



## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2026



## Notice

This Management's Discussion and Analysis ("MD&A") should be read together with Blackline Safety Corp.'s ("Blackline Safety", "Blackline", the "Corporation", the "Company", "we", or "our") unaudited condensed consolidated interim financial statements and accompanying notes, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), as set out in IAS 34 *Interim Financial Statements*, for the three-month period ended January 31, 2026. 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/](http://www.blacklinesafety.com/investors/) and can be obtained from documents filed on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at [www.sedarplus.ca](http://www.sedarplus.ca) under Blackline Safety Corp.

This MD&A is presented as of March 11, 2026, and approved by the Board of Directors as of that date. 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 ("SaaS") 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 States, United Kingdom, France, Australia and the Company recently announced further global expansion with new offices and subsidiaries in Germany and United Arab Emirates allowing Blackline to serve its customers around the world. Despite the presence of foreign subsidiaries, the Company's principal business activities, including key management and operations are primarily conducted from its principal office in Calgary.

Blackline's technology empowers businesses with real-time safety insights to manage emergency responses and evacuations, proactively manage gas detection compliance and increase operational efficiency. When seconds count, Blackline's connected technology enables a live monitoring team to deliver help directly to an employee in the shortest amount of time — to the worker's exact location.

Leveraging Blackline's ecosystem of connected safety devices and cloud software, businesses are empowered to increase operational performance through business analytics software and data science services known as Blackline Vision, adding value from the data generated by G6 and G7 safety wearables, EXO area monitors and software. Productivity gains are achieved through employee movement pattern analysis, heat-mapping environmental gas leaks, viewing resource utilization, automating safety compliance reporting, wireless configuration management, evacuation management and interactive reporting.

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

incidents from alert to resolution using cloud-hosted software that provides employee messaging tools, the option for two-way voice calling and quick access to emergency contact escalation.

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

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 at 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.

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 8 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 8 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'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.

In January 2026 Blackline announced the launch of the new G8, the next evolution of worksite safety and the most connected wearable that the Company has ever built. G8 combines advanced gas detection, lone worker protection, and radio-quality communication in one rugged device that connects workers to each other, to their safety teams, and to the broader digital worksite—with real-time data streamed to the cloud to keep safety and operations leaders informed. G8 builds on the proven foundation of Blackline's G7 line, while introducing capabilities that set a new standard for connected safety and productivity. Blackline is already taking orders for the G8 with units expected to start shipping in March 2026.

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 70,296 devices.

Blackline has developed and innovated a proprietary cloud-hosted safety monitoring infrastructure that runs on Amazon Web Services. Blackline has deployed tens of thousands of safety wearables and area monitors that connect to the Blackline Safety Cloud, continuously streaming status, environmental conditions, location, gas readings and alerts. This information enables Blackline's data-driven services including analytics, emergency response management, notifications to users and more. To date, the Blackline Safety Cloud has stored over 323 billion data points, over 4.5 billion locations and over 284 billion location-enabled gas readings.

Blackline's revenues are comprised of product and service revenues, which are the two operating segments of the Company. Product revenue is generated from sales of Blackline's connected safety monitoring hardware devices and accessories to a variety of industries, verticals and geographic locations. Blackline has a broad customer base both in terms of industry, vertical and geographic reach and this diversified customer base mitigates the impacts of fluctuations and dependence on any one specific market. For the three-months ended January 31, 2026, product revenue was \$13,957, accounting for 36% of total revenue (January 31, 2025: \$17,799, accounting for 47% of total revenue).

Service revenue relates to software and support services that are provided to customers who purchase the Company's connected safety devices. Service revenue also includes recurring revenues from existing customers who renew their services for their Blackline devices as well as rental of devices and data consulting services. For the three-months ended January 31, 2026, service revenue was \$24,891, accounting for 64% total revenue (January 31, 2025: \$19,876, accounting for 53% total revenue).

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 three-months ended January 31, 2026, Blackline's product cost of sales were \$8,838 (January 31, 2025: \$10,733) and service cost of sales were \$4,733 (January 31, 2025: \$4,523).

## Highlights

| (CAD thousands, except per share amounts)                           | Three-Months Ended<br>January 31, |         |          |
|---------------------------------------------------------------------|-----------------------------------|---------|----------|
|                                                                     | 2026                              | 2025    | % Change |
| Product revenue                                                     | 13,957                            | 17,799  | (22)     |
| Service revenue                                                     | 24,891                            | 19,876  | 25       |
| Total revenue                                                       | 38,848                            | 37,675  | 3        |
| Gross profit                                                        | 25,277                            | 22,419  | 13       |
| Gross margin percentage <sup>(1)</sup>                              | 65%                               | 60%     |          |
| Total expenses                                                      | 28,109                            | 22,458  | 25       |
| Total expenses as a percentage of revenue <sup>(1)</sup>            | 72%                               | 60%     |          |
| Net loss                                                            | (2,819)                           | (1,130) | 149      |
| Loss per common share - Basic and diluted                           | (0.03)                            | (0.01)  | 200      |
| EBITDA <sup>(1)</sup>                                               | (632)                             | 2,056   | NM       |
| EBITDA per common share <sup>(1)</sup> - Basic and diluted          | (0.01)                            | 0.03    | NM       |
| Adjusted EBITDA <sup>(1)</sup>                                      | 1,704                             | 1,517   | 12       |
| Adjusted EBITDA per common share <sup>(1)</sup> - Basic and diluted | 0.02                              | 0.02    | —        |

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

NM – Not meaningful

| (CAD thousands)                                      | January 31, 2026 | October 31, 2025 | % Change |
|------------------------------------------------------|------------------|------------------|----------|
| Cash and cash equivalents and short-term investments | 41,387           | 46,625           | (11)     |
| Working capital <sup>(1)</sup>                       | 66,489           | 71,730           | (7)      |
| Total assets                                         | 166,515          | 166,389          | —        |
| Non-current liabilities                              | 30,796           | 30,295           | 2        |
| Shareholders' equity                                 | 70,642           | 78,060           | (10)     |

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

## Key Performance Indicators

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

### Annual Recurring Revenue

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

| (CAD thousands)                         | As at January 31, |        |          |
|-----------------------------------------|-------------------|--------|----------|
|                                         | 2026              | 2025   | % Change |
| Annual Recurring Revenue <sup>(1)</sup> | 90,490            | 70,920 | 28       |

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

### Net Dollar Retention

Net Dollar Retention ("NDR") compares the aggregate service revenue contractually committed for a full period under all customer agreements of our total customer base as of the beginning of the trailing twelve-month period to the total service revenue of the same group at the end of the period. It includes the effect of our service revenue that expands, renews, is upsold or downsold or is cancelled, but excludes the total service revenue from new activations during the period. NDR reflects the net expansion of our existing contracts with our customers and is offset by the customers who declined to renew their service plans, which provides a fair measure of the strength of our recurring revenue streams and growth within our existing customer base.

|                                     | As at January 31, |      |                          |
|-------------------------------------|-------------------|------|--------------------------|
|                                     | 2026              | 2025 | Change                   |
| Net Dollar Retention <sup>(1)</sup> | 126%              | 128% | (200) bps <sup>(2)</sup> |

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

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

## Results of Operations

|                                                           | Three-Months Ended<br>January 31, |               |          |
|-----------------------------------------------------------|-----------------------------------|---------------|----------|
| (CAD thousands)                                           | 2026                              | 2025          | % Change |
| Product revenue                                           | 13,957                            | 17,799        | (22)     |
| Service revenue                                           | 24,891                            | 19,876        | 25       |
| <b>Total revenue</b>                                      | <b>38,848</b>                     | <b>37,675</b> | <b>3</b> |
| Product revenue as a percentage of revenue <sup>(1)</sup> | 36%                               | 47%           |          |
| Service revenue as a percentage of revenue <sup>(1)</sup> | 64%                               | 53%           |          |
| <b>Total</b>                                              | <b>100%</b>                       | <b>100%</b>   |          |

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

Total revenue for the three-month period ended January 31, 2026 was \$38,848 which is an increase of \$1,173 from \$37,675 in the prior year comparative period. The 3% increase was driven by strong growth in recurring service revenue on new device sales and customer upsell while being offset by a 22% decrease in product sales.

### Product Revenue

For the three-months ended January 31, 2026, product revenue was \$13,957 which represents a decrease of \$3,842 or 22% compared to \$17,799 in the prior year comparative quarter. There were two main factors that contributed to the year over year decline. Sales in the first quarter of 2025 were unseasonably strong due to geopolitical uncertainty and customers pulling forward purchases in anticipation of global tariffs, and with the Company's January 2026 announcement of the G8 product line caused a temporary shift in purchasing behavior as certain customers delayed purchases and renewals in anticipation of the new G8 devices. First shipments of the G8 are scheduled for March 2026.

### Service Revenue

|                                                                             | Three-Months Ended<br>January 31, |               |           |
|-----------------------------------------------------------------------------|-----------------------------------|---------------|-----------|
| (CAD thousands)                                                             | 2026                              | 2025          | % Change  |
| Software services revenue                                                   | 22,083                            | 18,159        | 22        |
| Rental revenue                                                              | 2,808                             | 1,717         | 64        |
| <b>Total service revenue</b>                                                | <b>24,891</b>                     | <b>19,876</b> | <b>25</b> |
| Software services revenue as a percentage of service revenue <sup>(1)</sup> | 89%                               | 91%           |           |
| Rental revenue as a percentage of service revenue <sup>(1)</sup>            | 11%                               | 9%            |           |
| <b>Total</b>                                                                | <b>100%</b>                       | <b>100%</b>   |           |

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

Total service revenue for the three-months ended January 31, 2026 increased \$5,015 or 25% to \$24,891 compared to \$19,876 in the prior year comparative period.

Software services revenue for the three-months ended January 31, 2026 was \$22,083, an increase of 22% from \$18,159 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 \$3,918 included newly activated device service revenues of \$379 in the first quarter as well as net service revenue increases within our existing customer base of \$3,821. This was partially offset by certain customers who reduced or declined to renew their service plans resulting in an impact of \$282 in the same period.

Rental revenue for the three-months ended January 31, 2026 increased 64% to \$2,808 from \$1,717 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.

**Revenue from customers by country/geographic area**

|                                                         | <b>Three-Months Ended<br/>January 31,</b> |               |                 |
|---------------------------------------------------------|-------------------------------------------|---------------|-----------------|
| (CAD thousands)                                         | <b>2026</b>                               | <b>2025</b>   | <b>% Change</b> |
| Canada                                                  | 7,050                                     | 6,824         | 3               |
| United States                                           | 17,762                                    | 19,337        | (8)             |
| Europe                                                  | 10,361                                    | 9,069         | 14              |
| Rest of World                                           | 3,675                                     | 2,445         | 50              |
| <b>Total revenue</b>                                    | <b>38,848</b>                             | <b>37,675</b> | <b>3</b>        |
| Canada as a percentage of revenue <sup>(1)</sup>        | 18%                                       | 19%           |                 |
| United States as a percentage of revenue <sup>(1)</sup> | 46%                                       | 51%           |                 |
| Europe as a percentage of revenue <sup>(1)</sup>        | 27%                                       | 24%           |                 |
| Rest of World as a percentage of revenue <sup>(1)</sup> | 9%                                        | 6%            |                 |
| <b>Total</b>                                            | <b>100%</b>                               | <b>100%</b>   |                 |

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

During the three-months ended January 31, 2026, our European market delivered strong sales growth of \$1,292 or 14%, followed by strong growth in the Rest of World market which increased by \$1,230 or 50% due to the expansion into the UAE market with the ADNOC deployment. Our Canada market increased \$226 or 3% consistent with a broader trend of upstream energy customers extending refresh cycles amid softer commodity price environment. The United States market decreased \$1,575 or 8% as the Company experienced an unseasonably strong first quarter of 2025 as it was impacted by economic uncertainty related to anticipation of tariffs leading to customers pulling forward purchases.

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. The recent outbreak of conflict in the Middle East and Iran could pose additional risks for the Company as it continues to grow its presence in the region through its new office in the UAE. The growth in revenue over the past three months across these markets is a result of the expansion of sales personnel covering these regions and the strategic targeting of customers in specific industries including energy, water treatment and utilities.

**Lease Revenue**

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

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

**Cost of Sales**

|                                                                         | <b>Three-Months Ended<br/>January 31,</b> |               |                 |
|-------------------------------------------------------------------------|-------------------------------------------|---------------|-----------------|
| (CAD thousands)                                                         | <b>2026</b>                               | <b>2025</b>   | <b>% Change</b> |
| Product                                                                 | 8,838                                     | 10,733        | (18)            |
| Service                                                                 | 4,733                                     | 4,523         | 5               |
| <b>Total cost of sales</b>                                              | <b>13,571</b>                             | <b>15,256</b> | <b>(11)</b>     |
| Product cost of sales as a percentage of segment revenue <sup>(1)</sup> | 63%                                       | 60%           |                 |
| Service cost of sales as a percentage of segment revenue <sup>(1)</sup> | 19%                                       | 23%           |                 |
| <b>Cost of sales as a percentage of revenue<sup>(1)</sup></b>           | <b>35%</b>                                | <b>40%</b>    |                 |

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

Cost of sales for the three-months ended January 31, 2026 totaled \$13,571 compared to \$15,256 in the prior year comparative period. The decrease in cost of sales is primarily due to a decrease in products sold in the period compared to the prior year comparative quarter. This is partially offset by a 5% increase in the service segment as a result of expanding the associated costs to support our growing customer base and a 22% increase in Service revenue.

#### Product Cost of Sales

Product cost of sales decreased by \$1,895 or 18% in the three-months ended January 31, 2026 compared to the prior year comparative quarter. The decrease in cost of sales is primarily due to the lower product unit sales as well as changes to the product mix, and navigating the transition of the initial setup of the G8. These decreases were partially offset by an increase in warranty expenses.

#### Service Cost of Sales

Service cost of sales increased slightly by \$210 or 5% in the three-months ended January 31, 2026 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 first quarter of 2026.

#### Gross Profit

| (CAD thousands)                                | Three-Months Ended<br>January 31, |               | % Change  |
|------------------------------------------------|-----------------------------------|---------------|-----------|
|                                                | 2026                              | 2025          |           |
| Product                                        | 5,119                             | 7,066         | (28)      |
| Service                                        | 20,158                            | 15,353        | 31        |
| <b>Gross profit</b>                            | <b>25,277</b>                     | <b>22,419</b> | <b>13</b> |
| Product gross margin percentage <sup>(1)</sup> | 37%                               | 40%           |           |
| Service gross margin percentage <sup>(1)</sup> | 81%                               | 77%           |           |
| <b>Gross margin percentage<sup>(1)</sup></b>   | <b>65%</b>                        | <b>60%</b>    |           |

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

Total gross profit for the three-months ended January 31, 2026 was \$25,277 compared to \$22,419 in the prior year comparative quarter. This represented a total gross margin percentage of 65% which increased from 60% 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 January 31, 2026 decreased to 37% from 40% in the prior year comparative quarter. This is a result of changes in the product sales mix from the prior year comparative quarter and initial manufacturing setup for the G8 devices.

Service gross margin percentage for the three-months ended January 31, 2026, increased to 81% 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.

## Expenses

|                                                                                  | Three-Months Ended<br>January 31, |               |             |
|----------------------------------------------------------------------------------|-----------------------------------|---------------|-------------|
| (CAD thousands)                                                                  | 2026                              | 2025          | %<br>Change |
| General and administrative expenses                                              | 8,717                             | 7,208         | 21          |
| Sales and marketing expenses                                                     | 11,959                            | 11,512        | 4           |
| Product research and development costs                                           | 5,911                             | 4,932         | 20          |
| Foreign exchange loss (gain)                                                     | 1,522                             | (1,194)       | NM          |
| <b>Total expenses</b>                                                            | <b>28,109</b>                     | <b>22,458</b> | <b>25</b>   |
| General and administrative expenses as a percentage of revenue <sup>(1)</sup>    | 22%                               | 19%           |             |
| Sales and marketing expenses as a percentage of revenue <sup>(1)</sup>           | 31%                               | 31%           |             |
| Product research and development costs as a percentage of revenue <sup>(1)</sup> | 15%                               | 13%           |             |
| <b>Total expenses as a percentage of revenue<sup>(1)</sup></b>                   | <b>72%</b>                        | <b>60%</b>    |             |

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

Total expenses for the three-months ended January 31, 2026 were \$28,109 compared to \$22,458 in the prior year comparative quarter, an increase of 25% or \$5,651. The increase in total expenses was due to increases in general and administrative expenses, product research and development costs, sales and marketing expenses and a foreign exchange loss. Total expenses as a percentage of revenue for the three-months ended January 31, 2026 increased to 72% compared to 60% in the prior year comparative quarter. Excluding the impact of foreign exchange, total expenses as a percentage of revenue were 68% during the three-months ended January 31, 2026 compared to 63% 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 \$1,509 or 21% in the three-months ended January 31, 2026 to \$8,717 from \$7,208 in the prior year comparative quarter. There were higher salaries and related benefits expenses, staffing costs, subscriptions and license fees, and consulting fees incurred in the quarter. These increases mostly correlate to the expansion of administrative functions to support the scaling of the business. General and administrative expenses as a percentage of total revenue increased to 22% from 19% for the first quarter compared to the prior year's comparative quarter.

### Sales and marketing expenses

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

Sales and marketing expenses for the three-months ended January 31, 2026 increased \$447 or 4% to \$11,959 from \$11,512 compared to the prior year comparative quarter. This was mainly driven by higher salaries, related benefits expenses, and recruiting costs to support our sales teams and to meet demand for our connected safety solutions as well as marketing costs associated with the launch of the new G8. These increases were largely offset by decreases in sales commissions due to lower product revenue in the quarter. Sales and marketing expenses as a percentage of total revenue remained flat at 31% for the first quarter of fiscal 2026 compared to 31% in the prior year's comparative quarter.

### Product research and development costs

Product research and development costs reflect Blackline's ongoing efforts to expand its product line, including the launch of the new G8, 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 \$5,911 in the first quarter of fiscal 2026 compared to \$4,932 in the prior year's comparative quarter. The increase of \$979 or 20% was largely attributed to an increase in salaries and related benefits costs as a result of increased headcount. There were also increased product development materials fees from the newly announced G8 as well as costs incurred from product and service development initiatives. The first quarter product research and development costs as a percentage of total revenue increased to 15% from 13% in the prior year comparative quarter.

## Foreign exchange gain or loss

Total net realized and unrealized foreign exchange loss was \$1,522 and for the three-months ended January 31, 2026, respectively compared to a gain of \$1,194 in the prior year comparative periods. The foreign exchange losses relate predominately to the impact of changes in the exchange rates of foreign operations and the revaluation of outstanding amounts in foreign currencies. During the three-month period ended January 31, 2026, geopolitical uncertainty and shifts in trade policies contributed to heightened U.S. dollar volatility.

| Currency | Date             | End of Quarter | 3-Month Average |
|----------|------------------|----------------|-----------------|
| USD/CAD  | January 31, 2026 | 1.36           | 1.39            |
|          | January 31, 2025 | 1.45           | 1.42            |
| EUR/CAD  | January 31, 2026 | 1.61           | 1.62            |
|          | January 31, 2025 | 1.50           | 1.49            |
| GBP/CAD  | January 31, 2026 | 1.86           | 1.85            |
|          | January 31, 2025 | 1.80           | 1.80            |

## Finance income (expense), net

Finance income, net was \$374 for the three-months ended January 31, 2026, compared to finance expense, net of \$109 in the prior year comparative period. Finance income was higher for the three-months ended January 31, 2026, 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 the three-month period.

## Net loss, EBITDA and Adjusted EBITDA

Net loss increased to \$2,819 for the three-months ended January 31, 2026, compared to a net loss of \$1,130 in the prior year comparative quarter. The increase in net loss in the three-month period was mainly due to higher total expenses compared to the prior year caused by a foreign exchange loss in the quarter compared to a gain in the prior year comparative quarter. The increase was partially offset by higher total revenue and higher total gross profits.

EBITDA for the three-months ended January 31, 2026 was \$(632) compared to \$2,056 in the prior year comparative period. The decrease in EBITDA during the three-months ended January 31, 2026 was mainly due to the decrease in product revenue and increase in total expenses including foreign exchange loss.

Adjusted EBITDA was \$1,704 for the three-months ended January 31, 2026, compared to \$1,517 for the prior year comparative period. The increase in Adjusted EBITDA was due to a foreign exchange loss in the current quarter compared to a foreign exchange gain in the prior year's comparative quarter.

## Key Assets and Liabilities

| (CAD thousands)   | January 31,<br>2026 | October 31,<br>2025 | % Change |
|-------------------|---------------------|---------------------|----------|
| Total assets      | 166,515             | 166,389             | —        |
| Total liabilities | 95,873              | 88,329              | 9        |

Total assets as at January 31, 2026 were \$166,515 compared to \$166,389 as at October 31, 2025. The increase in total assets is primarily due to the increases in cash and cash equivalents; trade and other receivables and inventory mostly offset by decreases in short-term investments and prepaid expenses and advances.

Total liabilities as at January 31, 2026 were \$95,873 compared to \$88,329 as at October 31, 2025. The increase in total liabilities is primarily due to the increases in deferred revenue and warranty provision. This was partially offset by decreases in contract liabilities and lease liabilities.

#### Trade and other receivables

| (CAD thousands)                 | January 31,<br>2026 | October 31,<br>2025 | % Change |
|---------------------------------|---------------------|---------------------|----------|
| Trade accounts receivable       | 52,210              | 44,806              | 17       |
| Other receivables – current     | 9,800               | 10,260              | (4)      |
| Other receivables – non-current | 12,513              | 13,713              | (9)      |
| Loss allowance                  | (1,126)             | (1,522)             | (26)     |
| Total                           | 73,397              | 67,257              | 9        |

Trade and other receivables as at January 31, 2026 totaled \$73,397, compared to \$67,257 as at October 31, 2025, an increase of \$6,140 or 9%. The growth is mainly due to an increase in trade accounts receivable of \$7,404 from invoices sent to customers in advance which are recorded in deferred revenue and a decrease in loss allowance of \$396 in the quarter compared to the prior year comparable quarter. This is slightly offset by decreases in current and non-current other receivables of \$1,660 from finance leases entered into in the period.

#### Inventory

| (CAD thousands) | January 31,<br>2026 | October 31,<br>2025 | % Change |
|-----------------|---------------------|---------------------|----------|
| Parts           | 14,417              | 12,455              | 16       |
| Finished goods  | 8,067               | 9,171               | (12)     |
| Total           | 22,484              | 21,626              | 4        |

Inventory totaled \$22,484 as at January 31, 2026 compared to \$21,626 as at October 31, 2025. Overall, the increase in inventory reflects a buildup of parts to support the commencement of production of the newly announced G8, to better manage the supply chain, as well as lower product sales in the quarter.

#### Contract assets and contract liabilities

| (CAD thousands)             | January 31,<br>2026 | October 31,<br>2025 | % Change |
|-----------------------------|---------------------|---------------------|----------|
| <b>Contract assets</b>      |                     |                     |          |
| Current                     | 1,894               | 1,763               | 7        |
| Non-current                 | 716                 | 810                 | (12)     |
| Total                       | 2,610               | 2,573               | 1        |
| <b>Contract liabilities</b> |                     |                     |          |
| Current                     | 1,686               | 1,923               | (12)     |
| Non-current                 | 680                 | 753                 | (10)     |
| Total                       | 2,366               | 2,676               | (12)     |

Total contract assets, consisting of current and non-current costs related to the fulfillment of lease contracts, were \$2,610 as at January 31, 2026 compared to \$2,573 at October 31, 2025. The slight increase is largely due to the lease contracts sold through channel distributors in the period and the timing of recognition for distributor commissions 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 \$2,366 compared to \$2,676 at the prior year end. The decrease is due to distributor payments in the period.

**Property and equipment**

| (CAD thousands)        | January 31,<br>2026 | October 31,<br>2025 | % Change |
|------------------------|---------------------|---------------------|----------|
| Property and equipment | 12,938              | 13,283              | (3)      |

Property and equipment decreased by 3% or \$345 at January 31, 2026 to \$12,938 from \$13,283 at October 31, 2025. There were additions of \$635 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 \$266 for cartridges. The additions were offset by depreciation of \$1,757 for the three-months ended January 31, 2026.

**Accounts payable and other accrued liabilities**

| (CAD thousands)           | January 31,<br>2026 | October 31,<br>2025 | % Change |
|---------------------------|---------------------|---------------------|----------|
| Trade accounts payable    | 8,548               | 9,351               | (9)      |
| Other accrued liabilities | 14,979              | 14,291              | 5        |
| Total                     | 23,527              | 23,642              | —        |

Accounts payable and other accrued liabilities decreased slightly at January 31, 2026 to \$23,527 from \$23,642 at October 31, 2025 due to the timing of payments of the Company's expenditures at the end of each fiscal period. Other accrued liabilities includes the provision for corporate taxes payable in the United States.

**Deferred Revenue**

| (CAD thousands) | January 31,<br>2026 | October 31,<br>2025 | % Change |
|-----------------|---------------------|---------------------|----------|
| Current         | 36,291              | 28,679              | 27       |
| Non-current     | 16,314              | 15,995              | 2        |
| Total           | 52,605              | 44,674              | 18       |

The Company's deferred revenue increased by 18% or \$7,931 as at January 31, 2026 to \$52,605 due to invoices sent to customers for service contracts to be recognized in future periods, partially offset by service revenue recognized in the period.

**Bank indebtedness**

| (CAD thousands) | January 31,<br>2026 | October 31,<br>2025 | % Change |
|-----------------|---------------------|---------------------|----------|
| Non-current     | 10,066              | 10,204              | (1)      |

The Company has a senior secured operating facility (refer to the liquidity & capital resources section of the MD&A). As at January 31, 2026, bank indebtedness decreased to \$10,066 from \$10,204 in October 31, 2025 as the Company had a net repayment on the facility of \$138 during the three-months ended January 31, 2026.

## 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 January 31, 2026. Where applicable, these have been prepared in accordance with IFRS Accounting Standards, with the non-GAAP and supplementary financial measures captioned below and are presented in Canadian dollars, which is the presentation and functional currency of the Company.

| (CAD thousands, except per share amounts)                 | 2026    |        | 2025    |         |         |        | 2024    |         |
|-----------------------------------------------------------|---------|--------|---------|---------|---------|--------|---------|---------|
|                                                           | Q1      | Q4     | Q3      | Q2      | Q1      | Q4     | Q3      | Q2      |
| Total revenue                                             | 38,848  | 39,265 | 37,592  | 35,940  | 37,675  | 35,695 | 33,686  | 31,580  |
| Gross margin percentage <sup>(1)</sup>                    | 65%     | 67%    | 64%     | 63%     | 60%     | 61%    | 59%     | 57%     |
| Net loss                                                  | (2,819) | (620)  | (3,214) | (3,704) | (1,130) | (68)   | (2,469) | (4,267) |
| Net loss per common share <sup>(1)</sup>                  | (0.03)  | (0.01) | (0.04)  | (0.04)  | (0.01)  | 0.00   | (0.03)  | (0.06)  |
| EBITDA <sup>(1)</sup>                                     | (632)   | 1,390  | (948)   | (301)   | 2,056   | 2,477  | 53      | (1,872) |
| EBITDA per common share <sup>(1)</sup>                    | (0.01)  | 0.02   | (0.01)  | 0.00    | 0.03    | 0.03   | 0.00    | (0.03)  |
| Adjusted EBITDA <sup>(1)</sup>                            | 1,704   | 2,206  | 1,327   | 1,040   | 1,517   | 2,033  | 810     | (2,043) |
| Adjusted EBITDA per common share <sup>(1)</sup> - Basic   | 0.02    | 0.03   | 0.02    | 0.01    | 0.02    | 0.02   | 0.01    | (0.03)  |
| Adjusted EBITDA per common share <sup>(1)</sup> - Diluted | 0.02    | 0.02   | 0.02    | 0.01    | 0.02    | 0.02   | 0.01    | (0.03)  |

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

### Fiscal Year 2026

The decrease in revenue in the first quarter of 2026 compared to the prior quarter is a result of a decrease in rental revenue, partially offset by an increase in service revenues. Additionally, overall gross margin percentage decreased compared to the prior quarter resulting in an increase in net loss. The increase in net loss and decrease in EBITDA and Adjusted EBITDA is due to slightly lower rental revenue, an increase in general and administrative expenses, and higher unrealized gains and losses from foreign exchange and slightly offset by a decrease in sales and marketing, as well as product development costs. Expenses as a percentage of revenue excluding foreign exchange remained flat in the first quarter of fiscal 2026 at 68%, the same as in the fourth quarter of fiscal 2025.

### 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 an 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 an 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 were 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.

## 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 cash flows from operations, funds from equity financing and its senior secured operating facility with a Canadian financial institution.

Total cash and cash equivalents were \$41,387 as at January 31, 2026. Cash and cash equivalents increased \$8,762 compared to October 31, 2025.

| (CAD thousands)                                                   | Three-Months Ended<br>January 31, |                |           |
|-------------------------------------------------------------------|-----------------------------------|----------------|-----------|
|                                                                   | 2026                              | 2025           | % Change  |
| Cash provided by (used in) operating activities                   | 1,498                             | (3,521)        | NM        |
| Cash (used in) provided by financing activities                   | (554)                             | 25,000         | NM        |
| Cash provided by (used in) investing activities                   | 12,656                            | (24,742)       | NM        |
| Effects of foreign exchange changes                               | (4,838)                           | 1,030          | NM        |
| <b>Total net increase (decrease) in cash and cash equivalents</b> | <b>8,762</b>                      | <b>(2,233)</b> | <b>NM</b> |

NM – Not meaningful

Operating activities during the three-months ended January 31, 2026, provided \$1,498 of cash (January 31, 2025: used \$3,521). The cash provided was primarily a result of an increase in net changes in non-cash working capital of \$1,578 for the three-months ended January 31, 2026 (January 31, 2025: \$(4,764)).

The net increase to changes in non-cash working capital for the three-months ended January 31, 2026, compared to the prior year quarter were primarily due to changes in current and non-current deferred revenue of \$7,872 and prepaid expenses and advances of \$1,296 (January 31, 2025: \$4,278 and \$645, respectively). This is offset mainly by current and non-current trade and other receivables of \$(6,382) and inventory of \$(845) to better manage the supply chain (January 31, 2025: \$(9,919) and \$48, respectively).

Financing activities for the three-months ended January 31, 2026, used \$554 of cash (January 31, 2025: provided \$25,000 of cash). This is primarily due to the repayments of bank indebtedness of \$469 and repayment of lease liabilities of \$288 (January 31, 2025: repayments of \$630 and \$143, respectively). This is slightly offset by proceeds from option exercises of \$203 (January 31, 2025: share issuances and option exercises of \$26,993).

Investing activities for the three-months ended January 31, 2026, provided \$12,656 of cash (January 31, 2025: used \$24,742). There were net redemptions of matured short-term investments of \$14,000 in the quarter compared to a net purchase of \$(23,500) in the prior year comparable quarter. This was partially offset by purchases of property and equipment of \$2,229 (January 31, 2025: \$1,522), which comprised primarily of additions of \$635 for rental equipment and \$266 for cartridges (January 31, 2025: \$152 and \$750, respectively).

There were no short-term investments held at January 31, 2026 compared to \$14,000 as at October 31, 2025.

| (CAD thousands)                      | January 31,<br>2026 | October 31,<br>2025 | % Change   |
|--------------------------------------|---------------------|---------------------|------------|
| Current assets                       | 131,566             | 129,764             | 1          |
| Current liabilities                  | (65,077)            | (58,034)            | 12         |
| <b>Working capital<sup>(1)</sup></b> | <b>66,489</b>       | <b>71,730</b>       | <b>(7)</b> |

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

Working capital at January 31, 2026 was \$66,489 compared to \$71,730 at the prior year end, a decrease of \$5,241. The decrease was mainly due to lower short-term investments, higher deferred revenue, and lower prepaid expenses and advances. This was slightly offset by higher cash and cash equivalents, and higher trade and other receivables.

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 (COBRA) 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 \$14,934 as at January 31, 2026 (October 31, 2025: \$14,796).

The operating facility includes financial covenants, principally a quarterly liquidity to cash burn ratio, as defined in the agreement with the lender, of not less than 6.0 to 1.0. The Company was in compliance with all covenants as at January 31, 2026.

## 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 January 31, 2026 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 and the Company's operating facility.

## Contractual Obligations

|                           | Less than 1 year | 1-3 years | Thereafter | Total  |
|---------------------------|------------------|-----------|------------|--------|
| (CAD thousands)           |                  |           |            |        |
| Finance lease obligations | 992              | 1,197     | 268        | 2,457  |
| Purchase commitments      | 8,607            | 12,369    | —          | 20,976 |
| Total                     | 9,599            | 13,566    | 268        | 23,433 |

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.

## 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 Company's critical accounting judgments and estimates can be found in the notes to the annual consolidated financial statements and MD&A for the year ended October 31, 2025. There were no changes to or additional use of critical accounting judgments and estimates for the period ended January 31, 2026.

## Changes in Accounting Policies Including Initial Adoption

### New Accounting Policies Adopted by the Company

For the period ended January 31, 2026, the Company adopted the below amendments:

- The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21)

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

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

Certain new accounting standards and interpretations have been published that are not mandatory for the January 31, 2026 reporting period and have not been early adopted by the Company. Refer to Note 2 (b) in the condensed consolidated interim financial statements for further details.

The adoption of IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures, overall impacts are still being assessed by the Company.

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**

Our Chief Executive Officer ("CEO") and Interim Chief Financial Officer ("CFO") have, as at January 31, 2026, designed or have caused to be designed under their supervision, disclosure controls and procedures and internal control procedures over financial reporting as defined under National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings. The objective of this instrument is to improve the quality, reliability and transparency of information that is filed or submitted under securities legislation. The CEO and CFO designed our disclosure controls and procedures and internal control procedures over financial reporting to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes.

There were no changes in our internal control over financial reporting during the period beginning on November 1, 2025, and ended January 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. The Company's disclosure and internal controls and procedures can only provide reasonable assurance that the objectives of the control system will be met.

## **Financial Instruments**

Blackline held the following financial instruments as at January 31, 2026 fiscal period end:

### **Financial Assets**

The financial assets held by the Company consisted of cash and cash equivalents, and trade and other receivables. These financial assets are initially measured at fair value and subsequently measured at amortized cost. The carrying amounts of these financial assets are not considered to be significantly different to their fair values due to the instruments' short-term nature.

### **Financial Liabilities**

The financial liabilities held by the Company consisted of accounts payable and other accrued liabilities, bank indebtedness, contract liabilities and lease liabilities. These financial liabilities are initially measured at fair value and subsequently measured at amortized cost. The carrying amounts of these financial liabilities are not considered to be significantly different to their fair values due to the instruments' short-term nature.

The Company's risk exposure associated with these financial instruments and the strategies used to manage these risks are disclosed in Note 3 (b) of the January 31, 2026 condensed consolidated interim financial statements of the Company. The amounts, timing and certainty of future cash flows associated with those financial instruments are also disclosed in this note. Blackline does not have any financial assets or liabilities that are measured subsequently at fair value, either through other comprehensive income or through profit or loss, or derivative financial instruments used for hedging.

## Outstanding Share Data

Blackline had 87,022,705 common voting shares issued and outstanding as at March 11, 2026. The following share options were outstanding on that date:

| Share Option Exercise Price | Share Options Outstanding |
|-----------------------------|---------------------------|
| \$1.75                      | 758,333                   |
| \$2.75                      | 420,000                   |
| \$3.04                      | 40,000                    |
| \$3.35                      | 451,696                   |
| \$3.47                      | 75,000                    |
| \$4.64                      | 1,208,449                 |
| \$5.26                      | 317,583                   |
| \$5.57                      | 100,000                   |
| \$6.05                      | 77,500                    |
| \$6.55                      | 50,000                    |
| \$6.94                      | 1,013,039                 |
| \$7.15                      | 2,000                     |
| \$8.00                      | 490,000                   |
| \$8.50                      | 203,000                   |
| \$8.93                      | 75,000                    |
| <b>Total</b>                | <b>5,281,600</b>          |

## Risk Factors and Uncertainties

A discussion of material risk factors that may affect Blackline's business, operations and financial condition or future performance can be found under the section entitled "Risk Factors" in the Company's most recent Annual Information Form filed on SEDAR+ under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca), which section is incorporated by reference herein. As at January 31, 2026, except as set forth below, there are no changes to the material risks that may affect Blackline's business, operations and financial condition or future performance other than those described in the Company's Annual Information Form.

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

## Outlook

Blackline has a comprehensive portfolio of connected safety wearables and area monitors 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 can reduce the severity of outcomes to affected people by providing visibility and direct help to workers who are isolated or in hazardous environments.

The Company's previous investments in its manufacturing, sales and marketing capabilities allowed Blackline to grow its revenue 3% compared to the prior year's comparative quarter. We achieved strong revenue growth during the last two quarters of 2025 and positive Adjusted EBITDA throughout the entire fiscal year. We have achieved Net Dollar Retention of 126% which along with new activations has pushed the Company's Annual Recurring Revenue to \$90,490. We will continue to drive strong growth in our high margin service revenue as we continue to play our role in the transformation of the industrial workplace into a connected one.

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

We believe we are well-positioned to grow our market share and addressable market with our comprehensive suite of connected safety products and services. With the launch of the new G8 in the first quarter of 2026, Blackline is now able to fully meet the portable 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<br>January 31, |         |          |
|--------------------------------------------------------|-----------------------------------|---------|----------|
|                                                        | 2026                              | 2025    | % Change |
| <b>Net loss</b>                                        | (2,819)                           | (1,130) | 149      |
| Depreciation and amortization                          | 2,200                             | 2,095   | 5        |
| Finance (income) expense, net                          | (374)                             | 109     | NM       |
| Income taxes                                           | 361                               | 982     | (63)     |
| <b>EBITDA</b>                                          | (632)                             | 2,056   | NM       |
| Stock-based compensation expense <sup>(1)</sup>        | 614                               | 455     | 35       |
| Foreign exchange loss (gain)                           | 1,522                             | (1,194) | NM       |
| Other non-recurring impact transactions <sup>(2)</sup> | 200                               | 200     | —        |
| <b>Adjusted EBITDA</b>                                 | 1,704                             | 1,517   | 12       |

(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 in the condensed consolidated statements of loss and comprehensive loss.

(2) Other non-recurring impact transactions in the current quarter include one-off costs incurred in the period related to one-time advisory fees. Other non-recurring impact transactions in the previous period includes severance costs relating to the departure of a senior management personnel.

NM – Not meaningful

#### Non-GAAP Ratios

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

Non-GAAP ratios presented and discussed in this MD&A are as follows:

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

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

#### Supplementary Financial Measures

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

Supplementary financial measures presented and discussed in this MD&A are as follows:

- **“Gross margin percentage”** represents gross profit as a percentage of revenue
- **“Working capital”** represents current assets minus current liabilities
- **“Annual Recurring Revenue”** represents total annualized value of recurring service amounts of all service contracts
- **“Net Dollar Retention”** represents the aggregate service revenue contractually committed
- **“Product revenue as a percentage of revenue”** represents product revenue as a percentage of total revenue
- **“Service revenue as a percentage of revenue”** represents service revenue as a percentage of total revenue
- **“Software services revenue as a percentage of service revenue”** represents software services revenue as a percentage of service revenue
- **“Rental revenue as a percentage of service revenue”** represents rental revenue as a percentage of service revenue

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

## Forward Looking Statements

Certain statements included in this MD&A constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “might”, “plan”, “potential”, “predict”, “project”, “seek”, “should”, “targeting”, “will” and other similar expressions. 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 exposure to heightened risks as a result of economic, geopolitical, or other events including from the recent outbreak of conflict in the Middle East and Iran and changes to tariffs on foreign product; the belief Blackline's customers will continue to select Blackline over other technologies; Blackline's intention to drive strong growth in its high margin service revenue and play a role in the transformation of the industrial workplace to a connected one; 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; the Company's intention with the announcement of the new G8 in the first quarter of 2026, to now fully meet the portable gas detection and compliance requirements of thousands of new customers globally; 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; Blackline's new office in the UAE could face additional risks as a result of the recent conflict in the Middle East and Iran; Blackline may face additional risks associated with trade policies and international tariffs on foreign products; the expectation that Blackline's customers will continue to select Blackline over other technologies; 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; the belief that Blackline is well-positioned to grow its market share with its comprehensive suite of connected safety products and services; the belief that with the announcement of the new G8 in the first quarter of 2026, it's now able to fully meet the portable gas detection and compliance requirements of thousands of new customers globally; and Blackline's belief it will expand with leading brands around the world. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from

those anticipated in such forward-looking statements. Although the forward-looking statements contained in the MD&A are based upon what the Corporation believes to be reasonable assumptions, no assurance can be given that these expectations will prove to be accurate and such forward-looking statements included in this MD&A should not be unduly relied upon by investors. These forward-looking statements are made as of the date of this MD&A. The Corporation does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

Factors which could cause future outcomes to differ materially from those set forth in the forward-looking statements include, but are not limited to: (i) the ability to obtain sufficient and suitable financing to support operations, development and commercialization of products, (ii) the ability to execute partnerships and corporate alliances, (iii) uncertainties relating to the regulatory approval process, (iv) the ability to develop plant lines and manufacturing processes that result in competitive advantage and commercial viability, (v) the ability to develop enhanced products and software in a cost-effective and timely manner, (vi) the impact of competitive products and pricing and the ability to successfully compete in the targeted markets, (vii) the ability to attract and retain key personnel and key collaborators, (viii) the ability to adequately protect proprietary information and technology from competitors, (ix) market and general economic conditions (x) the effects and impacts on tariffs and other trade disputes and disruptions on the Company's (and its customers) operations and (xi) the impact if a significant disruption to its information technology were to occur. See also risks identified in our Annual Information Form and our Annual MD&A as at October 31, 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.

**blacklinesafety**

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