blacklinesafety

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Blackline Safety Reports Record Fiscal Third Quarter 2025 Results

Highest Ever Annual Recurring Revenue [(1)] ("ARR") of $80.2 million, up 29% year-over-year

September 11, 2025

- Record third quarter revenue of $37.6 million
- Net Dollar Retention[(1)] ("NDR") of 128%, surpassing 125% for the ninth consecutive quarter
- Adjusted EBITDA[(1)] of $1.3 million and 5th consecutive quarter of positive Adjusted EBITDA
- 34th consecutive quarter of year-over-year top-line growth

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

Management Commentary

"Blackline has delivered another strong quarter, generating $37.6 million in revenue for Q3," said Cody Slater, CEO and Chair of Blackline Safety. "This marks our 34th consecutive quarter of year-over-year revenue growth, as organizations around the world continue to choose Blackline to protect their people and enhance productivity despite continued uncertainty in global economic conditions."

"Our Annual Recurring Revenue increased 29% year-over-year to a record $80.2 million. Over the past four years, our ARR has more than tripled. This continued expansion highlights the lasting value customers see in our connected safety solutions," Slater added.

NDR during the quarter was 128%, surpassing 125% for the ninth consecutive quarter. This outstanding performance underscores the value that customers place in Blackline solutions as they continue to expand their deployments.

Trailing 12-month gross margin climbed to 62%, marking the 13th consecutive quarter of margin expansion. The improvement reflects the ongoing adoption of Blackline's high-value services, scale efficiencies as the customer base grows, and enhanced pricing for connectivity and infrastructure.

(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.

Adjusted EBITDA in the quarter was $1.3 million, up 64% from the prior year comparative quarter. For the first nine months of fiscal 2025, Blackline reported Adjusted EBITDA of $3.9 million compared to a negative Adjusted EBITDA of ($4.5) million in the same period of fiscal 2024. This quarter marks the fifth consecutive quarter of positive Adjusted EBITDA for the Company, strengthening the foundation for long-term profitability.

The EXO 8 area monitor continues to gain strong market traction. This groundbreaking device remains the only portable, direct-to-cloud area monitor capable of detecting up to eight gases simultaneously along with gamma radiation detection. The EXO 8 has accelerated adoption across multiple industries, particularly in the Fire & Hazmat and Emergency Response sectors. Following the positive reception of the gamma-enabled model last quarter, Blackline will soon introduce the eight-gas configuration, positioning the Company to build on this momentum.

Financial Highlights

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

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

NM – Not meaningful

Fiscal Third Quarter 2025 and Recent Financial and Operational Highlights

Blackline reported total revenue of $37.6 million, a 12% year-over-year increase. This growth was driven by a 27% increase in service revenue to $23.2 million, reflecting robust demand for Blackline’s connected software services, which increased 28% to $20.4 million. Rentals also contributed to the year-over-year increase by growing 22% to $2.8 million. Third quarter product revenue declined 7% year-over-year as some customers have delayed purchase decisions as international trade environments continue to evolve. As previously disclosed, the long-term purchase agreement with ADNOC in the Middle East is expected to strengthen product revenue in ROW in future quarters.

From a regional performance perspective, Blackline's major markets in Canada, Europe and the US grew by 21%, 16% and 12% respectively. The 12% growth in the US is a significant improvement from the modest 1% year-over-year increase experienced last quarter. Revenue from the ROW region declined 17% in the third quarter compared to the same period of fiscal 2024 due to the impact of the global economic uncertainty and strong third quarter 2024 sales.

Gross margin reached a record of 64%, up from 59% in the prior year's quarter, driving gross profit for the third quarter, up 20% year-over-year to $23.9 million. Service gross margin reached a record 81%, reflecting the Company's high-margin recurring revenue and growing demand for its connected safety services. Product gross margin softened to 35%, compared to 38% in the prior year comparative period, primarily due to entering the third quarter with elevated finished goods inventory to manage ongoing trade uncertainty, leading to lower production and higher unabsorbed costs in the quarter.

Total expenses as a percentage of revenue were 67%, excluding foreign exchange, equal to the 67% in the third quarter of fiscal 2024, as Blackline continued to invest in its operational and sales growth initiatives. General and administrative expenses were 21% of revenue, compared to 22% in Q3 2024, driven by investments to support the Company's previously disclosed scalability initiatives. Sales and marketing expenses declined to 30% of revenue from 31% Q3 2024. Product research and development costs increased to 16% as a percentage of revenue from 15%. The increase in Product research and development costs are partially a result of investments in new product initiatives which will accelerate new product innovations in the coming months.

Adjusted EBITDA for the quarter was $1.3 million, a 64% improvement from $0.8 million in the prior year comparative quarter. This marks the fifth consecutive quarter of positive Adjusted EBITDA, demonstrating the increasing scalability and resilience of Blackline's business model. The adjustment to EBITDA this quarter includes $0.1 million of other non-recurring items. Net loss for the quarter was ($3.2) million, compared to ($2.5) million in the prior year comparative quarter.

Blackline's cash and short-term investments totaled $48.7 million at the end of the quarter, a 13% increase from year-end fiscal 2024. The Company had available capacity on its senior secured operating facility, including its accordion feature, of $19.9 million as of July 31, 2025, for total available liquidity of $68.6 million.

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

Conference Call

A conference call and live webcast have been scheduled for 11:00 am ET on Thursday, September 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/14152.

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 September 11, 2025 through October 11, 2025 by dialing 1-855-669-9658 (Canada/USA Toll Free) or 1-412-317-0088 (International Toll) and entering access code 8942118.

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 300 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

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

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

(2) Other non-recurring impact transactions in the current quarter includes settlement of litigation and severance costs relating to the departure of a senior management personnel.

NM – Not meaningful

Non-GAAP Ratios

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

Non-GAAP ratios presented and discussed in this 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, and that Blackline will soon introduce the eight-gas configuration to the EXO and that the long-term purchase agreement with ADNOC in the Middle East is expected to strengthen product revenue in ROW in future quarters, that Blackline remains confident in its ability to grow market share and foster partnerships with enterprise customers around the world. 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, labour 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.