



Media Release // For immediate distribution

Blackline Safety Reports Record Fiscal 2024 Revenue of \$127.3 million up 27% and Positive Q4 EBITDA

Company achieved record \$2.5 million fourth quarter EBITDA⁽¹⁾ and Free Cash Flow⁽¹⁾ of \$3.0 million

- 31st consecutive quarter of year-over-year top-line growth
- Record Annual Recurring Revenue ("ARR")⁽¹⁾ of \$66.4 million, up 30% year-over-year
- Record product margins of 41% in Q4, up from 32% last year
- Generated Free Cash Flow ("FCF")⁽¹⁾ in Q4 of \$3.0 million
- Record Q4 EBITDA⁽¹⁾ of \$2.5 million and Adjusted EBITDA⁽¹⁾ of \$2.0 million

January 16, 2025

Calgary, Canada — [Blackline Safety Corp.](#) ("Blackline", the "Company", "we" or "our") (TSX: BLN) a global leader in connected safety technology, today reported its fiscal fourth quarter and year-end financial results for the period ended October 31, 2024.

Management Commentary

Blackline achieved another record quarter for revenue of \$35.7 million in the fourth quarter and an annual record for revenue at \$127.3 million. The Company built on its third quarter positive EBITDA by reporting EBITDA of \$2.5 million and Adjusted EBITDA of \$2.0 million.

"Customer demand around the globe drove our revenue to a record \$127 million, and our 31st quarter of year-over-year revenue growth as we continue on our path to connect the global industrial workforce," said [Cody Slater](#), CEO and Chair, Blackline Safety Corp. "These strong topline results are backed by record EBITDA and cash flow as the Company continues to scale, showing market acceptance and the strength of our Hardware-Enabled SaaS business model."

(1) This news release presents certain non-GAAP and supplementary financial measures, including key performance indicators used by management and typically used by companies in the software-as-a-service industry, as well as non-GAAP ratios to assist readers in understanding the Company's performance. Further details on these measures and ratios are included in the "Key Performance Indicators," and "Non-GAAP and Supplementary Financial Measures" sections of this news release.

Annual Recurring Revenue (ARR) reached a record \$66.4 million, a 30% year-over-year increase, which underscores the strength of the Blackline business model. Additionally, Net Dollar Retention (NDR) for the quarter was 127%. “This is the sixth consecutive quarter that our NDR has been at 125% or higher, demonstrating that existing customers continue to expand their suite of Blackline products and services,” added Slater.

Product gross margin in the fourth quarter was a record 41%, besting the third quarter record of 39%, while service gross margin was 77%. “Gross profit for the year reached a record \$74.2 million, up over 41% year-over-year,” continued Slater.

Fiscal 2024 operating expenses decreased to 67% of revenue, down from 77% in the previous year. Every major expense category declined as a percentage of revenue during this period, with general and administrative expenses declining to 21% from 24%, sales and marketing declining to 33% from 37%, and product research and development reducing to 15% from 19%.

Blackline's global customer footprint extended to over 75 countries and the Company experienced substantial revenue growth across multiple regions in the fourth quarter:

- **United States:** 17% year-over-year increase
- **Europe:** 37% year-over-year increase
- **Canada:** 16% year-over-year decrease
- **Rest of World:** 115% year-over-year increase

“Our business model's strength and scalability are clearly reflected in this year’s performance. With our ever-expanding suite of connected safety solutions and growing customer base, we are well-positioned to lead the multi-billion-dollar gas detection and connected safety industry,” stated Slater.

Blackline generated \$4.8 million in operating cash flow and \$3.0 million in free cash flow (FCF) during Q4 – both record levels. “Our business has never been stronger, and these results are a testament to our focus on topline growth along with disciplined cost management,” concluded Slater.

Financial Highlights

(CAD thousands, except per share and percentage amounts)	Three-Months Ended October 31,			Year Ended October 31,		
	2024	2023	% Change	2024	2023	% Change
Product revenue	16,089	15,042	7	57,824	46,924	23
Service revenue	19,606	14,993	31	69,462	53,082	31
Total revenue	35,695	30,035	19	127,286	100,006	27
Gross profit	21,754	16,452	32	74,247	52,781	41
Gross margin percentage ⁽¹⁾	61%	55%		58%	53%	
Total expenses	21,268	19,776	8	84,894	77,232	10
Total expenses as a percentage of revenue ⁽¹⁾	60%	66%		67%	77%	
Net loss	(68)	(4,455)	(98)	(12,595)	(25,547)	(51)
Loss per common share - Basic and diluted	0.00	(0.06)	NM	(0.17)	(0.35)	(51)
EBITDA ⁽¹⁾	2,477	(1,480)	NM	(2,733)	(16,992)	84
EBITDA per common share ⁽¹⁾ - Basic and diluted	0.03	(0.02)	NM	(0.04)	(0.24)	83
Adjusted EBITDA ⁽¹⁾	2,033	(1,829)	NM	(2,434)	(16,320)	85
Adjusted EBITDA per common share ⁽¹⁾ - Basic and diluted	0.02	(0.03)	NM	(0.03)	(0.23)	87

1. Refer to "Non-GAAP and Supplementary Financial Measures" at the end of this document for further detail.

NM – Not meaningful

Key Annual Financial Information

For the fiscal year ended October 31, 2024, total revenue increased by 27% year-over-year to \$127.3 million, driven by strong growth across most geographic regions. The United States was the largest contributor, with revenue of \$61.6 million, a 30% increase year-over-year. Europe delivered remarkable growth of 42%, reaching \$30.4 million, while Canada experienced a slight decline of 2%, with revenue totaling \$24.6 million. The Rest of World (ROW) region surged by 75% to \$10.6 million. Notably, revenue from the ROW region in FY24 is almost equal to the revenue from the ROW in FY23 and FY22 combined, underscoring the successful global expansion of Blackline, now reaching customers in over 75 countries.

Product gross margin rose significantly to 36%, up from 28%, while service gross margin improved to 77%, compared to 75% in fiscal 2023. Gross margin for fiscal 2024 improved to 58%, compared to 53% in the previous year, demonstrating the success of Blackline's operational efficiencies and strategic pricing.

Total operating expenses for the year were \$84.9 million, representing 67% of revenue, a notable improvement from 77% of revenue in the prior year. The improvement highlights Blackline's cost discipline and operational efficiency.

Net loss for the year decreased by 51% to \$12.6 million, compared to a loss of \$25.5 million in fiscal 2023, reflecting higher revenues, improved gross margins, and disciplined expense management. Adjusted EBITDA improved substantially by 85% to a loss of \$2.4 million compared to a loss of \$16.3 million in the prior year.

As of October 31, 2024, Blackline reported \$43.1 million in cash and short-term investments, an increase from \$16.0 million at the end of fiscal 2023. This growth was driven by improved operating cash flows, proceeds from financing activities, and disciplined capital management. After year-end, the Company reduced its lease securitization facility and had \$11.2 million available. Combined with the \$12.3 million available on its senior secured operating facility, the Company had a total of \$66.6 million in total available liquidity to begin the new fiscal year.

Key Fourth Quarter Financial Information

Total revenue for the fiscal fourth quarter increased by 19% year-over-year to \$35.7 million, driven by robust performance across key regions.

Service revenue increased by 31% to \$19.6 million and product revenue increased by 7% to \$16.1 million. Within the service segment, software grew 29% to \$17 million and rental grew 46% to \$2.6 million. Net Dollar Retention (NDR) was 127% at the end of the quarter which represents the sixth consecutive quarter above 125%.

Product gross margins reached an all-time high of 41%, and service gross margins maintained a record high of 77%. Strong gross margins performance in both segments drove record overall gross margin of 61% in the fourth quarter.

Total expenses as a percentage of revenue improved to 60% from 66% in the fourth quarter as revenue grew by 19% while total expenses grew by less than half that amount. General and administrative expenses as well as sales and marketing expenses grew by 4% and 2% respectively, while product research and development costs increased by 33%.

During the fourth quarter, net loss dropped by 98% to a loss of just \$68 thousand. EBITDA in Q4 was \$2.5 million, up from an EBITDA loss of \$1.5 million in Q4 2023. Improved profitability is the result of continued top-line growth, improved gross margins and lower expenses as a percentage of revenue.

As of October 31, 2024, Blackline reported \$43.1 million in cash and short-term investments, an increase from \$40.8 million at the end of Q3. During the fourth quarter, Blackline generated \$4.8 million in operating cash flow and \$3.0 million in Free Cash Flow.

Blackline's Consolidated Financial Statements and Management's Discussion and Analysis on Financial Condition and Results of Operations for the year ended October 31, 2024, are available on SEDAR+ under the Company's profile at www.sedarplus.ca. All results are reported in Canadian dollars.

Conference Call

A conference call and live webcast have been scheduled for 11:00 am ET on Thursday, January 16, 2025. Participants should dial 1-844-763-8274 or +1-647-484-8814 at least 10 minutes prior to the conference time. A live webcast will also be available at <https://www.gowebcasting.com/13875>. Participants should join the webcast at least 10 minutes prior to the start time to register and install any necessary software. A replay will be available after 2:00 PM ET on January 16, 2025 through February 16, 2025 by dialling +1-855-669-9658 (Canada Toll Free) or +1-412-317-0088 (International Toll) and entering access code 2605963.

About Blackline Safety: Blackline Safety is a technology leader driving innovation in the industrial workforce through IoT (Internet of Things). With connected safety devices and predictive analytics, Blackline enables companies to drive towards zero safety incidents and improved operational performance. Blackline provides wearable devices, personal and area gas monitoring, cloud-connected software and data analytics to meet demanding safety challenges and enhance overall productivity for organizations with customers in more than 75 countries. Armed with cellular and satellite connectivity, Blackline provides a lifeline to tens of thousands of people, having reported over 265 billion data-points and initiated over eight million emergency alerts. For more information, visit BlacklineSafety.com and connect with us on [Facebook](#), [X \(formerly Twitter\)](#), [LinkedIn](#) and [Instagram](#).

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Non-GAAP and Supplementary Financial Measures

This press release presents certain non-GAAP and supplementary financial measures, including key performance indicators used by management typically used by the Company's competitors in the software-as-a-service industry, as well as non-GAAP ratios to assist readers in understanding the Company's performance. These measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Management uses these non-GAAP and supplementary financial measures, as well as non-GAAP ratios and key performance indicators to analyze and evaluate operating performance. Blackline also believes the non-GAAP and supplementary financial measures defined below are commonly used by the investment community for valuation purposes, and are useful complementary measures of profitability, and provide metrics useful in Blackline's industry.

Throughout this news release, the following terms are used, which do not have a standardized meaning under GAAP.

Key Performance Indicators

The Company recognizes service revenues over the term of the service period under the provisions of agreements with customers. The terms of agreements, combined with high customer retention rates, provides the Company with a significant degree of visibility into near-term revenues. Management uses several metrics, including the ones identified below, to measure the Company's performance and customer trends, which are used to prepare financial plans and shape future strategy. Key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies. See also "*Supplementary Financial Measures*" below.

- **"Annual Recurring Revenue"** is the total annualized value of recurring service amounts (ultimately recognized as software services revenue) of all service contracts at a point in time. Annualized service amounts are determined solely by reference to the underlying contracts, normalizing for the varying revenue recognition treatments under IFRS 15 *Revenue from Contracts with Customers*. It excludes one-time fees, such as for non-recurring professional services, and assumes that customers will renew the contractual commitments on a periodic basis as those commitments come up for renewal, unless such renewal is known to be unlikely. We believe that ARR provides visibility into future cash flows and is a fair measure of the performance and growth of our service contracts.
- **"Net Dollar Retention"** compares the aggregate service revenue contractually committed for a full period under all customer agreements of our total customer base as of the beginning of the trailing twelve-month period to the total service revenue of the same group at the end of the period. It includes the effect of our service revenue that expands,

renews, contracts or is declined, but excludes the total service revenue from new activations during the period. We believe that NDR provides a fair measure of the strength of our recurring revenue streams and growth within our existing customer base.

Non-GAAP Financial Measures

A non-GAAP financial measure: (a) depicts the historical or expected future financial performance, financial position or cash of the Company; (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most comparable financial measure presented in the primary consolidated financial statements; (c) is not presented in the primary financial statements of the Company; and (d) is not a ratio.

Non-GAAP financial measures presented and discussed in this news release are as follows:

“EBITDA” is useful to securities analysts, investors and other interested parties in evaluating operating performance by presenting the results of the Company which excludes the impact of certain non-cash or non-operational items. EBITDA is calculated as earnings before interest expense, interest income, income taxes, depreciation and amortization.

“Adjusted EBITDA” is useful to securities analysts, investors and other interested parties in evaluating operating performance by presenting the results of the Company which excludes the impact of certain non-operational items and certain non-cash and non-recurring items, such as stock-based compensation expense. Adjusted EBITDA is calculated as earnings before interest expense, interest income, income taxes, depreciation and amortization, stock-based compensation expense, foreign exchange loss (gain), and non-recurring impact transactions, if any. The Company considers an item to be non-recurring when a similar revenue, expense, loss or gain is not reasonably likely to occur within the next two years or has not occurred during the prior two years.

“Free Cash Flow” is useful to securities analysts, investors and other interested parties in evaluating operating performance by understanding how the cash generated from operations can be utilized in our current capital management and future growth. Free cash flow is calculated as net cash from operating activities less cash used in purchases of property, equipment and intangible assets.

Reconciliation of non-GAAP financial measures

(CAD thousands)	Three-Months Ended October 31,			Year Ended October 31,		
	2024	2023	% Change	2024	2023	% Change
Net loss	(68)	(4,455)	(98)	(12,595)	(25,547)	(51)
Depreciation and amortization	1,991	1,843	8	7,914	7,459	6
Finance (income) expense, net	(78)	297	NM	649	(220)	NM
Income tax expense	632	835	(24)	1,299	1,316	(1)
EBITDA	2,477	(1,480)	NM	(2,733)	(16,992)	84
Stock-based compensation expense ⁽¹⁾	325	537	(39)	1,861	1,566	19
Foreign exchange gain	(1,045)	(886)	18	(2,433)	(2,036)	19
Other non-recurring impact transactions ⁽²⁾	276	-	NM	871	1,142	(24)
Adjusted EBITDA	2,033	(1,829)	NM	(2,434)	(16,320)	85

1. Stock-based compensation expense relates to the Company's stock compensation plan and Employee Share Ownership Plan. Stock option expense is extracted from cost of sales, general and administrative expenses, sales and marketing expenses and product research and development costs on the consolidated statements of loss and comprehensive loss.
2. Other non-recurring impact transactions in the current year include severance costs relating to the departure of management. Other non-recurring impact transactions in the prior year include consulting and legal fees related to the completion of the lease securitization facility and separation related costs comprising of severance, stock forfeitures and accelerated vesting related to the departure of an officer of the Company.

NM – Not meaningful

(CAD thousands)	Three-Months Ended October 31,			Year Ended October 31,		
	2024	2023	% Change	2024	2023	% Change
Net cash provided by (used in) operating activities	4,786	(1,976)	NM	1,912	(22,065)	NM
Purchase of property, equipment and intangible assets	(1,805)	(1,899)	(5)	(8,372)	(7,355)	14
Free Cash Flow	2,981	(3,875)	NM	(6,460)	(29,420)	78

NM – Not meaningful

Non-GAAP Ratios

A non-GAAP ratio is a financial measure presented in the form of a ratio, fraction, percentage or similar representation and that has a non-GAAP financial measure as one or more of its components.

Non-GAAP ratios presented and discussed in this news release are as follows:

“EBITDA per common share” is useful to securities analysts, investors and other interested parties in evaluating operating and financial performance. EBITDA per common share is calculated on the same basis as net income (loss) per common share, utilizing the basic and diluted weighted average number of common shares outstanding during the periods presented.

“Adjusted EBITDA per common share” is useful to securities analysts, investors and other interested parties in evaluating operating and financial performance. Adjusted EBITDA per common share is calculated on the same basis as net income (loss) per common share, utilizing the basic and diluted weighted average number of common shares outstanding during the periods presented.

Supplementary Financial Measures

A supplementary financial measure: (a) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Company; (b) is not presented in the financial statements of the Company; (c) is not a non-GAAP financial measure; and (d) is not a non-GAAP ratio.

Supplementary financial measures presented and discussed in this news release is as follows:

- **“Gross margin percentage”** represents gross margin as a percentage of revenue
- **“Annual Recurring Revenue”** represents total annualized value of recurring service amounts of all service contracts
- **“Net Dollar Retention”** represents the aggregate service revenue contractually committed
- **“Product gross margin percentage”** represents product gross margin as a percentage of product revenue
- **“Service gross margin percentage”** represents service gross margin as a percentage of service revenue
- **“Total expenses as a percentage of revenue”** represents total expenses as a percentage of total revenue

Note Regarding Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively “forward-looking information”) within the meaning of applicable securities laws relating to, among other things Blackline's expectation to lead the industrial connected safety market into the future; and that the Company is well-positioned to lead the multi-billion dollar gas detection and connected safety industry. Blackline provided such forward-looking statements in reliance on certain expectations and assumptions that it believes are reasonable at the time. The material assumptions on which the forward-looking information in this news release are based, and the material risks and uncertainties underlying such forward-looking information, include: expectations and assumptions concerning business prospects and opportunities, customer demands, the availability and cost of financing, labor and services, that Blackline will pursue growth strategies and opportunities in the manner described herein, and that it will have sufficient resources and opportunities for the same, that other strategies or opportunities may be pursued in the future, and the impact of increasing competition, business and market conditions; the accuracy of outlooks and projections contained herein; that future business, regulatory, and industry conditions will be within the parameters expected by Blackline, including with respect to prices, margins, demand, supply, product availability, supplier agreements, availability, and cost of labour and interest, exchange, and effective tax rates; projected capital investment levels, the flexibility of capital spending plans, and associated sources of funding; cash flows, cash balances on hand, and access to the Company's credit facility being sufficient to fund capital investments; foreign exchange rates; near-term pricing and continued volatility of the market; accounting estimates and judgments; the ability to generate sufficient cash flow to meet current and future obligations; the Company's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the Company's ability to carry out transactions on the desired terms and within the expected timelines; forecast inflation, including on the Company's components for its products, the impacts of the military conflict between Russia and Ukraine and between Israel and Hamas on the global economy; and other assumptions, risks, and uncertainties described from time to time in the filings made by Blackline with securities regulatory authorities. Although Blackline believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Blackline can give no assurance that they will prove to be correct. Forward-looking information addresses future events and conditions, which by their very nature involve inherent risks and uncertainties, including the risks set forth above and as discussed in Blackline's Management's Discussion and Analysis and Annual Information Form for the year ended October 31, 2024 and available on SEDAR+ at www.sedarplus.ca. Blackline's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits Blackline will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide readers with a more complete perspective on Blackline's future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and Blackline disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.