



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

---



## Notice

This Management's Discussion and Analysis ("MD&A") should be read together with Blackline Safety Corp.'s ("Blackline Safety", "Blackline", the "Corporation", the "Company", "we", or "our") unaudited condensed consolidated interim financial statements and accompanying notes, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), as set out in IAS 34 *Interim Financial Statements*, for the three and nine-month periods ended July 31, 2025. Additional information relating to the Company, including its audited consolidated financial statements for the year ended October 31, 2024, and its most recently completed Annual Information Form, is available on our website at [www.blacklinesafety.com/investors/](http://www.blacklinesafety.com/investors/) and can be obtained from documents filed on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at [www.sedarplus.ca](http://www.sedarplus.ca) under Blackline Safety Corp.

This MD&A is presented as of September 10, 2025. All financial information contained herein is expressed in Canadian dollars, the Company's presentation currency, unless otherwise indicated. All figures in the MD&A are reported in thousands, except for per share, stock options, common shares, and percentages.

This MD&A presents certain non-GAAP and supplementary financial measures, as well as non-GAAP ratios to assist readers in understanding the Company's performance. These measures do not have standardized meanings prescribed by IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other issuers. Non-GAAP financial measures, ratios and supplementary financial measures include 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, foreign exchange loss (gain), and non-recurring impact transactions, if any), EBITDA per common share, Adjusted EBITDA per common share, gross margin percentage and other supplementary financial measures. See "Non-GAAP and Supplementary Financial Measures" at the end of this MD&A for further information.

This MD&A contains company names, product names, trade names, trademarks and service marks of Blackline and other organizations, all of which are the property of their respective owners. Solely for convenience, Blackline's trademarks and trade names referred to in this MD&A may appear without the ® or ™ symbols, or other applicable symbols, but such references are not intended to indicate, in any way, that Blackline will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names.

## Overview

Founded in 2004 and headquartered in Calgary, Canada, Blackline Safety is a hardware-enabled software-as-a-service (“HeSaaS”) technology company that is focused on bringing connected worker solutions to the global marketplace. Blackline develops, manufactures and markets a suite of safety devices and cloud-connected services from its Calgary headquarters to protect workers at their jobs and support businesses undergoing digital transformation. Blackline has foreign subsidiaries that support its global business located in the United Kingdom, France, United States and Australia, allowing Blackline to serve its customers around the world. Despite the presence of foreign subsidiaries, the Company's principal business activities, including key management and operations are primarily conducted from its principal office in Calgary.

Blackline's technology empowers businesses with real-time safety insights to manage emergency responses and evacuations, proactively manage gas detection compliance and 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 safety devices and cloud software, businesses are empowered to increase operational performance through business analytics software and data science services known as Blackline Vision, adding value from the data generated by G6 and G7 safety wearables, EXO area monitors 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, evacuation management and interactive reporting.

Blackline's lineup of G7 safety wearables connect to the Blackline cloud using either cellular (G7c) or satellite (G7x) connectivity. Live-alerts are generated by the devices and monitoring personnel can pinpoint the employee's location on an interactive map using GPS or Blackline's proprietary location beacons. Blackline's 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.

Blackline's G7c device features 4G direct-to-cloud connectivity with wireless coverage in over 100 countries and on over 350 mobile networks. 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, New Zealand and Africa.

G7 wearables feature the industry's first expandable interface that enables customization to support unique customer scenarios and requirements. All products feature plug-and-play cartridges that are configured for lone worker and gas detection scenarios as required by the end customer. We offer one of four field-replaceable cartridges—a Standard Cartridge, a 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 21 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, helping equipment to stay in the field and maximizing up-time. Old cartridges can be sent to Blackline for remanufacturing, thereby reducing environmental footprint.

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. Conventional area monitors may suffer from short battery life, limited configurability and inadequate connectivity. Blackline's EXO area monitor provides global businesses with portable and semi-permanent gas detection monitoring options featuring drop and go deployment capabilities and the flexibility of four channel pump modules, as well as various power and mounting options and output port usage options. The EXO also offers connectivity by directly connecting to the cloud via 4G or satellite so there are no range limits between monitors or maximum number of devices allowed on the network.

Blackline launched the EXO 8 in September 2024, unveiling the new portable area monitor with direct-to-cloud area monitoring capable of detecting up to eight gases and gamma radiation. The EXO 8 contains enhanced features, including a gas expansion module with the ability to add up to eight sensors, optional integrated gamma radiation sensors, AlertLink

capabilities and automatic bump and calibration service. The EXO 8 is targeted for large industrial organizations in the oil and gas, petrochemical, mining, fire and hazardous materials, water and wastewater sectors and is intended for organizations to be able to rapidly respond to incidents involving hazardous substances.

Blackline's G6 device is a single-gas cloud-connected gas monitor. The mass-market 4G-enabled, cloud connected single gas monitor is complementary to the current G7 series of connected safety monitors. The longer-lasting connectivity and market leading efficiency enables fast incident response time along with Blackline's leading safety and compliance. The total cost of ownership is reduced for G6 customers due to the G6's lifespan of up to 4 years, doubling that of disposable gas detectors. Connectivity allows for lower information technology infrastructure costs, reduced downtime and over-the-air updates. The G6 monitor is the first connected product designed specifically for industrial workers that will help Blackline drive further growth with its lower price point, as a result lowering customers' operating cost base. The G6 monitor has enhancements to the service line known as "Protect" and "Protect Plus". These features enable the G6 to function with the same real-time connectivity as the G7 product line and includes an emergency SOS button as well as an expanded suite of data and analytics.

A significant portion of customers select Blackline's in-house, 24/7/365 Safety Operations Centre ("SOC"), although they also have the option to self-monitor the safety of their personnel using the Blackline Live cloud-based software platform. Unlike a traditional call centre that often provides unrelated services such as telemarketing, technical support and answering services, Blackline's dedicated SOC focuses solely on safety monitoring. It delivers a rapid response, managing 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 centre. In regions not covered by Blackline's in-house SOC, customers are able to facilitate monitoring of their employees via approved Blackline Alarm Receiving Centre partners. Blackline's SOC, together with its partner Alarm Receiving Centres in Europe, now monitor over 69,000 devices.

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 safety wearables and area monitors that connect to the Blackline Safety Cloud, continuously streaming status, environmental conditions, location, gas readings and alerts. This information enables Blackline's data-driven services including analytics, emergency response management, notifications to users and more. To date, the Blackline Safety Cloud has stored over 300 billion data points, over 4.2 billion locations and over 10.9 billion location-enabled gas readings.

Blackline's revenues are comprised of product and service revenues, which are the two operating segments of the Company. Product revenue is 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, verticals and geographic reach and these diversified markets help to mitigate against dependence on and fluctuations in any one market space. For the three and nine-months ended July 31, 2025, product revenue was \$14,379 and \$46,232, accounting for 38% and 42% of total revenue, respectively (July 31, 2024: \$15,476 and \$41,735, accounting for 46% and 46% of total revenue, respectively).

Service revenue relates to software and support services that are provided to customers who purchase the Company's connected safety devices. Service revenue also includes recurring revenues from existing customers who renew their services for their Blackline devices as well as device rental and data consulting services. For the three and nine-months ended July 31, 2025, service revenue was \$23,213 and \$64,975, accounting for 62% and 58% of total revenue, respectively (July 31, 2024: \$18,210 and \$49,856, accounting for 54% and 54% of total revenue, respectively).

The Company offers certain products and services through a lease program with variable lease term commitments. These agreements are typically four years in length and considered to be a finance lease commitment with the hardware revenue component recognized up-front as product revenue, and service and interest revenue are recognized over the life of the contract.

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 sales for services associated with those products is comprised of direct costs, direct labor for the SOC, partner alarm receiving centres, maintenance of the Blackline Live portal, communication costs for devices equipped with cellular and/or satellite technology, costs associated with rental equipment, and an allocation of overhead. For the three and nine-months ended July 31, 2025, Blackline's product cost of sales was \$9,394 and \$28,732, respectively (July 31, 2024: \$9,526 and \$27,403, respectively) and service cost of sales was \$4,325 and \$13,482, respectively (July 31, 2024: \$4,276 and \$11,695, respectively).

## Highlights

(CAD thousands, except per share amounts)	Three-Months Ended July 31,			Nine-Months Ended July 31,		
	2025	2024	% Change	2025	2024	% Change
Product revenue	14,379	15,476	(7)	46,232	41,735	11
Service revenue	23,213	18,210	27	64,975	49,856	30
Total revenue	37,592	33,686	12	111,207	91,591	21
Gross profit	23,873	19,884	20	68,993	52,493	31
Gross margin percentage <sup>(1)</sup>	64%	59%		62%	57%	
Total expenses	26,546	21,934	21	74,247	63,626	17
Total expenses as a percentage of revenue <sup>(1)</sup>	71%	65%		67%	69%	
Net loss	(3,214)	(2,469)	30	(8,048)	(12,527)	(36)
Loss per common share - Basic and diluted	(0.04)	(0.03)	33	(0.09)	(0.17)	(47)
EBITDA <sup>(1)</sup>	(948)	53	NM	808	(5,210)	NM
EBITDA per common share <sup>(1)</sup> - Basic and diluted	(0.01)	—	—	0.01	(0.07)	NM
Adjusted EBITDA <sup>(1)</sup>	1,327	810	64	3,885	(4,467)	NM
Adjusted EBITDA per common share <sup>(1)</sup> - Basic	0.02	0.01	100	0.05	(0.06)	NM
Adjusted EBITDA per common share <sup>(1)</sup> - Diluted	0.02	0.01	100	0.04	(0.06)	NM

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

NM – Not meaningful

(CAD thousands)	July 31, 2025	October 31, 2024	% Change
Cash and cash equivalents and short-term investments	48,704	43,107	13
Working capital <sup>(1)</sup>	70,820	54,141	31
Total assets	162,377	146,879	11
Non-current liabilities	29,046	33,719	(14)
Shareholders' equity	79,689	57,613	38

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

## Key Performance Indicators

Management uses a number of key performance indicators, including those identified below, to measure the performance of the business, identify and assess trends affecting the Company and to make strategic decisions. These key performance indicators do not have any standardized definitions prescribed by IFRS Accounting Standards and cannot be reconciled to a directly comparable IFRS Accounting Standards measure. These key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies. Refer to "Non-GAAP and Supplementary Financial Measures" at the end of this MD&A for further detail.

### Annual Recurring Revenue

Annual Recurring Revenue ("ARR") 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, adjusted 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. The increase in ARR is due to the service plans that have been added on new device sales as well as the expansion of existing contracts with our customers and indicates the continued strength in the growth of our business.

(CAD thousands)	As at July 31,		
	2025	2024	% Change
Annual Recurring Revenue <sup>(1)</sup>	80,195	62,081	29

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

## Net Dollar Retention

Net Dollar Retention (“NDR”) 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. NDR reflects the net expansion of our existing contracts with our customers and is offset by the customers who declined to renew their service plans which provides a fair measure of the strength of our recurring revenue streams and growth within our existing customer base.

	As at July 31,		
	2025	2024	Change
Net Dollar Retention <sup>(1)</sup>	128%	128%	0 bps <sup>(2)</sup>

(1) Refer to “Non-GAAP and Supplementary Financial Measures” at the end of this MD&A for further detail.

(2) Basis points (“BPS”) is defined as one hundredth of 1 percentage point.

## Results of Operations

	Three-Months Ended July 31,			Nine-Months Ended July 31,		
(CAD thousands)	2025	2024	% Change	2025	2024	% Change
Product revenue	14,379	15,476	(7)	46,232	41,735	11
Service revenue	23,213	18,210	27	64,975	49,856	30
<b>Total revenue</b>	<b>37,592</b>	<b>33,686</b>	<b>12</b>	<b>111,207</b>	<b>91,591</b>	<b>21</b>
Product revenue as a percentage of revenue <sup>(1)</sup>	38%	46%		42%	46%	
Service revenue as a percentage of revenue <sup>(1)</sup>	62%	54%		58%	54%	
<b>Total</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	

(1) Refer to “Non-GAAP and Supplementary Financial Measures” at the end of this MD&A for further detail.

Total revenue for the three-month period ended July 31, 2025 was \$37,592 which is an increase of \$3,906 from \$33,686 in the prior year comparative period. The 12% increase was driven by strong growth in recurring service revenue on new device sales and customer upsell while being partially offset by a 7% decrease in product revenue.

Total revenue for the nine-month period ended July 31, 2025 was \$111,207 which is an increase of \$19,616 from \$91,591 in the prior year comparative period. The 21% increase was due to continued growth in the Company's service revenue from its connected safety monitoring, analysis and compliance solutions as well as an 11% increase in product revenue.

## Product Revenue

For the three-months ended July 31, 2025, product revenue was \$14,379 which represents a decrease of \$1,097 or 7% compared to \$15,476 in the prior year comparative quarter. The decrease was primarily a result of lower product sales due to global trade policy uncertainty and overall economic conditions largely impacting our industrial, utilities and energy sector customers.

During the nine-month period ended July 31, 2025, product revenue was \$46,232, an increase of \$4,497 compared to \$41,735 in the prior year comparative period. The 11% increase reflects the Company's past investments in expansion to our global sales team, targeted demand generation and sales development activities. The Company's enhanced pricing strategy also contributed to the increase in product revenue.



## Service Revenue

(CAD thousands)	Three-Months Ended July 31,			Nine-Months Ended July 31,		
	2025	2024	% Change	2025	2024	% Change
Software services revenue	20,412	15,910	28	57,802	44,353	30
Rental revenue	2,801	2,300	22	7,173	5,503	30
<b>Total service revenue</b>	<b>23,213</b>	<b>18,210</b>	<b>27</b>	<b>64,975</b>	<b>49,856</b>	<b>30</b>
Software services revenue as a percentage of service revenue <sup>(1)</sup>	88%	87%		89%	89%	
Rental revenue as a percentage of service revenue <sup>(1)</sup>	12%	13%		11%	11%	
<b>Total</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	

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

Total service revenue for the three-months ended July 31, 2025 increased \$5,003 or 27% to \$23,213 compared to \$18,210 in the prior year comparative period.

Software services revenue for the three-months ended July 31, 2025 was \$20,412, an increase of 28% from \$15,910 in the prior year comparative period. The increase is a result of the new activations of the devices sold to end-users over the past twelve months for customers utilizing the Company's monitoring, software and data services. Total increases in software services of \$4,509 included newly activated device service revenue of \$500 in the third quarter as well as net service revenue increases within our existing customer base of \$4,139 compared to the prior year comparative period. This was partially offset by certain customers who reduced or declined to renew their service plans resulting in an impact of \$130 in the same period.

Rental revenue for the three-months ended July 31, 2025 increased 22% to \$2,801 from \$2,300 in the prior year comparative quarter, as the Company continued to experience strong demand for its connected safety solutions in the manufacturing, industrial construction, facility turnaround and maintenance markets.

Total service revenue for the nine-month period ended July 31, 2025 increased \$15,119 or 30% to \$64,975 compared to \$49,856 in the comparative period of the prior year.

Software services revenue for the nine-months ended July 31, 2025 was \$57,802, an increase of 30% or \$13,449 compared to \$44,353 in the prior year comparative period. The increase is due to new activations over the previous twelve months, as well as expansion of services within the Company's existing customer base.

Rental revenue for the nine-month period ended July 31, 2025 was \$7,173, an increase of 30% or \$1,670 compared to \$5,503 in the prior year comparative period as a result of the Company's strategic marketing efforts and focus on the rental market.

Revenue from customers by country/geographic area (CAD thousands)	Three-Months Ended July 31,			Nine-Months Ended July 31,		
	2025	2024	% Change	2025	2024	% Change
Canada	7,715	6,380	21	22,694	18,424	23
United States	17,691	15,761	12	52,794	44,279	19
Europe	9,218	7,979	16	26,699	21,835	22
Rest of World	2,968	3,566	(17)	9,020	7,053	28
<b>Total revenue</b>	<b>37,592</b>	<b>33,686</b>	<b>12</b>	<b>111,207</b>	<b>91,591</b>	<b>21</b>
Canada as a percentage of revenue <sup>(1)</sup>	21%	19%		20%	20%	
United States as a percentage of revenue <sup>(1)</sup>	46%	46%		48%	48%	
Europe as a percentage of revenue <sup>(1)</sup>	25%	24%		24%	24%	
Rest of World as a percentage of revenue <sup>(1)</sup>	8%	11%		8%	8%	
<b>Total</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	

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

During the three-months ended July 31, 2025 our United States market delivered strong sales and growth of \$1,930 or 12%, followed by strong growth in the Canadian market increasing by \$1,335 or 21%, and European sales increasing by \$1,239 or 16%. Despite higher revenues in the United States, growth in the area was impacted by economic uncertainty related to tariffs. Additionally, volatile oil prices continued to weigh on investment decisions within the energy sector during the quarter. Rest of World sales decreased by \$598 or 17% due to the impact of the global economic uncertainty and strong third quarter sales in the prior year comparative period.

The Company's Rest of World market is primarily in the Middle East, Asia, Australia, New Zealand and Africa and has not been directly impacted by the ongoing military conflict between Russia and Ukraine or between Israel and Hamas. The growth in revenue over the past nine months across these markets is a result of the expansion of sales personnel covering these regions and the strategic targeting of customers in specific industries including energy, water treatment and utilities.

### Lease Revenue

The Company leases certain of its safety monitoring equipment to customers through the Company's lease program with monthly, quarterly or annual payments.

The present value of the hardware revenue component of finance leases is recognized up-front as product revenue with service and interest revenue recognized over the life of the contract. The hardware component of the Company's leases classified as finance leases is recognized in current and non-current other receivables on the condensed consolidated statements of financial position. The service component is recognized within trade receivables when the service is delivered.

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

(CAD thousands)	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
<b>Total</b>	<b>71,332</b>	<b>54,955</b>

The 30% increase in undiscounted payments under non-cancellable finance lease contracts from October 31, 2024 is a result of new customers entering into finance lease agreements as well as existing customers renewing lease contracts.

### Cost of Sales

(CAD thousands)	Three-Months Ended July 31,			Nine-Months Ended July 31,		
	2025	2024	% Change	2025	2024	% Change
Product	9,394	9,526	(1)	28,732	27,403	5
Service	4,325	4,276	1	13,482	11,695	15
<b>Total cost of sales</b>	<b>13,719</b>	<b>13,802</b>	<b>(1)</b>	<b>42,214</b>	<b>39,098</b>	<b>8</b>
Product cost of sales as a percentage of segment revenue <sup>(1)</sup>	65%	62%		62%	66%	
Service cost of sales as a percentage of segment revenue <sup>(1)</sup>	19%	23%		21%	23%	
<b>Cost of sales as a percentage of revenue<sup>(1)</sup></b>	<b>36%</b>	<b>41%</b>		<b>38%</b>	<b>43%</b>	

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

Cost of sales for the three-months ended July 31, 2025 totaled \$13,719 compared to \$13,802 in the prior year comparative period. The slight decrease in cost of sales is primarily due to a decrease in products sold in the period compared to the prior year comparative quarter. This is partially offset by a 1% increase in the service segment as a result of expanding the associated costs to support our growing customer base.

Cost of sales for the nine-months ended July 31, 2025 totaled \$42,214 compared to \$39,098 in the prior year comparative period which was primarily due to the increase in the cost of sales for the product segment as more products were sold in the period as well as continued expansion to support the growth in the service segment.



## Product Cost of Sales

Product cost of sales decreased slightly by \$132 or 1% in the three-months ended July 31, 2025 compared to the prior year comparative quarter. Lower material costs and warranty expenses were the primary drivers behind the decrease as a result of reduced product sales as customers continued to assess investment decisions in the uncertain economic landscape. These decreases were partially offset by higher unabsorbed costs resulting from reduced production stemming from elevated finished goods inventory entering the third quarter and an increase in cartridge rework costs.

Product cost of sales for the nine-month period ended July 31, 2025 was \$28,732 compared to \$27,403 in the prior year comparative period, an increase of \$1,329 or 5%, primarily due to an increase in production salaries and related benefits due to increased headcount to support higher sales volume. There were also higher tariff costs compared to the prior year nine-month period levied on goods shipped to the United States. Most of the Company's products are United States-Mexico-Canada Agreement ("USMCA") compliant and are currently exempt from the tariffs currently in place on goods shipped to the United States from Canada. The increases were partially offset by lower warranty expense and lower material costs due to continued automation efficiencies and strategic suppliers in the production process.

## Service Cost of Sales

Service cost of sales increased slightly by \$49 or 1% in the three-months ended July 31, 2025 compared to the prior year comparative quarter. The increase is a result of higher connectivity and data costs driven by the increased user base and SOC team costs to support higher service revenue in the third quarter which were partially offset by decreases in depreciation compared to prior year comparative period.

Service cost of sales were \$13,482 during the nine-months ended July 31, 2025, compared to \$11,695 in the prior year comparative period, an increase of \$1,787 or 15%. This increase is a result of higher connectivity and data costs associated with a growing user base. Depreciation expense also increased for owned cartridges supporting cartridge-as-a-service revenue and on rental equipment as the Company's global rental program expands. In addition, salaries and related benefits costs increased due to the expansion of the SOC team to support the larger global user base compared to the prior year comparative period.

## Gross Profit

(CAD thousands)	Three-Months Ended July 31,			Nine-Months Ended July 31,		
	2025	2024	% Change	2025	2024	% Change
Product	4,985	5,950	(16)	17,500	14,332	22
Service	18,888	13,934	36	51,493	38,161	35
<b>Gross profit</b>	<b>23,873</b>	<b>19,884</b>	<b>20</b>	<b>68,993</b>	<b>52,493</b>	<b>31</b>
Product gross margin percentage <sup>(1)</sup>	35%	38%		38%	34%	
Service gross margin percentage <sup>(1)</sup>	81%	77%		79%	77%	
<b>Gross margin percentage<sup>(1)</sup></b>	<b>64%</b>	<b>59%</b>		<b>62%</b>	<b>57%</b>	

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

Total gross profit for the three-months ended July 31, 2025 was \$23,873 compared to \$19,884 in the prior year comparative quarter. This represented a total gross margin percentage of 64%, which increased from 59% in the prior year comparative quarter. The increase in total gross profit is due to a combination of higher service sales, enhanced pricing strategy and cost management within our product and service segments.

Product gross margin percentage for the three-months ended July 31, 2025 decreased to 35% from 38% in the prior year comparative quarter. This is a result of entering the third quarter with elevated finished goods inventory leading to lower production and higher unabsorbed costs and higher cartridge rework costs as well as lower sales during the period compared to the prior year comparative quarter.

Service gross margin percentage for the three-months ended July 31, 2025 increased to 81% from 77%. The increase was driven by an expanding customer base and greater adoption of Blackline's value-added services, which generate higher margins. Service gross margin percentage also benefited from continued growth enabling greater absorption of fixed costs, along with improved pricing received for connectivity and infrastructure.

Total gross profit for the nine-months ended July 31, 2025, increased \$16,500 or 31% to \$68,993 from \$52,493 in the prior year comparative period due to higher overall revenues, enhanced pricing strategy, higher service sales and cost management within our service segment.

Product gross margin percentage was 38% for the nine-months ended July 31, 2025, an increase from 34% in the prior year comparative period due to higher overall product revenues and automation efforts across our manufacturing line and better cost management resulting in improved supplier pricing.

Service gross margin percentage was 79% for the nine-months ended July 31, 2025, increasing from 77% compared to the prior year period. This was driven by growth in the Company's high-value services and higher overall service revenue, which more than offset the increase in service cost of sales. The Company also continued to focus on optimizing connectivity and data expenses.

## Expenses

(CAD thousands)	Three-Months Ended July 31,			Nine-Months Ended July 31,		
	2025	2024	% Change	2025	2024	% Change
General and administrative expenses	7,936	7,288	9	23,338	20,237	15
Sales and marketing expenses	11,292	10,381	9	34,353	30,051	14
Product research and development costs	6,026	4,910	23	16,462	14,726	12
Foreign exchange (gain) loss	1,292	(645)	NM	94	(1,388)	NM
<b>Total expenses</b>	<b>26,546</b>	<b>21,934</b>	<b>21</b>	<b>74,247</b>	<b>63,626</b>	<b>17</b>
General and administrative expenses as a percentage of revenue <sup>(1)</sup>	21%	22%		21%	22%	
Sales and marketing expenses as a percentage of revenue <sup>(1)</sup>	30%	31%		31%	33%	
Product research and development costs as a percentage of revenue <sup>(1)</sup>	16%	15%		15%	16%	
<b>Total expenses as a percentage of revenue<sup>(1)</sup></b>	<b>71%</b>	<b>65%</b>		<b>67%</b>	<b>69%</b>	

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

Total expenses for the three-months ended July 31, 2025 were \$26,546 compared to \$21,934 in the prior year comparative quarter, an increase of 21% or \$4,612. The increase was primarily due to a foreign exchange loss during the period as well as higher product research and development costs, sales and marketing expenses, and general and administrative expenses. Total expenses as a percentage of revenue for the three-months ended July 31, 2025 increased to 71% compared to 65% in the prior year comparative quarter. Excluding the impact of foreign exchange, total expenses as a percentage of revenue were 67% during the three-months ended July 31, 2025 and prior year comparative period.

During the nine-months ended July 31, 2025, total expenses were \$74,247 compared to \$63,626 in the prior year comparative period, an increase of 17% or \$10,621. The increase was primarily due to higher sales and marketing expenses, general and administrative expenses and product research and development costs as well as a foreign exchange loss. Despite higher expenses in the nine-months ended July 31, 2025 the expenses as a percentage of revenue decreased to 67% compared to 69% in the prior year comparative period. Excluding the impact of foreign exchange, total expenses as a percentage of revenue were 67% during the nine-months ended July 31, 2025 compared to 71% in the prior year comparative period.

## General and administrative expenses

General and administrative expenses are comprised of the salaries, benefits and stock-based compensation expense for the accounting and finance, business information technology, operational management as well as general management staff, the executive management team and the Board of Directors of the Company. These costs also include professional fees, costs for internal and external systems supporting the Company's global operations, insurance costs, the costs of compliance associated with being a public company, depreciation of certain property and equipment and general corporate expenses.

General and administrative expenses increased by \$648 or 9% in the three-months ended July 31, 2025 to \$7,936 from \$7,288 in the prior year comparative quarter. There were higher subscriptions and license fees as well as salaries and related benefits expenses as the Company expanded administrative functions to support the scaling of the business. The Company also incurred higher consulting costs compared to the prior year comparative quarter. These increases were partially offset by lower costs related to lower stock-based compensation costs and lower costs related to the departure of an officer which took place in the prior year comparative quarter. General and administrative expenses as a percentage of total revenue decreased to 21% from 22% for the third quarter compared to the prior year comparative quarter.

During the nine-months ended July 31, 2025, general and administrative expenses increased by \$3,101 or 15%, to \$23,338 from \$20,237 in the prior year comparative period, primarily due to higher consulting, salaries and related benefits and subscription and license costs. There was also an increase in stock-based compensation due to a directors, officers and employees stock option grant in the second quarter of fiscal 2025. During the nine-months ended July 31, 2025, general and administrative expenses as a percentage of total revenue decreased to 21% from 22% compared to the prior year comparative period.

### **Sales and marketing expenses**

Sales and marketing expenses include the salaries, benefits, internal and external commissions and stock-based compensation expense of the sales and marketing staff as well as travel costs, direct marketing and distribution channel expenses and supporting contractors and consultants' professional fees.

Sales and marketing expenses for the three-months ended July 31, 2025 increased \$911 or 9% to \$11,292 from \$10,381 compared to the prior year comparative quarter. This was mainly driven by higher salaries and related benefits expenses, consulting and recruiting costs to support our sales teams and to meet demand for our connected safety solutions. These increases were partially offset by decreases in sales commissions due to lower product revenue in the quarter. Sales and marketing expenses as a percentage of total revenue decreased to 30% for the third quarter of fiscal 2025 compared to 31% in the prior year comparative quarter.

During the nine-months ended July 31, 2025, sales and marketing expenses increased by \$4,302 or 14% to \$34,353 from \$30,051 compared to the prior year comparative period. This increase was largely attributable to higher salaries and related benefits expenses along with higher contractor and consulting fees and related recruiting costs to support the Rest of World sales team with growing demand for our connected safety solutions in those regions. Bad debt expense also increased in the nine-months ended July 31, 2025 due to an increase in total revenue and provision for certain aged receivables. Tradeshow expenses to support strategic marketing efforts also contributed to the increase in the period compared to the prior year comparative period. These increases were partially offset by decreases to distributor commissions as a result of lower number of lease contracts entered into through channel distributors in the period and the decrease in sales commissions year over year. Sales and marketing expenses as a percentage of total revenue for the nine-months ended July 31, 2025 decreased to 31% from 33% compared to the prior year period.

### **Product research and development costs**

Product research and development costs reflect Blackline's ongoing efforts to expand its product line while enhancing the capabilities of the current revenue-generating hardware and services. Product research and development costs include the salaries and benefits of the product research and development team, external consultants, materials used specifically for product research and development purposes, amortization of intangible assets and depreciation of certain property and equipment.

Product research and development costs increased to \$6,026 in the third quarter of fiscal 2025 compared to \$4,910 in the prior year comparative quarter. The increase of \$1,116 or 23% was largely attributed to an increase in consulting and materials costs to accelerate product development efforts. Additionally, there was an increase to salaries and related benefits costs as a result of increased headcount as well as certain severance costs incurred in the quarter. These increases were partially offset by a reduction in subscription and license costs. The third quarter product research and development costs as a percentage of total revenue increased to 16% from 15% in the prior year comparative quarter.

During the nine-months ended July 31, 2025, product research and development costs increased by \$1,736 or 12% to \$16,462 from \$14,726 compared to the prior year comparative period. This was primarily due to higher consulting, salaries and related benefits and materials fees to advance product development initiatives. This was partially offset by a reduction in total severance costs in the prior year comparative period. Product research and development costs as a percentage of total revenue for the nine-months ended July 31, 2025 decreased to 15% from 16% compared to the prior year period.

## Foreign exchange gain or loss

Total net realized and unrealized foreign exchange loss was \$1,292 and \$94 for the three and nine-months ended July 31, 2025, respectively compared to a gain of \$645 and \$1,388 in the prior year comparative periods. The foreign exchange losses relate predominately to the impact of changes in the exchange rates of foreign operations and sales. During the three-month period ended July 31, 2025, geopolitical uncertainty and shifts in trade policies contributed to heightened U.S. dollar volatility.

Currency	Date	End of Quarter	3-Month Average	9-Month Average
USD/CAD	July 31, 2025	1.38	1.37	1.41
	July 31, 2024	1.38	1.37	1.36
EUR/CAD	July 31, 2025	1.58	1.58	1.54
	July 31, 2024	1.49	1.48	1.47
GBP/CAD	July 31, 2025	1.83	1.85	1.82
	July 31, 2024	1.77	1.75	1.72

## Finance income (expense), net

Finance income, net was \$310 and \$377 for the three and nine-months ended July 31, 2025, respectively, compared to finance expense, net of \$262 and \$727 in the prior year comparative periods. Finance income was higher for the three and nine-months ended July 31, 2025 due to the interest revenue from finance leases and financial assets held for cash management purposes. This was partially offset by a decrease in interest expense on the Company's senior secured operating facility as prime lending rates lowered. Finance expense, net in the prior periods were also driven by interest on the lease securitization facility which was not renewed in March 2025.

## Net loss, EBITDA and Adjusted EBITDA

Net loss was \$3,214 and \$8,048 for the three and nine-months ended July 31, 2025, respectively, compared to \$2,469 and \$12,527 in the prior year comparative periods. The increase in net loss in the three-month period was mainly due to the foreign exchange loss and higher total expenses compared to the prior year. The increase was partially offset by higher total revenue and higher total gross profits.

The decrease in net loss in the nine-months ended July 31, 2025 was due to the increase in total revenue, overall gross profit and net finance income compared to the prior year comparative period. This was partially offset by increases in sales and marketing expenses, general and administrative expenses and product research and development costs.

EBITDA for the three and nine-months ended July 31, 2025 was \$(948) and \$808, respectively, compared to \$53 and \$(5,210) in the prior year comparative periods. The decrease in EBITDA during the three-months ended July 31, 2025 was primarily due to the decrease in product revenue and increase in total expenses including foreign exchange loss. The increase in EBITDA during the nine-months ended July 31, 2025 was primarily due to the increase in total revenue and gross profit.

Adjusted EBITDA for the three and nine-months ended July 31, 2025 was \$1,327 and \$3,885, respectively, compared to \$810 and \$(4,467), respectively, for the prior year comparative periods. The increase in Adjusted EBITDA was primarily due to the increase in total revenue and gross profit.

## Key Assets and Liabilities

(CAD thousands)	July 31, 2025	October 31, 2024	% Change
Total assets	162,377	146,879	11
Total liabilities	82,688	89,266	(7)

Total assets as at July 31, 2025 were \$162,377 compared to \$146,879 as at October 31, 2024. The increase in total assets is primarily due to the increases in cash and cash equivalents, trade and other receivables and prepaid expenses and advances slightly offset by decreases in right-of-use assets and property and equipment.

Total liabilities as at July 31, 2025 were \$82,688 compared to \$89,266 as at October 31, 2024. The decrease in total liabilities is primarily due to the full repayment of the lease securitization facility as well as a decrease in contract liabilities. This was partially offset by an increase in deferred revenue.

#### Trade and other receivables

(CAD thousands)	July 31, 2025	October 31, 2024	% Change
Trade accounts receivable	38,645	33,999	14
Other receivables – current	11,936	10,073	18
Other receivables – non-current	14,855	12,471	19
Loss allowance	(1,441)	(478)	201
Total	63,995	56,065	14

Trade and other receivables as at July 31, 2025 totaled \$63,995, compared to \$56,065 as at October 31, 2024, an increase of \$7,930 or 14%. The growth is due to an increase in current and non-current other receivables of \$4,247 from finance leases entered into in the period. Additionally, there was an increase in trade accounts receivable of \$4,646 due to the increase in total revenue and timing of collections.

#### Inventory

(CAD thousands)	July 31, 2025	October 31, 2024	% Change
Parts	11,735	10,024	17
Finished goods	6,656	6,802	(2)
Total	18,391	16,826	9

Inventory totaled \$18,391 as at July 31, 2025 compared to \$16,826 as at October 31, 2024. Overall, inventory levels rose to better manage the supply chain and proactively address trade policy uncertainties, as well as lower product sales in the quarter.

#### Contract assets and contract liabilities

(CAD thousands)	July 31, 2025	October 31, 2024	% Change
<b>Contract assets</b>			
Current	1,803	1,755	3
Non-current	926	1,039	(11)
Total	2,729	2,794	(2)
<b>Contract liabilities</b>			
Current	2,472	3,757	(34)
Non-current	822	933	(12)
Total	3,294	4,690	(30)

Total contract assets, consisting of current and non-current costs related to the fulfillment of lease contracts, were \$2,729 as at July 31, 2025 compared to \$2,794 at October 31, 2024. The decrease is largely due to the lease contracts sold through channel distributors in the period and the timing of recognition for distributor commissions related to the product component over the course of the contract term.

Total contract liabilities, which represent the Company's obligations to pay commissions to third-party distributors who assist with the fulfillment of certain contracts was \$3,294 compared to \$4,690 at the prior year end. The decrease is due to distributor payments in the period.

**Property and equipment**

(CAD thousands)	July 31, 2025	October 31, 2024	% Change
Property and equipment	13,754	14,479	(5)

Property and equipment decreased by 5% or \$725 at July 31, 2025 to \$13,754 from \$14,479 at October 31, 2024. There were additions of \$1,407 for cartridges, \$977 for rental equipment as the Company's rental program expanded globally to meet the demand for our customers' diverse safety needs for short-term projects, and \$1,098 for manufacturing equipment. The additions were fully offset by depreciation of \$4,789 for the nine-months ended July 31, 2025.

**Accounts payable and other accrued liabilities**

(CAD thousands)	July 31, 2025	October 31, 2024	% Change
Trade accounts payable	10,220	10,642	(4)
Other accrued liabilities	13,030	12,313	6
Total	23,250	22,955	1

Accounts payable and other accrued liabilities increased by 1% at July 31, 2025 to \$23,250 from \$22,955 at October 31, 2024 due to the timing of payment of the Company's expenditures at the end of each fiscal period. Other accrued liabilities includes the provision for taxes payable in the United States.

**Deferred Revenue**

(CAD thousands)	July 31, 2025	October 31, 2024	% Change
Current	24,384	21,668	13
Non-current	15,054	14,540	4
Total	39,438	36,208	9

The Company's deferred revenue increased by 9% or \$3,230 as at July 31, 2025 to \$39,438 due to payments in advance from customers for service contracts, partially offset by service revenue recognized in the period.

**Bank indebtedness**

(CAD thousands)	July 31, 2025	October 31, 2024	% Change
Non-current	10,109	10,653	(5)

The Company has a senior secured operating facility (refer to the liquidity & capital resources section of the MD&A). As at July 31, 2025, bank indebtedness decreased to \$10,109 from \$10,653 in October 31, 2024 as the Company had a net repayment on the facility of \$544 during the nine-months ended July 31, 2025.

**Proceeds of Share Issuances**

On January 23, 2025, the Company closed a non-brokered private placement for a total of 4,170,024 common shares at an issue price of \$6.47 per common share for gross proceeds of \$26,980. After deduction of issuance fees, the net proceeds from the non-brokered placement was \$26,449.



## Summary of Quarterly Results

The following table highlights total revenue, gross margin percentage, net loss, net loss per common share, EBITDA, EBITDA per common share, Adjusted EBITDA and Adjusted EBITDA per common share amounts for the eight most recently completed quarters ended July 31, 2025. Where applicable, these have been prepared in accordance with IFRS Accounting Standards, with the non-GAAP and supplementary financial measures captioned below and are presented in Canadian dollars, which is the presentation and functional currency of the Company.

(CAD thousands, except per share amounts)	2025				2024		2023	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total revenue	37,592	35,940	37,675	35,695	33,686	31,580	26,325	30,035
Gross margin percentage <sup>(1)</sup>	64%	63%	60%	61%	59%	57%	55%	55%
Net loss	(3,214)	(3,704)	(1,130)	(68)	(2,469)	(4,267)	(5,791)	(4,455)
Net loss per common share <sup>(1)</sup>	(0.04)	(0.04)	(0.01)	0.00	(0.03)	(0.06)	(0.08)	(0.06)
EBITDA <sup>(1)</sup>	(948)	(301)	2,056	2,477	53	(1,872)	(3,392)	(1,480)
EBITDA per common share <sup>(1)</sup>	(0.01)	—	0.03	0.03	—	(0.03)	(0.05)	(0.02)
Adjusted EBITDA <sup>(1)</sup>	1,327	1,040	1,517	2,033	810	(2,043)	(3,234)	(1,829)
Adjusted EBITDA per common share <sup>(1)</sup>	0.02	0.01	0.02	0.02	0.01	(0.03)	(0.04)	(0.03)

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

### Fiscal Year 2025

The increase in revenue in the third quarter of fiscal 2025 is a result of increases in both product and service revenues compared to the second quarter of fiscal 2025. Additionally, overall gross margin percentage increased compared to the prior quarter resulting in a decrease in net loss. EBITDA in the third quarter of fiscal 2025 compared to the previous quarter decreased and was primarily due to a larger foreign exchange loss and increased product research and development costs. This was slightly offset by decreases in general and administrative as well as sales and marketing expenses. The improvement to Adjusted EBITDA in the third quarter of 2025 compared to the second quarter of 2025 was due to the increased product and service revenue resulting in a lower net loss. Expenses as a percentage of revenue excluding foreign exchange decreased in the third quarter to 67% as compared to 70% in the second quarter of fiscal 2025.

The decrease in revenue in the second quarter of fiscal 2025 relates to lower product revenue compared to the first quarter of fiscal 2025. Gross margin percentage increased compared to the first quarter of fiscal 2025 due to a decrease in product cost of sales compared to the first quarter of fiscal 2025. The increase in net loss and decrease in EBITDA and Adjusted EBITDA is due to lower product revenue and an increase in total expenses, income tax expenses and lower foreign exchange gain. These increases are partially offset by higher finance income. Expenses as a percentage of revenue increased in the second quarter compared to the first quarter of fiscal 2025.

The increase in revenue in the first quarter of fiscal 2025 relates to higher product and services revenues compared to the fourth quarter of fiscal 2024. Gross margin percentage and expenses as a percentage of revenue for the first quarter of fiscal 2025 remained consistent compared to the fourth quarter of fiscal 2024. The increase in net loss and decrease in EBITDA and Adjusted EBITDA is primarily due to higher general and administrative expenses, product research and development costs, sales and marketing expenses, income tax expenses and finance expenses. These increases are partially offset by a larger foreign exchange gain.

### Fiscal Year 2024

The increase in revenue in the fourth quarter of fiscal 2024 relates to higher product and service revenues compared to the third quarter of fiscal 2024. The gross margin percentage for product increased and the gross margin percentage for service remained consistent compared to the prior quarter, resulting in the increase of overall gross margin percentage. The decrease in net loss, improvement to EBITDA and to Adjusted EBITDA in the fourth quarter of fiscal 2024 compared to the previous quarter was primarily due to increased quarterly revenue, increased gross profit and lower general and administrative expenses, lower product research and development costs and a higher foreign exchange gain. This was slightly offset by an increase in sales and marketing expenses. Expenses as a percentage of revenue decreased in the fourth quarter compared to the third quarter of fiscal 2024.

The increase in revenue in the third quarter of fiscal 2024 is a result of increases in both product and service revenues. Similarly, product and service gross margin percentages also increased compared to the prior quarter resulting in the increase of overall gross margin percentage. The decrease in net loss, improvement to EBITDA and to Adjusted EBITDA in the third quarter of fiscal 2024 compared to the previous quarter was primarily due to increased quarterly revenue, increased gross profit and lower sales and marketing expenses and product research and development costs. This was slightly offset by increases in general and administrative expenses. Although general and administrative expenses was higher, the expense as a percentage of revenue were effectively the same.

The increase in revenue in the second quarter of fiscal 2024 is a result of both increased product and service sales. The second quarter of fiscal 2024 also saw an increase in gross margin percentage compared to the first quarter of fiscal 2024 which was a result of higher product and service gross margin percentages. The decrease in net loss and improvement to Adjusted EBITDA in the second quarter of fiscal 2024 compared to the first quarter of 2024 was primarily due to increased quarterly revenues, resulting in higher overall gross profits, which were slightly offset by increases in overall expenses and higher net finance expenses. Although sales and marketing and product research and development expenses were higher in the second quarter as compared to the first quarter of fiscal 2024, the expenses as a percentage of revenue were all lower in the second quarter as compared to the first quarter.

The decrease in revenue in the first quarter of fiscal 2024 compared to the fourth quarter of fiscal 2023 of 12% or \$3,710 relates to lower product revenues as well as marginally lower service revenues. Due to the seasonality of the business wherein results are stronger in the latter half of the fiscal year, the revenue in the first quarter of fiscal 2024 decreased expectantly compared to the fourth quarter of the fiscal year, however increased compared to the other quarters of fiscal 2023. The gross margin percentage in the first quarter of fiscal 2024 compared to the seasonally strong fourth quarter of fiscal 2023 remained the same as service revenue made up a higher proportion of total revenue, partially offset by slight decreases in product and service margin percentage compared to the fourth quarter of fiscal 2023. The increase in net loss and decrease in Adjusted EBITDA in the first quarter of fiscal 2024 compared to the fourth quarter of fiscal 2023 was a result of lower total revenue and higher overall expenses. Sales and marketing expenses decreased but were offset by higher general and administrative and product research and development expenses. Overall, the general and administrative and product research and development expenses as a percentage of revenue increased, while sales and marketing expenses as a percentage of revenue decreased.

### **Fiscal Year 2023**

The increase in revenue in the fourth quarter of fiscal 2023 compared to the third quarter of fiscal 2023 relates to higher product and service revenues. The increase in gross margin percentage in the fourth quarter of fiscal 2023 compared to the third quarter of fiscal 2023 was due to a 3% increase in product gross margin and a 2% increase in service gross margin. The decrease in net loss and increase in Adjusted EBITDA in the fourth quarter of fiscal 2023 compared to the third quarter of fiscal 2023 was a result of higher gross margins as well as lower product research and development costs and a foreign exchange gain as opposed to a loss in the third quarter of fiscal 2023. Although general and administrative expenses were marginally higher in the fourth quarter as compared to the third quarter, the expenses as a percentage of revenue decreased. Similarly, despite sales and marketing expenses being higher in the fourth quarter as compared to the third quarter, the expenses as a percentage of revenue remained effectively the same.

### **Liquidity and Capital Resources**

The Company's primary requirements for capital are for general working capital requirements and to fund the development of enhanced product and service offerings. The Company finances these activities primarily through short-term investments, cash flows from operations, funds from equity financing and its senior secured operating facility with a Canadian financial institution.

Total cash and cash equivalents were \$21,704 as at July 31, 2025. Cash and cash equivalents increased \$5,597 compared to October 31, 2024.

(CAD thousands)	Three-Months Ended July 31,			Nine-Months Ended July 31,		
	2025	2024	% Change	2025	2024	% Change
Cash used in operating activities	(4,244)	(919)	362	(9,556)	(2,874)	232
Cash provided by financing activities	213	30,151	(99)	19,338	32,335	(40)
Cash provided by (used in) investing activities	5,828	(29,892)	NM	(4,298)	(28,770)	(85)
Effects of foreign exchange changes	1,323	1,255	5	113	1,648	(93)
<b>Net increase in cash and cash equivalents</b>	<b>3,120</b>	<b>595</b>	<b>424</b>	<b>5,597</b>	<b>2,339</b>	<b>139</b>

NM – Not meaningful

Operating activities during the three and nine-months ended July 31, 2025 used \$4,244 and \$9,556 of cash, respectively (July 31, 2024: \$919 and \$2,874, respectively). The increase in cash used was primarily a result of a decrease in net changes in non-cash working capital of \$(3,338) and \$(9,212), respectively, for the three and nine-months ended July 31, 2025 (July 31, 2024: \$(1,620) and \$1,438, respectively).

The net decrease to changes in non-cash working capital for the three-months ended July 31, 2025, compared to the prior year quarter were primarily due to changes in trade and other receivables of \$(1,252), inventory of \$(1,006) to better manage the supply chain and proactively address trade policy uncertainties and prepaid expenses and advances of \$(1,118) (July 31, 2024: \$(4,147), \$496 and \$(786) respectively). This is offset in the current quarter mainly by current and non-current deferred revenue of \$845 (July 31, 2024: \$3,767).

For the nine-months ended July 31, 2025, decreases to changes in non-cash working capital were primarily due to changes in trade and other receivables of \$(4,943), prepaid expenses and advances of \$(2,008) and inventory of \$(1,509) (July 31, 2024: \$(5,952), (1,260) and \$1,038 respectively). In the period, this was mainly offset by current and non-current deferred revenue of \$2,833 (July 31, 2024: \$8,446).

Financing activities for the three-months ended July 31, 2025 provided \$213 of cash (July 31, 2024: provided \$30,151 of cash). This is primarily due to the proceeds from share issuances and option exercises of \$429 (July 31, 2024: \$33,671).

Financing activities for the nine-months ended July 31, 2025 provided \$19,338 of cash (July 31, 2024: \$32,335). This is primarily due to the net proceeds from a non-brokered private placement and option exercises in the nine-months ended July 31, 2025 of \$28,462 (July 31, 2024: \$34,389). This was partially offset by the full repayment of the lease securitization facility of \$7,938 (July 31, 2024: \$4,689).

Investing activities for the three-months ended July 31, 2025 provided \$5,828 of cash (July 31, 2024: used \$29,892). This is primarily due to the redemption of maturing short-term investments of \$7,000 (July 31, 2024: \$nil). This was partially offset by purchases of property and equipment of \$1,197 (July 31, 2024: \$2,810), which comprised primarily of additions of \$504 for manufacturing equipment, \$368 for cartridges and \$185 for computer hardware (July 31, 2024: manufacturing equipment \$150, cartridges \$991 and computer hardware \$111).

Investing activities for the nine-months ended July 31, 2025 used cash of \$4,298 (July 31, 2024: used \$28,770), primarily due to purchase of property and equipment of \$5,208 (July 31, 2024: \$6,567), which comprised primarily of additions of \$1,407 for cartridges, \$1,098 for manufacturing equipment and \$977 for rental equipment (July 31, 2024: cartridges \$2,255, manufacturing equipment \$498 and rental equipment \$2,326).

Total short-term investments held at July 31, 2025 amounted to \$27,000 compared to \$27,000 as at October 31, 2024.

(CAD thousands)	July 31, 2025	October 31, 2024	% Change
Current assets	124,462	109,688	13
Current liabilities	(53,642)	(55,547)	(3)
<b>Working capital<sup>(1)</sup></b>	<b>70,820</b>	<b>54,141</b>	<b>31</b>

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

Working capital at July 31, 2025 was \$70,820 compared to \$54,141 at the prior year end, an increase of \$16,679. The increase was mainly due to higher cash and cash equivalents, trade and other receivables, repayment of the securitization facility and higher inventory to better manage the supply chain and proactively address trade policy uncertainties. This was offset by increased deferred revenue and accounts payable and other accrued liabilities.

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 Company has a high interest savings account bearing interest at prime rate minus 1.95% with a Canadian financial institution.

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 Company had a renewable securitization facility with a Canadian chartered bank. The Company had provided notice to the lender that the Company would not renew the securitization facility prior to the maturity date of March 31, 2025 and repaid \$5,163, net of the reserve account funds, to settle the securitization facility on March 12, 2025. 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.

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

## Capital Management

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 also requires funding for wages, tooling and product certifications during the development process. To meet these capital requirements, in addition to the operating facility and continuing on improving cash flow from operating activities, the Company continues to consider multiple levels of equity and debt financing, government grants and funding arrangements. Such arrangements 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 assurance can be given that the Company will achieve all or part of its liquidity objective, that sufficient funds will be generated internally or that financing from outside sources, if needed, will be available.

There are no significant capital expenditure commitments as at July 31, 2025 other than the manufacturing of rental equipment and owned modular cartridges used in the G7 connected suite of technologies which generate service revenue for the Company. These budgetary commitments will be funded primarily through cash flows from operations, funds from brokered and non-brokered private placements, bought deal short-form prospectuses and the Company's operating facility.

## Contractual Obligations

	Less than 1 year	1-3 years	Thereafter	Total
(CAD thousands)				
Finance lease obligations	909	1,217	181	2,307
Purchase commitments	7,790	14,650	2,648	25,088
Total	8,699	15,867	2,829	27,395

Contractual obligations relate to various lease obligations, raw materials purchase commitments and business information technology commitments.

The Company has various commitments to minimum inventory purchases, a minimum spend on certain components over a five-year period and has contracted for the services of certain third parties. There were no material changes in the specified contractual obligations during the period ended July 31, 2025.

## Off-Balance Sheet Arrangements

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

## Related Party Transactions

On January 23, 2025, the Company completed a non-brokered private placement of 1,078,834 common shares for gross proceeds of \$6,980 with a significant shareholder. Besides the private placement, there were no transactions outside the ordinary course of business between the Company and related parties for the three and nine-month periods ended July 31, 2025 and 2024.

## Critical Accounting Judgments and Estimates

The preparation of financial statements requires the use of accounting estimates with management also needing to use judgment in applying the Company's accounting policies.

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company's critical accounting judgments and estimates can be found in the notes to the annual consolidated financial statements and MD&A for the year ended October 31, 2024. There were no changes to or additional use of critical accounting judgments and estimates for the period ended July 31, 2025.

## Changes in Accounting Policies Including Initial Adoption

### New Accounting Policies Adopted by the Company

For the period ended July 31, 2025, the Company adopted the below amendments:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures)

The amendments did not have any significant impact on the condensed consolidated financial statements. Refer to Note 2 (b) in the condensed consolidated financial statements for further details.

### New Accounting Policies Not Yet Adopted by the Company

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. Refer to Note 2 (b) in the condensed consolidated financial statements for further details.

## Internal Controls and Procedures

Our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have, as at July 31, 2025, designed or have caused to be designed under their supervision, disclosure controls and procedures and internal control procedures over financial reporting as defined under National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings. The objective of this instrument is to improve the quality, reliability and transparency of information that is filed or submitted under securities legislation. The CEO and CFO designed our disclosure controls and procedures and internal control procedures over financial reporting to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes.

There were no changes in our internal control over financial reporting during the period beginning on May 1, 2025 and ended July 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. The Company's disclosure and internal controls and procedures can only provide reasonable assurance that the objectives of the control system will be met.

**Financial Instruments**

Blackline held the following financial instruments as at July 31, 2025 fiscal period 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 and subsequently measured 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 other accrued liabilities, bank indebtedness, contract liabilities and lease liabilities. These financial liabilities are initially measured at fair value and subsequently measured 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 3 (b) of the July 31, 2025 condensed consolidated interim financial statements of the Company. The amounts, timing and certainty of future 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.

**Outstanding Share Data**

Blackline had 86,911,262 common voting shares issued and outstanding as at September 10, 2025. The following share options were outstanding at that date:

<b>Share Option Exercise Price</b>	<b>Share Options Outstanding</b>
\$1.75	758,333
\$2.75	420,000
\$3.04	40,000
\$3.35	479,997
\$3.47	75,000
\$4.64	1,245,251
\$5.26	341,249
\$5.57	100,000
\$6.05	77,500
\$6.55	50,000
\$6.94	1,053,205
\$8.00	490,000
\$8.50	218,500
\$8.93	75,000
<b>Total</b>	<b>5,424,035</b>

**Risk Factors and Uncertainties**

A discussion of material risk factors that may affect Blackline's business, operations and financial condition or future performance can be found under the section entitled "Risk Factors" in the Company's most recent Annual Information Form filed on SEDAR+ under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca), which section is incorporated by reference herein. As at July 31, 2025, except as set forth below, there are no changes to the material risks that may affect Blackline's business, operations and financial condition or future performance other than those described in the Company's Annual Information Form.



With operations in various markets and the Company's global supply chain and utilization of transportation routes and logistics providers around the world, the Company is exposed to heightened risks as a result of economic, geopolitical, or other events. Changes in international trade policy can also have a substantial adverse effect on the Company, and certain of its customer's, financial condition, results of operations, or their business in general. Steps taken by governments to implement additional or new tariffs on foreign products may have the potential to disrupt existing supply chains, impose additional costs on the Company's business, and could lead to other countries attempting to retaliate by imposing tariffs, which would make the Company's products more expensive for customers, and, in turn, could make the Company's products less competitive. The tariffs that have been announced by the United States and Canadian governments on imports may have a significant adverse effect, including financial, on the Company and the Company's supply chain. Most of the Company's products are USMCA compliant and are currently exempt from any tariffs currently in place on goods shipped to the United States from Canada. Further, any additional tariffs in the United States or retaliatory tariffs imposed by other governments, including Canada, China, Mexico and other countries or trading blocks could exacerbate the impact.

## Outlook

Blackline has a comprehensive portfolio of connected safety wearables and area monitors. Our unique monitoring portal – designed and developed in-house – helps meet the connected safety needs of diverse industrial workplaces around the world. Our customers come from a broad range of sectors spanning utilities, energy and petrochemical, telecommunications, consumer packaged goods, transportation, manufacturing and emergency response. They rely on our technology for real-time safety insights to manage emergency responses and evacuations, proactively manage gas detection compliance, and increase productivity. With turnkey solutions that protect people operating in hazardous locations across urban, suburban, rural, and remote settings, our products and services are as versatile and easy-to-use as they are robust. Our customers continue to select Blackline over other technologies as our solution can reduce the severity of outcomes to affected people by providing visibility and direct help to workers who are isolated or in hazardous environments.

The Company's previous investments in its manufacturing and sales and marketing capabilities allowed Blackline to grow its revenue 12% compared to the prior year comparative quarter. We achieved strong revenue growth during the last two quarters of 2024, resulting in positive EBITDA and positive Adjusted EBITDA, and we have continued the sales momentum and growth trajectory into the first nine months of fiscal 2025. We have achieved Net Dollar Retention of 128% which along with new activations has pushed the Company's Annual Recurring Revenue to above \$80,000. We will continue to drive strong growth in our high margin service revenue as we continue to play our role in the transformation of the industrial workplace into a connected one.

The Company constantly assesses strategic opportunities in the current market conditions and will continue to manage its capital structure and liquidity risk in order to fund its product roadmap and strategic additions to its global sales and distribution network in order to execute our strategy to continue strong revenue and margin growth while growing positive Adjusted EBITDA as part of a successful sustainable financial business model.

We believe we are well-positioned to grow our market share and addressable market with our comprehensive suite of connected safety products and services. With the addition of the EXO 8 in the fourth quarter of 2024, Blackline is now able to fully meet the portable gas detection, gamma radiation detection and compliance requirements of thousands of new customers globally. Geopolitical uncertainty and trade policy shifts negatively impact both international and North American economies, dampening business confidence and leading to a cautious investment environment. Uncertainty surrounding trade restrictions, particularly tariffs, can disrupt supply chains, delay investment plans, and potentially drive structural adjustments in global value chains. We look forward to expanding our work with leading brands around the world – who share our purpose to ensure every worker has the confidence to get the job done and return home safe, to harness the power of data-driven safety to optimize their performance, increase their competitiveness and empower their people.

## Non-GAAP and Supplementary Financial Measures

Non-GAAP and supplementary financial measures, including non-GAAP ratios not recognized under IFRS Accounting Standards are provided where management believes they assist the reader in understanding Blackline's results. The calculations of the non-GAAP and supplementary financial measures are consistent, except where described, with the prior year comparative periods. The Company utilizes the following terms for measurement within the MD&A that do not have a standardized meaning or definition as prescribed by IFRS Accounting Standards and therefore may not be comparable with the calculation of similar measures by other entities and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

## 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 MD&A 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 on a basis which excludes the impact of certain non-operational items. EBITDA refers to 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.

Readers should be cautioned, however, that EBITDA and Adjusted EBITDA should not be construed as an alternative measure to net loss determined in accordance with IFRS Accounting Standards.

Reconciliation of non-GAAP financial measures (CAD thousands)	Three-Months Ended July 31,			Nine-Months Ended July 31,		
	2025	2024	% Change	2025	2024	% Change
<b>Net loss</b>	(3,214)	(2,469)	30	(8,048)	(12,527)	(36)
Depreciation and amortization	1,725	2,103	(18)	6,062	5,923	2
Finance (income) expense, net	(310)	262	NM	(377)	727	NM
Income tax expense	851	157	442	3,171	667	375
<b>EBITDA</b>	(948)	53	NM	808	(5,210)	NM
Stock-based compensation expense <sup>(1)</sup>	837	807	4	2,286	1,536	49
Foreign exchange loss (gain)	1,292	(645)	NM	94	(1,388)	NM
Other non-recurring impact transactions <sup>(2)</sup>	146	595	(75)	697	595	17
<b>Adjusted EBITDA</b>	1,327	810	64	3,885	(4,467)	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 in the condensed consolidated statements of loss and comprehensive loss.

(2) Other non-recurring impact transactions in the current quarter includes settlement of litigation and 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 MD&A 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 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 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 MD&A are as follows:

- **“Gross margin percentage”** represents gross profit as a percentage of revenue
- **“Working capital”** represents current assets minus current liabilities
- **“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 revenue as a percentage of revenue”** represents product revenue as a percentage of total revenue
- **“Service revenue as a percentage of revenue”** represents service revenue as a percentage of total revenue
- **“Software services revenue as a percentage of service revenue”** represents software services revenue as a percentage of service revenue
- **“Rental revenue as a percentage of service revenue”** represents rental revenue as a percentage of service revenue
- **“Canada as a percentage of revenue”** represents revenues generated in Canada as a percentage of total revenue
- **“United States as a percentage of revenue”** represents revenues generated in the United States as a percentage of total revenue
- **“Europe as a percentage of revenue”** represents revenues generated in Europe as a percentage of total revenue
- **“Rest of World as a percentage of revenue”** represents revenues generated in countries other than Canada, United States and Europe as a percentage of total revenue
- **“Product cost of sales as a percentage of segment revenue”** represents product cost of sales as a percentage of product revenue
- **“Service cost of sales as a percentage of segment revenue”** represents service cost of sales as a percentage of service revenue
- **“Cost of sales as a percentage of revenue”** represents cost of sales as a percentage of total revenue
- **“Product gross margin percentage”** represents product gross profit as a percentage of product revenue
- **“Service gross margin percentage”** represents service gross profit as a percentage of service revenue
- **“General and administrative expense as a percentage of revenue”** represents general and administrative expenses as a percentage of total revenue
- **“Sales and marketing expense as a percentage of revenue”** represents sales and marketing expenses as a percentage of total revenue
- **“Product research and development costs as a percentage of revenue”** represents product research and development expenses as a percentage of total revenue
- **“Total expenses as a percentage of revenue”** represents total expenses as a percentage of total revenue

## 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 Blackline's business plan and focus including but not limited to management's belief that the Company has sufficient funds to support the growth of the Company and to fund its development activities; the expected funding of budgetary commitments through cash flows from operations, funds from brokered and non-brokered private placements, bought deal short-form prospectuses and, the operating facility management's belief that the settlement of the securitization facility will not impact its liquidity and that it has sufficient liquidity to fund its development activities; that the Company will continue to drive strong growth in the high margin service revenue as the Company pursues the transformation of the industrial workplace into a connected one; Blackline's expectations regarding managing its capital structure and liquidity risk to result in strong revenue and margin growth while further growing positive Adjusted EBITDA and achieving consistent free cash flow; and the belief that Blackline is well-positioned to grow its market share with its comprehensive suite of connected safety products and services and will expand with leading brands around the world. 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 (x) the effects and impacts on tariffs and other trade disputes and disruptions on the Company's (and its customers) operations and (xi) the impact if a significant disruption to its information technology were to occur. See also risks identified in our Annual Information Form and our Annual MD&A as at October 31, 2024. 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.

**blacklinesafety**

**Blackline Safety Corp.  
Unit 100 803 24 Avenue SE  
Calgary, AB  
Canada, T2G 1P5  
[www.blacklinesafety.com](http://www.blacklinesafety.com)**