blacklinesafety

Media Release // For immediate distribution

Blackline Safety Reports Record Fiscal Second Quarter 2025 Revenue of $35.9 million and Adjusted EBITDA of $1.0 million

Record Annual Recurring Revenue [(1)] *("ARR") of $75.2 million, up 33% year-over-year*

June 11, 2025

- 33rd consecutive quarter of year-over-year top-line growth
- 12th consecutive quarter of expanding gross margin on a rolling 12-month basis
- 8th consecutive quarter of Net Dollar Retention[(1)] ("NDR") above 125%
- 4th consecutive quarter of positive adjusted EBITDA[(1)]

Calgary, Canada — Blackline Safety Corp. ("Blackline", the "Company", "we" or "our") (TSX: BLN), a global leader in connected safety technology, today reported its fiscal second quarter financial results for the period ended April 30, 2025.

Management Commentary

"Blackline has delivered another strong quarter, achieving $35.9 million in revenue for Q2 despite the dynamic macroeconomic environment," said Cody Slater, CEO and Chair of Blackline Safety. "This marks our 33rd consecutive quarter of year-over-year revenue growth, underscoring the robust market adoption of our connected safety solutions."

Annual recurring revenue was up 33% year-over-year to $75.2 million. Net Dollar Retention, reflecting revenue growth from existing customers, was 128%—the 8th consecutive quarter exceeding 125%. This reinforces the sustained expansion within our customer base and the value customers place on connected safety solutions. This quarter is also the fourth consecutive quarter of positive adjusted EBITDA, further highlighting the continued strength and resilience of Blackline's proven business model.

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

Blackline has demonstrated tremendous growth and operating leverage over the past few years — since Q2 2022 revenue has more than doubled and gross profit has increased by 220% while operating expenses have only increased by 17% over the same period.

During the quarter, the Company shipped the first units of its EXO 8 Gamma area monitor, a groundbreaking device featuring radiation detection. EXO 8 is the only direct-to-cloud portable area monitor capable of detecting up to eight gases and gamma radiation at the same time. This technology strengthens Blackline's offering in the fire and hazmat and emergency response markets, opening further opportunities for growth.

"Blackline's proven business model has demonstrated its resilience over the years across a variety of macroeconomic conditions. Since launching our first connected safety product in 2017, we have achieved over $500 million in sales — a clear testament to the strong adoption of our industry-pioneering product portfolio," concluded Slater.

Financial Highlights

	Three-Months Ended April 30,			Six-Months Ended April 30,		
(CAD thousands, except per share and percentage amounts)	**2025**	**2024**	**% Change**	**2025**	**2024**	**% Change**
Product revenue	14,054	14,824	(5)	31,853	26,260	21
Service revenue	21,886	16,756	31	41,762	31,645	32
Total revenue	35,940	31,580	14	73,615	57,905	27
Gross profit	22,701	18,030	26	45,120	32,609	38
Gross margin percentage[(1)]	63%	57%		61%	56%	
Total expenses	25,244	21,777	16	47,702	41,693	14
Total expenses as a percentage of revenue[(1)]	70%	69%		65%	72%	
Net loss	(3,704)	(4,267)	(13)	(4,834)	(10,058)	(52)
Loss per common share - Basic and diluted	(0.04)	(0.06)	(33)	(0.06)	(0.14)	(57)
EBITDA[(1)]	(301)	(1,872)	84	1,755	(5,264)	NM
EBITDA per common share[(1)] - Basic and diluted	0.00	(0.03)	NM	0.02	(0.07)	NM
Adjusted EBITDA[(1)]	1,040	(2,043)	NM	2,557	(5,278)	NM
Adjusted EBITDA per common share[(1)] - Basic and diluted	0.01	(0.03)	NM	0.03	(0.07)	NM

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

NM – Not meaningful

Fiscal Second Quarter 2025 and Recent Financial and Operational Highlights

Blackline reported total revenue of $35.9 million, a 14% year-over-year increase. This growth was driven by a 31% increase in service revenue to $21.9 million, reflecting robust demand for Blackline's connected software services, which increased 32% to $19.2 million, along with rentals, which grew 20% to $2.7 million. Second quarter product revenue declined 5% year-over-year. This pullback was driven by geopolitical uncertainty that delayed deals in North America and internationally. While this timing impacts quarter-over-quarter comparability, product revenue increased 21% for the first half of 2025 compared to the same period in the previous year, underscoring the strength of our continued momentum into the second half of the year.

From a regional performance perspective, the Rest of World achieved a notable increase, with revenue advancing by 78% in the second quarter relative to the same period in the prior year. This robust growth affirms the continued expansion of our sales network and targeted initiatives in key areas such as the Middle East. In Canada and Europe, revenue increased by 23% and 14% respectively. Meanwhile, the U.S. market experienced a modest 1% increase, reflecting investment slowdown.

Gross margin reached a record of 63%, up from 57% in the prior year's quarter, driving gross profit for the second quarter up 26% year-over-year to $22.7 million. Service gross margin reached a record 79%, reflecting the Company's high-margin recurring revenue and growing demand for its connected safety services. Product gross margin was 39%, up from 34% a year ago, highlighting the resilience of Blackline's hardware margins despite tariff headwinds in the quarter. Trailing 12-month gross margin climbed to 61%, marking the 12th consecutive quarter of margin expansion.

Total expenses were 70% as a percentage of revenue – compared with 69% last year in Q2 – as Blackline continued to invest in its operational infrastructure and sales growth initiatives. General and administrative expenses were 23% of revenue this year, compared to 21% in Q2 2024, driven by investments to support the Company's previously disclosed scalability initiatives. Sales and marketing expenses declined to 32% of revenue from 33% last year. Product research and development expenses decreased to 15% as a percentage of revenue from 16%.

Adjusted EBITDA for the quarter was $1.0 million, a significant improvement from a ($2.0) million loss in the prior year's quarter. This marks the fourth consecutive quarter of positive adjusted EBITDA, demonstrating the increasing scalability and resilience of Blackline's business model. The adjustment to EBITDA this quarter includes certain tariffs imposed on inventory shipped to the United States. Net loss for the quarter narrowed to ($3.7) million, a 13% improvement from Q2 last year, reflecting higher gross profit and improved operational leverage.

Blackline's cash and short-term investments totaled $52.6 million at the end of the quarter, a 22% increase from year-end fiscal 2024. The securitization facility was fully paid down and not renewed during the quarter. The Company had available capacity on its senior secured operating facility, including its accordion feature, of $17.5 million as of April 30, 2025, for total available liquidity of $70.1 million.

Blackline's Interim Condensed Consolidated Financial Statements and Management's Discussion and Analysis on Financial Condition and Results of Operations for the three-month and six-month period ended April 30, 2025, are available on SEDAR+ under the Company's profile at www.sedarplus.ca. All results are reported in Canadian dollars.

Outlook

Most of the Company's products are United States–Mexico–Canada Agreement ("USMCA") compliant and exempt from tariffs currently in place on goods shipped to the United States from Canada. As a result, Blackline Safety remains well-positioned to expand its business with its comprehensive suite of connected safety wearables and area monitors. The Company's technology supports diverse industries worldwide, delivering real-time safety insights, emergency response management, and improved productivity.

The uncertainty surrounding tariffs may slow the global investment environment and impose additional costs on the business, with potential negative impacts on revenue and earnings. Blackline remains committed to leveraging its innovative product portfolio to meet the needs of customers worldwide. With strategic investments in manufacturing, sales, and marketing, we will continue to drive strong growth, particularly in our high margin service revenue, as we help transform the industrial workplace into a connected one.

Conference Call

A conference call and live webcast have been scheduled for 11:00 am ET on Wednesday, June 11, 2025. Participants should dial 1-833-821-3052 or 1-647-846-2509 at least 10 minutes prior to the conference time. A live webcast will also be available at https://www.gowebcasting.com/14056.

Participants should join the webcast at least 10 minutes prior to the start time to register and install any necessary software. A replay will be available after 2:00 PM ET on June 11, 2025 through July 11, 2025 by dialling 1-855-669-9658 (Canada/USA Toll Free) or 1-412-317-0088 (International Toll) and entering access code 3417383.

About Blackline Safety: Blackline Safety is a technology leader driving innovation in the industrial workforce through IoT (Internet of Things). With connected safety devices and predictive analytics, Blackline enables companies to drive towards zero safety incidents and improved operational performance. Blackline provides wearable devices, personal and area gas monitoring, cloud-connected software and data analytics to meet demanding safety challenges and enhance overall productivity for organizations with customers in more than 75 countries. Armed with cellular and satellite connectivity, Blackline provides a lifeline to tens of thousands of people, having reported over 286 billion data-points and initiated over eight million emergency alerts. For more information, visit BlacklineSafety.com and connect with us on Facebook, X (formerly Twitter), LinkedIn and Instagram.

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Non-GAAP and Supplementary Financial Measures

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

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

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

Key Performance Indicators

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

- **"Annual Recurring Revenue"** is the total annualized value of recurring service amounts (ultimately recognized as software services revenue) of all service contracts at a point in time. Annualized service amounts are determined solely by reference to the underlying contracts, adjusting for the varying revenue recognition treatments under IFRS 15 *Revenue from Contracts with Customers*. It excludes one-time fees, such as for rentals, non-recurring professional services, and assumes that customers will renew the contractual commitments on a periodic basis as those commitments come up for renewal, unless such renewal is known to be unlikely. We believe that ARR provides visibility into future cash flows and is a fair measure of the performance and growth of our service contracts.

- **"Net Dollar Retention"** compares the aggregate service revenue contractually committed for a full period under all customer agreements of our total customer base as of the beginning of the trailing twelve-month period to the total service revenue of the same group at the end of the period. It includes the effect of our service revenue that expands, renews, is upsold or downsold or cancelled, but excludes the total service revenue from new activations during the period. We believe that NDR provides a fair measure of the strength of our recurring revenue streams and growth within our existing customer base.

Non-GAAP Financial Measures

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

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

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

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

Reconciliation of non-GAAP financial measures

(CAD thousands)	Three-Months Ended April 30, 2025	Three-Months Ended April 30, 2024	% Change	Six-Months Ended April 30, 2025	Six-Months Ended April 30, 2024	% Change
Net loss	(3,704)	(4,267)	(13)	(4,834)	(10,058)	(52)
Depreciation and amortization	2,242	1,875	20	4,337	3,820	14
Finance (income) expense, net	(177)	279	NM	(68)	465	NM
Income tax expense	1,338	241	455	2,320	509	356
EBITDA	(301)	(1,872)	84	1,755	(5,264)	NM
Stock-based compensation expense(1)	994	377	164	1,449	729	99
Foreign exchange gain	(4)	(548)	(99)	(1,198)	(743)	61
Other non-recurring impact transactions(2)	351	—	NM	551	—	NM
Adjusted EBITDA	1,040	(2,043)	NM	2,557	(5,278)	NM

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

(2) Other non-recurring impact transactions in the current quarter includes tariffs imposed on inventory shipped to the United States and severance costs relating to the departure of a senior management personnel during the prior quarter.

NM – Not meaningful

Non-GAAP Ratios

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

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

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

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

Supplementary Financial Measures

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

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

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

Note Regarding Forward Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to, among other things, the Company's expectation that EXO 8 provides an opening further opportunities for growth, management's belief that the current macroeconomic uncertainty is temporary, that the Company believes a majority its products are USMCA compliant and exempt from tariffs currently in place for goods being shipped to the United States from Canada and that the Company is well-positioned to expand its business with its comprehensive suite of connected safety wearables and area monitors, that the Company will continue to drive strong growth, especially in its high margin service revenue. Blackline provided such forward-looking statements in reliance on certain expectations and assumptions that it believes are reasonable at the time. The material assumptions on which the forward-looking information in this news release are based, and the material risks and uncertainties underlying such forward-looking information, include: expectations and assumptions concerning business prospects and opportunities, customer demands, the availability and cost of financing, labor and services, that Blackline will pursue growth strategies and opportunities in the manner described herein, and that it will have sufficient resources and opportunities for the same, that other strategies or opportunities may be pursued in the future, and the impact of increasing competition, business and market conditions; the accuracy of outlooks and projections contained herein; the continuation of USMCA and other applicable trade agreements; that future business, regulatory, and industry conditions will be within the parameters expected by Blackline, including with respect to prices, margins, demand, supply, product availability, supplier agreements, availability, and cost of labour and interest, exchange, and effective tax rates; projected capital investment levels, the flexibility of capital spending plans, and associated sources of funding; cash flows, cash balances on hand, and access to the Company's credit facility being sufficient to fund capital investments; foreign exchange rates; near-term pricing and continued volatility of the market; accounting estimates and judgments; the ability to generate sufficient cash flow to meet current and future obligations; the Company's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the Company's ability to carry out transactions on the desired terms and within the expected timelines; forecast inflation, including on the Company's components for its products, regulatory changes, supply chain disruptions, macroeconomic conditions, US-Canada tariffs, the impacts of the military conflict between Russia and Ukraine and between Israel and Hamas on the global economy; and other assumptions, risks, and uncertainties described from time to time in the filings made by Blackline with securities regulatory authorities. Although Blackline believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Blackline can give no assurance that they will prove to be correct. Forward-looking information addresses future events and conditions, which by their very nature involve inherent risks and uncertainties, including the risks set forth above and as discussed in Blackline's Management's Discussion and Analysis and Annual Information Form for the year ended October 31, 2024 and available on SEDAR+ at www.sedarplus.ca. Blackline's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits Blackline will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide readers with a more complete perspective on Blackline's future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and Blackline disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.