment revenue (\$M)	64.2	66.5	74.6	67.3	272.6	59.5
Segment cost of sales (\$M)	21.8	26.1	20.3	24.5	92.7	18.1
Segment gross margin (\$M)	42.4	40.4	54.3	42.8	179.9	41.4
Segment gross margin %	66%	61%	73%	64%	66%	70%
Segment adjusted R&D	12.3	11.7	11.1	9.1	44.2	11.3
Segment adjusted S&M	12.2	11.1	11.1	12.0	46.4	13.6
Segment adjusted G&A	9.6	10.5	10.4	9.7	40.2	7.5
Segment adjusted OPEX	34.1	33.3	32.6	30.8	130.8	32.4
Less Amortization in the above	1.0	0.8	0.8	0.6	3.2	0.6
Segment Adjusted EBITDA	9.3	7.9	22.5	12.6	52.3	9.6
Segment Adjusted EBITDA %	14%	12%	30%	19%	19%	16%
KEY METRICS						
ARR (\$M)	211	209	215	208		209
DBNRR (%)	93%	93%	95%	93%		92%

- Revenue of \$59.5M, beats top end of guidance range
 - Secusmart drove the revenue beat in the quarter with strong renewals in core German market
 - AtHoc revenue was flat year-over-year
 - UEM revenue was down slightly year-over-year
- Gross Margin was 70% for Q1, up sequentially and year-over-year as a result of revenue mix, specifically a higher proportion of software sales from Secusmart
- Secure Communications ARR was largely flat: down \$2M year-over-year but up \$1M sequentially to \$209M
- Secure Communications DBNRR was 92%, down 1% year-over-year and sequentially
- AtHoc DNBRR remains >100%

Q1 FY26 Summary: Licensing

LICENSING

SEGMENT FINANCIALS	<u>Q1 FY25</u>	<u>Q2 FY25</u>	<u>Q3 FY25</u>	<u>Q4 FY25</u>	<u>FY25</u>	<u>Q1 FY26</u>
Segment revenue (\$M)	6.0	5.0	6.7	8.6	26.3	4.7
Segment cost of sales (\$M)	1.4	1.6	1.5	1.6	6.1	1.6
Segment gross margin (\$M)	4.6	3.4	5.2	7.0	20.2	3.1
Segment gross margin %	77%	68%	78%	81%	77%	66%
Segment adjusted G&A	2.1	1.7	1.8	7.8	13.4	1.6
Segment adjusted OPEX	2.1	1.7	1.8	7.8	13.4	1.6
Less Amortization in the above	2.2	2.3	2.3	2.2	9.0	2.3
Segment Adjusted EBITDA	4.7	4.0	5.7	1.4	15.8	3.8
Segment Adjusted EBITDA %	78%	80%	85%	16%	60%	81%

Financial Outlook

Q2 FY26 & Full-year FY26 OUTLOOK

	Q2 FY26	Full-year FY26
Total Revenue (\$M)	115 – 125	508 – 538
QNX Revenue (\$M)	55 – 60	250 – 270
Secure Comms Revenue (\$M)	54 – 59	234 – 244
Licensing Revenue (\$M)	~6	~24
Total Adjusted EBITDA (\$M)	8 – 14	72 – 87
QNX Adjusted EBITDA (\$M)	10 – 13	55 – 60
Secure Comms Adjusted EBITDA (\$M)	3 – 6	37 – 47
Licensing Adjusted EBITDA (\$M)	~5	~20
Adjusted Corporate costs (\$M)	~10	~40
Non-GAAP basic EPS (\$)	0.00 - 0.01	0.08 - 0.10
Cash from Operations (\$M)	(5) - (15)	~35

¹ Adjusted corporate costs exclude amortization

Q1 FY26 Achievements

BlackBerry announced a normal course issuer bid share buyback program

Leapmotor, a leading Chinese automaker selected QNX® technology as the foundation of its intelligent digital cockpit and autonomous drive domain controllers in its new B10 electric SUV

QNX launched QNX® Hypervisor 8.0, built on the next-generation SDP 8.0 architecture, facilitating high-performance virtualization of multiple operating systems on a single SoC

WeRide launched its next-generation ADAS platform for L2++ autonomous drive, built upon QNX® OS for Safety

BlackBerry® AtHoc® became the first critical event management provider to achieve FedRAMP High authorization

Direct ChassisLink Inc (DCLI) announced the deployment of BlackBerry® Radar® across 100,000 chassis

Malaysia Cybersecurity Center of Excellence celebrated its first anniversary with new partnerships, scholarships and expanded education programs

The Eclipse Foundation announced S-CORE Project, the first open source core stack for software defined vehicles, with QNX SDP 8.0 as the foundational reference platform

Investment Highlights

 **BlackBerry** Intelligent Security. Everywhere.

BlackBerry Snapshot (NYSE: BB; TSX: BB)

Waterloo, Canada

Headquarters

\$2.6B¹

Market Cap

~1,700

Employees

20

Countries

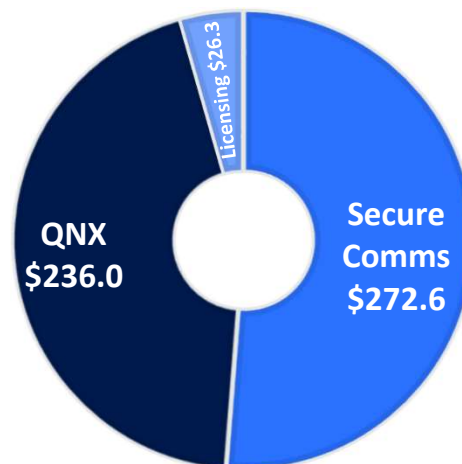
~\$535M

2025 Revenue

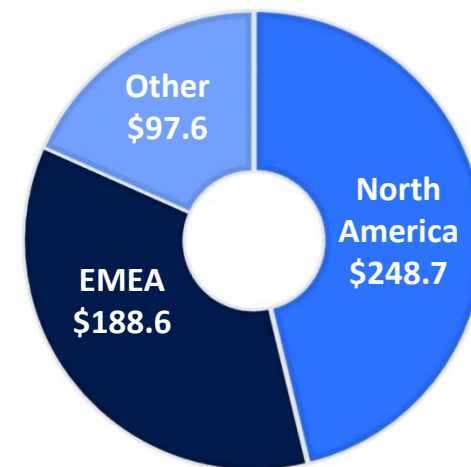
3 Divisions

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

2025 Revenue by Segment (\$Mil)



2025 Revenue by Region (\$Mil)



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

Why Invest with BlackBerry

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

1

Strengthened Portfolio with Relaunch of QNX Brand and Focus on Secure Communications

Relaunched QNX Brand to Reinforce Leadership in Automotive and General Embedded Industries



Clear Automotive Leader:
255M+ vehicles

Defensive Moat:
Combines leading performance with leading functional safety

Strong multi-year **secular tailwinds**

Following sale of Cylance, increased Focus on Secure Communications with Improved Financial Profile

 **Secure Communications**



BlackBerry UEM

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



BlackBerry AtHoc

#1 Critical Event Management solution in US Federal Govt

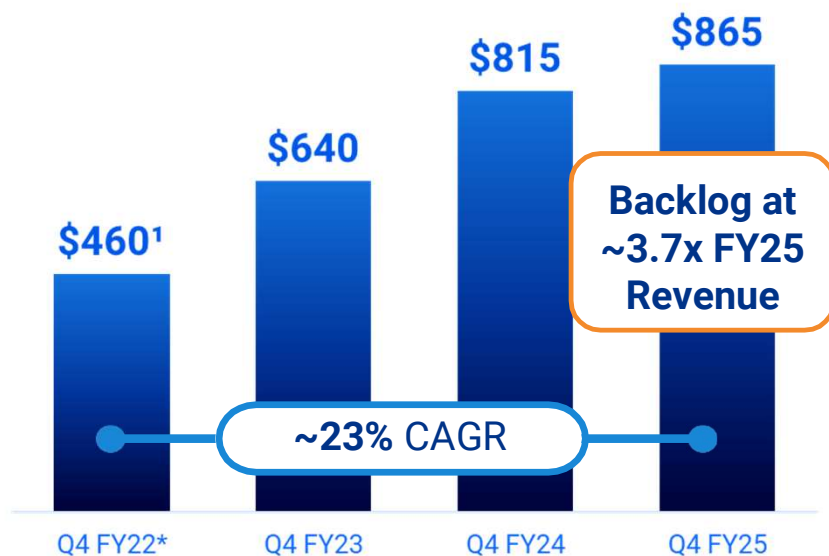


SecuSUITE

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

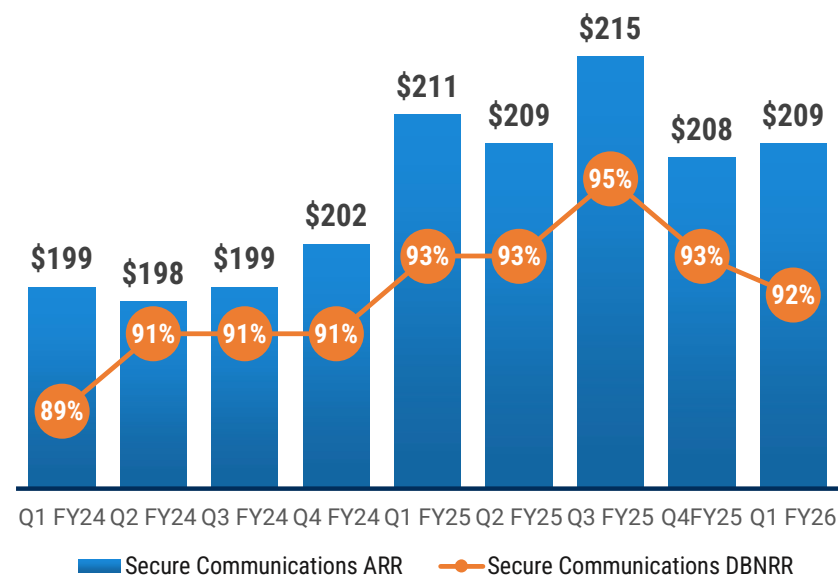
2 Improving & Stabilizing Business Fundamentals

QNX Royalty Backlog
US\$ millions



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

Secure Communications ARR and DBNRR
US\$ millions / %

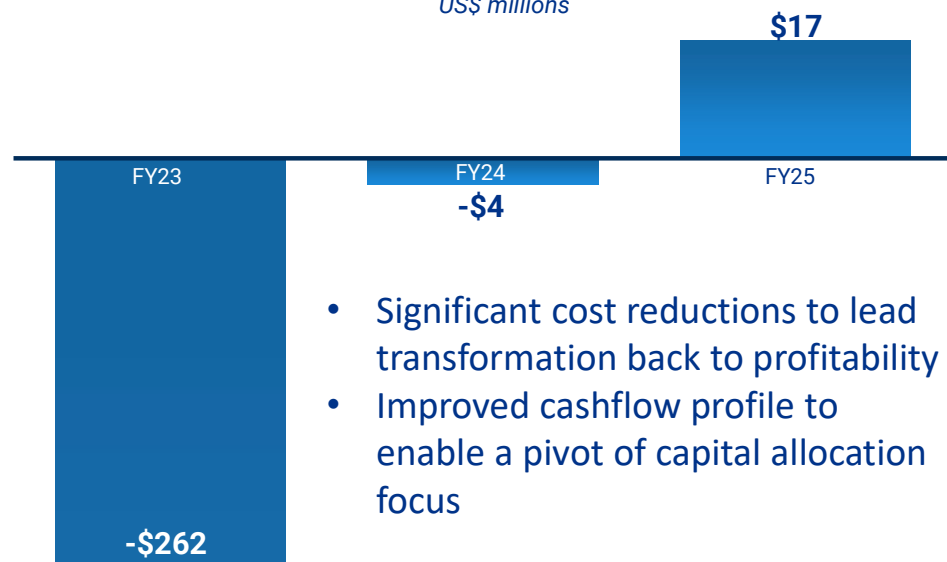


3 Significant Transformation in Cashflow Profile

Enhanced Cashflow Profile

Operating Cashflow

US\$ millions

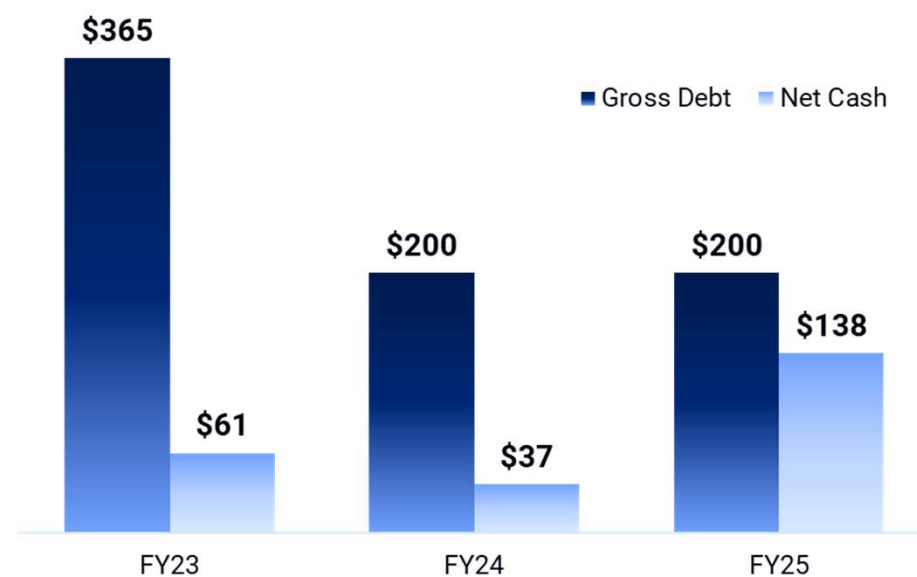


- Significant cost reductions to lead transformation back to profitability
- Improved cashflow profile to enable a pivot of capital allocation focus

Strengthened Balance Sheet

Reduced Gross Debt / Increased Net Cash

US\$ millions



- Q3 FY25 saw positive operating cash flow for first time in 3 years

- No debt maturities until 2029
- ~\$40M additional cash from Cylance sale Q4 FY26

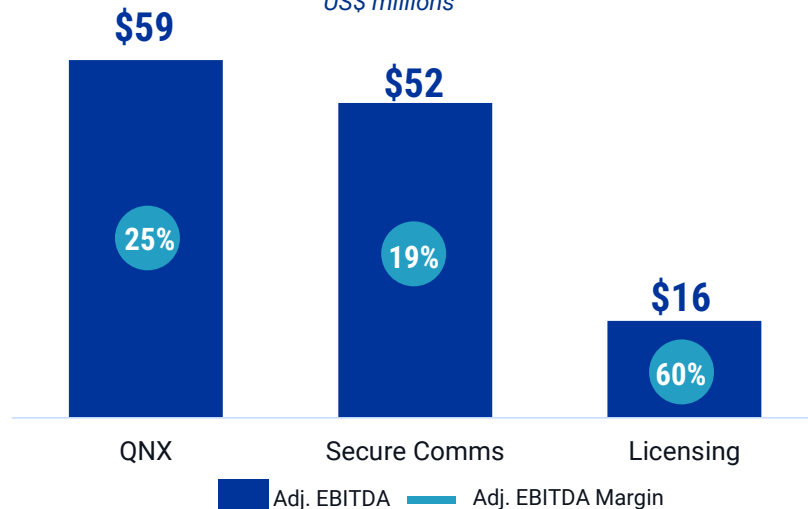
4 Driving Shareholder Returns by Prudently Allocating Capital

Leverage 3 profitable divisions

...to accelerate value creation

FY25 Adj. EBITDA and Adj. EBITDA Margin

US\$ millions



All 3 engines contributing positive Adj. EBITDA

Immediate Priorities

Approved **Share buy-back** program May 2025, and **repurchased \$10M** worth of shares in Q1 FY26

Leverage strength of BlackBerry's **great people, great brand** and **great financial foundation**

Prioritize **organic investments to harness secular tailwinds** in growth areas of the business, primarily QNX

Medium-Term Priorities

Opportunistic tuck-in M&A to accelerate QNX growth and adjacent market expansion

QNX Division: Leading With Innovation

Extending our Market Position with Leading Technology

 **BlackBerry** Intelligent Security. Everywhere.

QNX: 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



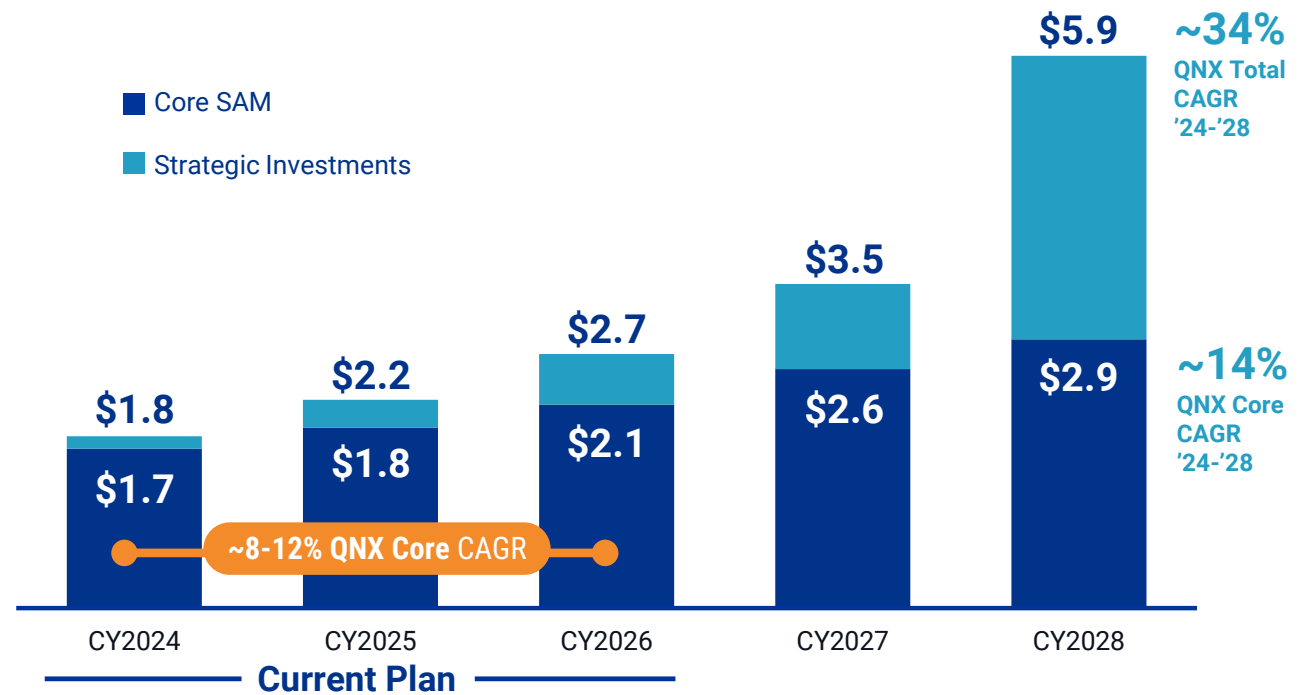
Addressable Market Remains Large and Growing

Growing
Market



- 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

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



Strong Core Market Growth + Strategic Investments Drive Significant Upside Potential

Positioned to Benefit From Powerful Industry Trends


Secular
Tailwinds



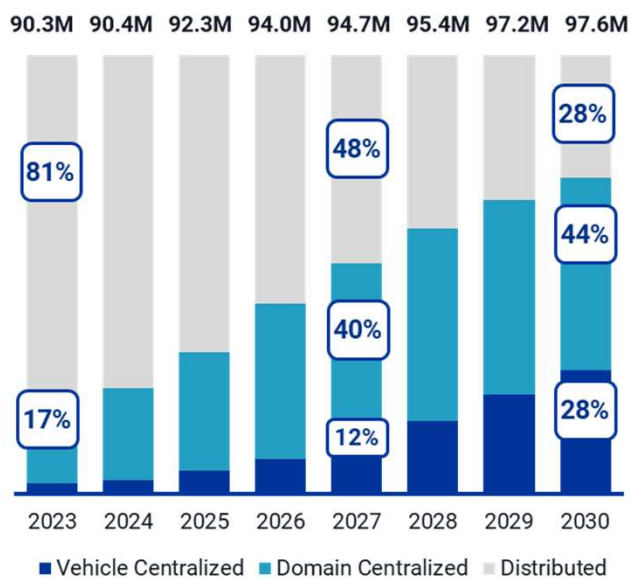
Increasing Vehicle Complexity

More Computing Power in the Vehicle

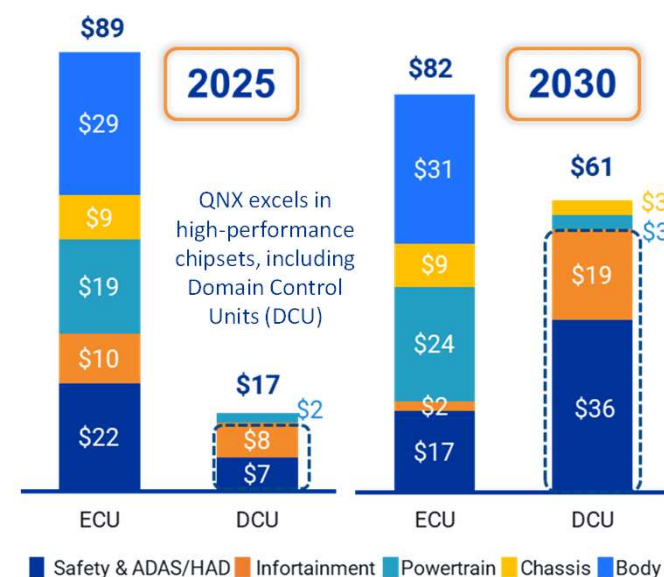
Shift in Focus to Safety Critical Domains

-  **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



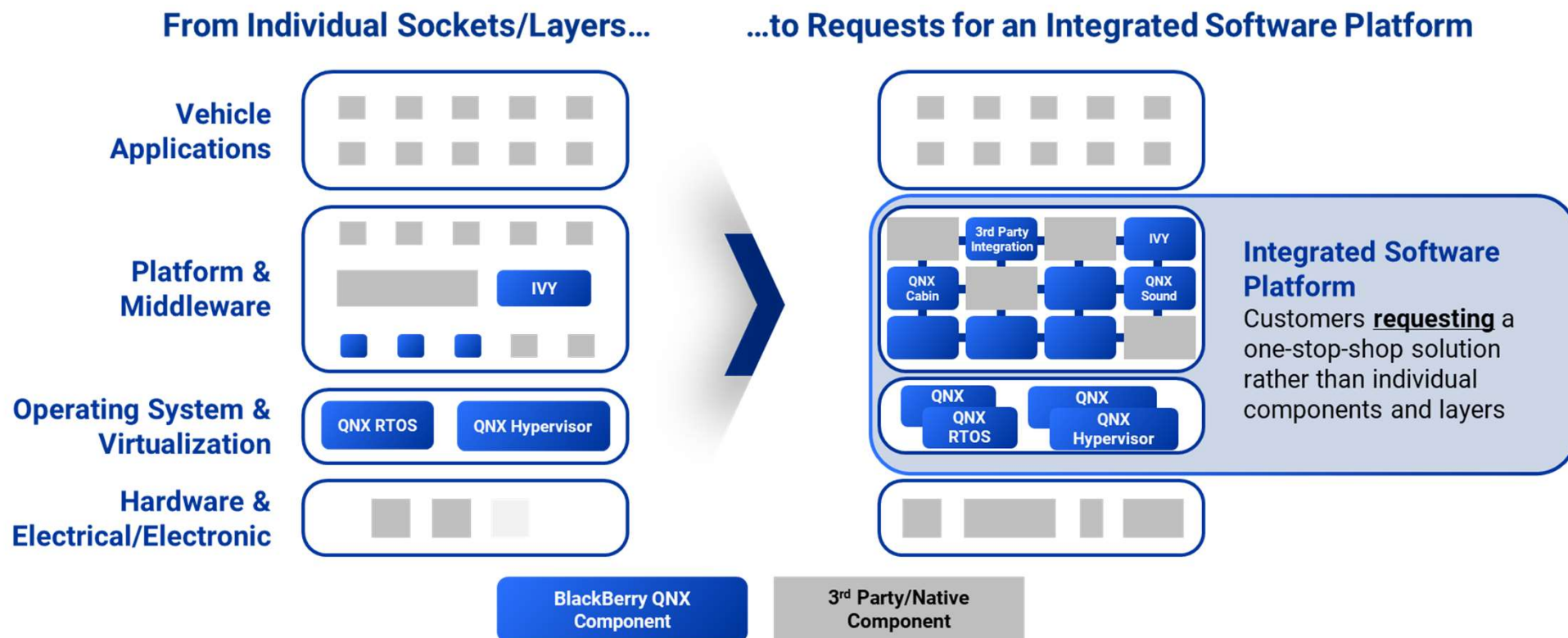
ECU/DCU Market by Domains, \$ billions



Industry Leadership Position Places BlackBerry at the Forefront of Change

Long-term Software Platform Growth Opportunity

Leading
Capabilities



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

Working with Industry-Leading Customers and Partners to Drive Innovation

Deep
Relationships



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

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...)

Design Wins with Leading OEMs

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

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

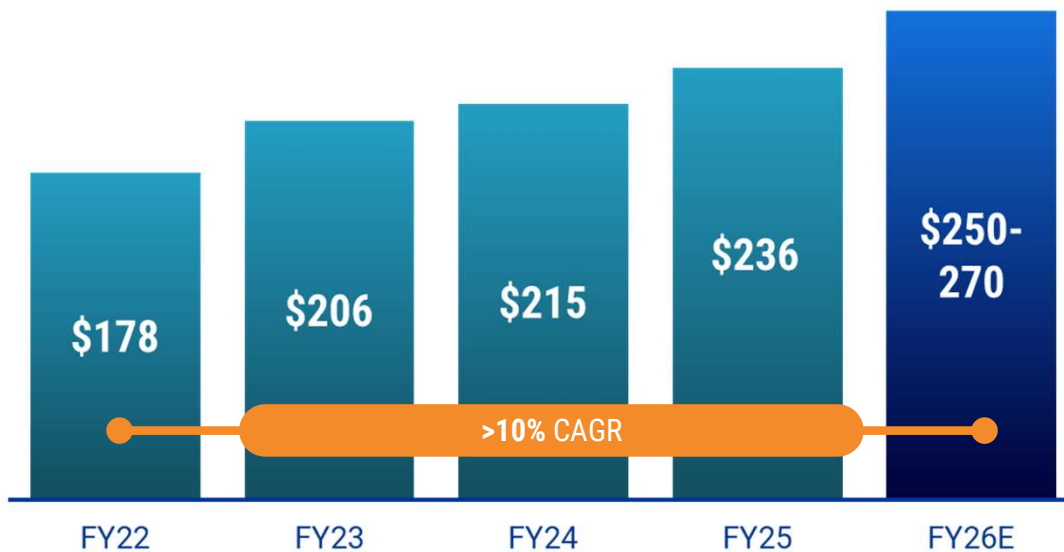
Select QNX SDP 8 silicon commitments:



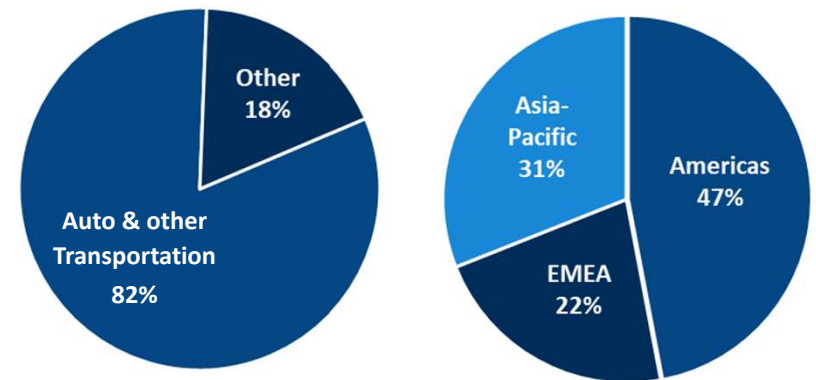
Customers and Partners Directly Drive a Significant Portion of our Development

Proven and Consistent QNX Revenue Growth

Double-digit Revenue Growth
US\$ millions



QNX FY25 Sales Mix (~\$236m)



- 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

Strengthening Our Secure Communications Business

 **BlackBerry**. Intelligent Security. Everywhere.

Building on our Secure Communications Foundation



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

43%

EMEA

12%

Asia Pacific



Preferred Choice

National
Governments

Military

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

Appendix (Q1 FY26 Financials)

GAAP Income Statement (\$M)

(Three Months Ended)

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

Adjusted Income Statement (\$M)

Non-GAAP Income Statement (Three Months Ended)

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

Adjusted Gross Margin, Adjusted Operating Income (Loss), Adjusted Income (loss) from continuing operations, Adjusted Net Income (Loss) 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 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.

Segment Information (\$M)

Segment Gross Margin and EBITDA (Three Months Ended)

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
QNX						
Segment revenue	\$ 53.2	\$ 54.7	\$ 62.3	\$ 65.8	\$ 236.0	\$ 57.5
Segment cost of sales	9.5	9.3	8.9	11.1	38.8	11.2
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Segment gross margin %	82%	83%	86%	83%	84%	81%
Segment research and development	16.4	14.7	15.7	13.1	59.9	12.4
Segment sales and marketing	10.7	9.8	11.6	14.5	46.6	13.3
Segment general and administrative	8.2	8.4	8.8	8.5	33.9	8.6
Less amortization included in the above	0.5	0.6	0.6	0.6	2.3	0.7
Total QNX Segment EBITDA	8.9	13.1	17.9	19.2	59.1	12.7
Segment EBITDA margin %	17%	24%	29%	29%	25%	22%
Secure Communications						
Segment revenue	64.2	66.5	74.6	67.3	272.6	59.5
Segment cost of sales	21.8	26.1	20.3	24.5	92.7	18.1
Segment gross margin	42.4	40.4	54.3	42.8	179.9	41.4
Segment gross margin %	66%	61%	73%	64%	66%	70%
Segment research and development	12.3	11.7	11.1	9.1	44.2	11.3
Segment sales and marketing	12.2	11.1	11.1	12.0	46.4	13.6
Segment general and administrative	9.6	10.5	10.4	9.7	40.2	7.5
Less amortization included in the above	1.0	0.8	0.8	0.6	3.2	0.6
Total Secure Communications Segment EBITDA	9.3	7.9	22.5	12.6	52.3	9.6
Segment EBITDA margin %	14%	12%	30%	19%	19%	16%

Segment information 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.

Segment Information (\$M) (Cont.)

Segment Gross Margin and EBITDA (Three Months Ended)

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
Licensing						
Segment revenue	6.0	5.0	6.7	8.6	26.3	4.7
Segment cost of sales	1.4	1.6	1.5	1.6	6.1	1.6
Segment gross margin	4.6	3.4	5.2	7.0	20.2	3.1
Segment gross margin %	77%	68%	78%	81%	77%	66%
Segment general and administrative	2.1	1.7	1.8	7.8	13.4	1.6
Less amortization included in the above	2.2	2.3	2.3	2.2	9.0	2.3
Total Licensing Segment EBITDA	4.7	4.0	5.7	1.4	15.8	3.8
Segment EBITDA margin %	78%	80%	85%	16%	60%	81%
Total Segment Gross Margin	90.7	89.2	112.9	104.5	397.3	90.8
Adjustment to cost of sales	(0.7)	(0.6)	(0.7)	(0.4)	(2.4)	(0.5)
Total Gross Margin	\$ 90.0	\$ 88.6	\$ 112.2	\$ 104.1	\$ 394.9	\$ 90.3

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Key Metrics & Non-GAAP Reconciliation (\$M)

Key Metrics (Three Months Ended)

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

Q1FY25	Q2FY25	Q3FY25	Q4FY25		Q1FY26
\$ 211	\$ 209	\$ 215	\$ 208		\$ 209
93%	93%	95%	93%		92%
			865		

Net cash provided by (used in) operating activities

Acquisition of property, plant and equipment

Free cash flow (usage)

Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
\$ (15.1)	\$ (16.0)	\$ 5.8	\$ 42.0	\$ 16.5	\$ (18.0)
(1.3)	(0.5)	(0.8)	(0.5)	(3.1)	(0.9)
\$ (16.4)	\$ (16.5)	\$ 5.0	\$ 41.5	\$ 13.4	\$ (18.9)

Non-GAAP Adjustments (Three Months Ended)

Restructuring charges
Stock compensation expense
Acquired intangibles amortization
Impairment of long-lived assets
Litigation settlement

Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
7.3	0.9	6.5	11.4	26.1	2.9
6.2	5.3	4.8	4.3	20.6	5.7
1.8	1.7	1.8	1.7	7.0	1.7
3.5	0.6	0.6	4.9	9.6	0.1
-	-	-	2.8	2.8	-
\$ 18.8	\$ 8.5	\$ 13.7	\$ 25.1	\$ 66.1	\$ 10.4

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

Stock compensation expense
Acquired intangibles amortization
Impairment of goodwill

Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
1.5	1.8	1.7	-	5.0	-
6.8	6.8	6.8	-	20.4	-
-	-	-	-	-	-
\$ 8.3	\$ 8.6	\$ 8.5	\$ -	\$ 25.4	\$ -

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

Adjusted Gross Margin

GAAP revenue

Total cost of sales

Non-GAAP adjustments to cost of sales

Adjusted Gross Margin

Adjusted Gross Margin %

Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
\$ 123.4	\$ 126.2	\$ 143.6	\$ 141.7	\$ 534.9	\$ 121.7
33.4	37.6	31.4	37.6	140.0	31.4
(0.7)	(0.6)	(0.7)	(0.4)	(2.4)	(0.5)
\$ 90.7	\$ 89.2	\$ 112.9	\$ 104.5	\$ 397.3	\$ 90.8
74%	71%	79%	74%	74%	75%

Research and development

GAAP research and development expense

Stock compensation expense

Adjusted research and development expense

Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
\$ 30.6	\$ 27.1	\$ 27.9	\$ 23.2	\$ 108.8	\$ 25.0
1.8	1.2	1.1	1.2	5.3	1.3
\$ 28.8	\$ 25.9	\$ 26.8	\$ 22.0	\$ 103.5	\$ 23.7

Sales and marketing

GAAP sales and marketing

Stock compensation expense

Adjusted sales and marketing expense

Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
\$ 23.8	\$ 21.3	\$ 23.4	\$ 27.1	\$ 95.5	\$ 28.7
0.8	0.7	0.6	0.7	2.8	1.4
\$ 23.0	\$ 20.6	\$ 22.8	\$ 26.4	\$ 92.7	\$ 27.3

General and administrative

GAAP General and administrative expense

Restructuring charges

Stock compensation expense

Adjusted general and administrative expense

Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
\$ 40.3	\$ 32.8	\$ 36.4	\$ 50.0	\$ 159.7	\$ 30.5
7.3	0.9	6.5	11.4	26.1	2.9
2.9	2.8	2.4	2.0	10.1	2.5
\$ 30.1	\$ 29.1	\$ 27.5	\$ 36.6	\$ 123.5	\$ 25.1

Amortization

GAAP amortization expense

Acquired intangibles amortization

Adjusted amortization expense

Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26
\$ 4.7	\$ 4.6	\$ 4.4	\$ 4.1	\$ 17.7	\$ 4.0
1.8	1.7	1.8	1.7	7.0	1.7
\$ 2.9	\$ 2.9	\$ 2.6	\$ 2.4	\$ 10.7	\$ 2.3

Adjusted gross margin, adjusted gross margin percent, adjusted research and development expense, adjusted sales and marketing expense, adjusted general and administration expense and adjusted amortization expense 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 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 (\$M) (Cont.)

Adjusted EBITDA

GAAP operating income (loss)

Non-GAAP adjustments to operating income (loss)

Adjusted operating income

Amortization

Acquired intangibles amortization

Adjusted EBITDA

Total Segment Adjusted EBITDA

Adjusted corporate operating costs excluding amortization

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

Adjusted corporate operating costs excluding amortization

Corporate operating costs

Restructuring charges

Stock compensation expense

Impairment of long-lived assets

Litigation settlement

Adjusted corporate operating costs

Amortization

Adjusted corporate operating costs excluding amortization

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

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
GAAP net income (loss)	\$ (41.4)	\$ (19.7)	\$ (10.5)	\$ (7.4)	\$ (79.0)	\$ 1.9
Total Non-GAAP adjustments (Three months ended, after-tax)	27.1	17.1	22.2	25.1	91.5	10.4
Adjusted Net Income (Loss)	\$ (14.3)	\$ (2.6)	\$ 11.7	\$ 17.7	\$ 12.5	\$ 12.3
Adjusted Earnings (Loss) per Share	\$ (0.02)	\$ 0.00	\$ 0.02	\$ 0.03	\$ 0.02	\$ 0.02
Shares outstanding for adjusted earnings (loss) per share reconciliation (000s)	589,821	590,549	591,240	594,267	591,470	596,300

Adjusted EBITDA, adjusted corporate operating costs, adjusted corporate operating costs excluding amortization, adjusted net income (loss), adjusted 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 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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