



Investor Day

SEPTEMBER 17, 2019

Agenda

Introduction

Alexandra Geller, VP of IR

Welcome

Therese Tucker, Founder & CEO

Tech Overview

Pete Hirsch, CTO

BREAK

Go-to-Market Overview

Marc Huffman, COO

Financial Summary

Mark Partin, CFO



Agenda

Q&A Panel

Therese Tucker, Founder & CEO

Pete Hirsch, CTO

Marc Huffman, COO

Mark Partin, CFO

Tammy Coley, Chief Transformation Officer

Karen Flathers, Chief Customer Officer

Mark Woodhams, SVP of Global Sales

Safe Harbor

This presentation contains forward-looking statements. These statements may relate to, but are not limited to, expectations of future operating results or financial performance of BlackLine, Inc. (“BlackLine” or the “Company”), the calculation of certain key financial and operating metrics, capital expenditures, introduction of new solutions or products, expansion into new markets, regulatory compliance, plans for growth and future operations, technological capabilities, and ability to execute our technology and platform initiatives and strategic relationships, including our relationship with SAP, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “intend,” “potential,” “would,” “continue,” “ongoing” or the negative of these terms or other comparable terminology. You should not put undue reliance on any forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all.

Forward-looking statements are based on information available at the time those statements are made and/or management’s good faith beliefs and assumptions as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. These risks and uncertainties are described in greater detail under the heading “Risk Factors” in the filings we make with the Securities and Exchange Commission (“SEC”) from time to time, which are available on our website at <http://investors.blackline.com> and on the SEC’s website at www.sec.gov. Except as required by law, BlackLine does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this presentation, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including non-GAAP revenue, gross profit, gross margin, free cash flow, sales and marketing expense, research and development expense, general and administrative expense, loss from operations and operating margin (loss). These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. The non-GAAP financial measures we use may differ from the non-GAAP financial measures used by other companies. A reconciliation of these measures to the most directly comparable GAAP measure is included in the Appendix to this presentation.





Therese Tucker

FOUNDER & CEO

BlackLine Today

2,800+

Customers

230K+

BlackLine Users

130

Countries

15

Languages

36%

Fortune 500

54%

Fortune 50

925+

Employees

14

Offices

OUR FOCUS:

Scaling to Drive Sustainable Revenue Growth



Purpose
Built



Thought
Leader



Trusted

The Finance Buyer is Uniquely Risk-Averse



----- Most companies live here ----- BlackLine customers live here -----

VISION

To Lead Finance & Accounting Operations Worldwide
Through **Strategic Finance Transformation**

“After more than a decade of same-old-same-old, we’re seeing signs of improvement in the Office of Finance... It means that **what was once an ‘average’ level of performance is now substandard.**”

Ventana Research

Office of Finance Benchmark Research, July 2019

81%

81% of organizations believe their finance function is not operating at a level necessary to transform into a strategic role within their corporation.

Source: Ventana Research, July 2019

51%

51% of finance leaders
feel increased operational
responsibilities are
stretching their role.

Source: EY Survey of Finance Leaders, 2016

1/3

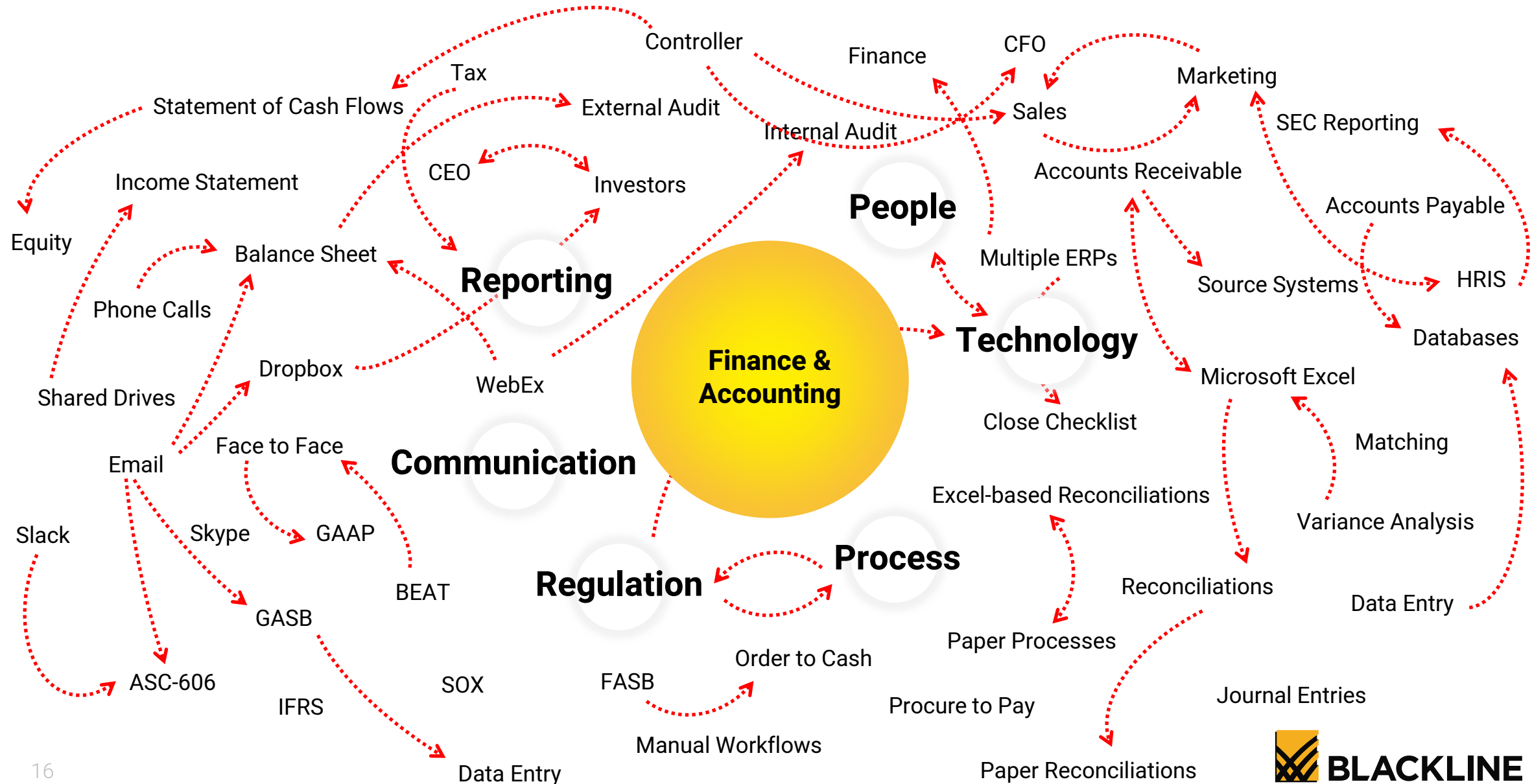
1/3 of accounting teams
spend a majority of their time
on repetitive low-value tasks.

Source: IMA, 2016

The Financial Close is Chaos. On a Deadline.



The Financial Close is Chaos. On a Deadline.



...And It's Becoming Increasingly Challenging



Rising Business Complexity

M&A
Globalization
Transfer Pricing Agreements
Disparate IT Investments



Global Regulatory Landscape

SOX Compliance
COSO Framework
BEAP
IRS Section 385



Exponentially Growing Data Volume

Unstructured Information
System Interoperability
Big Data



Expectation of Accuracy & Real-Time Data

Automation
Robotics
Business Intelligence
Agile Decision-Making

Automation

of the financial close process is the first step
towards enabling strategic finance transformation

The Benefits of Financial Close Optimization



Control

Accountability, Accuracy, Governance

Efficient, Clean Audits

Strong Governance

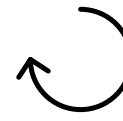


Transparency

Visibility & Clarity

Real-Time Access

More informed, Quality Decision Making



Efficiency

Quantifiable ROI

Automation

Greater Accuracy

Timely Financial Information

Optimized Finance Function



Confidence

Confident Financials

Agile Decision-Making

Standardized Workflows

BlackLine's Accounting Platform Enables Strategic Finance

Account Reconciliation

Accurate and effective account reconciliation process

Transaction Matching

Match and reconcile millions of transactions in minutes

Task Management

Visibility and control for any accounting checklist

Compliance

Elevated Control in the Cloud

Journal Entry

Centralize, manage and automate journal entries

Variance Analysis

Continuously monitor for risk with automated fluctuation analysis

Intercompany Hub

Centralize and streamline end-to-end intercompany accounting

Smart Close

Simplify, standardize & automate your financial close in SAP



RULES & BUSINESS LOGIC



ANALYSIS & REPORTS



TEMPLATES



WORKFLOW

How We Continue to Win

BlackLine ensures financial integrity and makes it easier for accountants to do their job



- Customer centricity
- End-to-end accounting automation technology
- Strong partner ecosystem
- Happy, referenceable customers
- Highly scalable and configurable
- ERP agnostic
- Deep accounting domain knowledge
- Unified customer experience

Strong & Passionate Management Team



Therese Tucker
Founder and Chief
Executive Officer



Mark Partin
Chief Financial Officer



Marc Huffman
Chief Operating Officer



Pete Hirsch
Chief Technology Officer



Mario Spanicciati
Chief Strategy Officer



Tammy Coley
Chief Transformation
Officer



Max Solonski
Chief Security Officer



Karen Flathers
Chief Customer Officer



Patrick Villanova
Chief Accounting Officer



Andres Botero
Chief Marketing Officer



Karole Morgan-Prager
Chief Legal and
Administrative Officer



Susan Otto
Chief People Officer



The Modern Accounting Platform

PETE HIRSCH

Chief Technology Officer

A look under the hood

Current Observations

- Great product
- Early adoption of AI
- Scalable to global customers
- Supports complex customer environments

Future Opportunities

- Accelerating innovation
- Becoming the hub of the ecosystem
- Widespread Artificial Intelligence
- Openness

We have the foundation in place and have scaled to the world's largest and most complex enterprises—
but we're just getting started!

Today's Foundation

Pure SaaS Architecture

Security, Scalability, Reliability & Control

- Cloud-based n-tier architecture with Single Sign On and configurable customization to meet business needs
- Blend of tenancy models for maximizing both data security and application scalability
- Same version of software for all customers, always up to date
- Global footprint spanning 130 countries¹
- 99.99+% uptime¹
- <https://trust.blackline.com>



¹As of June 30, 2019

Scalability

- 2,800 customers with over 230,000 users
- Over 25 customers with 1,000+ users each
- Largest customer has 4,000+ users
- 50m monthly page views
- 10m-20m daily web requests
- Scales both horizontally and vertically

As of June 30, 2019

Industry Leading Security

The only ISO27001 certified Financial Close Platform

Data Privacy Compliance

GDPR / CCPA / EU-US Privacy Shield Framework

Data Encryption

AES-256 Encryption In-Transit + At-Rest

Independent Assurance

ISO27001 Certification SOC1/2/3 Reports External Pen Test



Purpose-Built for Accountants

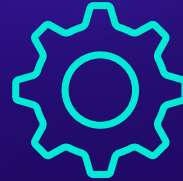
Rich business services at the heart

- Substantiate balance sheet accounts
- Automate high-volume reconciliations
- Monitor financial close workflows
- Standardize financial close processes
- Enhance control and accountability
- Reduce audit headaches
- Automate and manage intercompany transactions

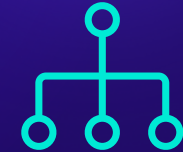
...and why that's important



Completeness



Controls



Connectivity

Sample Customer Deployments

Sample Mid-Market Customer



1

Global Region

3

of ERPs

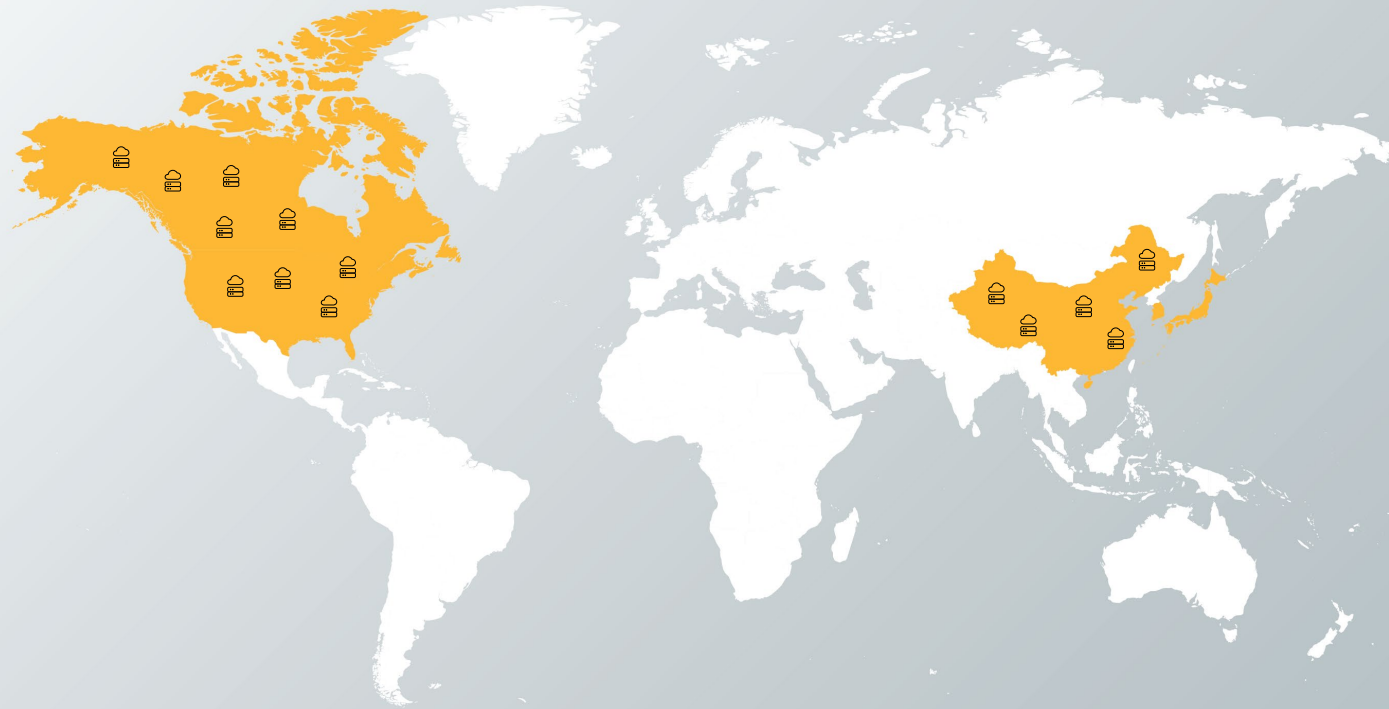
29

Data Sources

3M at 100% automation

Matched Transactions/mo.

Sample Enterprise Customer



5

Global Regions

14

of ERPs

82

Data Sources

13M at 99.99%
automation

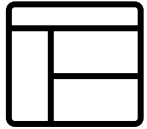
Matched Transactions/mo.

BlackLine customers are able to manage the complexity
of their business landscape with confidence and

Trust in the numbers

Future Opportunities

Accelerating Innovation



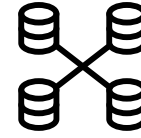
Organization

- Investments in experienced leadership
 - New SF Bay Area presence
 - Process maturity



Public Cloud

- Selection of Google Cloud Platform
 - Simplification, plus new services
 - Focus on intelligent data services



Platform Architecture

- Decomposition into core microservices
- Streaming data for continuous processing
 - Addressing tech debt



Data Integration

- Self-service connectivity
 - Logical data mappings
- Unified backplane architecture

Becoming the Global Nexus of the Interconnected Accounting Landscape

161

Unique ERPs

101M

Journal Lines

800M

Matching records/mo.

2,800+

Customers



Widespread Artificial Intelligence



Automated



Deployed AI



API-Driven
RPA

Open Platform



ERPs

Custom Applications

Payment Systems

Integrations

Financial Planning

Point of Sale

Banks

Procurement

Alerts & Events

Realtime Data

RPA

Takeaways

- BlackLine provides the complete platform for modern accounting
- Strong foundation in place today proven to scale to the world's largest and most complex enterprises
- Opportunity to be the global nexus of the interconnected accounting landscape



BREAK



Go To Market

MARC HUFFMAN

Chief Operating Officer



Where We Are Today

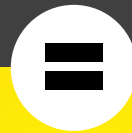
Corporate Fitness



GTM Alignment



Focused Execution



Growth

Our Go To Market & Customer Strategy



Large & Underpenetrated Addressable Market

165,000

Target Customers

\$18.5B*

All Customers, Core Products

2,800+

Current Customers¹

Current Customers

Current Customers Whitespace

\$255M

BLACKLINE LTM REVENUE

⁴Source: Frost and Sullivan/2018 TAM for Core Products

¹As of June 30, 2019





Driving Sustainable Growth

Growth Levers

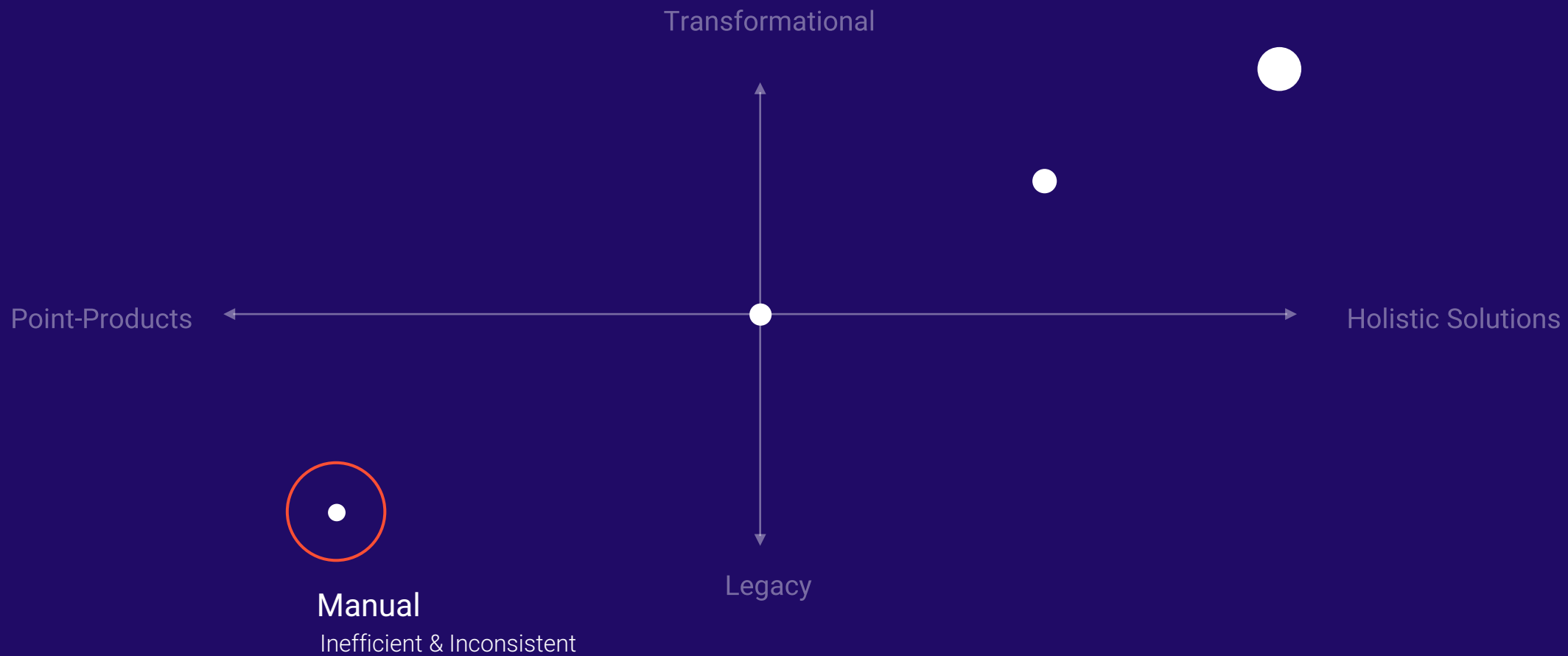
- Strategic Partner to the CFO
- SAP SolEx
- Customer Expansion
- Partner Ecosystem
- International Expansion

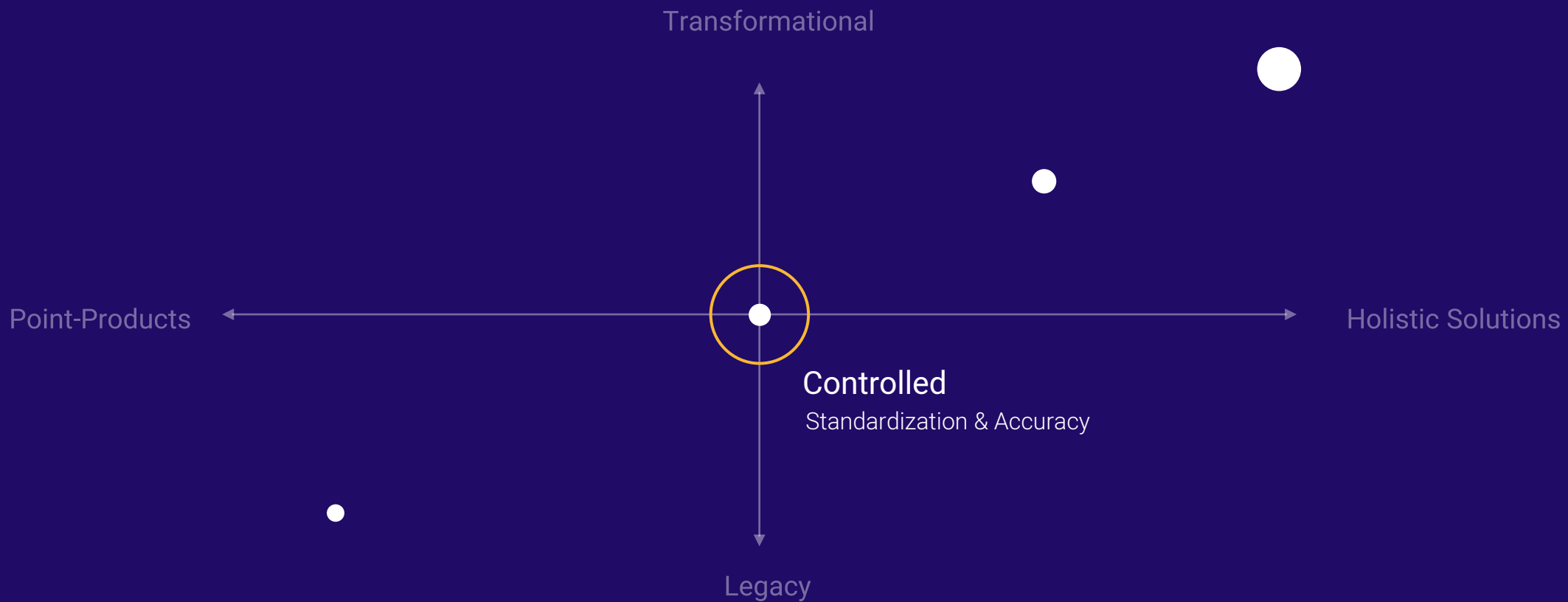
Strategic Partner to the CFO

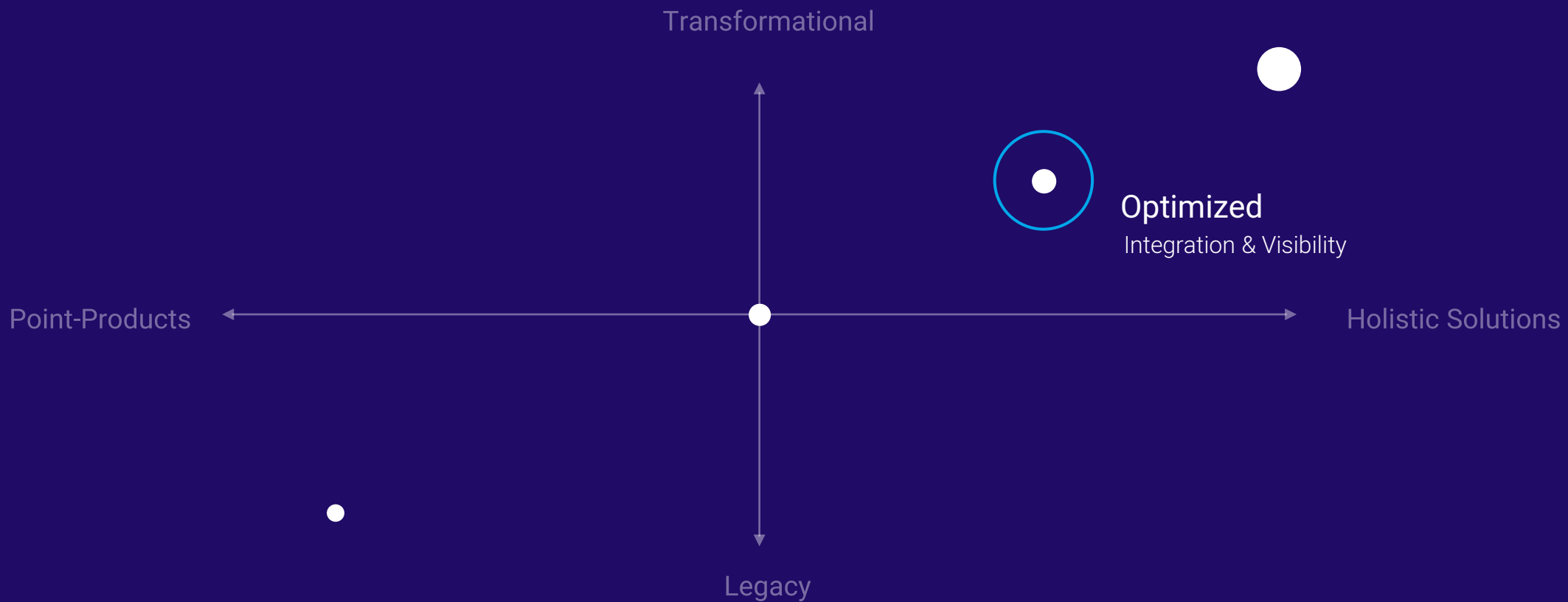
Our goal is to be a strategic partner who
leads our customers on their

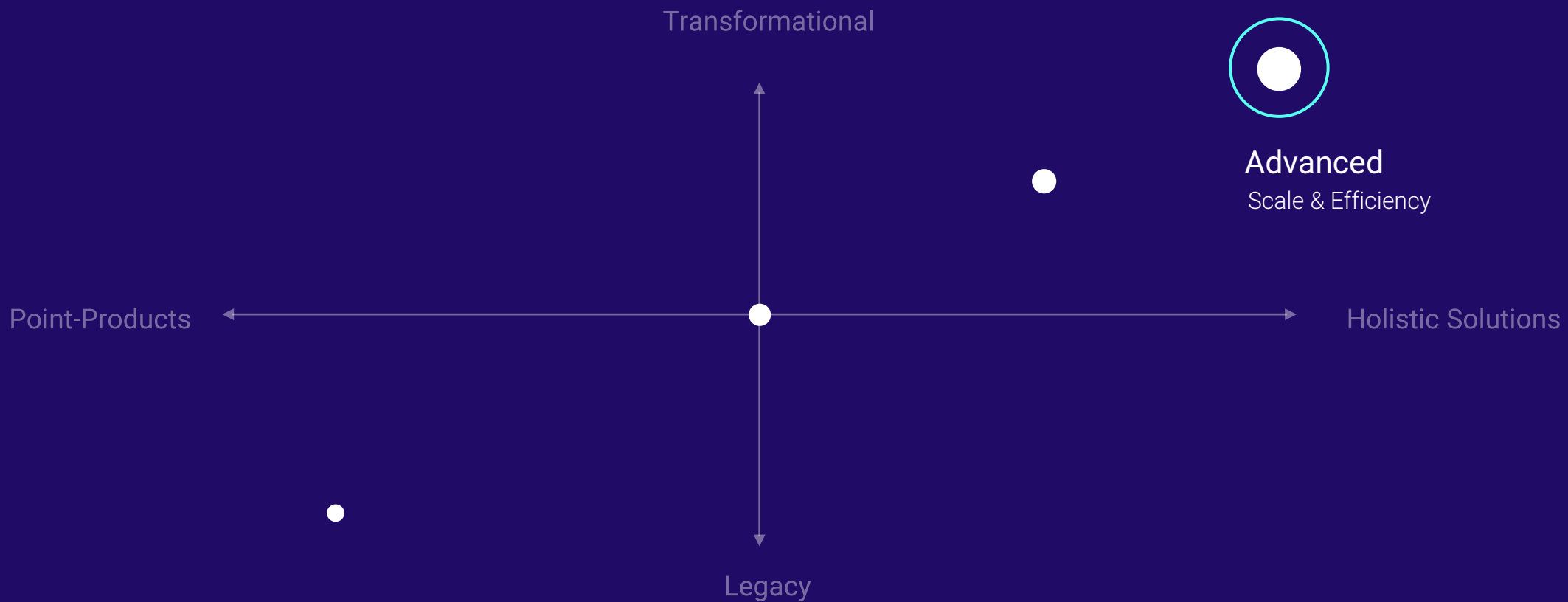
Finance Transformation Journeys.

Our experience has prepared
us for this journey.









Reactive

Proactive



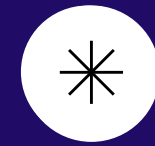
Closing

Partnering



Risk

Strategy



Transformed



Reactive

Proactive



Closing

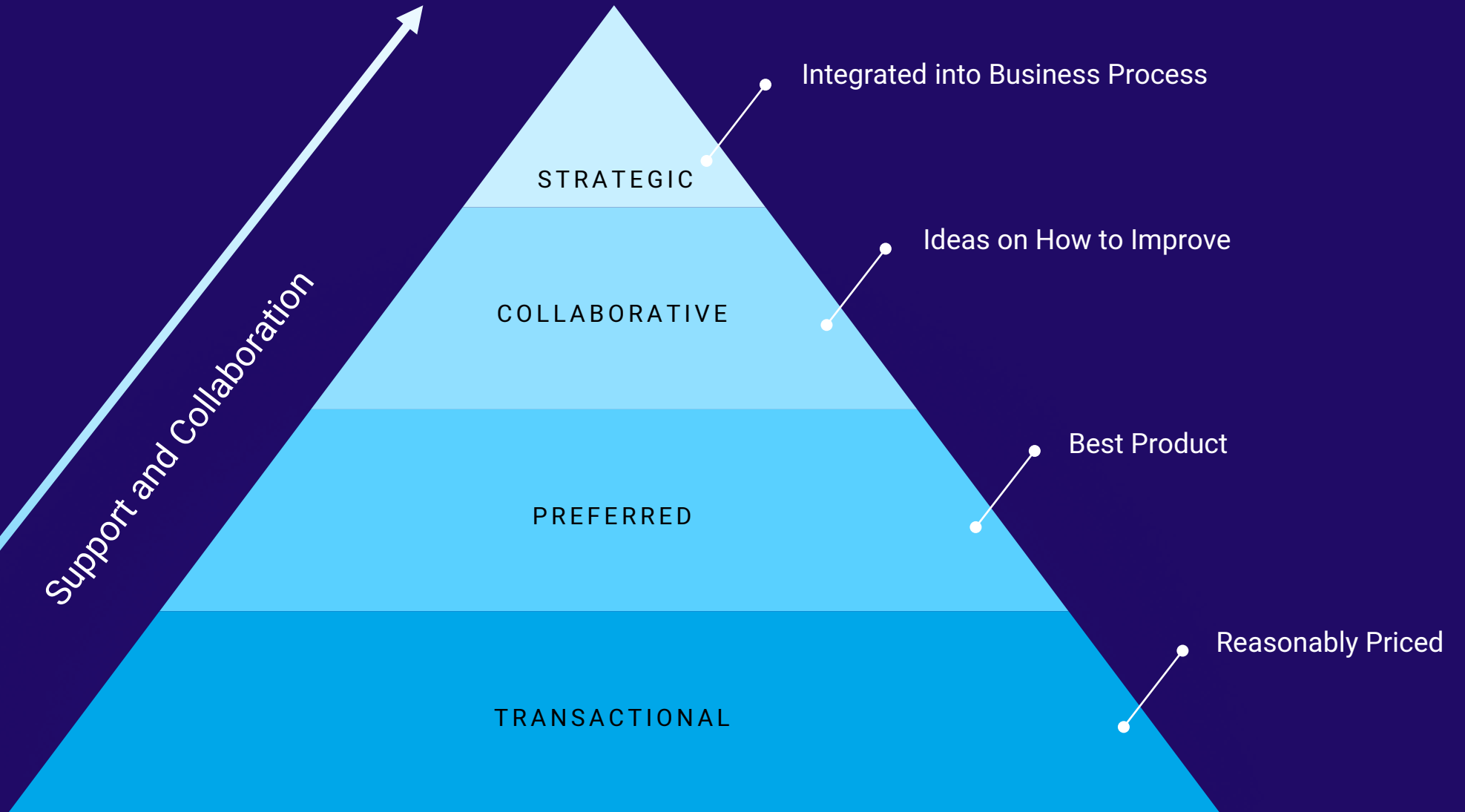
Partnering



Risk

Strategy




Strategic Partner



Strategic Partner



Global Customer Team

 Value Architects	 Professional Services
 Customer Success Management	 Digital Transformation Specialists (AIT)
 Support	 Community

“We are very appreciative of [AIT] efforts in helping us to better utilize BlackLine and to become more efficient and effective in our finance and accounting functions. **They have been so amazing to work with and I can not adequately thank you enough.**”

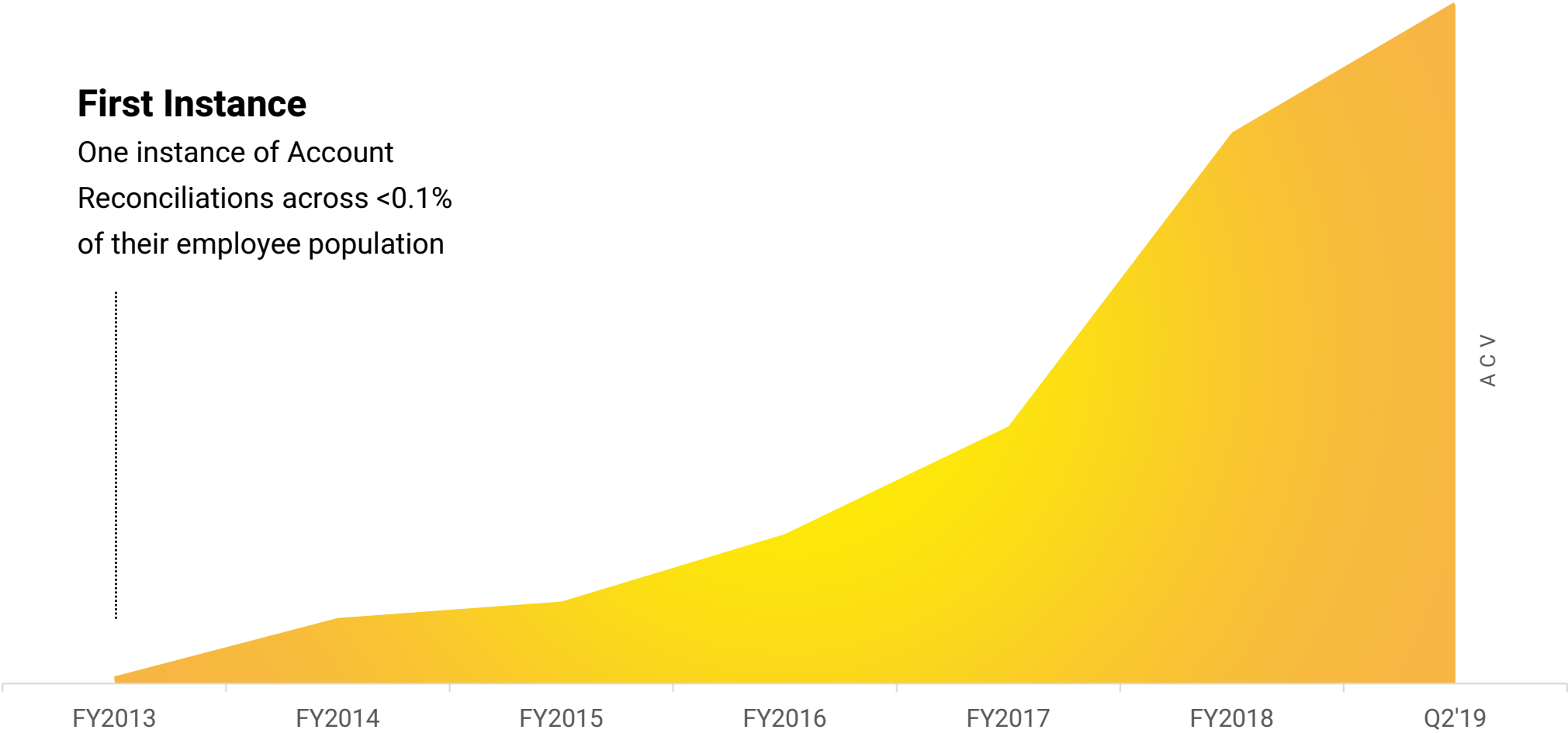
Leading Hotel Management Company

AIT Customer Testimonial

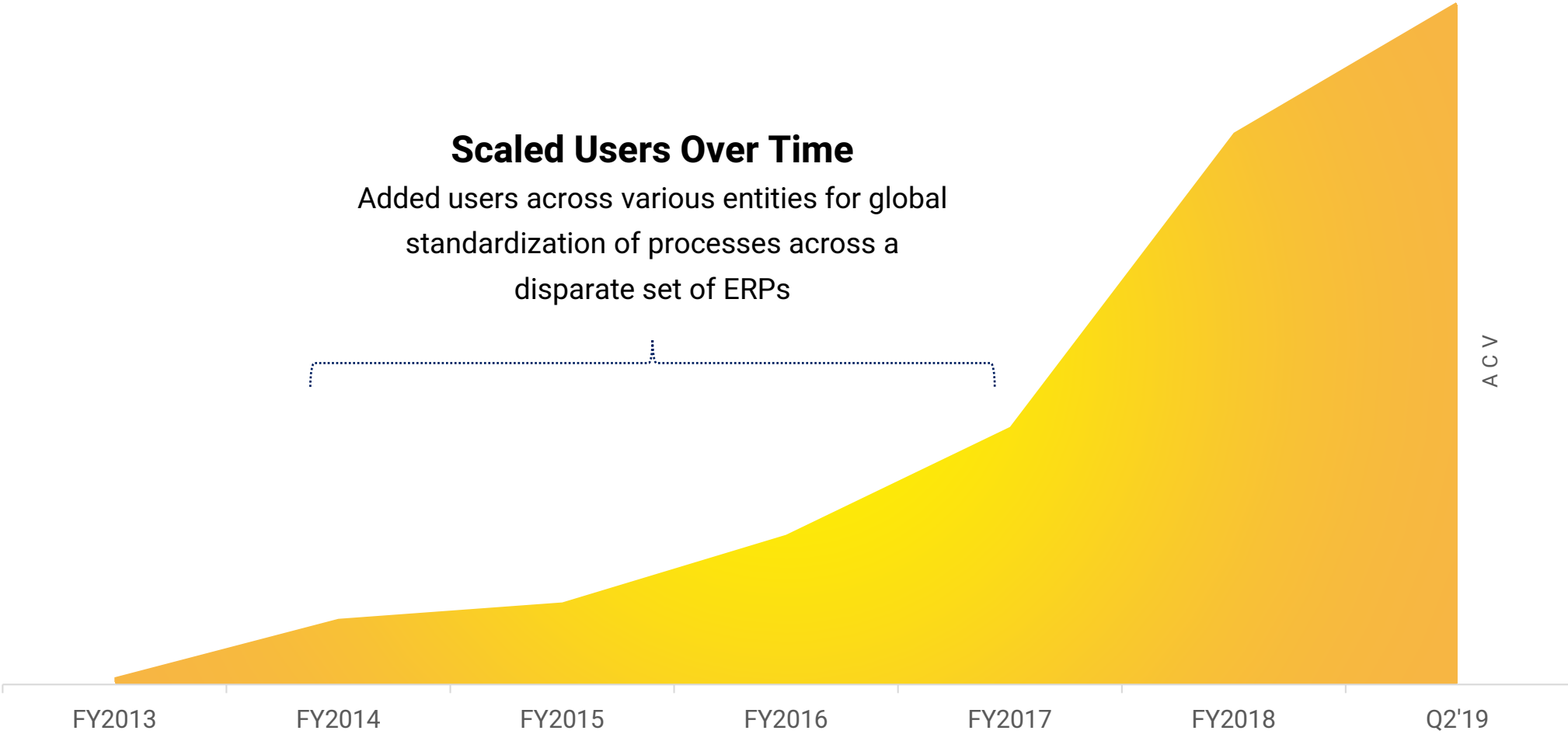
Global Healthcare Company >\$1M ACV

First Instance

One instance of Account
Reconciliations across <0.1%
of their employee population



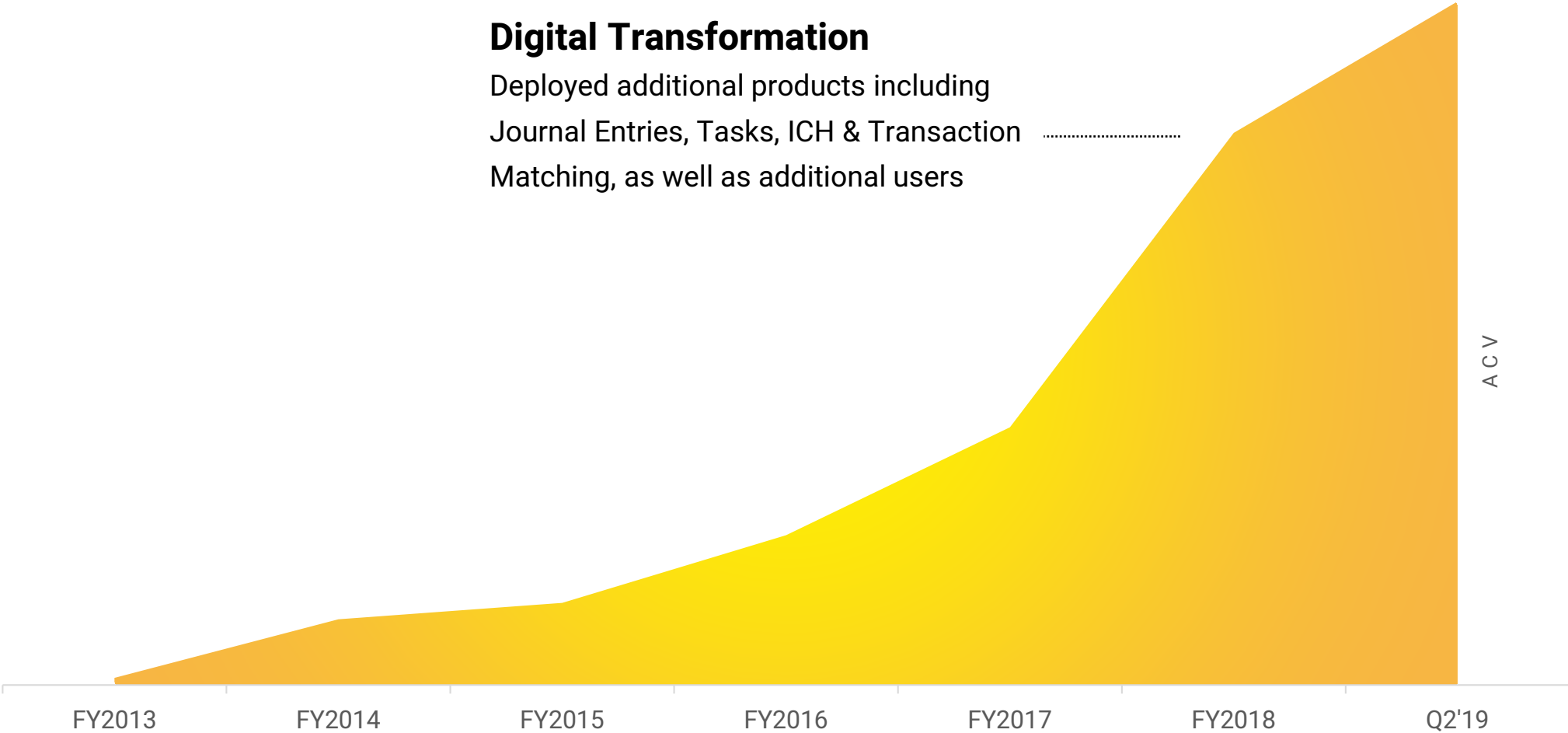
Global Healthcare Company >\$1M ACV



Global Healthcare Company >\$1M ACV

Digital Transformation

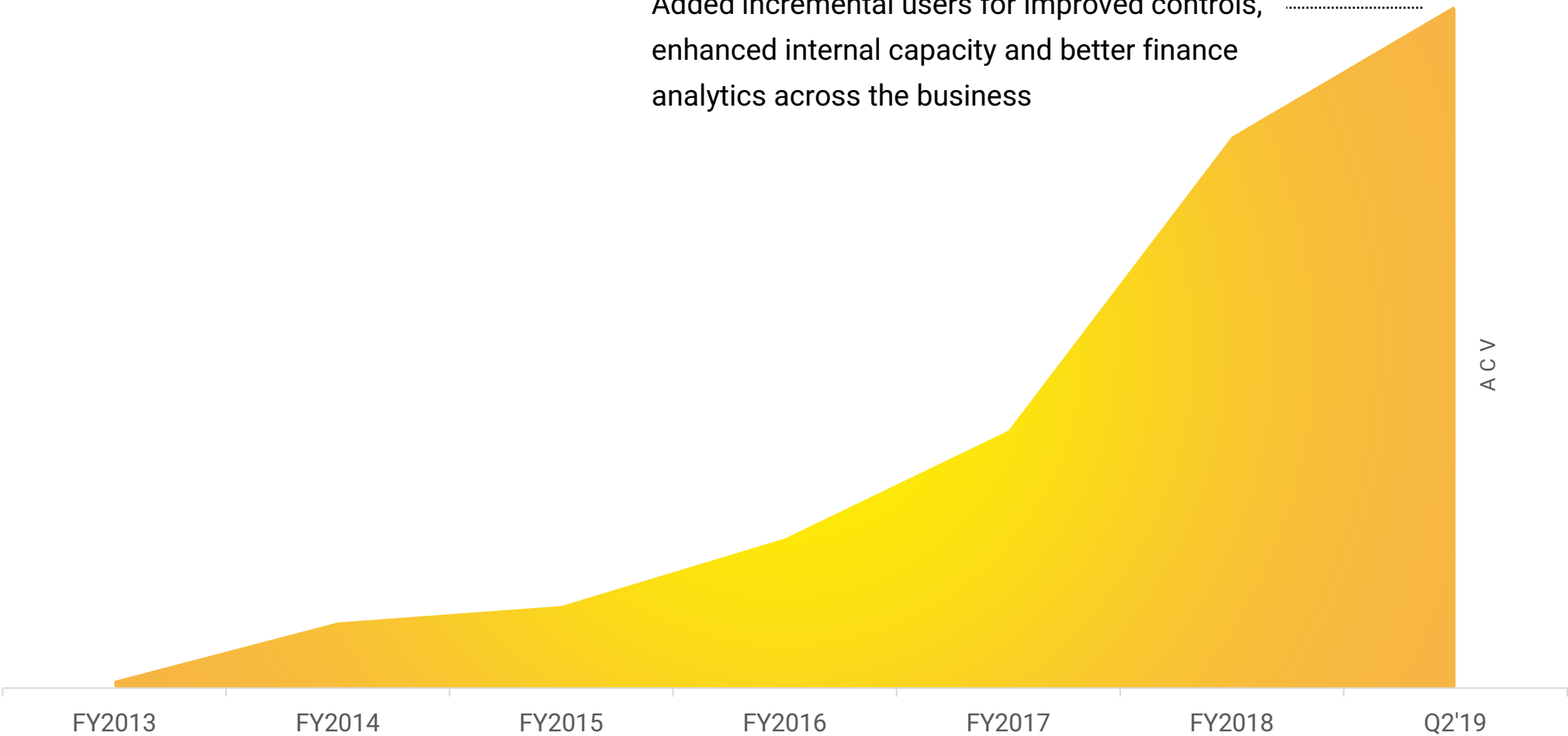
Deployed additional products including
Journal Entries, Tasks, ICH & Transaction
Matching, as well as additional users



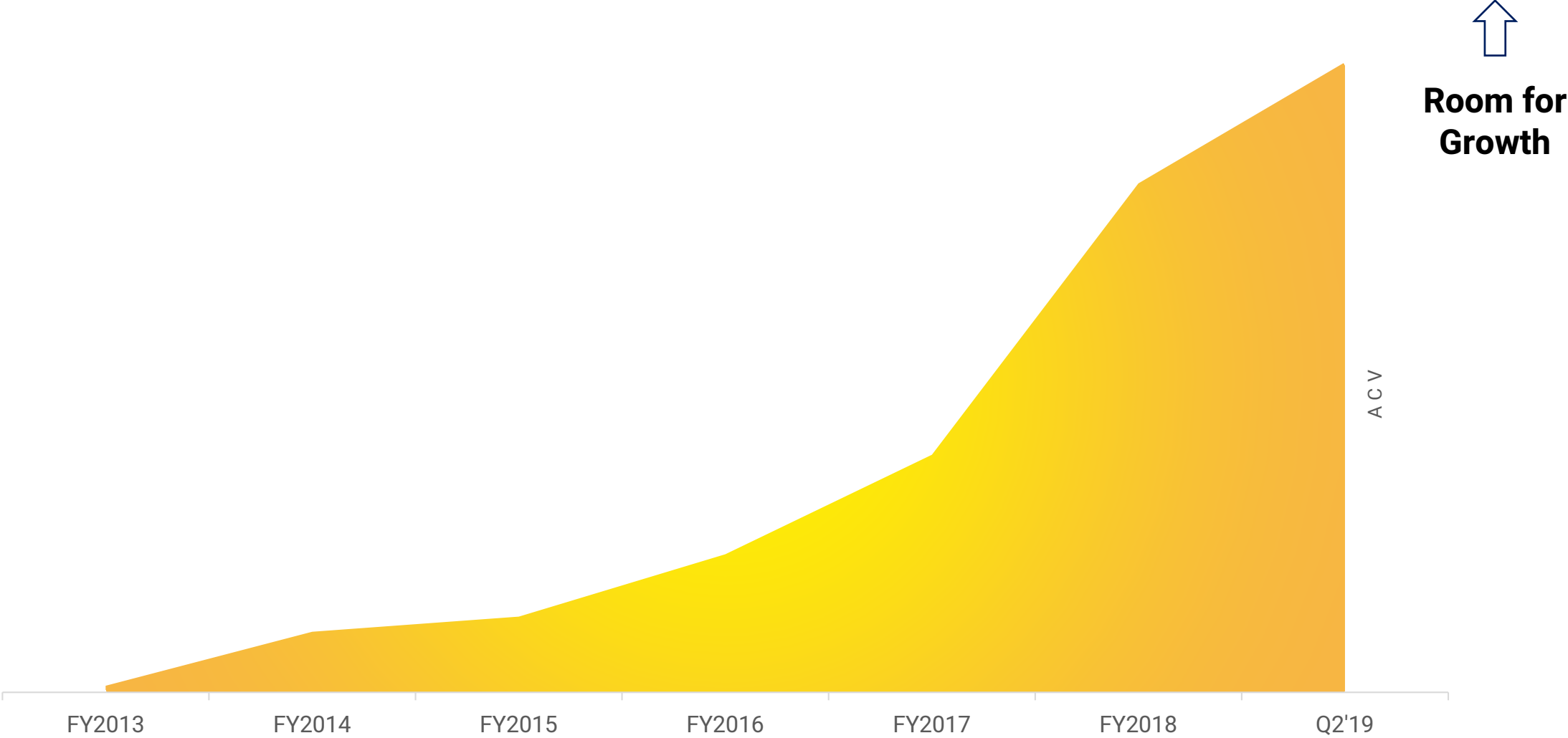
Global Healthcare Company >\$1M ACV

Continued Value Add

Added incremental users for improved controls, enhanced internal capacity and better finance analytics across the business

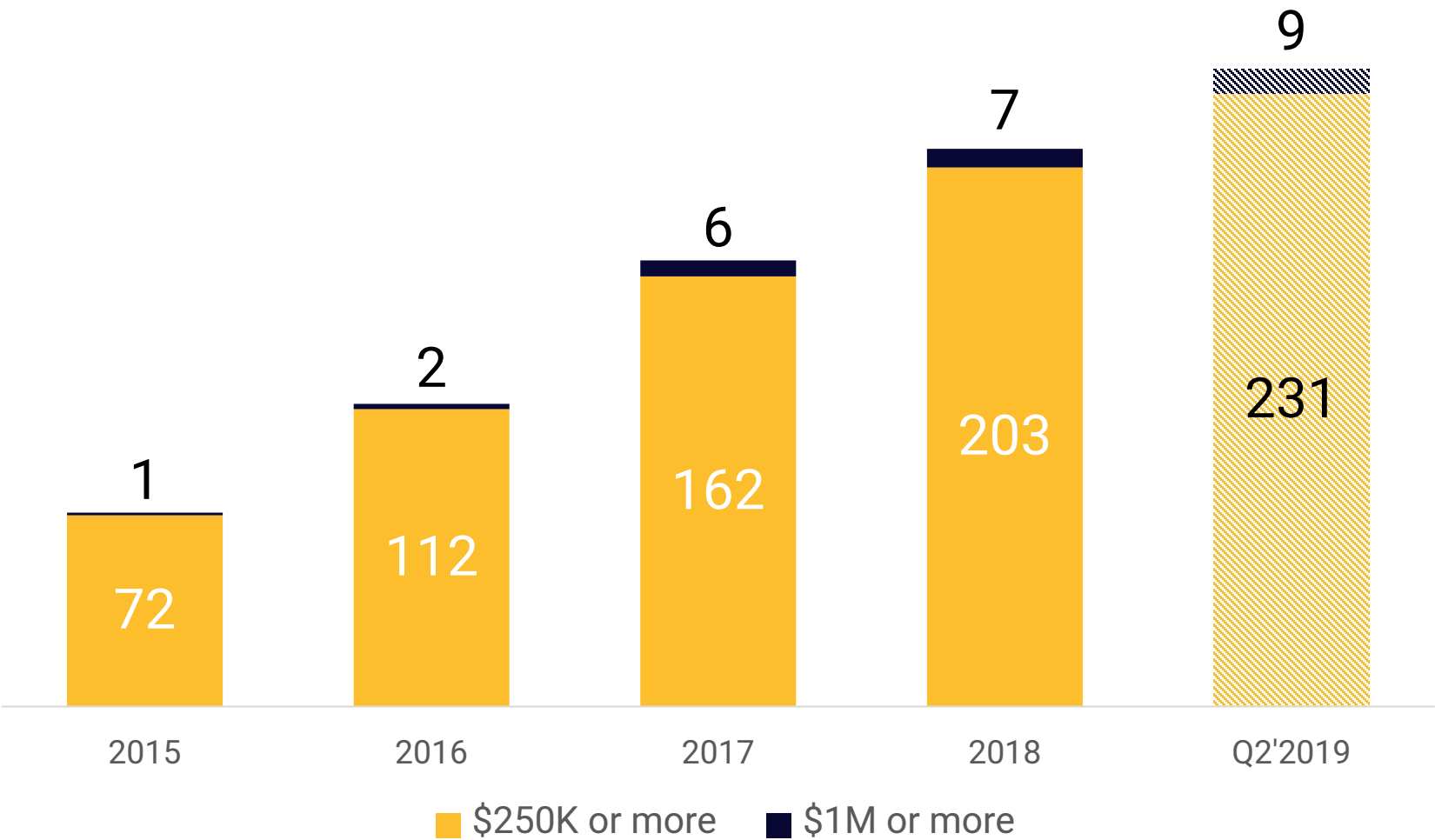


Global Healthcare Company >\$1M ACV



Driving Growth in Large Customers

240 customers with an ACV of \$250K+



41%+

CAGR in customers
spending \$250K or more

65 ACV refers to annual subscription and support revenue. Q219 as of June 30, 2019.



SAP SolEx

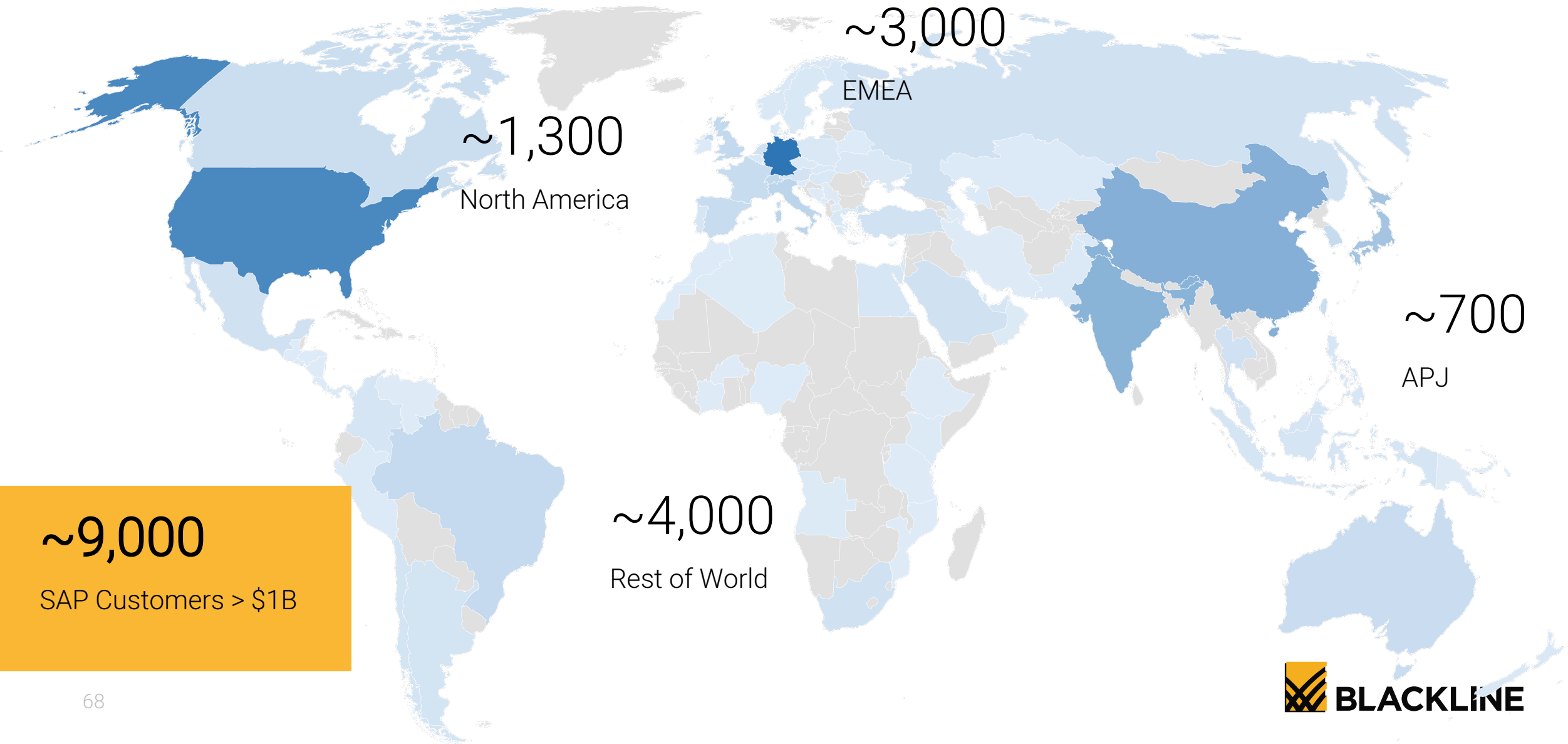
SAP® Solution Extension

SAP® Solution Extension

Evolution
of an existing relationship

Validation
of our leadership position

BlackLine's SAP TAM





BlackLine use case for SAP cloud transition

Clear benefits to adding BL before
or during transition to S/4HANA



BLACKLINE



Enables a More Successful S/4HANA Upgrade

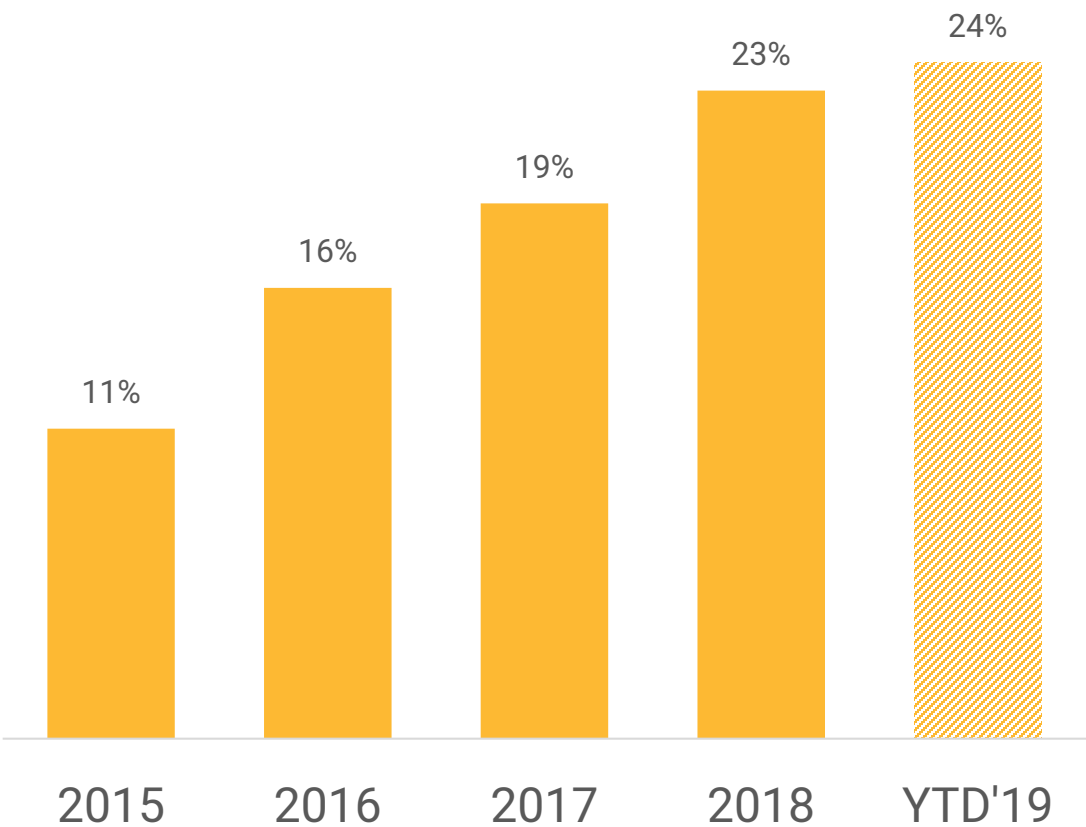
- Clear Open Items (in SAP OIM) to prevent a technical failure on upgrade
- Reduce business complexity
- Maintain integrity and standardization throughout transition
- Recognize immediate time savings and ROI
- Migrate processes toward “desired state” versus “current state”
- Automate manual tasks to enable FTEs to focus on S/4HANA initiative
- Identify risk and analyze trends ahead of go-live
- Simplify validation of financial data before, during and after cutover



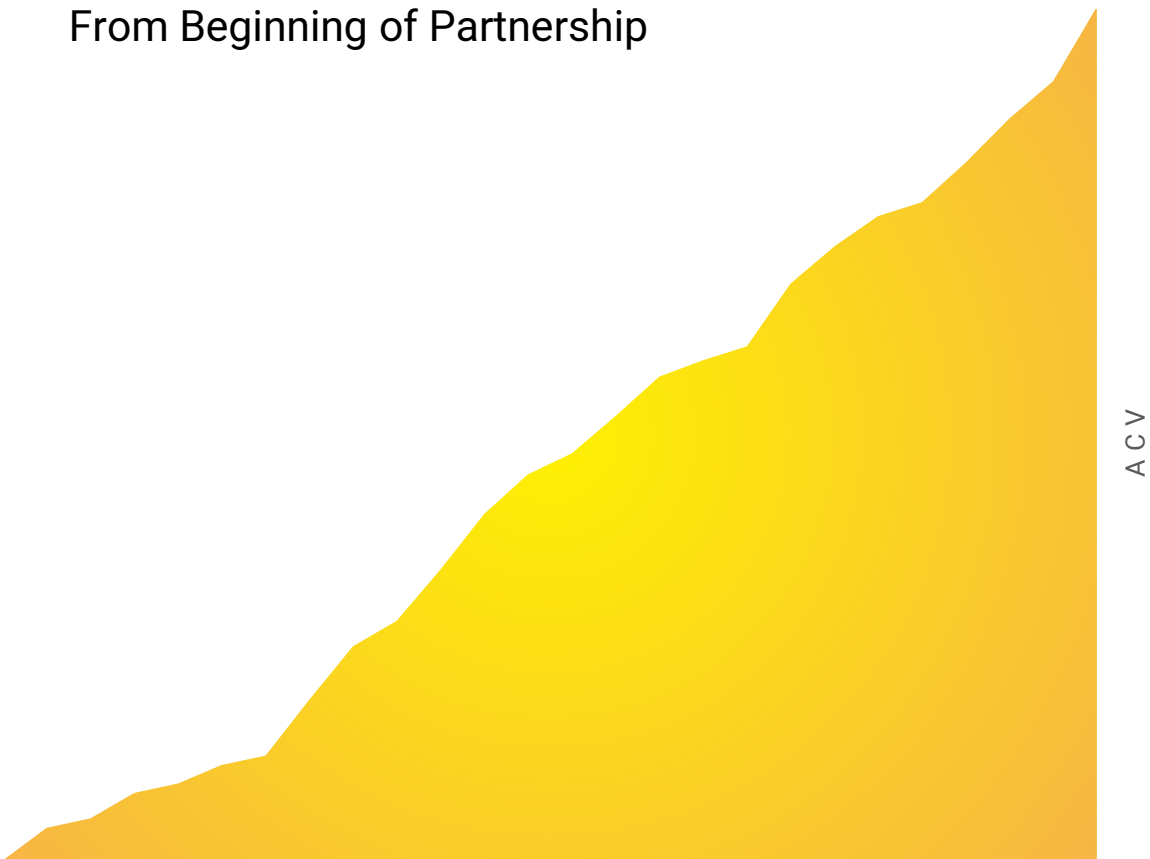
BLACKLINE

Executing on the SAP Partnership

Revenue from SAP Partnerships
% of Total



SolEx Pipeline Build
From Beginning of Partnership



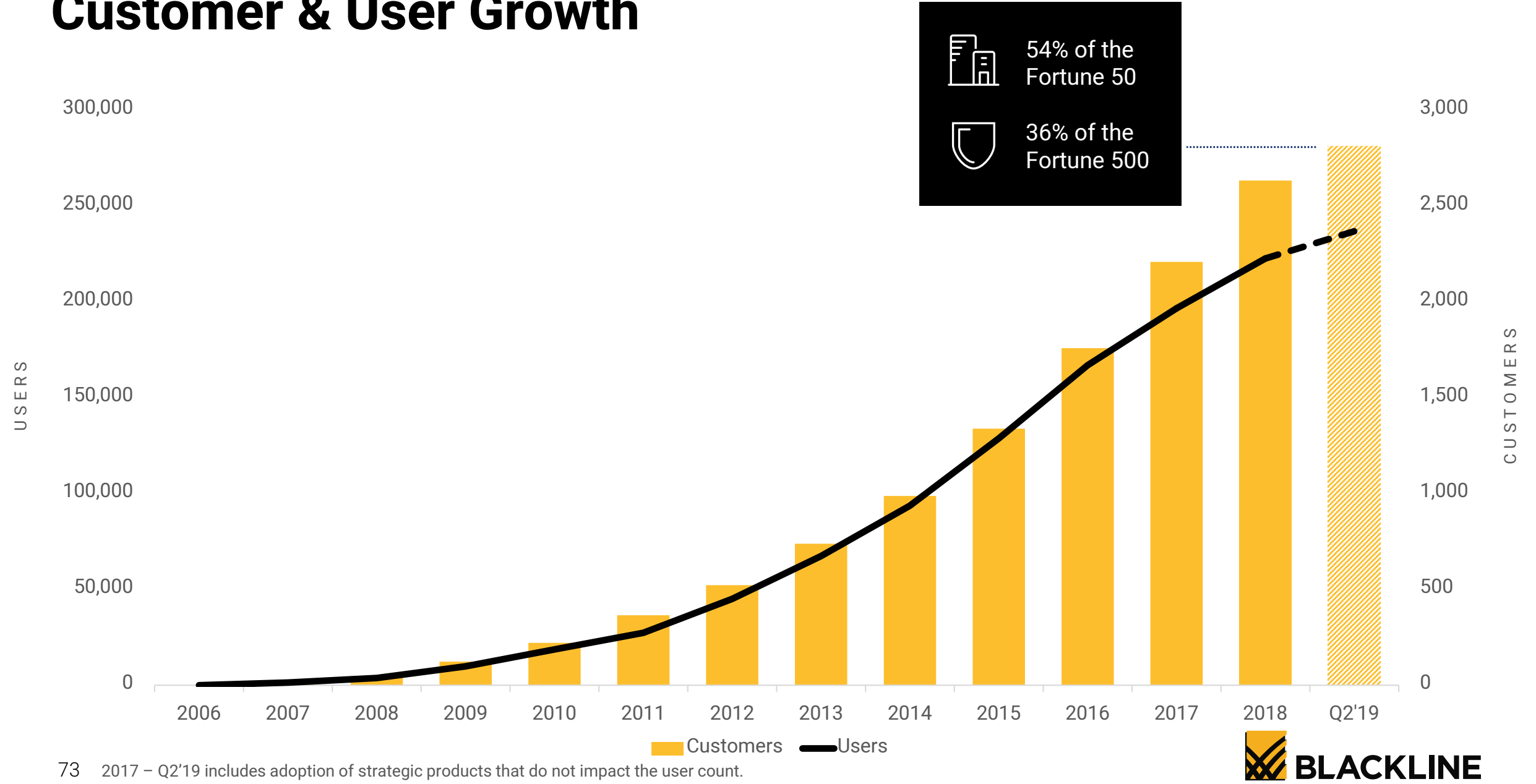
SolEx Partnership Today

SAP®
Solution
Extension

- SolEx Partnership less than one year in
- Our focus is on continued joint enablement

Customer Expansion

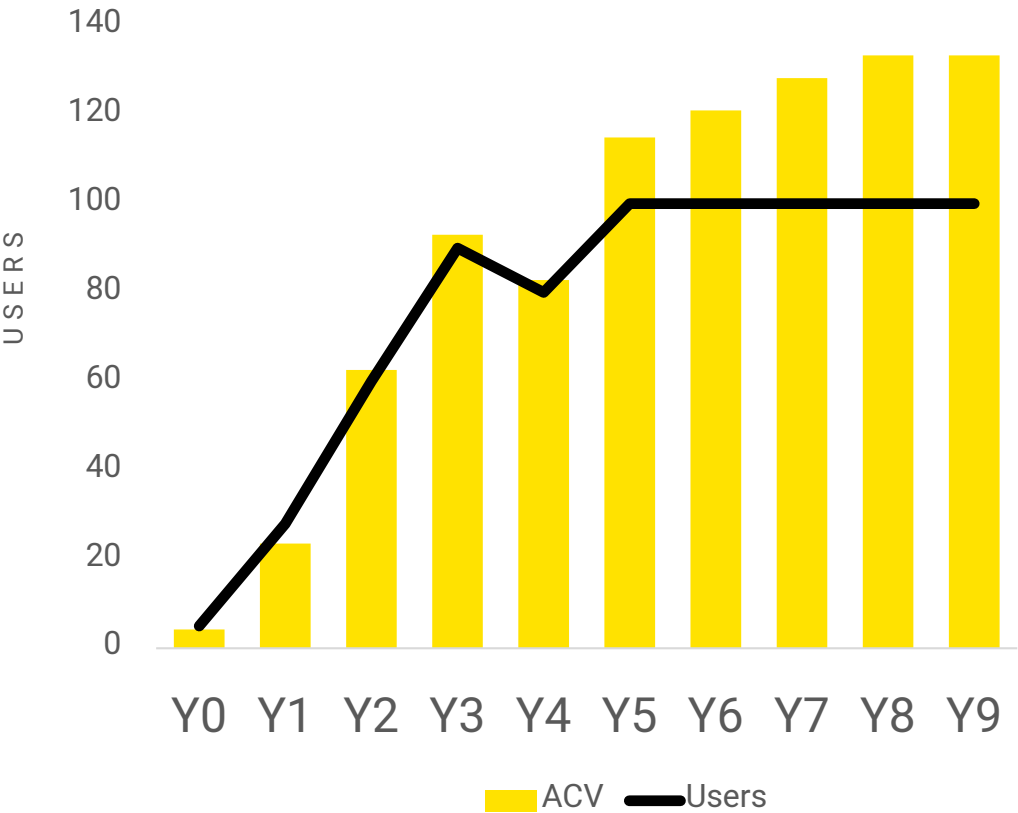
Customer & User Growth



Customer Expansion in Action

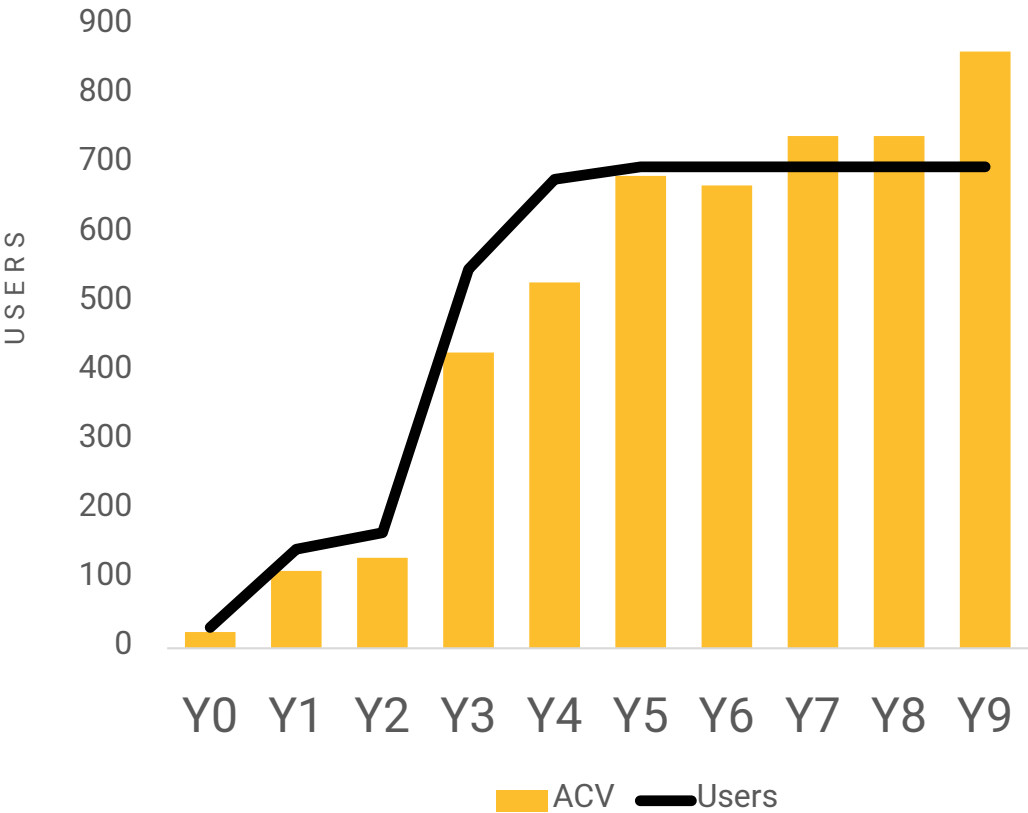
Mid-Market Customer

Financial Services Company *Current ACV of ~\$130K*



Enterprise Customer

Global Industrials Company *Current ACV of ~\$800K*



Strategic Product Installed Base Opportunity

	TRANSACTION MATCHING	SMART CLOSE	INTERCOMPANY HUB
Customers who are target candidates to add	2,800+	~800	1,600+
Portion of this opportunity currently captured	21%	4%	1%

Based on number of customers who have purchased these products as of June 30, 2019.

Partner Ecosystem

Partner Ecosystem



RESELLER PARTNERS



GLOBAL ALLIANCES



REGIONAL PARTNERS



SOLUTION PARTNERS



BPO PARTNERS



International Expansion

Continued Global Expansion

Looking Ahead

North America

Los Angeles
New York
Vancouver
Chicago
Dallas

EMEA

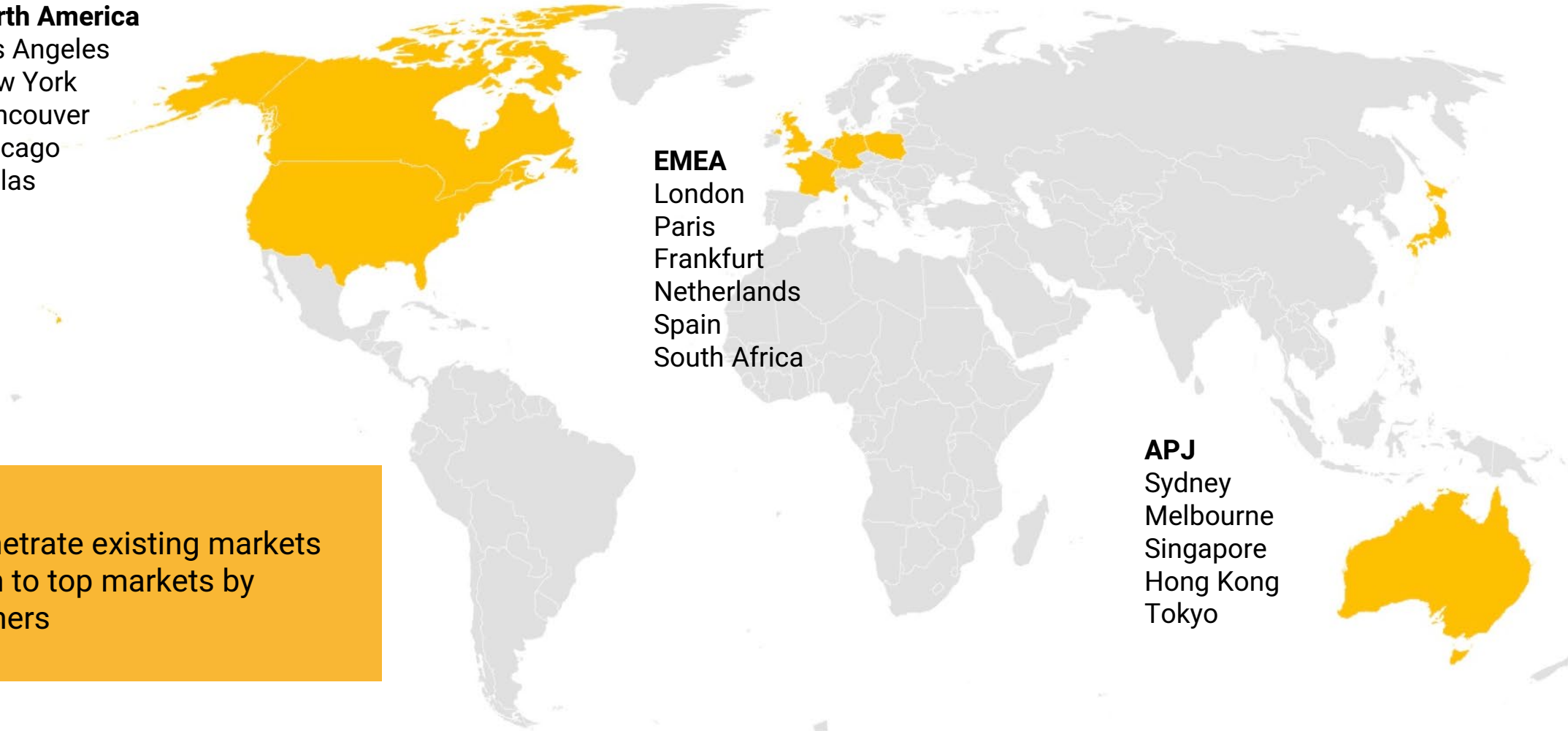
London
Paris
Frankfurt
Netherlands
Spain
South Africa

APJ

Sydney
Melbourne
Singapore
Hong Kong
Tokyo

FOCUS

- Continue to penetrate existing markets
- Add distribution to top markets by leveraging partners



Competitive Advantage

BlackLine's Superior Functionality

Market Leader Creating Lifelong Advocates



FCPM Focused

ERP

Niche

Purpose Built for Accounting				
Track Record of Trust with Accountants				
Close Automation				
Unified Customer Experience				
Strategic Partner to the CFO				





Mark Partin

CHIEF FINANCIAL OFFICER

The Strategic Finance Perspective from a CFO

How the CFO Role Has Evolved Over Time



”As they bring their quintessential ‘spreadsheet’ to life, CFOs are playing a far more significant part in company decisions in an effort to achieve a more optimal, high performing business,”

Shane Berry

former senior vice president of AmEx’s global corporate payments division

56%

56% of CFOs feel they cannot focus on strategic priorities because they have to spend a majority of their time on compliance, control and costs

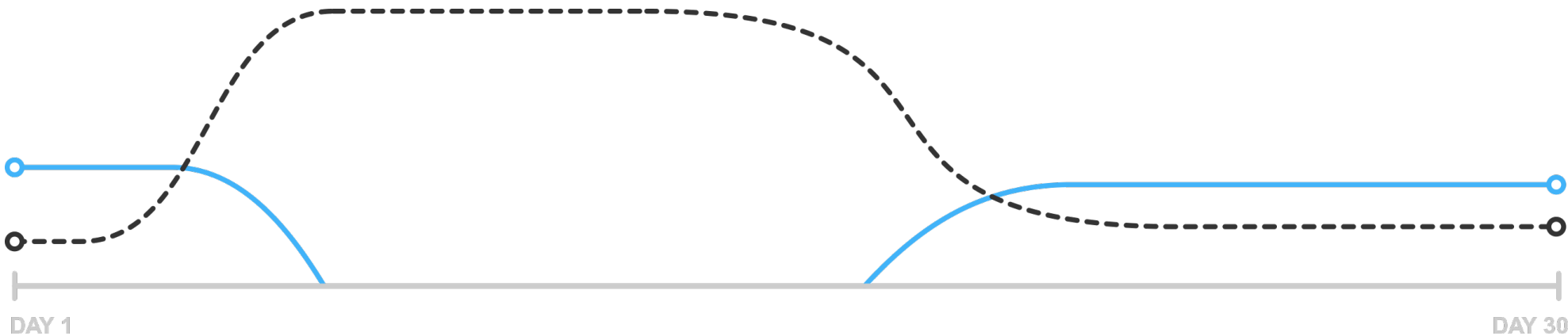
Source: E&Y, 2016

Automating the Financial Close is an Important First Step

Legacy Financial Close

Strategic
Initiatives

Legacy Financial
Close

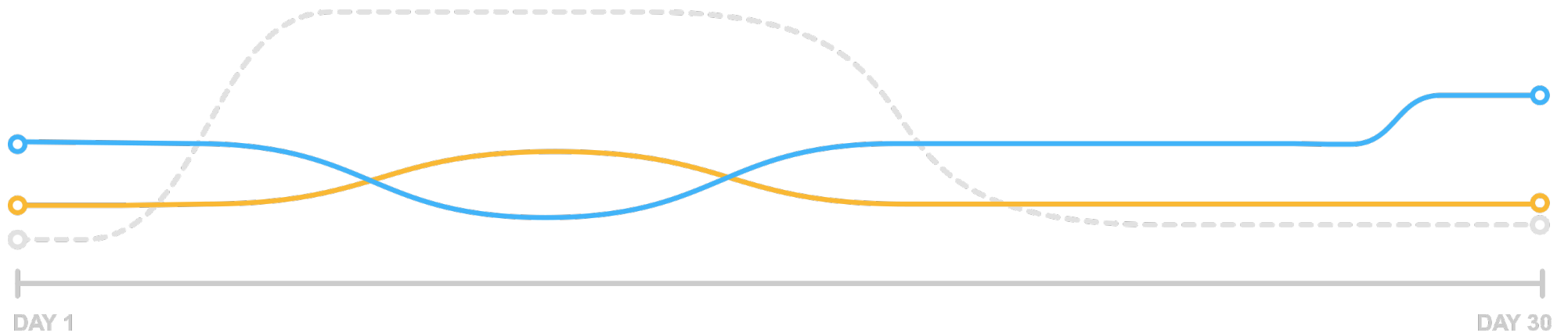


Automating the Financial Close is an Important First Step

Automated Financial Close

Strategic
Initiatives

Automated
Financial Close



...**strategic finance** is so much more than that

Strategic Finance Creates Value For the Entire Organization

STATUS QUO		OPTIMIZED
Gatekeepers of Finance	➡	Influential Strategic Players
Manage Risk	➡	Analyze for Actionable Insight
Monitor Investments	➡	Drive Investment Strategy
Cast a Vote in an Executive Meeting	➡	Interact and Inspire Executives
FINANCIAL EXPERT	➡	STRATEGIC FINANCIAL LEADER

Key Metrics & Financials

Financial Highlights

26%

Q2'19 Revenue Growth¹

High Growth Subscription Model

Strong secular tailwinds, early stages in a large market, new customers and expansion within existing customer base

108%

Q2'19 Dollar-Based Net Revenue Retention Rate

Compelling Expansion Model

High predictability from successful land and expand strategy

83%

Q2'19 Non-GAAP Gross Margin

High Gross Margins

95% SaaS recurring revenue

8%

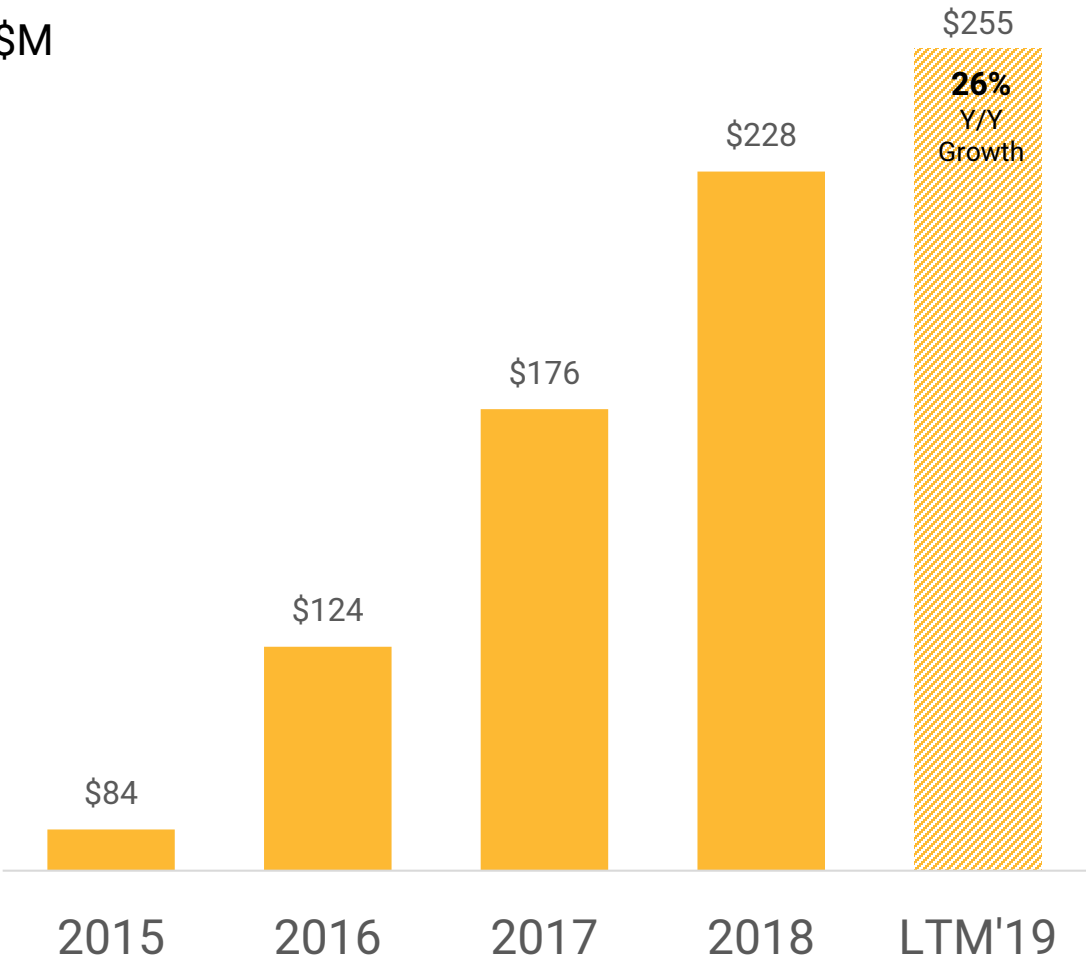
Q2'19 Non-GAAP Operating Margin

Demonstrated Operating Leverage

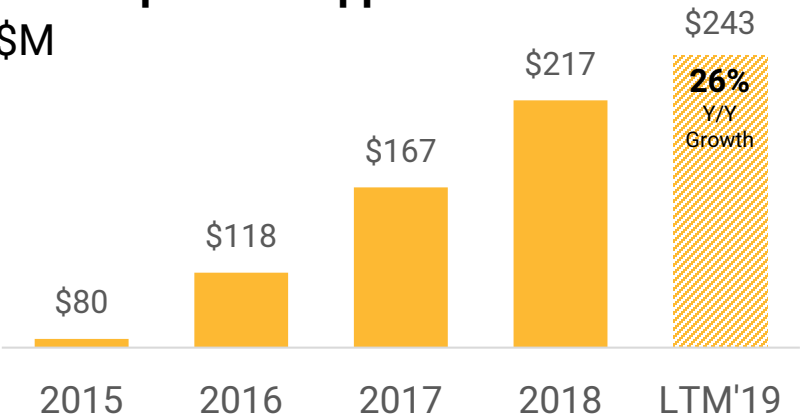
Operating leverage driving profitability

Highly Visible Subscription Growth Model

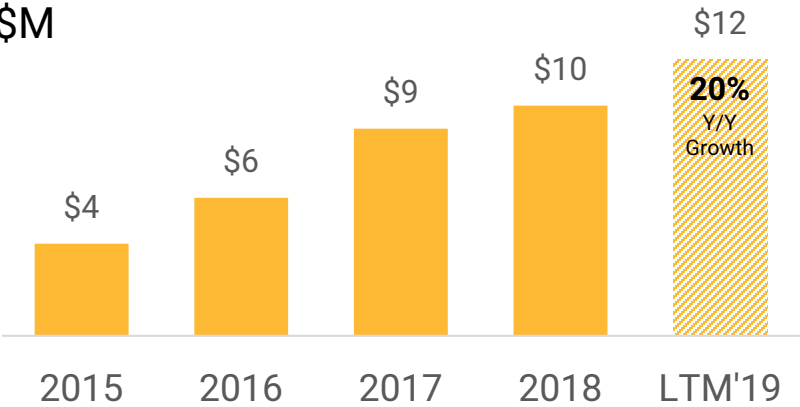
Total Revenue
\$M



Subscription & Support Revenue
\$M



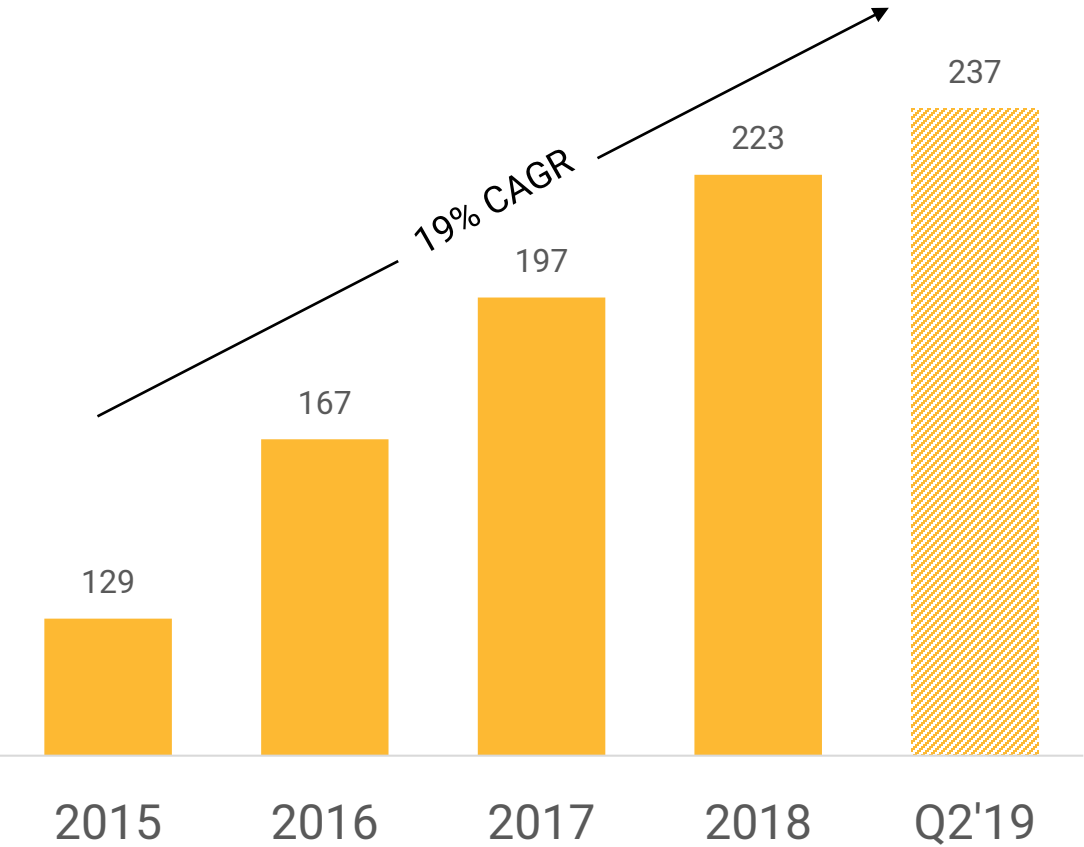
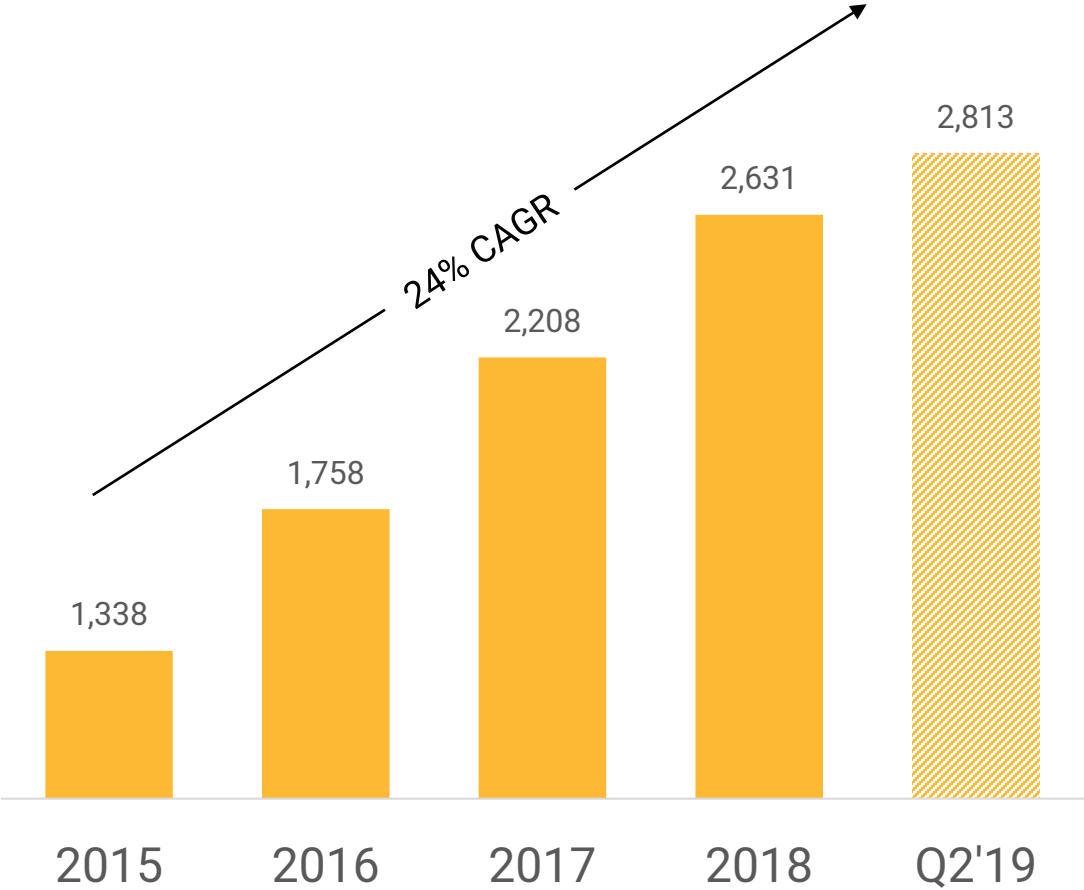
Services Revenue
\$M



Consistent Customer and User Growth

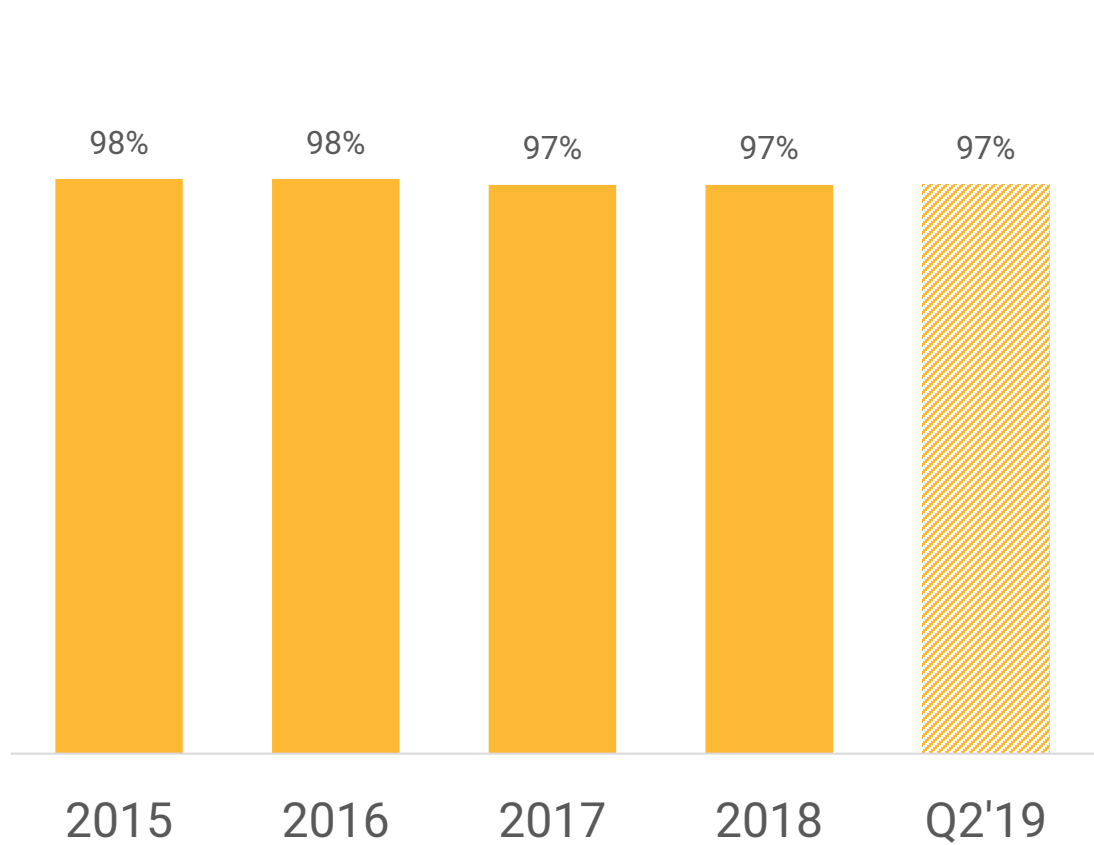
Customers

Users
'000s

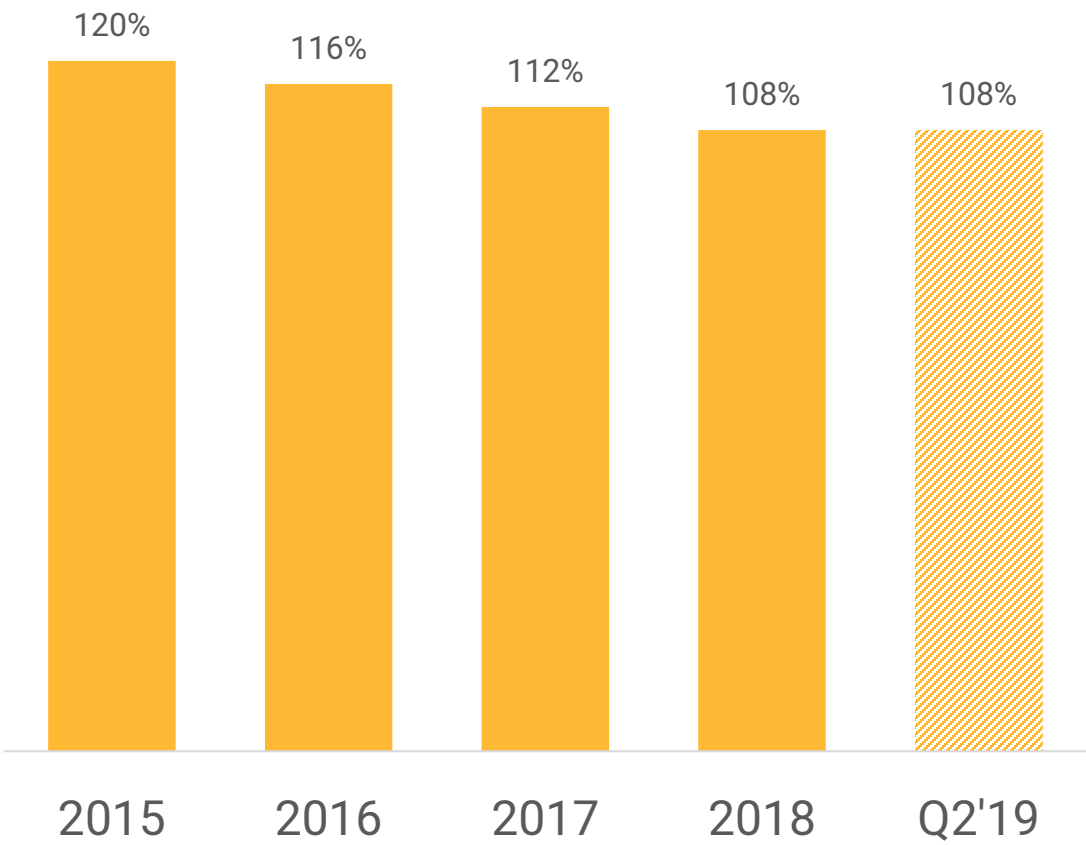


Strong Renewal Rate Driving Overall Retention Rate...

Dollar-Based Revenue Renewal Rate



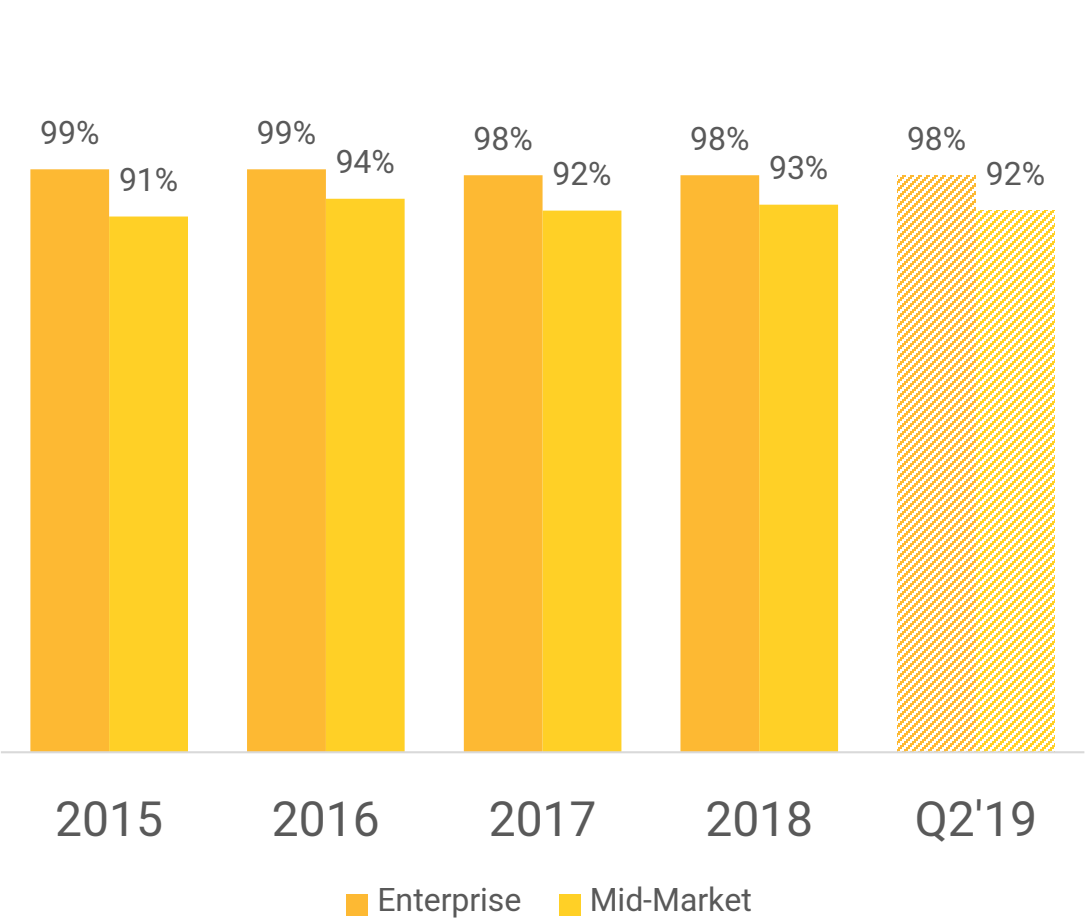
Dollar-Based Net Revenue Retention Rate



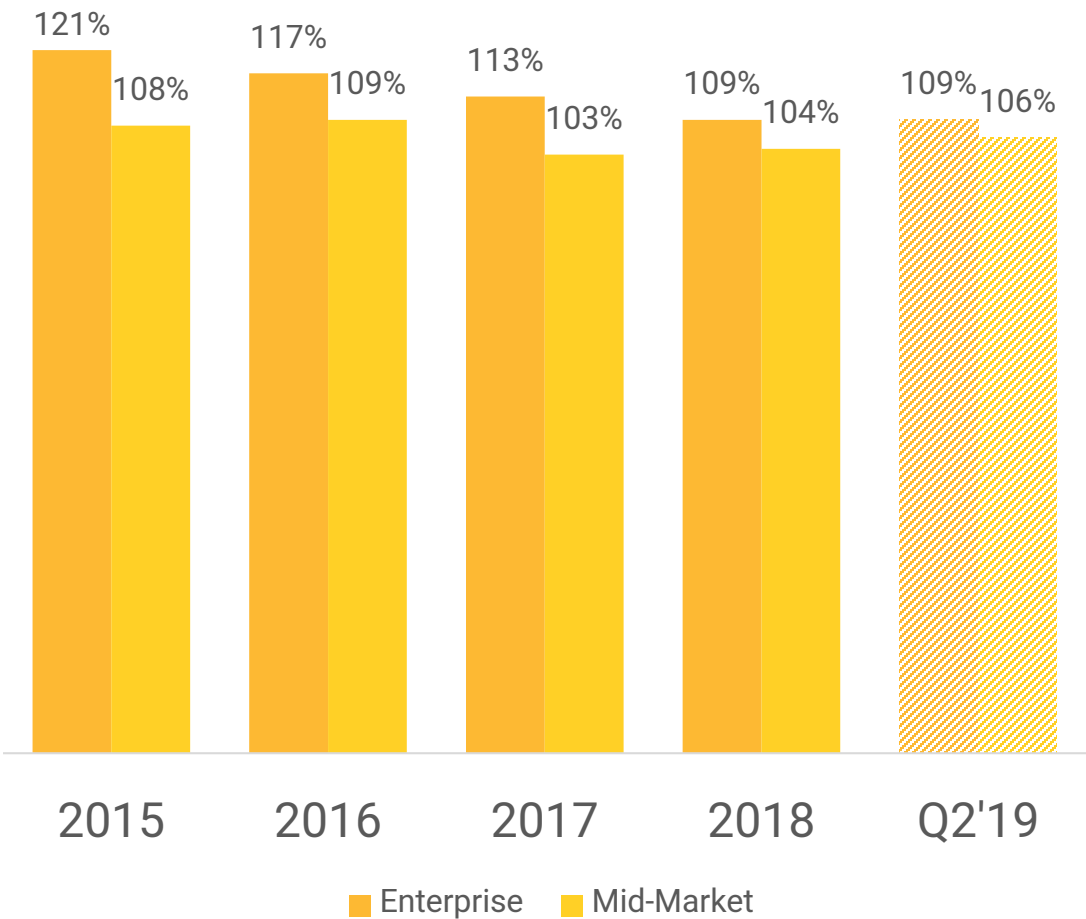
94 Dollar-based revenue renewal rate for each period is calculated by dividing (a) the total actual annualized subscription and support revenue of customer contracts renewed for a given period by (b) the total annualized subscription and support revenue up for renewal of customer contracts expiring in the same period. Dollar-based net revenue retention rate is calculated as the implied monthly subscription and support revenue at the end of a period for the base set of customers from which the company generated subscription revenue in the year prior to the calculation, divided by the implied monthly subscription and support revenue one year prior to the date of calculation for that same customer base. This calculation does not reflect implied monthly subscription and support revenue for new customers added during the one-year period but does include the effect of customers who terminated during the period.

Across Both Market Segments

Dollar-Based Revenue Renewal Rate



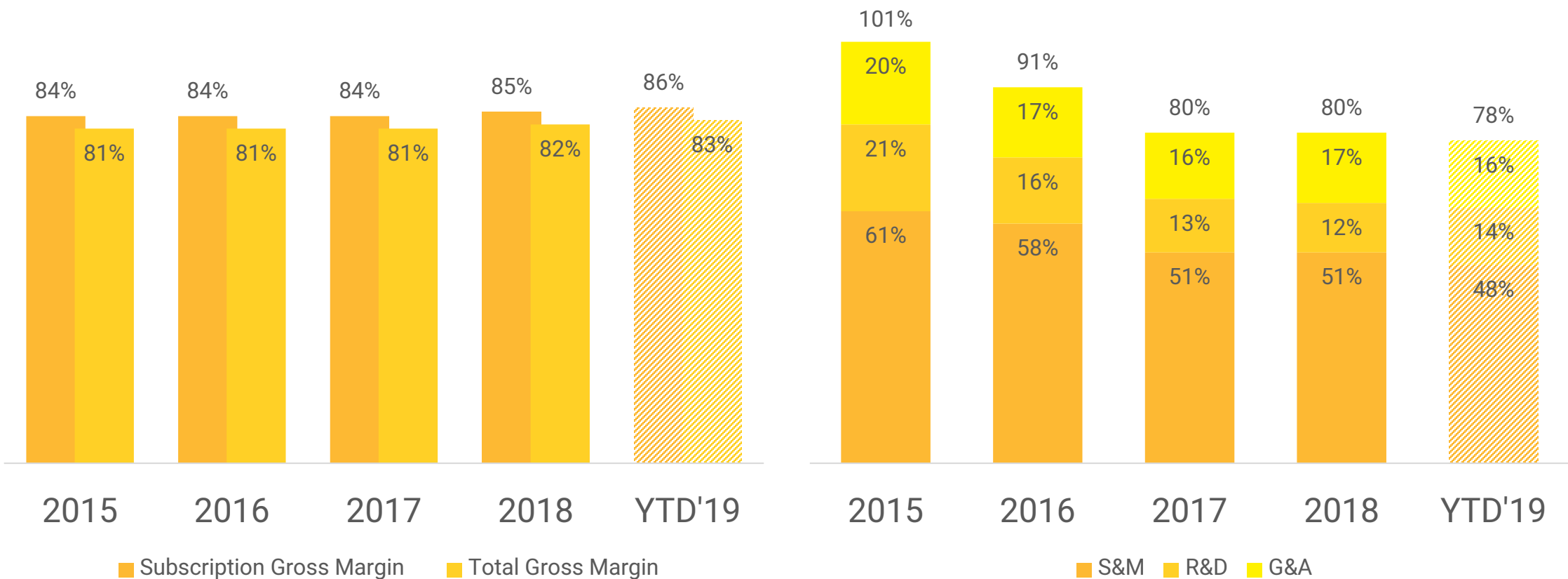
Dollar-Based Net Revenue Retention Rate



High Gross Margins and Expanding Operating Leverage

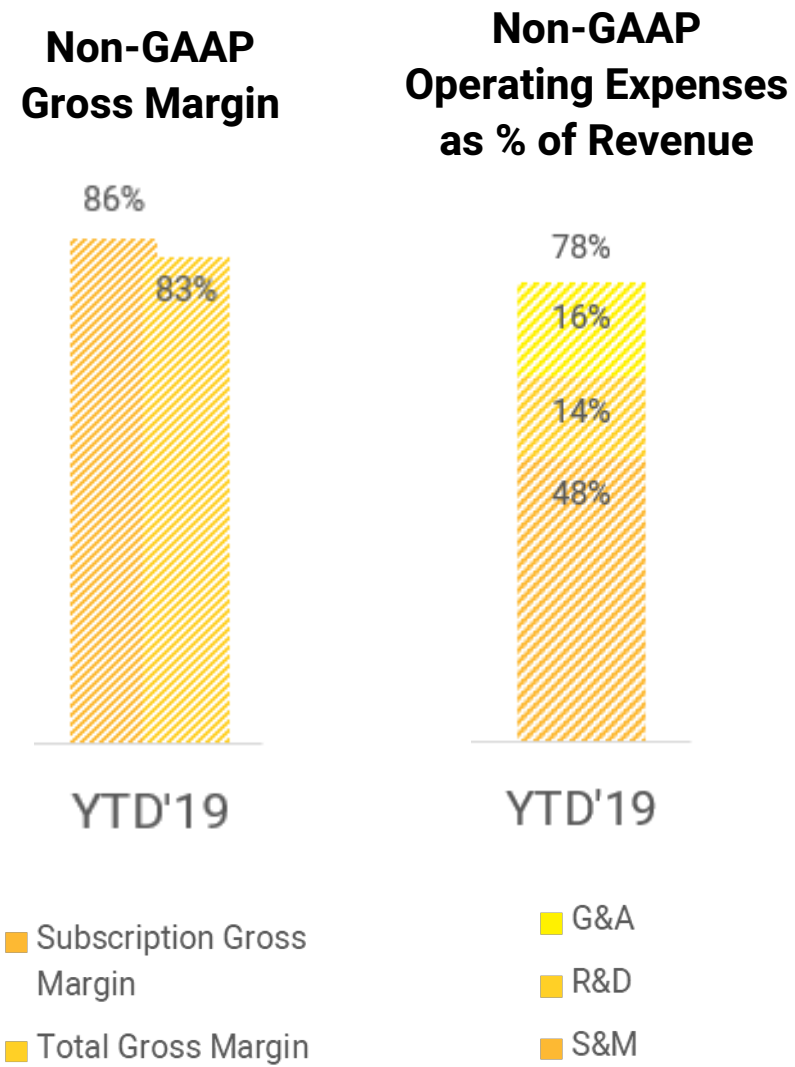
Non-GAAP Gross Margin

Non-GAAP Operating Expenses as % of Revenue



96 YTD'19 is for the 6 months ending June 30, 2019. 2017-18 & YTD'19 are under ASC 606. All prior periods are under ASC 605 Standard. See appendix for GAAP financial measures and reconciliations.

Accelerated Investments in Growth Initiatives

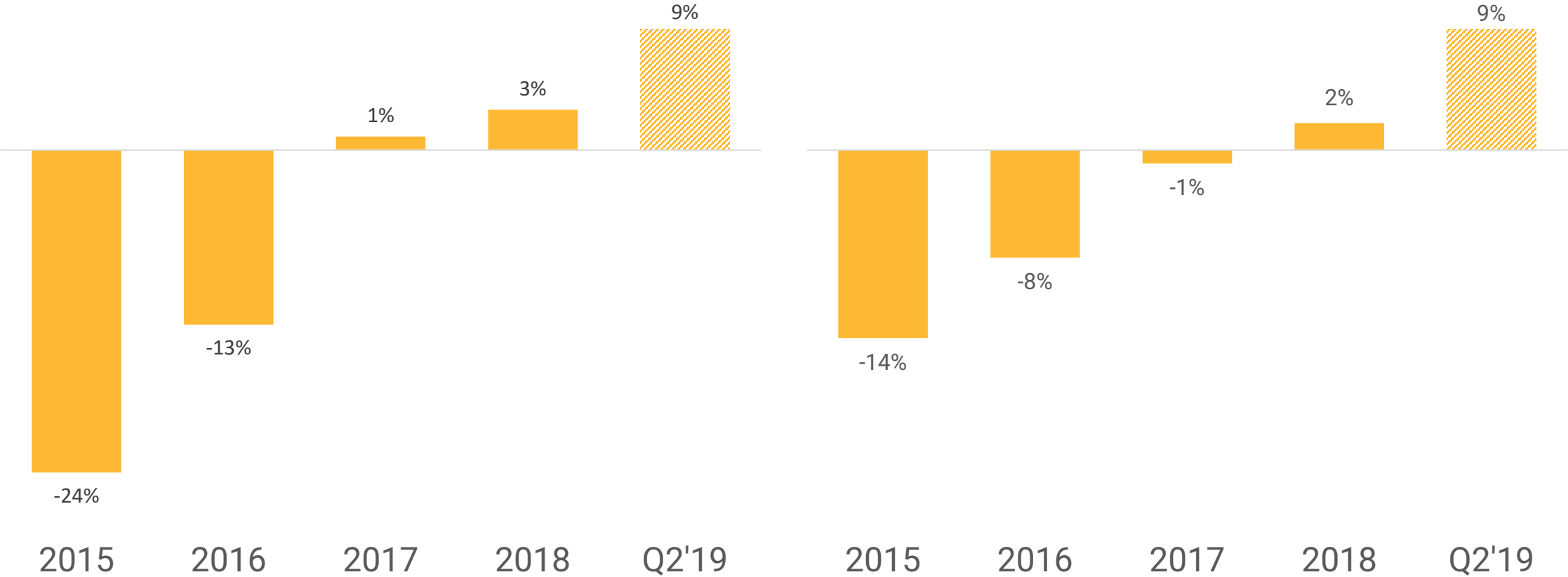


- Investment Areas**
- SolEx
 - New Leadership
 - Professional Services
 - International Markets
 - Strategic Products
 - Customer Success Management
 - Digital Transformation Specialists (AIT)
 - Product Leadership & Innovation
 - Support & Training

Demonstrated Improvement in Profitability & Cash Flow

Non-GAAP Net Income Margin¹

Free Cash Flow Margin



98 YTD'19 is for the 6 months ending June 30, 2019. 2017-18 & YTD'19 are under ASC 606. All prior periods are under ASC 605 Standard. Free cash flow defined as cash flows from operating activities less capex.

¹See appendix for GAAP financial measures and reconciliations.

Target Operating Model

% of Revenue	FY14	FY15	FY16	FY17	FY18	YTD'19	Target Model
Services Revenue	5%	4%	4%	5%	5%	5%	5% - 10%
Gross Margin ¹	82%	81%	81%	81%	82%	83%	~80%
S&M ¹	48%	61%	58%	51%	51%	48%	40% - 45%
R&D ¹	17%	21%	16%	13%	12%	14%	10% - 12%
G&A ¹	17%	20%	17%	16%	17%	16%	7% - 9%
Operating Margin ¹	0%	(21)%	(10)%	1%	2%	4%	20%+

99 YTD'19 is for the 6 months ending June 30, 2019. 2017-18 & YTD'19 are under ASC 606. All prior periods are under ASC 605 Standard.
¹See appendix for GAAP financial measures and reconciliations.

Q&A Panel



Therese Tucker
Founder and Chief
Executive Officer



Pete Hirsch
Chief Technology
Officer



Marc Huffman
Chief Operating
Officer



Mark Partin
Chief Financial
Officer



Tammy Coley
Chief
Transformation
Officer



Karen Flathers
Chief Customer
Officer



Mark Woodhams
SVP Global Sales

Appendix

NON-GAAP RECONCILIATIONS AND DEFINITIONS NON-GAAP REVENUE, NON-GAAP GROSS PROFIT, AND FREE CASH FLOW (\$000'S)

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	2014	2015	2016	2017	2018
Non-GAAP Revenues															
GAAP Revenues	\$38,181	\$41,981	\$45,424	\$50,017	\$51,284	\$55,454	\$58,734	\$62,316	\$64,129	\$69,664	\$51,677	\$83,607	\$123,123	\$175,603	\$227,788
Purchase Accounting Adjustment to Revenue	-	-	-	-	-	-	-	-	-	-	4,952	-	716	-	-
Total Non-GAAP Revenues	\$38,181	\$41,981	\$45,424	\$50,017	\$51,284	\$55,454	\$58,734	\$62,316	\$64,129	\$69,664	\$56,629	\$83,607	\$123,839	\$175,603	\$227,788
Non-GAAP Gross Profit															
GAAP Gross Profit	\$ 28,971	\$ 31,624	\$ 34,553	\$ 39,070	\$ 39,678	\$ 43,588	\$ 45,217	\$ 48,431	\$ 50,511	\$ 54,720	\$35,079	\$60,878	\$92,912	\$134,218	\$176,914
Purchase Accounting Adjustment to Revenue	-	-	-	-	-	-	-	-	-	-	4,952	-	716	-	-
Amortization of Developed Technology	1,704	1,713	1,716	1,714	1,715	1,708	1,721	1,719	1,711	1,712	6,139	6,139	6,368	6,847	6,863
Stock-Based Compensation Expense	250	271	334	294	838	682	869	876	888	1,159	249	466	715	1,149	3,265
Total Non-GAAP Gross Profit	\$30,925	\$33,608	\$36,603	\$41,078	\$42,231	\$45,978	\$47,807	\$51,026	\$53,110	57,591	\$46,419	\$67,483	\$100,711	\$142,214	\$187,042
Free Cash Flow															
Cash flows from operating activities	\$ (1,705)	\$ 1,872	\$ 3,507	\$ 2,750	\$ 1,822	\$ 4,681	\$ 4,814	\$ 4,823	\$ 3,026	\$ 8,620	\$8,943	\$1,006	(\$4,808)	\$6,424	\$16,140
Capitalized software development costs	(1,083)	(900)	(1,362)	(1,279)	(1,653)	(1,460)	(1,527)	(1,035)	(1,232)	(1,367)	(1,437)	(2,273)	(3,270)	(4,624)	(5,675)
Purchase of property and equipment	(488)	(630)	(2,611)	(273)	(1,634)	(2,062)	(892)	(1,696)	(1,103)	(886)	(1,429)	(10,094)	(1,724)	(4,002)	(6,284)
Financed purchases of property and equipment	-	-	-	-	-	-	-	-	-	(145)	-	-	-	-	-
Free Cash Flow	(\$3,276)	\$342	(\$466)	\$1,198	(\$1,465)	\$1,159	\$2,395	\$2,092	\$691	\$ 6,222	\$6,077	(\$11,361)	(\$9,802)	(\$2,202)	\$4,181

"ACQUISITION" DEFINITION

We operated as BlackLine Systems, Inc., which we refer to as the "Predecessor," from 2001 until September 2013. On September 3, 2013, BlackLine, Inc., which we refer to as the "Successor," acquired BlackLine Systems, Inc. in connection with an investment by Silver Lake Sumeru and Iconiq, which we refer to as the "Acquisition." The Successor was created for the sole purpose of acquiring the Predecessor and had no prior operations. We refer to Silver Lake Sumeru and Iconiq collectively as our "Investors" and, in connection with the Acquisition, our Investors obtained a controlling interest in us. The Acquisition resulted in a new basis of accounting and was accounted for as a business combination.

2016 GAAP revenues were adjusted for the impact of purchase accounting resulting from the Runbook Acquisition on August 31, 2016. The purchase accounting adjustments for the quarters ended March 31, 2017, June 30, 2017, September 30, 2017, December 31, 2017, and March 31, 2018 related to the Runbook Acquisition were not meaningful and were thus not presented.



NON-GAAP RECONCILIATIONS NON-GAAP OPERATING INCOME (LOSS) AND NON-GAAP NET INCOME (LOSS) (\$'000'S)

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	2014	2015	2016	2017	2018
Non-GAAP Income (Loss) from Operations															
GAAP Loss from Operations	\$ (7,050)	\$ (6,843)	\$ (12,298)	\$ (4,218)	\$ (7,560)	\$ (8,831)	\$ (5,021)	\$ (8,424)	\$ (9,323)	\$ (5,978)	(\$18,179)	(\$34,812)	(\$33,934)	(\$30,409)	\$ (29,836)
Purchase Accounting Adjustment to Revenue	-	-	-	-	-	-	-	-	-	-	4,952	-	716	-	-
Amortization of Acquired Intangible Assets	3,330	3,333	3,325	3,322	3,323	3,312	3,305	3,083	3,077	3,079	12,092	12,092	12,505	13,310	13,023
Stock-Based Compensation Expense	1,849	1,987	9,115	3,093	3,974	5,393	5,340	6,188	6,452	8,012	2,017	5,497	6,526	16,044	20,895
Change in Fair of Contingent Consideration	93	96	178	261	112	78	97	163	(9)	193	(781)	41	371	628	450
Acquisition-Related Costs	-	-	-	-	-	-	-	-	-	-	-	-	1,582	-	-
Compensation costs for payments to stock option holders in association with the Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secondary offering costs	-	809	-	-	-	-	-	-	-	-	-	-	-	809	-
Shelf offering costs	-	-	-	818	177	224	-	-	212	-	-	-	-	818	401
Total Non-GAAP Income (Loss) From Operations	(\$1,778)	(\$618)	\$320	\$3,276	\$26	\$176	\$3,721	\$1,010	\$409	\$ 5,306	\$101	(\$17,182)	(\$12,234)	\$1,200	\$4,933
Non-GAAP Net Income (Loss) attributable to BlackLine															
Net income (loss) attributable to BlackLine	\$ (7,685)	\$ (9,126)	\$ (12,074)	\$ (4,166)	\$ (7,155)	\$ (8,457)	\$ (4,460)	\$ (7,732)	\$ (8,583)	\$ (5,225)	(\$16,752)	(\$24,734)	(\$39,159)	(\$33,051)	(\$27,804)
Provision for (benefit from) Income Taxes	(235)	43	(258)	(61)	(125)	(65)	(137)	(213)	-	(18)	(8,282)	(13,934)	(6,956)	(511)	(540)
Secondary offering costs	-	809	-	-	-	-	-	-	-	-	-	-	-	809	-
Shelf offering costs	-	-	-	818	177	224	-	-	212	-	-	-	-	818	401
Stock-Based Compensation Expense	1,849	1,987	9,115	3,093	3,974	5,393	5,340	6,188	6,452	8,012	2,017	5,497	6,526	16,044	20,895
Amortization of Acquired Intangible Assets	3,330	3,333	3,325	3,322	3,323	3,312	3,305	3,083	3,077	3,079	12,092	12,092	12,505	13,310	13,023
Accretion of Debt Discount	-	-	-	-	-	-	-	-	-	-	228	228	1,303	-	-
Accretion of Warrant Discount	-	-	-	-	-	-	-	-	-	-	276	276	754	-	-
Purchase Accounting Adjustment to Revenue	-	-	-	-	-	-	-	-	-	-	4,952	-	716	-	-
Change in Fair Value of Contingent Consideration	93	96	178	261	112	78	97	163	(9)	193	(781)	41	371	628	450
Change in Fair Value of Common Stock Warrant Liability	1,000	2,490	-	-	-	-	-	-	-	-	3,700	420	5,880	3,490	-
Acquisition-Related Costs	-	-	-	-	-	-	-	-	-	-	-	-	1,582	-	-
Adjustment to redeemable non-controlling interest	-	-	-	-	-	-	-	-	-	54	-	-	-	-	-
Total Non-GAAP Net Income (Loss) attributable to BlackLine	(\$1,648)	(\$368)	\$286	\$3,267	\$306	\$485	\$4,145	\$1,489	\$ 1,149	\$ 6,095	(\$2,550)	(\$20,114)	(\$16,478)	\$1,537	\$6,425

NON-GAAP RECONCILIATIONS NON-GAAP S&M, NON-GAAP R&D, NON-GAAP G&A (\$000'S)

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	2014	2015	2016	2017	2018
GAAP Sales and Marketing Expense	\$ 21,820	\$ 23,992	\$ 32,048	\$ 26,107	\$ 29,227	\$ 32,150	\$ 31,709	\$ 35,722	\$ 35,848	\$ 37,192	\$31,837	\$56,546	\$77,810	\$103,967	\$ 128,808
Amortization of Intangible Assets	965	968	970	969	969	966	987	965	968	968	3,487	3,487	3,605	3,872	3,887
Stock-Based Compensation Expense	660	748	7,761	1,642	1,437	2,308	2,182	2,747	2,994	3,558	1,059	2,418	2,490	10,811	8,674
Non-GAAP Sales and Marketing Expense	\$20,195	\$22,276	\$23,317	\$23,496	\$26,821	\$28,876	\$28,540	\$32,010	\$31,886	\$ 32,666	\$27,291	\$50,641	\$71,715	\$89,284	\$116,247
GAAP Research and Development Expense	\$ 5,948	\$ 6,009	\$ 5,883	\$ 6,034	\$ 6,929	\$ 7,811	\$ 7,261	\$ 8,753	\$ 10,307	\$ 10,829	\$9,705	\$18,216	\$21,125	\$23,874	\$30,754
Stock-Based Compensation Expense	83	215	236	233	429	675	651	815	944	1,235	229	588	809	767	2,570
Non-GAAP Research and Development Expense	\$5,865	\$5,794	\$5,647	\$5,801	\$6,500	\$7,136	\$6,610	\$7,938	\$9,363	\$ 9,594	\$9,476	\$17,628	\$20,316	\$23,107	\$28,184
GAAP General and Administrative Expense	\$ 8,253	\$ 8,466	\$ 8,920	\$ 11,147	\$ 11,082	\$ 12,458	\$ 11,268	\$ 12,380	\$ 13,679	\$ 12,677	\$11,716	\$20,928	\$27,911	\$36,786	\$47,188
Amortization of Intangible Assets	661	652	639	639	639	638	597	399	398	399	2,466	2,466	2,532	2,591	2,273
Stock-Based Compensation Expense	856	753	784	924	1,270	1,728	1,638	1,750	1,626	2,060	480	2,025	2,512	3,317	6,386
Change in Fair Value of Contingent Consideration	93	96	178	261	112	78	97	163	9	193	(781)	41	371	628	450
Acquisition Related Costs	-	-	-	-	-	-	-	-	-	-	-	-	1,582	-	-
Secondary offering Costs	-	809	-	-	-	-	-	-	-	-	-	-	-	809	-
Shelf offering Costs	-	-	-	818	177	224	-	-	212	-	-	-	-	818	401
Non-GAAP General and Administrative Expense	\$6,643	\$6,156	\$7,319	\$8,505	\$8,884	\$9,790	\$8,936	\$10,068	\$11,452	\$ 10,025	\$9,551	\$16,396	\$20,914	\$28,623	\$37,678