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Blackline Safety Reports Record Fiscal First Quarter 2025 Revenue of $37.7 million, up 43%, and EBITDA of $2.1 million

Record Annual Recurring Revenue[1] ("ARR") of $70.9 million, up 31% year-over-year

March 12, 2025

- 32nd consecutive quarter of year-over-year top-line growth
- Blackline achieves "Rule of 40"[1]
- Gross Margin improves to 60% in Q1, up 500 basis points year-over-year
- Net Dollar Retention[1] ("NDR") was 128%, seventh consecutive quarter above 125%

Calgary, Canada — Blackline Safety Corp. ("Blackline", the "Company", "we" or "our") (TSX: BLN), a global leader in connected safety technology, today reported its fiscal first quarter financial results for the period ended January 31, 2025.

Management Commentary

"Blackline reported another record-breaking quarter, achieving $37.7 million in first quarter revenue, representing a 43% year-over-year increase. This marks our 32nd consecutive quarter of year-over-year revenue growth, reflecting the robust market adoption of our industry-transforming connected safety solutions," said Cody Slater, CEO and Chair, Blackline Safety Corp.

The Company has further strengthened its financial position by building on the positive EBITDA[1] achieved in Q3 and Q4 of 2024, reporting $2.1 million in EBITDA for the first quarter of 2025. Customer demand for Blackline's solutions is strong around the world, reinforcing the ability to scale profitably and execute on the long-term strategic vision.

"Annual Recurring Revenue reached a record $70.9 million, reflecting a 31% year-over-year increase and highlighting the strength of our Hardware-Enabled SaaS business model," Slater continued. "Additionally, Net Dollar Retention was 128% in the first quarter, marking the

(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.

seventh consecutive quarter above 125%, demonstrating the continued expansion of our customer base and the value placed on our software solutions."

In Q1, product gross margin was 40% and service gross margin was 77%, contributing to a record gross profit of $22.4 million—a 54% year-over-year increase. "Our commitment to operational excellence, cost efficiency, and strategic pricing has led to 11 consecutive quarters of improving gross margins on a trailing 12-month basis," said Slater.

Blackline experienced growth across all geographies with its largest region, the United States, growing 49% year-over-year to $19.3 million. European sales increased by 40% to $9.1 million, Canada increased by 27% to $6.8 million and the Rest of World region had the highest growth rate of 67% as sales increased to $2.4 million.

During the first quarter, Blackline announced a strategic private placement financing with an affiliate of the Lowy Family Group as well as DAK Capital for $27 million. The Lowy Family's investment business has a long history of investing in world-class public and private software companies, including those that provide integrated hardware and software. Many of these companies have grown significantly since the Lowy Family's investment. Beyond its investment expertise, the Lowy Family brings decades of operating and capital markets experience, having managed the Westfield Group, one of the world's largest property companies, and raising tens of billions of dollars of debt and equity over the past 65 years. The strategic financing positions Blackline for continued, scalable growth in the coming years and further strengthens its balance sheet.

"Blackline Safety achieved the Rule of 40 metric in Q1, the gold standard for SaaS companies, with revenue growth plus adjusted EBITDA margin reaching 47. We see this as a strong milestone for the Company and a true validation of our business model," concluded Slater.

In the first quarter, the Company began volume production and global shipping of its EXO 8 area monitor, a key addition to its connected safety product suite. EXO 8 is ideally suited to large industrial organizations in the oil and gas, petrochemical, mining, fire-hazmat and water and wastewater sectors. The potential market demand has been validated by initial orders including Total Safety's purchase of over 100 units, as well as a large petrochemical customer's order of several dozen units.

Blackline Safety strengthened its position in the UK water and wastewater sector by securing a new customer in the quarter. As a result, eight of the 12 UK water utility companies now utilize Blackline's solutions.

Financial Highlights

(CAD thousands, except per share amounts)	Three-Months Ended January 31,		
	2025	**2024**	**% Change**
Product revenue	17,799	11,435	56
Service revenue	19,876	14,890	33
Total Revenue	37,675	26,325	43
Gross profit	22,419	14,579	54
Gross margin percentage(1)	60%	55%	
Total Expenses	22,458	19,916	13
Total Expenses as a percentage of revenue(1)	60%	76%	
Net loss	(1,130)	(5,791)	(80)
Loss per common share - Basic and diluted	(0.01)	(0.08)	(88)
EBITDA(1)	2,056	(3,392)	NM
EBITDA per common share(1) - Basic and diluted	0.03	(0.05)	NM
Adjusted EBITDA(1)	1,517	(3,234)	NM
Adjusted EBITDA per common share(1) - Basic and diluted	0.02	(0.04)	NM

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

NM – Not meaningful

Fiscal First Quarter 2025 and Recent Financial and Operational Highlights

Blackline Safety Corp. reported a record-breaking first quarter for 2025, with total revenue reaching $37.7 million, a 43% year-over-year increase. This growth was driven by a significant rise in product sales and recurring service revenues, bolstered by upselling and expanded service adoption. ARR rose to $70.9 million, reflecting a 31% increase, while NDR stood at 128%, marking the seventh consecutive quarter above 125%.

Product revenue surged 56% year-over-year, reaching $17.8 million, primarily due to increasing market demand, targeted demand-generation activities, and optimized pricing strategies. Service revenue was up 33% year-over-year to $19.9 million. Within the service segment, software services revenue grew 31% to $18.2 million, reflecting increased activations and continued customer adoption of Blackline's monitoring, software and data services. The rental segment experienced growth of 74%, with revenue reaching $1.7 million, driven by increased market share captured by the rental business.

The cost of sales for the first quarter increased to $15.3 million, primarily due to higher sales. Blackline improved its gross margin to 60%, up from 55% in the prior year's quarter, driven by efficiency gains, production automation, and strategic cost management. Product gross margin increased to 40% in the first quarter from 29% in the prior year's quarter, while service gross margin improved to 77% from 76% in the prior year comparative quarter, reflecting Blackline's strategic pricing and cost absorption benefits.

Total expenses as a percentage of revenue improved to 60% in the first quarter from 76% in the prior year's quarter as revenue grew by 43% while total expenses grew by only 13%. General and administrative expenses as well as sales and marketing expenses grew by 16% and 26% respectively, while product research and development costs grew by only 4%.

Blackline achieved positive EBITDA, reporting $2.1 million, a substantial improvement from a ($3.4) million EBITDA loss in the prior year's quarter. Net loss narrowed to ($1.1) million, an 80% improvement from the previous year's quarter, primarily due to higher gross profit and a larger foreign exchange gain. Adjusted EBITDA was $1.5 million after eliminating the foreign exchange gains, stock-based compensation, and a non-recurring transaction.

Cash and short-term investments totaled $64.4 million at the end of the quarter, up $21.3 million from Q4 2024. The Company had available capacity on its senior secured operating facility, including its accordion feature, of $17.3 million as of January 31, 2025, for total available liquidity of $81.7 million excluding its securitization facility. Due to the strong liquidity position, management notified the securitization facility lender that it will not renew this facility, which is set to expire on March 31, 2025.

Blackline's Interim Condensed Consolidated Financial Statements and Management's Discussion and Analysis on Financial Condition and Results of Operations for the three-month period ended January 31, 2025, are available on SEDAR+ under the Company's profile at www.sedarplus.ca. All results are reported in Canadian dollars.

Outlook

The uncertainty surrounding tariffs may slow the global investment environment and impose additional costs on the business, with potential negative impacts on revenue and earnings, which we see as generally short term in nature. As an international company, Blackline holds inventory around the world in its global offices, including in its Houston location, to rapidly fulfill customer orders. Considering the uncertain economic environment, the Company has increased inventory located at its U.S. operations and is making plans to implement some product assembly in the U.S. The combination of these two initiatives will serve to mitigate the potential impact of U.S. tariffs on product gross margins and earnings.

On a longer-term view, the Company remains well positioned to continue to grow its market share around the world. Blackline remains dedicated to continually innovating its products and services to provide leading-edge technology to a growing list of global customers as it progresses on its journey to becoming the dominant player in the multi-billion-dollar gas detection and connected safety industry.

Conference Call

A conference call and live webcast have been scheduled for 11:00 am ET on Wednesday, March 12, 2025. Participants should dial 1-833-821-3052 or 1-647-846-2509 at least 10 minutes prior to the conference time. A live webcast will also be available at https://www.gowebcasting.com/13967.

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 March 12, 2025 through April 12, 2025 by dialling 1-855-669-9658 (Canada/USA Toll Free) or 1-412-317-0088 (International Toll) and entering access code 1334098.

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 275 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 ratably 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, adjusting for the varying revenue recognition treatments under IFRS 15, *Revenue from Contracts with Customers*. It excludes one-time fees, such as for rentals and 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, is upsold or downsold or is cancelled, 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-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.

Reconciliation of Non-GAAP Financial Measures

	Three-Months Ended January 31,		
(CAD thousands)	**2025**	**2024**	**% Change**
Net loss	(1,130)	(5,791)	(80)
Depreciation and amortization	2,095	1,945	8
Finance expense, net	109	186	(41)
Income taxes	982	268	266
EBITDA	2,056	(3,392)	NM
Stock-based compensation expense (1)	455	352	29
Foreign exchange gain	(1,194)	(194)	NM
Other non-recurring impact transactions (2)	200	-	NM
Adjusted EBITDA	1,517	(3,234)	NM

(1) Stock-based compensation expense relates to the Company's stock compensation plan and 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 condensed consolidated statements of loss and comprehensive loss.

(2) Other non-recurring impact transaction in the current period includes severance costs relating to the departure of a senior management personnel.

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.

"**Rule of 40**" is calculated as the sum of year-over-year revenue growth (as a percentage) and Adjusted EBITDA margin (as a percentage). Adjusted EBITDA margin is a non-GAAP measure calculated as Adjusted EBITDA divided by quarterly revenue. Rule of 40 is useful to securities analysts, investors and other interested parties in evaluating financial performance and growth.

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, the Company's expectation that the strategic financing positions Blackline for continued scalable growth in the coming years, that the uncertainty surrounding tariffs may slow the global investment environment and impose additional costs on Blackline, with potential negative impacts on revenue and earnings; Blackline's assessment of the short term nature of the same; the Company's plans to implement some product assembly in the U.S. and Blackline's assessment that certain actions taken and to be taken by the Company will serve to mitigate the potential impact of U.S. tariffs on the Company's product gross margins and earnings; the Company's view that it is well positioned to grow its market share around the world; Blackline's intention to continue innovating its products and services to provide leading edge technology to a growing list of global customers as we progress and its aspiration to be a dominant player in 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, that in respect of tariffs that have been publicly announced by the U.S. and Canadian governments (but which are either in effect or not yet in effect and otherwise delayed), the potential impact of such tariffs, and that other than the tariffs that have been announced, neither the U.S. nor Canada (i) increases the rate or scope of such tariffs, or imposes new tariffs, on the import of goods from one country to the other, and/or (ii) imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other; that Blackline will have sufficient resources and production capacity to assemble products in the U.S. (and elsewhere); that supply chains for third party products in which the Company may rely can continue to be supplied the Company without additional costs or delays; that the Company's actions (including planned actions) will effectively mitigate implemented and planned tariffs on the Company's product gross margins and earnings; that trade disputes (including tariffs) will be for a short duration and will not have a long term impact on the Company; that the Company's customers will not be adversely affected by trade and other disputes resulting in decreased customer demand; 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, regulatory changes, supply chain disruptions, macroeconomic conditions, U.S.-Canada tariffs, the impacts of the military conflict between Russia and Ukraine and between Israel and Hamas on the global economy; the risk that (i) the U.S. or Canadian governments increases the rate or scope of the currently implemented or proposed and announced tariffs, or imposes new tariffs on the import of goods from on the import or export of products from one country to the other, and (ii) the tariffs imposed by the U.S. on other countries and responses thereto could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Company and its customers; 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.