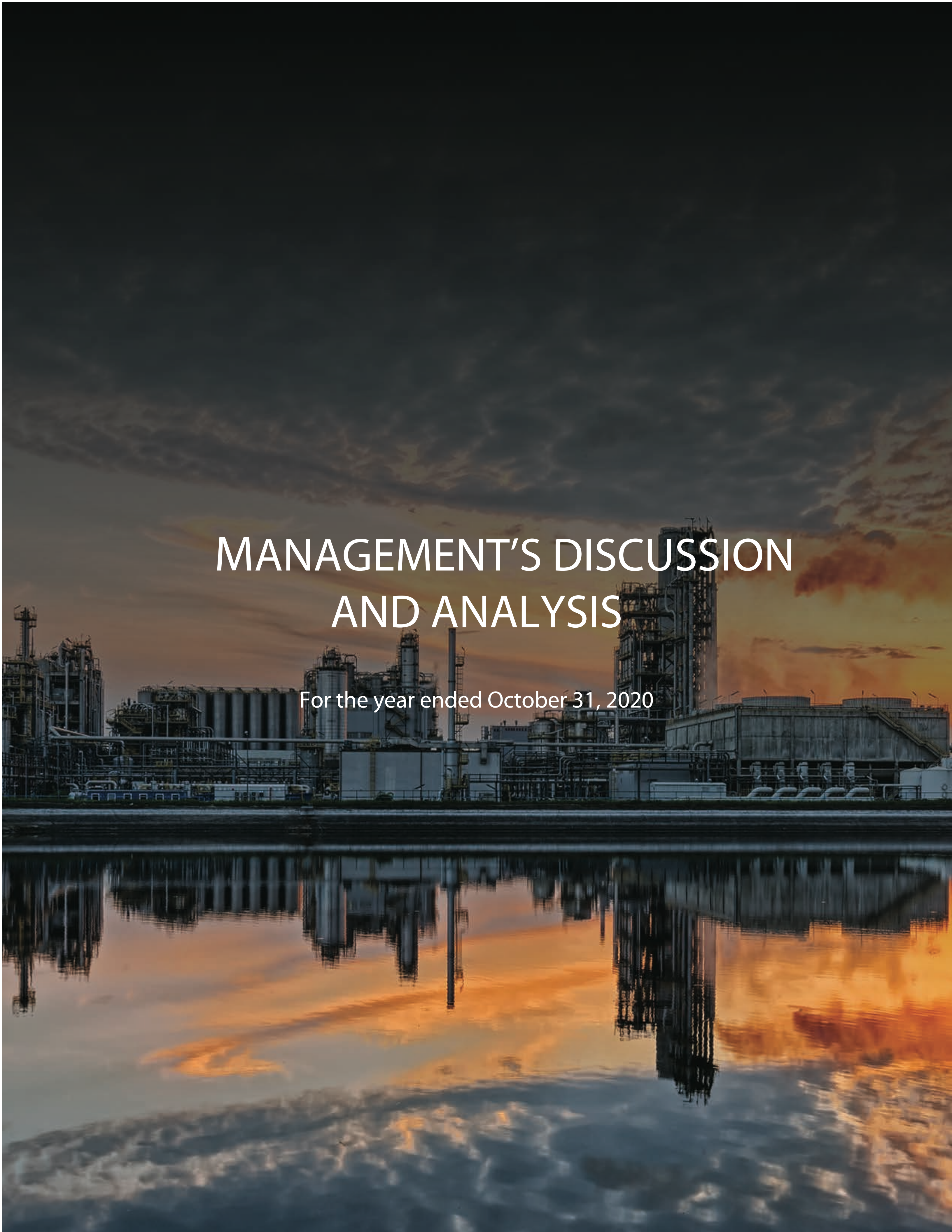


MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended October 31, 2020

NOTICE

This management's discussion and analysis of financial condition and results of operations ("MD&A") should be read together with Blackline Safety Corp.'s ("Blackline Safety", "Blackline", the "Corporation" or the "Company") audited consolidated financial statements and accompanying notes, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), for the year ended October 31, 2020. Additional information relating to the Company, including its audited consolidated financial statements for the year ended October 31, 2020, can be obtained from documents filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com under Blackline Safety Corp.

This MD&A is presented as of January 26, 2021. All financial information contained herein is expressed in Canadian dollars, the Company's reporting currency, unless otherwise indicated.

FORWARD LOOKING STATEMENTS

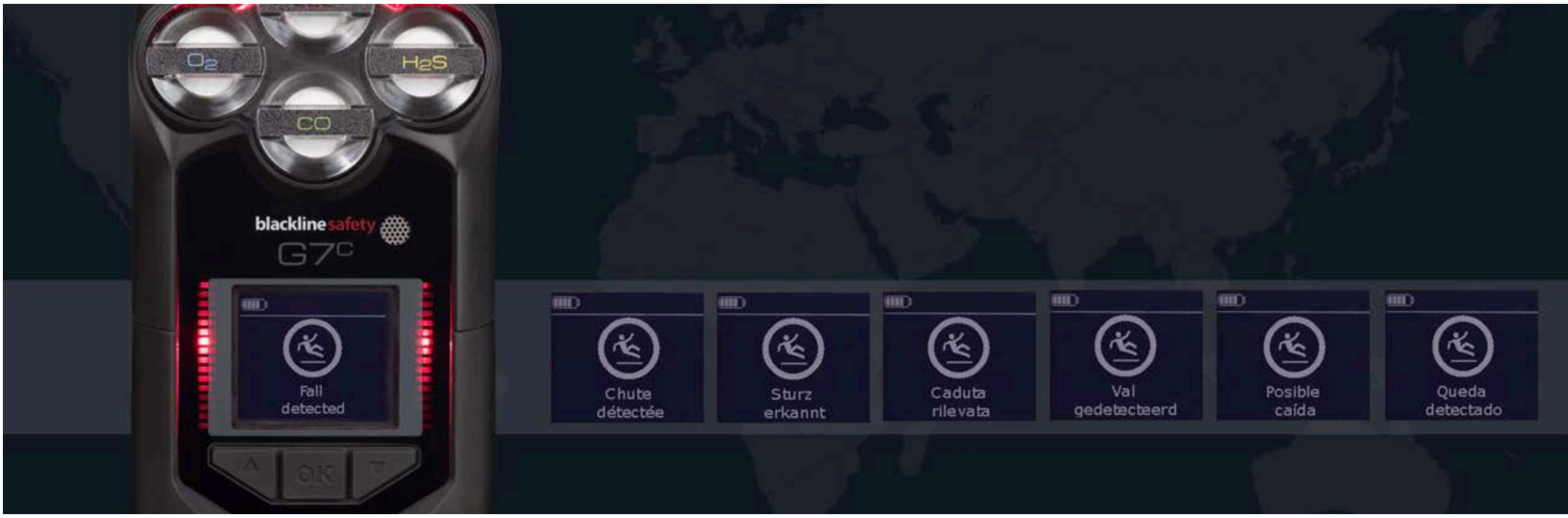
Certain statements included in this MD&A constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "targeting", "will" and other similar expressions. All forward-looking statements are based on beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on expectations regarding future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from those anticipated in such forward-looking statements. Although the forward-looking statements contained in the MD&A are based upon what the Corporation believes to be reasonable assumptions, no assurance can be given that these expectations will prove to be accurate and such forward-looking statements included in this MD&A should not be unduly relied upon by investors. These forward-looking statements are made as of the date of this MD&A. The Corporation does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

Factors which could cause future outcomes to differ materially from those set forth in the forward-looking statements include, but are not limited to: (i) the ability to obtain sufficient and suitable financing to support operations, development and commercialization of products, (ii) the ability to execute partnerships and corporate alliances, (iii) uncertainties relating to the regulatory approval process, (iv) the ability to develop plant lines and manufacturing processes that result in competitive advantage and commercial viability, (v) the ability to develop enhanced products and software in a cost effective and timely manner, (vi) the impact of competitive products and pricing and the ability to successfully compete in the targeted markets, (vii) the ability to attract and retain key personnel and key collaborators, (viii) the ability to adequately protect proprietary information and technology from competitors, (ix) market and general economic conditions and (x) the impact were a significant disruption to its information technology to occur. See also "Risks Factors and Uncertainties" below. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

NON-IFRS FINANCIAL MEASURES

The Company reports its financial results in accordance with IFRS. However, the MD&A contains references to the following non-IFRS financial measures: EBITDA (earnings before interest expense, interest income, income taxes, depreciation and amortization), Adjusted EBITDA (earnings before interest expense, interest income, income taxes, depreciation and amortization, stock-based compensation expense, product development costs and non-recurring impact transactions, if any), EBITDA per common share, Adjusted EBITDA per common share and net loss excluding stock-based compensation expense. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers.

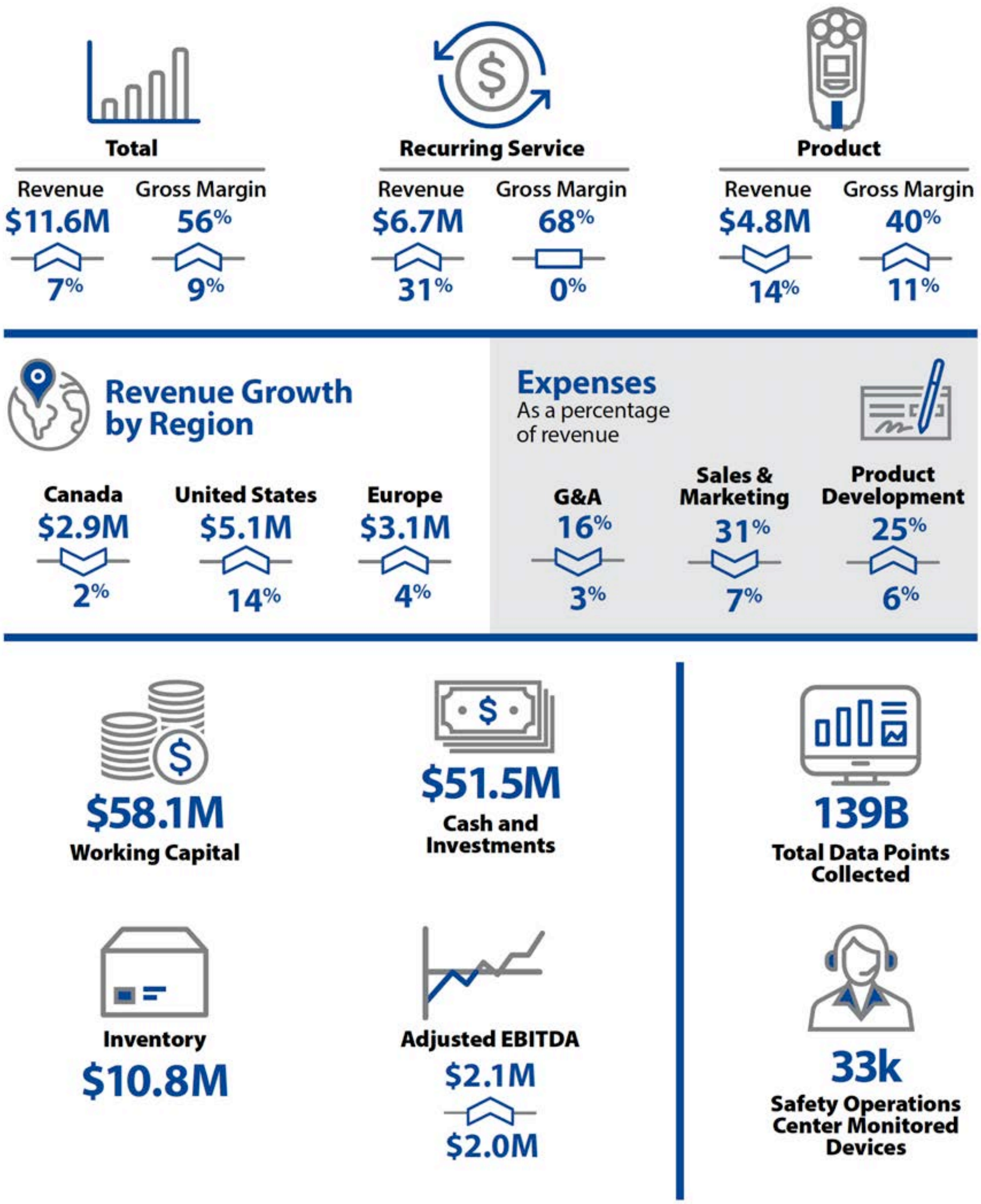
See "Non-IFRS Measures" section below for further details for each measure.


O2
H2S
CO
blacklinesafety
G7c
Fall
detected
OK
Chute
détectée
Sturz
erkannt
Caduta
rilevata
Val
gedetecteerd
Posible
caída
Queda
detectado

CONTENTS

Q4 FY2020 INFOGRAPHIC

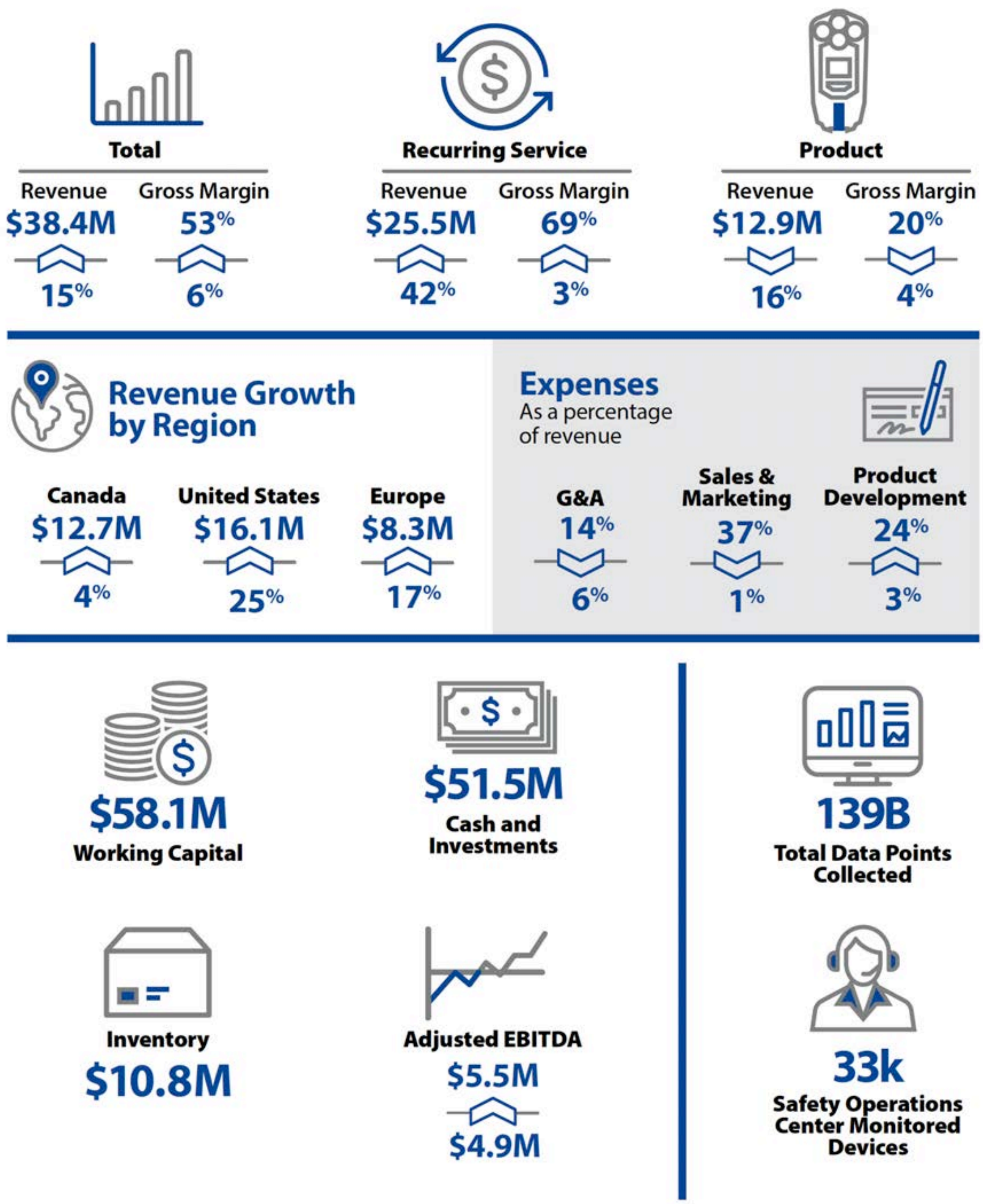
Recurring revenues drive record Q4 FY 2020



Q4 FY2020 information presented above provides a period-over-period comparison of the Company's results for the three-month period ended October 31, 2020 to the Company's results for the three-month period ended October 31, 2019. For further information, please see the applicable financial statements of the Company available for review on the Company's SEDAR profile at www.sedar.com. Adjusted EBITDA is a non-IFRS financial measure. Please see "Non-IFRS Measures" for a description and reconciliation of the Company's Adjusted EBITDA for the applicable period.

FY2020 INFOGRAPHIC

Overall revenue growth with strong recurring revenue offset by COVID-19 impacted product sales



FY2020 information presented above provides a year-over-year comparison of the Company's results for the year ended October 31, 2020 to the Company's results for the year ended October 31, 2019. For further information, please see the applicable financial statements available for review on the Company's SEDAR profile at www.sedar.com. Adjusted EBITDA is a non-IFRS financial measure. Please see "Non-IFRS Measures" for a description and reconciliation of the Company's Adjusted EBITDA for the applicable period.

COMPANY OVERVIEW

Founded in 2004 and headquartered in Calgary, Canada, Blackline Safety is a technology company with recurring service revenue that's focused on bringing leading connected worker solutions to the global marketplace. Blackline develops, manufactures and markets a complete suite of safety wearables and cloud-connected services to protect workers at their jobs and support businesses undergoing digital transformation.

Blackline technology empowers businesses with real-time safety insights to manage emergency responses and evacuations, proactively manage gas detection compliance and to increase operational efficiency. When seconds count, Blackline's connected technology enables a live monitoring team to deliver help directly to an employee in the shortest amount of time — to the worker's exact location.

Leveraging Blackline's ecosystem of connected wearables and cloud software, businesses are able to increase operational performance through business analytics software and data science services, adding value from the data generated by G7 safety wearables and software. Productivity gains are achieved through employee movement pattern analysis, heat-mapping environmental gas leaks, viewing resource utilization, automating safety compliance reporting, wireless configuration management and interactive reporting.

MANAGEMENT TEAM

Blackline's management team delivers expertise in the development, manufacturing and marketing of portable, rugged and wearable safety products for industrial applications. Our team has extensive experience within technology and safety industries, at both private and mature public companies.

Cody Slater
Chief Executive Officer

Shane Grennan
Chief Financial Officer

Kevin Meyers
Chief Operating Officer

Barry Moore
VP Product Development

Sean Stinson
Chief Revenue Officer

Gavin Boorman
Managing Director, Blackline Safety Europe

Brendon Cook
Chief Partnership Officer

CLOUD-CONNECTED SAFETY WEARABLES

Blackline’s lineup of G7 safety wearables connect to the Blackline Safety Cloud using either cellular or satellite connectivity. All products feature plug-and-play cartridges that configure G7 devices for lone worker and gas detection scenarios as required by the end client.

All safety alerts generated by G7 wearables are communicated in real-time to monitoring personnel, pinpointing the employee’s location on an interactive map using GPS or Blackline’s proprietary location beacons. Our monitoring teams efficiently manage incidents from alert to resolution using cloud-hosted software that provides employee messaging tools, the option for two-way voice calling and quick access to emergency contact escalation.

With its Blackline Live cloud-hosted software, the Company enables businesses to monitor their personnel from a control room or by supervisors using a mobile device. Optionally, Blackline’s in-house Safety Operations Center (or an Alarm Receiving Centre partner) provides 24/7 live monitoring services, taking on front-line emergency management and escalating to responders as required.

G7c CELLULAR-CONNECTED WEARABLE
Blackline's G7c device features 4G/3G direct-to-cloud connectivity with wireless coverage in over 100 countries and on over 350 mobile networks.

G7x SATELLITE-CONNECTED WEARABLE
For regions where cellular networks are not available, Blackline's two-part system with a G7x wearable and G7 Bridge satellite base station monitors workers in remote locations in North America, South America, Australia and New Zealand.

G7 WEARABLE COMPARISON	G7c	G7x
COVID-19 contact tracing and proactive close contact detection	■	
Lone worker monitoring with real-time alerting	■	■
Environmental gas detection with live low and high-gas alerting	■	■
True Fall Detection®, no-motion detection, missed employee check-ins and live alerting	■	■
An SOS latch (similar to pulling a fire alarm lever)	■	■
Silent emergency button	■	■
Two-way voice calling with the live monitoring team	■	
Two-way messaging with the live monitoring team	■	■
Push-to-talk for real-time voice collaboration with teammates	■	
High update rate environmental gas readings	■	
Graphical display with easy-to-use interface	■	■
Highly configurable for small businesses through to multi-national organizations	■	■
Field-replaceable cartridges to support a variety of gas detection scenarios	■	■
Wireless configuration and firmware updates	■	■
Blackline Live cloud-hosted software for emergency response management	■	■
Cloud-hosted Blackline Analytics business intelligence software	■	■

BRINGING GAS DETECTION INTO THE 21ST CENTURY

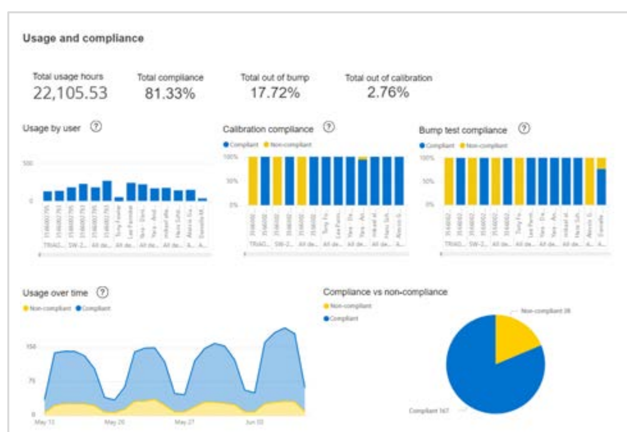
Employee-worn gas detectors are commonplace for situations with risk of exposure to toxic and/or combustible gases. A crucial gap in the portable gas detection industry has, until now, remained unsolved — gas monitors operate like smoke detectors, using a local alarm sound to call for help when an employee has been exposed to a hazardous gas. If no one is nearby to deliver aid, the employee's call for help can go unanswered.

With shipments beginning in 2017, Blackline introduced the world to a new way of keeping employees safe through the integration of its cloud-connected safety monitoring technology with gas detection. Blackline's G7 line of safety wearables remain the only direct-to-cloud personal monitors that communicate directly with cloud-hosted infrastructure through both cellular and satellite networks.

Nearly a decade of experience has gone into the creation of Blackline's G7 wearables with environmental gas detection capability. Like all Blackline connected safety technology, G7 immediately notifies monitoring personnel of safety incidents, including detected gases and potential no-motion or fall-detection alarms, and pinpoints employees' locations on an interactive map. Responders then know the environmental conditions ahead of time and can appropriately equip for a swift response, complete with breathing equipment if required, to mitigate the risk of exposure to a potentially hazardous environment.

GAS DETECTION REGULATORY COMPLIANCE

Regulatory agencies require businesses to maintain a record of the use and maintenance of all gas detection devices. This means that field personnel must take their gas detection equipment to docking stations that perform testing and store compliance records. It is not always convenient for employees to test and calibrate their gas detection equipment based on the proximity of the nearest docking station. Compliance data from each docking station must also be retrieved, compiled, reviewed and reported within the business and to regulatory agencies. Should an incident affect an employee, businesses are at risk if they are not able to demonstrate proper calibration, testing and employee usage of gas detection equipment.



Blackline's G7 solves these aspects of compliance and saves labor for field employees and the teams that manage the regulatory compliance program. Rather than manually gathering calibration and testing data in the field directly from calibration docks and examining each record, G7 wearables automatically communicate calibration and test data in real-time to the Blackline Safety Cloud for complete reporting.

Each time that an employee uses their assigned G7, session data is also communicated to the Blackline Safety Cloud for comprehensive reporting. Configurable reports deliver simple green-yellow-red indicators that assist management in quickly assessing their team's overall compliance, identify when upcoming events need attention and if any user is not compliant at that time.

MODULAR GAS DETECTION

G7 wearables feature the industry's first expandable interface that enables customization to support each customer scenario and requirement. G7 functionality expands using one of four field-replaceable cartridges—a Standard Cartridge, Single-gas Diffusion Cartridge, a Multi-gas Diffusion Cartridge or a Multi-gas Pumped Cartridge.

The Standard Cartridge is designed for evacuation management and lone worker monitoring scenarios. Single and Multi-gas cartridges support one to five gas configurations with a choice of 19 gas sensors, including combustibles, hydrogen sulfide, carbon dioxide, carbon monoxide, oxygen, volatile organic compounds, sulfur dioxide, ammonia and hydrogen.

Conventional gas detectors are either disposed of at the end of their service life, requiring new equipment to be deployed, or they are taken out of service and individual gas sensors are replaced. Removal and replacement of gas sensors is a time-consuming, technical process — businesses often require a third party to ease this burden. To address this problem, G7 offers field-replaceable cartridges that are pre-calibrated, ensuring that equipment stays in the field, maximizing up-time. Old cartridges can be sent to Blackline for remanufacturing, thereby minimizing overall cost of ownership.

LONE WORKER MONITORING

Blackline's G7 product line supports lone worker monitoring applications with or without the requirement for gas detection. For dedicated lone worker monitoring, G7 wearables are fitted with a Standard Cartridge while a Single-gas or Multi-gas cartridge supports combined gas detection and lone worker monitoring scenarios. Safety monitoring options offered by G7 devices for lone worker includes True Fall Detection®, no-motion (man-down) detection, missed employee check-in, SOS latch and a silent SOS button.

ACTIVE EVACUATION MANAGEMENT AND MASS NOTIFICATION

Conventional gas detection equipment is disconnected and not able to empower evacuations or deliver field notifications. Initiating evacuations and accounting for every employee at muster points is a difficult and time-consuming process that often requires manual check-lists — employees who reach a muster point are identified and checked off on a list. Personnel across multiple muster points must then compare lists to ensure everyone is accounted for and if someone is missing, it can be very challenging to promptly locate that individual.

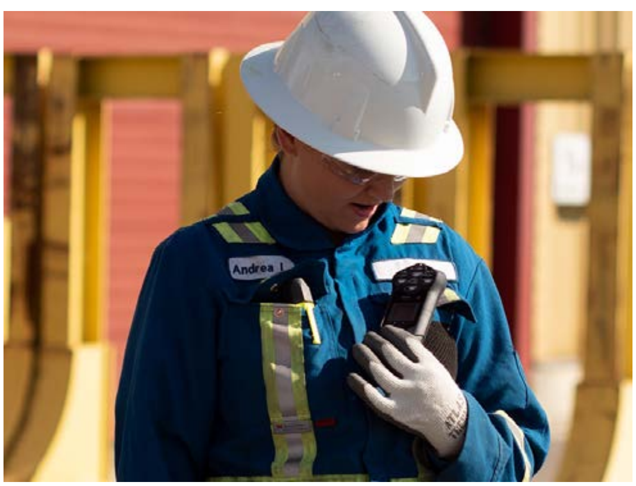
Should a situation demand it, G7 enables teams to quickly trigger an evacuation of their facilities. G7 users are mass-notified using a two-way voice call via built-in speakerphone or through two-way text messaging. Instructions are delivered on how to evacuate safely and avoid any specific hazards. Location technology enables monitoring personnel to actively monitor the progress of the evacuation and account for every employee without needing to use a manual checklist. Should an employee require assistance during the evacuation, the monitoring team can assess the situation and dispatch the needed resources immediately.

LIVE-RESPONSE AND TWO-WAY SPEAKERPHONE CAPABILITY

Blackline's safety wearables feature capabilities that make it easy to manage a live emergency response and provide comfort and confidence to the affected employee. When an alert is triggered, monitoring personnel take ownership of the response for the alert, automatically activating the G7 blue LiveResponse™ light that indicates to the employee that monitoring personnel have received the alert and help is on the way.

Monitoring personnel initiates a voice call to the employee's monitoring device to speak with the employee using a built-in speakerphone (G7c wearables only). Designed for use within industrial environments, Blackline's monitoring devices feature a loud-and-clear speaker and sensitive microphone to pick up the employee's voice.

PUSH-TO-TALK VOICE COLLABORATION



Blackline's G7c personal safety monitor provides businesses with a push-to-talk option that enables teams to coordinate their efforts, similar to the way that businesses use two-way radios. Like a walkie talkie, G7c users are able to broadcast messages to all team members who have their G7c wearables set to use the same push-to-talk channel.

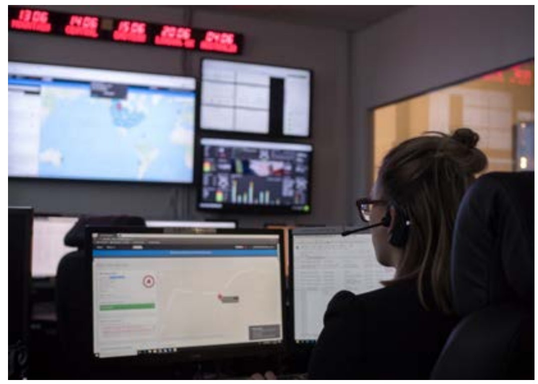
Each Blackline client receives their own group of 100 channels that can be assigned to specific teams across their sites and business units. When employees need to communicate with each other, they can press inward on the G7c red latch and hold to call others on the same channel.

Blackline's G7c push-to-talk leverages voice-over internet protocol ("VoIP") data communications and 3G/4G wireless technology. Messages of up to 30 seconds can be encoded and broadcast to colleagues in real-time. With coverage in over 100 countries and over 200 wireless carriers, G7c allows businesses to converge gas detection, lone worker monitoring and two-way radios into a single wearable device, reducing overall acquisition costs.

BLACKLINE G7 EXO AREA MONITOR

Businesses in energy, utilities, heavy industry and disaster response sectors use portable area monitoring equipment to monitor potential atmospheric hazards around tank farms and along fence lines, during facility maintenance or while containing spills. Until now, conventional area monitors suffer from short battery life, limited configurability and inadequate connectivity. Blackline has launched the G7 EXO area monitor globally to provide businesses with new portable and semi-permanent gas detection monitoring options.

BLACKLINE 24/7 LIVE MONITORING



Although many of Blackline's customers self-monitor the safety of their personnel using their Blackline Live monitoring account, a significant portion select Blackline's in-house, 24/7/365 Safety Operations Center ("SOC").

Unlike a traditional call center that often provides unrelated services such as telemarketing, technical support and answering services, Blackline's dedicated SOC focuses on safety monitoring. It delivers an immediate response, managing all safety alerts from receipt through to resolution according to each customer's customized emergency response protocol.

Blackline's SOC provides customers with the option of centralizing the responsibility of monitoring lone workers within a highly specialized and trained emergency response center. Blackline's SOC, together with its partner Alarm Receiving Centers in Europe, now monitor over 33,000 employee wearables.

In regions not covered by Blackline's in-house SOC that provides 24/7 live monitoring, customers are able to provide monitoring of their employees via an approved Blackline Alarm Receiving Center partner.

INDOOR LOCATION TECHNOLOGY

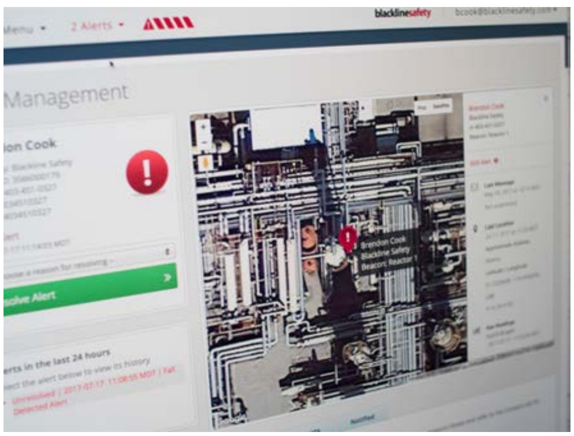
Blackline's proprietary location technology solves the problem of locating employees inside and around facilities with confidence. When working outdoors, GPS provides accurate locations, however, inside buildings, GPS signals are often imprecise or not available due to signal obstruction. GPS location accuracy can also be degraded when used outdoors near larger buildings and around process equipment.

Blackline location beacons are low-cost self-powered devices that are easily installed throughout a facility. Each beacon broadcasts a short-range radio signal for proximity detection by G7 safety wearables. This technology enables Blackline to locate an employee inside and around facilities with the same precision as GPS provides in open, outdoor locations.

BLACKLINE SAFETY CLOUD

Blackline has developed and innovated a proprietary cloud-hosted safety monitoring infrastructure that runs on Amazon Web Services. Blackline has deployed tens of thousands of G7 safety wearables that connect to the Blackline Safety Cloud, continuously streaming status, environmental, location, gas readings and alerts. This information is stored online and drives Blackline's data-driven services including analytics, emergency response management, notifications to users and more. To date, the Blackline Safety Cloud has stored over 139 billion data points, over 2.1 billion locations and over 3.3 billion location-enabled gas readings.

BLACKLINE LIVE MONITORING PORTAL

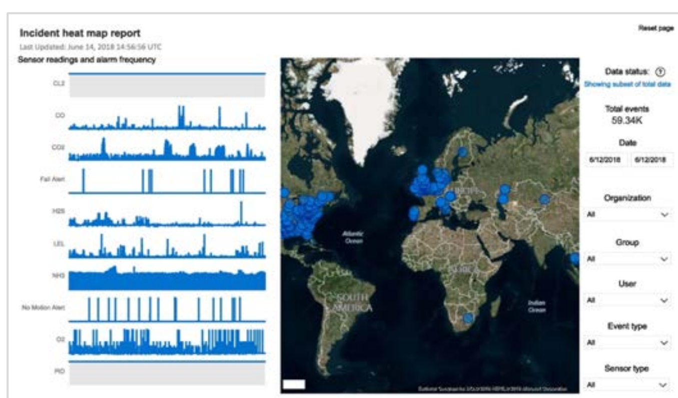


Blackline's cloud-hosted safety monitoring infrastructure provides all the tools necessary to remotely configure G7 devices, assign them to employees and manage safety alerts from receipt through to resolution. The Blackline Live portal supports custom emergency response protocols for individual clients that can be tailored according to specific business units, sites, teams and employee roles. Blackline Live also enables customers to upload custom floor and site plans that work together with Blackline's GPS and proprietary location beacon technology to pinpoint the exact location of an employee in need of assistance.

Blackline's G7 portfolio targets the natural resources, industrial and manufacturing, utilities and public works, warehousing and transportation, engineering and construction, government and health care industries. Current marketing and sales efforts focus on industrial markets where employees face heightened risk levels, particularly with potential exposures to toxic or combustible gases.

ENABLING BUSINESSES WITH ANALYTICS

Through the course of use, G7 products continuously communicate with the Blackline Safety Cloud, transmitting employee locations, atmospheric gas sensor readings, detection of slips, trips and falls, messages, employee check-ins and status information such as wireless signal levels and battery levels.



Blackline leverages a leading cloud-hosted analytics platform to compile and analyze large volumes of data generated by G7 safety devices.

Many enterprises currently leverage analytics software to interpret diverse data that provides a deep understanding of how the business is operating. Blackline clients use our analytics platform to gain safety program insights including:

- Mapping the location of every non-zero gas reading to understand real-world exposures and where leaks may be occurring
- Understanding the time spent completing a particular task and how efficiencies may be gained
- Viewing the real-time compliance status of all G7 devices to ensure that all equipment is being utilized correctly and according to corporate policies
- Reviewing bump tests and calibrations to see how each G7 wearable and gas sensor cartridge is performing, plus whether any G7 Docks require a new calibration gas tank
- Monitoring slip, trip and fall statistics to understand if there are any trends based on the location from one particular site to another site.
- Utilizing Close Contact tracing tools to enable industrial contact tracing as part of pandemic workforce planning

BLACKLINE VISION — DATA SCIENCE CONSULTING

Building on our Blackline Analytics software, Blackline Vision provides clients with direct access to Blackline's data science team and the capability to integrate other sources of data with location-enabled events from G7 safety wearables. Blackline Vision goes far beyond our Blackline Analytics offering, adding a full new service that will enable the creation of custom reports, dashboards, custom data integration and the ability to share data with other information systems.

Example Blackline Vision data integrations include:

- Connecting scheduling software to location-enabled project tasks and combining real-time situational awareness for proactive task and resource management
- Comparing location-based G7 data to understand how far a supervisor's 'sphere of influence' extends to minimize personnel near-misses
- Combining location-based G7 data with health and safety data to understand correlations between location, time-of-day, employee training and other factors
- Integrating with learning management systems in order to provide real-time notifications when employees enter locations at a facility for which they have no training

BLACKLINE CATALYST

Blackline Catalyst is a global partner program that exists to accelerate growth innovation as enterprises around the world transform digitally. The program welcomes leading technology and solutions providers seeking to enhance their connectivity offerings or enter the connected safety market.

The program will provide new partnerships with software developers, platform providers, data services and those that create sensors, wearables and connected hardware.

SOLUTION PORTFOLIO

Blackline's broad portfolio of products and services addresses the needs of worker safety monitoring across industries, employee roles and work scenarios by offering the following products:

- G7c safety wearable for indoor and outdoor locations covered by 3G wireless
- G7x safety wearable for remote locations in North America, South America, Australia and New Zealand that are not covered by 3G wireless
- G7 EXO area gas monitor
- Field-replaceable cartridges in G7c, G7x and G7 EXO connected devices accommodate a wide variety of configurations not offered by competitor hardware
- G7 Bridge, a portable satellite base station for remote locations, communicates with the G7x
- G7 Dock, an accessory product used to calibrate G7c and G7x devices periodically while also offering frequent testing to verify that gas sensors are fully functional
- Loner Mobile, a safety monitoring application for smartphones
- Loner Duo, a Bluetooth accessory paired with Loner Mobile for medium to high risk work-alone scenarios
- Blackline Location Beacon, an indoor/outdoor location technology that provides precise positioning where GPS signals are weak or unavailable
- Blackline monitoring, a 24/7/365 live monitoring service offered by Blackline's SOC or an approved partner
- Blackline Live, a cloud-hosted, live safety monitoring portal for safety alert management
- Blackline Analytics, a second-generation data analytics package built into Blackline Live
- Blackline Vision, a data science consulting and software services offering

TECHNOLOGY PORTFOLIO

Blackline's connected safety solutions combine several technologies to facilitate high quality end-user experiences.

- Portable environmental gas detection, including electrochem, infrared and photoionization-based gas sensors
- Portable compact gas sensor calibration
- 3G cellular, satellite, 900 MHz spread spectrum and Bluetooth data communication
- GNSS (including GPS), cellular and proprietary indoor/outdoor location beacon positioning
- Inertial sensors for fall and no motion detection
- Two-way voice calling and text messaging between the user and monitoring personnel
- Push-to-talk real-time voice collaboration between users and across teams
- Bluetooth audio accessory interface
- Cloud-hosted Blackline Safety Cloud monitoring infrastructure and Blackline Live monitoring user account
- Cloud-hosted data analytics and reporting software

TECHNOLOGY UNDER DEVELOPMENT

G7 CAMERA

Blackline is developing a new intrinsically safe wearable that will add multiple camera views for users of Blackline's G7c cloud-connected wearable. Connected to G7c through Bluetooth, G7 Camera will feature four wide-angle cameras and a microphone to send on-demand photos to the Blackline Safety Cloud. Highly configurable, G7 Camera supports businesses with an elevated level of safety and balances the needs for employee privacy. In addition to empowering live monitoring with enhanced situational awareness, G7 Camera will also support employees with easy access to remote teams who can provide information or recommended courses of action based on conditions in a facility or out in the field. G7 Camera includes the same speaker and microphone capability as G7 Speaker-mic, supporting walkie-talkie functionality on 100 dedicated channels.

G7 SPEAKER-MIC

In parallel to G7 Camera, Blackline is developing a second Bluetooth-connected wearable for G7c — the upcoming intrinsically safe G7 Speaker-mic accessory. Supporting high-quality push-to-talk voice collaboration, G7 Speaker-mic provides an affordable and ergonomic walkie-talkie accessory for G7c cloud-connected devices. Featuring a built-in volume control and channel selection, G7 Speaker-mic makes it easy for G7c users to collaborate with other colleagues and other teams across 100 dedicated channels.

G7 TOOLTAG

To assist businesses with large-scale facility maintenance and construction projects, Blackline is developing G7 ToolTag, a compact and self-powered wireless tag that can be attached to tools and equipment. Employee-worn G7 connected safety devices will communicate the proximity of nearby G7 ToolTags to the Blackline Safety Cloud. By knowing the location of employees and nearby tools, businesses will gain an increased level of awareness for proactive project management.

GLOBAL DISTRIBUTION NETWORK

Blackline continues to expand its distribution partner network throughout Canada, the United States, Europe and other international locations. Currently, Blackline has distribution agreements in place with over 100 partners around the world. In contrast to the maturity of competitor distribution networks, Blackline continues to invest in expanding and cultivating its network in order to maximize promotion and sell-through into the global safety marketplace. Blackline has been adding direct sales personnel in specific markets to support the growing distribution market.

REGIONAL SALES MANAGER TEAMS

Blackline supports its global distribution network through a global team of Regional Sales Managers that are also responsible for select end customer accounts. Blackline has deployed Regional Sales Manager employees and contractors in the following locations:

- Canada
- United States
- United Kingdom (covers Scandinavia, Eastern Europe and Central Asia)
- Italy
- France (covers Spain and Portugal)
- The Netherlands (covers BENELUX)
- Belgium (covers BENELUX and Germany, Austria and Switzerland)
- Brazil (covers Latin America)
- Australia (covers New Zealand)
- Singapore (covers SE Asia)
- India (covers South Asia)

YEAR IN REVIEW

The COVID-19 pandemic impacted Blackline's growth rate in fiscal 2020 as deferrals of new product sales persisted through the year. Despite COVID-19, Blackline's retention rates for service renewals remained strong, contributing to robust recurring service revenue.

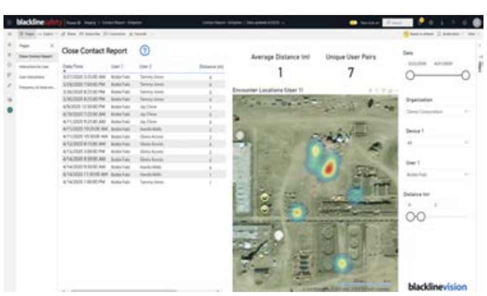
Q1 ACTIVITIES

G7 EXO WORLD TOUR

At the A+A event in Dusseldorf, Germany, Blackline Safety showcased its upcoming G7 EXO area monitor. Held every two years, A+A is the world's largest safety, security and health at work event that welcomes 65,000 visitors and 2,000 exhibitors from over 60 countries. Following A+A, G7 EXO travelled to Abu Dhabi for the ADIPEC event, the preeminent energy conference in the Middle East. G7 EXO was the world's first direct-to-cloud connected area monitor with built-in cellular and optional satellite communications.

Q2 ACTIVITIES

CLOSE CONTACT DATA ANALYTICS



In response to the COVID-19 pandemic, Blackline developed and launched its Close Contact report for Blackline Analytics. Leveraging the connectivity and location technology built into each G7 wearable, the Close Contact report was provided to Blackline clients at no additional cost. Should an employee test positive for COVID-19 or present with symptoms, a suite of Blackline industrial contact tracing tools makes it easy to work with an employee to retrace her or his steps in order to determine which co-workers may need to self-isolate.

Q3 ACTIVITIES

G7c WEARABLE WITH 4G WIRELESS

Blackline completed the development and certification for an updated G7c safety wearable with 4G wireless connectivity and began shipments in Q3 FY 2020. This new wireless capability ensures that Blackline's G7c products are supported by the widest mobile network coverage possible. As Blackline continues to expand beyond its emergency response and gas detection core into broader connected worker technologies, 4G wireless also provides the necessary bandwidth to add photo streaming and higher data transfer rates to its G7c connected wearable.

G7 CAMERA AND G7 SPEAKER-MIC

Blackline continued development of its Bluetooth-connected G7 Camera and G7 Speaker-mic wearables for its G7c cloud-connected safety monitor. G7 Camera will add four wide-angle camera views to empower emergency responses through live-steamed photos and the option for employees to share photos of equipment or location in order to tap into remote assistance from other teams in their business. Both G7 Camera and upcoming G7 Speaker-mic accessories feature a built-in speaker and microphone to provide a higher quality user experience for push-to-talk that adds affordable walkie-talkie functionality to G7c.

G7 BLUETOOTH PROXIMITY DETECTION

During the quarter, Blackline continued to develop new Bluetooth-based proximity detection to support physical distancing for the global COVID-19 pandemic. Using Bluetooth wireless signals, G7 safety wearables are able to measure the distance from other devices and optionally provide audible, visual and haptic-based feedback to users, reminding them to keep a physical separation. Further, G7 wearables stream physical separation data to the Blackline Safety Cloud, adding an additional layer of data for Blackline's new Close Contact report that is available to all Blackline Safety clients.

NEVADANANO PARTNERSHIP

Blackline partnered with NevadaNanotech Systems, Inc. (NevadaNano), a leader in development and commercialization of new sensor technology based on micro-electro-mechanical systems. Blackline worked with NevadaNano to add their new Molecular Property Spectrometer™ (MPS) to the G7 product line, marking the first major innovation in combustible gas detection in over 40 years. Conventional pellistor and non-dispersive infrared sensors are calibrated to respond accurately to a single gas and will read above or below for other gases. Detecting the lower explosive limit of gases and gas mixtures, the MPS sensor is the first of its kind with linear monitoring performance for a dozen different gases.

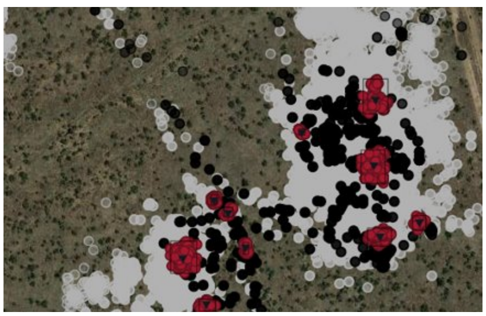
Q4 ACTIVITIES

$36 MILLON PRIVATE PLACEMENT

Blackline closed a brokered private placement on September 2, 2020 that raised $36 Million in gross proceeds. This funding program was co-led by Canaccord Genuity Corp. and PI Financial Corp., and included Raymond James Ltd., Beacon Securities and Lightyear Capital Inc. Blackline is using the net proceeds to undertake a series of programs, including:

- Accelerated investment in two new core products
- Accelerated investment in its cloud-based platform to dramatically enhance its ability to absorb data
- Expand its Blackline Vision data science offering and increase investment into its promotion
- Build new sales channels targeting new core vertical markets
- Explore opportunities for accretive growth through acquisition
- Other general corporate purposes

GAS LEAK DETECTION SYSTEM USING ARTIFICIAL INTELLIGENCE



Blackline announced its upcoming Artificial Intelligence ("AI") Gas Leak Detection data analytics module designed for automatic early detection of gas leaks by identifying patterns in low-level gas readings streamed to the Blackline Safety Cloud from G7 wearable gas monitors. Proactive detection and maintenance will enable gas leaks to be identified early, minimizing unexpected future downtime while keeping users safe. The initial client testing phase will run through March 2021.

G7 EXO CERTIFICATION AND EUROPEAN LAUNCH

Blackline received ATEX intrinsic safety certifications to support the European launch of its cloud-connected G7 EXO area gas monitor. Client shipments across Europe began with fulfillment of new orders and pre-orders. Each EXO area monitor shipped into Europe features integrated 4G and 2G technology, providing optimum coverage throughout the region.

MOLECULAR PROPERTY SPECTROMETER FLAMMABLE GAS SENSOR

Blackline launched the NevadaNano Molecular Property Spectrometer™ (MPS™) as part of the G7 gas sensor portfolio. This ground-breaking sensor is able to detect a broad range of combustible gases and features an exclusive gas classification system. Detected gases and gas mixtures are placed into one of six categories that include hydrogen, hydrogen mixtures, methane / natural gas, light gases / mixtures, medium gases / mixtures and heavy gases / mixtures. Gas readings are location-enabled and data is presented in a new, interactive Blackline Analytics report.

POST QUARTER UPDATE

APPOINTMENT OF CHEEMIN BO-LINN TO BOARD OF DIRECTORS

Blackline announced the appointment of Cheemin Bo-Linn to the Company's Board of Directors. Ms. Bo-Linn was recognized as one of the 'Top 50 Directors' in the United States in 2019 by the National Association of Corporate Directors and has served at the top levels of leadership and innovation. Ms. Bo-Linn currently serves as Chief Executive Officer of a valuation accelerator which provides consulting and operations expertise in software (SaaS), Internet of Things, mobile and digital (analytics, marketing, e-commerce and cybersecurity). She brings more than 25 years of experience as a software executive including her prior role as Vice-President of IBM Corporation.

APPOINTMENT OF BARBARA HOLZAPFEL AS ADVISOR TO BOARD OF DIRECTORS

Blackline announced the appointment of Barbara Holzapfel as an advisor to the board. She will operate as an advisor prior to being added to the slate of nominations to be presented at Blackline's FY2020 Annual General Meeting. Ms. Holzapfel currently holds the position of VP Microsoft Education, having previously served as Chief Marketing Officer for two fin-tech companies, and as Senior Vice President and Managing Director for SAP Labs North America. Ms. Holzapfel offers deep executive experience from a variety of industries, including high tech, financial services, management consulting and consumer-packaged goods, while also serving on the boards of several non-profit organizations.

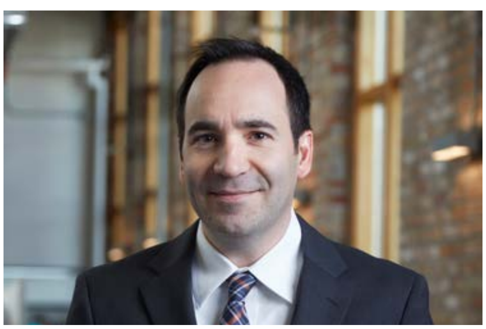
BLACKLINE COLLECTIVE

Blackline Collective is a program focused on building a network of safety-minded organizations and bridges industrial borders, connecting peers committed to fostering a culture of workplace safety and operational excellence, giving their teams the confidence they need to get the job done efficiently and return home safely. The launch of Blackline Collective establishes a community for leaders to share the experiences, best practices and strategies that have helped improve their organizations' safety and operations. It welcomes entities of any size or scale that consider safety a top priority and believe in the sharing of ideas and stories that have helped them keep their teams safe and moving forward efficiently.

DELOITTE 2020 TECHNOLOGY FAST 500

Blackline ranked 321 on Deloitte's Technology Fast 500™, a ranking of the 500 fastest growing technology, media, telecommunications, life sciences and energy tech companies in North America. Blackline Safety grew 315 percent during the three-year assessment period from 2016 through 2019 having previously ranked 431 as an award winner for 2018.

APPOINTED SEAN STINSON AS CHIEF REVENUE OFFICER



Sean Stinson moved into the role of Chief Revenue Officer, a new position within Blackline's executive team to support the adoption of cloud-connected wearables, data science offerings and recurring cloud services. The role will increase Blackline's alignment within the Industrial Internet of Things space as businesses around the world increasingly pursue digital transformation programs that leverage data to support decision-making.

NEW PARTNER PROGRAM, APPOINTED BRENDON COOK AS FIRST CHIEF PARTNERSHIP OFFICER

Blackline launched Blackline Catalyst, a global partner program that exists to accelerate growth innovation as enterprises around the world transform digitally. The program welcomes leading technology and solutions providers seeking to enhance their connectivity offerings or enter the connected safety market.

Supporting the creation and cultivation of Blackline Catalyst, Brendon Cook has been appointed as Chief Partnership Officer to expand and support this new program. Mr. Cook co-founded Blackline Safety in 2004 and has supported its growth as a technology leader, and in recent years, has overseen its marketing and communications programs.

G7C CLOSE CONTACT DETECTION FOR NORTH AMERICA

Blackline expanded the availability of its new G7 close contact detection firmware to North American and international markets. Previously launched across Europe in October, this new firmware makes Blackline's G7c the industry's first and only cloud-connected gas monitor to integrate close contact detection, a feature that provides users with a real-time notification when they enter into close proximity with other G7c users.

As industrial businesses continue to face stringent safety regulations and social distancing guidelines due to the global COVID-19 pandemic, the new close contact detection feature helps G7c users be mindful of their proximity with colleagues to support social distancing regulations.

COVID-19 UPDATE

Blackline continues to monitor the global impact of the Coronavirus pandemic having initiated its continuity plan in early March 2020 due to the impact of COVID-19. This plan has provided continued delivery of services to customers around the world, ensuring continuing business operations and reducing the impact on Blackline's growth trajectory.

CARING FOR OUR CUSTOMERS

Monitoring the safety of tens of thousands of personnel around the world, Blackline's highest priority is for the high-quality delivery of services throughout each of its regions. With our cloud-connected software and distributed workforce, Blackline continues to deliver the highest quality user experience to our clients located globally. Services are delivered through a combination of cloud-hosted tools, wireless networks and both in-house and partner monitoring teams that operate around the clock. As a result, Blackline has been able to maintain its critical 24-hour monitoring services to its customers.

Blackline's cloud software and infrastructure is hosted by Amazon Web Services, a globally recognized leader. By hosting the Company's software in the cloud, clients around the world receive fast loading times and do not need to maintain their own local server hardware.

As part of Blackline Analytics our customers utilize our Close Contact tracing tools to enable industrial contact tracing as part of pandemic workforce planning. Our G7c firmware enables real time notification to users when they enter into close proximity with other G7c users. Blackline has continued to include to these features during the COVID-19 pandemic at no additional cost to its customers, to support them as they maintain compliance with social distancing regulations.

BUSINESS OPERATIONS

Following the mandatory restrictions enacted by the Government of Alberta in December 2020, Blackline returned to working off-site for our Calgary office teams including sales and supporting services, marketing, finance, QA/integration, software and firmware development. Our in-house manufacturing and logistics teams continue to provide our essential products to customers with the Company adhering to workplace requirements and guidelines published by the Government of Alberta and Alberta Health Services to reduce the risk of transmission of COVID-19 among our employees.

As a result of the mandatory restrictions enacted by the Government of the United Kingdom ("UK") in December, all staff in our Colchester office who can work from home now do so with our warehouse team working using split shifts to ensure product shipments continue to be provided to essential workers.

Our employees in the European Union and the United States are following evolving national and state guidelines regarding work and related travel, with significant curtailments in recent months.

GOVERNMENTAL SUPPORT PROGRAMS

On April 11, 2020, the Government of Canada enacted the Canada Emergency Wage Subsidy ("CEWS") that is available to any employer, subject to eligibility criteria, whose business has been adversely affected by COVID-19.

The Company received wage subsidy funding of $974 for payroll related to the quarter ended October 31, 2020 and a total of $2,874 in the current fiscal year. These have been recorded as a reduction in related payroll expenses in the Consolidated Statements of Loss.

As at October 31, 2020, $974 is included in trade and other receivables on the Consolidated Statement of Financial Position as the cash funding was not received until post quarter end.

The Company continues to investigate relevant governmental support programs in those countries where we have operations through the period of the Coronavirus pandemic.

IMPACT ON GROWTH

There continues to be uncertainty regarding the duration and magnitude of the impact of the COVID-19 pandemic and the possibility of a resurgence in those countries and regions where cases of the Coronavirus have decreased, making it difficult to forecast the impact on the Company's current rate of growth.

In the short term, the primary impact will be on new product sales during the COVID-19 pandemic with our recurring service revenue being impacted by lower usage levels amongst some energy customers at this time.

FINANCIAL INFORMATION

The following table presents a summary of select financial information for the current and comparable prior years for the Company. These have been prepared in accordance with IFRS[1] as issued by IASB and are presented in Canadian dollars which is the presentation and functional currency of the Company. All figures in the MD&A are reported in thousands, except for per share, stock option, common share, percentages and unit amounts.

Year ended October 31,	2020 $	2019 $	2018 $
Revenues	38,377	33,271	17,772
Gross margin	20,188	15,502	7,731
Expenses	(28,536)	(26,228)	(16,903)
Net loss	(8,021)	(9,924)	(9,002)
EBITDA[1]	(4,189)	(8,150)	(7,847)
Adjusted EBITDA[1]	5,486	554	(1,096)
Loss per common share			
- Basic and diluted	(0.16)	(0.21)	(0.23)
EBITDA per common share[1]			
- Basic and diluted	(0.09)	(0.17)	(0.20)
Adjusted EBITDA per common share[1]			
- Basic and diluted	0.12	0.01	(0.03)
Total assets	88,610	58,734	57,885
Total non-current financial liabilities	1,266	193	356

[1] EBITDA, Adjusted EBITDA, EBITDA per common share and Adjusted EBITDA per common share are non-IFRS measures and do not have a standardized meaning prescribed by IFRS. Therefore, these measures may not be comparable to similar measures presented by other companies. See “Non-IFRS Measures” section for a reconciliation of these non-IFRS measures to IFRS.

REVENUE

Blackline's revenues are comprised of product and service revenues, which are the two operating segments of the Company.

Product revenues are generated from sales of Blackline's connected safety monitoring hardware devices and accessories to a variety of industries and geographic locations. Blackline has a broad customer base both in terms of industry and geographic reach and this diversified market helps to mitigate against dependence on and fluctuations in any one market space.

Service revenues relate to monitoring and support services that are provided to customers for safety devices. These revenues are associated with new customers who purchase the Company's connected safety monitoring concurrent with a new device, device rental revenue and data consulting. Service revenues also include recurring revenues from existing customers who renew their monitoring service for a Blackline device.

The Company also offers the G7 Lease program through a three or four-year lease commitment. Leases of more than three years are considered to be a finance lease commitment with hardware revenue recognized up-front in our product revenues and service revenue and interest over the life of the contract. For three-year lease commitments all revenues are recognized on a monthly basis as service is provided and positively impact the monthly service revenue, but negatively impact product revenue from traditional hardware sales and deferred revenue from associated service contracts.

	Three months ended October 31,			**Year ended October 31,**		
Revenue	**2020 $**	**2019 $**	**Change %**	**2020 $**	**2019 $**	**Change %**
Product	4,838	5,615	(14)	12,860	15,288	(16)
Service	6,712	5,131	31	25,517	17,983	42
Total revenue	11,550	10,746	7	38,377	33,271	15
Percentages of total revenue						
Product	42%	52%		34%	46%	
Service	58%	48%		66%	54%	
Total	100%	100%		100%	100%	

Fourth quarter overall revenue was $11,550, an increase of $804 from $10,746 in the same three-month period of the prior fiscal year. The 7% growth was driven by growth in recurring service revenues from both monitoring services from new product sales and recurring revenues from customer renewals. This was offset by reduced sales of our connected safety products as impacted by COVID-19.

Revenue for the fiscal year was $38,377 compared to $33,271 in the prior year. The overall 15% revenue increase is attributable to increased service revenues from connected safety monitoring services activated by end-users of Blackline's devices and strong device renewals over the past twelve-month period despite the impact of COVID-19 in current fiscal year.

	Three months ended October 31,			Year ended October 31,		
Country/geographic area	**2020 $**	**2019 $**	**Change %**	**2020 $**	**2019 $**	**Change %**
Canada	2,882	2,926	(2)	12,661	12,130	4
United States	5,139	4,508	14	16,051	12,829	25
Europe	3,050	2,932	4	8,337	7,111	17
Australia & New Zealand	220	138	59	767	693	11
Other international	259	241	7	561	508	11
Total revenue	11,550	10,746	7	38,377	33,271	15
Percentages of total revenue						
Canada	25%	27%		33%	36%	
United States	45%	42%		42%	39%	
Europe	26%	27%		22%	22%	
Australia & New Zealand	2%	2%		2%	2%	
Other international	2%	2%		1%	1%	
Total	100%	100%		100%	100%	

The Company's geographic revenue distribution for the fourth quarter included 14% of growth in the United States, with 4% in Europe and a decrease of 2% in Canada. In the current fiscal year the percentage of total revenue generated from customers and distributors the United States grew 25% and represented 42% of overall revenue.

PRODUCT REVENUE

The Company's fourth quarter product revenue was $4,838 compared to $5,615 in the prior fiscal period. The $777 or 14% decrease from the prior year quarter is attributable to lower sales of Blackline's hardware in the current period with COVID-19 resulting in deferrals of customer orders and an inability to access customer sites to conduct and conclude field testing. Sales in the quarter were also impacted by depressed commodity prices and lower oil and gas production with associated budgetary uncertainties for companies operating in this industry. The prior year comparable period included a significant connected gas detection order from a water and sewerage company in the UK with no such equivalent volume order shipped in the current year period.

The fourth quarter included the first sales of the Company's new G7 EXO area monitor to European and international customers. These sales contributed $1,887 in product sales in the period.

Product revenues for the fiscal year were $12,860 compared to $15,288 in the prior year. The 16% decrease from the prior year is attributable to the impact of COVID-19 as well as by the impact of three large purchase orders by UK water and sewerage companies in the prior year with no equivalent sales to this market in the current fiscal year.

SERVICE REVENUE

The Company's fourth quarter service revenue was $6,712 compared to $5,131 in the same period last year, representing an increase of $1,581 or 31%. The increase can be attributed to the revenue generated from new service activations by end-users of Blackline's devices and strong device renewals over the past twelve-month period. Service revenues were impacted by approximately $96 relating to customers, predominately in the oil and gas industry, opting to place some of their service plans on pause due to worksite slowdowns as a result of the impact of COVID-19. There was also lower G7 direct rental activity in the current quarter with $118 less rental revenue earned in Q4 FY 2020 due to several major rental projects being completed.

Operating lease revenues contributed $925 in the fourth quarter compared to $1,062 in the prior year comparable period. The decrease is driven by customers in the past twelve months continuing to opt for finance leases of more than three years or outright purchase of Blackline's products rather than through operating leases.

Service revenues for the fiscal year were $25,517 compared to $17,983 in the prior year. The increase of $7,534 or 42% from the prior year is attributable to the increase in the Company's customer base throughout the past twelve-month period. New product sales in North America and Europe over the past twelve-month period have contributed to the year-over-year increase in service revenue with retention rates of customers in all regions and industry sectors continuing to be robust. Service revenues were impacted by approximately $407 as customers, across many industries, opted to place some of their service plans on pause due to worksite slowdowns as a result of the impact of COVID-19. These reductions were most notable in the energy and energy services industries. Direct rental revenues were flat year-over-year as the program was initiated in the second quarter of fiscal 2019.

Operating leases contributed $4,231 to service revenue in the fiscal year compared to $4,358 in the prior year. The decrease is driven by customers in the past twelve months continuing to opt for finance leases of more than three years or outright purchase of Blackline's products rather than through operating leases.

CONTRACTED FUTURE REVENUE

Contracted future revenue represents future operating lease and associated service revenue commitments in place over the lease term. This amount is comprised of the total undiscounted value of our G7 operating lease contracts, excluding the lease service revenue recognized to date, with no amount included in deferred revenue on the Statement of Financial Position.

	2020 $	2019 $
Balance at October 31, 2019 and 2018	**6,749**	**7,959**
New operating lease contracts – G7 products	999	1,377
New operating lease contracts – Cartridges	61	94
Net operating lease contract changes	19	(2)
Lease revenue recognized in the period	(1,056)	(1,097)
Balance at January 31	**6,772**	**8,331**
New operating lease contracts – G7 products	555	901
New operating lease contracts – Cartridges	181	53
Net operating lease contract changes	10	11
Lease revenue recognized in the period	(1,171)	(1,099)
Balance at April 30	**6,347**	**8,197**
New operating lease contracts – G7 products	41	815
New operating lease contracts – Cartridges	3	137
Net operating lease contract changes	(618)	(650)
Lease revenue recognized in the period	(1,079)	(1,100)
Balance at July 31	**4,694**	**7,399**
New operating lease contracts – G7 products	208	388
New operating lease contracts – Cartridges	33	41
Net operating lease contract changes	(2)	(17)
Lease revenue recognized in the period	(925)	(1,062)
Balance at October 31	**4,008**	**6,749**

In the fourth quarter of the current fiscal year, the Company entered into new operating leasing contracts for G7 products with a total contract value of $208 (Three-month period ended October 31, 2019: $388). The Company also entered into new leasing contracts for gas sensor cartridges for a total contract value of $33 in the fourth quarter (Three-month period ended October 31, 2019: $41).

Operating lease revenues recognized were $925 in the fourth quarter of the current fiscal year compared to $1,062 in the prior year comparable period. The quarter also included $2 (Three-month period ended October 31, 2019: $17) relating to customers who amended their lease contracts resulting in the remainder of the contract term being accounted for as a finance lease.

Contracted future revenue of $4,008 at October 31, 2020 represents a decrease of $2,741 or 41% over the comparable period end amount of $6,749. This is driven by customers in the past twelve months continuing to opt for finance leases of more than three years or outright purchase of Blackline's products rather than operating leases that contribute to contracted future revenue.

FINANCE LEASES

Contracted future revenue does not include leases that are classified as finance leases. The present value of the hardware component of these finance leases is recognized in current and long-term other receivables on the Statement of Financial Position. The service component is recognized within trade receivables when the service is delivered.

COST OF SALES

Cost of sales for the Company includes the costs of manufacturing its safety monitoring products as well as the costs of servicing those products. The cost of sales for products comprises of raw materials, direct costs, direct labor, an allocation of overhead, freight charges, warranty, depreciation and scrappage. The cost of servicing those products is comprised of direct costs, direct labor for the SOC, communication costs for devices equipped with cellular and/or satellite technology, depreciation of cartridges and units leased through the G7 leasing program and an allocation of overhead. Service cost of sales also includes the direct labor costs for project service costs of the Blackline Vision team members.

	Three months ended October 31,			Year ended October 31,		
Cost of sales	**2020 $**	**2019 $**	**Change %**	**2020 $**	**2019 $**	**Change %**
Product	2,918	4,000	(27)	10,289	11,678	(12)
Service	2,122	1,647	29	7,900	6,091	30
Total cost of sales	5,040	5,647	(11)	18,189	17,769	2
Percentages of segment revenue						
Product	60%	71%		80%	76%	
Service	32%	32%		31%	34%	
Total	44%	53%		47%	53%	

Cost of sales incurred for the quarter ended October 31, 2020 totaled $5,040 compared to $5,647 in the same period last year, a decrease of $607 or 11%. This is comprised of cost of sales for the product segment, amounting to $2,918 for the current quarter and $2,122 incurred in the service segment which represents 60% and 32% of each segment's revenue respectively. In the prior year quarter, cost of sales for the product segment was $4,000 and $1,647 for the service segment representing 71% and 32% of each segment's revenue respectively.

Cost of sales for the fiscal year were $18,189 compared to $17,769 in the prior year, an increase of $420 or 2%. This is comprised of $10,289 incurred in the product segment and $7,900 incurred in the service segment which represents 80% and 31% of each segment's revenue respectively. In the prior year period cost of sales for the product segment were $11,678 and $6,091 for the service segment representing 76% and 34% of each segment's revenue respectively.

COST OF SALES PRODUCT

The cost of sales for products decreased by $1,082 compared to the prior year fourth quarter with this being attributable to several factors.

There were decreased material costs of $921 due to the decrease in the number of product units sold directly and through finance leases in the period. The Company's production payroll and benefits costs decreased by $321 quarter-over-quarter noting that in the period we continued to utilize some split-shifts in the current quarter to facilitate COVID-19 physical distancing in our production facility. Also contributing to this decrease was $130 of CEWS funding that the Company recorded in the period with no such equivalent in the prior period. The Company's warranty expense also decreased by $180 period-over-period which is reflective of the lower number of devices sold under warranty in the current period.

There were increased inventory write-downs of legacy products that are no longer being actively marketed of $41 and increased scrappage costs and a write off of returned used device units and cartridges that were not reworked of $311.

The decrease in product costs of sales for the year of $1,389 compared to the prior year arises from several contributory factors.

There were decreased material costs of $2,194 due to the decrease in the number of product units sold directly and through finance leases year-over-year. Inventory write-downs of legacy products that are no longer being actively marketed were lower by $154 year-over-year and the Company's warranty expense also decreased by $302 year-over-year which is reflective of the lower number of devices sold under warranty this fiscal year.

These were offset by increased production staff payroll and benefits costs of $428, which were reduced by $419 of wage subsidy funding received from the CEWS in response to COVID-19. There were also incremental unabsorbed material costs of $570, increased scrappage costs and a write off of returned used device units and cartridges that were not reworked of $458. There were also higher customs, duty and brokerage charges of $263 incurred year-over-year.

COST OF SALES SERVICE

Service cost of sales increased by $475 compared to the prior year fourth quarter. The largest factor that contributed to this increase was depreciation on owned cartridges and leased units that grew $160 quarter-over-quarter as a result of the growth in the number of owned cartridges in use in the field.

There were increases of $122 from additional infrastructure facility costs to support the growth of the Company's expanding customer usage base and also $221 from growth in communications costs from new customer device activations, particularly as the Company has expanded its sales of satellite connected devices in the previous twelve-month period.

Salaries and benefits have increased $40 quarter-over-quarter as a result of additional SOC team members and the Blackline Vision data science team. These were offset by $94 of wage subsidy funding recorded from the CEWS in response to COVID-19.

Service cost of sales for the fiscal year increased by $1,809 compared to the prior year. The increase is attributable to growth in depreciation on owned cartridges and leased units of $963 in the current year, additional infrastructure support costs to support the growth of the Company's customer base of $361 and increased communications costs resulting from device activations from new customers of $547.

Salaries and benefits have increased $269 year-over-year predominately as a result of growth in the Blackline Vision data science team and were offset by $285 of wage subsidy funding recorded from the CEWS. These increases were offset by a reduction of $124 in consulting costs as the Company completed a development acceleration program in the prior year comparable period.

GROSS MARGIN

	Three months ended October 31,		Year ended October 31,	
Gross margin	**2020 $**	**2019 $**	**2020 $**	**2019 $**
Product	1,921	1,615	2,571	3,610
Service	4,589	3,484	17,617	11,892
Total gross margin	6,510	5,099	20,188	15,502
Gross margin percentages				
Product	40%	29%	20%	24%
Service	68%	68%	69%	66%
Total	56%	47%	53%	47%

Gross margin for the fourth quarter was $6,510 compared to $5,099 in the comparable three-month period of the prior year. Product gross margin percentage increased to 40% compared to 29% in the prior fourth quarter. The improved product margin was a result of our first sales of our higher margin G7 EXO area monitor in the quarter to European customers and our general sales mix.

Service gross margin percentage of 68% was consistent with that earned in comparable prior year fiscal period. The resulting gross margin percentage of 56% was ahead of the 47% level achieved in the same quarter of prior fiscal year with the Company's improved product margin contributing to the higher overall margin.

Overall gross margin for the fiscal year was $20,188 compared to $15,502 in the comparable prior period. Product gross margin percentage was 20% compared to 24% in the prior period while service gross margin percentage increased to 69% compared to 66% in the prior period. The resulting gross margin percentage of 53% was greater than the 47% level achieved in the same period of prior year with the Company's product sales mix and higher service margin contributing to the higher overall margin.

EXPENSES

	Three months ended October 31,			Year ended October 31,		
Expenses	2020 $	2019 $	Change %	2020 $	2019 $	Change %
General and administrative expenses	1,873	2,060	(9)	5,294	6,559	(19)
Sales and marketing expenses	3,599	4,067	(12)	14,066	12,641	11
Product development costs	2,919	2,071	41	9,175	7,028	31
Total expenses	8,391	8,198		28,536	26,228	
Percentages of total revenue						
General and administrative expenses	16	19		14	20	
Sales and marketing expenses	31	38		37	38	
Product development costs	25	19		24	21	
Total	72	76		75	79	

Total expenses for the quarter ended October 31, 2020 were $8,390 compared to $8,198 in the fourth quarter of the prior year, which represents an increase of $192 over the comparable three-month period. The increase resulted from product development costs rising, offset by a reduction in both general and administrative expenses and sales and marketing expenses quarter-over-quarter.

Total expenses for the year ended October 31, 2020 were $28,536 compared to $26,228 in the prior period, which represents an increase of $2,308 over the comparable year. The increase resulted from both sales and marketing expenses and product development costs rising, offset by a reduction in general and administrative expenses year-over-year.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprise the salaries, benefits and stock-based compensation expense of the accounting and finance, general management staff and the Board of Directors. These costs also include professional fees, internal systems, the costs of compliance associated with being a public company, amortization of intangible assets, depreciation of certain property and equipment and general corporate expenses.

These expenses were $1,873 for the fourth quarter of the year, a decrease of $187 or 9% from $2,060 in the same period last year.

There was an unrealized foreign exchange gain of $65 in the current quarter compared to an unrealized loss of $224 in the prior comparable period relating predominately to the Company's foreign currency denominated cash and cash equivalents, accounts receivable and accounts payable at the period end.

Travel costs decreased by $76 with all general corporate travel cancelled due to the impact of COVID-19.

There were additional salaries and benefits in the quarter of $182 from the additional general and administrative team members employed in the current quarter when compared to the prior year. These salaries were offset by $100 of wage subsidy funding from the CEWS and recorded as a reduction in related general and administrative salaries in the year with no such equivalent in the prior year. There was also additional depreciation for office furniture and equipment and right-of-use assets in the current quarter of $116 and increased recruiting fees of $68 arising from the hiring new team members and additional Board of Directors members.

For the year ended October 31, 2020, the Company's general and administrative expenses were $5,294 compared to $6,559 in the comparable prior year, a decrease of $1,265.

There was an unrealized foreign exchange gain of $1,281 in the current year compared to an unrealized loss of $31 in the prior comparable period that contributed to the year-over-year decrease. This relates primarily to the Company's foreign currency denominated cash and cash equivalents, accounts receivable and accounts payable, predominately those denominated in US dollars, at the year end.

There were additional salaries and benefits of $702 in the current year arising from the growth over the past twelve months in our finance and general management team. These salaries were offset by $275 of wage subsidy funding from the CEWS and recorded as a reduction in related general and administrative salaries in the year with no such equivalent in the prior year. In the current year, the total stock-based compensation recognized in general and administrative expenses in the period decreased $419 with this principally due to the lower valuation of the stock options granted in the current year compared to the prior year. Travel costs decreased by $79 due to significantly reduced corporate travel as a result of the impact of COVID-19.

In the prior year the Company recorded a charge of $224 relating to an onerous lease contract. The Company considered this to be a non-recurring transaction with no such transaction in the current year.

These were offset by additional depreciation for office furniture and equipment and right-of-use assets in the current year of $487, increased recruiting fees of $119 arising from fees paid to hire new team members and additional Board of Directors members and increased software costs of $154 arising from new enterprise technology initiatives to assist with company growth scalability.

SALES AND MARKETING EXPENSES

Sales and marketing expenses include the salaries, benefits and stock-based compensation expense of the sales, marketing, business development, customer care and sales support staff as well as travel costs, selling and marketing expenses and supporting contractors and consultants' professional fees.

These expenses were $3,599 for the fourth quarter of the year, a decrease of $468 or 12% from $4,067 in the same period last year.

In the fourth quarter of each fiscal year the National Safety Council Congress & Expo, Blackline's largest North American tradeshow is held. As a result of COVID-19 this tradeshow, together with all others in the quarter was cancelled resulting in lower tradeshow costs of $520 quarter-over quarter.

The sales and supporting function had lower travel costs of $193 and meals and entertainment costs of $39 due to significantly reduced business travel as a result of COVID-19. The Company's bad debt provision decreased by $85 when compared to the prior year quarter with this being due to lower amount recorded in the expected credit loss model for our trade receivables.

Blackline expanded its sales and supporting function teams at Blackline's headquarters resulting in additional salaries, compensation and benefit costs, commissions and sales contractor costs in the current quarter of $368 compared to the prior year equivalent period. The Company was eligible for $337 of CEWS funding that has been recorded as a reduction in related sales and marketing salaries in the period with no such equivalent in the prior period. The growth in the sales and supporting function teams also resulted in incremental recruitment fees of $42 in the current period.

The Company continues to engage its new marketing partner in order to enhance its presence in the marketplace with this, and other associated marketing and digital marketing initiatives, contributing to an increase of $330 in advertising expenditures quarter-over-quarter. Sales demonstration expenses increased by $73 in advance of the European launch of the G7 EXO in Q4 FY 2020 and North American and International launch in early 2021.

For the year ended October 31, 2020 the Company's sales and marketing expenses were $14,066 compared to $12,641 in the comparable prior year, an increase of $1,425.

The principal reasons for the increase in the current year relate to the growth of the Company's sales team and supporting functional teams at Blackline's headquarters, within the United States, at our European office and in the field in Europe with additional salaries, compensation and benefit costs, commissions and sales contractor costs of $2,729 compared to the prior year. These were offset by $998 of wage subsidy funding in the year from the CEWS in response to COVID-19 that has been recorded as a reduction in sales and marketing expenses salaries in the year with no such equivalent in the prior year. The growth in the sales and supporting function teams also resulted in incremental recruitment fees of $62 in the current year.

Lease contract fulfilment costs increased $398 in the current year as a result of the increase in the number of G7 Lease agreements facilitated by distributors in the past twelve months and also due to the immediate recognition of distributor commissions related to the product component of finance leases rather than recognition over the course of the three years as is the case for an operating lease.

There were increased marketing costs of $1,131 principally due to the engagement through the past twelve months of our new marketing partner and other associated marketing and digital marketing initiatives. Legal expenses increased $43 due to additional external contractual agreement support.

As a result of COVID-19 the Company's attendance at tradeshows, including the flagship National Safety Council Congress & Expo, was severely curtailed from March onwards resulting in a $633 decrease in tradeshow expenses. The sales and supporting function had lower travel costs of $683 and meals and entertainment costs of $90 this fiscal year due to significantly reduced business travel as a result of the impact of COVID-19.

The Company's bad debt expenses decreased by $577 when compared to the prior year with this being due to a lower amount recorded in the expected credit loss model for our trade receivables. The decrease was also due to a recovery of $211 that had been previously included in the trade receivables loss allowance and recorded this as a reduction in our trade receivables loss allowance this fiscal year. The Company considers this to be a non-recurring transaction.

PRODUCT DEVELOPMENT COSTS

Product development costs reflect the Company's ongoing efforts to expand its product line while enhancing the capabilities of the current revenue-generating product offering. Product development costs include the salaries and benefits of the product development team, external consultants, materials used specifically for product development purposes, amortization of intangible assets and depreciation of certain property and equipment. Blackline also records the impact of government assistance from the Scientific Research and Experimental Development program ("SR&ED") as a reduction in product development costs in accordance with the Company's accounting policy for government assistance.

Product development costs were $2,919 in the fourth quarter, up from $2,071 in the comparable prior year period, an increase of $848 or 41%. Blackline aggressively invested in its product development efforts in the quarter to further broaden the Company's product portfolio including continued investment in the development of the G7 EXO area monitor product line and the commencement for the planning for two new core products. The Company also accelerated its ongoing investment in its cloud-based platform to dramatically enhance its ability to absorb data.

The employee compensation and benefit expenses and contractor costs were higher in the current quarter by $460 compared to the prior period due to the expansion of the Company's product development team to facilitate our development expansion plans. These were offset by $313 of CEWS funding that has been recorded as a reduction in related product development salaries in the period with no such equivalent in the prior year comparable quarter. The investment into Blackline's improved back end supporting platform resulted in an additional $608 in external consulting fees.

For the year ended October 31, 2020, the Company's product development costs were $9,175 compared to $7,028 in the comparable prior year. In the current year Blackline increased its investment in its product development efforts to further broaden the Company's product portfolio and customer reach with a focus on the development of the G7 EXO area monitor, improvement of the back end supporting platform for the Blackline Live portal and the external development costs of the addition of camera vision to the G7 connected portfolio.

The increase of $2,147 in the year is attributable to several factors. Product development salaries and benefit expenses and contractor costs increased $1,764 with continued growth of the team in the current fiscal year compared to the prior year. These were offset by $891 of funding in the current year from the CEWS that has been recorded as a reduction in product development salaries in the year with no such equivalent in the prior year.

Investment into Blackline's improved back end supporting platform resulted in an additional $828 in external consulting fees. Product development resulted in an additional $125 in material costs purposes, principally for G7 EXO.

FINANCE INCOME, NET

Finance income, net of finance expenses, was $76 and $327 in the three and twelve-month periods, respectively, compared to $176 and $801 in the comparable prior year periods. This decrease was principally due to a lower short-term investments balance upon which the interest income is earned as the Company's investment of the net proceeds of the October 2018 Brokered Private Placement was utilized in fiscal 2019 and in the current fiscal year.

NET LOSS, EBITDA AND ADJUSTED EBITDA

Net loss was $(1,804) for the three-month period ended October 31, 2020 compared to $(2,924) for the comparable prior year fiscal period. The decreased net loss in the period primarily arises from an increase in gross margin and decreased general and administrative expenses and sales and marketing expenses, offset by increased product development costs quarter-over-quarter.

Net loss for the year ended October 31, 2020 was $(8,021) compared to $(9,924) in the comparable prior year period. The decreased net loss in the period arises principally from an increase in gross margin and decreased general and administrative expenses, offset by increased selling and marketing expenses and product development costs year-over-year.

EBITDA[1] was $(786) for the three-month period ended October 31, 2020 compared to $(2,336) for the comparable prior year fiscal year. The improvement in EBITDA in the period primarily arises from an increase in gross margin and decreased general and administrative expenses and selling and marketing expenses, offset by increased product development costs compared to the prior year quarter.

EBITDA[1] for the year ended October 31, 2020 was $(4,189) compared to $(8,150) in the comparable prior year period. The improvement in EBITDA for the year can principally be attributed to an increase in gross margin and decreased general and administrative expenses, offset by increased selling and marketing expenses and product development costs year-over-year.

Adjusted EBITDA[1] for the three-month period ended October 31, 2020 was $2,149 compared to $155 in the prior year period. The improved Adjusted EBITDA resulted primarily from an increase in gross margin and decreased general and administrative expenses and selling and marketing expenses compared to the prior year quarter.

Adjusted EBITDA[1] for the year ended October 31, 2020 was $5,486 compared to $554 in the comparable prior year period. The increase in Adjusted EBITDA for the period can principally be attributed to an increased gross margin and decreased general and administrative expenses, offset by increased sales and marketing expenses compared to the prior fiscal year.

[1] See "Non-IFRS Measures" section for a reconciliation of these non-IFRS measures to IFRS.

TOTAL ASSETS AND LIABILITIES

Blackline's total assets as at October 31, 2020 were $88,610 compared to $58,734 as at October 31, 2019. Total liabilities were $22,282 compared to $19,363 as at October 31, 2019.

The increase in total assets as at October 31, 2020 when compared to the prior fiscal year end is primarily attributable to increased cash and cash equivalents, short-term investments, trade and other receivables, inventory and right-of-use assets.

Cash and cash equivalents at October 31, 2020 were $28,523 compared to $13,637 at October 31, 2019, an increase of $14,886. The short-term investments with financial institutions at the period end were $23,000 compared to $17,003 at the prior year end, with the majority of the funds being those invested from the September 2020 Brokered Private Placement and the remainder from the October 2018 Brokered Private Placement. This represents a total cash and cash equivalents and short-term investments amount of $51,523 as at October 31, 2020 (October 31, 2019: $30,640).

Trade and other receivables totaled $13,342 up from $10,406 at the prior year end with the increase arising from the growth in trade receivables due to the product sales generated in the current fiscal period compared to the prior year and the associated collection terms and collection timing of these receivables. The increase in other receivables is attributable to the growth in lease receivables from the Company's finance lease contracts in the current fiscal period.

Inventory totaled $10,771 at the current year end compared to $5,850 at the prior year end. Material parts inventory increased to $6,142 from $3,056 at the prior year end with finished goods, comprised of finished and packaged units, increasing to $4,629 from $2,793 at the prior year end. The growth in overall inventory is attributable to an inventory build for both G7 and the Company's new G7 EXO area monitor product and additional completed product on hand at the period end due to COVID-19 impacted product sales.

Total contract assets, consisting of current and long-term costs related to the fulfilment of G7 Lease contracts were $722 as at October 31, 2020 (October 31, 2019: $976). The decrease is largely due the immediate recognition in the Consolidated Statements of Loss of distributor commissions related to the product component of finance leases rather than recognition over the course of a three-year operating lease as a contract asset.

Property and equipment at the period end was $8,562 compared to $9,450 at the prior year end. The decrease arising from asset depreciation of $3,451, $313 from previously owned operating lease devices that are now owned by the customer through amended finance lease contracts as well as write offs of owned cartridges of $453. These are offset by $452 of net additions for new molds for the G7 EXO product and $244 for an additional piece of surface mount technology equipment (SMT) that supplements the existing SMT line.

The right-of-use assets of $1,486 represent the lease obligations that have been entered into by the Company, the majority of which relate to the lease agreements for the Company's offices in Calgary, Canada and Colchester, UK with this being the first reportable fiscal year where these assets are recognized on the Statement of Financial Position.

The total current liabilities at October 31, 2020 were $17,728 compared to $15,367 as at October 31, 2019. The amount of accounts payable and accrued liabilities owed by the Company decreased to $7,311 from $7,367 at the prior year end due to the timing of the payment of the Company's expenditures at the end of each fiscal period. The current portion of the Company's deferred revenue, whereby customers commit to service plans that are paid in advance, was $9,288 at the year-end compared to $7,100 at the prior year end with this being driven by service revenue contracts, the difference being due to the timing of when cash is received, and when revenue is recognized.

The current portion of contract liabilities which represent the Company's obligations to pay commissions to third-party distributors who assist with the fulfilment of G7 Lease contracts was $632 as at October 31, 2020 compared to $611 at the prior year end.

The current portion of the repayable funding from TECTERRA Inc. ("TECTERRA") was $nil compared to $289 as at October 31, 2019 as the final repayment was made in the current year based on the terms of the funding and compensation agreement with TECTERRA.

The current portion of the Company's lease liabilities was $497 with this being the first reportable fiscal year where this liability is recognized on the Statement of Financial Position.

The total non-current liabilities at October 31, 2020 were $4,554 compared to $3,996 as at October 31, 2019. The non-current financial liabilities include the non-current portions of deferred revenue and deferred lease incentives.

The long-term portion of the Company's deferred revenue decreased to $3,289 from $3,631 at the prior year end, which reflects the timing of when the deferred revenue from service sales will be earned. The non-current portion of contract liabilities was $202 as at October 31, 2020 compared to $193 at the prior year end.

The non-current portion of the Company's lease liabilities was $1,064 with this being the first reportable fiscal year where this liability is recognized on the Statement of Financial Position.

PROCEEDS OF PRIVATE PLACEMENTS

On September 2, 2020, the Company closed an underwritten private placement of 6,000,000 common shares of the Company at an issue price of $6.00 per Common Share for aggregate gross proceeds of $36 million (the "September 2020 Brokered Private Placement"). After deduction of broker and other fees the net proceeds from the September 2020 Brokered Private Placement were $33,638. All Common Shares issued pursuant to the Offering were subject to a four month plus one day hold period.

Blackline advised at the time that it intends to use the net proceeds of the September 2020 Brokered Private Placement to undertake a series of programs, including:

- Accelerated investment in two new core products
- Accelerated investment in its cloud-based platform to dramatically enhance its ability to absorb data
- Expand its Blackline Vision data science offering and increase investment into its promotion
- Build new sales channels targeting new core vertical markets
- Explore opportunities for accretive growth through acquisition
- Other general corporate purposes

The Company invested $15,000 of the funds raised in short-term investments and as at October 31, 2020 $15,000 of these funds remains invested in short-term investments.

On October 22, 2018, the Company closed an underwritten private placement of 6,325,000 common shares of the Company at an issue price of $5.00 per common share for aggregate gross proceeds of $31,625 (the "October 2018 Brokered Private Placement"). After deduction of broker and other fees the net proceeds from the October 2018 Brokered Private Placement were $29,399.

Blackline advised at the time that it intends to use the net proceeds of the October 2018 Brokered Private Placement to support the accelerated growth of its international sales network, to fund potential accretive acquisition opportunities as well as general corporate purposes. The Company invested $27,624 of the funds raised in notice term deposits and short-term investments and as at October 31, 2020 $12,144 of these funds remains invested in notice term deposits and short-term investments.

SUMMARY OF QUARTERLY RESULTS

The following table highlights revenue, gross margin percentage, net loss, net loss per share, Adjusted EBITDA[1] and Adjusted EBITDA per share amounts for the eight most recently completed quarters ended October 31, 2020. These have been prepared in accordance with IFRS, with the non-IFRS measures captioned below, and are presented in Canadian dollars which is the presentation and functional currency of the Company.

Fiscal year ($)	2020				2019			
Quarter	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	11,550	9,437	8,472	8,918	10,746	8,108	8,189	6,229
Gross margin percentage	56%	53%	55%	46%	47%	49%	44%	46%
Net loss	(1,804)	(1,762)	(2,099)	(2,355)	(2,924)	(2,240)	(3,016)	(1,745)
- Net loss per share, basic and diluted	(0.04)	(0.04)	(0.04)	(0.05)	(0.06)	(0.05)	(0.06)	(0.04)
Adjusted EBITDA[1]	2,149	1,420	1,397	520	155	112	253	33
- Adjusted EBITDA[1] per share, basic and diluted	0.05	0.03	0.03	0.01	0.00	0.00	0.01	0.00

[1] See "Non-IFRS Measures" for a reconciliation of Adjusted EBITDA as a non-IFRS measure to IFRS. The reconciling items and the movements in these items from period to period are discussed in the MD&A of each period.

The variations over the quarters, including their comparable quarter, are discussed in this MD&A and in the previously filed interim and annual MD&A of the Company.

FISCAL YEAR 2020

The increase in revenue in the fourth quarter of fiscal 2020 compared to the third quarter of fiscal 2020 relates predominately to higher product revenues. The increase in gross margin percentage in the fourth quarter of fiscal 2020 compared to the third quarter of fiscal 2020 was due to the product margin earned period-over-period. The increase in net loss in the fourth quarter of fiscal 2020 compared to the third quarter of fiscal 2020 resulted from increased product development costs, offset by increased gross margin, decreased general and administrative expenses and sales and marketing expenses period-over-period. The increase in Adjusted EBITDA in the fourth quarter of fiscal 2020 resulted from increased gross margin, decreased general and administrative expenses and sales and marketing expenses period-over-period.

The increase in revenue in the third quarter of fiscal 2020 compared to the second quarter of fiscal 2020 relates predominately to higher service revenues. The decrease in gross margin percentage in the third quarter of fiscal 2020 compared to the second quarter of fiscal 2020 was due to the product and service mix sold, as well as reduction in service gross margin, period-over-period. The decrease in net loss in the third quarter of fiscal 2020 compared to the second quarter of fiscal 2020 resulted from increased gross margin, decreased sales and marketing expenses offset by increased general and administrative expenses period-over-period.

The increase in gross margin percentage in the second quarter of fiscal 2020 compared to the first quarter of fiscal 2020 was due to the product and service mix sold period-over-period. The increase in Adjusted EBITDA in the second quarter of fiscal 2020 compared to the first quarter of fiscal 2020 resulted from increased gross margin, decreased sales and marketing expenses offset by increased general and administrative expenses period-over-period.

The decrease in revenue in the first quarter of fiscal 2020 compared to the fourth quarter of fiscal 2019 relates predominately to lower product revenues. The decrease in net loss in the first quarter of fiscal 2020 compared to the fourth quarter of fiscal 2019 is attributable to decreased general and administrative expenses, offset by decreased revenues and gross margin and increased sales and marketing expenses period-over-period. The increase in Adjusted EBITDA in the first quarter of fiscal 2020 resulted from decreased general and administrative expenses, offset by decreased revenues and gross margin and increased sales and marketing expenses period-over-period.

FISCAL YEAR 2019

The increase in revenue in the fourth quarter of fiscal 2019 compared to the third quarter of fiscal 2019 relates predominately to higher product revenues. The decrease in gross margin percentage in the fourth quarter of fiscal 2019 compared to the third quarter of fiscal 2019 was due to the product and service mix sold period-over-period. The increase in net loss in the fourth quarter of fiscal 2019 compared to the third quarter of fiscal 2019 is attributable to increased selling, general and administrative expenses and product development costs, offset by increased revenues and gross margin period-over-period.

The increase in gross margin percentage in the third quarter of fiscal 2019 compared to the second quarter of fiscal 2019 was due to a proportionally higher product margin due to the mix of products sold period-over-period. The decrease in net loss in the third quarter of fiscal 2019 compared to the second quarter of fiscal 2019 is attributable to stock-based compensation expense incurred in the second quarter of the fiscal year from stock options granted to directors, officers and employees of the Company.

The increase in revenue in the second quarter of fiscal 2019 compared to the first quarter of fiscal 2019 relates predominately to higher product revenues. The increase in net loss in the second quarter of fiscal 2019 compared to the first quarter of fiscal 2019 was mainly attributable to an increase in stock-based compensation expense incurred in the second quarter of fiscal 2019 from stock options granted to directors, officers and employees of the Company with no equivalent grant in the first quarter of fiscal 2019. The increase in Adjusted EBITDA in the second quarter of fiscal 2019 resulted from increased revenues and gross margin, offset by increased selling, general and administrative expenses period-over-period.

There are no factors, other than those previously disclosed, that have caused variations over the quarters necessary to understand general trends that have developed for which separate discussion in this MD&A is required. The Company's business is not significantly impacted by seasonality.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary requirements for capital are to fund the development of enhanced product offerings and for general working capital requirements. The Company finances these activities primarily through cash flows from operations, funds from equity financing, a bank demand operating revolving loan facility and government assistance in the form of repayable debt.

Blackline had cash and cash equivalents of $28,523 as at October 31, 2020. Cash and cash equivalents increased by $14,886 during the year ended October 31, 2020 with an increase of $2,275 in the prior fiscal year.

The total of the short-term investments held as at October 31, 2020 amounted to $23,000 compared to $17,003 at the prior year end. The short-term investments were comprised of fixed interest rate guaranteed investments certificates with two Canadian chartered banks. The total cash and cash equivalents and short-term investments at October 31, 2020 was $51,523 (October 31, 2019: $30,640).

Cash flows from operating, financing and investing activities, as reflected in the Consolidated Statement of Cash Flows, are summarized as follows:

	2020 **$**	**2019** **$**
Cash provided by (used in) operating activities	(9,158)	(5,123)
Cash provided by (used in) financing activities	34,293	1,365
Cash provided by (used in) investing activities	(9,150)	5,854
Effect of foreign exchange changes	(1,099)	179
Total net increase (decrease) in cash and cash equivalents	**14,886**	**2,275**

Operating activities in the year ended October 31, 2020 used $9,158 in cash with $5,123 used in the prior fiscal year. The net change in non-cash working capital relating to operating activities amounted to $(6,098) compared to $1,630 in the prior year. The majority of the net change in non-cash working capital in the current year related to changes in inventory of $4,903, trade and other receivables of $1,515, offset by deferred revenue of $2,161 as compared to the immediately preceding fiscal period end date.

Financing activities for the year ended October 31, 2020 provided a cash increase of $34,293 compared to an increase of $1,365 in the prior fiscal year. In the current year net proceeds of $33,638 were raised through the September 2020 Brokered Private Placement with $1,315 through the exercise of stock options compared to $1,476 in the prior year through the exercise of stock options. Lease liability payments of $372 were made in the year relating to the Company's lease obligations with no prior year comparable amount. There were repayments of $289 made to TECTERRA relating to a funding and compensation agreement in the current year with net proceeds and repayments of $111 in the prior year.

Investing activities in the year ended October 31, 2020 used cash in the amounts of $9,150 compared to $5,854 of cash provided in the prior fiscal year. There were purchases of short-term investments of $25,403 in the current year, of which $15,000 represented an investment of the funds raised by the Company in the September 2020 Brokered Private Placement, compared to $20,000 in prior year. These purchases were offset by redemptions of short-term investments in the amount of $19,406 in the current year compared to $31,327 in the prior fiscal year.

Net finance income from the Company's cash and cash equivalents and short-term investments in the year was $356 compared to $796 in the prior year. In the current year there were capital expenditures of $3,509, incurred predominately for property and equipment additions of molds, SMT equipment and cartridges, compared to $6,269 in the prior fiscal year.

	2020 $	2019 $
Current assets	75,795	47,600
Current liabilities	(17,728)	(15,367)
Working capital	**58,067**	**32,233**

Working capital at October 31, 2020 was $58,067 compared to $32,233 at the prior year end, an increase of $25,834. The improvement is mainly due to an increase in cash and cash equivalents, short-term investments, trade and other receivables and inventory in current assets.

The Company continues to maintain its demand operating revolving loan facility ("loan facility") of up to $1,500 with a Canadian chartered bank. The loan facility bears interest at the bank's annual prime rate plus 1% and is repayable on demand. In the event that the total indebtedness of the Company to the bank exceeds $500 the Company shall ensure that the amount advanced and loan outstanding shall at no time exceed the margin requirements of the loan facility. The loan facility is secured by a general security agreement creating a first priority security interest in all present and after acquired personal property of the Company.

The loan facility was not drawn upon during the current fiscal year or as at October 31, 2020.

The covenants that must be maintained by the Company, without limiting the Bank's right to demand repayment of any outstanding amounts, are as follows:

- Ratio of debt to tangible net worth, defined as total equity less intangible assets, shall not at any time exceed 3.00 to 1.00, and
- Ratio of current assets to current liabilities to not at any time be less than 1.25 to 1.00.

The Company has had repayable funding through a funding and compensation agreement with TECTERRA whereby funding is made available through their Industry Investment Program, interest free, for the development and commercialization of innovative geospatial solutions for integrated resource management. The Company used this funding to assist in developing an enhanced product within its current portfolio. The total amount owing to TECTERRA as at October 31, 2020 was $nil, representing a decrease of $289 from the prior fiscal year end due to final repayments of the funding received through the funding and compensation agreement in the current fiscal year.

The Company is utilizing the Government of Canada's CEWS program that is available to any employer, subject to eligibility criteria, whose business has been adversely affected by COVID-19. The Company received wage subsidy funding of $2,874 for payroll related to the current fiscal year which has been recorded as a reduction in related payroll expenses. As at October 31, 2020, $974 is included in trade and other receivables as the cash funding was not received until post year end. The Company will continue to investigate relevant governmental support programs throughout the period of the Coronavirus pandemic.

Management's objective is to maintain sufficient cash and cash equivalents and short-term investments to finance operations and minimize dilution to shareholders. The Company's ongoing development program requires investment in wages, tooling and product certifications during the development process. To meet these development-based capital requirements, in addition to the loan facility and focusing on improving cash flow from operating activities, the Company continues to pursue multiple levels of government grants and funding arrangements. Such arrangements, including zero interest loans for developing new geomatics technologies (TECTERRA) and wage programs to cover the cost of hiring new developers (Alberta Innovates), can assist the Company in meeting its liquidity objective.

Management believes they have sufficient funds to support the growth of the Company and to fund its development activities. No assurances can be given that the Company will achieve all or part of its liquidity objective, or that sufficient funds will be generated internally or that financing from outside sources, if needed, will be available.

There are no capital expenditure commitments at October 31, other than the manufacturing of owned modular cartridges used in the G7 connected safety device and which generate service revenue for the Company. These commitments will be funded primarily through cash flows from operations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet financing arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

PURCHASES OF SERVICES

The Company previously purchased public relations consulting services from an entity controlled by a related party of a member of the Company's key management personnel on normal credit terms and measured at the exchange amount of $nil for the year ended October 31, 2020 (Year ended October 31, 2019: $41). As at October 31, 2020, the amount of $nil (October 31, 2019: $15) was outstanding in accounts payable and accrued liabilities in relation to transactions with that related party.

KEY MANAGEMENT PERSONNEL COMPENSATION

Key management includes the Company's directors and executive officers. The Company's directors can receive compensation in the form of stock options or participate in the Company's employee share ownership plan. The compensation paid or payable to key management for employee and director services is as disclosed in a note to the consolidated financial statements of the Company as at October 31, 2020.

SUBSEQUENT EVENT

ISSUANCE OF OPTIONS

On November 10, 2020, the Company granted a total of 115,000 stock options. Each option is exercisable for one common share of the Company at a price of $6.55 per share until expiry on November 10, 2025. Two individuals were granted 50,000 options each in connection with their appointments as a director and an advisor to the Board of Directors of the Company. These options vested immediately. 15,000 options were granted to new employees recently hired by the Company, with these options vesting over a three-year period.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

NEW ACCOUNTING POLICIES ADOPTED BY THE COMPANY

The Company adopted IFRS 16 *Leases* using the modified retrospective approach on November 1, 2019. The changes in accounting policies, including the opening adjustments on November 1, 2019 are disclosed in the October 31, 2020 audited consolidated financial statements.

There were no new or amended standards that became applicable and were adopted by the Company for the current reporting period.

NEW ACCOUNTING POLICIES NOT YET ADOPTED BY THE COMPANY

Certain new accounting standards and interpretations have been published that are not mandatory for October 31, 2020 reporting periods and have not been early adopted by the Company.

There are no other mandatory standards that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

FINANCIAL INSTRUMENTS

Blackline held the following financial instruments as at the October 31, 2020 fiscal year end:

FINANCIAL ASSETS

The financial assets held by the Company consisted of cash and cash equivalents, short-term investments and trade and other receivables. These financial assets are initially measured at fair value with any subsequent changes in measurement being at amortized cost. The carrying amounts of these financial assets are not considered to be significantly different to their fair values due to the instruments' short-term nature.

FINANCIAL LIABILITIES

The financial liabilities held by the Company consisted of accounts payable and accrued liabilities, contract liabilities and lease liabilities. These financial liabilities are initially measured at fair value with any subsequent changes in measurement being at amortized cost. The carrying amounts of these financial liabilities are not considered to be significantly different to their fair values due to the instruments short-term nature.

The Company's risk exposure associated with these financial instruments and the strategies used to manage these risks are disclosed in note 5 b) of the October 31, 2020 audited consolidated financial statements of the Company. The amounts, timing and certainty of future cash flows, cash flows associated with those financial instruments are also disclosed in this note. Blackline does not have any financial assets or liabilities that are measured subsequently at fair value, either through other comprehensive income or through profit or loss, or derivative financial instruments used for hedging.

NON-IFRS MEASURES

The audited consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB.

Certain supplementary information and measures not recognized under IFRS are provided where management believes they assist the reader in understanding Blackline's results. The calculations of the non-IFRS measures are consistent with the prior year comparable period. These measures include:

EBITDA

EBITDA is not a measure recognized under IFRS and does not have a standardized meaning prescribed by IFRS. EBITDA refers to earnings before interest expense, interest income, income taxes, depreciation and amortization.

Management believes that operating performance, as determined by EBITDA, may be meaningful to securities analysts, investors and other interested parties because it presents the results of the Company on a basis which excludes the impact of certain non-operational items. Readers should be cautioned, however, that EBITDA should not be construed as an alternative measure to net earnings (loss) determined in accordance with IFRS. Management does not use this non-IFRS measure to assess the Company's financial results against internal expectations.

ADJUSTED EBITDA

Adjusted EBITDA is not a measure recognized under IFRS and does not have a standardized meaning prescribed by IFRS. Adjusted EBITDA refers to earnings before interest expense, interest income, income taxes, depreciation and amortization, stock-based compensation expense, product development costs and non-recurring impact transactions, if any.

The Company does not include stock-based compensation expenses, product development costs or other non-recurring impact transactions, if any, in Adjusted EBITDA. This is presented to provide analysts, investors and other interested parties a representative EBITDA of the Company such that it was not incurring product development costs related to new and existing products or the effects of stock-based compensation expense and non-recurring transactions, if any. The Company considers an item to be non-recurring when a similar loss or gain is not reasonably likely to occur within the next two years or has not occurred during the prior two years.

Management believes that operating performance, as determined by Adjusted EBITDA, may be meaningful to securities analysts, investors and other interested parties because it presents the results of the Company on a basis which excludes the impact of product development costs related to new and existing products, which enables the primary readers of the MD&A to evaluate the results of the Company such that it was operating without any expenditures in product development. The exclusion of stock-based compensation expense as a non-cash item as well as non-recurring impact transactions, if any, also enables those readers of the MD&A to evaluate the results of the Company because it presents the results of the Company on a basis which excludes the impact of non-cash and non-recurring items, if any. Readers should be cautioned, however, that Adjusted EBITDA should not be construed as an alternative measure to net earnings (loss) determined in accordance with IFRS. Management does not use this non-IFRS measure to assess the Company's financial results against internal expectations.

EBITDA PER SHARE AND ADJUSTED EBITDA PER SHARE

EBITDA per share and Adjusted EBITDA per share are calculated on the same basis as net earnings (loss) per share, utilizing the basic and diluted weighted average number of common shares outstanding during the periods presented. These are presented in the "Financial Information" section of the MD&A.

NET LOSS EXCLUDING STOCK-BASED COMPENSATION EXPENSE

Net loss excluding stock-based compensation expense is not a measure recognized under IFRS and does not have a standardized meaning prescribed by IFRS. Net loss excluding stock-based compensation refers to net loss before stock-based compensation expense.

This is presented to provide analysts, investors and other interested parties a representative net loss of the Company such that it was not incurring the effects of stock-based compensation expense.

Management believes that operating performance, as determined by net loss excluding stock-based compensation expense, may be meaningful to securities analysts, investors and other interested parties because it presents the results of the Company on a basis which excludes the impact of stock-based compensation expense as a non-operational and non-cash item. Readers should be cautioned, however, that net loss excluding stock-based compensation expense should not be construed as an alternative measure to net earnings (loss) determined in accordance with IFRS. Management does not use this non-IFRS measure to assess the Company's financial results against internal expectations.

RECONCILIATION OF NON-IFRS MEASURES

The following table presents a reconciliation of the non-IFRS measures presented in the MD&A to their nearest measure under IFRS for the three and twelve-month periods ended October 31, 2020 and October 31, 2019. These are net loss to EBITDA, Adjusted EBITDA and net loss to net loss excluding stock-based compensation expense.

	Three months ended October 31,		Year ended October 31,	
	2020 $	**2019 $**	**2020 $**	**2019 $**
Net Loss	**(1,804)**	**(2,924)**	**(8,021)**	**(9,924)**
Depreciation and amortization	1,094	764	4,159	2,575
Finance income, net	(76)	(176)	(327)	(801)
EBITDA	**(786)**	**(2,336)**	**(4,189)**	**(8,150)**
Product development costs, net of depreciation, amortization and stock-based compensation expense	2,746	1,944	8,588	6,501
Stock-based compensation expense	189	150	1,298	1,582
Other non-recurring impact transactions	-	397	(211)	621
Adjusted EBITDA	**2,149**	**155**	**5,486**	**554**
Net Loss	**(1,804)**	**(2,924)**	**(8,021)**	**(9,924)**
Stock-based compensation expense	189	150	1,298	1,582
Net loss excluding stock-based compensation expense	**(1,615)**	**(2,774)**	**(6,723)**	**(8,342)**

OUTSTANDING SHARE DATA

Blackline had 54,341,614 common voting shares issued and outstanding as at January 26, 2021.

The following share options were outstanding at that date:

Share Option Exercise Price	Share Options outstanding
$2.85	286,335
$4.25	869,500
$4.40	542,835
$5.26	771,583
$5.50	695,304
$5.84	10,000
$6.55	115,000
Total	**3,290,557**

RISK FACTORS AND UNCERTAINTIES

Management defines risk as the probability of a future event that could negatively affect the financial condition and/or results of operations of the Company. This section describes specific and general risks that could affect the Company. As it is difficult to predict whether any risk will be realized, or its related consequences will occur, the actual effect of any risk on the business could be significantly different from that anticipated. The following descriptions of risk do not include all possible risks, as there may be other risks of which management is currently unaware or currently believe to be immaterial.

GENERAL ECONOMIC CONDITIONS

The Company currently operates in Canada, the United States, Europe and other international markets and like all businesses globally, it has been subject to the impact of national and global economic issues related to the global COVID-19 pandemic as well as the impact of depressed oil and gas commodity prices. These challenging conditions have affected the global marketplace and have resulted in significant disruption throughout global industries. Blackline is working directly with client entities whose operational and capital spending has been impacted. Should these conditions prevail, there may be further pressure on the demand for products and services currently provided by Blackline.

With the recent shift in oil commodity pricing, Blackline is closely monitoring and planning for the uncertainties facing the oil sector and how this will impact upstream, midstream and downstream segments.

COMPETITION

The market for location-based services is competitive in the lone worker space, and some competitors in the gas detection industry have launched early wireless-capable solutions. Blackline has experienced, and may continue to experience, intense competition from other organizations with more established sales and marketing presence, superior technical support services and greater financial resources. The Company's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards.

As the market for the Company's products continues to develop, additional competitors may enter the market and competition may intensify. Increased competition may cause price reductions, reduced profitability and loss of market share, any of which could have an adverse effect on the Company's business, results of operations and financial condition.

RISK ASSOCIATED WITH INTERNATIONAL OPERATIONS

Management of the Company believes that its continued growth and profitability will require expansion of its sales further in the United States, Europe and into other international markets. This expansion will require significant management attention and financial resources and could adversely affect the Company's operating margins. To increase international sales in subsequent periods, the Company may establish additional international operations, incur substantial infrastructure costs, hire additional personnel and recruit international distributors. In addition, even with the possible recruitment of additional personnel and international distributors, there can be no assurance that the Company will be successful in maintaining or increasing international market demand for the Company's products and services.

TECHNOLOGICAL CHANGE AND STANDARDS

The technology industry is characterized by rapid technological change, changes in user and customer requirements and preferences, frequent new product and service introductions embodying new technologies and the emergence of new industry standards and practices that could render the Company's existing products and systems obsolete. Blackline's products employ complex technology and may not always be compatible with current and evolving technical standards. Failure or delays by the Company to meet or comply with the requisite and evolving industry or user standards could have a significantly adverse effect on the Company's business, results of operations and financial condition.

INTELLECTUAL PROPERTY RISKS

Since much of the Company's potential success and value lies in its ownership and use of intellectual property, failure to protect its intellectual property may negatively affect its business and value. The Company typically enters into confidentiality or license agreements with its employees, consultants, customers, strategic partners and vendors in an effort to control access to and distribution of its products, documentation and other proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use the Company's proprietary technology without authorization.

The Company is in an industry with many competitors that lay claim to intellectual property. The Company may receive notice from a third party asserting the Company has infringed on their intellectual property rights. As a result of such claims, the Company's earnings could be adversely affected by costly litigation, product injunctions or consumption of management attention.

RELIANCE ON INFORMATION SYSTEMS AND TECHNOLOGY

The Company's business relies upon information technology systems to support its monitoring of hardware devices and to service customers at the point of sale. Its information technology systems may be vulnerable to unauthorized access, computer viruses, system failures, other malicious acts or acts of nature. Were a significant disruption to its information technology to occur, the Company's earnings could be adversely affected through loss of revenue and costs to rectify the disruption as well as potentially suffering damage to its reputation.

The Company may also be required to expend significant capital and resources to protect against the threat of security, encryption and authentication technology breaches or to alleviate problems caused by such breaches.

RELIANCE ON THIRD PARTY LICENSES

The Company relies on certain software that it licenses from third parties, including a software program that is integrated with internally developed software and used in the Company's products to perform key functions. There can be no assurance that these third-party licenses will continue to be available to the Company on commercially reasonable terms. The loss of, or inability to maintain, any of these licenses could result in delays or reductions in product and service deployment until equivalent software can be developed, identified, licensed and integrated, which could substantially and adversely affect the Company's business, results of operations and financial condition.

DEPENDENCE ON THIRD PARTIES

The Company's products rely on GPS satellites that it does not own or operate. Such satellites and the corresponding ground support systems are complex electronic and mechanical systems that are subject to potential failures. Further, there is no assurance the US Government will continue to operate and maintain the satellites or that it will continue the current policies for the commercial use of the satellites. The Company has contracted with Iridium Satellite LLC to provide data via their independent network of satellites. Should a significant number of the governmental or commercial satellites fail or should the terms of use policies for the US Government satellites change, the earnings of the Company would be considerably impacted.

HISTORY OF OPERATING LOSSES

Since its incorporation, the Company has recorded an inadequate level of revenue to offset its costs and has an accumulated deficit as at October 31, 2020 of $70,207. The deficit is expected to increase in the near term as the Company accelerates the growth of its international sales network and continues its product development.

PRICE VOLATILITY OF PUBLICLY TRADED SECURITIES

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company's securities will be affected by such volatility.

CLIMATE CHANGE

Blackline recognizes climate change as an important environmental issue. It is impracticable to predict the impact of climate change or the regulatory responses to it, on our business. The most direct impacts are likely to be an increase in energy costs, which would increase our operating costs and increase the costs of the products we purchase from others. Increasing environmental regulations on oil and gas, pipeline, transportation and other industrial companies could adversely impact certain of our customers' businesses which may impact demand for our products. It is too soon for us to predict with any certainty the ultimate impact of additional regulation, either directionally or quantitatively, on our overall business, results of operations or financial condition.

Furthermore, the potential physical impacts of climate change on our facilities, suppliers and customers and therefore on our operations are uncertain and will be particular to the circumstances in various geographical regions. These potential physical effects may adversely impact the demand for our products and the cost, production, sales and financial performance of our operations.

BREXIT

In June 2016, voters in the UK approved the withdrawal of the UK from the European Union (commonly known as "Brexit"). Following parliamentary ratification of Brexit by the UK and the European Union there following an agreed transitional period that would end on December 31, 2020 during which time a trade agreement was to be negotiated. The EU–UK Trade and Cooperation Agreement ("Agreement") was signed on December 30, 2020 between the UK and the European Union and has been applied provisionally since January 1, 2021 when the Brexit transition period ended.

The effects of the terms of the Agreement on the UK's future trading relationship with the European Union could cause continued economic and political uncertainty in the UK and the European Union. It is possible that Blackline or certain of its subsidiaries will be subject to increased obligations and complexities imposed by new or changing laws and regulations, including those relating to tax benefits and liabilities, trade, security and employment. This could lead to increased costs and expenses as it adapts to changing legal and regulatory frameworks. It is unclear at this time how the Agreement will impact the long-term trading relationship between the UK with the European Union and associated impacts on Blackline and its subsidiaries, one of which, has significant operations in the UK and the European Union. These or other effects of Brexit could be disruptive to Blackline's operations and business in the UK and the European Union and could significantly adversely affect its overall business, business opportunities, results of operations, financial condition and cash flows.

COVID-19

The Company's operations may continue to be affected by COVID-19, declared a pandemic by the World Health Organization in March 2020. The prolonged continuance of the COVID-19 pandemic could adversely impact Blackline's operations, including sales activities and financial performance. In addition, the sharp decrease in global energy demand and the uncertainty surrounding the impacts of COVID-19 have led to significant declines in commodity prices and decreased oil and gas production. Low commodity prices and resulting lower cash flow and capital spending in the industry could adversely impact the demand for Blackline's products. The extent to which the COVID-19 pandemic may impact our overall business, business opportunities, results of operations, financial condition and cash flows are outside of the Company's control and cannot be accurately predicted at this time.

OUTLOOK

Blackline has a comprehensive connected safety product and service portfolio that is designed and developed in-house to meet the demands of most industries, from energy and petrochemical to utilities, telecom, industrial, consumer packaged goods, transportation and manufacturing. The Company delivers solutions that provide robust, turn-key safety monitoring for personnel operating in urban, suburban, rural, hazardous and remote locations. Blackline Safety creates and services employee-worn comprehensive safety monitors that support activities outdoors, on sites and throughout facilities. Backline's proprietary location beacon technology supplements GPS, delivering a hybrid location platform that accurately and consistently maps employee locations when working indoors and outside.

Blackline has evolved into a global vendor of environmental gas detection and lone worker monitoring solutions. The Company's G7 connected safety portfolio offers turn-key live monitoring capabilities that do not require customers to deploy complicated industrial Wi-Fi networks, rely on mesh-networking, or deploy expensive smartphones with Bluetooth connections. Blackline addresses a broad range of customer requirements through plug-and-play cartridges that support a broad range of gas sensors. Automated wireless configuration makes it easy to manage a large fleet of G7 devices from Blackline's online software. Leveraging its products and services, the Company intends to be the global connected safety leader by offering comprehensive, enterprise-wide employee safety devices and services to customers around the world.

With a broad safety monitoring portfolio, Blackline's solutions work around the world, enabling the Company to maximize its reach and address new opportunities. Blackline delivers a high level of value to customers, helping them to optimize their emergency response process through enhanced situational awareness delivered by live voice communications between the user and monitoring personnel. The Company believes that continued customer adoption, combined with a leading solution portfolio, will provide for continued business growth.

The Company's operations may continue to be affected by the COVID-19 pandemic. The prolonged continuance of the COVID-19 pandemic could adversely impact Blackline's operations, including sales activities and financial performance. The extent to which the COVID-19 pandemic may impact our overall business, business opportunities, results of operations, financial condition and cash flows are outside of the Company's control and cannot be accurately predicted at this time.

This page is intentionally blank

blacklinesafety

Blackline Safety Corp.
Unit 100, 803 24 Avenue SE
Calgary, AB T2G 1P5
www.BlacklineSafety.com