



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE-MONTH PERIODS ENDED JULY 31, 2025



Blackline Safety Corp.
Condensed Consolidated Statements of Financial Position

(Unaudited, in thousands of CAD)

	July 31, 2025	October 31, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	21,704	16,107
Short-term investments	27,000	27,000
Trade and other receivables (Note 4)	49,140	43,594
Inventory	18,391	16,826
Prepaid expenses and advances	6,424	4,406
Contract assets	1,803	1,755
Total current assets	124,462	109,688
NON-CURRENT ASSETS		
Property and equipment (Note 5)	13,754	14,479
Intangible assets	1,540	1,594
Right-of-use assets	1,957	2,725
Goodwill	4,883	4,883
Contract assets	926	1,039
Other receivables (Note 4)	14,855	12,471
Total non-current assets	37,915	37,191
TOTAL ASSETS	162,377	146,879
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and other accrued liabilities (Note 3(b)(iii))	23,250	22,955
Warranty provision	2,627	2,310
Deferred revenue	24,384	21,668
Contract liabilities (Note 3(b)(iii))	2,472	3,757
Lease liabilities (Note 3(b)(iii))	909	907
Securitization facility payable (Note 3(b)(iii) and 7)	—	3,950
Total current liabilities	53,642	55,547
NON-CURRENT LIABILITIES		
Bank indebtedness (Note 3(b)(iii) and 6)	10,109	10,653
Warranty provision	1,663	1,913
Deferred revenue	15,054	14,540
Contract liabilities (Note 3(b)(iii))	822	933
Lease liabilities (Note 3(b)(iii))	1,398	2,025
Securitization facility payable (Note 3(b)(iii) and 7)	—	3,655
Total non-current liabilities	29,046	33,719
TOTAL LIABILITIES	82,688	89,266
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	259,969	230,788
Contributed surplus	13,022	12,268
Accumulated other comprehensive income	10,046	9,857
Deficit	(203,348)	(195,300)
TOTAL SHAREHOLDERS' EQUITY	79,689	57,613
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	162,377	146,879

See accompanying notes to the condensed consolidated interim financial statements.

Blackline Safety Corp.
Condensed Consolidated Statements of Loss and Comprehensive Loss

	Three-Months Ended July 31,		Nine-Months Ended July 31,	
(Unaudited, in thousands of CAD, except per share amounts)	2025	2024	2025	2024
Revenue (Notes 9 and 10)				
Product revenue	14,379	15,476	46,232	41,735
Service revenue	23,213	18,210	64,975	49,856
Total revenue	37,592	33,686	111,207	91,591
Cost of sales (Note 10)	13,719	13,802	42,214	39,098
Gross profit (Note 10)	23,873	19,884	68,993	52,493
Expenses (Note 10)				
General and administrative expenses	7,936	7,288	23,338	20,237
Sales and marketing expenses	11,292	10,381	34,353	30,051
Product research and development costs	6,026	4,910	16,462	14,726
Foreign exchange loss (gain) (Note 3(b)(i))	1,292	(645)	94	(1,388)
Total expenses	26,546	21,934	74,247	63,626
Results from operating activities	(2,673)	(2,050)	(5,254)	(11,133)
Finance income (expense), net (Note 12)	310	(262)	377	(727)
Net loss before income tax	(2,363)	(2,312)	(4,877)	(11,860)
Income tax expense	(851)	(157)	(3,171)	(667)
Net loss	(3,214)	(2,469)	(8,048)	(12,527)
Other comprehensive loss:				
Foreign exchange translation gain on foreign operations	1,438	710	189	1,638
Comprehensive loss for the period	(1,776)	(1,759)	(7,859)	(10,889)
Loss per common share (Note 14):				
Basic and diluted	(0.04)	(0.03)	(0.09)	(0.17)

See accompanying notes to the condensed consolidated interim financial statements.

Blackline Safety Corp.
Condensed Consolidated Statements of Changes in Equity

(Unaudited, in thousands of CAD)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Equity
Balance as at October 31, 2023	195,652	11,545	8,706	(182,705)	33,198
Net Loss	—	—	—	(12,527)	(12,527)
Foreign exchange translation on foreign operations	—	—	1,638	—	1,638
Stock options exercised (Note 8)	853	(273)	—	—	580
Issued for cash through bought deal short-form prospectus offering (Note 8)	23,055	—	—	—	23,055
Issued for cash through private placement (Note 8)	11,527	—	—	—	11,527
Share Issuance costs (Notes 8)	(1,578)	—	—	—	(1,578)
Stock-based compensation expense (Notes 8 and 11)	804	800	—	—	1,604
Balance as at July 31, 2024	230,313	12,072	10,344	(195,232)	57,497
Balance as at October 31, 2024	230,788	12,268	9,857	(195,300)	57,613
Net Loss	—	—	—	(8,048)	(8,048)
Foreign exchange translation on foreign operations	—	—	189	—	189
Stock options exercised (Note 8)	2,014	(719)	—	—	1,295
Issued for cash through private placement (Note 8)	26,980	—	—	—	26,980
Share issuance costs (Note 8)	(531)	—	—	—	(531)
Stock-based compensation expense (Notes 8 and 11)	718	1,473	—	—	2,191
Balance as at July 31, 2025	259,969	13,022	10,046	(203,348)	79,689

See accompanying notes to the condensed consolidated interim financial statements.

Blackline Safety Corp.
Condensed Consolidated Statements of Cash Flows

(Unaudited, in thousands of CAD)	Three-Months Ended July 31,		Nine-Months Ended July 31,	
	2025	2024	2025	2024
Operating activities				
Net loss	(3,214)	(2,469)	(8,048)	(12,527)
Depreciation and amortization	1,725	2,103	6,062	5,923
Stock-based compensation expense (Note 11)	837	807	2,286	1,536
Finance (income) expense, net (Note 12)	(410)	104	(1,286)	278
Unrealized foreign exchange (gain) loss	20	20	58	31
Loss on disposals of property and equipment (Note 5)	136	136	584	447
Net changes in non-cash operating items (Note 15)	(3,338)	(1,620)	(9,212)	1,438
Net cash used in operating activities	(4,244)	(919)	(9,556)	(2,874)
Financing activities				
Net proceeds from share issuances and option exercises (Note 8)	429	33,671	28,462	34,389
Net proceeds (repayments) on bank indebtedness (Note 6)	45	(3,603)	(544)	686
Advances from securitization facility (Note 7)	—	2,081	—	2,647
Repayment on securitization facility (Note 7)	—	(1,729)	(7,938)	(4,689)
Repayment of lease liabilities	(261)	(269)	(642)	(698)
Net cash provided by financing activities	213	30,151	19,338	32,335
Investing activities				
Purchase of short-term investments	—	(27,000)	(32,500)	(27,000)
Redemption of short-term investments	7,000	—	32,500	4,500
Finance income, net (Note 12)	365	2	759	184
Purchase of property, equipment, and intangible assets (Note 5)	(1,197)	(2,810)	(5,208)	(6,567)
Net changes in non-cash investing items (Note 15)	(340)	(84)	151	113
Net cash provided by (used in) by investing activities	5,828	(29,892)	(4,298)	(28,770)
Effect of foreign exchange changes on cash and cash equivalents	1,323	1,255	113	1,648
Net increase in cash and cash equivalents	3,120	595	5,597	2,339
Cash and cash equivalents, beginning of period	18,584	13,232	16,107	11,488
Cash and cash equivalents, end of period	21,704	13,827	21,704	13,827

Supplementary cash flow information (Note 15)

See accompanying notes to the condensed consolidated interim financial statements.

Blackline Safety Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month periods ended July 31, 2025 and 2024
(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

1. Nature of operations

Blackline Safety Corp. (the "Company") is a global connected safety technology company that develops, manufactures and markets products and services that empower businesses with real-time safety insights to manage emergency responses, evacuations and gas detection compliance programs. The Company is a public company listed on the Toronto Stock Exchange ("TSX") under the ticker symbol "BLN" and is incorporated and domiciled in the province of Alberta in Canada.

The Company's principal business office is Unit 100, 803 24 Avenue S.E., Calgary, Alberta, T2G 1P5 and the Company's registered office is Suite 2400, 525 8 Avenue S.W., Calgary, Alberta, T2P 1G1.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on September 10, 2025.

2. Summary of significant accounting policies

a) Basis of preparation

The condensed consolidated interim financial statements and accompanying notes have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as the audited consolidated financial statements for the year ended October 31, 2024, other than as described in Note 2(b).

These condensed consolidated interim financial statements do not contain all the disclosures required for full annual consolidated financial statements and should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended October 31, 2024.

b) Changes in accounting policy and disclosures

i) New and amended standards adopted by the Company

There were new or amended standards that became applicable and were adopted by the Company for the current reporting period.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

This amendment to IAS 1, *Presentation of Financial Statements* ("IAS 1") clarifies the requirement in determining whether a certain liability should be classified as current or non-current based on the rights that exist at the end of the reporting period, explains that rights are in existence if covenants are complied with at the end of the reporting period and introduces a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendment is for application for annual periods beginning on or after January 1, 2024.

The amendment did not have any significant impact on the condensed consolidated interim financial statements.

Blackline Safety Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month periods ended July 31, 2025 and 2024
(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

Non-current Liabilities with Covenants (Amendments to IAS 1)

This amendment specifies that only covenants that an entity is required to comply with on or before the reporting date affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, which must be considered when assessing whether to classify the liability as current or non-current. The new amendment is effective for annual reporting periods beginning on or after January 1, 2024 with earlier adoption permitted.

The amendment did not have any significant impact on the condensed consolidated interim financial statements.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendment to IAS 7, *Statement of Cash Flows* ("IAS 7") and IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7") introduces additional disclosures relating to supplier finance arrangements that enable users of the financial statements to assess the effects of those arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The amendments apply for annual periods beginning on or after January 1, 2024.

The amendment did not have any significant impact on the condensed consolidated interim financial statements.

ii) New standards and interpretations not yet adopted

Certain new and amended accounting standards and interpretations have been published that are not mandatory for the July 31, 2025 reporting period and have not been early adopted by the Company.

Lack of Exchangeability (Amendments to IAS 21)

The amendment to IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("IAS 21"), contains guidance on when a currency is exchangeable into another currency and how to determine the exchange rate when it is not. The amendment also adds a disclosure requirement when a currency is not exchangeable. The new amendment is effective for annual periods beginning on or after January 1, 2025 with earlier adoption permitted.

The Company is assessing the impact of this amendment.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendment to IFRS 9, *Financial Instruments* ("IFRS 9") and IFRS 7 clarifies the date of recognition and derecognition of some financial assets and liabilities, including a new exception for certain financial liabilities settled through an electronic payment system before the settlement date. The amendment is effective for annual periods beginning on or after January 1, 2026 with earlier adoption permitted.

The Company is assessing the impact of this amendment.

Blackline Safety Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine-month periods ended July 31, 2025 and 2024
(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

IFRS 18, Presentation and Disclosures in Financial Statements ("IFRS 18")

This is a new standard on presentation and disclosure in financial statements which replaces IAS 1, with a focus on updates to the statement of profit or loss. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

An entity is required to apply IFRS 18 for annual reporting periods on or after January 1, 2027, with earlier adoption permitted. IFRS 18 requires retrospective application with specific transition provisions.

The Company is assessing the impact of this amendment.

3. Financial instruments and risk management

a) Financial instruments

The carrying amounts of the Company's cash and cash equivalents, short-term investments, trade and other receivables, accounts payable and other accrued liabilities, contract liabilities and bank indebtedness approximate their fair values.

The Company's exposure to various risks associated with the financial instruments is discussed in Note 3(b). The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial instrument mentioned above.

b) Financial risk management

The Company's risk management includes foreign exchange risk, interest rate risk, credit risk and liquidity risk.

i. Market risk

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures including U.S. dollar ("USD"), British pound ("GBP"), Euro ("EUR") and Australian dollar ("AUD"). Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The Company's policy with respect to foreign currency risk management is to obtain natural hedges of revenue and expenses to the extent possible. The Company does not speculate in foreign currency and remains at risk to the market where natural hedges are not in place. Due to the geopolitical uncertainty surrounding the imposition of tariffs, there may be an adverse impact to the economy and government fiscal policies which could result in a fluctuation in foreign exchange rates, increasing foreign exchange risk arising from the Company's exposure to various currencies.

Sensitivity

The Company is primarily exposed to changes in USD/CAD, GBP/CAD and EUR/CAD exchange rates. The sensitivity of profit or loss to changes in exchange rates arises mainly from cash and cash equivalents, trade and other receivables and accounts payable and other accrued liabilities. The potential impact of this is not material to the Company.

Blackline Safety Corp.

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Interest rate risk

The Company's interest rate risk arises from its cash and cash equivalents, short-term investments and bank indebtedness.

Exposure

The Company's cash and cash equivalents and bank indebtedness are subject to variable interest rate changes and the short-term investments have fixed interest rates.

Sensitivity

The net loss of the Company is sensitive to higher/lower interest income from cash and cash equivalents and to higher/lower interest expenses from bank indebtedness as a result of changes in benchmark interest rates. The potential impact of this is not material to the Company.

ii. Credit risk

Credit risk arises from cash and cash equivalents and short-term investments held with banks as well as credit exposure to customers, including outstanding trade accounts receivables and lease receivables.

Risk management

Credit risk is managed consistently across the Company. The cash and cash equivalents are comprised of cash and highly liquid short-term deposits with a Canadian chartered bank, a Canadian financial institution, a United States chartered bank, a UK plc bank and a French bank. Bank indebtedness is comprised of the amount drawn, if any, on the Company's senior secured operating facility with a Canadian financial institution. The short-term investments are held with the same Canadian financial institution. To manage credit risk, the Company only deals with highly rated financial institutions and low risk investments. Due to the high credit ratings, counterparty risk is expected to be low. None of the held-to-maturity short-term investments are impaired.

The Company assesses the credit quality of all customers, taking into account their financial position, past payment experience, industry and market conditions and other factors. Individual risk limits are set based on internal or external ratings and with compliance with credit limits which are regularly monitored. There is no concentration of credit risk as the Company generates revenue from diverse industries, vertical and geographic markets.

Sales to certain customers, or customers without credit terms, are required to be paid in advance, mitigating credit risk.

iii. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period, the Company held cash and cash equivalents of \$21,704 (October 31, 2024: \$16,107) and held fully redeemable short-term investments with no redemption fees of \$27,000 (October 31, 2024: \$27,000) that are readily available for managing liquidity risk. Due to the dynamic nature of the underlying business, the Company maintains flexibility in funding by maintaining available credit under a senior secured operating facility. Refer to Note 6 for additional details.

Management maintains a forward-looking cash requirement, comprising cash and cash equivalents, short-term investments and a senior secured operating facility with a Canadian financial institution. This ensures that funds are readily available to meet financial obligations as they become due, as well as ensuring that adequate funds exist to support strategic business objectives.

Blackline Safety Corp.

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For the three and nine-month periods ended July 31, 2025 and 2024
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The Company has financed its activities primarily through cash flows from operations, funds from brokered and non-brokered private placements, prospectus offerings and a senior secured operating facility. The ability to sustain operations is dependent on successfully commercializing its products and services, continuing to increase sales and continuing to increase the gross profit of the Company's products and services and, if required, the ability to raise additional equity or debt. The Company believes it has sufficient funds and access to capital for at least the next 12 months.

Maturity of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. The undiscounted cash flows equal the carrying value, with the exception of lease liabilities.

	Less than 6 months	6 – 12 months	Over 1 year	Total contractual cash flows	Carrying amount
As at July 31, 2025					
Accounts payable and other accrued liabilities	17,940	5,310	—	23,250	23,250
Contract liabilities	1,691	781	822	3,294	3,294
Bank indebtedness	—	—	10,109	10,109	10,109
	19,631	6,091	10,931	36,653	36,653
Lease liabilities	525	528	1,517	2,570	2,307
Total	20,156	6,619	12,448	39,223	38,960

As at October 31, 2024					
Accounts payable and other accrued liabilities	19,638	3,317	—	22,955	22,955
Contract liabilities	2,957	800	933	4,690	4,690
Bank indebtedness	—	—	10,653	10,653	10,653
	22,595	4,117	11,586	38,298	38,298
Securitization facility payable	2,328	1,993	3,841	8,162	7,605
Lease liabilities	607	488	2,240	3,335	2,932
Total	25,530	6,598	17,667	49,795	48,835

4. Trade and other receivables

	July 31, 2025	October 31, 2024
Trade accounts receivable	38,645	33,999
Other receivables – current	11,936	10,073
Other receivables – non-current	14,855	12,471
Loss allowance	(1,441)	(478)
Total	63,995	56,065

Current other receivables consist of the current portion of the net investment in the Company's finance lease program, accrued interest from short-term investments and taxes receivable. Non-current other receivables consist primarily of the net investment in the Company's finance lease program.

Blackline Safety Corp.
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(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

The total undiscounted payments under non-cancellable finance lease contracts for the right-to-use the equipment and connected safety monitoring services of the Company are as follows:

	July 31, 2025	October 31, 2024
Within one year	29,440	23,088
Later than one year but not later than five years	41,892	31,867
Later than five years	—	—
Total	71,332	54,955

As of March 2025, the Company no longer sells certain of its finance lease receivables under a securitization program with a Canadian chartered bank as described in Note 7.

5. Property and equipment

July 31, 2025

	October 31, 2024	Foreign exchange differences	Additions	Other Disposals & Transfers	Depreciation	Net book value
SMT equipment	1,361	—	87	—	217	1,231
Manufacturing equipment	1,416	1	1,098	—	475	2,040
Furniture and equipment	251	2	52	—	85	220
Equipment leased under lease program	130	—	188	—	191	127
Rental equipment	5,905	61	977	(36)	1,465	5,442
Cartridges	4,622	3	1,407	(475)	1,815	3,742
Computer hardware	520	2	546	—	324	744
Evaluation kits	144	1	16	—	130	31
Leasehold improvements	130	1	133	—	87	177
Total	14,479	71	4,504	(511)	4,789	13,754

July 31, 2025

	Cost	Accumulated depreciation	Net book value
SMT equipment	2,585	1,354	1,231
Manufacturing equipment	3,007	967	2,040
Furniture and equipment	511	291	220
Equipment leased under lease program	353	226	127
Rental equipment	9,171	3,729	5,442
Cartridges	7,258	3,516	3,742
Computer hardware	1,105	361	744
Evaluation kits	494	463	31
Leasehold improvements	378	201	177
Total	24,862	11,108	13,754

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(Unaudited, in thousands of Canadian dollars, unless otherwise indicated)

			October 31, 2024
	Cost	Accumulated depreciation	Net book value
SMT equipment	2,525	1,164	1,361
Manufacturing equipment	2,653	1,237	1,416
Furniture and equipment	522	271	251
Equipment leased under lease program	207	77	130
Rental equipment	8,612	2,707	5,905
Cartridges	6,938	2,316	4,622
Computer hardware	1,461	941	520
Evaluation kits	633	489	144
Leasehold improvements	525	395	130
Total	24,076	9,597	14,479

Additions to the cartridge asset category represents the modular cartridge options, including gas sensors, used in the Company's principal connected safety product devices which generate service revenue for the Company.

6. Bank indebtedness

The Company has a two-year \$25,000 senior secured operating facility ("operating facility") with a Canadian financial institution (the "lender"). The operating facility includes a \$5,000 accordion feature to increase the size of the facility. The operating facility borrowing base is derived from the Company's monthly recurring revenue and bears interest at the Canadian prime rate plus 2.00% for CAD advances or U.S. base rate plus 2.00% for USD advances. The operating facility was renewed and extended on October 31, 2024 for two years, maturing on October 31, 2026.

The Company had available capacity on its operating facility of \$14,891 as at July 31, 2025 (October 31, 2024: \$12,276).

The operating facility includes financial covenants, principally a quarterly liquidity to cash burn ratio, as defined in the agreement with the lender, of not less than 6.0 to 1.0. The Company was in compliance with all covenants as at July 31, 2025.

The operating facility is measured at amortized cost and is secured by a general security agreement over the property of Blackline Safety Corp. and its significant subsidiaries.

	Maturity Date	July 31, 2025	October 31, 2024
Bank indebtedness	October 31, 2026	10,109	10,653

7. Securitization of lease finance receivables

Blackline Safety SPV Seller Corp. ("SPV") is a wholly owned subsidiary of the Company and was incorporated to act as a securitization vehicle and is controlled and consolidated by the Company. The SPV's activities include the sale of lease contracts on behalf of the Company to a Canadian chartered bank ("the Purchaser") which provided funding for the Company's operational needs. On March 12, 2025 the Company repaid \$5,163, net of the reserve account funds to settle the securitization facility and the security has been fully discharged by the Purchaser.

Blackline Safety Corp.

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Management believes that the settlement of the facility does not impact the Company's liquidity risk as it has sufficient funds and access to capital.

	July 31, 2025	October 31, 2024
Securitization facility payable, beginning of period (October 31, 2024)	7,605	10,197
Amount drawn on securitization facility	—	2,647
Repayments on securitization facility	(7,938)	(5,901)
Interest expense on securitization facility	175	629
Foreign exchange on translation	158	33
Total securitization facility payable, end of period	—	7,605
Payments due in the next 12 months	—	3,950
Payments due thereafter	—	3,655

8. Share capital

a) Authorized

The Company is authorized to issue an unlimited number of common voting shares without nominal or par value and an unlimited number of preferred shares without nominal or par value.

b) Issued

(CAD thousands, except for number of shares)	Number of Shares	Amount
As at October 31, 2023	72,547,146	195,652
Options Exercised	381,379	853
Issued through stock-based compensation plan	197,615	804
Issued through prospectus offering	5,692,500	23,055
Issued through private placement	2,846,250	11,527
Share issue costs	—	(1,578)
As at July 31, 2024	81,664,890	230,313
As at October 31, 2024	81,792,332	230,788
Options Exercised	681,945	2,014
Issued through stock-based compensation plan	103,215	718
Issued for cash through private placement	4,170,024	26,980
Share issue costs	—	(531)
As at July 31, 2025	86,747,516	259,969

During the three-month period ended July 31, 2025, there were 68,250 common share options exercised for proceeds net of income tax withholdings of \$60. On exercise of these common share options, 33,899 common shares were issued and \$48 was credited to share capital from contributed surplus. During the nine-month period ended July 31, 2025, 1,087,654 common share options were exercised for proceeds net of income tax withholdings of \$1,295. On exercise of these common share options, 681,945 common shares were issued and \$719 was credited to share capital from contributed surplus.

On January 23, 2025, the Company completed a non-brokered private placement of 4,170,024 common shares at an issue price of \$6.47 per common share for gross proceeds of \$26,980.

During the three-month period ended July 31, 2024, there were 220,167 common share options exercised for proceeds net of income tax withholdings of \$415. On exercise of these common share options, \$162 was credited to share capital from

Blackline Safety Corp.
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contributed surplus. During the nine-month period ended July 31, 2024, 445,167 common share options were exercised for proceeds net of income tax withholdings of \$581. On exercise of these common share options, 381,379 common shares were issued and \$272 was credited to share capital from contributed surplus.

9. Revenue from contracts with customers

The disaggregation of the Company's revenue from contracts with customers was as follows:

<i>Revenue</i>	Three-Months Ended July 31,		Nine-Months Ended July 31,	
	2025	2024	2025	2024
Product revenue	14,379	15,476	46,232	41,735
Software services revenue	20,412	15,910	57,802	44,353
Rental revenue	2,801	2,300	7,173	5,503
Total revenue	37,592	33,686	111,207	91,591
<i>Timing of revenue recognition</i>				
At a point in time	13,922	15,235	44,998	41,176
Over time	23,670	18,451	66,209	50,415
Total revenue	37,592	33,686	111,207	91,591

10. Segment information

The Chief Executive Officer is the Company's Chief Operating Decision Maker. Management has determined the operating segments based on the information reviewed by the Chief Executive Officer for the purposes of allocating resources and assessing performance.

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The Chief Executive Officer considers the business performance from a product and service perspective. The product revenue is driven by sales of the Company's suite of connected safety products with the service revenue generated by the automated compliance, monitoring and support of those products and rentals. There are no sales between segments and revenue from customers is measured in a manner consistent with that in the condensed consolidated statement of loss and comprehensive loss. The Company's expenses, finance income and costs, assets and liabilities are not allocated to reportable segments.

	Three-Months Ended July 31,		Nine-Months Ended July 31,	
	2025	2024	2025	2024
Revenue				
Product	14,379	15,476	46,232	41,735
Service	23,213	18,210	64,975	49,856
Total Revenue	37,592	33,686	111,207	91,591
Cost of sales				
Product	9,394	9,526	28,732	27,403
Service	4,325	4,276	13,482	11,695
Total Cost of sales	13,719	13,802	42,214	39,098
Gross profit				
Product	4,985	5,950	17,500	14,332
Service	18,888	13,934	51,493	38,161
Gross profit	23,873	19,884	68,993	52,493
General and administrative expenses	7,936	7,288	23,338	20,237
Sales and marketing expenses	11,292	10,381	34,353	30,051
Product research and development costs	6,026	4,910	16,462	14,726
Foreign exchange loss (gain)	1,292	(645)	94	(1,388)
Finance (income) expense, net	(310)	262	(377)	727
Net loss before income tax	(2,363)	(2,312)	(4,877)	(11,860)
Income tax expense	(851)	(157)	(3,171)	(667)
Net loss	(3,214)	(2,469)	(8,048)	(12,527)

In the three and nine-month periods ended July 31, 2025 and 2024, there were no customers representing greater than 10% of the Company's revenue.

Revenues from customers and distributors by country/geographic area are as follows:

	Three-Months Ended July 31,		Nine-Months Ended July 31,	
	2025	2024	2025	2024
Canada	7,715	6,380	22,694	18,424
United States	17,691	15,761	52,794	44,279
Europe	9,218	7,979	26,699	21,835
Rest of World ⁽¹⁾	2,968	3,566	9,020	7,053
Total revenue	37,592	33,686	111,207	91,591

(1) The Company's rest of world market is primarily in Asia, the Middle East, Australia, New Zealand and Africa and is not directly impacted by the ongoing military conflict between Russia and Ukraine and the ongoing conflict between Israel and Hamas.

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11. Share-based compensation

The Company has established a stock-based compensation plan ("stock option plan" or the "plan") which was approved by shareholders. The purpose of the stock option plan is to provide long-term incentives for directors, officers, employees and certain consultants of the Company to deliver long-term shareholder returns.

Participation in the plan is at the Board of Directors' discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under the plan are for no consideration and carry no dividend or voting rights. The plan allows for the purchase of one common share for each option granted, at the volume weighted average trading price for five days prior to the date of grant, subject to certain conditions being met.

The number of options that are expected to be exercised depends on the Company's share price on the TSX. Options granted under the plan vest over an immediate to three-year period. For those options which vest immediately, they remain exercisable for a period of five years and for those options which are fully vested after three years, the options remain exercisable for a period of two years after vesting.

	Number of options	Weighted average price per stock option \$
As at October 31, 2023	5,749,002	4.32
Vested and exercisable at October 31, 2023	4,006,127	4.60
Granted during the period	1,324,400	4.64
Exercised during the period	(445,167)	1.82
Forfeited during the period	(84,167)	5.36
Expired during the period	(674,584)	5.27
As at July 31, 2024	5,869,484	4.35
Vested and exercisable at July 31, 2024	3,662,751	4.74
As at October 31, 2024	5,784,151	4.38
Vested and exercisable at October 31, 2024	3,907,918	4.58
Granted during the period	1,063,205	6.94
Exercised during the period	(1,087,654)	3.73
Forfeited during the period	(157,667)	6.50
Expired during the period	(10,000)	4.25
As at July 31, 2025	5,592,035	4.93
Vested and exercisable at July 31, 2025	3,477,887	4.70

The weighted average share price at the time of option exercises during the three and nine-months ended July 31, 2025 was \$7.24 and \$6.86, respectively (July 31, 2024: \$4.15 and \$3.81, respectively).

The weighted average remaining contractual life of the options outstanding as at July 31, 2025 is 3.30 years (July 31, 2024: 3.16 years).

The Company uses the Black-Scholes model and a forfeiture rate of 27% (July 31, 2024: 46%), based on historical data, to calculate the stock-based compensation expense during the period. The valuation at grant date is determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share and the expected dividend yield.

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There were 1,063,205 stock options granted during the period ended July 31, 2025. There were 1,324,400 stock options granted in the prior year comparative period. The model inputs for the option tranches granted during the period ended July 31, 2025 and July 31, 2024 included:

	2025	2024
Risk-free interest rate	2.51% - 2.59%	3.28% - 3.40%
Expected life of the option – employees	3 years	3 years
Expected life of the option – directors and officers	4 years	4 years
Expected dividend per share	\$nil per share	\$nil per share
Expected volatility of the Company's shares	51%	50%

The expected price volatility is based on the historical volatility.

During the period ended July 31, 2025, the Company approved changes to its stock-based compensation plan to allow for the issuance of Restricted Share Units ("RSU's") and Deferred Share Units ("DSU's"). No RSU's or DSU's have been issued as of July 31, 2025.

12. Finance income and costs

	Three-Months Ended July 31,		Nine-Months Ended July 31,	
	2025	2024	2025	2024
<i>Finance income</i>				
Interest received/receivable from finance leases and financial assets held for cash management purposes	758	266	2,115	773
<i>Finance costs</i>				
Interest and finance charges paid/payable for financial liabilities	(448)	(528)	(1,738)	(1,500)
Finance income (expense), net	310	(262)	377	(727)

13. Related party transactions

On January 23, 2025, the Company closed a non-brokered private placement including 1,078,834 common shares at an issue price of \$6.47 per common share for gross proceeds of \$6,980 with a party related to the Company through a Board member. Refer to Note 8 for further details.

14. Loss per common share

The effects of potentially dilutive instruments such as stock options on loss per common share are anti-dilutive and therefore have been excluded from the calculation of diluted loss per common share.

	Three-Months Ended July 31,		Nine-Months Ended July 31,	
(CAD thousands, except number of shares and per share amounts)	2025	2024	2025	2024
Weighted average shares outstanding – basic and diluted	86,702,973	77,612,619	85,097,404	74,392,624
Net Loss for the period	(3,214)	(2,469)	(8,048)	(12,527)
Basic and diluted loss per share	(0.04)	(0.03)	(0.09)	(0.17)

Blackline Safety Corp.
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15. Supplementary cash flow information

The net changes in non-cash operating and investing activities are as follows:

	Three-Months Ended July 31,		Nine-Months Ended July 31,	
	2025	2024	2025	2024
Operating activities				
Changes in non-cash operating items:				
Trade and other receivables	(1,252)	(4,147)	(4,943)	(5,952)
Inventory	(1,006)	496	(1,509)	1,038
Prepaid expenses and advances	(1,118)	(786)	(2,008)	(1,260)
Contract assets	54	(58)	(49)	(515)
Contract assets – non-current	70	191	113	292
Other receivables – non-current	52	(134)	(2,383)	(1,872)
Accounts payable and other accrued liabilities	(874)	(1,196)	63	(633)
Warranty provision	598	438	316	608
Deferred revenue	942	1,710	2,432	6,819
Contract liabilities	(10)	(161)	(1,285)	1,352
Warranty provision – non-current	(548)	200	(249)	472
Deferred revenue – non-current	(97)	2,057	401	1,627
Contract liabilities – non-current	(149)	(230)	(111)	(538)
	(3,338)	(1,620)	(9,212)	1,438
Investing activities⁽¹⁾				
Changes in non-cash investing items:				
Accounts payable and other accrued liabilities	(340)	(84)	151	113

(1) Relates to changes in accounts payable and other accrued liabilities for purchases of property, equipment, and intangible assets on the condensed consolidated statements of cash flows.

	Three-Months Ended July 31,		Nine-Months Ended July 31,	
	2025	2024	2025	2024
Cash taxes paid	65	(73)	1,170	484
Cash interest paid	(326)	422	313	1,039

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