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
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.
BlackLine Today

- Customers: 2,800+
- BlackLine Users: 230K+
- Countries: 130
- Languages: 15
- Fortune 500: 36%
- Fortune 50: 54%
- Employees: 925+
- Offices: 14

As of June 30, 2019
OUR FOCUS:

Scaling to Drive Sustainable Revenue Growth
Purpose
Built

Thought
Leader

Trusted
The Finance Buyer is Uniquely Risk-Averse

TRANSFORMATION OF THE FINANCIAL CLOSE

Skeptic of change to existing manual processes

Customers who experienced a material weakness or accounting issue

Customers looking to improve their processes around the financial close

Finance & Accounting acting as a strategic partner to its organization

LAGGARD

DEFENSIVE

PROCESS IMPROVEMENT

VALUE CREATION

Most companies live here

BlackLine customers live here
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% 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% of finance leaders feel increased operational responsibilities are stretching their role.

Source: EY Survey of Finance Leaders, 2016
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.

- Reporting:
  - Income Statement
  - Statement of Cash Flows
  - Equity Balance Sheet

- Communication:
  - Dropbox
  - Shared Drives
  - Email
  - Phone Calls
  - Face to Face
  - WebEx
  - Slack
  - Skype

- People:
  - CEO
  - CFO
  - Marketing
  - Internal Audit
  - External Audit
  - Investors
  - Accounts Payable
  - Accounts Receivable
  - SEC Reporting
  - Accounts Payable
  - Multiple ERPs
  - Source Systems
  - HRIS
  - Databases
  - Microsoft Excel
  - Matching
  - Excel-based Reconciliations
  - Variance Analysis
  - Reconciliations
  - Journal Entries
  - Data Entry

- Finance & Accounting:
  - Tax
  - Controller
  - Finance
  - CFO
  - Sales
  - Marketing
  - Internal Audit
  - External Audit
  - Investors
  - Accounts Payable
  - Accounts Receivable
  - SEC Reporting
  - Accounts Payable
  - Multiple ERPs
  - Source Systems
  - HRIS
  - Databases
  - Microsoft Excel
  - Matching
  - Excel-based Reconciliations
  - Variance Analysis
  - Reconciliations
  - Journal Entries
  - Data Entry

- Process:
  - Process
  - Matching
  - Close Checklist

- Regulation:
  - GAAP
  - FASB
  - BEAT
  - GASB
  - SOX
  - IFRS
  - ASC-606

- Technology:
  - Technology
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
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 countries\(^1\)
- 99.99+\% uptime\(^1\)
- https://trust.blackline.com

\(^1\)As 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

As of June 30, 2019
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

BLACKLINE

APIs
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

**ENTERPRISE**
>$750M ANNUAL REVENUE

- BlackLine Direct Sales

**MID-MARKET**
$50M-750M ANNUAL REVENUE

- SAP Reseller through SolEx

**ACCOUNT EXPANSION**
~1 YEAR AFTER INITIAL SALE

- BlackLine Account Management

**Global Sales Deployment**

**Global Customer Team**
- Value Architects
- Professional Services
- Customer Success Management
- Digital Transformation Specialists (AIT)
- Support
- Community

**Partner Ecosystem (Channel, SIs, BPOs, ERP, Consulting)**
Large & Underpenetrated Addressable Market

165,000
Target Customers

$18.5B*
All Customers, Core Products

2,800+
Current Customers\(^1\)

$255M
BLACKLINE LTM REVENUE

\(^1\) Source: Frost and Sullivan/2018 TAM for Core Products
\(^1\) As of June 30, 2019
Driving Sustainable Growth
Growth Levers

- Strategic Partner to the CFO
- SAP SoIEx
- 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.
Manual
Inefficient & Inconsistent
Controlled
Standardization & Accuracy
Advanced Scale & Efficiency

Transformational

Point-Products

Legacy

Holistic Solutions

Reactive

Proactive

Closing

Partnering

Risk

Strategy
Transformed

Reactive Proactive Closing Partnering Risk Strategy
Strategic Partner

**Integrated into Business Process**

**Ideas on How to Improve**

**Best Product**

**Reasonably Priced**

**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

Scaled Users Over Time
Added users across various entities for global standardization of processes across a disparate set of ERPs
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

Room for Growth
Driving Growth in Large Customers

240 customers with an ACV of $250K+

CAGR in customers spending $250K or more

ACV refers to annual subscription and support revenue. Q219 as of June 30, 2019.
Evolution
of an existing relationship

Validation
of our leadership position
BlackLine’s SAP TAM

~3,000
EMEA

~1,300
North America

~700
APJ

~4,000
Rest of World

~9,000
SAP Customers > $1B
BlackLine use case for SAP cloud transition

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

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
Executing on the SAP Partnership

Revenue from SAP Partnerships
% of Total

2015  11%
2016  16%
2017  19%
2018  23%
YTD'19  24%

SolEx Pipeline Build
From Beginning of Partnership

Revenue from SAP Partnerships inclusive of EBS and SolEx. YTD'19 is for the 6 months ending June 30, 2019.
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

54% of the Fortune 50
36% of the Fortune 500

2017 – Q2'19 includes adoption of strategic products that do not impact the user count.
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

<table>
<thead>
<tr>
<th></th>
<th>TRANSACTION MATCHING</th>
<th>SMART CLOSE</th>
<th>INTERCOMPANY HUB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers who are target candidates to add</td>
<td>2,800+</td>
<td>~800</td>
<td>1,600+</td>
</tr>
<tr>
<td>Portion of this opportunity currently captured</td>
<td>21%</td>
<td>4%</td>
<td>1%</td>
</tr>
</tbody>
</table>

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

RESELLER PARTNERS
- SAP
- Deloitte

GLOBAL ALLIANCES
- EY

REGIONAL PARTNERS
- Vaco
- KPMG
- RSM
- UHY

SOLUTION PARTNERS
- ORACLE NETSUITE
- Microsoft Dynamics
- Workiva
- Host Analytics

BPO PARTNERS
- genpact
- Cognizant
- IBM
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
# BlackLine’s Superior Functionality

Market Leader Creating Lifelong Advocates

<table>
<thead>
<tr>
<th>Feature</th>
<th>BlackLine</th>
<th>FCPM Focused</th>
<th>ERP</th>
<th>Niche</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose Built for Accounting</td>
<td>🌟</td>
<td>🌟</td>
<td>📈</td>
<td>🌟</td>
</tr>
<tr>
<td>Track Record of Trust with Accountants</td>
<td>🌟</td>
<td>🌟</td>
<td>📈</td>
<td>📈</td>
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<tr>
<td>Close Automation</td>
<td>🌟</td>
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<td>📈</td>
<td>📈</td>
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<tr>
<td>Unified Customer Experience</td>
<td>🌟</td>
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</tr>
<tr>
<td>Strategic Partner to the CFO</td>
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<td>📈</td>
</tr>
</tbody>
</table>

**COMPETITORS**
Mark Partin
CHIEF FINANCIAL OFFICER
The Strategic Finance Perspective from a CFO
How the CFO Role Has Evolved Over Time

Financial Expert

Catalyst of Action

Performance Leader with Strategy in Mind

Operator of Efficiency

Steward of Control
"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% 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
Automating the Financial Close is an Important First Step

Automated Financial Close

...strategic finance is so much more than that
# Strategic Finance Creates Value For the Entire Organization

## Status Quo vs. Optimized

<table>
<thead>
<tr>
<th>STATUS QUO</th>
<th>OPTIMIZED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gatekeepers of Finance</td>
<td>Influential Strategic Players</td>
</tr>
<tr>
<td>Manage Risk</td>
<td>Analyze for Actionable Insight</td>
</tr>
<tr>
<td>Monitor Investments</td>
<td>Drive Investment Strategy</td>
</tr>
<tr>
<td>Cast a Vote in an Executive Meeting</td>
<td>Interact and Inspire Executives</td>
</tr>
</tbody>
</table>

**Financial Expert**

**Strategic Financial Leader**
Key Metrics & Financials
Financial Highlights

**High Growth Subscription Model**
Strong secular tailwinds, early stages in a large market, new customers and expansion within existing customer base

**Compelling Expansion Model**
High predictability from successful land and expand strategy

**High Gross Margins**
95% SaaS recurring revenue

**Demonstrated Operating Leverage**
Operating leverage driving profitability

26%
Q2’19 Revenue Growth

108%
Q2’19 Dollar-Based Net Revenue Retention Rate

83%
Q2’19 Non-GAAP Gross Margin

8%
Q2’19 Non-GAAP Operating Margin

1Y0Y growth as of June 30, 2019. See appendix for GAAP financial measures and reconciliations.
Highly Visible Subscription Growth Model

**Total Revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$84</td>
</tr>
<tr>
<td>2016</td>
<td>$124</td>
</tr>
<tr>
<td>2017</td>
<td>$176</td>
</tr>
<tr>
<td>2018</td>
<td>$228</td>
</tr>
<tr>
<td>LTM'19</td>
<td>$255</td>
</tr>
</tbody>
</table>

**Subscription & Support Revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>Subscription &amp; Support Revenue (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$80</td>
</tr>
<tr>
<td>2016</td>
<td>$118</td>
</tr>
<tr>
<td>2017</td>
<td>$167</td>
</tr>
<tr>
<td>2018</td>
<td>$217</td>
</tr>
<tr>
<td>LTM'19</td>
<td>$243</td>
</tr>
</tbody>
</table>

**Services Revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>Services Revenue (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$4</td>
</tr>
<tr>
<td>2016</td>
<td>$6</td>
</tr>
<tr>
<td>2017</td>
<td>$9</td>
</tr>
<tr>
<td>2018</td>
<td>$10</td>
</tr>
<tr>
<td>LTM'19</td>
<td>$12</td>
</tr>
</tbody>
</table>

LTM'19 period ending June 30, 2019. 2017-18 & LTM'19 Revenue under ASC 606. All prior periods are under ASC 605 Standard.
Consistent Customer and User Growth

Customers

<table>
<thead>
<tr>
<th>Year</th>
<th>Customers ('000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,338</td>
</tr>
<tr>
<td>2016</td>
<td>1,758</td>
</tr>
<tr>
<td>2017</td>
<td>2,208</td>
</tr>
<tr>
<td>2018</td>
<td>2,631</td>
</tr>
<tr>
<td>Q2'19</td>
<td>2,813</td>
</tr>
</tbody>
</table>

24% CAGR

Users

<table>
<thead>
<tr>
<th>Year</th>
<th>Users ('000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>129</td>
</tr>
<tr>
<td>2016</td>
<td>167</td>
</tr>
<tr>
<td>2017</td>
<td>197</td>
</tr>
<tr>
<td>2018</td>
<td>223</td>
</tr>
<tr>
<td>Q2'19</td>
<td>237</td>
</tr>
</tbody>
</table>

19% CAGR
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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Enterprise</th>
<th>Mid-Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>99%</td>
<td>99%</td>
</tr>
<tr>
<td>2016</td>
<td>91%</td>
<td>94%</td>
</tr>
<tr>
<td>2017</td>
<td>98%</td>
<td>92%</td>
</tr>
<tr>
<td>2018</td>
<td>98%</td>
<td>93%</td>
</tr>
<tr>
<td>Q2'19</td>
<td>98%</td>
<td>92%</td>
</tr>
</tbody>
</table>

**Dollar-Based Net Revenue Retention Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Enterprise</th>
<th>Mid-Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>121%</td>
<td>108%</td>
</tr>
<tr>
<td>2016</td>
<td>117%</td>
<td>109%</td>
</tr>
<tr>
<td>2017</td>
<td>113%</td>
<td>103%</td>
</tr>
<tr>
<td>2018</td>
<td>109%</td>
<td>104%</td>
</tr>
<tr>
<td>Q2'19</td>
<td>109%</td>
<td>106%</td>
</tr>
</tbody>
</table>

See footnote on slide 95 for definition of dollar-based revenue renewal rate and dollar-based net revenue retention.
## High Gross Margins and Expanding Operating Leverage

### Non-GAAP Gross Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Subscription Gross Margin</th>
<th>Total Gross Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>84%</td>
<td>81%</td>
</tr>
<tr>
<td>2016</td>
<td>84%</td>
<td>81%</td>
</tr>
<tr>
<td>2017</td>
<td>84%</td>
<td>81%</td>
</tr>
<tr>
<td>2018</td>
<td>85%</td>
<td>82%</td>
</tr>
<tr>
<td>YTD'19</td>
<td>86%</td>
<td>83%</td>
</tr>
</tbody>
</table>

### Non-GAAP Operating Expenses as % of Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>S&amp;M</th>
<th>R&amp;D</th>
<th>G&amp;A</th>
</tr>
</thead>
</table>
| 2015 | 20% | 91% | 101%
| 2016 | 21% | 17% | 16%
| 2017 | 61% | 58% | 51%
| 2018 | 17% | 13% | 12%
| YTD'19 | 14% | 16% | 48%

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

Non-GAAP Gross Margin

<table>
<thead>
<tr>
<th>YTD'19</th>
<th>86%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>83%</td>
</tr>
</tbody>
</table>

Non-GAAP Operating Expenses as % of Revenue

<table>
<thead>
<tr>
<th>YTD'19</th>
<th>78%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16%</td>
</tr>
</tbody>
</table>

Investment Areas

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

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.
Demonstrated Improvement in Profitability & Cash Flow

Non-GAAP Net Income Margin¹

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Q2'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>-24%</td>
<td>-13%</td>
<td>1%</td>
<td>3%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Free Cash Flow Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Q2'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>-14%</td>
<td>-8%</td>
<td>-1%</td>
<td>2%</td>
<td>9%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>% of Revenue</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>YTD’19</th>
<th>Target Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services Revenue</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5% - 10%</td>
</tr>
<tr>
<td>Gross Margin(^1)</td>
<td>82%</td>
<td>81%</td>
<td>81%</td>
<td>81%</td>
<td>82%</td>
<td>83%</td>
<td>~80%</td>
</tr>
<tr>
<td>S&amp;M(^1)</td>
<td>48%</td>
<td>61%</td>
<td>58%</td>
<td>51%</td>
<td>51%</td>
<td>48%</td>
<td>40% - 45%</td>
</tr>
<tr>
<td>R&amp;D(^1)</td>
<td>17%</td>
<td>21%</td>
<td>16%</td>
<td>13%</td>
<td>12%</td>
<td>14%</td>
<td>10% - 12%</td>
</tr>
<tr>
<td>G&amp;A(^1)</td>
<td>17%</td>
<td>20%</td>
<td>17%</td>
<td>16%</td>
<td>17%</td>
<td>16%</td>
<td>7% - 9%</td>
</tr>
<tr>
<td>Operating Margin(^1)</td>
<td>0%</td>
<td>(21)%</td>
<td>(10)%</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
<td>20%+</td>
</tr>
</tbody>
</table>

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.

\(^1\)See 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
**NON-GAAP RECONCILIATIONS AND DEFINITIONS NON-GAAP REVENUE, NON-GAAP GROSS PROFIT, AND FREE CASH FLOW ($000’S)**

**Non-GAAP Revenues**

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</tr>
</thead>
<tbody>
<tr>
<td>GAAP Revenues</td>
<td>$38,181</td>
<td>$41,981</td>
<td>$45,424</td>
<td>$50,017</td>
<td>$51,284</td>
<td>$55,454</td>
<td>$58,734</td>
<td>$62,316</td>
<td>$64,129</td>
<td>$69,664</td>
<td>$51,677</td>
<td>$83,607</td>
<td>$123,123</td>
<td>$175,603</td>
<td>$227,708</td>
</tr>
<tr>
<td>Purchase Adjustment to Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,952</td>
<td>-</td>
<td>716</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total Non-GAAP Revenues</td>
<td>$38,181</td>
<td>$41,981</td>
<td>$45,424</td>
<td>$50,017</td>
<td>$51,284</td>
<td>$55,454</td>
<td>$58,734</td>
<td>$62,316</td>
<td>$64,129</td>
<td>$69,664</td>
<td>$56,629</td>
<td>$83,607</td>
<td>$123,839</td>
<td>$175,603</td>
<td>$227,708</td>
</tr>
</tbody>
</table>

**Non-GAAP Gross Profit**

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</tr>
</thead>
<tbody>
<tr>
<td>GAAP Gross Profit</td>
<td>$28,971</td>
<td>$31,624</td>
<td>$34,553</td>
<td>$39,070</td>
<td>$39,678</td>
<td>$43,088</td>
<td>$45,217</td>
<td>$48,431</td>
<td>$50,511</td>
<td>$54,720</td>
<td>$35,079</td>
<td>$60,078</td>
<td>$92,912</td>
<td>$134,218</td>
<td>$176,914</td>
</tr>
<tr>
<td>Purchase Accounting Adjustment to Revenue</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>4,952</td>
<td>-</td>
<td>716</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Amortization of Developed Technology</td>
<td>1,704</td>
<td>1,713</td>
<td>1,716</td>
<td>1,715</td>
<td>1,708</td>
<td>1,721</td>
<td>1,719</td>
<td>1,711</td>
<td>1,712</td>
<td>6,139</td>
<td>6,139</td>
<td>6,368</td>
<td>6,847</td>
<td>6,603</td>
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<tr>
<td>Stock-Based Compensation Expense</td>
<td>250</td>
<td>271</td>
<td>334</td>
<td>294</td>
<td>538</td>
<td>682</td>
<td>809</td>
<td>876</td>
<td>1,159</td>
<td>249</td>
<td>486</td>
<td>715</td>
<td>1,149</td>
<td>3,205</td>
<td></td>
</tr>
<tr>
<td>Total Non-GAAP Gross Profit</td>
<td>$30,925</td>
<td>$33,608</td>
<td>$36,603</td>
<td>$41,078</td>
<td>$42,231</td>
<td>$45,978</td>
<td>$48,078</td>
<td>$51,026</td>
<td>$53,110</td>
<td>$57,591</td>
<td>$46,419</td>
<td>$67,483</td>
<td>$100,711</td>
<td>$142,214</td>
<td>$187,042</td>
</tr>
</tbody>
</table>

**Free Cash Flow**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>$(1,705)</td>
<td>$1,872</td>
<td>$3,057</td>
<td>$2,750</td>
<td>$1,822</td>
<td>$4,681</td>
<td>$4,814</td>
<td>$4,823</td>
<td>$3,026</td>
<td>$6,830</td>
<td>$5,043</td>
<td>$1,006</td>
<td>$(5,408)</td>
<td>$6,424</td>
<td>$16,140</td>
</tr>
<tr>
<td>Capitalized software development costs</td>
<td>(1,083)</td>
<td>(980)</td>
<td>(1,362)</td>
<td>(1,278)</td>
<td>(1,653)</td>
<td>(1,460)</td>
<td>(1,527)</td>
<td>(1,035)</td>
<td>(1,232)</td>
<td>(1,367)</td>
<td>(1,437)</td>
<td>(2,273)</td>
<td>(3,378)</td>
<td>(4,624)</td>
<td>(5,678)</td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(486)</td>
<td>(630)</td>
<td>(2,611)</td>
<td>(2,611)</td>
<td>(273)</td>
<td>(1,634)</td>
<td>(2,062)</td>
<td>(082)</td>
<td>(1,806)</td>
<td>(1,103)</td>
<td>(886)</td>
<td>(1,429)</td>
<td>(10,094)</td>
<td>(1,724)</td>
<td>(4,002)</td>
</tr>
<tr>
<td>Financing purchases of property and equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(145)</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$(5,276)</td>
<td>$342</td>
<td>$(548)</td>
<td>$1,198</td>
<td>$(5,405)</td>
<td>$1,159</td>
<td>$2,395</td>
<td>$2,092</td>
<td>$891</td>
<td>$6,222</td>
<td>$6,077</td>
<td>$(11,351)</td>
<td>$(5,002)</td>
<td>$(2,202)</td>
<td>$4,101</td>
</tr>
</tbody>
</table>

**“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)

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</tr>
</thead>
<tbody>
<tr>
<td>Purchase Accounting Adjustment to Revenue</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stock-Based Compensation Expense</td>
<td>1,494</td>
<td>1,987</td>
<td>3,115</td>
<td>3,083</td>
<td>3,674</td>
<td>5,393</td>
<td>5,340</td>
<td>6,188</td>
<td>8,452</td>
<td>8,012</td>
<td>2,617</td>
<td>5,497</td>
<td>6,526</td>
<td>16,044</td>
<td>26,895</td>
</tr>
<tr>
<td>Change in Fair Value of Contingent Consideration</td>
<td>93</td>
<td>96</td>
<td>178</td>
<td>264</td>
<td>112</td>
<td>78</td>
<td>87</td>
<td>163</td>
<td>(9)</td>
<td>153</td>
<td>(781)</td>
<td>41</td>
<td>371</td>
<td>628</td>
<td>400</td>
</tr>
<tr>
<td>Acquisition-Related Costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>Compensation costs for payments to stock option holders in connection with the Acquisition</td>
<td>-</td>
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<tr>
<td>Secondary offering costs</td>
<td>-</td>
<td>809</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>Shelf offering costs</td>
<td>-</td>
<td>-</td>
<td>818</td>
<td>177</td>
<td>224</td>
<td>-</td>
<td>-</td>
<td>212</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>818</td>
</tr>
<tr>
<td>Total Non-GAAP Income (Loss) from Operations</td>
<td>$(5,778)</td>
<td>$(5,616)</td>
<td>$328</td>
<td>$3,276</td>
<td>$26</td>
<td>$176</td>
<td>$3,721</td>
<td>$1,616</td>
<td>$469</td>
<td>$3,066</td>
<td>$101</td>
<td>$(57,102)</td>
<td>$(12,234)</td>
<td>$1,200</td>
<td>$4,933</td>
</tr>
</tbody>
</table>

<p>| Non-GAAP Net Income (Loss) attributable to BlackLine | Net Income (Loss) attributable to BlackLine | Provision for (benefit from) Income Taxes | Secondary offering costs | Shelf offering costs | Stock-Based Compensation Expense | Amortization of Acquired Intangible Assets | Accretion of Debt Discount | Accretion of Warrant Discount | Purchase Accounting Adjustment to Revenue | Change in Fair Value of Contingent Consideration | Change in Fair Value of Common Stock Warrant Liability | Acquisition-Related Costs | Adjustment to redeemable non-controlling interest | Total Non-GAAP Net Income (Loss) attributable to BlackLine |
|-----------------------------------------------------|-------------------------------------------|---------------------------------------|-------------------------|-------------------------|---------------------------------|---------------------------------|-----------------------------|-----------------------------|--------------------------------|---------------------------------|--------------------------|-----------------------------|-------------------------------------------|
| $ (7,050) | $ (9,126) | $ (12,874) | $ (4,166) | $ (17,150) | $ (8,457) | $ (4,466) | $ (7,732) | $ (8,853) | $ (5,220) | $ (16,750) | $ (24,734) | $ (39,159) | $ (33,051) | $ (527,804) |
| $ (335) | 43 | (258) | (61) | (125) | (63) | (137) | (213) | - | (16) | (8,282) | (13,034) | (6,950) | (511) | (540) |
| - | 809 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - | - | 818 | 177 | 224 | - | - | 212 | - | - | - | - | - | - | 818 | 401 |</p>
<table>
<thead>
<tr>
<th>1,494</th>
<th>1,987</th>
<th>3,115</th>
<th>3,083</th>
<th>3,674</th>
<th>5,393</th>
<th>5,340</th>
<th>6,188</th>
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<th>16,044</th>
<th>26,895</th>
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<td>93</td>
<td>96</td>
<td>178</td>
<td>264</td>
<td>112</td>
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<td>87</td>
<td>163</td>
<td>(9)</td>
<td>153</td>
<td>(781)</td>
<td>41</td>
<td>371</td>
<td>628</td>
<td>400</td>
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<tr>
<td>1,000</td>
<td>2,498</td>
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<td>3,760</td>
<td>420</td>
<td>5,890</td>
<td>3,490</td>
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<tr>
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<td>$177</td>
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