

Blackline Safety drives Q1 revenue up 20% to \$10.7M

Blackline's hardware-enabled SaaS model boosts revenue by 39%, to export markets

Calgary, Canada — March 25, 2021 — Blackline Safety Corp. (TSX.V: BLN), a global leader in connected safety technology with a hardware-enabled software-as-a-service (SaaS) business model, **announced its sixteenth consecutive quarter of year-over-year revenue growth**, achieving \$10.7M total revenue for its fiscal quarter ended January 31, 2021. Recurring service revenue grew 23% to \$6.8M from \$5.6M in the prior year comparable quarter, with product sales, including initial North American G7 EXO sales, increasing by 15% to \$3.8M.

"As we report our first quarter results in 2021, the world has rallied around the challenges of the global pandemic, with growing optimism for a return to a more growth-oriented cycle," said [Cody Slater, CEO and Chairman at Blackline Safety](#). "At Blackline, our quarterly results demonstrate this as clients began to reinstate procurement processes that were previously deferred. We see this as the beginning of a return to pre-pandemic growth levels in the future, as customers gain confidence that while not gone, COVID-19 is a manageable challenge for the world."

With a strong working capital position and a SaaS recurring service business model, Blackline has proven its ability to not only weather the pandemic, but to also achieve resilient growth. While many businesses have contracted their operations and reduced expectations, Blackline has demonstrated leadership in its ability to develop new innovations and extend the reach of its connected product and service offerings during this time.

Mr. Slater added, "During the quarter we began a program to more aggressively deploy our working capital taking advantage of our strong balance sheet to support accelerated growth into the future. We recruited over 35 new team members and increased our investments in new services and products, strengthening our sales reach and connected portfolio capabilities. This approach will solidify our lead in the world of connected safety, allow us to serve new customers, develop new products services and markets, while accelerating the transformation of the industrial workplace into a connected one."

While overall revenue grew 20% with a 6% increase in gross margin percentage, Adjusted EBITDA reflected the investment in expansion of our teams, with a focus on enabling future growth. Overall gross margin for the quarter was 52% with improvements in both product and service margin in Q1 FY 2021 compared to the prior year comparable quarter. Blackline closed the quarter with a strong working capital position including cash and short-term investments of \$46.9M.

During the first quarter, Blackline began shipments of the G7 EXO Cloud Connected area gas monitor into North America, expanding on the Q4 launch into Europe. The recognition in the market of the G7 EXO's value compared to its competitors drove sales of \$1.7M in the quarter even though it is at the early stage of market launch.

First quarter highlights

- Sixteenth consecutive quarter of year-over-year revenue growth
- Total revenue of \$10.7M, a 20% increase over the prior year's Q1
- Recurring service revenue of \$6.8M, a 23% increase over the prior year's Q1
- Product revenue of \$3.8M, a 15% increase from the prior year's Q1
- Total revenue grew by 49% in Europe, 24% in the United States, 147% in other international markets compared to the prior year's Q1
- Overall growth was 39%, excluding the commodity-impacted Canadian market
- Overall gross margin percentage was 52%, a 6% increase over the prior year's Q1
- Total cash and short-term investments of \$46.9M at January 31, 2021
- Blackline Safety appointed Cheemin Bo-Linn to the Board of Directors
- Barbara Holzapfel joined the Board in an advisory role
- Sean Stinson appointed to the newly created role of Chief Revenue Officer
- Launched Blackline Catalyst, a global partner program to accelerate growth and innovation
- Brendon Cook appointed to the newly created role of Chief Partnership Officer
- Launched G7c close contact detection for North America and international markets
- First shipments of the G7 EXO area gas monitor began in North America

Post-quarter highlights

- New \$15M financing facility from National Bank of Canada now available for use
- Acquisition of Wearable Technologies Limited, based in the United Kingdom and operating under the brand name of Eleksen
- Welcomed Empire Cat and Enovert into the new Blackline Collective, a forum for business to share safety insights and best practices

Financial highlights

The subsequent values in this release are in thousands, except for percentages and per share data.

	Quarter Ended January 31		
	2021	2020	Change
Revenue	\$10,678	\$8,918	20%
Gross Margin	\$5,554	\$4,059	37%
Gross Margin Percentage	52%	46%	6%
Net Loss	(\$4,884)	(\$2,355)	(107%)
Net Loss per Share	(\$0.09)	(\$0.05)	
Net Loss excluding stock-based compensation expense	(\$4,555)	(\$2,262)	(101%)
Adjusted EBITDA	(\$364)	\$520	(170%)
Adjusted EBITDA per Share	(\$0.01)	\$0.01	

Key Financial Information

First quarter revenue was \$10,678, an increase of 20% from \$8,918 in the comparable quarter of the prior fiscal year with Europe growing 49% and the United States 24% compared to the prior year comparable quarter.

Service revenue during the first quarter was \$6,849, an increase of 23% compared to \$5,577 in the same quarter last year. This growth in service revenue during the first quarter was primarily driven by increased adoption throughout international and diversified industrial markets of Blackline's connected safety devices. Device renewals remain robust with some impact seen in the first quarter from COVID-19 impacted energy project deferrals.

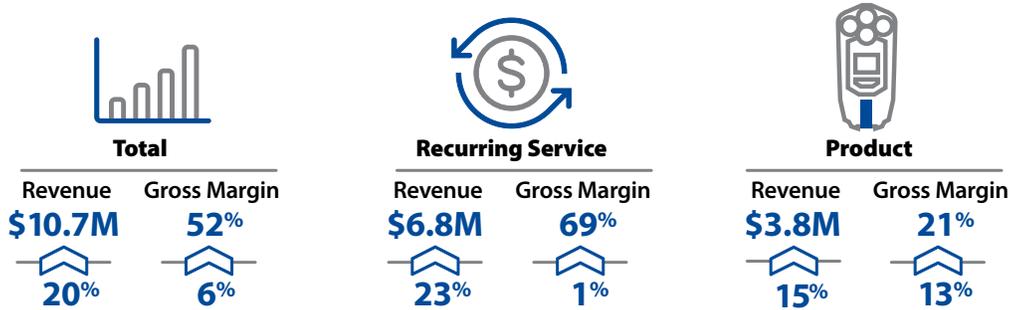
Product revenue during the first quarter was \$3,829, an increase of 15% compared to \$3,341 in the same quarter last year. The increase was due to increased adoption throughout international and diversified industrial markets of Blackline's connected safety devices despite the ongoing impact of COVID-19.

Gross margin percentage for the first quarter was 52%, a 6% improvement to that achieved in the comparable quarter of the prior year. Product margin improved to 21% from 8% due to the product sales mix, including the initial G7 EXO sales in North America and Europe. Service margin of 69% was a 1% improvement quarter-over-quarter.

Adjusted EBITDA was \$(364) for the first quarter compared to \$520 in the comparable quarter of the prior year. The decrease in the Adjusted EBITDA for the quarter was attributable to increase in general and administrative expenses, selling and marketing expenses and a foreign exchange loss compared to the prior year comparable quarter.

Blackline's unaudited consolidated interim financial statements and management's discussion and analysis on financial condition and results of operations for the period ended January 31, 2021 (including the reconciliation of non-GAAP measures) are available at www.sedar.com. All results are reported in Canadian dollars.

EXO product sales and recurring revenues fuel Q1 FY 2021 growth

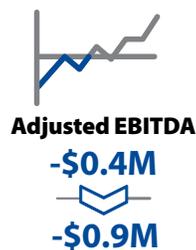


Revenue Growth by Region



Expenses

As a percentage of revenue



Q1 FY2021 information presented above provides a year-over-year comparison of the Company's results for the three-month period ended January 31, 2021 to the Company's results for the three-month period ended January 31, 2020. For further information, please see the applicable financial statements and Management Discussion & Analysis of the Company available for review on the Company's SEDAR profile at www.sedar.com. Adjusted EBITDA is a non-IFRS financial measure. Please see "Non-IFRS Measures" in the Blackline Safety MD&A for a description and reconciliation of the Company's Adjusted EBITDA for the applicable periods.

About Blackline Safety: Blackline Safety is a global connected safety leader that helps to ensure every worker gets their job done and returns home safely each day. Blackline provides wearable safety technology, personal and area gas monitoring, cloud-connected software and data analytics to meet demanding safety challenges and increase productivity of organizations in more than 100 countries. Blackline Safety wearables provide a lifeline to tens of thousands of men and women, having reported over 140 billion data-points and initiated over 5.5 million emergency responses. Armed with cellular and satellite connectivity, we ensure that help is never too far away. For more information, visit [BlacklineSafety.com](https://www.BlacklineSafety.com) and connect with us on [Facebook](#), [Twitter](#), [LinkedIn](#) and [Instagram](#).

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to, among other things, Blackline Safety's expectation to realize potential from its intended investment in organic growth opportunities in 2020, Blackline's intention to expand its product offerings to total workplace connectivity and management's expectation that Blackline will continue to focus on its comprehensive approach to connected devices, live monitoring, consulting and integration services. Blackline provided such forward-looking statements in reliance on certain expectations and assumptions that it believes are reasonable at the time, including expectations and assumptions concerning business prospects and opportunities; customer demands, the availability and cost of financing, labor and services and the impact of increasing competition. Although Blackline believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Blackline can give no assurance that they will prove to be correct. Forward-looking information addresses future events and conditions, which by their very nature involve inherent risks and uncertainties, including the risks discussed in Blackline's Management's Discussion and Analysis. Blackline's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits Blackline will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide readers with a more complete perspective on Blackline's future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and Blackline disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

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