

blackline safety

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED OCTOBER 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") audited consolidated financial statements and accompanying notes, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), for the years ended October 31, 2025 and 2024. Additional information relating to the Company, including its audited consolidated financial statements for the year ended October 31, 2025, and its most recently completed Annual Information Form, is available on our website at 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 under Blackline Safety Corp.

This MD&A is presented as of January 14, 2026. 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. Subsequent to the year end, Blackline announced further global expansion with new offices and subsidiaries in Germany and the United Arab Emirates to strengthen the Company's operations across Europe, the Middle East and Africa. 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.

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Blackline's G7c device features 4G direct-to-cloud connectivity with wireless coverage in over 75 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 nearly 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.

Subsequent to the year end, Blackline announced the launch of the G8, our next-generation connected safety wearable and the most advanced device the Company has introduced to date. Building on the G7's proven track-record, the G8 combines advanced gas detection, lone worker protection, and real-time communication in a single rugged, intrinsically safe device, with live data streamed to the cloud through Blackline Live to enhance situational awareness and response. The G8 has expanded connectivity, an enhanced full-colour display, integrated communications capabilities, and a future-ready architecture designed to support ongoing software updates, analytics, and digital worksite integrations so workers can stay connected without needing multiple devices.

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.

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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 310 billion data points, almost 4 billion locations and over 265 million 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, verticals and geographic locations. Blackline has a broad customer base both in terms of industry and geographic reach and this diversified customer base mitigates the impact of fluctuations and dependence on any specific market. For the year ended October 31, 2025, product revenue was \$60,009, accounting for 40% of total revenue (October 31, 2024: \$57,824 and 45%).

Service revenue relates to software and support services that are provided to customers who purchase the Company's connected safety devices. Service revenue includes recurring revenues from existing customers who renew their services for their Blackline devices as well as rental of devices and data consulting services. For the year ended October 31, 2025, service revenue was \$90,462, accounting for 60% of total revenue (October 31, 2024: \$69,462 and 55%).

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 connected 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 year ended October 31, 2025, Blackline's product cost of sales were \$36,960 and service cost of sales were \$18,179 (October 31, 2024: \$36,855 and \$16,184, respectively).

Highlights

(CAD thousands, except per share and percentage amounts)	Three-months ended October 31,			Year ended October 31,		
	2025	2024	% Change	2025	2024	% Change
Product revenue	13,777	16,089	(14)	60,009	57,824	4
Service revenue	25,488	19,606	30	90,462	69,462	30
Total revenue	39,265	35,695	10	150,471	127,286	18
Gross profit	26,339	21,754	21	95,332	74,247	28
Gross margin percentage ⁽¹⁾	67 %	61 %		63 %	58 %	
Total expenses	26,881	21,268	26	101,129	84,894	19
Total expenses as a percentage of revenue ⁽¹⁾	67 %	60 %		67 %	67 %	
Net loss	(620)	(68)	NM	(8,668)	(12,595)	(31)
Loss per common share - Basic and diluted	(0.01)	0.00	NM	(0.10)	(0.17)	(41)
EBITDA ⁽¹⁾	1,390	2,477	(44)	2,198	(2,733)	NM
EBITDA per common share ⁽¹⁾ - Basic and diluted	0.02	0.03	(33)	0.03	(0.04)	NM
Adjusted EBITDA ⁽¹⁾	2,206	2,033	9	6,091	(2,434)	NM
Adjusted EBITDA per common share ⁽¹⁾ - Basic	0.03	0.02	50	0.07	(0.03)	NM
Adjusted EBITDA per common share ⁽¹⁾ - Diluted	0.02	0.02	—	0.07	(0.03)	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)	October 31, 2025	October 31, 2024	% Change
Cash and cash equivalents and short-term investments	46,625	43,107	8
Working capital ⁽¹⁾	71,730	54,141	32
Total assets	166,389	146,879	13
Non-current liabilities	30,295	33,719	(10)
Shareholders' equity	78,060	57,613	35

(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 fees 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 services with existing contracts with our customers and indicates the continued strength in the growth of our business.

(CAD thousands)	As at October 31,		
	2025	2024	% Change
Annual Recurring Revenue ⁽¹⁾	84,460	66,404	27

(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.

Net Dollar Retention ⁽¹⁾	As at October 31,		
	2025	2024	Change
Net Dollar Retention ⁽¹⁾	128%	127%	100 bps ⁽²⁾

(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

(CAD thousands)	Three-months ended October 31,			Year ended October 31,		
	2025	2024	% Change	2025	2024	% Change
Product revenue	13,777	16,089	(14)	60,009	57,824	4
Service revenue	25,488	19,606	30	90,462	69,462	30
Total Revenue	39,265	35,695	10	150,471	127,286	18
Product revenue as a percentage of revenue ⁽¹⁾	35%	45%		40%	45%	
Service revenue as a percentage of revenue ⁽¹⁾	65%	55%		60%	55%	
Total	100%	100%		100%	100%	

(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 October 31, 2025 was \$39,265 which is an increase of \$3,570 from \$35,695 in the prior year comparative period. The 10% increase was driven by strong growth in recurring service revenues by customer upsell, service on new devices to existing customers and higher sales in our rental services business, partially offset by a decrease in product sales.

Total revenue for the year ended October 31, 2025 was \$150,471 which is an increase of \$23,185 from \$127,286 in the prior year comparative period. The 18% increase was due to the continued growth in the Company's service revenues from its connected safety monitoring, analysis and compliance solutions as well as higher product sales.

Product Revenue

For the three-month period ended October 31, 2025 product revenue was \$13,777, which represents a decrease of \$2,312 or 14% compared to \$16,089 in the prior year comparative quarter. The decrease is due to lower sales of products due to global trade uncertainty and overall economic conditions impacting our customers in the energy and industrial sectors as well as the US government shutdown impacting the timing of purchases within our fire and hazmat sector.

During the year ended October 31, 2025 product revenue was \$60,009, an increase of \$2,185 compared to \$57,824 in the prior year comparative period. The 4% 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 October 31,			Year ended October 31,		
	2025	2024	% Change	2025	2024	% Change
Software services revenue	21,468	17,007	26	79,269	61,361	29
Rental revenue	4,020	2,599	55	11,193	8,101	38
Total service revenue	25,488	19,606	30	90,462	69,462	30
Software services revenue as a percentage of service revenue ⁽¹⁾	84%	87%		88%	88%	
Rental revenue as a percentage of service revenue ⁽¹⁾	16%	13%		12%	12%	
Total	100%	100%		100%	100%	

(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 October 31, 2025 increased \$5,882 or 30% to \$25,488 compared to \$19,606 in the prior year comparative period.

Software services revenue for the three-months ended October 31, 2025 was \$21,468, an increase of 26% from \$17,007 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 \$4,461 included newly activated device service revenues of \$461 in the fourth quarter of 2025 as well as net service revenue increases within our existing customer base of \$4,159. This was partially offset by certain customers who reduced or declined to renew their service plans resulting in an impact of \$151 in the same period.

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Rental revenue for the three-months ended October 31, 2025 increased 55% to \$4,020 from \$2,599 in the prior year comparative quarter, as the Company continues to meet strong demand for its connected solutions in the industrial, turnaround and maintenance markets.

Total service revenue for the year ended October 31, 2025 increased \$21,000 or 30% to \$90,462 compared to \$69,462 in the prior year comparative period.

Software services revenue for the year ended October 31, 2025 was \$79,269, an increase of 29% or \$17,908 compared to \$61,361 in the prior year comparative period. The increase is due to expansion of services within the Company's existing customer base, as well as new activations over the previous twelve months.

Rental revenue for the year ended October 31, 2025 was \$11,193, an increase of 38% or \$3,092 compared to \$8,101 in the prior year comparative period as a result of the Company's strategic marketing efforts and focused sales development activities on the rental markets including turnarounds, industrial and maintenance markets.

Revenues from customers by country/geographic area (CAD thousands)	Three-months ended October 31,			Year ended October 31,		
	2025	2024	% Change	2025	2024	% Change
Canada	7,280	6,175	18	29,974	24,598	22
United States	18,573	17,370	7	71,367	61,649	16
Europe	9,531	8,560	11	36,230	30,395	19
Rest of World	3,881	3,590	8	12,900	10,644	21
Total revenues	39,265	35,695	10	150,471	127,286	18
Canada as a percentage of revenue ⁽¹⁾	19%	17%		20%	19%	
United States as a percentage of revenue ⁽¹⁾	47%	49%		47%	49%	
Europe as a percentage of revenue ⁽¹⁾	24%	24%		24%	24%	
Rest of World as a percentage of revenue ⁽¹⁾	10%	10%		9%	8%	
Total	100%	100%		100%	100%	

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

There was an improvement in sales and growth across all geographic markets for the three-months and year ended October 31, 2025. The United States market had growth in our service contracts with existing customers resulting in an increase of 7% or \$1,203 for the quarter and 16% or \$9,718 for the year compared to the prior year comparative periods. This increase was supported by new business growth, including a contract with a major North American water and wastewater utility provider announced in the fourth quarter of 2025. Despite higher revenues in the United States, growth in the country was impacted by economic uncertainty related to tariffs and volatile oil prices which continued to weigh on investment decisions within the energy sector.

The European market also had strong growth for the three-months and year ended October 31, 2025, increasing 11% or \$971 and 19% or \$5,835, respectively. Growth in the European market will also be supported by the Company's expanded presence in Germany, where a new office was opened subsequent to the year end to strengthen customer engagement and service delivery.

For the three-months and year ended October 31, 2025, the Canadian market increased by 18% or \$1,105 and 22% or \$5,376, respectively.

For the three-months and year ended October 31, 2025, the Rest of World market grew at 8% or \$291 and 21% or \$2,256, respectively supported by the commencement of a long term purchase agreement with Abu Dhabi National Oil Company (ADNOC) announced in the fourth quarter of 2025. 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 in the fiscal year across these markets is a result of the sales personnel covering these regions and the strategic targeting of customers in specific industries including energy for turnaround projects, water treatment and utilities. The Company established a new office in the United Arab Emirates subsequent to year end to support regional operations and strengthen customer relationships.

Lease Revenue

The Company leases certain of its connected safety monitoring equipment to customers through the Company's lease program.

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 consolidated statements of financial position. The service component is recognized within trade receivables when the service is delivered.

Cost of Sales

(CAD thousands)	Three-months ended October 31,			Year ended October 31,		
	2025	2024	Change	2025	2024	Change
Product	8,229	9,452	(13)	36,960	36,855	0
Service	4,697	4,489	5	18,179	16,184	12
Total cost of sales	12,926	13,941	(7)	55,139	53,039	4
Product cost of sales as a percentage of segment revenue ⁽¹⁾	60%	59%		62%	64%	
Service cost of sales as a percentage of segment revenue ⁽¹⁾	18%	23%		20%	23%	
Cost of sales as a percentage of revenue⁽¹⁾	33%	39%		37%	42%	

(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 October 31, 2025 totaled \$12,926 compared to \$13,941 in the prior year comparative period. The decrease in cost of sales is primarily due to the lower product revenue as well as decreases in cartridge rework costs from increased salvage of recoverable parts.

Cost of sales for the year ended October 31, 2025 totaled \$55,139 compared to \$53,039 in the prior year comparative period. The increase in cost of sales was due to the increase in connectivity and data costs driven by the larger user base as well as higher salaries and related benefits due to increased headcount.

Product Cost of Sales

Product cost of sales decreased by \$1,223 or 13% in the three-months ended October 31, 2025 compared to the prior year comparative period. This decrease is primarily due to the lower product revenue as well as decreases in cartridge rework costs from increased salvage of recoverable parts.

Product cost of sales for the year ended October 31, 2025 was \$36,960 compared to \$36,855 in the prior year comparative period. The increases in material applied rates and salaries and related benefits were offset by a decrease in warranty expense compared to the prior year.

Service Cost of Sales

Service cost of sales increased by \$208 or 5% in the three-months ended October 31, 2025 compared to the prior year comparative quarter. The increase was primarily due to higher connectivity and data costs driven by the increased user base and associated higher service revenue in the fourth quarter of 2025.

Service cost of sales were \$18,179 during the year ended October 31, 2025, compared to \$16,184 in the prior year comparative period, an increase of \$1,995. The increase is primarily due to higher connectivity costs due to the increased user base and data costs to improve the security and reliability of the Blackline Live portal.

Gross Profit

(CAD thousands)	Three-months ended October 31,			Year ended October 31,		
	2025	2024	% Change	2025	2024	% Change
Product	5,548	6,637	(16)	23,049	20,969	10 %
Service	20,791	15,117	38	72,283	53,278	36 %
Gross profit	26,339	21,754	21	95,332	74,247	28 %
Product gross margin percentage ⁽¹⁾	40%	41%		38%	36%	
Service gross margin percentage ⁽¹⁾	82%	77%		80%	77%	
Gross margin percentage⁽¹⁾	67%	61%		63%	58%	

(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 October 31, 2025 was \$26,339 compared to \$21,754 in the prior year comparative quarter. This represented a total gross margin percentage of 67%, which increased from 61% in the prior year comparative quarter. The increase in total gross profit is due to a combination of higher service revenue, enhanced pricing strategy and cost management within our product and service segments.

Product gross margin percentage for the three-months ended October 31, 2025 decreased to 40% from 41% in the prior year comparative quarter. This is a result of lower sales of leased products during the period compared to the prior year comparative quarter.

Service gross margin percentage for the three-months ended October 31, 2025 increased to 82% from 77% in the prior year comparative quarter. This is a result of an increase in software service revenue from our existing and new customer base and improving contribution margin. Service gross margin percentage also benefited from continued scalability initiatives, enabling greater absorption of fixed costs and improved strategic pricing for connectivity services and infrastructure.

Total gross profit for the year ended October 31, 2025, increased \$21,085 or 28% to \$95,332 from \$74,247 in the prior year comparative period. The increase was due to higher overall revenues, enhanced pricing strategy and cost management and scalability initiatives.

Product gross margin percentage was 38% for the year ended October 31, 2025, an increase from 36% in the prior year comparative period due to higher overall product revenues, automation efforts across our manufacturing line and better cost management resulting in improved supplier pricing.

Service gross margin percentage was 80% for the year ended October 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 services and data expenses.

Expenses

(CAD thousands)	Three-Months Ended October 31,			Year Ended October 31,		
	2025	2024	% Change	2025	2024	% Change
General and administrative expenses	8,873	6,023	47	32,212	26,259	23
Sales and marketing expenses	12,529	11,470	9	46,882	41,522	13
Product research and development costs	6,136	4,820	27	22,598	19,546	16
Foreign exchange gain	(657)	(1,045)	37	(563)	(2,433)	(77)
Total expenses	26,881	21,268	26	101,129	84,894	19
General and administrative expenses as a percentage of revenue ⁽¹⁾	23%	17%		21%	21%	
Sales and marketing expenses as a percentage of revenue ⁽¹⁾	32%	32%		31%	33%	
Product research and development costs as a percentage of revenue ⁽¹⁾	16%	14%		15%	15%	
Total expenses as a percentage of revenue⁽¹⁾	68%	60%		67%	67%	

(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 October 31, 2025 were \$26,881 compared to \$21,268 in the prior year comparative quarter, an increase of 26% or \$5,613. The increase was primarily due to higher general and administrative expenses, product research and development costs, and sales and marketing expenses. Total expenses as a percentage of revenue for the three-months ended October 31, 2025 increased to 68% from 60% in the prior year comparative quarter. Excluding the impact of foreign exchange, total expenses as a percentage of revenue were 70% during the three-months ended October 31, 2025 compared to 63% in the prior year comparative quarter.

During the year ended October 31, 2025, total expenses were \$101,129 compared to \$84,894 in the prior year comparative period, an increase of 19% or \$16,235. The increase was primarily due to increases in sales and marketing expenses, general and administrative expenses and product research and development costs. Total expenses as a percentage of revenue for the year ended October 31, 2025 was flat at 67% the same as the prior year. Excluding the impact of foreign exchange, total expenses as a percentage of revenue increased to 68% during the year ended October 31, 2025 compared to 69% 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, 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 \$2,850 or 47% in the three-months ended October 31, 2025 to \$8,873 from \$6,023 in the prior year comparative quarter. The increase was primarily due to an increase in salaries and related benefits as well as subscriptions, license fees and technology solutions to support the scaling of the business and a one-time US sales tax assessment expense related to our prior periods. General and administrative expenses as a percentage of total revenue increased to 23% from 17% for the fourth quarter compared to the prior year comparative quarter. Excluding the one time US sales tax expense, general and administrative expenses as a percentage of total revenue would have been 20%.

During the year ended October 31, 2025, general and administrative expenses increased by \$5,953 to \$32,212 from \$26,259 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 that had a higher overall value compared to the prior year grant. During the year ended October 31, 2025, general and administrative expenses as a percentage of total revenue stayed the same at 21%.

Sales and marketing expenses

Sales and marketing expenses include the salaries, internal and external commissions, benefits 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 October 31, 2025 increased \$1,059 or 9% to \$12,529 from \$11,470 compared to the prior year comparative quarter. This was mainly driven by higher salaries and benefits expenses as a result of expanding the sales team to meet the growing demand for our connected safety solutions, contractor, and consulting costs to support our global sales team. These increases were partially offset by decreases in sales commissions due to lower product revenue in the fourth quarter of 2025. Sales and marketing expenses as a percentage of total revenue stayed flat at 32% for the fourth quarter.

During the year ended October 31, 2025, sales and marketing expenses increased by \$5,360 or 13% to \$46,882 compared to the prior year. The increase was primarily due to higher salaries and related benefits expenses as the sales team expanded to support increasing demand across various regions, contractor fees due to the expansion of sales personnel to support the demand in the Rest of World regions and consulting costs. Bad debt expense was higher in the year compared to the prior year due to an increase in total revenue and provision for aged receivables due to overall economic factors. These increases were partially offset by decreases to distributor commissions as a result of lower number of contracts entered 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 year ended October 31, 2025, decreased to 31% from 33% compared to the prior year.

Product research and development costs

Product research and development costs reflect Blackline's ongoing efforts to expand its product portfolio while enhancing the capabilities of the current revenue-generating hardware and services offerings. 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 \$6,136 in the fourth quarter of fiscal 2025 compared to \$4,820 in the prior year comparative quarter. The increase of 1,316 or 27% was largely attributed to an increase in salaries and related benefits costs as a result of increased headcount and to product development materials costs due to the costs incurred related to new product and services development. The fourth quarter of 2025 product research and development costs as a percentage of total revenue increased to 16% from 14% in the prior year comparative quarter.

During the year ended October 31, 2025, product research and development costs increased by \$3,052 or 16% to \$22,598 from \$19,546 compared to the prior year. The increase was largely attributed to increased consulting costs as well as salaries and related benefit expenses due to the increased headcount in the year and materials fees to advance product and services development initiatives. Product research and development costs as a percentage of total revenue for the year ended October 31, 2025 stayed flat at 15% from the prior year.

Foreign exchange gain

Total net realized and unrealized foreign exchange gain was \$657 and \$563 for the three and twelve-months ended October 31, 2025, respectively compared to a gain of \$1,045 and \$2,433 in the prior year comparative periods. The foreign exchange gain relate predominately to the impact of changes in the exchange rates of foreign operations and sales.

Currency	Date	End of Quarter	3-Month Average	12-Month Average
USD/CAD	October 31, 2025	1.40	1.39	1.40
	October 31, 2024	1.39	1.37	1.36
EUR/CAD	October 31, 2025	1.62	1.62	1.56
	October 31, 2024	1.51	1.50	1.48
GBP/CAD	October 31, 2025	1.84	1.86	1.83
	October 31, 2024	1.79	1.78	1.74

Finance (expense) income, Net

Finance income, net was \$342 and \$719 for the three and twelve-months ended October 31, 2025, respectively, compared to finance income of \$78 and finance expense of \$(649) in the prior year comparative periods. Finance income was higher for the three and twelve-months ended October 31, 2025 due to interest revenue from finance leases and financial assets held for cash management purposes. The higher finance income was offset by interest expense on the Company's senior secured operating facility for both the three and twelve-month periods and by interest expense on the lease securitization facility, for the twelve-month period, as the securitization facility was not renewed in March 2025.

Net loss, EBITDA and Adjusted EBITDA

Net loss increased to \$620 for the three-months ended October 31, 2025 compared to a net loss of \$68 the prior year comparative quarter. The increase in net loss in the three-month period was mainly due to the increases in general and administrative expenses, product research and development costs, and sales and marketing expenses offset by the increase in revenue and overall gross profit.

Net loss decreased by 31% to \$8,668 for the year ended October 31, 2025 compared to a net loss of \$12,595 in the prior year. Net loss for the year ended October 31, 2025 decreased compared to the prior year due to an increase in revenue and gross profit slightly offset by an increase in sales and marketing expenses, general and administrative expenses, and product research and development costs.

EBITDA for the three-months ended and year ended October 31, 2025 was \$1,390 and \$2,198, respectively, compared to \$2,477 and \$(2,733), respectively, in the prior year comparative periods. For the three-months ended October 31, 2025, the decrease in EBITDA was mainly due to the increase in net loss compared to the prior year quarter. For the year ended October 31, 2025, the increase in EBITDA was primarily due to the increase in revenue and gross profit which contributed to the decrease in net loss compared to the prior year.

Adjusted EBITDA was \$2,206 and \$6,091 for the three-months ended and year ended October 31, 2025, respectively, compared to \$2,033 and \$(2,434), respectively, in the prior year comparative periods. For the three-months ended October 31, 2025, the improvement in Adjusted EBITDA was due to a lower foreign exchange gain and a higher stock-based compensation expense compared to the prior year quarter. For the year ended October 31, 2025, the improvement in adjusted EBITDA was a result of a higher EBITDA, higher stock-based compensation expense, and a lower foreign exchange gain compared to the prior year.

Key Assets and Liabilities

(CAD thousands)	October 31, 2025	October 31, 2024	% Change
Total assets	166,389	146,879	13
Total liabilities	88,329	89,266	(1)

Total assets as at October 31, 2025 were \$166,389 compared to \$146,879 as at October 31, 2024. The increase in total assets is primarily due to an increase in cash and cash equivalents, trade and other receivables, and inventory partially offset by the decrease in short-term investments.

Total liabilities as at October 31, 2025 were \$88,329 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 in March 2025 and a decrease in contract liabilities. This was partially offset by the increase in deferred revenue and in accounts payable and other accrued liabilities.

Trade and other receivables

(CAD thousands)	October 31, 2025	October 31, 2024	% Change
Trade accounts receivable	44,806	33,999	32
Other receivables – current	10,260	10,073	2
Other receivables – non-current	13,713	12,471	10
Loss allowance	(1,522)	(478)	218
Total	67,257	56,065	20

Trade and other receivables as at October 31, 2025 totaled \$67,257 compared to \$56,065 as at October 31, 2024, an increase of \$11,192 or 20%. The growth was a result of trade accounts receivable increasing \$10,807 due to the increase in total revenue. Additionally, there was an increase in current and non-current other receivables of \$1,429 from finance leases entered into in the fiscal 2025 year. The increases to trade and other receivables as at October 31, 2025 were slightly offset by an increase in loss allowance of \$1,522 compared to \$478 in the prior year.

Inventory

(CAD thousands)	October 31, 2025	October 31, 2024	% Change
Parts	12,455	10,024	24
Finished goods	9,171	6,802	35
Total	21,626	16,826	29

Inventory totaled \$21,626 as at October 31, 2025 compared to \$16,826 as at October 31, 2024. Overall, inventory increased due to costs incurred related to new product development, and strategic sourcing and optimization of the supply chain.

Contract assets and contract liabilities

(CAD thousands)	October 31, 2025	October 31, 2024	% Change
Contract assets			
Current	1,763	1,755	—
Non-current	810	1,039	(22)
Total	2,573	2,794	(8)
Contract liabilities			
Current	1,923	3,757	(49)
Non-current	753	933	(19)
Total	2,676	4,690	(43)

Total contract assets, consisting of current and non-current costs related primarily to the fulfillment of lease contracts, were \$2,573 as at October 31, 2025 compared to \$2,794 at October 31, 2024. The decrease is largely due to fewer 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 \$2,676 compared to \$4,690 at the prior year end. The decrease is due to payments to channel distributors in the current year and fewer lease contracts sold through channel distributors in the year.

Property and equipment

(CAD thousands)	October 31, 2025	October 31, 2024	% Change
Property and equipment	13,283	14,479	(8)

Property and equipment decreased by 8% or \$1,196 at October 31, 2025 to \$13,283 from \$14,479 at October 31, 2024. There were additions of \$2,168 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 \$1,186 for manufacturing equipment (October 31, 2024: \$2,865 and \$751, respectively). The additions were more than offset by depreciation of \$6,168 for the year ended October 31, 2025 from depreciation of \$6,222 in the prior year comparative period.

Accounts payable and other accrued liabilities

(CAD thousands)	October 31, 2025	October 31, 2024	% Change
Trade accounts payable	9,351	10,642	(12)
Other accrued liabilities	14,291	12,313	16
Total	23,642	22,955	3

Accounts payable and other accrued liabilities increased by 3% at October 31, 2025 to \$23,642 from \$22,955 at October 31, 2024 due to the timing of payments and higher overall expenditures in the period.

Deferred Revenue

(CAD thousands)	October 31, 2025	October 31, 2024	% Change
Current	28,679	21,668	32
Non-current	15,995	14,540	10
Total	44,674	36,208	23

The Company's total deferred revenue increased by 23% or \$8,466 at October 31, 2025 to \$44,674 from \$36,208 at October 31, 2024 due to payments in advance from customers for service contracts, partially offset by service revenue recognized in the period.

Bank indebtedness

(CAD thousands)	October 31, 2025	October 31, 2024	% Change
Non-current	10,204	10,653	(4)

The Company has a senior secured operating facility (refer to the liquidity and capital resources section of the MD&A). As at October 31, 2025, bank indebtedness decreased to \$10,204 from \$10,653 in October 31, 2024 as the Company had a net repayment on the facility of \$449 during the fiscal 2025 year.

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.

Selected Annual Information

(CAD thousands)	October 31, 2025	October 31, 2024	October 31, 2023
Total revenues	150,471	127,286	100,006
Net loss	(8,668)	(12,595)	(25,547)
Loss per share – basic and diluted	(0.10)	(0.17)	(0.35)
Total assets	166,389	146,879	109,120
Total long-term liabilities	30,295	33,719	31,560

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 October 31, 2025. These have been prepared in accordance with IFRS Accounting Standards, except 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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenue	39,265	37,592	35,940	37,675	35,695	33,686	31,580	26,325
Gross margin percentage ⁽¹⁾	67%	64%	63%	60%	61%	59%	57%	55%
Net loss	(620)	(3,214)	(3,704)	(1,130)	(68)	(2,469)	(4,267)	(5,791)
Net loss per common share	(0.01)	(0.04)	(0.04)	(0.01)	0.00	(0.03)	(0.06)	(0.08)
EBITDA ⁽¹⁾	1,390	(948)	(301)	2,056	2,477	53	(1,872)	(3,392)
EBITDA per common share ⁽¹⁾ - Basic and diluted	0.02	(0.01)	0.00	0.03	0.03	0.00	(0.03)	(0.05)
Adjusted EBITDA ⁽¹⁾	2,206	1,327	1,040	1,517	2,033	810	(2,043)	(3,234)
Adjusted EBITDA per common share ⁽¹⁾ - Basic	0.03	0.02	0.01	0.02	0.02	0.01	(0.03)	(0.04)
Adjusted EBITDA per common share ⁽¹⁾ - Diluted	0.02	0.02	0.01	0.02	0.02	0.01	(0.03)	(0.04)

(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 fourth quarter of fiscal 2025 is a result of the increase in service revenues but was slightly offset by the decrease in product revenue compared to the third quarter of fiscal 2025. Additionally, overall gross profit margin increased compared to the prior quarter resulting in a decrease in net loss. EBITDA in the fourth quarter of fiscal 2025 compared to the previous quarter increased primarily due to a higher gross margin but was slightly offset by increased expenses. The improvement to Adjusted EBITDA in the fourth quarter was due to the higher EBITDA in the quarter slightly offset by the lower adjustments of stock-based compensation expense and foreign exchange compared to the third quarter of 2025. Expenses as a percentage of revenue excluding foreign exchange increased in the fourth quarter to 68% compared to 67% in the third quarter of fiscal 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.

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.

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Total cash and cash equivalents were \$32,625 as at October 31, 2025. Cash and cash equivalents increased \$16,518 or 103% compared to October 31, 2024 primarily due to proceeds from share issuances partially offset by the full repayment of the lease securitization facility.

(CAD thousands)	Three-months ended October 31,			Year ended October 31,		
	2025	2024	Change	2025	2024	% Change
Cash provided by (used in) operating activities	682	4,786	(86)	(8,874)	1,912	NM
Cash provided by financing activities	484	253	91	19,822	32,588	(39)
Cash provided by (used in) investing activities	11,772	(1,688)	NM	7,474	(30,458)	NM
Effects of foreign exchange	(2,017)	(1,071)	88	(1,904)	577	NM
Net increase in cash and cash equivalents	10,921	2,280	379	16,518	4,619	258

NM - Not meaningful

Operating activities during the three-months and year ended October 31, 2025 provided \$682 and used \$8,874 of cash, respectively (October 31, 2024: provided \$4,786 and \$1,912, respectively). The decrease in net changes in non-cash working capital of \$(1,228) and \$(10,440) for the three and twelve-months ended October 31, 2025, respectively, was the primary reason for the decrease in operational cash flow compared to the prior year comparable periods (October 31, 2024: \$2,362 and \$3,800, respectively).

For the three-months ended October 31, 2025, decreases to changes in non-cash working capital were primarily due to current and non-current trade and other receivables of \$(3,404) and inventory of \$(3,185) to better manage the supply chain (October 31, 2024: \$323 and \$(676) respectively). This was largely offset by increases in current and non-current deferred revenue of \$5,025 (October 31, 2024: \$492).

For the year ended October 31, 2025, the primary drivers of the decreases to non-cash working capital were similar as the drivers for the quarter. Decreases in the current and non-current trade and other receivables of \$(10,730) and inventory of \$(4,694) (October 31, 2024: \$(7,501) and \$362, respectively). This was slightly offset by current and non-current deferred revenue of \$7,858 (October 31, 2024: \$8,938).

Financing activities for the three-months ended October 31, 2025 provided \$484 of cash (October 31, 2024: \$253), mainly from the proceeds from option exercises of \$689 (October 31, 2024: \$381).

Financing activities for the year ended October 31, 2025 provided \$19,822 of cash (October 31, 2024: \$32,588). This was primarily due to proceeds from share issuances and option exercises of \$29,151 (October 31, 2024: \$34,770). This was partially offset by the full repayment of the lease securitization facility of \$7,938 (October 31, 2024: net repayment of \$3,254).

Investing activities for the three-months ended October 31, 2025 provided \$11,772 of cash (October 31, 2024: used \$1,688). This is primarily due to redemptions of \$13,000 of (October 31, 2024: \$nil) short term investments.

Investing activities for the year ended October 31, 2025 provided \$7,474 of cash (October 31, 2024: used \$30,458). This is primarily due to the redemptions, net of purchase of short-term investments of \$13,000 (October 31, 2024: purchase, net of redemptions of \$22,500). This is partially offset by purchases of property and equipment of \$6,462 (October 31, 2024: used \$8,372), which comprised primarily of additions of \$2,168 for rental equipment and \$1,186 for manufacturing equipment (October 31, 2024: \$2,865 and \$751, respectively).

Total short-term investments held as at October 31, 2025 amounted to \$14,000 compared to \$27,000 at October 31, 2024.

(CAD thousands)	October 31, 2025	October 31, 2024	% Change
Current assets	129,764	109,688	18
Current liabilities	(58,034)	(55,547)	4
Working capital⁽¹⁾	71,730	54,141	32

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

Working capital at October 31, 2025 was \$71,730 compared to \$54,141 in the prior year, an increase of \$17,589. The increase was mainly due to higher cash and cash equivalents, trade and other receivables, higher inventory to better manage the supply chain, and the repayment of the securitization facility in second quarter of 2025. The increase was partially offset by decreases in short-term investments and an increase in deferred revenue.

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The Company has a three-year \$25,000 senior secured operating facility (“operating facility” or “facility”) with a Canadian financial institution (the “lender”) pursuant to the terms of the amended and restated commitment letter dated October 31, 2025. The facility includes a \$15,000 accordion feature to increase the capacity of the operating facility on pre-approved terms. The operating facility borrowing base is derived from the Company’s monthly recurring revenue and bears interest at a variable rate. On Canadian advances the interest rate is based on the Canadian Overnight Repo Rate Average (CORRA) plus a margin of 2.25% to 3.25% depending on the term. On USD advances the rate is based on the US Prime rate plus a margin of 1.00% to 2.00%. The Company had available capacity on its operating facility of \$14,796 as at October 31, 2025 (October 31, 2024: \$12,276).

The operating facility includes a financial covenant of 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 October 31, 2025.

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 liquidity to finance operations and support the growth of the Company. 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 liquidity 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 October 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, cash on hand, short term investments and the Company’s operating facility.

Contractual Obligations

(CAD thousands)	Less than 1 year	1-3 years	Thereafter	Total
	\$	\$	\$	\$
Finance lease obligations	1,024	1,315	361	2,700
Purchasing commitments	8,599	13,523	864	22,986
Total	9,623	14,838	1,225	25,686

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 and has contracted for the services of certain third parties. In a prior fiscal year, the Company entered into an agreement that included a commitment for a minimum spend on certain components over a five-year period.

Off-Balance Sheet Arrangements

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

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. Besides the private placement, there were no transactions outside the ordinary course of business between the Company and related parties for the three-months and year ended October 31, 2025 and 2024.

Critical Accounting Judgments and Estimates

The preparation of financial statements requires the use of accounting estimates with management 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 following are the most significant accounting estimates that the Company has made in the preparation of its consolidated financial statements and this MD&A:

a) Stock-based compensation

The determination of the fair value of stock options requires the use of a pricing model which requires the estimation of stock price volatility, the expected term of the underlying instruments, the estimation of the risk-free interest rate, and if applicable the resulting number of options that will ultimately vest.

b) Property and equipment and intangible assets

Measurement of property and equipment and intangible assets involves the use of estimates in determining the expected useful lives of those assets and the depreciation and amortization methods used.

c) Warranty provision

A provision is recognized for expected warranty claims on products sold during the year, based on previous levels of repairs and returns. Assumptions used to calculate the provision are based on current sales levels and information available about returns based on the warranty period for all products sold.

d) Impairment of non-financial assets

The Company tests goodwill annually irrespective of whether any indicators of impairment are present. Goodwill is tested at the cash generating unit ("CGU") or group of CGU level. Management has grouped CGU's together at the segment level for the purpose of goodwill impairment testing. The impairment test was based on significant estimates and assumptions to calculate the fair value less costs of disposal utilizing the discounted cash valuation model, including the allocation of goodwill to the operating segments, estimated discount rate, terminal value multiple, and revenue compounded annual growth rate.

The Company assesses for indicators of impairment at each reporting period that may indicate that property and equipment, right-of-use assets and intangible assets may be impaired.

e) Uncertain tax positions

Tax regulations and legislation of which interpretations are made are subject to change. Changes to tax regulations and legislation and other assumptions are subject to measurement uncertainty. The Company is subject to taxes in various jurisdictions and evaluates its positions with respect to applicable tax regulations and legislation which are subject to interpretation. The Company recognizes provisions related to tax uncertainties when appropriate, based on an estimate of the amount that ultimately will be paid to the tax authorities as of the reporting date. To the extent that interpretations change, there may be a significant impact on the consolidated financial statements.

The following are the most significant judgments that the Company has made in the preparation of the consolidated financial statements:

a) Revenue recognition – bundled arrangements

The determination of the amount of revenue and discounts to allocate to individual elements in a bundled arrangement is based on the stand-alone selling prices of the products and services. The determination of whether a deliverable constitutes a separate unit of accounting is based on the distinct performance obligations identified in the contract.

b) Impairment of financial assets

The determination of the expected credit loss for the Company's trade and other receivables is determined by a provision matrix that is based on historical credit loss experiences, adjusted for forward looking factors specific to the debtors and the economic environment.

Changes in Accounting Policies Including Initial Adoption

New Accounting Policies Adopted by the Company

For the year ended October 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)

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

New Accounting Policies Not Yet Adopted by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for the October 31, 2025 reporting period and have not been early adopted by the Company. Refer to Note 2 (b) in the consolidated financial statements for further details.

The adoption of IFRS 18, Presentation and disclosures in Financial Statements, is likely to have an impact on the presentation of the Company's income statement however the company is still assessing the overall impact of this new standard.

Internal Controls and Procedures

Disclosure controls and procedures

Our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have, as at October 31, 2025, designed or have caused to be designed under their supervision, disclosure controls and procedures ("DC&P") to provide reasonable assurance that: (i) material information relating to the Company is made known to our CEO and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. Under the supervision of the CEO and the CFO, the Company conducted an evaluation of the effectiveness of the design and operation of the Company's DC&P. Based on this evaluation, the CEO and CFO have concluded that, as at October 31, 2025, our DC&P, as defined under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filing ("NI 52-109"), was effectively designed and operating effectively.

Internal control over financial reporting

Our CEO and CFO have designed or have caused to be designed under their supervision, internal controls over financial reporting ("ICFR") for the Company to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Blackline Safety's management, under the supervision of the CEO and CFO, used the criteria and framework established in the 2013 Internal Controls - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to design the Company's ICFR.

Under the supervision of the CEO and CFO, Blackline Safety conducted an evaluation of the effectiveness of the Company's ICFR as at October 31, 2025. Based on this evaluation, the officers concluded that as of October 31, 2025, Blackline Safety maintained effective ICFR.

Changes in internal control over financial reporting

Blackline Safety is required to disclose herein any change in the Company's ICFR that occurred during the period beginning on August 1, 2025 and ended October 31, 2025 that have materially affected, or are reasonably likely to materially affect, our ICFR. No material changes in the Company's ICFR were identified during such period that have materially affected, or are reasonably likely to materially affect the Company's ICFR.

The Company's disclosure and internal controls 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 October 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 5 (b) of the October 31, 2025 consolidated 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 87,006,206 common voting shares issued and outstanding as at January 14, 2026. The following share options were outstanding at that date:

Share Option Exercise Price	Share Options Outstanding
\$1.75	758,333
\$2.75	420,000
\$3.04	40,000
\$3.35	452,030
\$3.47	75,000
\$4.64	1,215,782
\$5.26	320,323
\$5.57	100,000
\$6.05	77,500
\$6.55	50,000
\$6.94	1,022,205
\$7.15	2,000
\$8.00	490,000
\$8.50	206,500
\$8.93	75,000
Total	5,304,673

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, which section is incorporated by reference herein. As at October 31, 2025, there are no changes to the material risks that may affect Blackline's business, operations and financial condition or future performance than those described in the Company's Annual Information Form.

Outlook

Blackline has a comprehensive portfolio of connected safety wearables and area monitors which provide access to our unique monitoring portal – designed and developed in-house – to 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 alternative technologies as our solution reduces 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, sales and marketing capabilities allowed Blackline to grow its revenue 18% year-over-year. We expect sales momentum and our growth trajectory to continue into fiscal 2026. We exited the fiscal 2025 year, achieving positive EBITDA in the fourth quarter of \$1,390 and Adjusted EBITDA of \$2,206. Strong Net Dollar Retention of 128% along with new activations has pushed the Company's Annual Recurring Revenue to above \$84,460 and provided a strong foundation for 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 our 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 launch of the EXO 8 in the fourth quarter of 2024 and the new G8 in January 2026, Blackline is now able to fully meet the gas detection and compliance requirements of thousands of new customers globally. 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 October 31,			Year ended October 31,		
	2025	2024	% Change	2025	2024	% Change
Net loss	(620)	(68)	NM	(8,668)	(12,595)	(31)
Depreciation and amortization	1,933	1,991	(3)	7,995	7,914	1
Finance (income) expense, net	(342)	(78)	338	(719)	649	NM
Income taxes	419	632	(34)	3,590	1,299	176
EBITDA	1,390	2,477	(44)	2,198	(2,733)	NM
Stock-based compensation expense ⁽¹⁾	631	325	94	2,917	1,861	57
Foreign exchange gain	(657)	(1,045)	(37)	(563)	(2,433)	(77)
Other non-recurring impact transactions ⁽²⁾	842	276	205	1,539	871	77
Adjusted EBITDA	2,206	2,033	9	6,091	(2,434)	NM

(1) Stock-based compensation expense relates to the Company's stock compensation plan and Employee Share Ownership Plan. Stock option expense is extracted from cost of sales, general and administrative expenses, sales and marketing expenses and product research and development costs on the consolidated statements of loss and comprehensive loss.

(2) Other non-recurring impact transactions in the current year include resolution of settlements and disputes, one-time US sales tax assessment expense related to prior periods, severance costs relating to the departure of a senior management personnel and certain tariffs imposed on inventory shipped to the United States.

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. In particular, but without limiting the foregoing, this MD&A contains forward-looking information and statements pertaining to the following: the Company's belief it has sufficient liquidity to support the growth of the Company and to fund its development activities, the Company's intention 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 its positive Adjusted EBITDA as part of a successful sustainable financial business model, the Company's belief that it is well-positioned to grow its market share and addressable market with its comprehensive suite of connected safety products and services, Blackline's intention to expand its work with leading brands around the world. 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 as at October 31, 2025. 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.

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