blacklinesafety

2023 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENTS

MESSAGE FROM OUR EXECUTIVE

Millions of workers globally are hurt on the job every year. Our customers trust us to ensure our hardware, software and services give their people the confidence to get the job done and return home safe. It's a shared commitment to care for people, build safer workplaces, get in front of risk, and enable the environmental, social and governance (ESG) activities of our customers – the most fundamental way we create impact each day.

I'm pleased to share Blackline Safety's fourth annual ESG Report, outlining how we work with our customers, partners, and communities to build a sustainable future and sharing our progress toward our own identified ESG goals.

Further underscoring the importance of this work, our Board Governance & Nominating Committee formalized an ESG mission statement to guide our efforts moving forward:

At Blackline Safety, we enable our customers to achieve their ESG aspirations by enhancing workplace safety and protecting their most valued asset, their people. We embed this same commitment into our own business, benchmarking our ESG progress—using globally recognized reporting standards—against key metrics that support responsible business conduct, environmental conservation, supply chain resiliency and social performance.

Highlights of our ESG achievements in fiscal year 2023 included:

ENVIRONMENT

- Became ISO 14001 certified, which verifies we are taking proactive measures to reduce our environmental footprint.
- Ensured our entire product line is now packaged in recyclable materials with the introduction of 100% recyclable packaging for our G7 connected wearable. We also reduced its overall package design size by 15% to decrease both our associated carbon footprint and waste.
- Achieved carbon neutral status for our European subsidiaries.

SOCIAL

- Introduced Diversity, Equity and Inclusiveness (DEI) training globally.
- Grew our devices monitored through our in-house Safety Operations Center (SOC) and third-party Alarm Receiving Center (ARC) to 54,000, a 20% increase over last year.
- Now protect a record 165,000 workers globally with our cloud-connected technology.
- Achieved 82% job satisfaction score from our employees, compared to 79% in 2022.

GOVERNANCE

- Created a new ESG-focused cross-functional internal team to focus on advancing the Company's ESG goals.
- Endorsed formal ESG mission statement through the Governance & Nominating Committee of the Board.
- Aligned FY2023 ESG Report with the Task Force on Climate Related Financial Disclosures (TCFD).

I encourage you to read the full report for more information about our global impact and ways we are aligning our own performance with the ESG value we have always brought to our customers through our connected safety technology. We will continue to drive an ESG mindset in alignment with our corporate values, which prioritize innovation, resiliency, leadership and empowerment.

Cody Slater
Chief Executive Officer & Chair
Blackline Safety

ABOUT BLACKLINE SAFETY COMPANY OVERVIEW

Founded in 2004, Blackline Safety Corp. ("Blackline Safety" or "the Company") is a global connected safety technology leader with a Hardware-enabled Software-as-a-Service (HeSaaS) business model. Headquartered in Calgary, Canada, we also have offices in Kitchener (Ontario), the United Kingdom (UK), France, United States (USA) and Dubai, United Arab Emirates (UAE). We have over 500 employees across North America, Europe and the Middle East and over 2,200+ customers in more than 70 countries.

Our talented team combines their drive for innovation with data-driven customer feedback to create, manufacture, market and manage our award-winning portfolio of gas detectors, area monitors, and lone worker devices in-house. These connected devices—coupled with our safety software, data analytics and reports—empower businesses with real-time visibility of their workers and safety insights. From these, optimized incident response and evacuations, gas detection compliance, and operational efficiency flow. Blackline Safety's cloud-connected technology now protects over 165,000 workers around the world, gathering more than 200 billion data-points and initiating close to eight million emergency alerts along the way.

STAKEHOLDER FRAMEWORK

Our report is prepared in accordance with the Sustainability Accounting Standards Board (SASB) Framework for Technology-Hardware and Software & IT Services. Our approach also aligns with the United Nations' Sustainable Development Goals (UN SDGs) and the Task Force on Climate Related Financial Disclosures (TCFD) recommended guidelines.
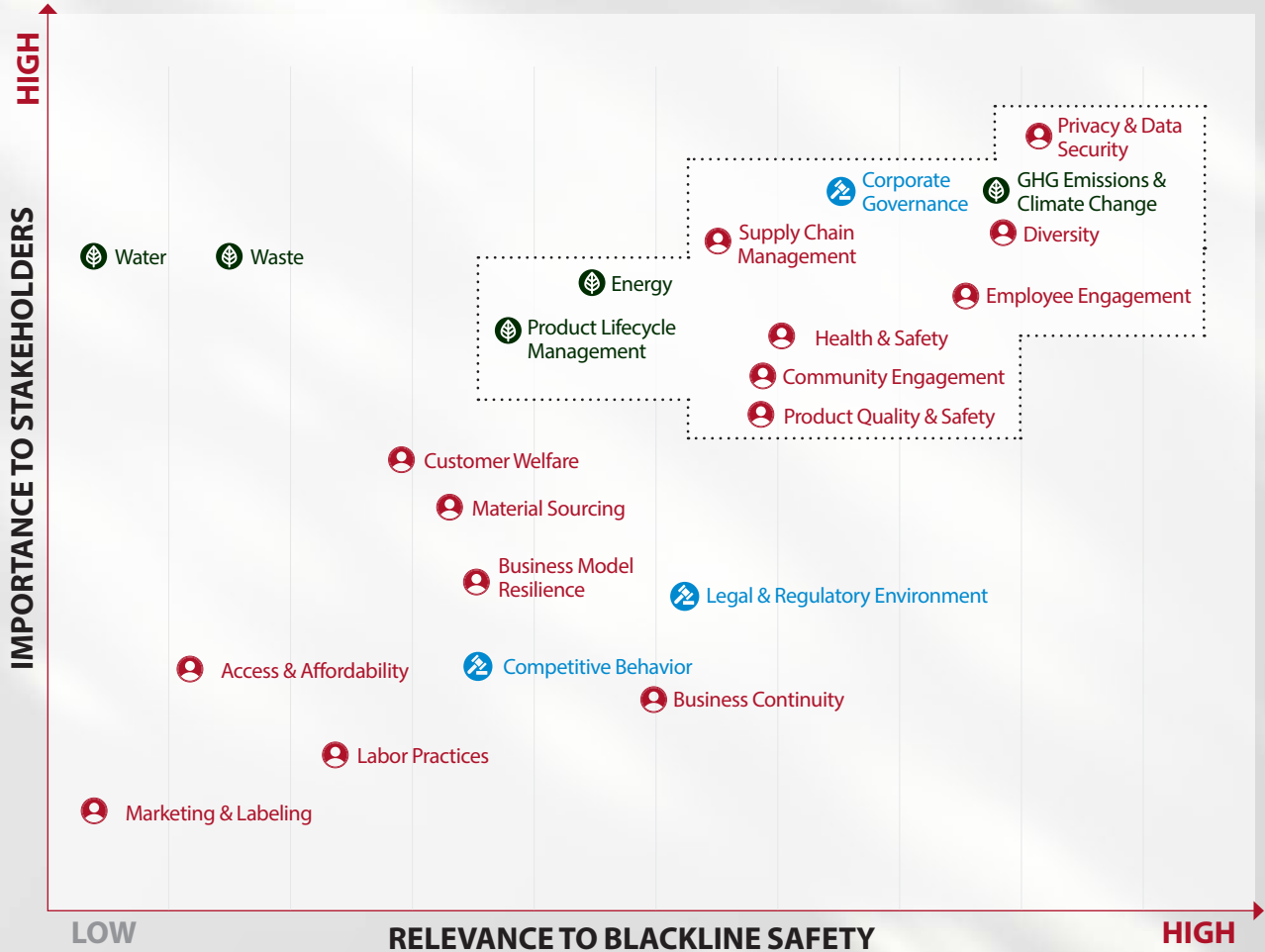
This report covers the global operations of Blackline Safety for the Company's 2023 fiscal year which covers the period from November 1, 2022, to October 31, 2023. This report was approved and authorized for issuance by the Board of Directors on February 21, 2024.

The International Sustainability Standards Board (ISSB) issued its general and climate related standards in June 2023, which will be available for adoption for annual reporting periods beginning on or after January 1, 2024 with the first disclosures being reported in 2025 – where adopted by jurisdictional regulators. The Canadian Securities Administrators, in conjunction with the Canadian Sustainability Standards Board, announced in July 2023 that it intends to conduct further consultations with the aim to adopt disclosure standards based on these ISSB Standards, with modifications necessary and appropriate in the Canadian context.

The two standards issued by the ISSB focuses on disclosure of sustainability-related financial information and climate-related disclosure, respectively. Blackline will continue to monitor the development of these standards and develop our action plan to ensure that our internal systems, processes and controls can deliver on the new ESG reporting requirements.

The scope of our annual ESG reporting is determined through a detailed materiality assessment which identifies the material ESG focus areas vital to the effective management of ESG risks and opportunities. With oversight from our Board—assisted by its Governance and Nominating Committee—and Executive Management Team, in fiscal 2023, we completed our annual review of our materiality assessment of ESG risks to reflect emerging issues and guidelines. As part of the review, we engaged key internal leaders, recognizing they best captured their respective external stakeholder priorities, to clarify our most significant business risks and opportunities for impact. We aim to provide clear and consistent disclosure relating to our identified material ESG focus areas, demonstrating transparency to enable informed decision-making by all stakeholders.

BLACKLINE'S ESG MATERIALITY ASSESSMENT

HIGH

IMPORTANCE TO STAKEHOLDERS

Privacy & Data Security

Corporate Governance

GHG Emissions & Climate Change

Supply Chain Management

Diversity

Water Waste

Energy

Employee Engagement

Product Lifecycle Management

Health & Safety

Community Engagement

Product Quality & Safety

Customer Welfare

Material Sourcing

Business Model Resilience

Legal & Regulatory Environment

Access & Affordability

Competitive Behavior

Business Continuity

Labor Practices

Marketing & Labeling

LOW **RELEVANCE TO BLACKLINE SAFETY** **HIGH**

Environmental   Social   Governance

We welcome your feedback at esg@blacklinesafety.com.

PARTNERS IN SAFETY

Our customers choose us because of a shared commitment to protect workers with reliable and failsafe products and services. These are some of the organizations we are proud to work with:

INDUSTRIAL

YorkshireWater • NiSource • BRITISH STEEL • GE • BAE SYSTEMS • Dŵr Cymru Welsh Water • WM WASTE MANAGEMENT • CHESAPEAKE UTILITIES CORPORATION • Nutrien • HAYES automation

TRANSPORTATION

Cummins • Airgas • Pullman • Ford • Ryder • DUNMOW • TDW DISTRIBUTION • Sutton Transport, Inc. • FedEx • cemex

ENERGY

Shell • ConocoPhillips • aramco • SUNCOR ENERGY • cenovus ENERGY • Pioneer • ExxonMobil • OQ • PEMBINA • TC Energy • PHILLIPS 66 • ELECTROGAS Sales • Service • Rentals

CONSUMER GOODS

DANONE • Tyson • Coca-Cola • Sainsbury's • gsk • Heineken • accord

YEAR IN REVIEW

Fiscal 2023 was another record-setting year of revenue growth for Blackline Safety. We achieved a significant milestone of $100 million in overall revenue—37% over the previous year—including a 33% increase in product revenue and 41% increase in service revenue.

Our year-over-year financial results follow a transformational year for the Company where our Annual Recurring Revenue (ARR) increased 40% to $51.1 million and Net Dollar Retention (NDR) increased to 129% while our total expenses decreased by 10% leading to a dramatic reduction in our earnings before interest, taxes, depreciation and amortization (EBITDA) loss. In 2023, we were named to Canada's Top Growing Companies by The *Globe and Mail's Report on Business* for the fifth straight year.

The Globe recognition was just one of nine corporate and product accolades awarded to Blackline Safety in the past fiscal year. To meet rising global demand for our award-winning products and services, we doubled our manufacturing capacity, made a significant upgrade to our G6 single-gas detector to further its penetration into the low-maintenance gas detection market, and ended the year with 26 additional employees.

In Q3 of 2022, Blackline Safety embarked on a path to profitability. In that quarter, our EBITDA loss represented 79% of our revenue and our cash used in operating activities was 105%. By comparison, in Q4 2023, our EBITDA loss was reduced to less than 5%, our cash used in operating activities as a percentage of revenue was improved to 7%, all while achieving top line growth of 37%. Even though we did not hit our ambitious goal of reaching EBITDA positive results, the Company has transformed itself into an engine that can continue to deliver top line growth in the future and generate significant profitability in the long run. We continue to invest in tools, projects and people that allow the company to achieve consistent profitability, generate free cash flow and reinvest in the growth and scalability of the Company.

We ended fiscal 2023 with $16 million of cash and investments, and further solidified our liquidity position and financial flexibility with an increase to our credit facility (now $25 million) with ATB Financial in October 2023. We have over $50 million of availability on our lease securitization program with CWB Maxium. Together, they give Blackline the financial resource availability to continue our growth, bring innovative products and features to market, and generate free cash flow and profitability in 2024 and beyond.

	PRODUCT		SERVICE		TOTAL		ANNUAL RECURRING REVENUE
	Revenue	Gross Margin	Revenue	Gross Margin	Revenue	Gross Margin	
FY'23 ACTUAL	$46.9M	28%	$53.1M	75%	$100M	53%	$51.1M
YOY GROWTH	33%	11%	41%	6%	37%	9%	40%

GOVERNANCE GOALS
CORPORATE GOVERNANCE

Strong corporate governance is fundamental to protecting the long-term interests of shareholders. Our governance structure and policies provide a solid framework for accountability and effective oversight, including appropriate disclosure.

BOARD COMPOSITION AND COMMITTEES

The Board of Directors is essential to corporate governance. Our Board members provide a mix of skills, expertise and experience, and steward the strategic direction of Blackline Safety through engagement, diversity of thought and independence.

During fiscal 2023, one of our Board members –Dr. John Finbow—retired, reducing our total number of directors to seven, six of whom are independent.

These leaders collectively bring top-level experience across multiple industries and professional disciplines.

Cody Slater
Chief Executive Officer and Chair

Cheemin Bo-Linn
Lead Independent Director

Jason W. Cohenour
Independent Director

Barbara Holzapfel
Independent Director

Brad Gilewich, CPA, CA
Independent Director

Michael Hayduk, LLM, K.C.
Independent Director

**Robert Herdman,** FCPA, FCA
Independent Director

The Board has three committees to help fulfill its duties and responsibilities and ensure proper oversight of Blackline Safety: the Audit Committee; the Governance & Nominating Committee and the Compensation Committee. To support the direction set by the Governance & Nominating Committee, a new internal ESG-focused cross-functional team was created within Blackline Safety in 2023 that focuses on progressing the Company's ESG goals.

Our Board of Directors has a broad mix of essential skills, expertise and experience which fortifies Blackline Safety's corporate governance approach and the plurality of perspectives represented on the Board.

BOARD DIVERSITY, EQUITY AND INCLUSION

Our Board and Management Diversity Policy reflects our belief that diversity and inclusion at all levels drive our core values forward. The Governance and Nominating Committee oversees and reviews the policy and agrees on appropriate targets, such as our target of having at least 25% women on the Board.
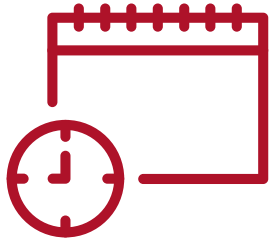
8.0 YEARS
AVERAGE TENURE ON BOARD

29%
FEMALE DIRECTORS,
including Lead Independent Director, compared to Canada's Technology, Media & Telecommunications industry average of 26.3% (according to Deloitte's seventh edition Women in the boardroom report [2022])

RISK MANAGEMENT

Identifying our material ESG focus areas enhances our long-term business resilience and profitability. Understanding how each focus area impacts our organization is critical to ensuring we properly manage our risks and opportunities.

The Board as a whole oversees the principal risks of our business and makes sure the best practical procedures are in place to effectively monitor and mitigate those risks.

The Audit committee oversees financial risks and monitors the management of the principal risks that could impact our financial reporting, including cybersecurity and privacy risks.

The Governance & Nominating committee of the Board oversees developing, implementing and monitoring the approach of the Company to matters concerning corporate governance and with respect to overseeing the Company's development, implementation and monitoring of policies, standards and practices with respect to health, safety, diversity, environmental and social matters.

The Compensation Committee is responsible for developing, implementing and monitoring the approach of the Company to matters concerning human resource policies and compensation of the directors, officers and employees of the Company to ensure alignment with the Company's short- and long-term goals.

The management Disclosure Committee oversees the appropriateness of disclosures and other specific reporting required by Canadian Securities regulators and International Financial Reporting Standards (IFRS).

ETHICS

Adherence to the highest legal and ethical standards and our reputation for acting responsibly play a critical role in our business success. With the guidance and approval of the Board, we have established corporate policies that institutionalize our core values and form the basis of conduct at Blackline Safety.

CODE OF BUSINESS CONDUCT AND ETHICS

Blackline Safety's Code of Business Conduct and Ethics reflects our commitment to a culture of honesty, integrity, and accountability. It outlines the basic principles and policies with which all service providers are expected to comply. Service providers are our directors, officers, employees, consultants, contractors, contract operators and any other person or company that provides services to Blackline Safety. Annually, we require reaffirmation from our employees that they have read and will comply with the Code, which helps us meet our business practice standards and comply with applicable laws and regulations.

WHISTLEBLOWER POLICY

Our independent Whistleblower reporting tool is available to report anonymous concerns regarding violations of Blackline's employee handbook and corporate policies, including suspected instances of illegal or questionable accounting, internal control, auditing, or people matters. When issues are reported, we investigate, address, and respond, where necessary. We ensure that the appropriate protections are in place for those who report misconduct. We are committed to investigating and addressing all complaints reported.

ANTI-CORRUPTION POLICY

Blackline Safety's Anti-Corruption Policy provides guidelines to encourage ethical behavior in our business conduct and promote compliance with applicable anti-corruption legislation. It applies to employees, officers, and directors of the Company, and reflects the standards to which Blackline Safety expects its partners, agents, consultants, contractors, contractual counterparties and any third party who acts on behalf of the Company are expected to adhere.

More information regarding our approach to corporate governance can be found in our Annual Information Form under our profile as well as other policies and documents on our website.

ENVIRONMENTAL GOALS
GREENHOUSE GASES AND CLIMATE CHANGE

Blackline Safety is committed to managing and improving the environmental impacts of our global operations.

We are working towards reducing our Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions, monitoring our significant risks and opportunities that support the TCFD, and aligning our climate reporting with corporate reporting. Refer to the appendices of this report for our current disclosures under the TCFD framework.

We are continually working to further improve the accuracy of our emissions data as methodologies change and technology used to retrieve and analyze environmental data evolves. Enhancing our data collection processes leads to better reporting, deepened understanding of our impacts and the identification of additional emission opportunities.

We are committed to achieving net-zero. Put simply, net-zero refers to the balance between the amount of GHGs produced by Blackline through its global operations, and the reduction of carbon emissions. It can be achieved through a combination of emission reduction and emission removal. We are undergoing an assessment towards a path forward for achieving this goal which currently includes improving our energy efficiency, purchasing additional carbon offsets and further identifying climate-related risks and opportunities to make progress in our sustainability goals. We are actively engaging with a consultant with expertise in the GHG monitoring field to create emission reduction plans.

DATA

	FY2023	FY2022
Scope 1 - MT CO2e	201.0	213.0
Scope 2 - MT CO2e*	523.5	591.5
Scope 3 - MT CO2e**	973.26	2,691.2
Total (MT CO2e)	1,697.76	3,495.7

*Scope 2 emissions calculated using the location-based method. Use of the market-based method to reflect renewable energy purchases is a priority in future reports.

**Includes categories 3 (Fuel- and Energy-Related Activities, not included in Scope 1 or Scope 2), 6 (Business travel), and 7 (Employee commuting). In fiscal 2023, we have partnered with Radicle to track and manage our greenhouse gas (GHG) inventory according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The GHG Protocol is an internationally recognized standard published by the World Resources Institute and the World Business Council on Sustainable Development. In prior year, we used the spend-based method under the Quantis GHG Protocol Scope 3 Evaluator which was decommissioned in August 2023.

Our scope 3 emissions for fiscal 2023 have been calculated using activity data and different emission factors from the Climate Smart web-based greenhouse gas management tool.

We aim to update and maintain our GHG inventory on the Climate Smart management tool and create an emission reduction plan for our organization.

Our Scope 1 and 2 emissions were static year-over-year, but our Scope 3 emissions decreased due to the change in Scope 3 methodology in which a spend-based method in prior year produced higher emission results than the emission factors used within the Climate Smart management tool.

ENERGY

THE CLOUD

Our primary energy inputs and water sources are largely related, directly and indirectly, to our cloud-hosted safety monitoring infrastructure that runs on Amazon Web Services (AWS) as well as the day-to-day operations of our corporate offices and manufacturing facility.

As our product line continues to grow, AWS' global coverage sets us up to scale internationally, ensuring our product portfolio is completely turn-key and connected. We push every software update through the cloud, so customers never have to experience device downtime or manage updates and maintenance themselves. This feature also means customers require less physical monitoring and calibration, helping to reduce their own GHG emissions.

We continue to use AWS due to their exceptional service, cost benefit equation, and important environmental initiatives and commitments. For example, AWS is committed to net-zero carbon by 2040 and is on a path to 100% renewable power by 2025. Further, AWS has multiple initiatives underway to use water more efficiently and use less potable water to cool its data centers. Refer to AWS Sustainability Report for more details.

THE GROUND

Blackline Safety supports environmentally responsible operations by increasing our energy efficiency, minimizing waste and driving operational efficiencies throughout our business.

- In 2023, we became ISO 14001 certified corporate-wide, following on the heels of the UK subsidiary certification in 2021, and our French subsidiary in 2022. This certification demonstrates the organization's ongoing commitment to maintaining and improving our approach to environmental concerns.

DATA

	FY2023	FY2022
Total energy consumption	7,235 GJ, of which 48% was supplied from grid electricity and 46% was from renewable sources	6,383 GJ, of which 48% was supplied from grid electricity and 48% was from renewable sources
Total water consumption	3,487 m3, 1% in regions with high or extreme high baseline water stress	3,483 m3, 1% in regions with high or extreme high baseline water stress

GOALS

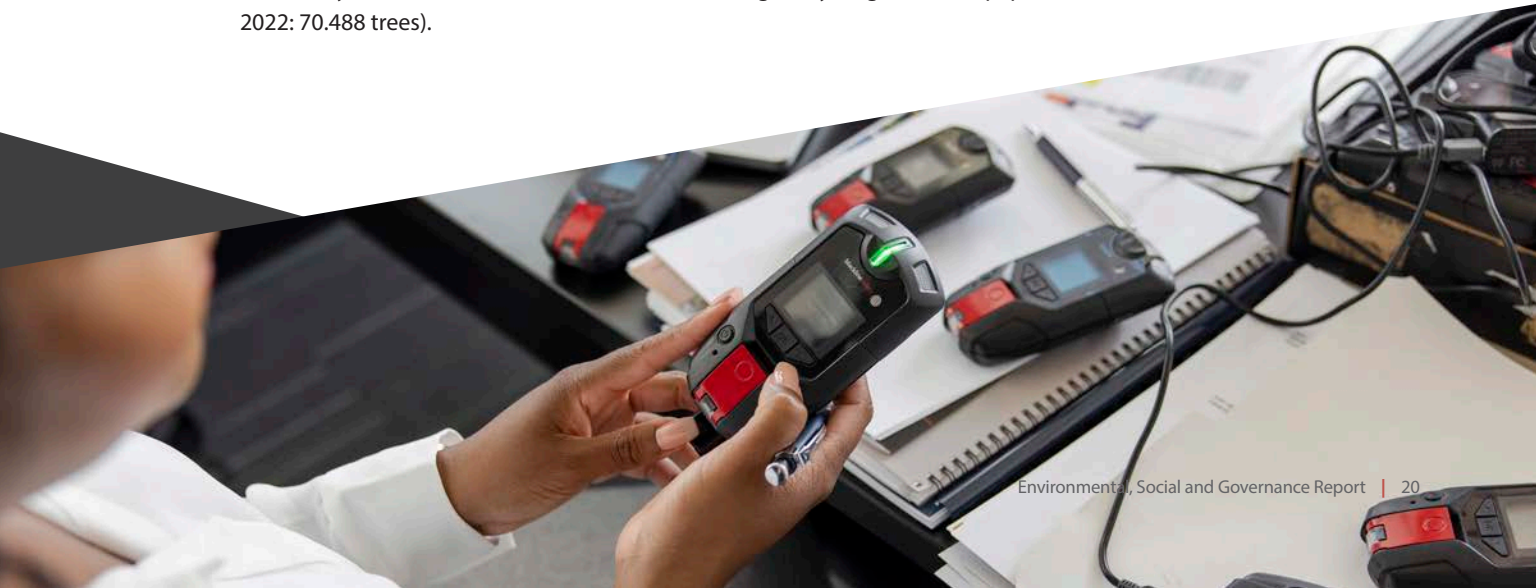| FY2023 GOALS	STATUS	FY2024 AND BEYOND GOALS
Revisit pathways to achieve net-zero ambition and develop pragmatic approach given current corporate framework.	**Ongoing** Blackline Safety Europe Ltd. and its French subsidiary have obtained certified carbon neutral status in 2023. Blackline Safety offsets its electricity usage in its corporate office and is currently assessing the path towards using 100% renewable energy.	We continue to use renewable sources of energy to power our global facilities and reduce the Scope 1 and 2 emissions and energy.
Achieve ISO 14001 certification of our environmental management system corporate wide by the end of fiscal 2023.	**Achieved** Blackline Safety achieved ISO 14001 certification in FY 2023.	Continue to maintain ISO 14001 certification in Blackline Safety, including for our European subsidiaries.

PRODUCT LIFECYCLE MANAGEMENT

Our primary waste consists of materials from device production, consumer products and packaging waste. We aim to make our product lifecycle process more responsible by reducing hazardous waste and diverting waste from landfills. The majority of our internally generated waste is recycled or e-cycled.

In fiscal 2023, Blackline Safety:

- Contracted HZMTCORP at our corporate office in Calgary, which is a licensed chemical disposal company. We are committed to working with 100% certified suppliers to minimize waste by ensuring the maximum amount of materials are recycled where appropriate.
- Reduced the size of packaging on the G7 devices by an inch, thereby reducing overall packaging for this device by 15%.
- Continued its various recycling programs in place across the entire Company, in accordance with local guidelines:
    - o We recycled 5.99 tons in weight of end-of-life products and e-waste (2022: 5.21 tons).
    - o Our solder paste recycling program, where one of our suppliers takes back used solder paste and any waste material that is contaminated with chemicals, generated 113 lbs of solder paste (fiscal 2022: 169 lbs). The decrease is due to the use of used solder that was previously disposed in the past after a single use.
    - o Our Calgary headquarters saved 110 trees through recycled shredded paper (fiscal 2022: 73 trees).
    - o Our facility in Colchester, UK saved 37.06 trees through recycling shredded paper (fiscal 2022: 70.488 trees).

GOALS

FY2023 GOAL	STATUS	FY2024 AND BEYOND GOALS
In balancing protecting the environment and ensuring that our customers receive their products in excellent condition, we will incorporate recyclable materials into packaging plans for all products.	**Achieved** We reduced our packaging on the G7 to reduce our footprint and achieved 100% recycled packaging materials. All of our products now use fully recycled packaging.	We are focusing on further reducing our footprint which involves converting user guides to a QR code and exploring different materials for packaging.
Dispose of all hazardous materials by working with only accredited disposal companies to minimize waste.	**In progress** We are currently in the process of partnering with an accredited disposal company for hazardous materials in our French office to achieve this goal across all of Blackline's global operations.	Blackline is committed to ensuring to partner only with accredited suppliers who will recycle materials as much as possible. We are committed to working with 100% accredited suppliers.

SOCIAL GOALS
OUR CULTURE AND TEAM

Our corporate values help define our culture and supply a common internal vocabulary to our purpose and mission that, in turn, drives our behavior and actions.

OUR VALUES

The growth we have experienced and our expansion as a company has been guided by our commitment to our values.

DRIVE INNOVATION
Tirelessly pursuing new and renewed products, processes and ideas, understanding that continuous improvement can be disruptive.

BE RESILIENT
Facing the challenges before us, being curious about our potential, and starting from scratch when necessary.

DEMONSTRATE LEADERSHIP
Knowing that leadership is a behavior and not a position, and actively participating in our success.

GO THE EXTRA MILE
Channeling an entrepreneurial spirit and rolling up our sleeves to do the work, whatever the work.

EMPOWER PEOPLE
Powering people and their potential is at the heart of our business – both in our mission to protect and save lives and in our day-to-day business operations.

By living our values, we enhance the safety and success of our customers and their employees while driving our own organization's culture forward.

EMPLOYEE ENGAGEMENT

Blackline Safety has conducted an annual employee survey since 2018 to track engagement and to proactively encourage feedback from employees. Our goal is to attract and retain world-class talent committed to the Company's mission. Participation in the 2023 survey was 81%, compared to 76% in 2022.
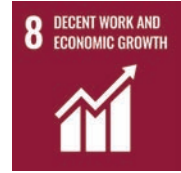
Employee engagement (the aggregate overall score in the annual employee survey) in 2023 was 82%, an increase from the previous year at 79%. The key engagement factors we track are career development, communication and feedback, compensation and benefits, mission and purpose, and respect. Engagement in almost all areas was improved year-over-year.

Other initiatives in fiscal 2023 that helped drive employee engagement:

- **Employee Referral Program**: many of the best candidates for open positions come from our employees' professional networks. Employees who refer a new hire that successfully completes six months of employment are eligible to receive a one-time payment of $1,000. Since the program's kick off, we have successfully onboarded more than 64 employees as a result of a referral, including 16 in 2023.
- **Long service awards:** introduced to recognize employees for dedicated continuous service (five, 10 and 15 years) to the Company. In fiscal 2023, we recognized 28 employees for long service: 22 who reached their five-year service award milestone, four employees for 10 years' service, and two employees for 15 years' service. We also redesigned the physical awards with 100% recyclable material, including responsibly sourced wood, which reduced our shipping costs and associated carbon footprint.
- **Kudos program:** employees are encouraged to identify those who have excelled on a project, gone above and beyond to help out, or deserve some other form of recognition. The sharing of internal success stories propels our culture forward, creates unity and alignment across teams, and builds engagement.
- **Patent program:** designed to support our employees' passion for innovation, help push novel ideas forward, and develop our top talent.
- **Performance management:** annual performance review program drives a consistent performance management process across Blackline, globally. The process encourages employees and managers to engage in meaningful conversations on career development and growth and to provide an opportunity for 360-degree feedback.

TEAM DEVELOPMENT

The challenging work we offer, the quality of people we hire, and the fast pace of technology development drive the need for ongoing training and development. Learning achievements in FY2023 by Blackline and its people included:

- Logged 3,100 hours through **Blackline Learning**, the Company's online learning platform, in 2023 – an increase of 24% over 2022.
- Introduced a **Leadership Toolkit** on the corporate intranet with links to resources (books, podcasts, videos and online courses available on Blackline Learning) to help employees grow their management skills.
- Developed **department specific curriculum**, giving leaders the option to design curricula tailored to their respective departments to provide enhanced learning progress reports.
- Launched **ElevateED 2023**, a month-long learning campaign that provided employees with an opportunity to complete eLearning and join sessions that included Blackline instructor-led training, career development planning and an Indigenous speaker to provide a more comprehensive understanding of Canada's Truth and Reconciliation Day.
- Celebrated employee learning through **Blackline Elite**, a test of employee knowledge of Blackline Safety's hardware, software and analytics technology. Custom knowledge pathways with specific questions for unique roles were also included for the first time. Monthly 'kahoot' online quizzes were also held in the lead-up to Blackline Elite. Top performers were given a trophy and recognized at an all-employee meeting.
- Introduced **G7 EXO confined space monitoring integration** training and certification for facilitators, technicians and operators.
- Supported 48 employees enrolled in 184 courses through our **Education Assistance Program** (EAP). The EAP provides financial support ($2,500 per year per employee) and time for our people to enroll in training that increases their skill level and knowledge.
- Reimbursed relevant **professional membership** affiliation fees.
- Continued active **internship program** with five interns in our software development and performance and learning teams to develop the talent and skills pipeline of future engineers and human resources professionals.
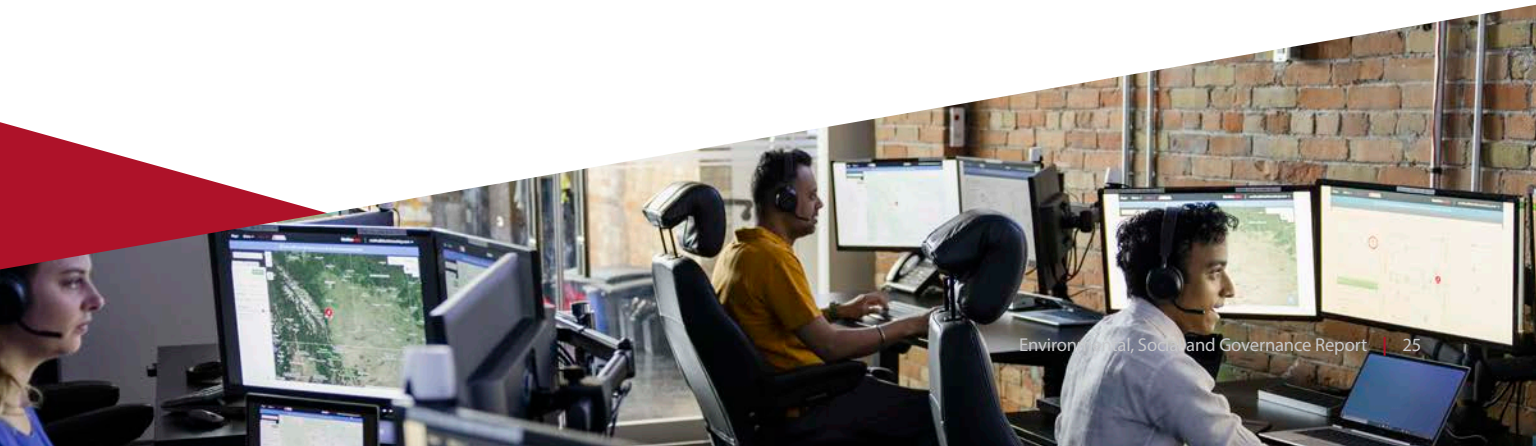
COMPENSATION AND BENEFITS

We perform compensation benchmarking for specific roles against market practices in the industry and cities/countries where we operate. As part of this benchmarking, we research and provide benefits specific to the market standards.

We provide competitive benefits coverage for our employees such as:

- Employee share ownership plan, complemented by Company matching 50% of employee contributions – 52% participation in 2023 up from 51% in 2022
- Employee and family assistance program providing assistance to those who may be experiencing personal or work-related matters that may be impacting health, mental and emotional well-being
- Benefits for all employees that cover health (North America only), disability, life and other insurance
- Flexible health spending options for US employees, in addition to standard health and dental benefits
- Stock option plan
- Introduced a new US 401K plan for our US-based employees
- Paid vacation as a component of total compensation, with industry leading minimum vacation leave for Canadian employees
- Perks (discount) program that provides benefits for employees and encourages support of local businesses in Canada and the UK

As part of Blackline Safety's commitment to health and wellness, a mental health webinar through the Calgary Counselling Society was held with all employees globally in 2023.

DIVERSITY

Blackline Safety's human capital is the most valuable asset we have, and we embrace the concept of hiring whole humans. The collective sum of the individual life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and business achievements too.
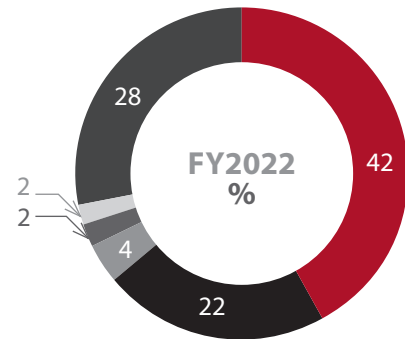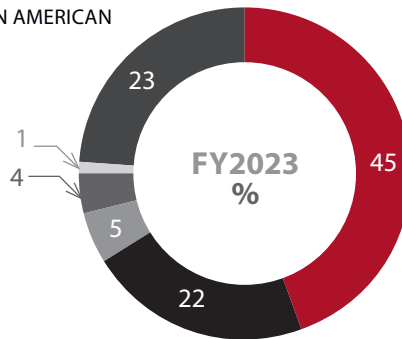
5 GENDER EQUALITY

WORKFORCE BY GENDER

● FEMALE ● MALE ● OTHER
● PREFER NOT TO ANSWER

FY2023 %
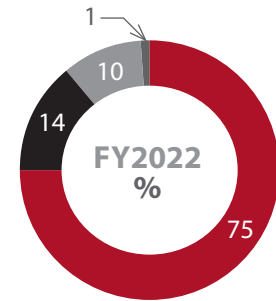14
55
31

FY2022 %
1
11
53
35
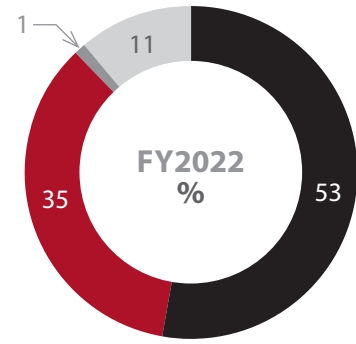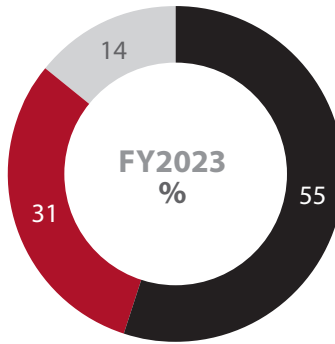
WORKFORCE BY ETHNICITY

● CAUCASIAN/WHITE ● ASIAN ● LATIN AMERICAN
● AFRICAN/BLACK ● ARAB
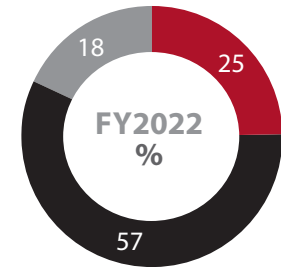● PREFER NOT TO ANSWER

FY2023 %
23
1
4
5
22
45

FY2022 %
28
2
2
4
22
42

GEOGRAPHIC BREAKDOWN

● CANADA ● EUROPE ● USA ● REST OF WORLD

FY2023 %
- 77
- 13
- 9
- 1

FY2022 %
- 75
- 14
- 10
- 1

AGE

● <30 ● 31-49 ● 50+

FY2023 %
- 15
- 61
- 24

FY2022 %
- 25
- 57
- 18
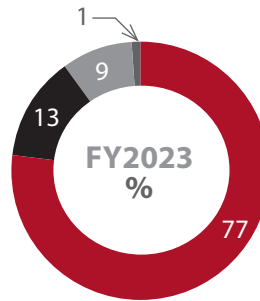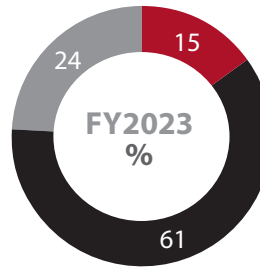
INDIGENOUS BREAKDOWN

● FIRST NATIONS ● METIS
● NOT INDIGENOUS ● PREFER NOT TO ANSWER

FY2023 %
- 82
- 16
- 1
- 1
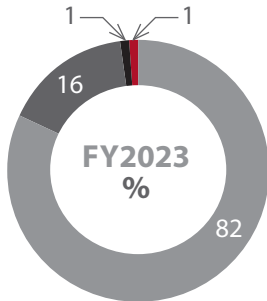
LGBTQ+ IDENTIFYING EMPLOYEES

● YES ● NO ● PREFER NOT TO ANSWER

FY2023 %
- 6
- 78
- 16
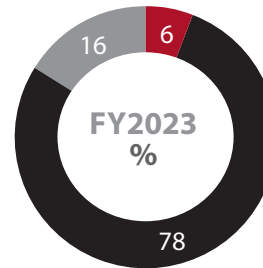
3 YEARS
Average tenure of employees (current vs prior year): 2022 is 1.8 years

496
Total employees globally

81%
Engagement survey respondents (2022 = 76%)

82%
Employee engagement score (2022 = 79%)

Blackline Safety's diversity initiatives are applicable—but not limited—to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions and internal movements across teams; transfers; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity. These practices and policies encourage and enforce:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, allowing the representation of all groups and employee perspectives.
- Work/life harmony through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve, and on-going education and awareness, to promote a greater understanding and respect for diversity in all its forms.

EMPLOYEE SURVEY RESPONSES

The company does a good job of providing awareness about diversity, equity and inclusion.

78%
strongly agree

I respect and value my co-workers.

92%
strongly agree

I feel respected and valued at work.

81%
strongly agree

I feel comfortable expressing my opinions in team meetings or discussions.

84%
strongly agree

FY2023 GOAL	STATUS	FY2024 AND BEYOND GOALS
Achieve pay equity certification in 2023.	**Ongoing**	Certification fees were a barrier in 2023, so we focused on an internal review for pay equity which we completed with no matters of concerns noted. The Company expects to receive pay equity certification in fiscal year 2025 with an external partner to support this work.
Increase diversity education and awareness Company-wide through lunch and learns and an internal intranet page with resource links.	**Completed** DEI internal intranet page launched to support all Blackline's internal DEI initiatives and provide access to all DEI resources. DEI training launched on Blackline's internal Learning Management System, Blackline Learning. Hosted two companywide DEI lunch and learn sessions led by Blackline's Performance and Learning team.	Increase diversity education actions with a specific focus on cross-cultural awareness and communication efforts via Blackline Learning, with webinars and other training materials. Goal of hosting three instructor led seminars and launching at least one additional LMS module.
Increase workforce diversity through diverse sourcing channels, implementing bias-free recruiting practices, providing a discrimination-free workplace, and monitoring, evaluating, and optimizing efforts.	**Ongoing**	Bias free recruitment practices: • Publishing salary wage bands on all posted roles • Reviewing job descriptions to eliminate biased language Discrimination-free workplace: • Diversity education provided to UK & Europe team • Workplace discrimination & harassment prevention provided to North American team Updated, ongoing education on DEI internal intranet page.

COMMUNITY ENGAGEMENT

Blackline Safety leverages the power of connectivity to transform workplaces and ensure every worker has the confidence to get the job done and return home safe. Along the way we also support – financially and through the time and talents of our people – causes which align with this purpose across the communities where we do business.

Our community investment program is grouped into four thematic areas that connect directly to our business and global impact goals:

1. Access to information technology assets
2. Advancement of diversity and inclusion
3. Enabling health and safety in the community
4. Promotion of science, technology, engineering and math (STEM) initiatives with youth

HIGHLIGHTS OF OUR 2023 COMMUNITY INVESTMENT SUPPORT INCLUDED:

1. ACCESS TO INFORMATION TECHNOLOGY ASSETS

Students in the Information Design program were introduced to the fundamentals of user experience through a variety of classroom activities–like indexing, wireframing and prototyping—based on the features of Blackline's devices and software.

Through the donation of our technology, students received hands–on experience with products related to their fields of study in Industrial IoT and edge computing.

2. ADVANCEMENT OF DIVERSITY AND INCLUSION

DirectHer empowers Canadian women with the tools and support they need to sit on Boards and advises on ways organizations can advance meaningful representation at the decision-making table.

Our investment helps provide care and support to autistic children and adults and their families in the United Kingdom. Blackline Safety employees also provide talks about their experience in the workplace and mentor autistic students.

3. ENABLING HEALTH AND SAFETY IN THE COMMUNITY

Blackline Safety employees have supported a variety of fundraisers, including volunteering at the Board level, for Discovery House, an organization that provides safe housing and essential support for families with children who are leaving domestic violence.

4. PROMOTION OF STEM INITIATIVES WITH YOUTH

Sponsored a monthly webinar series that included Blackline Safety employees as guest speakers. These webinars provide a forum for students to ask questions of working STEM professionals, understand career pathways and gain confidence in what they want to pursue after graduation.

Blackline Safety employees rallied behind a fundraising campaign— raising $22,000—to support Plan International's Girls Belong Here Campaign. The campaign aims to advance gender equality and diversity in the tech sector through leadership programming and improving the access of girls around the globe to technology and tech education.

Blackline Safety's Chief Product and Marketing Officer volunteered as an industry mentor for the SCALE UP program run through the school of entrepreneurship.

> "These kinds of programs are critically important. If we don't openly address topics such as gender inequality in leadership and the technology sector, they are not going to change on their own
>
> Cody Slater, CEO, Blackline Safety

FY2023 GOALS	STATUS	FY2024 AND BEYOND GOALS
Continue to focus on community investment programs that align with our corporate thematic goals.	**Ongoing**	To celebrate Blackline's 20th anniversary in 2024, the Company will support in 20 causes nominated by employees around the globe that align with giving pillars.
Formalize global community investment committee and establish parameters for greater collaboration and connections.	**Completed** This focus was incorporated into our new internal cross functional team focused on executing ESG goals at Blackline Safety.	N/A

HEALTH & SAFETY

Our safety goals extend to all our people at Blackline Safety. We aim to help everyone leave work in the same, or better condition, than when they arrived by ensuring every worker has the confidence – through education, equipment, and technology – to get the job done. We recognize that psychological safety is as important as physical safety and work to provide a healthy, injury-free workplace for all.

The Health & Safety Committee at Blackline Safety is an employee committee with a focus on local health, safety and environmental concerns (OHS (Canada), OSHA (USA), and HSG65 (UK)). The committee brings leaders and their teams together quarterly, to discuss and address health and safety concerns in the workplace. The committee's mandate is to promote and support the three basic rights of workers to know, to participate and to refuse dangerous work.

Our workplace safety statistics were as follows:

	FY2023	FY2022
Work-related fatalities	0	0
Lost Time Incidence Frequency (LTIF)[1]	1.14	0.2
Total Recordable Injuries Frequency (TRIF)[2]	0.69	0

[1] LTIF: An industry standard safety metric. The number of lost time injuries (fatalities + lost work day cases) x 200,000 hours divided by total person hours.

[2] TRIF: An industry standard safety metric. The number of recordable injuries (medical treatment, restricted work, lost time incidents) x 200,000 hours divided by total person hours.

The workplace safety statistics in fiscal 2023 reflect an increase in overall staff count, and repetitive stress concerns in a specific area of the manufacturing process. A robust ergonomic review was conducted which eliminated this area of concern moving forward. Ongoing Hazard Assessment review and updated training practices have addressed these concerns moving into FY2024.

In fiscal 2023, we hired a dedicated Health & Safety Coordinator and launched a Safety Footwear Allowance for eligible employees, including those on our production floor and those conducting field visits for customer implementations and site visits.

ENVIRONMENTAL POLICY AT BLACKLINE SAFETY

IMPACT ON THE ENVIRONMENT AND LOCAL HABITAT

Blackline Safety has minimal impact on the environment and local habitat as it operates in an office setting in an urban area. Any new processes required to meet customer and market requirements will be reviewed by the Chief Operating Officer to ensure potential environmental impact or impact on the local habitat is removed or minimized. All purchases made by Blackline Safety, where practical and feasible, consider their eco-friendliness as part of the decision-making process.

GREENHOUSE GAS EMISSIONS

- There are minimal industrial emissions produced by Blackline Safety in operations processes. A small amount of greenhouse emissions are produced by the furnace and water heating systems. Maintenance of the systems is done periodically to ensure all local bylaws and requirements are complied with.
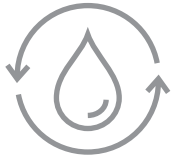
WATER CONSERVATION

- No water is used in any manufacturing / industrial process, the only water used is for normal domestic / hygiene purposes. Should the requirement for the industrial usage of water arise, Blackline Safety's Vice President of Operations will ensure the efficient use of water for process requirements is given a high priority.
- The only effluent produced by Blackline Safety is normal domestic foul water and this is discharged through the municipal sewer system.

ENERGY CONSERVATION

- Where possible all electrical / electronic equipment is only powered up when being used. For equipment that needs to be left running, all peripherals are powered down when not in use. All furnaces and water heaters are serviced periodically to ensure they comply with all local laws and requirements and operate efficiently. Outside of normal operating hours all non-security lighting is switched off to minimize power consumption.

WASTE MINIMIZATION

- All material used in our operations is to be used efficiently to minimize waste. Where possible all waste is recycled, and various waste containers are provided for use by all staff.

ENABLING ESG INITIATIVES

With our leading Industrial Internet of Things (IIoT) connected safety solutions, Blackline Safety is a strategic partner to our global customers across an array of industries – from energy and utilities to fire and hazmat to water and wastewater management.

The Company's cloud-connected safety solutioms help our customers work safer, improve efficiency and manage compliance, all while supporting their digital transformation efforts that carry a reduced environmental footprint.

In fiscal 2023, Blackline Safety was recognized with nine awards, highlighting our commitment to safety and enhancing our customers' ESG performance globally.

reddot winner 2023

AWARDS
OSH INDIA
2023

2023 READERS'
CHOICE
WINNER

2023
REPORT ON BUSINESS
CANADA'S TOP GROWING COMPANIES

OH&S
OCCUPATIONAL HEALTH & SAFETY
2023
NEW PRODUCT OF THE YEAR

BE
2023
REPORT ON BUSINESS
BEST EXECUTIVE AWARDS

2023
Industrial Hygiene Awards
An OHS Program

L'INNOVATION
by Préventica

CANADIAN
OCCUPATIONALSAFETY
CELEBRATING 60 YEARS

Blackline Safety also extended its leadership position in key industries announcing multi-year hardware and software service deals with a series of transnational energy, utilities and fire/hazmat customers in 2023. The largest, a $3.5 million deal with leading North America infrastructure company with operations in natural gas, oil and power industries, protects over 850 workers in remote, confined space or other potentially hazardous locations.

FIRE/HAZMAT VERTICAL GROWS BY 50%

Our connected safety fleet has reimagined safety solutions for various scenarios – from chemical spills and fires, to floods, gas leaks, explosions, and other high-risk situation – and enabled organizations to respond with unprecedented speed, accuracy and as-it-happens visibility. In FY2023, we saw growth of 50% in our fire hazmat customers.

REST OF WORLD EXPANSION

In FY2023 Blackline secured new customers across Oman, Saudia Arabia, and the UAE. This included its largest-ever order in its Rest of World geography, which includes regions outside North America and Europe. These deals signify the increased traction the Company's cloud-connected safety solutions are garnering outside its traditional markets.

Blackline Safety hosted four virtual Blackline User Connect events for customers. During these events, companies shared their firsthand experiences with Blackline Safety solutions and services, offering valuable insights into safety practices. The live webinars and recorded sessions attracted over 400 viewers, addressing various topics including keys to effective deployment, effective alert response and management, data-driven risk management, and building partnerships with our customers to drive value. The events featured guest speakers from global brands including Suncor, GATX, Cenovus, and Waste Management, bringing real-world application perspectives to the discussion.

SAFETY OPERATIONS CENTER

When an incident occurs, the clock starts—and it doesn't stop until help arrives. Blackline Safety helps its customers harness faster incident response times through its in-house Safety Operations Center (SOC), linking customers' connected safety devices to 24/7/365 dedicated live safety monitoring by professionally trained agents.

These experienced professionals are prepared to handle any situation—from lone worker hazards like slips, trips and falls to a gas leak or explosion—according to customers' specific safety protocols.

In regions not covered by Blackline Safety's in-house SOC, customers are able to provide monitoring of their employees via an approved Blackline Alarm Receiving Center partner. In 2023, Blackline's SOC, together with its Alarm Receiving Centers in Europe monitored over 54,000+ employee wearables.

The SOC has achieved Five Diamond designation from the Monitoring Association since 2018. The Five Diamond designation is granted annually to monitoring centers that demonstrate superior service through time, investment and commitment to superior training standards and through optimized alert management that reduces false dispatches.
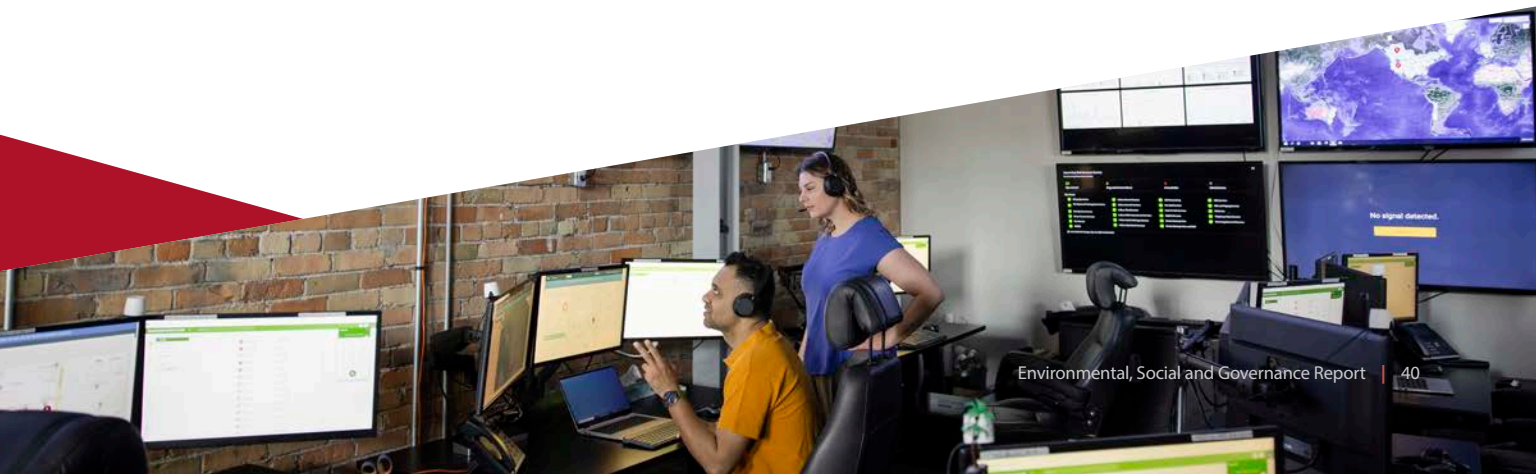
A SUPERIOR TRACK RECORD

54,000+
devices monitored globally

400,000+
alerts managed in 2023

99.46%
average alerts acknowledged in fewer than 60 seconds

SUPPLY CHAIN MANAGEMENT

We hold ourselves and our suppliers to a high standard of behavior. Blackline Safety's Code of Business Conduct and Ethics includes guidelines for fair dealing with suppliers as well as conflict of interest requirements. We aim to continually deepen relationships with our suppliers through collaboration that supports a stronger, more responsible supply chain and that satisfies our customers' product quality expectations.

We do this by:

- Requiring our approved vendors (suppliers providing ATEX/IECEx certified product and/or suppliers of raw stock or electronic components) to demonstrate that they have a quality management system in accordance with ISO 9001, UL, ATEX QAN, IECEx QAR, or an equivalent standard. We expect our vendors to pass on this requirement through their supply chains. We monitor compliance through our purchasing procedures.

- Engaging with our suppliers to assess their performance and encouraging improvement and ownership of any issues identified. In 2023, we reviewed 28 vendors of our direct materials purchases for their product quality and service levels which raised three non-conformance ratings. We provide feedback to these vendors and work with them to correct the issues identified, or seek diversity to build a more resilient supply chain.

- Revising our supplier review process to better define the metrics we assess in order to measure the sustainability of our supply chain more objectively.

MATERIALS SOURCING

Manufacturing of all Blackline Safety products, including printed circuit board assembly, is done in our Calgary, Canada headquarters which gives us tighter control over the manufacturing process. Many of our products require the use of critical and/or conflict materials such as gold, precious metals and minor metals. We recognize there is an inherent risk associated with such materials, including potential supply issues, lack of available substitutes, increased global demand driving increased competition, and impacts from geopolitical uncertainty. To manage these risks, we secure multiple sources for materials where possible and recycle critical minerals.

We support industry-wide efforts to validate the source of minerals used in our products, ensuring they come from socially responsible sources and do not contribute to human conflict. Our goal is to better understand where our materials are sourced, use only conflict-free materials in our products and select suppliers that include fair labor and human rights, including fair treatment of employees and no child or involuntary labor.

We recognize the importance of sourcing goods that are not harmful to the environment and protect our workers and customers. Complying to various safety regulations under the Restriction of Hazardous Substances ("RoHS") and the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") in Europe demonstrates our commitment to building a more sustainable and resilient supply chain.

CANADA'S MODERN SLAVERY ACT

The 2022 Global Estimates of Modern Slavery, published by the International Labour Organization, International Organization for Migration and international human rights group Walk Free, reported that 27.6 million people are trapped in forced labor—an increase of 2.7 million individuals since 2016[1]. The worsening situation is attributed to the compounding effects of the pandemic, political instability and unsafe migration in recent years.

Against this backdrop, the Canadian government introduced measures that compel businesses and government institutions to take steps to prevent this exploitation of vulnerable individuals. The new Canadian legislation ranks alongside similar laws previously enacted in the United Kingdom, Australia, France, Germany and elsewhere.

The Fighting Against Forced Labour and Child Labour in Supply Chains Act was passed and received royal assent in Canada in June 2023. Known as the 'Modern Slavery Act' (the Act), it takes the approach of encouraging responsible business practices through greater transparency in the form of public reporting and sanctions. In Canada, this approach has already been employed for nearly a decade to deter and detect corruption in the extractive sector.

Canada's Modern Slavery Act establishes a new transparency framework to a broad segment of Canadian business and federal government bodies, including Blackline Safety. The Act took effect on January 1, 2024 and will require the Company to report by May 31, 2024 to the Canadian Minister of Public Safety and Emergency Preparedness in a prescribed form on the steps taken during our previous financial year to prevent and reduce the risk that forced labor or child labor is used at any step in the production of goods made by Blackline or imported into Canada by the Company. These reports are also required to include information on the entity's supply chains and its due diligence processes in relation to forced labor and child labor. The report will be approved by the Board of Directors of the Company and made available on our corporate website as well in a new publicly available catalogue on the website of Public Safety Canada.

Blackline will complete our reporting for our fiscal 2023 year as well as under *Canada's Modern Slavery Act* by the May 31, 2024 reporting deadline.
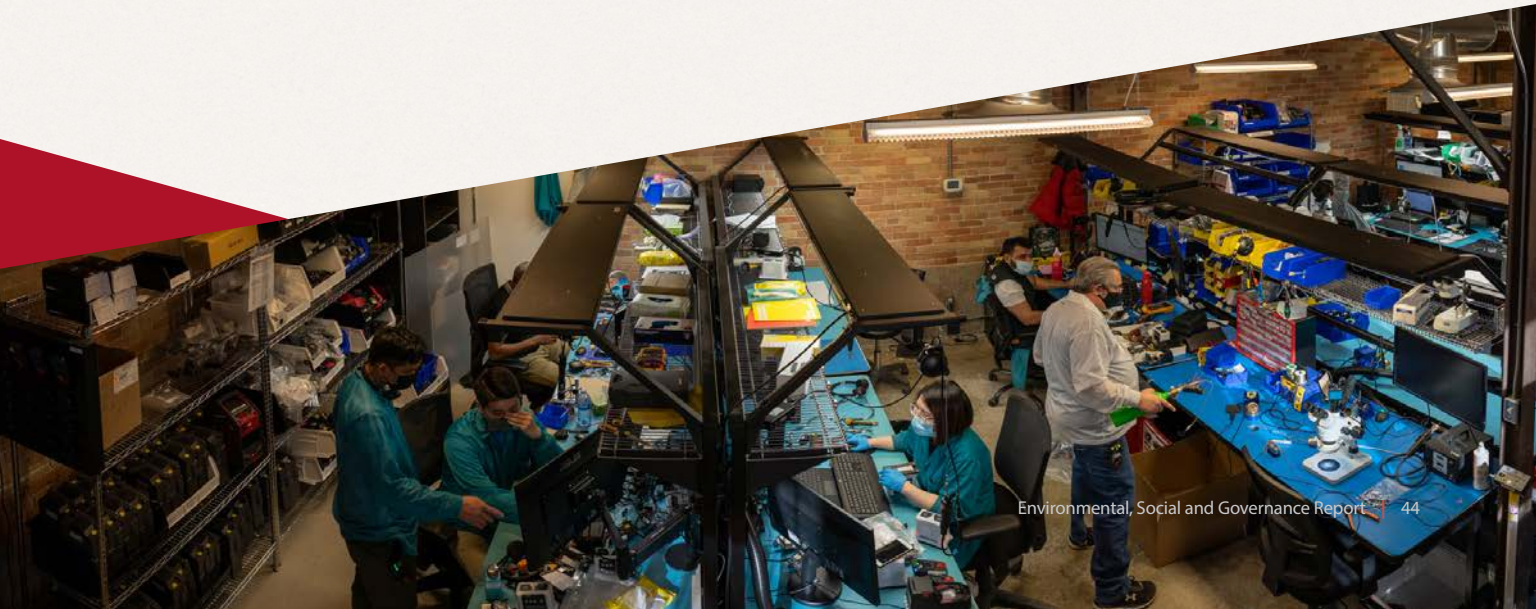
[1] https://www.walkfree.org/reports/global-estimates-of-modern-slavery-2022/

PRODUCT QUALITY AND SAFETY

Quality and safety are embedded into every step of our product development process, from design and production to the end-user experience. Due to the vital safety aspect of our products, they simply cannot fail, and exceptional manufacturing quality and in-field reliability are non-negotiable. We must meet customer safety and compliance standards.

To ensure we meet or exceed our customers' quality expectations, our ISO 9001-certified sites undergo internal and external audits every year. And our newly launched G6, similar to our other devices, was required to go through multiple rounds of product testing through its development phase and undergo numerous safety certifications in various countries to verify the devices are intrinsically safe for use.

Our Quality Assurance department manages, refines, educates and implements ISO and other quality standards across the organization. The team is also updating its vendor qualification program to be ISO 9001 certified.

GOALS

FY2023 GOALS	STATUS	FY2024 AND BEYOND GOALS
Continue to strengthen our relationship with suppliers by understanding where goods are sourced, while maintaining flexibility and resiliency within the supply chain.	**Ongoing** We continued to enhance our vendor screening process in 2023 to achieve compliance with RoHS/REACH.	Moving forward we will continue to focus on ensuring that our supply chain is optimized for compliance with industry leading and required compliance standards.
Being proactive in understanding where goods are sourced, screening new suppliers and reviewing existing suppliers a supplier scorecard which includes various criteria regarding product quality and service levels along with environmental, social and governance criteria.	**Achieved** We implemented a new supplier scorecard that includes additional criteria regarding product quality and service levels along with sustainability criteria.	Continue to measure and keep track of quality targets (e.g. defect rate, cost of quality, scrap, on-time delivery, supplier report cards) in order to identify opportunities for improving on our product quality.
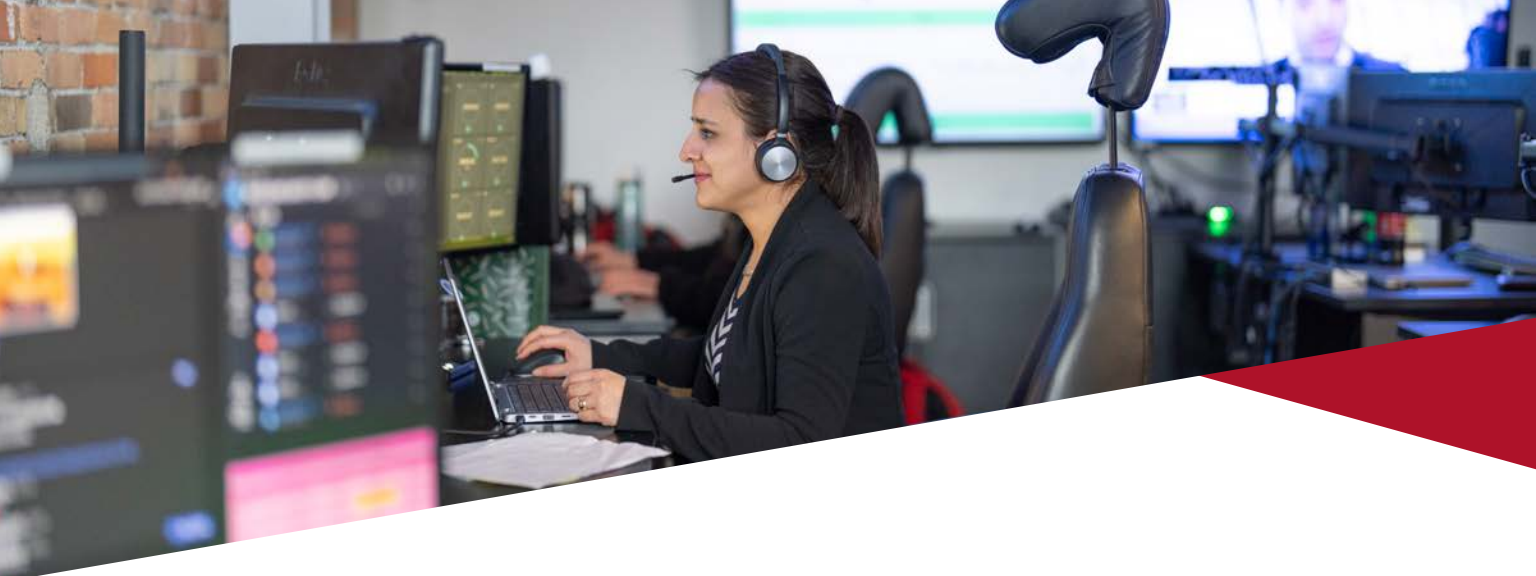
PRIVACY AND DATA SECURITY

The Blackline Live portal is a cloud-hosted safety monitoring platform which supports real-time alert response, compliance management, and 24/7 monitoring of employee-worn monitoring devices. With over 231 billion data points collected to date, the Blackline Live portal is at the core of all our safety solutions.

Blackline Safety is committed to ensuring that this data, which is entrusted to us by our customers and employees, is stored and maintained by leveraging industry- standard security and privacy measures while leveraging various industry control frameworks, including ISO 9001, ISO 14001 and SOC 2 Type II accreditation.

Our Chief Information Officer is our designated Privacy Officer and oversees the privacy and cybersecurity risks and processes and supports our intrinsic safety certifications and quality standards. The Board has requested that they be updated quarterly on any identified cybersecurity risks and mitigation.

CYBERSECURITY

Cybersecurity is a core component of our ESG strategy as we strive to protect our data, systems, and customers from cyber threats. We believe that cybersecurity is not only a technical issue, but also a social and governance one as it impacts our reputation, trust, and value creation.

To address potential risks, such as ransomware, phishing, and data breaches, we regularly assess our cyber risk exposure and maturity, and update our policies and controls accordingly. Additionally, we benchmark our performance against industry standards and best practices, such as the Center for Internet Security (CIS) controls.

Employees undergo cybersecurity awareness training campaigns and mandatory annual training through the Company's learning portal.

We are committed to continuous improvement and innovation in cybersecurity as we invest in new technologies and best practices, to embed security and privacy into our culture and processes. We collaborate with external cybersecurity partners to leverage their expertise, resources, solutions, and to promote a safer and more secure cyberspace.

PRIVACY POLICY

Blackline Safety's Data Security and Privacy Policy is applicable to all employees. Staff undergo training on privacy and data security at onboarding and on an annual basis. All staff also formally acknowledge a Blackline Safety Confidentiality, Intellectual Property and Conflict of Interest Agreement which prohibit communication of privileged information other than for legitimate business interests.

Blackline Safety's Privacy Policy outlines the information we collect from our customers, how we process and share it, and customer options for controlling their personal information.

REGULATORY AND LEGAL COMPLIANCE

Blackline Safety ensures compliance with all applicable data privacy laws, including the General Data Protection Regulation (GDPR) as enacted by the European Parliament. GDPR mandates that Blackline Safety put in place appropriate technical and organizational measures to implement the data protection principles defined in the regulation.

Blackline Safety issued a System and Organization Controls for Service Organizations 2 (SOC 2) Type 2 report for our Blackline Live Portal and in-house 24/7/365 live monitoring Safety Operations Center in 2023. The report identifies and documents the controls within our system which support the security and availability trust services categories and associated criteria.

GOALS

FY2023 GOALS	STATUS	FY2024 AND BEYOND GOALS
Continue to evolve our security program and be ISO 27001 compliant by the end of 2026.	**Ongoing**	The Company continues on the path for ISO 27001 compliance for its security program. We continue to engage industry experts in risk assessment and determining improvements and evolutions of our cyber security program.

REPORTING REFERENCES

Blackline Safety uses the SASB and TCFD frameworks and sector-specific guidelines to identify and prioritize ESG issues. We chose to use a combination of leading reporting standards to ensure the information provided is tailored to our own material issues and our stakeholders' areas of interest.

SASB REFERENCE

TOPIC	ACCOUNTING METRIC	SASB CODE	FY 2023	FY 2022
Product Security	Description of approach to identifying and addressing data security risks in products	TC-HW-230a.1	Privacy & Data Security, p. 46	Privacy & Data Security, p. 45
Data Security	1) Number of data breaches 2) % involving personally identifiable information 3) number of users affected	TC-SI-230a.1	Blackline did not experience a security incident that had a material impact on the business, required regulatory reporting to authorities, or incurred financial penalties.	Blackline did not experience a security incident that had a material impact on the business, required regulatory reporting to authorities, or incurred financial penalties.
	Description of approach to identifying and addressing data security risks, including use of third party cybersecurity standards	TC-SI-230a.2	Cybersecurity, p. 47	Cybersecurity, p. 46
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1	Privacy Policy, p. 47 We do not engage in behavioral advertising.	Privacy Policy, p. 46 We do not engage in behavioral advertising.
	Number of users whose information is used for secondary purposes	TC-SI-220a.2	Zero	Zero
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	Zero	Zero
	1) Number of law enforcement requests for user information 2) number of users whose information was requested 3) % resulting in disclosure	TC-SI-220a.4	Zero	Zero
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering or censoring	TC-SI-220a.5	None	None

TOPIC	ACCOUNTING METRIC	SASB CODE	FY 2023	FY 2022
Intellectual Property Protection & Competitive Behaviour	Total amt of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	TC-SI-520a.1	Zero	Zero
Managing Systemic Risks from Technology Disruptions	Number of 1) performance issues 2) service disruptions and 3) total customer downtime	TC-SI-550a.1	17 notices sent to customers of Blackline Live Portal outages due to performance issues and service disruptions. We are working towards additional monitoring in the future, including reporting performance issues and service disruptions separately.	22 notices sent to customers of Blackline Live Portal outages due to performance issues and service disruptions. We are working towards additional monitoring in the future, including reporting performance issues and service disruptions separately.
	Description of business continuity risks related to disruptions of operations	TC-SI-550a.2	We have a business continuity plan and hold annual management reviews as part of our quality management system to mitigate the risks identified in our Annual Information Form, p. 28 - 38	We have a business continuity plan and hold annual management reviews as part of our quality management system to mitigate the risks identified in our Annual Information Form, p. 28 - 36
Employee Diversity & Inclusion	% of gender and racial/ethnic group representation for 1) mgmt. 2) technical staff and 3) all other employees	TC-HW-330a.1 TC-SI-330a.3	Diversity, p. 27	Diversity, p. 29
	% of employees that are 1) foreign nationals and 2) located offshore	TC-SI-330a.1	Diversity, p. 27	Diversity, p. 29
	Employee engagement as a %	TC-SI-330a.2	Employee Engagement, p. 24	Employee Engagement, p. 26

TOPIC	ACCOUNTING METRIC	SASB CODE	FY 2023	FY 2022
Product Lifecycle Management	% of products by revenue that contain IEC 62474 declarable substances.	TC-HW-410a.1	We are working towards becoming RoHS and REACH compliant.	We are working towards becoming RoHS and REACH compliant.
	% of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	TC-HW-410a.2	Zero	Zero
	% of eligible products, by revenue, meeting ENERGY STAR criteria	TC-HW-410a.3	Zero	Zero
	Weight of end-of-life products and e-waste recovered, percentage recycled	TC-HW-410a.4	5.99 tons, 100% recycled The increase in weight of end-of-life products and e-waste reflects an increase in recycled materials in the year due to increase in device returns in the year.	5.21 tons, 100% recycled
Supply Chain Management	% of Tier 1 supplier facilities audited in the RBA validated audit process or equivalent, by a) all facilities and b) high risk facilities	TC-HW-430a.1	We currently do not audit suppliers using the RBA validated audit process. We are working towards strengthening our relationship with suppliers in the future. Supply Chain Management, p. 41	We currently do not audit suppliers using the RBA validated audit process. We are working towards strengthening our relationship with suppliers in the future. Supply Chain Management, p. 41
	Tier 1 suppliers' 1) non-conformance rate with the RBA validated audit process or equivalent and 2) associated corrective action rate for a) priority non-conformances and b) other non-conformances	TC-HW-430a.2	We currently do not audit suppliers using the RBA validated audit process. We are working towards strengthening our relationship with suppliers in the future. Supply Chain Management, p. 41	We currently do not audit suppliers using the RBA validated audit process. We are working towards strengthening our relationship with suppliers in the future. Supply Chain Management, p. 41

TOPIC	ACCOUNTING METRIC	SASB CODE	FY 2023	FY 2022
Materials Sourcing	Description of the mgmt. of risks associated with the use of critical materials	TC-HW-440a.1	Materials Sourcing, p. 42	Materials Sourcing, p. 42
Environmental Footprint of Hardware Infrastructure	1) Total energy consumed 2) percentage grid electricity 3) percentage renewable	TC-SI-130a.1	1) 7,235 GJ total energy consumed 2) 48% of total energy consumed supplied from grid electricity 3) 46% of total energy consumed was renewable energy. Increase in energy consumption reflects an increase in the workforce and increase in employees working at the office.	1) 6,383 GJ total energy consumed 2) 48% of total energy consumed supplied from grid electricity 3) 48% of total energy consumed was renewable energy.
	1) Total water withdrawn, 2) total water consumed, percentage of each in regions with high or extreme high baseline water stress	TC-SI-130a.2	1) Data not available 2) 3,487 m3, 1% in regions with high or extreme high baseline water stress	1) Data not available 2) 3,483 m3, 1% in regions with high or extreme high baseline water stress
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-SI-130a.3	We do not own or develop data centers. The Cloud, p. 18	We do not own or develop data centers. The Cloud, p. 18

TOPIC	ACCOUNTING METRIC	SASB CODE	FY 2023	FY 2022
Activity Metrics	Number of units produced by product category	TC-HW-000.A	Wearable devices: 47,086 Area monitor devices: 2,403 Core accessories: 8,004	Wearable devices: 32.310 Area monitor devices: 2,000 Core accessories: 11,300
	Area of manufacturing facilities	TC-HW-000.B	11,200 square feet	6,750 square feet
	Percentage of production from owned facilities	TC-HW-000.C	100%	100%
	1) Number of licenses or subscriptions 2) % cloud-based	TC-SI-000.A	1) 12,509 active account users and software licenses 2) 100%	1) 9,777 active account users and software licenses 2) 100%
	1) Data processing capacity 2) % outsourced	TC-SI-000.B	There is no upper limit to the processing capacity as we outsource to AWS and are billed for what is used.	There is no upper limit to the processing capacity as we outsource to AWS and are billed for what is used.
	1) Amount of data storage 2) % outsourced	TC-SI-000.C	1) Approximately 0.23 Petabytes 2) 100%	1) Approximately 0.061 Petabytes 2) 100%

ALIGNMENT WITH TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

We recognize the impact of climate change on our business, including both the climate risks and opportunities. This is our first year aligning with TCFD and we are beginning to integrate the process of identifying risks, maintaining and mitigating risks within our risk management process. We are in the process of building out a more robust process to managing our climate related risks and opportunities and aim to integrate our TCFD framework with the general and climate-related standards released by the International Sustainability Standards Board once the Company implements those standards.

DISCLOSURE	RESPONSE
GOVERNANCE	
Describe the board's oversight of climate-related risks and opportunities.	The Board oversees the principal risks of our business and makes sure the best practical procedures are in place to effectively monitor and mitigate those risks. There are two board committees that govern our material ESG focus areas and oversees different risks of our business, including our climate-related risks and opportunities: **Audit Committee** The Audit Committee oversees financial risks and monitors the management of the principal risks that could impact our financial reporting, including cybersecurity and privacy risks. **Governance & Nominating Committee** The Governance & Nominating Committee oversees the material ESG focus areas, including the climate-related risks and opportunities.
Describe management's role in assessing and managing climate-related risks and opportunities.	We have a management cross-functional ESG committee which engages our Chief Financial Officer, Chief Product & Marketing Officer and Chief People Officer to identify, assess and manage our climate-related risks and opportunities. The duties and responsibilities of the ESG committee include identifying ESG goals and opportunities, tracks progress on our ESG goals and initiatives, and assesses climate-related risks and opportunities for the business and collaborates with key individuals in mitigating certain risks identified. The Chief Financial Officer presents the material ESG matters to the Governance & Nominating committee.

Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

We have identified the climate-related risks and opportunities below and the potential impact on our business over the short, medium and long term.

We recognize that these climate-related risks and opportunities could impact our business in the future, and we will continue to monitor and report on them within our risk management processes.

RISKS

RISK CATEGORY	DESCRIPTION	SHORT, MEDIUM OR LONG TERM
Transition Risks – Policy and Legal	The evolving focus on climate increases the required climate-related reporting and may increase mandates on and regulation of existing products and services which may result in higher overall operating costs due to more compliance costs and insurance premiums and may result in fines and judgments for non-compliance.	Short to Medium Term
Transition Risks – Market	There may be a shift in customer preferences for products and services with lower emissions options and may increase costs due to input pressures.	Medium to Long Term
Physical Risks – Acute	An increase in severity of extreme weather may significantly impact our operations, due to a disruption to our operations.	Medium to Long Term

OPPORTUNITIES

RISK CATEGORY	DESCRIPTION	SHORT, MEDIUM OR LONG TERM
Energy Source	The use of lower-emission sources of energy in our production process may reduce our exposure to GHG emissions and potential operational costs.	Short to Medium Term
Resource Efficiency	The use of more efficient production processes and more efficient energy usage within the buildings occupied could reduce operating costs and increase production capacity.	Short to Medium Term
Products and Services	The expansion of low emissions goods and services and the development of new products or services through R&D and innovation may result in increased revenue and provide better competitive position to reflect shifting customer preferences.	Long Term

Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	We are currently assessing the impact of these climate-related risks and opportunities on our organization and are in the process of establishing a robust risk management process that will allow us to manage and mitigate these risks on our business.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario.	As this is the first year the Company has adopted the TCFD framework, we have not introduced a climate-related scenario-based analysis into the Company's strategy. We are working towards further building our strategy that considers different climate-related scenarios, including a 2-degree Celsius or lower scenario. This will be incorporated in future reports.
RISK MANAGEMENT	
Describe the organization's processes for identifying and assessing climate-related risks.	The management cross-functional ESG committee performs a risk assessment which includes the identification and climate-related risks and the mitigation of these risks based on materiality. We are in the process of further expanding our process to include key stakeholders and we are working towards integrating our climate-related risks into our organization's risk management process.
Describe the organization's processes for managing climate-related risks.	The ESG committee is working on further defining our climate-related risks and ensuring that there are effective strategies for mitigation in place.
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	The Company is working towards building a more robust risk management process that allows us to manage our identified climate-related risks and also integrate it into the Company's overall risk management.

METRICS AND TARGETS	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	We are in the process of defining the metrics that we will be using to assess our climate-related risks and opportunities.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Refer to Environmental Goals GHG Emissions and Climate Change, p. 17.
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	We are in the process of defining the targets that we will be using to manage our climate-related risks and opportunities.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We support the 17 United Nations' Sustainable Development Goals (UN SDGs) and aim to align our business activities and charitable contributions to them. We are best positioned to contribute to the following SDGs:

SDG	BLACKLINE ACTION/INITIATIVE
3 GOOD HEALTH AND WELL-BEING	**Enabling ESG Initiatives** We help over 165,000 workers who wear our devices remain safe. Our cloud-connected personal wearables and area monitors for lone worker protection and gas detection help people work safer, improve efficiency and manage compliance, all while supporting their digital transformation efforts that carry a reduced environmental footprint.
4 QUALITY EDUCATION	**Community Engagement** **Team Development** We promote continuous learning for all through our various team development initiatives. We also support inclusive and equitable quality education through our community initiatives with Joy to Job and Plan International.
5 GENDER EQUALITY	**Community Engagement** **Diversity** Two of Blackline's themes of giving involve promotion of diversity in governance, and promotion of STEM initiatives with youths. We believe that diversity, in not only gender, leads to diversity of thought, engagement and effective decision-making.
8 DECENT WORK AND ECONOMIC GROWTH	**Employee Engagement** **Careers** Our team has grown remarkably in the last three years, and we are proud of the passion our people bring to saving lives and partnering with our customers to enable excellence. With our meaningful work, diverse and inclusive culture and results-driven work environment, we are an employer of choice for all kinds of engaged and highly talented people.

SDG	BLACKLINE ACTION/INITIATIVE
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Supply Chain Management** Blackline manufactures its products in-house at its headquarters in Calgary, Canada, applying its highly skilled labour and leading manufacturing practices to manufacture, test and directly ship products to its customers. The focus of the Company's research and development team is the expansion of Blackline's worker safety and related solutions and on developing new products and applications, as well as providing the related services for such products. The Company believes that its research and product development capabilities are critical factors contributing to its success and are primary barriers to potential competitors' entry into the safety, gas detection and related markets. Accordingly, Blackline intends to continue investing resources in research and product development.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Product Lifecycle Management** Blackline continued to build on the progress in prior years to ensure sustainable consumption and production patterns and continues to work towards minimizing the amount of waste ending up in landfills.
13 CLIMATE ACTION	**GHG emissions & climate change** We recognize that collectively, we must reduce our environmental footprint to protect our planet. Climate change presents a significant financial risk to the global economy. We are revisiting pathways to achieve net-zero ambition and developing a pragmatic approach given current corporate framework.

STAKEHOLDER FRAMEWORK

We regularly engage with stakeholders to better understand factors they believe are critical for Blackline Safety and the connected safety industry.

LIST OF KEY STAKEHOLDER GROUPS	RELEVANCE TO BLACKLINE SAFETY	ENGAGEMENT/FEEDBACK MECHANISM	ISSUES/PRIORITIES/ CONCERNS
Customers	• Develop innovative products and technology to support digital transformation and ESG programs	• Performance feedback	• Healthy & safety • Privacy and data security • ESG
Employees	• Key achievers of business results and performance • Blackline Safety ambassadors • Talent availability is impacted by our reputation as an employer of choice	• Employee Survey • Culture Ambassadors Initiatives • Code of Business Conduct and Ethics • Blackline Learning	• Training and development • Compensation and benefits • Corporate culture and leadership behaviours • Health & safety • ESG
Suppliers & Service Providers	• Delivering safe and responsible parts and service	• Performance feedback • Blackline Catalyst partner program	• Operational, regulatory, environmental and health & safety performance • Medium- and long-term business strategy • Consistent and fair practices • ESG
Investors	• Provide access to capital (equity and/or debt markets), as appropriate • Market performance impacts our brand reputation as financially sound and responsible • Support for business strategy allows flexibility in corporate spending, mergers and acquisitions	• Investor presentations • One-on-one meetings • Third party media interviews • Annual and quarterly financial reports • Press releases • Annual General Meeting • Annual Information Form • Management Information Circular • ESG Report	• Fiscal responsibility, returns and profitability • Short- and long-term business strategy • Risk management • Economic performance • ESG

LIST OF KEY STAKEHOLDER GROUPS	RELEVANCE TO BLACKLINE SAFETY	ENGAGEMENT/FEEDBACK MECHANISM	ISSUES/PRIORITIES/ CONCERNS
Government & Regulators	• Decision makers on applications, laws, policies and regulations • Auditors and enforcers of policies and approvals	• Applications • Compliance audits/ inspections • Performance reports	• Legal and regulatory compliance • ESG
Industry Peers, Partners & Trade Associations	• Potential for joint efforts, shared resources and synergies • Drivers of industry innovation	• Industry/Community Associations and discussion groups • Blackline Catalyst partner program	• Sharing of best practices and innovation • ESG
Local Communities	• Potential to be directly affected by our operations • Observers of our operations	• Direct and ongoing communication through partnership efforts • Community investment and events	• Community engagement and investment • Business and employment opportunities • ESG
Non-Governmental Organizations	• Support sustainable, responsible development • Influencers of public opinion, policy and reporting mechanism • Increased public awareness	• Partnerships on education and other ESG initiatives	• Mitigation and innovation • Best practices • ESG

FORWARD LOOKING INFORMATION AND STATEMENTS

Certain statements included in this report constitute forward-looking statements. These statements relate to future events or the Company's future performance, objectives or targets. 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. 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. Forward-looking statement included in this report relate to among other things, the Company's disclosure objectives with respect to ESG; the expected benefits associated with certain of the Company's initiatives; the Company's expectations to achieve consistent profitability, generate free cash flow to sustain operations and reinvest in growth, bring innovative products and features to market, and scale the Company in 2024 and beyond; Blackline Safety's environmental goals on GHG and climate change including: continually working to improve the accuracy of our Scope 1, 2 and 3 emissions and reducing our emissions overall, our commitment to achieving net zero emissions, and to continue to maintain ISO 14001 certification in Blackline Safety, including for our European subsidiaries; the expectation that AWS' global coverage sets us up to easily scale internationally, ensuring our product portfolio is completely turn-key and connected; our goals on product lifestyle management including: further reducing our footprint by exploring different materials for our packaging and converting user guides to a QR code, working exclusively with accredited companies to minimize waste; our goal to maintain strong employee engagement and attract and retain world-class talent committed to the Company's mission; Blackline Safety's diversity goals including: our expectation that we will achieve pay equity certification, increasing diversity education actions, implement bias free recruitments practices, and provide a discrimination-free workplace; plans with respect to continued engagement within the community including investing in 20 causes for Blackline Safety's 20th anniversary in 2024; our continued commitment to health and safety initiatives including all our people at Blackline Safety; Blackline Safety's expectation that should the requirement for the industrial usage of water arise, Blackline Safety's VP of Operations will ensure the efficient use of water for process requirements is given a high priority; our expectation to continue to deepen our relationships with our suppliers through collaboration that supports a stronger, more responsible supply chain; Blackline Safety's goal to better understand where our materials are sourced, use only conflict-free materials in our products and select suppliers that include fair labor and human rights, including fair treatment of employees and no child or involuntary labor; our goal to complete our reporting for our fiscal 2023 year under Canada's Modern Slavery Act by the May 31, 2024 reporting deadline; Blackline Safety's product and safety goals including: to continue to focus on ensuring that our supply chain is optimized for compliance with industry leading and required compliance standards, and to continue to measure and keep track of quality targets (e.g. defect rate, cost of quality, scrap, on-time delivery, supplier report cards) in order to identify opportunities for improving on our product quality; our regulatory and legal compliance goal to Achieve ISO 27001 compliance to further evolve our security program; Blackline Safety's plan to continue working to further align with the recommendations of SASB and TCFD; continuing the process of building out a more robust process to identify, manage and mitigate our climate-related risks and opportunities as identified within our TCFD framework, further integrating our TCFD risk process within our organization risk management process; the Company's belief that its research and product development capabilities are critical factors contributing to its success and are primary barriers to potential competitors' entry into the safety, gas detection and related markets; and Blackline Safety's intention to continue investing significant resources in research and product development.

Forward-looking statements and financial outlook or future oriented financial information (in each case **"FOFI"**) 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 and FOFI contained in the report are based upon what the Company believes to be reasonable assumptions, no assurance can be given that these expectations will prove to be accurate and such forward-looking statements and FOFI included in this report should not be unduly relied upon by investors. Factors which could cause future outcomes to differ materially from those set forth in the forward looking statements and FOFI include, but are not limited to: (i) the ability to obtain sufficient and suitable financing to support operations, development and commercialization of products and to fund our initiatives, (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, including in sufficient numbers to achieve the Company's stated objectives, (viii) the ability to adequately protect proprietary information and technology from competitors, (ix) market and general economic conditions (x) the ability to source materials and manufacture products in an effective manner consistent with the Company's stated objectives related to the same, (xi) seasonality in our business and in the business of our customers; and (xii) the impact were a significant disruption to its information technology to occur.

Any FOFI contained in this ESG Report regarding prospective financial position is based on reasonable assumptions about future events, including those described above, based on an assessment by management of the relevant information that is currently available. The actual results will likely vary from the amounts set forth herein and such variations may be material. Readers are cautioned that any such FOFI contained herein should not be used for purposes other than those for which it is disclosed herein. Such information was made as of the date of this ESG Report and the Company disclaims any intention or obligation to update or revise any such information, whether as a result of new information, future events, or otherwise, unless required pursuant to applicable law.

These forward-looking statements are made as of the date of this report. The Company 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.

Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and FOFI contained in this report are expressly qualified by this cautionary statement.

All amounts are stated in Canadian dollars unless otherwise specified.

Certain market, independent third party and industry data contained in this ESG Report is based upon information from government or other independent industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but the Company has not conducted its own independent verification of such information. This ESG Report also includes certain data derived from independent third parties. While Blackline Safety believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from independent third-party sources referred to in this ESG Report or ascertained the underlying assumptions relied upon by such sources.

This ESG Report contains company names, product names, trade names, trademarks and service marks of Blackline Safety and other organizations, all of which are the property of their respective owners. Solely for convenience, Blackline Safety's trademarks and trade names referred to in this ESG Report may appear without the ® or ™ symbols, or other applicable symbols, but such references are not intended to indicate, in any way, that Blackline Safety will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names.

Non-GAAP and Supplementary Financial Measures

Throughout this presentation and in other materials disclosed by the Company, Blackline Safety employs certain measures to analyze its financial performance, financial position, and cash flow. These non-GAAP financial measures, non-GAAP ratios and supplementary financial measures as further described herein are not standardized financial measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers. The non-GAAP and supplementary financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net earnings (loss) and cash flow from operating activities, as indicators of Blackline Safety's performance. See "Non-GAAP and Supplementary Financial Measures" in the Company's MD&A as at and for the year ended October 31, 2023 for an explanation of each measure noted below, as well as a detailed calculation and reconciliation to each of their most directly comparable IFRS measure.

"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.

"EBITDA as a percentage of revenue" is a non-GAAP ratio that measures EBITDA, a non-GAAP measure, as a percentage of revenue.

"Gross margin percentage" represents gross margin as a percentage of revenue.

"Annual Recurring Revenue" represents total annualized value of recurring service amounts of all service contracts.

"Net Dollar Retention" 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 each 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, contracts or is cancelled, but excludes the total service revenue from new activations during the period.

"Product gross margin percentage" represents product gross margin as a percentage of product revenue.

"Service gross margin percentage" represents service gross margin as a percentage of service revenue.

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