

# blacklinesafety

## LETTER TO SHAREHOLDERS

### Dear Shareholders:

The Board of Directors (the "**Board**") of Blackline Safety Corp. (the "**Company**" or "**Blackline**") is pleased to invite you to participate in a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Blackline Shares**") of Blackline to be held in person at the offices of Burnet, Duckworth & Palmer LLP located at 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1 on June 15, 2026 at 9:00 a.m. (Calgary time).

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") approving a statutory plan of arrangement (the "**Arrangement**") under Section 193 of the *Business Corporations Act* (Alberta) involving, among others, Blackline, Apollo Purchaser, Inc. (the "**Purchaser**"), a newly formed corporation controlled by Francisco Partners Management, L.P. ("**Francisco Partners**"), and the Shareholders. Pursuant to the Arrangement, the Purchaser will acquire:

- (i) all of the issued and outstanding Blackline Shares, other than the Rollover Shares (as defined below), for \$9.00 in cash per Blackline Share (the "**Cash Consideration**") plus one (1) contingent value right (each a "**CVR**") per Blackline Share (the "**CVR Consideration**" and together with the Cash Consideration, the "**Consideration**") that will entitle the holder thereof to a potential cash payment of up to \$0.50 per CVR if the Company achieves a certain annualized recurring revenue ("**ARR**") target in fiscal 2027; and
- (ii) the Blackline Shares held or controlled by DAK Capital Inc. ("**DAK**"), Praesidio 11 Limited (the "**Lowy Family Group**") and Brad Gilewich (and certain of his affiliates), together with certain Blackline Shares held by Cody Slater (Chairman and Chief Executive Officer of the Company) (collectively, the "**Rollover Shareholders**" and such applicable Blackline Shares, the "**Rollover Shares**"), in exchange for securities of the Purchaser or an affiliate thereof.

The Arrangement, the arrangement agreement dated April 7, 2026 between the Company and the Purchaser (the "**Arrangement Agreement**") and the terms and conditions of the CVRs are more particularly described in the accompanying management information circular (the "**Circular**").

The Arrangement Agreement is the result of arm's length negotiations conducted among representatives of Francisco Partners, a special committee (the "**Special Committee**") of the Board and the Company, with the assistance of their respective legal and financial advisors. The Special Committee is comprised entirely of independent directors and does not include any Rollover Shareholders or representatives or affiliates thereof.

The Board, after receiving the unanimous recommendation of the Special Committee, unanimously (with all interested directors abstaining): (i) determined that the Arrangement is in the best interests of the Company and is fair and reasonable to the Shareholders (other than the Rollover Shareholders in respect of their Rollover Shares); and (ii) approved the Arrangement Agreement and the transactions contemplated thereby. **Accordingly, the Board (with all interested directors abstaining) unanimously recommends that Shareholders vote FOR the Arrangement Resolution at the Meeting.**

In making its recommendation to the Board the Special Committee considered a number of benefits to the Arrangement including, but not limited to, the following:

- **Meaningful Premium to the Market:** Under the Arrangement Agreement, Shareholders (other than the Rollover Shareholders in respect of their Rollover Shares) will receive Cash Consideration of \$9.00 per Blackline Share (on closing of the Arrangement) and total Consideration of \$9.50 per Blackline Share (assuming the maximum cash payment of the CVR) representing a:
  - 27% and 34% premium, respectively, to the closing price of the Blackline Shares on the Toronto Stock Exchange ("**TSX**") on April 7, 2026, the last trading date prior to announcement of the Arrangement; and

- 28% and 35% premium, respectively, to the 20-day volume weighted average price per Blackline Share on the TSX as of the end of trading on April 7, 2026, the last trading date prior to announcement of the Arrangement.
- **Certainty of Value & Immediate Liquidity:** The Cash Consideration to be paid on closing of the Arrangement represents approximately 95% of the Consideration (assuming the maximum cash payment of the CVR) and provides Shareholders (other than the Rollover Shareholders in respect of their Rollover Shares) with certainty of value and immediate liquidity, which enables them to realize significant value for their interest in the Company.
- **Performance-Based Upside:** The CVR offers Shareholders the opportunity to realize additional value through a potential cash payment of up to \$0.50 per CVR tied to ARR for fiscal 2027.
- **Support from Directors, Officers and Largest Shareholders:** The Rollover Shareholders, including several of the Company's largest Shareholders (collectively holding approximately 32% of the Blackline Shares), and other directors and senior officers holding approximately 2% of the Blackline Shares (collectively holding approximately 34% of the Blackline Shares), have entered into voting and support agreements in favour of the Arrangement. In respect of the voting and support agreements entered into by each of DAK, the Lowy Family Group and Brad Gilewich and his affiliates, representing approximately 30% of the Blackline Shares, such voting and support agreements are considered "hard lock-up" agreements, and are irrevocable, subject to limited exceptions.
- **Additional Support from Certain Rollover Shareholders:** The amount of the Cash Consideration of \$9.00 per Blackline Share, was, in part, made possible by the economic concessions made by certain Rollover Shareholders. DAK, the Lowy Family Group and Brad Gilewich and his affiliates agreed to roll over their respective Blackline Shares (representing an aggregate of 26,094,108 Blackline Shares) at an implied value of approximately \$7.445 per Blackline Share. As a result, the non-Rollover Shareholders are able to receive approximately 21% greater value in the Cash Consideration relative to the consideration to be received by these Rollover Shareholders. The Rollover Shareholders, other than Cody Slater, also agreed to forego any entitlement to CVRs receivable pursuant to the Arrangement (representing up to \$13,047,054 of potential additional future consideration foregone). Additionally, in order to provide incremental financing to the Arrangement to bridge the consideration shortfall for the cash the Purchaser was willing to pay pursuant to the Arrangement, these Rollover Shareholders have agreed to contribute an aggregate of \$45 million to help fund a portion of the Cash Consideration payable at closing. In doing so, these Rollover Shareholders have foregone upfront value and entitlements that they would have otherwise received had their Blackline Shares been valued at the same price as the non-Rollover Shareholders pursuant to the Arrangement, have agreed to contribute funds to satisfy a portion of the Cash Consideration and have thereby assisted in maximizing the value delivered to non-Rollover Shareholders at closing of the Arrangement relative to what would otherwise have been available absent such arrangements (based on the maximum price and value the Purchaser was willing to provide in the Arrangement).
- **Sale Process:** The Company, as part of the strategic review, with the assistance of its financial advisor, Canaccord Genuity Corp. ("**Canaccord Genuity**") and under the supervision of the Special Committee, conducted a robust sale process, beginning in January 2026, contacting 17 strategic and financial counterparties, which resulted in the Arrangement and which did not identify any alternative proposals offering superior value, terms, or certainty of completion.
- **Other Available Alternatives:** The Special Committee and the Board believe the Arrangement is an attractive proposition for the Shareholders relative to the status quo and other alternatives reasonably available to the Company, taking into account the current and anticipated opportunities and risks and uncertainties associated with the Company's business, affairs, operations, industry and prospects, including the execution risks associated with its standalone strategic plan, the Company's competitive position, the current and anticipated macroeconomic and geopolitical environment, including risks associated with the U.S.-Israel-Iran war and its potential impact on customer purchasing decisions, the current and anticipated risks with Canadian equity markets, including broader market dislocation affecting valuations of software and technology businesses, and the sensitivity of the SaaS sector to trends impacting key end markets, technology partners and vendors. There is no assurance that the continued operation of the Company under its current business model and pursuit of future business plan would yield equivalent or greater value for non-Rollover Shareholders compared to that available under the Arrangement.
- **Formal Valuation:** The receipt of the formal valuation of the Blackline Shares and the CVR contained within the formal valuation and fairness opinion from CIBC World Markets Inc. ("**CIBC Capital Markets**"), independent valuator to the Special Committee (the "**CIBC Formal Valuation and Fairness Opinion**"), which concluded that, based upon and subject to the assumptions made, procedures followed, matters considered, and limitations and qualifications set forth

therein, as of April 7, 2026, the fair market value of the Blackline Shares was in the range of \$8.15 to \$11.10 per Blackline Share and the fair market value of each of the CVRs was in the range of \$0 to \$0.40 per CVR.

- **Fairness Opinions:** The receipt of the fairness opinion contained within the CIBC Formal Valuation and Fairness Opinion from CIBC Capital Markets, and the fairness opinion from Canaccord Genuity (the "**Canaccord Genuity Fairness Opinion**"), financial advisor to the Special Committee, which concluded that:
  - in respect of the CIBC Formal Valuation and Fairness Opinion, as of April 7, 2026, and based upon and subject to the assumptions, qualifications, limitations, and other matters set forth therein, the Consideration to be received by Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement Agreement was fair, from a financial point of view, to such Shareholders; and
  - in respect of the Canaccord Genuity Fairness Opinion, as of April 7, 2026, and based upon and subject to the review, assumptions, qualifications, explanations, limitations and other matters described therein, and such other matters that Canaccord Genuity considered relevant, the Consideration to be received by Shareholders (other than the Rollover Shareholders in respect of their Rollover Shares) pursuant to the Arrangement was fair, from a financial point of view, to such Shareholders.
- **Minority Vote and Court Approval Required:** The Arrangement must be approved by a majority of the votes cast by Shareholders, excluding the Blackline Shares held by the Rollover Shareholders and any other Shareholders required to be excluded from such vote in the context of a "business combination" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, and two-thirds of the votes cast by all Shareholders. The Arrangement must also be approved by the Court of King's Bench of Alberta (the "**Court**").
- **Right of Shareholders to Dissent:** Shareholders will be entitled to dissent with respect to the Arrangement and have the Court determine the fair value of their Blackline Shares. The Purchaser is not entitled to terminate the Arrangement due to the exercise of dissent rights unless holders of more than 7.5% of the Blackline Shares validly exercise such rights.
- **Special Committee and Board Oversight:** The Arrangement and the Arrangement Agreement are the result of a robust sale process and a comprehensive negotiation process that was undertaken at arm's length with the oversight and participation of the Special Committee as advised by independent and highly qualified legal and financial advisors, which resulted in an agreement with terms and conditions that provide the Shareholders with significant, immediate and certain value, on terms that are reasonable in the judgment of the Special Committee and the Board in the circumstances.
- **High Likelihood of Completion:** Francisco Partners is a large, credible and reputable private equity sponsor, with demonstrated creditworthiness and the ability to fund and successfully complete transactions. The Arrangement is subject to a limited number of customary conditions (which do not include any financing or due diligence conditions) that the Special Committee and Board believe are reasonable in the circumstances.
- **Ability to Respond to Superior Proposals:** The Arrangement Agreement preserves the Board's ability to consider, respond to, and ultimately accept an unsolicited bona fide "superior proposal", subject to certain criteria, compliance with fiduciary duties, a defined matching period in favour of the Purchaser, and customary deal protection provisions.
- **Reasonable Break Fee and Reverse Break Fee:** The break fee payable by the Company of \$30.6 million, being equal to approximately 3.8% of the Cash Consideration equity value, is only payable in limited customary circumstances, such as where the Arrangement Agreement is terminated as a result of Blackline accepting a superior proposal, and the Company is entitled to a reverse break fee of \$56.3 million, being equal to approximately 7.0% of the Cash Consideration equity value, in certain circumstances, including if the Arrangement Agreement is terminated by the Company as a result of the Purchaser's failure to fund, which the Special Committee and the Board have been advised, and believe, are reasonable in the circumstances.
- **Stakeholder Considerations:** The Special Committee and the Board considered the effect of the transaction with the Purchaser on the Company's stakeholders, including its Shareholders, employees, creditors, customers and partners weighing all stakeholder interests having regard to the best interests of the Company.

Shareholders should review the accompanying Notice of Special Meeting of Shareholders and Circular, which describes, among other things, the background to the Arrangement as well as the reasons for the determinations and recommendations of

the Special Committee and the Board. The Circular contains a detailed description of the Arrangement, including certain risk factors relating to the completion of the Arrangement. **You should carefully consider all of the information in the Circular. If you require assistance, you are urged to consult your financial, legal, tax or other professional advisors.**

**Your vote is important regardless of the number of Blackline Shares you hold. Whether or not you expect to attend the Meeting, you are urged to vote in advance electronically, by telephone or in writing, by following the instructions set out on the enclosed form of proxy or voting instruction form, as applicable.** Registered Shareholders, being those who hold their Blackline Shares with a physical share certificate or Direct Registration System (DRS) advice, should complete the proxy and return it to Blackline's transfer agent, Odyssey Trust Company: (i) by mail using the enclosed return envelope or one addressed to Odyssey Trust Company, Proxy Department, Trader's Bank Building, 1100 – 67 Yonge Street, Toronto, Ontario M5E 1J8; (ii) by hand delivery to Odyssey Trust Company, Trader's Bank Building, 1100 – 67 Yonge Street, Toronto, Ontario M5E 1J8; or (iii) through the internet at <https://vote.odysseytrust.com> (detailed instructions are included with your proxy materials). In order to be valid and acted upon at the Meeting, proxies must be received by Odyssey Trust Company by 9:00 a.m. (Calgary time) on June 11, 2026 (or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time and date on which the Meeting is reconvened or held, as the case may be).

Beneficial Shareholders who hold their Blackline Shares through an intermediary/broker or who otherwise do not hold their Blackline Shares in their own name wishing to vote their Blackline Shares at the Meeting must provide instructions to the intermediary/broker through which they hold their Blackline Shares in sufficient time prior to the holding of the Meeting. Most intermediaries/brokers delegate responsibility for obtaining voting instructions from clients to Broadridge Investor Communications Corporation, who will provide a 16-digit control number on a voting instruction form to beneficial Shareholders, which can be used to vote: (i) online at <http://proxyvote.com>; (ii) by telephone at the number listed on the voting instruction form; or (iii) by completing and returning the voting instruction form using the enclosed return envelope.

For additional details, see "*Proxyholder Matters – Non-Registered Shareholders*" in the Circular.

On behalf of the Company and the Board, I would like to thank all Shareholders for their support of Blackline.

**Your vote is important regardless of the number of Blackline Shares you own, and we recommend that you vote FOR the Arrangement.**

**You are encouraged to vote well before the deadline at 9:00 a.m. (Calgary time) on June 11, 2026.**

If you have any questions or need help voting, please contact Laurel Hill Advisory Group:

Toll-free in Canada and the United States: **1-877-452-7184**

Collect call outside of Canada and the United States: **1-416-304-0211**

By texting: "INFO" to either number above

By email: **[assistance@laurelhill.com](mailto:assistance@laurelhill.com)**

Yours very truly,

*(signed) "Jason Cohenour"*

Chair of the Special Committee and a Director  
Blackline Safety Corp.