

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-37924

**BlackLine, Inc.**  
(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

46-3354276  
(I.R.S. Employer  
Identification Number)

21300 Victory Boulevard, 12th Floor  
Woodland Hills, CA 91367  
(Address of principal executive offices, including zip code)  
(818) 223-9008  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	BL	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant, based on the closing price of a share of the registrant's common stock on June 30, 2025 as reported by the Nasdaq Global Select Market on such date was \$3.239 billion. Shares of the registrant's common stock held by each executive officer, director and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

At February 19, 2026, 59,542,335 shares of the registrant's common stock, \$0.01 par value, were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the information called for by Part III of this Annual Report on Form 10-K where indicated are hereby incorporated by reference from the Definitive Proxy Statement for the registrant's Annual Meeting of Stockholders to be held in 2026, which will be filed with the Securities and Exchange Commission not later than 120 days after the end of the registrant's fiscal year ended December 31, 2025.

**BLACKLINE, INC.**  
**2025 ANNUAL REPORT ON FORM 10-K**

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## PART I

### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve substantial risk and uncertainties. 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. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to, statements regarding future financial and operational performance; statements concerning growth strategies including acquisitions, extension of distribution channels and strategic relationships, product innovation, international expansion, customer growth and expansion, customer service initiatives, expectations regarding our acquisitions, expectations regarding contract size and increased focus on strategic products, expectations for hiring new talent; our ability to accurately forecast revenue and appropriately plan expenses and investments; the demand for and benefits from the use of our current and future solutions; market acceptance of our solutions; the impact of the macroeconomic environment on our business; and changes in the competitive environment in our industry and the markets in which we operate and our liquidity and capital resources. These statements are based upon our historical performance and our current plans, estimates and expectations and are not a representation that such plans, estimates, or expectations will be achieved. 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 uncertainty. If any of these risks or uncertainties materialize or if any assumptions prove incorrect, actual performance or results may differ materially from those expressed in or suggested by the forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainty, and assumptions that are difficult to predict, including those identified below, under “Item 1A. Risk Factors” and elsewhere herein. Forward-looking statements should not be read as a guarantee of future performance or results, and you should not place undue reliance on such statements. Furthermore, we undertake no obligation to revise or update any forward-looking statements for any reason, except as required by applicable law.

Unless the context otherwise requires, the terms “BlackLine, Inc.,” “BlackLine,” “the Company,” “we,” “us,” and “our” in this Annual Report on Form 10-K refer to the consolidated operations of BlackLine, Inc. and its consolidated subsidiaries as a whole.

#### Item 1. *Business*

##### Overview

The Office of the Chief Financial Officer (“CFO”) is relied upon to deliver timely and accurate financial reporting and business insights. The CFO role has evolved from traditional accounting processes to driving growth, profitability, and governance across the enterprise to improve business outcomes while finance and accounting teams are facing unprecedented system and process complexity, growing data volumes, and evolving regulatory requirements, coupled with expanding roles and responsibilities. As a result, digital transformation has become a top priority for CFOs, as they require powerful technology to meet these demands.

At BlackLine, our mission is to inspire, power, and guide digital finance transformation for the Office of the CFO. Our secure, flexible, and scalable cloud-based platform empowers finance and accounting teams to achieve future-ready financial operations, modernizing processes for mid-size and enterprise organizations across all industries.

Many organizations rely on enterprise resource planning (“ERP”) systems to manage general ledger activities. However, these systems often fail to address end-to-end processes that occur across other systems and in spreadsheets, hampering an organization’s ability to deliver accurate data, insights, controls, and transparency. Our platform connects data and processes at their origin, enhancing financial reporting integrity, streamlining activities, and delivering faster insights. This approach drives immediate impact and sustained value, maximizes cash flow, and accelerates the record-to-report and invoice-to-cash processes.

Our platform integrates with the leading ERP systems offered by Workday, Inc., SAP SE (“SAP”), Oracle Corporation, Microsoft Dynamics 365 (“Microsoft Dynamics”), an application offered by Microsoft Corporation (“Microsoft”), Sage Intacct, Inc., and NetSuite, Inc. It also connects to diverse financial data sources, including banks, point-of-sale, treasury, payroll, procurement, and other systems, bringing data into unified workflows. This deep connectivity provides finance and accounting teams with accurate, actionable insights, reducing errors and

improving compliance. This, in turn, frees finance and accounting teams to focus on complex, high-value challenges where human judgement is essential.

For nearly 25 years, BlackLine has pioneered customer-centric innovation in financial software, optimizing mission-critical processes for the Office of the CFO. BlackLine's Studio360 Platform, Verity AI capabilities, and our comprehensive record-to-report and invoice-to-cash solutions uniquely address the increasing complexity of data, systems, and processes.

BlackLine was founded in 2001. We are a holding company and conduct our operations through our wholly-owned subsidiary, BlackLine Systems, Inc. ("BlackLine Systems") and its subsidiaries. Our growth has been driven by a combination of organic innovation and a series of strategic acquisitions and initiatives, including the following:

Our cloud-based solutions, delivered by our BlackLine Studio360 Platform, include Account Reconciliations, Transaction Matching, Task Management, Reporting & Analysis, Journal Entry, Journals Risk Analyser, Account Analysis, Consolidation, Compliance, Smart Close for SAP, Cash Application, Credit & Risk Management, Collections Management, Disputes & Deductions Management, Team & Task Management, AR Intelligence, Electronic Invoicing & Payments, Intercompany Create, Intercompany Balance & Resolve, and Intercompany Net & Settle.

In September 2025, we launched Verity, a comprehensive suite of AI capabilities that provides finance and accounting teams with a digital workforce of embedded and auditable AI. Verity is integrated throughout our solutions and supports a broad range of use cases across our customers' financial operations, offering flexible capabilities that help deliver best practices across end-to-end record-to-report and invoice-to-cash processes.

On December 15, 2025, we acquired WiseLayer, ("WL" and such acquisition, the "WL Acquisition"), a New York-based company that has pioneered a digital workforce of AI-powered agents to automate complex, judgment-based finance and accounting processes. The primary purpose of the WL Acquisition is to accelerate BlackLine's own AI roadmap and in so doing, strengthen our competitive offering, which is focused on transforming and modernizing finance and accounting, against key competitors.

### **Our Growth Strategy**

Our principal growth strategies include the following:

**Continue to Innovate and Expand our Solutions.** Our ability to internally develop or make strategic acquisitions of new, market-leading applications and functionalities, particularly those powered by AI, is integral to our success. Our recent launch of Verity is a testament to our commitment to delivering advanced, AI-powered solutions. We intend to deepen our existing capabilities and extend the functionality and range of our applications to bring new solutions to the Office of the CFO.

**Enhance our Leadership Position within the Marketplace.** We intend to focus on customer expansion, geography, and industry to maintain and grow our leadership position.

- **Customer Expansion:** We believe we have a leading position in the market with both enterprise and mid-size companies. We intend to leverage our brand recognition, history of innovation, and customer focus to maintain and grow our leadership position with enterprise market businesses. We pursue a land-and-expand sales model and believe there is a significant opportunity to increase sales of our solutions within our existing customer base. Additionally, we intend to focus on expanding and developing solutions tailored for the complex needs of public sector organizations. Our pricing model is designed to enable us to capture additional revenue as our customers' usage of our platform grows, thereby increasing the lifetime value of our customer relationships.
- **Geography:** We believe that we have a significant opportunity to expand the use of our cloud-based solutions in most G20 nations. We intend to invest in further expanding our global footprint through organic growth activities and strategic acquisitions.
- **Industry:** We continue to leverage our customer scale to innovate with industry-specific solutions, especially for industries where we have large addressable market opportunities and strong brand permission with customers and partners.

**Extend Our Relationships with Partners.** We have established strong relationships with technology vendors, such as SAP, Microsoft Dynamics, Workday, Google, and Snowflake, Inc. ("Snowflake"), professional services firms, such as Accenture plc ("Accenture"), Deloitte Touche Tohmatsu Limited ("Deloitte"), Ernst & Young Global Limited ("Ernst & Young"), KPMG International Limited ("KPMG"), BDO Global ("BDO"), and Grant Thornton International Ltd. ("Grant Thornton"), and business process outsourcers, such as CapGemini SE ("CapGemini"), GenPact Ltd ("GenPact"), and RSM US LLP ("RSM"). We intend to deepen our relationships with our current

partners, foster a thriving ecosystem of partnerships, and partner with resellers who are well-versed in the BlackLine suite and select software firms.

**ERP Connectivity.** We intend to leverage our BlackLine Studio360 Platform further to extend our technology integration capabilities with large ERP players, and maintain connectivity to other ERPs and third-party data sources.

**Cloud Marketplaces.** We have established the ability to purchase BlackLine solutions through Cloud Marketplaces on Google Cloud Platform (“GCP”), Microsoft Azure (“Azure”), and Amazon Web Services (“AWS”). This enables our customers to leverage their committed spend with those cloud providers for a software purchase with BlackLine.

### **BlackLine Platform, Products, and Capabilities**

We provide a unified, scalable, and flexible platform tailored to the evolving needs of the Office of the CFO and deliver a purpose-built suite of applications that address critical processes, including record-to-report and invoice-to-cash. Our software and services provide critical technology and industry-leading practices that deliver accurate, efficient, and intelligent financial operations.

#### **BlackLine Studio360 Platform**

In today’s dynamic business environment, the Office of the CFO faces unprecedented challenges: managing complex systems, siloed data, and demands for real-time, accurate insights to enable strategic decision-making and drive business outcomes. Traditional, fragmented solutions cannot accommodate the increasing complexity of data, systems, and processes. The need for a flexible, scalable, and unified platform that provides a single source of trusted financial and accounting information has never been greater. BlackLine’s Studio360 Platform addresses these challenges by providing an infrastructure and capabilities to further unify our products and services, which include:

- **Studio360 Integrate:** Powerful and flexible capabilities for unifying, cleansing, and transforming data through pre-built connectors and APIs, ensuring a single source of truth for finance and accounting teams;
- **Studio360 Orchestrate:** The industry’s most extensive capabilities to map, optimize, and automate workflows across BlackLine applications, ERPs, and other applications like procurement, payroll, revenue, treasury, fixed assets, and more, with real-time progress tracking and event-based scheduling;
- **Studio360 Visualize:** Real-time, AI-powered insights, anomaly detection, exception handling, and KPI monitoring through customizable dashboards and reports, enabling CFOs to make fast, data-driven decisions;
- **Studio360 Blueprint:** An extensive library of proven process design templates grounded in customer-informed industry best practices, enabling rapid deployment and achievable transformation outcomes. BlackLine and its world-leading partners continuously contribute to and expand this library, ensuring it remains up-to-date and adaptable to evolving customer needs; and
- **Studio360 Control:** A centralized hub for administering and enforcing financial data hierarchies, policies, and certifications to strengthen governance and risk management.

#### **Solutions**

Our cloud-based solutions for the Office of the CFO are designed to be the primary point of interaction for accounting and finance professionals. Our solutions unify systems and data and work to drive accuracy, collaboration, efficiency, and control. Our solutions enable accounting and finance professionals to execute their work continuously, empowering real-time insights and business partnerships.

#### **Products and Services**

Our products are comprised of record-to-report and invoice-to-cash solutions. We also provide implementation services.

#### **Record-to-Report - Financial Close & Consolidation**

The collection of processes by which organizations record, reconcile, consolidate, and report their financial information at the end of each period is referred to as record-to-report. For organizations of any size, traditional processes are heavily manual and rely upon error-prone spreadsheets, increasing risk and threatening the accuracy

of financial reporting. Our Financial Close & Consolidation solutions allow customers to standardize and automate key steps across the record-to-report process to ensure accuracy and control. Our products include:

- **Transaction Matching** is an effective solution that automates the reconciliation of high-volume and complex transactions, significantly reducing the risk of financial misstatement and increasing the efficiency of our customers' finance and accounting operations. The solution enhances and transforms data by applying rules to normalize formats, parse fields, and perform calculations. Our rules engine then automatically identifies exceptions, errors, missing data, and variances within these large data sets. By processing millions of records per minute, our customers can reconcile transactions in real time, ensuring data integrity and accelerating their financial close process.
- **Journal Entry** allows users to generate, review, and post manual journal entries. Many postings can be fully automated, calculated based on complex customer-defined logic, or automatically allocated across multiple business units. Validation and approval checkpoints help ensure the integrity of information passed to other financial applications, including hundreds of ERPs and subsystems, in a configurable, standardized format;
- **Account Reconciliations** provides a centralized workspace from which users can collaborate to substantiate their balance sheet by completing account reconciliations. Features include standardized templates, workflows for review and approval, linkage to policies and procedures, and integrated storage of supporting documentation, enhanced with AI-enabled summarization. The product automates otherwise manual activities in the substantiation process, significantly reducing time and effort and increasing productivity. It also enhances internal controls by facilitating the appropriate segregation of duties, simplifying reconciliation audits, and adding transparency and visibility to the reconciliation process;
- **Task Management** enables users to create and manage processes and task lists. The solution provides automatic and recurring task scheduling, includes configurable workflow, and provides a management console for accounting and finance activities. Though most commonly used with the financial close, users can create task lists and projects for hundreds of different use cases, ranging from external audits to environmental impact surveys. The solution can be used as a cloud-based, controlled checklist that includes reporting and alerts to drive greater collaboration, accountability, and visibility;
- **Smart Close for SAP** is fully embedded in the SAP UX and streamlines and automates key closing activities. Smart Close complements our cloud financial close management solutions to achieve end-to-end automation. Purpose-built automation allows customers to automate task and job scheduling, verify the correctness of closing transactions, and automatically trigger the appropriate response, like raising alerts, making corrections, or pushing the closing process to the next step with job scheduling;
- **Reporting & Analysis** enables analysis and validation of group-level or consolidated financial data with direct, real-time visibility into the local or underlying details. Embedded with rich intelligence to automatically draft financial narratives, variance explanations, and executive summaries, finance teams are freed from manual documentation and can focus on strategic guidance instead. The solution provides a centralized workspace with end-to-end transparency and automates ledger-to-ledger, statutory-to-GAAP, tax-to-GAAP, and system-to-system reconciliation to ensure the completeness and accuracy of consolidated fluctuation results;
- **Account Analysis** automatically groups and categorizes individual transactions to help users identify potential exceptions and adjustments, monitor the health of accounts, and proactively mitigate risk;
- **Journals Risk Analyser** mitigates the risks related to manual journal entries by providing visibility into the entire journal population, and enabling users to proactively monitor key metrics and irregularities with AI-powered anomaly detection, trend analysis, and natural language querying. This allows users to stay ahead of audit issues, and decrease the risk of misstatements;
- **Consolidation** provides a transparent, business-owned solution to connect data, automate key consolidation activities, and accelerate the delivery of financial statements. The solution automates intercompany eliminations, top-side adjustments, and currency translations, while allowing for flexible management of consolidation methods and exchange rates. By unifying data from multiple entities and ERPs, it ensures results are complete and accurate with integrated mapping, adjustment automation, and drill-down capabilities for end-to-end transparency and control; and
- **Compliance** is an integrated solution that facilitates compliance-related initiatives, consolidates project management, and provides visibility over control self-assessments and testing.

## **Record-to-Report - Intercompany**

Intercompany transactions occur when entities within a corporate parent organization transact with each other. These transactions are some of the most complex and frequent sources of uncertainty and process inefficiency for the controller organization, and have direct and indirect tax and transfer pricing risk, as well as imbalances that must be resolved before impacting reported financials. The intricate nature of intercompany transactions often drives accounting, tax, and treasury operations to process a substantial volume of intercompany charges within the constraints of the fiscal calendar, leaving insufficient time for enhancing the quality of the underlying data or addressing upstream issues, operational challenges, weak control and governance environments, or intercompany journals. This prevalent operational practice results in heightened stress and risk for accounting and finance professionals, stemming from an unproductive, low value-add workload. Often manual, time-consuming, and resource-intensive processes, intercompany transactions can have material impacts on costs if not managed properly. Our intercompany solutions manage the entire intercompany transaction lifecycle within our platform, from the initial creation of a transaction through the balancing, disputes management, resolution, and settlement processes. We believe it is the only widely-available, automated end-to-end intercompany solution maintained in a single platform. These solutions include:

- **Intercompany Create** increases visibility into transaction-level data by originating transactions directly within our software. Intercompany transactions are configured and executed through an automated and rules-driven process that uses billing routes to facilitate the flow of transactions and the appropriate tax and transfer pricing mark-ups. The application stores permissions and business-logic exceptions by entity, service, and transaction type, ensuring that both the seller and the buyer of the intercompany transaction are authorized to conduct business, and that billing is conducted in a manner that optimizes process efficiency and minimizes tax leakage. Transactions are booked directly into the general ledger via Journals. Invoices are automatically generated for each respective jurisdiction, and e-invoicing capabilities can send intercompany data to country-specific portals. Workflow capabilities exist for key control governance, ad hoc transaction management, and non-invoiceable transactions;
- **Intercompany Balance & Resolve** centralizes, streamlines, and automates complex intercompany reconciliations and dispute management processes by capturing all intercompany transactions within the virtual subledger and providing automated corrective or other resolution actions to govern reconciliation. This feature reduces intercompany reconciliation risk through both detective and preventative controls, eliminates manual reconciliation and dispute management effort, and reduces last-minute fixes by automatically flagging out-of-balance trading pairs and underlying transactions. Open intercompany transactions are continually analyzed to verify offsetting transactions on the respective trading partner books under our concept of 'continuous intercompany accounting.' Exceptions are flagged, and users are automatically notified for investigation and resolution. Automated or workflow-based resolution actions and adjustments bring the balance back into line for settlement-ready balances; and
- **Intercompany Net and Settle** enables real-time visibility into open intercompany transactions that integrate with treasury systems to facilitate and streamline netting, settlement, and clearing to optimize working capital. Using bilateral and multilateral netting to reduce the number of transactions that typically incur bank fees, treasury teams can effectively manage how intercompany balances are closed out using cash and non-cash settlement methodologies to manage each entity's cash position. Users can filter the information by transaction type, hold type, currency, or business relationship. This feature facilitates netting transactions and cash reporting, and it helps treasury teams and controllers make informed, strategic decisions while managing cash, full-time equivalent positions, and forecasting.

## **Invoice-to-Cash**

Cash is vital to every business, and invoice-to-cash is central to improving cash flow. Managing invoice-to-cash well means maximizing working capital by collecting cash and minimizing credit losses. This critical process is often highly manual. Our unified suite helps customers collect cash, provide credit, and better understand cash flow.

- **Electronic Invoicing & Payments** helps our customers generate, send, and monitor invoices in diverse e-invoice formats through a multitude of delivery channels. Customers can download invoices through secure, branded customer invoice portals. BlackLine's Electronic Invoicing & Compliance can provide financial flexibility with the ability to service inbound customer payments through a range of versatile payment channels. BlackLine Electronic Invoicing & Compliance enables customers to adapt to, and comply with, country-specific requirements amid evolving e-invoicing regulations across countries;

- **Cash Application** transforms the order-to-cash process by significantly reducing the time it takes to apply cash receipts to open invoices, resulting in significant reductions in unapplied cash. BlackLine Cash Application drives an automated, end-to-end process using intelligent automation to help customers accurately apply payment receipts in the bank to customers' invoices in an ERP. Embedded machine learning reduces the manual effort involved in the process and releases working capital for our customers by underpinning accurate collection strategies downstream;
- **Credit & Risk Management** brings customer and payment behavior data together to enable optimal risk strategies and real-time risk profiling. Managing the balance between sales and risk of non-payment is critical to profitability. Credit & Risk Management brings together data from numerous sources, such as credit reference agencies, credit insurers, and payment performance data, to understand the historical indebtedness and behavior trends of the companies with whom our customers trade. This solution works in tandem with our Collections Management solution to help organizations better understand their customer base and make informed decisions around collection strategies, recovery sequences, and the prioritization of team tasks;
- **Collections Management** helps customers design collection strategies to fit each of their customer's sales ledger profile. Releasing cash from customers is the fastest way to increase working capital. Collections Management streamlines the collections process and unlocks more cash from companies with automated escalating recovery sequences that enable collections teams to better prioritize their work by understanding which customers require attention. Customers gain real-time clarity into what actions and collection strategies are working at each stage of the collection process and can use this information to collect payments more efficiently, leading to reduced days sales outstanding and improved customer relationships;
- **Disputes & Deductions Management** helps our customers track payment disputes to drive prompt response and resolution. Unresolved disputes lead to uncollected revenue and can threaten profitability and revenue. Disputes & Deductions logs, monitors, and analyzes invoice disputes and provides our customers with automated workflows to accelerate dispute resolution and protect their customer relationships;
- **Team & Task Management** automates accounts receivable teams' tasks while ensuring timely execution by using data to drive priority of actions. The historically manual work behind accounts receivable processes can lead to siloed work and a lack of end-to-end visibility. Team & Task Management provides full visibility into the accounts receivable process, monitors critical actions against the volume of work, and allocates resources based on team capacity to prioritize risk management and cash collection; and
- **AR Intelligence** automatically processes, analyzes, and surfaces critical information, such as sales and payment performance data, customer payment trends, and days sales outstanding. This solution unifies the data across BlackLine's Invoice-to-Cash suite to provide data typically difficult to obtain in real-time. Customers using this solution gain insights into customer behavior, as well as the ability to measure the impact of extended payment terms to cash collections and cash flow, and understand the predictability of customer payments when building cash flow forecasts.

## Services

Customer service is essential to our customers' success, and we are focused on driving long-term partnership and value by offering the following services:

- **Implementation:** With a focus on configuration, a typical project will draw on our expertise from over 5,200 implementations to deliver proven, industry-specific process designs. For optimal product adoption, along with accelerated time to value, BlackLine is augmenting existing implementation efforts with agentic elements, which facilitates a seamless and efficient onboarding journey. A typical project will focus on mapping our application to a customer's current or ideal process, coaching them on best practices, and helping organizations become self-sufficient rather than dependent on additional professional services. For customers that elect to work with a partner or business process outsourcer for implementation services, BlackLine provides partner training and certification, as well as support for partner-led projects, so that every customer has a superior implementation experience;
- **Optimization:** Our transformation team assists with optimization strategies for transformation projects through the BlackLine Optimization Academy, where we teach accountants how to optimize their accounting and reporting processes. Customers learn what processes can benefit from optimization and can choose to undertake the optimization process themselves, or choose our consulting services or strategic customer advisory services to continue their journey;

- **Training & Education:** We offer a variety of live and web-based training options through BlackLine University. Many customers consume their training through our e-learning environment, while others select both live and e-learning. Courses cover solutions functionality, as well as the underlying concepts, and demonstrate the power of our platform like record-to-report and invoice-to-cash;
- **Customer Success:** Our customer success managers, many of whom are former users, provide customers with best practices and create a success plan for expanded usage of our platform for process optimization. A success plan is central to increased customer value and customer adoption. This approach positively impacts our retention and upsell efforts; and
- **Global Support:** From our offices in Australia, England, India, Japan, Mexico, Poland, Romania, and the United States (“U.S.”), we provide tiered customer support, ranging from support provided during business hours to 24/7/365 support. All customers have access to essential support through our support and community portal, included as part of their subscription. We also offer additional tiers of support that customers can purchase based on their needs with benefits such as prioritized routing and more personalized support.

Across our platform, products, and services, BlackLine stands out through its integration, scalability, flexibility, ease of use, and commitment to innovation. Our solutions securely and automatically connect with ERPs and various financial data sources, simplifying data consolidation for complex environments. Unlike solutions tied to specific systems, BlackLine is ERP and data source-agnostic, ensuring compatibility and adaptability as organizations evolve. Designed by finance and accounting professionals with years of industry experience, our user-friendly interface offers intuitive dashboards, collaboration tools, and streamlined workflows for all skill levels. With a history of proven innovation and a commitment to continued investment, BlackLine continues to address more challenges across the Office of the CFO, meeting the diverse and dynamic needs of today’s businesses.

### Key Benefits

Our platform is designed to provide the following benefits to our customers:

- **Automated Processes for Greater Speed & Efficiency:** Our solutions leverage AI and automation to streamline manual finance and accounting activities such as reconciliations, journal entries, and cash application. By seamlessly integrating with ERP systems and other data sources, our solutions eliminate manual work, prevent errors, and free up teams to focus on strategic activities;
- **Holistic Financial Operations Management:** Our Studio360 platform provides a unified environment for the Office of the CFO by integrating data, orchestrating end-to-end workflows across disparate systems, and AI-powered visibility. This empowers teams to move beyond individual tasks and manage the entire financial process with greater control, efficiency, and strategic insight;
- **Strengthened Controls & Improved Compliance:** By embedding controls, segregation of duties, out-of-the-box workflows, and audit trails across our platform and applications, we help organizations address the complexities of their global regulatory requirements and reduce the risk of non-compliance. Our ability to scale across multiple currencies, languages, and unify financial data across sources ensures accuracy and greater confidence in financial reporting;
- **Reduced Costs:** Our solutions replace resource-intensive, often spreadsheet-based processes with automated workflows and leading practices, leading to cost savings. Our platform’s extensibility, flexibility, and scalability enable enterprises to optimize their financial operations, reducing bottlenecks and delivering value across diverse organizational setups, including those managing high transaction volumes;
- **Maximizing Working Capital:** Our unified invoice-to-cash suite maximizes working capital to fund strategic initiatives and support business growth. By creating more efficient and transparent payment processes, our solutions help improve customer relationships and satisfaction;
- **Accelerated Insights:** Our platform and solutions provide real-time dashboards, configurable reports with drilldown capabilities, and unparalleled visibility into financial data and operations, empowering teams to make informed decisions faster and support improved forecasting; and
- **Proactive Anomaly & Risk Detection:** Powerful business rules and AI-driven anomaly detection help customers identify potential risks or unusual patterns in their financial operations and results. We enable a proactive approach that prevents issues from escalating, safeguarding financial integrity.

By combining automation, real-time insights, embedded controls, and a flexible, scalable design, our solutions ensure that organizations can meet the increasing demands on the Office of the CFO, despite system complexity

and an evolving regulatory landscape. Our future-ready platform enables financial operations excellence and empowers the Office of the CFO to deliver strategic value to their organizations.

### **Customers**

Our customers include multinational corporations, large enterprises, mid-size companies, and public sector entities across a broad array of industries. These businesses include publicly-listed entities, privately-owned enterprises, and non-profit entities. At December 31, 2025, we had 4,394 customers, exclusive of on-premise software. We define a customer as an entity with an active subscription agreement as of the measurement date. In situations where an organization has multiple subsidiaries or divisions, each entity that is invoiced as a separate entity is treated as a separate customer. However, where an existing customer requests its invoice be divided for the sole purpose of restructuring its internal billing arrangement without any incremental increase in revenue, such customer continues to be treated as a single customer.

### **Sales and Marketing**

We sell our solutions through our direct sales force. Our direct sales force leverages relationships with technology vendors, such as Workday, SAP, and Microsoft, professional services firms, such as Accenture, Deloitte, and Ernst & Young, and business process outsourcers, such as CapGemini, GenPact, and RSM to influence and drive customer growth. Since 2018, we have partnered with SAP, incorporating them into the reseller channel that we use in the ordinary course of business. SAP has the ability to resell our solutions as SAP solutions-extensions ("SolEx"), for which we receive a percentage of the revenues. SolEx allows us to provide the highest level integration with SAP ERP solutions. We continue to be a partner-powered organization, harnessing the deep and embedded relationships our partners have with key decision-makers at our customers.

Our marketing efforts focus on demand generation, establishing and extending our brand proposition, driving product awareness, and cultivating our user community. We generate demand primarily through word-of-mouth, search engine marketing, campaigns and events, and our network of business process outsourcers, business services organizations, and resellers. We leverage online and offline marketing channels on a global basis, organize customer roundtables and user conferences, and release white papers, case studies, blogs, and other resources. We execute co-marketing activities with partners such as SAP, Ernst & Young, and Deloitte. We further extend our brand awareness through sponsorships with leading industry organizations such as the Institute of Management Accountants (IMA), the Chartered Institute of Credit Management (CICM), the Shared Services & Outsourcing Network (SSON), the National Association of Credit Management (NACM), the Financial Executives International (FEI), the Association of Governments Accountants (AGA), the Government Finance Officers Association (GFOA), and the Society of Defense Financial Management (SDFM).

### **Competition**

The market for accounting and financial software and services is competitive, rapidly evolving, and requires a deep understanding of the industry standards, financial operations processes, accounting rules, and global financial regulations.

We compete with vendors of financial operations, financial automation, record-to-report, and invoice-to-cash software, including software offered by certain ERP vendors, and a growing number of AI-native automation platforms. Further, other established software vendors not currently focused on accounting and finance software and services, including some of our partners, resellers, and other parties with which we have relationships, may expand their services to compete with us.

We believe the principal competitive factors in our market include the following:

- AI capabilities and roadmap;
- security, data privacy, and protection;
- auditability, chain of thought, and transparency;
- depth and breadth of solutions;
- level of customer satisfaction;
- ease of deployment and use of applications;
- ability to integrate with multiple legacy enterprise infrastructures and third-party applications;
- domain expertise on accounting and finance best practices;
- ability to innovate and respond to customer needs rapidly;

- capability for configurability, integration, and scalability of applications;
- cloud-based delivery model;
- advanced security and reliability features;
- brand recognition and historical operating performance; and
- price and total cost of ownership.

We believe we are positioned favorably against our competitors based on these factors. However, certain of our competitors may have greater name recognition, longer operating histories, more established customer and marketing relationships, larger marketing budgets, and significantly greater resources.

### **Intellectual Property and Proprietary Rights**

Our intellectual property and proprietary rights are important to our business. We currently have two patents. We primarily rely on copyright, trade secret and trademark laws, trade secret protection, and confidentiality or license agreements with our employees, customers, partners, and others to protect our intellectual property rights. Though we rely in part upon these legal and contractual protections, we believe that factors such as the skills and ingenuity of our employees and the functionality and frequent enhancements to our solutions are larger contributors to our success in the marketplace.

Despite our efforts to preserve and protect our intellectual property and proprietary rights, unauthorized third parties may attempt to copy, reverse engineer, or otherwise obtain portions of our software. Competitors may attempt to develop similar solutions that could compete in the same market as our solutions. Unauthorized disclosure of our confidential information by our employees or third parties could occur. Laws of other jurisdictions may not protect our intellectual property and proprietary rights from unauthorized use or disclosure in the same manner as the U.S. The risk of unauthorized use of our proprietary and intellectual property rights may increase as we continue to expand outside of the U.S.

Third-party infringement claims are also possible in our industry, especially as software functionality and features expand, evolve and overlap with other industry segments.

### **Human Capital**

BlackLine's approximately 1,850 employees worldwide contribute their unique talents, experience, and backgrounds to inspire, power, and guide digital finance transformation. We are committed to driving a culture of inclusion and innovation through our programs designed to attract, develop, retain, and engage exceptional talent aligned with our values of Think, Create, and Serve.

Through a focus on inclusion, health and safety, comprehensive compensation and benefits, employee engagement, and training and development, we strive to cultivate a culture where employees thrive. Our workforce strategy is driven by a continued focus on our employee culture, including how we find, develop, and retain talent. Every BlackLine employee has access to resources designed to help them improve their well-being, understand the value of their work, develop their career, and thrive professionally.

#### **Attract**

Our core values of Think, Create, Serve, and Deliver, and our embedded approach to inclusion, are the underpinnings of our culture. We embrace the unique value of each person's life experiences and seek candidates from a wide range of backgrounds to join our team because we believe that fostering an inclusive environment better positions us to recruit strong talent and unlock innovation. We focus on building an inclusive culture through a variety of company initiatives, beginning with our hiring practices and our commitment to continually attract candidates from a broad range of backgrounds into our recruiting pipeline.

#### **Develop**

We believe that one of the primary reasons candidates join BlackLine is for career development opportunities, and we have several programs and resources to help our employees explore, develop, and achieve their career goals. We invest in our employees' career growth and provide a wide range of development opportunities, self-directed learning, and support for continuing education through access to professional development and reimbursement programs. BlackLine employees are also offered robust training related to BlackLine products and formal and informal on-the-job training. Career growth and development opportunities are available to all employees, including internal promotions and transfers.

## Retain

To retain our workforce, we strive to offer competitive compensation and comprehensive benefits programs. We review our compensation practices, both in terms of our overall workforce and individual employees, to ensure our pay practices are fair and competitive. Our compensation program is built on a pay-for-performance foundation that is designed to attract, motivate, reward, and retain talented individuals who possess the skills and domain expertise necessary to support our business, contribute to our strategic goals, and create long-term value for our stockholders. We provide employees with competitive compensation packages that include base salary plus a bonus, commission, or incentive plan, access to our employee stock purchase plan, where applicable, and equity awards to encourage performance and retention of our top talent.

## Corporate Information

We were incorporated in May 2001. Our principal executive offices are located at 21300 Victory Blvd, 12th Floor, Woodland Hills, California 91367, and our telephone number is (818) 223-9008.

The names "BlackLine," "BlackLine Systems," "BlackLine Cash Application," and our logo are our trademarks. This Annual Report on Form 10-K also contains trademarks and trade names of other businesses that are the property of their respective holders. We have omitted the ® and ™ designations, as applicable, for the trademarks we name in this Annual Report on Form 10-K.

## Available Information

Our website is located at [www.blackline.com](http://www.blackline.com), and our investor relations website is located at <http://investors.blackline.com>. We have used, and intend to continue to use, our Investor Relations website as a means of disclosing material public information and for complying with our disclosure obligations under Regulation FD. Copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, are available, free of charge, on our investor relations website as soon as reasonably practicable after we file such material electronically with or furnish it to the Securities and Exchange Commission, or the SEC. The SEC also maintains a website that contains our SEC filings. The address of the site is [www.sec.gov](http://www.sec.gov).

## Item 1A. Risk Factors

*Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risk and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. If any of the events or circumstances described in the following risk factors actually occurs, our business, operating results, financial condition, cash flows, and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.*

### Summary Risk Factors

Our business is subject to numerous risks and uncertainties that you should consider before investing in BlackLine, as fully described below. The principal factors and uncertainties that make investing in BlackLine risky include, among others:

- If we are unable to attract new customers and expand sales to existing customers, our growth could be slower than we expect and our business may be harmed.
- Our business and growth depend substantially on customers renewing their subscription agreements with us, and any decline in our customer renewals could adversely affect our operating results.
- Economic uncertainty and other unfavorable conditions in our industry or the global economy could limit our ability to grow our business and negatively affect our operating results.
- If we fail to manage growth in our operations and organizational change effectively, we may be unable to execute our business plan.
- If we are not able to provide successful enhancements, new features or modifications to our software solutions, our business could be adversely affected.

- We derive substantially all of our revenues from a limited number of software solutions, and our growth is dependent on their success.
- If our relationships with technology vendors and business process outsourcers are not successful, our business and growth may be harmed.
- If our security controls are breached or if unauthorized, or inadvertent access to customer, employee or other confidential data is otherwise obtained, our software solutions may be perceived as insecure, we may lose existing customers or fail to attract new customers, our business may be harmed and we may incur significant liabilities.
- We depend and rely upon Software as a Service (“SaaS”) applications from third parties to operate our business and provide our software solutions, and interruptions, outages, or performance problems with these technologies may adversely affect our business and operating results.
- Our increased focus on the development and use of generative artificial intelligence and machine learning technologies (“AI/ML”) in our platform and our business, or any potential failure to effectively implement, use, and market these technologies, may result in reputational harm or liability, or could otherwise adversely affect our business.
- Interruptions or performance problems associated with our software solutions, platform and technology may adversely affect our business and operating results.
- If our software contains serious errors or defects, we may lose revenue and market acceptance and may incur costs to defend or settle product liability claims.
- The market in which we participate is intensely competitive, and if we do not compete effectively, our business and operating results could be harmed.
- Our quarterly results may fluctuate, and if we fail to meet the expectations of analysts or investors, our stock price and the value of your investment could decline substantially.
- We may not be able to sustain or increase profitability in the future.
- The market price of our common stock may be volatile, and you could lose all or part of your investment.

#### **Risks Related to Our Business and Industry**

***If we are unable to attract new customers and expand sales to existing customers, our growth could be slower than we expect and our business may be harmed.***

Our growth depends in part upon increasing our customer base. Our ability to increase our revenues will depend, in large part, upon the effectiveness of our sales and marketing efforts, both domestically and internationally. We may have difficulty attracting potential customers that rely on widely-available and inexpensive software tools, or that have already invested substantial personnel and financial resources to integrate internally-developed or other software solutions into their businesses, as such organizations may be reluctant or unwilling to invest in a new product. If we fail to attract new customers or maintain and expand those customer relationships, our revenues will grow more slowly than expected and our business will be harmed.

As we move to a platform model, our growth depends upon our ability to sell additional products and increase usage from our existing customers. It is important for the growth of our business that our existing customers make additional significant purchases of our products through our platform. Although our revenue has continued to grow, the rate of growth has slowed in recent periods, and we have experienced a decline in the number of our customers and users. The decline in revenue growth is attributable, in part, to strategic business decisions made in response to the maturation of the market for our financial close products. Specifically, our refined commercial focus on enterprise and large mid-market customers has resulted in an increased rate of churn among smaller customers. In addition, we are moving to a platform pricing model that is not based on the number of users, which may increase our user attrition rate as customers migrate to the platform pricing model. In addition, our growth rates may be impacted by changing customer preferences, such as customer preference for solutions that unify upstream and downstream activities versus less broadly-focused solutions, increased competition across many of our product offerings, customer insourcing of functionality, and diversion of IT budgets toward other technologies and priorities. Our sales and marketing efforts have been and may continue to be impacted by geopolitical developments and other events beyond our control, including economic volatility and macroeconomic trends. Such events have resulted in increased price sensitivity on the part of certain current and prospective customers, and could negatively impact sales for certain of our premium-priced offerings.

We cannot provide assurance that our strategies will be successful or that we will reverse these trends and we may not be able to increase our customers or revenue, and despite our efforts, our business may grow more slowly than we expect, may not grow at all, or may decline. Our business also depends on retaining existing customers. If we do not retain customers, including due to the acquisition of our customers by other companies, or our customers downgrade or fail to renew their agreements with us, or move to our competitors, or if our customers do not purchase additional products, our revenues may grow more slowly than expected, may not grow at all or may decline. Additionally, increasing incremental sales to our current customer base may require additional sales efforts that are targeted at senior management of such customers, which efforts are often associated with complex customer requirements and additional time to evaluate and test our products, and can lead to long and unpredictable sales cycles. There can be no assurance that our efforts will result in increased sales to existing customers or additional revenues. Failure to grow our business or to grow more slowly than we have anticipated could result in negative perceptions in the market and declines in our stock price.

***Our business and growth depend substantially on customers renewing their subscription agreements with us and any decline in our customer renewals could adversely affect our operating results.***

Our initial subscription period for the majority of our customers is one to three years. In order for us to continue to increase our revenue, it is important that our existing customers renew their subscription agreements when the contract term expires. Although our agreements typically include automatic renewal language, our customers may cancel their agreements at the expiration of the term. In addition, our customers may renew for fewer users, renew for shorter contract lengths or renew for fewer products or solutions. Renewal rates may decline or fluctuate as a result of a variety of factors, including satisfaction or dissatisfaction with our software or professional services, our pricing or pricing model or changes in pricing models, the pricing or capabilities of products or services offered by our competitors, strategic shifts in our focus on particular markets and customers, the effects of economic conditions, or reductions in our customers' budgets and spending levels. For example, macroeconomic trends and changing customer preferences of our customers have impacted and may continue to impact our renewal rate. Any prolonged downturn in the global economy in general, or in particular sectors, such as technology or financial services, would adversely affect the industries in which our customers operate, which could adversely affect our customers' ability or willingness to renew their subscription agreements or could cause our customers to downgrade the terms of their subscription agreements. Even in the absence of unfavorable macroeconomic trends, changes in the size and mix of IT spend, such as favoring newer technologies like AI/ML at the expense of digital transformation, could negatively impact customers' ability or willingness to renew their subscription agreements or could cause our customers to downgrade the terms of their subscription agreements.

Further, as the markets for our existing solutions mature, or as current and future competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers or attract new customers at prices that are profitable to us. As a result, we may in the future be required to change our pricing model, reduce our prices or accept other unfavorable contract terms, any of which could affect our revenue. For example, we recently introduced a platform pricing model, which is no longer tied to the amount of users and is instead driven by the size and complexity of the customer. We are uncertain as to how this new model will be received by our customers and certain customers may view this model unfavorably and decline to renew their agreements. If our customers do not renew their agreements with us or renew on terms less favorable to us, our revenues may decline.

***Economic uncertainty and other unfavorable conditions in our industry or the global economy could limit our ability to grow our business and negatively affect our operating results.***

Our operating results may vary based on the impact of changes in our industry or the global economy on us or our customers. The revenue growth and potential profitability of our business depend on demand for business software applications and services generally, and for accounting and finance systems in particular. We have been operating in a period of economic uncertainty and cannot predict the timing, strength, or duration of any economic recovery. The global economy has been, and may in the future be adversely affected by concerns of inflation and fluctuating interest rates, the imposition of tariffs and non-tariff trade barriers, as well as reciprocal actions, adverse business conditions and liquidity concerns, along with macroeconomic volatility and uncertainty. Such general macroeconomic conditions have contributed to a more restrained and selective IT spending environment that could adversely affect demand for our products and make it difficult to accurately forecast and plan our future business activities. If we are unable to maintain pipeline growth or if our win rates decline, our ability to grow our revenue and profitability could be adversely affected. A failure to continue our shift toward platform-priced solutions could also negatively impact our future financial performance. In addition, professional services revenue may decrease as new implementation projects are delayed. To the extent that there are unfavorable conditions in the national and global economy, our business could be negatively impacted. Current and potential customers may reduce their budgets for accounting, finance, and technology, or they may postpone or decide not to purchase or renew subscriptions to our products, which they might view as discretionary. This would limit our ability to grow and negatively affect our

operating results. Additionally, corporate cost-cutting and tighter budgets could reduce the rate of spending on accounting, finance, and information technology. This could affect our customers' ability or willingness to purchase our cloud platform, delay purchasing decisions, reduce the value or duration of their subscription contracts, or increase attrition rates, all of which would adversely affect our operating results. The occurrence of a natural disaster, global public health crisis, geopolitical uncertainty or war has caused, and in the future may cause, customers to request concessions, including extended payment terms, free modules or better pricing. Uncertain economic conditions may also adversely affect third parties with which we have entered into relationships and upon which we depend in order to grow our business, such as technology vendors and public cloud providers. Prolonged economic uncertainties relating to macroeconomic trends could limit our ability to grow our business and negatively affect our operating results.

In addition, our customers may be affected by changes in trade policies, treaties, government regulations and tariffs, as well as geopolitical volatility. For example, uncertainty as to the impact of the imposition of tariffs on certain countries by the current U.S. administration, as well as any potential retaliatory measures by impacted trade partners, could adversely impact trade relations, resulting in higher costs and thereby decrease the purchasing power of our customers, which could put increased pressure on supply chains and create general market instability. Trade protection measures, retaliatory actions, tariffs and increased barriers, policies favoring domestic industries, or increased import or export licensing requirements or restrictions could have a negative effect on the overall macro economy and our customers, and our ability to sell to certain customers, which could have an adverse impact on our operating results.

***If we fail to manage growth in our operations and organizational change effectively, we may be unable to execute our business plan.***

Growth in our customer base and operations has placed, and may continue to place, a significant strain on our managerial, administrative, operational, financial and other resources, particularly as we focus on cost discipline and efficiency. We anticipate that additional investments in our infrastructure will be necessary to support the growth of our operations both domestically and internationally. These additional investments will increase our costs, with no assurance that our business or revenue will grow sufficiently to cover these additional costs. Labor shortages and increased employee mobility may make it more difficult to hire and retain certain types of employees. For example, labor shortages have, at times, created greater competition for engineering talent, and we have had to expend additional resources to address the retention of such employees. Additionally, our workforce continues to be partially remote, and we expect that it will remain partially remote for the near term. We may experience difficulties onboarding new employees remotely, and maintaining a global organization and managing a geographically dispersed workforce requires substantial management effort, the allocation of valuable management resources, and significant additional investment in our infrastructure. We may be unable to improve our operational, financial and management controls and our reporting procedures to effectively manage our operations and growth, which could negatively affect our results of operations and overall business. In addition, we may be unable to manage our expenses effectively in the future, which may negatively impact our gross margins or operating expenses and cause us to realign resources in order to improve operational efficiency, which may include a slowdown in hiring or reduction in force, such as workforce reductions we have undertaken from time to time. Moreover, if we fail to manage our anticipated growth or any realignment of resources, such as a restructuring or reduction in force, in a manner that preserves the key aspects of our corporate culture, employee morale, productivity and the quality of our software solutions may suffer, which could negatively affect our brand and reputation and harm our ability to retain and attract customers.

***If we are not able to provide successful enhancements, new features or modifications to our software solutions, our business could be adversely affected.***

If we are unable to provide enhancements and new features for our existing solutions or new solutions that achieve market acceptance or that keep pace with rapid technological developments, our business could be adversely affected. For example, advancements in technology and the introduction of products by our competitors or others incorporating new technologies, such as AI/ML, the emergence of new industry standards, or changes in customer requirements, may alter the market for our products, and businesses that are slow to adopt or fail to adopt these new technologies may face a competitive disadvantage. The success of enhancements, new products and solutions depends on several factors, including timely completion, introduction and market acceptance. We must continue to meet changing expectations and requirements of our customers and, because our platform is designed to operate on a variety of systems, we need to continuously modify and enhance our solutions to keep pace with changes in internet-related hardware, AI/ML advancements, and other software, communication, browser and database technologies. Customers may increasingly expect greater control over their data, including specific requirements for data residency and cloud sovereignty, and limitations on data sharing, portability, and cross-border transfers. If we fail to meet these evolving expectations, which may be more restrictive than current legal obligations, customers may be unwilling to use our services. Adapting our platform to meet these demands could

require significant investment, limit the functionality of our services, and impact our ability to operate and compete in certain markets. Our platform is also designed to integrate with existing ERP systems such as Microsoft Dynamics, Oracle, and SAP, and will require modifications and enhancements as these systems change over time. Any failure of our solutions to operate effectively with future platforms and technologies could reduce the demand for our solutions or result in customer dissatisfaction. Furthermore, uncertainties about the timing and nature of new solutions or technologies, or modifications to existing solutions or technologies, could increase our research and development expenses. If we are not successful in developing modifications and enhancements to our solutions or if we fail to bring them to market in a timely fashion, our solutions may become less marketable, less competitive or obsolete, our revenue growth may be significantly impaired and our business could be adversely affected.

***We derive substantially all of our revenues from a limited number of software solutions, and our growth is dependent on their success.***

We currently derive, and expect to continue to derive, a majority of our revenue from our Financial Close & Consolidation solutions. As a result, the continued growth in market demand for these solutions is critical to our continued success. We cannot be certain that any new software solutions or products we introduce will generate significant revenues. Accordingly, our business and financial results have been and will be substantially dependent on a limited number of solutions.

***If our security controls are breached or unauthorized, or inadvertent access to customer, employee or other confidential data is otherwise obtained, our software solutions may be perceived as insecure, we may lose existing customers or fail to attract new customers, our business may be harmed and we may incur significant liabilities.***

Use of our platform involves the storage, transmission and processing of our customers' proprietary data, including highly confidential financial information regarding their business and personal or identifying information of their customers or employees. Additionally, we maintain our own proprietary, confidential and otherwise sensitive information. Our platform is at risk for security breaches and incidents as a result of third-party action, employee, vendor or contractor error or malfeasance, cyberattacks (including from nation states and affiliated actors) and other forms of hacking, denial of service attacks, malfeasance, ransomware, viruses and other malicious software, or other factors. The risk of a cybersecurity incident occurring has increased as more companies and individuals work remotely, potentially exposing us to new, complex threats and increasing the potential for security breaches or incidents relating to phishing and other social engineering attacks, use of personal devices, and employee, vendor, or service provider error or malfeasance. Additionally, geopolitical events and an uncertain political climate, including war and political and social upheaval in certain regions of the world, may create heightened risks of cybersecurity incidents for us and our service providers, and we and they may be unable to defend against any such attacks. If any unauthorized or inadvertent access to, or a security breach or incident impacting our platform or other systems or networks used in our business occurs, such event could result in significant interruptions or other disruptions to our software solutions, platform and technology, the loss, alteration, or unavailability of data, unauthorized access to, or use, disclosure, or unauthorized processing of data, including proprietary, personal, or confidential data, and any such event, or the belief or perception that it has occurred, could result in a loss of business, severe reputational damage adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, and damages for contract breach or penalties for violation of applicable laws or regulations. Additionally, service providers who store or otherwise process data on our behalf, including third-party and public-cloud infrastructure, also face security risks. As we rely more on third-party and public-cloud infrastructure, we are increasingly dependent on third-party security measures to protect against unauthorized access, cyberattacks, and the mishandling of customer, employee and other confidential data, and we may be required to expend significant time and resources to address any incidents related to the failure of those third-party security measures to prevent, detect, remediate, and otherwise address security breaches or incidents. Our ability to monitor our third-party service providers' security measures is limited, and in any event, attackers may be able to circumvent our third-party service providers' security measures. There have been and may continue to be significant attacks on certain third-party service providers, and we cannot guarantee that our or our third-party service providers' systems and networks have not been breached or otherwise compromised, or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our platform. We have experienced incidents targeting our internal systems, and we may also in the future suffer breaches of, or incidents impacting, our internal systems. Security breaches or incidents impacting our platform or our internal systems could create significant interruptions or other disruptions of our software solutions, platform and technology, and may result in significant costs incurred in order to remediate or otherwise respond to a breach or incident, which may include liability for stolen assets or information, repair of system damage, incentives offered to customers or other business partners in an effort to maintain business relationships after a breach, and other costs, expenses and liabilities. We may be required to or find it appropriate to expend substantial capital and other resources to alleviate problems caused by any actual or

perceived security breaches or incidents. Further, while we have expended, and will continue to expend, significant resources to enhance and improve our cybersecurity posture and capabilities, these efforts, and any other efforts we may make, may not prevent or significantly mitigate risk in the way we expect, and may require us to incur substantial costs and may require significant resources.

We have incorporated and may continue to incorporate AI/ML solutions and features, such as AI agents, into our platform and otherwise within our business, which may create additional cybersecurity risks or increase cybersecurity risks, including risks of security breaches and incidents. Further, AI/ML technologies may be used for certain cybersecurity attacks, and may increase their frequency and intensity, resulting in heightened risks of security breaches and incidents.

Additionally, many jurisdictions have enacted or may enact laws and regulations requiring companies to notify individuals of data security breaches involving certain types of personal data. These or other disclosures regarding a security breach or incident could result in negative publicity to us, which may cause our customers to lose confidence in the effectiveness of our data security measures which could impact our operating results.

We incur significant expenses in our efforts to minimize the risks presented by security breaches and incidents, including deploying additional personnel and protection technologies, training employees annually, engaging in phishing simulation exercises, and engaging third-party experts and contractors. We continually increase our investments in cybersecurity to counter emerging risks and threats and to address certain other identified matters, and we anticipate being required to make substantial additional investments in our cybersecurity measures. If a publicized security breach or incident occurs with respect to another SaaS provider or other technology company, our current and potential customers may lose trust in the security of our platform or in the SaaS business model generally, which could adversely impact our ability to retain existing customers or attract new ones. Such a breach or incident, or series of breaches or incidents, could also result in regulatory or contractual security requirements that could make compliance challenging. Even in the absence of any actual or perceived security breach or incident, customer concerns about privacy, security, or data protection may deter them from using our platform for activities that involve personal or other sensitive information.

Because the techniques used to obtain unauthorized access or to sabotage systems change frequently, and often are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. We may also experience security breaches and incidents that may remain undetected for an extended period of time. Periodically, we experience cyber security events including phishing attacks targeting our employees, web application and infrastructure attacks, and other information technology incidents. These threats continue to evolve in sophistication and volume and are difficult to detect and predict due to advances in electronic warfare techniques, advances in cryptography and other technologies including AI/ML, and new and sophisticated methods used by criminals including phishing, social engineering or other illicit acts. We have and may experience security breaches or incidents introduced through the tools and services we use. We continuously monitor our infrastructure, adjust our intrusion detection capabilities, and practice security-by-design principles in our software development lifecycle to help prevent and detect security breaches and incidents, including those relating to tools and services provided by third parties. However, there can be no assurance that our defensive measures will prevent cyber attacks or other security breaches or incidents, or allow us to identify, remediate, or otherwise respond to them in a timely or effective manner. Any such attacks, breaches or incidents, or perception that any have occurred, could damage our brand and reputation and negatively impact our business.

Our customers upload sensitive data to our platform, and data security is therefore a critical competitive factor in our industry. We make numerous statements in our privacy policy and customer agreements, through our certifications to standards and in our marketing materials, providing assurances about the security of our platform, including descriptions of security measures we employ. Should any of these statements be untrue, be perceived to be untrue, or become untrue, even through circumstances beyond our reasonable control, we may face claims of misrepresentation or deceptiveness by the U.S. Federal Trade Commission, state and foreign regulators and private litigants. Our errors and omissions insurance policies covering certain security and privacy damages and claim expenses may not be sufficient to compensate for all potential liability. Although we maintain cyber liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred, or that insurance will continue to be available to us on economically reasonable terms, or at all.

***Our increased focus on the development and use of generative artificial intelligence and machine learning technologies in our platform and our business, or any failure to effectively implement, use, and market these technologies, may result in reputational harm or liability, or could otherwise adversely affect our business.***

We have incorporated and may continue to incorporate AI/ML solutions and features into our platform, such as AI agents, and otherwise within our business, and these solutions and features may become more important to our operations or to our future growth over time. There can be no assurance that we will realize the desired or anticipated benefits from AI/ML, or at all, and we may fail to effectively implement or market our AI/ML solutions and features. Our competitors or other third parties may incorporate AI/ML into their products, offerings, and solutions more quickly or more successfully than we do, which could impair our ability to compete effectively, and adversely affect our results of operations. We may also face greater competition from non-specialist solutions relying on generic large language models (“LLMs”), generative AI and general-purpose agents to address a broad range of business needs. We must effectively demonstrate to customers and prospects that our solutions and features are superior to other solutions available to their organizations, including generic LLMs, software created using natural language prompts and generative AI, and other emerging technologies. If we are unable to continue to innovate and demonstrate a compelling value proposition that exceeds what customers believe they can create on their own with AI/ML tools, and/or what ERPs are able to integrate directly in their offerings, our ability to attract and retain customers could be diminished, which would adversely affect our business. In addition, if our current and potential competitors develop products with similar or superior functionality to our platform, we may need to decrease the prices or accept less favorable terms for our platform subscriptions in order to remain competitive. If we are unable to maintain our pricing due to competitive pressures, our margins will be reduced and our operating results will be negatively affected.

Additionally, our AI/ML solutions and features may expose us to additional claims, demands, and proceedings by private parties and regulatory authorities and subject us to legal liability as well as brand and reputational harm. For example, the AI/ML models that we use are trained using various data sets, and if our models are incorrectly designed, the data we use to train them is incomplete or inadequate, or we do not have sufficient rights to use the data on which our models rely, the performance of our AI/ML solutions and features, as well as our reputation, could suffer or we could incur liability through the violation of contractual or regulatory obligations. Moreover, the use of AI/ML capabilities or tools to improve internal functions and operations may also introduce other legal, financial, and strategic risks. We may overestimate the ability of such capabilities and tools to yield these benefits, and we may be required to make additional investments in technology and systems. We may also need to make changes to our business and operating model in light of changes in our industry, which could cause disruptions to our business. We have implemented policies, guidelines, and procedures specifically directed at the use of AI/ML tools in the workplace to address these risks, but the use of AI/ML tools by our workforce may nonetheless result in exposure of our proprietary information to unauthorized recipients, exposure to or misuse by unauthorized recipients of our or third-party data or intellectual property, or failure to comply with open source software requirements. Our efforts to mitigate these risks, including through training, monitoring, and enforcement of our policies, guidelines, and procedures governing the use of AI/ML tools may not be successful.

Furthermore, the legal, regulatory, and policy environments around AI/ML are evolving rapidly. For example, the EU AI Act (“AI Act”), which was approved by the European Council on February 2, 2024, and the European Parliament on March 13, 2024, imposes obligations on providers and users of artificial intelligence technologies. The AI Act may impact the development and adoption of our AI/ML solutions in Europe. Additionally, several U.S. states have proposed, and in certain cases have enacted, legislation imposing obligations in connection with the development or use of, or otherwise regulating, AI/ML technologies. Other countries also are contemplating laws regulating AI/ML technologies. We may become subject to new legal and other obligations in connection with our use of AI/ML, which could require us to make significant changes to our policies and practices, necessitating expenditure of significant time, expense, and other resources.

***Interruptions or performance problems associated with our software solutions, platform and technology may adversely affect our business and operating results.***

Our continued growth depends in part on the ability of our current and potential customers to access our platform at any time. Our platform is proprietary, and we rely on the expertise of members of our engineering, operations and software development teams for its continued performance. We have experienced, and may in the future experience, disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints due to an overwhelming number of users accessing our platform simultaneously, denial of service attacks or other security related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Because of the seasonal nature of financial close activities, increasing complexity of our platform and expanding user population, it may become difficult to accurately predict and timely address performance and capacity needs during peak load times. If our platform is unavailable or if our users are unable to access it within a reasonable amount of time or at all, our business will be harmed. Therefore, in the event of any of the factors described above, or other failures of our infrastructure, customer data may be permanently lost. Our customer agreements typically include performance guarantees and service level standards that obligate us to

provide credits in the event of a significant disruption in our platform. To the extent that we do not effectively address capacity constraints, upgrade our systems and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and operating results may be adversely affected.

***If our software contains serious errors or defects, we may lose revenue and market acceptance and may incur costs to defend or settle product liability claims.***

Complex software such as ours often contains errors or defects, particularly when first introduced or when new versions or enhancements are released. Despite internal and third-party testing and testing by our customers, our current and future software may contain serious defects, which could result in lost revenue or a delay in market acceptance.

Since our customers use our platform for critical business functions such as assisting in the financial close or account reconciliation process, errors, defects or other performance problems could result in damage to our customers. They could seek significant compensation from us for the losses they suffer. Although our customer agreements typically contain provisions designed to limit our exposure to product liability claims, existing or future laws or unfavorable judicial decisions could negate these limitations. Even if not successful, a product liability claim brought against us would likely be time-consuming and costly and could seriously damage our reputation in the marketplace, making it harder for us to sell our products.

***We depend on our executive officers and other key employees and the loss of one or more of these employees or an inability to attract and retain highly-skilled employees could adversely affect our business.***

Our success depends largely upon the continued services of our executive officers and other key employees. We rely on our leadership team, some of whom are new, in the areas of research and development, operations, security, marketing, sales and general and administrative functions. Changes in our executive management team resulting from the hiring or departure of executives, or our leadership structure, could disrupt our business, and could impact our ability to preserve our culture, which could negatively affect our ability to recruit and retain personnel. For example, we recently announced that our founder, Therese Tucker, has transitioned from her role as Co-Chief Executive Officer and Owen Ryan is continuing as our sole Chief Executive Officer. Our executive officers and other key personnel are at-will employees and, therefore, they could terminate their employment with us at any time. Any such departure could be particularly disruptive in light of the leadership transition. Competition for executive management is high, and it may take months to find a candidate that meets our requirements. Such recruiting efforts could divert the attention of our existing management team. Accordingly, the loss of one or more of our executive officers or key employees could have an adverse effect on our business.

In addition, to execute our growth plan, we must attract and retain highly-skilled personnel. Competition for personnel is intense, especially for engineers experienced in designing and developing software applications, and experienced sales professionals. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications, and this difficulty may be heightened by labor shortages, higher employee turnover and slower hiring rates associated with hybrid work. In addition, we may need to increase our employee compensation levels in response to competition, rising inflation or labor shortages, which would increase our operating costs and reduce our profitability. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached legal obligations, resulting in a diversion of our time and resources. Likewise, if competitors hire our employees, we may divert time and resources to deter any breach by our former employees or their new employers of their respective legal obligations. Given the competitive nature of our industry, we have both received and asserted such claims in the past. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, due to volatile market conditions, stock price fluctuations or otherwise, it may adversely affect our ability to recruit and retain highly-skilled employees. Further, if we fail to attract new personnel or fail to retain and motivate our current personnel, our business and growth prospects could be adversely affected.

***If our industry does not continue to develop as we anticipate or if potential customers do not continue to adopt our platform, our sales will not grow as quickly as expected, or at all, and our business and operating results and financial condition would be adversely affected.***

We operate in a rapidly evolving industry focused on modernizing financial and accounting operations. Some of our solutions are relatively new and have been developed to respond to an increasingly global and complex business environment with more rigorous regulatory standards. Additionally, some of our solutions now incorporate AI-enabled features, such as AI agents. While the use of AI/ML is leading to advancements in technology, if our new solutions are not widely adopted and accepted, or fail to operate as expected, our business and reputation may be

harmful. Additionally, as AI/ML capabilities continue to evolve, our customers and potential customers may leverage AI/ML to develop their own solutions, including AI agents, that could reduce or eliminate the need for our solutions. If organizations do not increasingly allocate their budgets to financial automation software as we expect or if we do not succeed in convincing potential customers that our platform should be an integral part of their overall approach to their accounting processes, our sales may not grow as quickly as anticipated, or at all. Our business is substantially dependent on enterprises recognizing that accounting errors and inefficiencies are pervasive and are not effectively addressed by legacy solutions. Our ability to accelerate or grow sales is dependent on customers continuing to invest in work transformation. Deterioration in general economic conditions in the U.S. or worldwide, including as a result of uncertainty in the financial markets, fluctuating inflation or interest rates, the imposition of tariffs and non-tariff trade barriers, or uncertainty in the financial services markets associated with geopolitical events and political uncertainty, such as war and political and social upheaval in certain regions of the world, may also cause our customers to reduce their overall information technology spending, and such reductions may disproportionately affect software solutions like ours to the extent customers view our solutions as discretionary. If our sales and revenue do not increase for any of these reasons, or any other reason, our business, financial condition and operating results may be materially adversely affected.

***The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed.***

The market for accounting and financial software and services is highly competitive and rapidly evolving. Our competitors vary in size and in the breadth and scope of the products and services they offer. We often compete with other vendors of financial automation software, and we also compete with large, well-established, enterprise application software vendors whose software contains components that compete with our platform. In the future, a competitor offering ERP software could include a free service similar to ours as part of its standard offerings, may offer a free standalone version of a service similar to ours, or may limit our ability to access the data housed within the ERP that is necessary for our customers to realize the full benefits of our platform. Further, other established software vendors not currently focused on accounting and finance software and services, including some of our partners, resellers, and other parties with which we have relationships, may expand their services to compete with us.

Some of our competitors have greater name recognition, longer operating histories, more established customer and marketing relationships, larger marketing budgets and significantly greater resources than we do. They may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or customer requirements. In addition, some of our competitors have partnered with, or have acquired, and may in the future partner with or acquire, other competitors to offer services, leveraging their collective competitive positions, which makes, or would make, it more difficult to compete with them.

Market acceptance of our products may also be affected by customer confusion associated with the introduction of new and emerging technologies by us and our competitors, or changes in technological trends, such as the increase in the use of AI/ML. With the introduction of new technologies, the evolution of our platform and new market entrants, we expect competition to intensify in the future. Increased competition generally could result in reduced sales, reduced margins, losses or the failure of our platform to achieve or maintain more widespread market acceptance, any of which could harm our business.

***Failure to effectively organize and motivate our sales resources could harm our ability to increase our customer base.***

Increasing our customer base and sales will depend, to a significant extent, on our ability to effectively organize and drive our sales and marketing operations and activities. As we have grown and scaled our operations, we have aligned our sales team to help streamline the customer experience. We rely on our direct sales force, which includes an account management team, to obtain new customers and to maximize the lifetime value of our customer relationships through retention and upsell efforts. Our success will depend, in part, on our ability to support new and existing customer growth and maintain customer satisfaction. As we and many of our customers have transitioned to a hybrid or fully remote workplace, our sales and marketing teams have continued to primarily engage with customers online and through other communication channels, including virtual meetings. There is no guarantee that our sales and marketing teams will be as successful or effective using these other communication channels as they try to build relationships. If we cannot provide our teams with the tools and training to enable them to do their jobs efficiently and satisfy customer demands, we may not be able to achieve anticipated revenue growth as quickly as expected.

In addition, we believe that there is significant competition for experienced sales professionals with the sales skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in part, on our success in recruiting, training, and retaining a sufficient number of experienced sales professionals. New hires require significant training and time before they achieve full productivity, particularly in new sales segments

and territories. Sales professionals that we hire may not become as productive as quickly as we expect, or they may not achieve the levels of productivity we anticipate, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business. Our business will be harmed if our sales professionals are not as successful as we anticipate at driving and completing sales.

***If we are not able to maintain and enhance our brand, our business, operating results and financial condition may be adversely affected.***

We believe that maintaining and enhancing our reputation for accounting and finance software is critical to our relationships with our existing customers and to our ability to attract new customers. The successful promotion of our brand attributes will depend on a number of factors, including our marketing efforts, our ability to continue to develop high-quality software, and our ability to successfully differentiate our platform from competitive products and services. Our brand promotion activities may not ultimately be successful or yield increased revenue. In addition, independent industry analysts provide reviews of our platform, as well as products and services offered by our competitors, and perception of our platform in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' products and services, our brand may be adversely affected.

The promotion of our brand requires us to make substantial expenditures, and we anticipate that the expenditures will increase as our market becomes more competitive, as we expand into new markets and as more sales are generated. To the extent that these activities yield increased revenue, this revenue may not offset the increased expenses we incur. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors, and we could lose customers or fail to attract potential customers, all of which would adversely affect our business, results of operations and financial condition.

***We may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of these transactions and other strategic transactions.***

We regularly evaluate and consider potential strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products, and other assets. We also may enter into relationships with other businesses to expand our products and services, which could involve preferred or exclusive licenses, additional channels of distributions or discount pricing.

Negotiating these transactions can be time-consuming, difficult, and expensive, and our ability to complete these transactions may be subject to approvals and conditions that are beyond our control. Consequently, these transactions, even if announced, may not be completed. In connection with a strategic transaction, we may:

- issue additional equity or convertible debt securities that would dilute our existing stockholders;
- use cash that we may need in the future to operate our business;
- incur large charges or substantial liabilities;
- incur debt on terms unfavorable to us or that we are unable to repay;
- become subject to new or conflicting laws, regulations or legal requirements; or
- become subject to adverse tax consequences, substantial depreciation, and amortization, or deferred compensation charges.

Any acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties and incur significant costs assimilating or integrating the businesses, technologies, products, policies, personnel or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to work for us, their software is not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise. Acquisitions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing business. Moreover, the anticipated benefits of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown risks or liabilities, which may lead to additional expenses, impairment charges or write-offs, restructuring charges, or other adverse impacts to our business, results of operations, or financial condition.

***Incorrect or improper implementation or use of our solutions could result in customer dissatisfaction and negatively affect our business, results of operations, financial condition, and growth prospects.***

Our platform is deployed in a wide variety of technology environments and into a broad range of complex workflows. Our platform has been integrated into large-scale, enterprise-wide technology environments, and specialized use cases, and our success depends on our ability to implement our platform successfully in these environments. We often assist our customers in implementing our platform, but many customers attempt to

implement even complex deployments themselves or use a third-party service firm. If we or our customers are unable to implement our platform successfully or are unable to do so in a timely manner, customer perceptions of our platform and company may be impaired, our reputation and brand may suffer, and customers may choose not to renew or expand the use of our platform.

Our customers and third-party resellers may need training in the proper use of our platform to maximize its potential. If our platform is not implemented or used correctly or as intended, including if customers input incorrect or incomplete financial data into our platform, inadequate performance may result. Because our customers rely on our platform to manage their financial close and other financial tasks, the incorrect or improper implementation or use of our platform, our failure to train customers on how to use our platform efficiently and effectively, or our failure to provide adequate product support to our customers, may result in negative publicity or legal claims against us. Also, as we continue to expand our customer base, any failure by us to properly provide these services will likely result in lost opportunities for additional subscriptions to our platform.

***Any failure to offer high-quality product support may adversely affect our relationships with our customers and our financial results.***

In deploying and using our solutions, our customers depend on our support services team to resolve complex technical and operational issues. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for product support. We also may be unable to modify the nature, scope and delivery of our product support to compete with changes in product support services provided by our competitors. Increased customer demand for product support, without corresponding revenue, could increase costs and adversely affect our operating results. Our sales are highly dependent on our business reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality product support, or a market perception that we do not maintain high-quality product support, could adversely affect our reputation, our ability to sell our solutions to existing and prospective customers, our business, operating results, and financial condition.

***We provide service level commitments under our customer contracts, and if we fail to meet these contractual commitments, our revenues could be adversely affected.***

Our customer agreements typically provide service level commitments. If we are unable to meet the stated service level commitments or suffer extended periods of unavailability for our applications, we may be contractually obligated to provide these customers with service credits, refunds for prepaid amounts related to unused subscription services, or we could face contract terminations. Our revenues could be significantly affected if we suffer unscheduled downtime that exceeds the allowed downtimes under our agreements with our customers. Any extended service outages could adversely affect our reputation, revenues and operating results.

#### **Risks Related to Our Financial Performance or Results**

***We may not be able to sustain or increase profitability in the future.***

We may not maintain profitability in future periods, or if we are profitable, we may not fully achieve our profitability targets. We may incur net losses attributable to BlackLine, Inc. Our reported GAAP profitability can fluctuate, and while we have generated significant positive free cash flow in recent periods, this metric may not be indicative of our future GAAP profitability. We had an accumulated deficit of \$24.8 million at December 31, 2025. We expect our costs to increase in future periods as we continue to expend substantial financial and other resources on:

- development of our cloud-based platform, including investments in research and development, product innovation, including AI/ML technologies, to expand the features and functionality of our software solutions and improvements to the scalability and security of our platform;
- sales and marketing, including expansion of our direct sales force and enabling the selling of a wider breadth of specialized products and our relationships with technology vendors, professional services firms, business process outsourcers and resellers;
- additional international expansion in an effort to increase our customer base and sales; and
- general administration, including legal, accounting, and other expenses.

Furthermore, our reported net income is impacted by factors beyond our operational spending, including fluctuations in interest income and our provision for income taxes.

These investments may not result in increased revenue or growth of our business or any growth in revenue and may not be sufficient to offset the expense and may harm our profitability. If we fail to continue to grow our revenue, we may not achieve or sustain profitability.

***Our quarterly results may fluctuate, and if we fail to meet the expectations of analysts or investors, our stock price and the value of your investment could decline substantially.***

Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control. If our quarterly financial results fall below the expectations of investors or any securities analysts who may follow our stock, the price of our common stock could decline substantially. Some of the important factors that may cause our revenue, operating results and cash flows to fluctuate from quarter to quarter include:

- our ability to attract new customers and retain and increase sales to existing customers;
- the amount and timing of operating costs and capital expenditures;
- the number of new employees added;
- the rate of expansion and productivity of our sales force;
- the length of sales cycles and the timing of large contracts;
- changes in our or our competitors' pricing policies;
- new products, features or functionalities introduced by us and our competitors;
- significant security breaches, technical difficulties or interruptions to our platform;
- the timing of customer payments and payment defaults by customers;
- general economic conditions that may adversely affect either our customers' ability or willingness to purchase additional products or services, delay a prospective customer's purchasing decision or affect customer retention, including the macroeconomic environment, uncertainty in the financial services market, inflation, fluctuating interest rates, tariffs and other non-tariff trade barriers, or geopolitical events;
- the impact and timing of expenses related to restructuring actions or other employee terminations that may result in severance expense;
- changes in foreign currency exchange rates;
- the impact of new accounting pronouncements;
- the impact and timing of taxes or changes in tax law;
- the timing and the amount of grants or vesting of equity awards to employees;
- seasonality of our business; and
- changes in customer budgets and buying patterns.

Many of these factors are outside of our control, and the occurrence of one or more of them might cause our revenue, operating results, and cash flows to vary widely. As such, we believe that quarter-to-quarter comparisons of our revenue, operating results and cash flows may not be meaningful and should not be relied upon as an indication of future performance.

We experience a higher volume of sales at the end of each quarter and year, which is often the result of buying decisions by our customers. Seasonality may be reflected to a much lesser extent, and sometimes may not be immediately apparent, in our revenue, due to the fact that we recognize subscription revenue over the term of our agreements. We may also increase expenses in a period in anticipation of future revenues. Changes in the number of customers in different periods will cause fluctuations in our financial metrics and, to a lesser extent, revenues. Those changes and fluctuations in our expenses will affect our results on a quarterly basis, and will make forecasting our operating results and financial metrics difficult.

***Our financial results may fluctuate due to our long and increasingly variable sales cycle.***

Our sales cycle generally varies in duration between four to nine months and, in some cases, even longer depending on the size of the potential customer, the size of the potential contract and the type of solution or product being purchased. The sales cycle for our global enterprise customers is generally longer than that of our mid-size customers. In addition, the length of the sales cycle tends to increase for larger contracts and for more complex, strategic products like our Intercompany solutions. As we continue to focus on increasing our average contract size and selling more strategic products, we expect our sales cycle to lengthen and become less predictable. This could cause variability in our operating results for any particular period.

A number of other factors that may influence the length and variability of our sales cycle include:

- the need to educate potential customers about the uses and benefits of our software solutions;
- the need to educate potential customers on the differences between traditional, on-premise software and SaaS solutions;
- the relatively long duration of the commitment customers make in their agreements with us;
- the discretionary nature and timing of potential customers' purchasing and budget cycles and decisions;
- the competitive nature of potential customers' evaluation and purchasing processes;
- announcements or planned introductions of new products by us or our competitors; and
- lengthy purchasing approval processes of potential customers, including due to increased scrutiny of spending.

We may incur higher costs and longer sales cycles as a result of large enterprises representing an increased portion of our revenue. In this market, the decision to subscribe to our solutions may require the approval of more technical and information security personnel and management levels within a potential customer's organization, and if so, these types of sales require us to invest more time educating these potential customers. In addition, larger organizations may demand more features and integration services and have increased purchasing power and leverage in negotiating contractual arrangements with us, which may contain restrictive terms favorable to the larger organization. As a result of these factors, these sales opportunities may require us to devote greater research and development, sales, product support and professional services resources to individual customers, resulting in increased costs and reduced profitability, and would likely lengthen our typical sales cycle, which could strain our resources.

In addition, more sales are closed in the last month of a quarter than other times. If we are unable to close sufficient transactions in a particular period, or if a significant amount of transactions are delayed until a subsequent period, our operating results for that period, and for any future periods in which revenue from such transactions would otherwise have been recognized, may be adversely affected.

Uncertainty around general macroeconomic conditions has in the past and may in the future cause customers to delay and defer purchasing decisions, which has and may lead to a deterioration in near-term demand. In addition, we may devote greater research and development, sales, product support, and professional services resources to potential customers that do not result in actual sales or revenue, resulting in increased costs and reduced profitability, and which could strain our resources.

***We recognize subscription revenue over the term of our customer contracts and, consequently, downturns or upturns in new sales may not be immediately reflected in our operating results and may be difficult to discern.***

We recognize subscription revenue from our platform ratably over the terms of our customers' agreements, most of which have one-year terms but an increasing number of which have up to three-year terms. As a result, most of the revenue we report in each quarter is derived from the recognition of deferred revenue related to subscriptions entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any single quarter may have a small impact on our revenue results for that quarter. However, such a decline will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our platform, and potential changes in our pricing policies or rate of expansion or retention, may not be fully reflected in our results of operations until future periods. We may also be unable to reduce our cost structure in line with a significant deterioration in sales. In addition, a significant majority of our costs are expensed as incurred, while revenue is recognized over the life of the agreement with our customer. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of our agreements. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

***We face exposure to foreign currency exchange rate fluctuations that could harm our results of operations.***

We conduct transactions, particularly intercompany transactions, in currencies other than the U.S. Dollar, primarily the British Pound and the Euro. As we grow our international operations, we expect the amount of our revenues that are denominated in foreign currencies to increase in the future. Accordingly, changes in the value of foreign currencies relative to the U.S. Dollar could affect our revenue and operating results due to transactional and translational remeasurements that are reflected in our results of operations. As a result of such foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and results of operations. In addition, to the extent that fluctuations in currency exchange rates cause our results of operations to

differ from our expectations or the expectations of our investors, the trading price of our common stock could be adversely affected.

We have implemented a program to hedge exposures to fluctuations in foreign currencies, including the use of foreign currency forward contracts. We may also use other derivative instruments, such as option contracts, to hedge exposures to fluctuations in foreign currency exchange rates. However, the use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

***If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings.***

We review our goodwill and intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. At December 31, 2025, we had goodwill and intangible assets with a net book value of \$515.2 million primarily related to acquisitions. An adverse change in market conditions, particularly if such change has the effect of changing one of our critical assumptions or estimates, could result in a change to the estimation of fair value that could result in an impairment charge to our goodwill or intangible assets. Any such charges may have a material negative impact on our operating results.

***Our ability to use our net operating losses to offset future taxable income may be subject to limitations.***

At December 31, 2025, we had federal and state net operating loss carryforwards (“NOLs”) of \$81.4 million and \$82.9 million, respectively. In general, under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”) a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its NOLs to offset future taxable income. Our existing NOLs may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change, our ability to utilize NOLs could be further limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future taxable income. For example, California enacted legislation which suspends the use of NOLs for taxable years 2024, 2025, and 2026. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability.

#### **Risks Related to Our Dependence on Third Parties**

***If our relationships with technology vendors and business process outsourcers are not successful, our business and growth will be harmed.***

We depend on, and anticipate that we will continue to depend on, various strategic relationships in order to sustain and grow our business. We have established strong relationships with technology vendors, such as SAP and other providers to offer our solutions to users of their ERP solutions. We engage global professional services firms and business process outsourcers to expand market reach and customer advocacy, as well as supplement delivery and implementation of our applications. We believe these relationships enable us to effectively market our solutions by offering a complementary suite of services. In particular, our solution integrates with SAP’s ERP solutions. SAP is part of the reseller channel that we use in the ordinary course of business, and accounts for a material portion of our total revenue. SAP has the ability to resell our solutions as SAP SolEx, for which we receive a percentage of the revenues. If we are unsuccessful in maintaining our relationship with SAP, if our reseller arrangement with SAP is less successful than we anticipate, or if we are unsuccessful in supporting or expanding our relationships with other companies, our business would be adversely affected. Also, resellers, such as SAP, may impose unfavorable terms on us that they pass down from their own agreements with the end customer. Additionally, while we continue to build relationships with a variety of third-party partners and will continue to support all ERP solutions, to the extent that our partnership with SAP continues to expand, this partnership may be a deterrent to other potential partners.

Identifying, negotiating and documenting relationships with other companies require significant time and resources. Our agreements with technology vendors are typically limited in duration, non-exclusive, cancellable upon notice and do not prohibit the counterparties from working with our competitors or from offering competing services. For example, our agreement with SAP can be terminated by either party upon six months’ notice and there is no assurance that our relationship with SAP will continue. If our solution is no longer resold by SAP as a solution extension, our business could be adversely affected. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce subscriptions to our platform. If we are unsuccessful in establishing or maintaining our relationships, or if the counterparties to our relationships offer

competing solutions, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results could suffer. Even if we are successful, we cannot assure you that these relationships will result in improved operating results.

***We rely on third-party computer hardware and software that may cause errors or failure of our software solutions, or may be difficult to replace.***

We rely on computer hardware purchased or leased and software licensed from third parties, including third-party SaaS applications, in order to deliver our software solutions. Errors or defects in third-party hardware or software used in our software solutions could result in errors or a failure, which could damage our reputation, impede our ability to provide our platform or process information, and adversely affect our business. Furthermore, certain third-party hardware and software may not continue to be available on commercially reasonable terms, if at all. Any loss of the right to use any of this hardware or software could result in delaying or preventing our ability to provide our software solutions until equivalent technology is either developed by us or, if available, identified, obtained and integrated.

***We rely on Google Cloud Platform (“GCP”), Microsoft Azure (“Azure”), Amazon Web Services (“AWS”), Snowflake, and third-party data centers (collectively, “public cloud providers”) to deliver our cloud-based software solutions, and any disruption of our use of public cloud providers could negatively impact our operations and harm our business.***

We manage our software solutions and serve most of our customers using a multi-cloud infrastructure hosted across GCP, Azure, and AWS, with regions and availability zones in North America, Europe, Asia-Pacific, and the Middle East. We recently migrated all Financial Close & Consolidation clients from our third-party data centers to GCP, increasing our reliance on this cloud provider. Additionally, we rely on Azure to serve Invoice-to-Cash customers, and we rely on AWS to serve our intercompany customers. With the transition to GCP, we have experienced, and may continue to experience, occasional planned or unplanned downtime for our cloud-based software solutions and potential service delays, all of which has impacted, and may in the future impact, our customers’ ability to use our solutions. In addition, the transition to GCP creates a risk that data could be unintentionally lost or corrupted during the migration process, which, if it were to occur, could expose us to liability, harm our reputation, and result in customer loss. Our Customer Data Platform is built on Snowflake for Financial Close & Consolidation, Invoice-to-Cash, and Intercompany solutions, allowing customers to access their data, reports, and integrations. We may also need to divert resources away from other important business operations, which could harm our business and growth.

We do not control the operation of our public cloud providers. Any changes in third-party service levels or any disruptions or delays from errors, defects, hacking incidents, security breaches, computer viruses, denial of service attacks, bad acts or performance problems could harm our reputation, damage our customers’ businesses, and adversely affect our business and operating results. Our public cloud providers are also vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, war, public health crises, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures and similar events. We may have limited remedies against third-party providers in the event of any service disruptions. If our third-party public cloud providers are compromised or unavailable or our customers are unable to access our solutions for any reason, our business would be materially and adversely affected.

Our customers have experienced minor disruptions and outages in accessing our solutions in the past, and may experience disruptions, outages, and other performance problems. Although we expend considerable effort to ensure that our platform performance is capable of handling existing and increased traffic levels, the ability of our cloud-based solutions to effectively manage any increased capacity requirements depends on our public cloud providers. Our public cloud providers may not be able to meet such performance requirements, especially to cover peak levels or spikes in traffic, and as a result, our customers may experience delays in accessing our solutions or encounter slower performance in our solutions, which could significantly harm the operations of our customers. Interruptions in our services might reduce our revenue, cause us to issue credits to customers, subject us to potential liability, and cause customers to terminate their subscriptions or harm our renewal rates.

If we do not accurately predict our infrastructure capacity requirements, our customers could experience service shortfalls. The provisioning of additional cloud hosting capacity requires lead time. As we continue to restructure our data management plans, and increase our cloud hosting capacity, we have and expect to in the future move or transfer our data and our customers’ data. Despite precautions taken during such processes and procedures, any unsuccessful data transfers may impair the delivery of our service, and we may experience costs or downtime in connection with the transfer of data to other facilities which may lead to, among other things, customer dissatisfaction and non-renewals. Our public cloud providers have no obligations to renew their agreements with us on commercially reasonable terms, or at all. If any of our public cloud providers increases

pricing terms, terminates or seeks to terminate our contractual relationship, establishes more favorable relationships with our competitors, or changes or interprets their terms of service or policies in a manner that is unfavorable with respect to us, we may be required to transfer to other providers. If we are required to transfer to other providers, we would incur significant costs and experience possible service interruption in connection with doing so.

***We depend and rely upon SaaS applications from third parties to operate our business and provide our software solutions, and interruptions, outages, or performance problems with these technologies may adversely affect our business and operating results.***

We rely heavily upon SaaS applications from third parties in order to operate critical functions of our business, including billing and order management, enterprise resource planning, and financial accounting services. If these services become unavailable due to extended outages, interruptions, or because they are no longer available on commercially reasonable terms, our expenses could increase, our ability to manage finances could be interrupted and our processes for managing sales of our solutions and supporting our customers could be impaired until equivalent services, if available, are identified, obtained, and implemented, all of which could adversely affect our business.

***If we are unable to develop and maintain successful relationships with resellers, our business, operating results and financial condition could be adversely affected.***

We believe that continued growth in our business is dependent upon identifying, developing, and maintaining strategic relationships with companies that resell our solutions. We plan to strengthen our relationships with our existing network of resellers to help grow our business globally. Our agreements with our existing resellers are non-exclusive, meaning resellers may offer customers the products of several different companies, including products that compete with ours. They may also cease marketing our solutions with limited or no notice and with little or no penalty. We expect that any additional resellers we identify and develop will be similarly non-exclusive and not bound by any requirement to continue to market our solutions. If we fail to identify additional resellers in a timely and cost-effective manner, or at all, or are unable to assist our current and future resellers in independently selling our solutions, our business, results of operations, and financial condition could be adversely affected. If resellers do not effectively market and sell our solutions, or fail to meet the needs of our customers, our reputation and ability to grow our business may also be adversely affected.

### **Risks Related to Our Legal and Regulatory Environment**

***Our long-term success depends, in part, on our ability to expand the sales of our solutions to customers located outside of the U.S., and thus our business is susceptible to risks associated with international sales and operations.***

We currently maintain offices and/or have personnel outside the U.S., including, without limitation, in Australia, Canada, France, Germany, India, Japan, Mexico, the Netherlands, Poland, Romania, Singapore, and the United Kingdom, and we intend to build out our international operations. We have also executed several acquisitions and strategic transactions as part of our ongoing international expansion strategy. We derived approximately 31%, 30%, and 28% of our revenues from sales outside the U.S. during the years ended December 31, 2025, 2024, and 2023, respectively. Any international expansion efforts that we may undertake, including acquisitions of businesses outside the U.S., may not be successful. In addition, conducting international operations in new markets subjects us to new risks that we have not generally faced in the U.S. These risks include:

- localization of our solutions, including translation into foreign languages and adaptation for local practices and regulatory requirements, including, without limitation, data residency and cloud sovereignty requirements;
- lack of familiarity and burdens of complying with foreign laws, legal standards, regulatory requirements, tariffs and other barriers;
- changes in legal and regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions;
- differing technology standards;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations and differing employer/employee relationships;
- fluctuations in exchange rates that may increase the volatility of our foreign-based revenue;
- potentially adverse tax consequences, including the complexities of foreign value-added tax (or other tax) systems and restrictions on the repatriation of earnings;

- uncertain political and economic climates, including the significant volatility in the global financial markets and increasing inflation;
- the impact of natural disasters, climate change, geopolitical events and political uncertainty, including war and political and social upheaval in certain regions in the world, and public health pandemics, on employees, customers, partners, third-party contractors, travel and the global economy; and
- reduced or varied protection for intellectual property rights in some countries.

These factors may cause our international costs of doing business to exceed our comparable domestic costs. Operating in international markets also requires significant management attention and financial resources. Any negative impact from our international business efforts could negatively impact our business, results of operations and financial condition as a whole.

***Privacy and cybersecurity concerns, customer expectations, and evolving domestic or foreign laws and regulations, including increased regulation of cloud offerings and restrictions of cross-border data transfers, may limit or reduce the adoption of our services, result in significant costs and compliance challenges, and adversely affect our business.***

Global legal and regulatory requirements related to collecting, storing, handling, transferring, and otherwise processing personal data are rapidly evolving in ways that require our business to adapt to support our compliance and our customers' compliance. As the regulatory focus on privacy, data protection, cybersecurity, and cloud offerings generally intensifies worldwide, and jurisdictions increasingly consider and adopt laws and regulations relating to these matters, the potential risks related to processing personal data by our business may grow. In addition, possible adverse interpretations of existing laws and regulations by governments in countries where we or our customers operate, as well as the potential implementation of new legislation, could impose significant obligations in areas affecting our business or prevent us from offering certain services in jurisdictions where we operate. Any failure or perceived failure to comply with applicable laws or regulations relating to privacy, data protection, or cybersecurity may harm our reputation and inhibit competitiveness or otherwise adversely affect our business.

Privacy, data protection, and cybersecurity have become significant issues in the U.S., Europe, and in many other jurisdictions where we offer our products. Following the European Union's passage of the General Data Protection Regulation ("GDPR"), which became effective in May 2018, the global regulatory landscape relating to privacy, data protection, and cybersecurity has grown increasingly complex and fragmented and is rapidly evolving. As a result, our business faces current and prospective risks related to increased regulatory compliance costs, reputational harm, negative effects on our existing business and on our ability to attract and retain new customers, and increased potential exposure to regulatory enforcement, litigation, and/or financial penalties for non-compliance. For example, in July 2020, the Court of Justice of the European Union ("CJEU") invalidated the Privacy Shield framework, which enabled companies to legally transfer data from the European Economic Area ("EEA") to the U.S. This ruling from the CJEU and recent rulings from various European Union ("EU") member state data protection authorities have created complexity and uncertainty regarding processing and transfers of personal data from the EEA to the U.S. and certain other countries outside the EEA.

Moreover, on June 4, 2021, the European Commission adopted new Standard Contractual Clauses ("SCCs"), which impose additional obligations relating to personal data transfers out of the EEA. The new SCCs, and similar standard contractual clauses adopted in the UK, may increase the legal risks and liabilities associated with cross-border data transfers, and result in material increased compliance and operational costs. Following issuance of a U.S. Executive Order, a new framework, the EU-U.S. Data Privacy Framework ("DPF") was created. Following an adequacy decision issued by the European Commission on July 10, 2023, the DPF, along with a UK extension to the DPF that allows the transfer of personal data from the UK to the U.S. (the "UK DPF Extension") and the Swiss-U.S. Data Privacy Framework ("Swiss-U.S. DPF"), are available for companies to use to legitimize personal data transfers to the U.S. from the EEA, Switzerland, and UK. We have certified to the U.S. Department of Commerce that we adhere to the DPF, UK DPF Extension, and Swiss-U.S. DPF. However, the DPF has been subject to a legal challenge, and it, the UK DPF Extension, and the Swiss-U.S. DPF may be subject to legal challenges in the future. The European Commission's adequacy decision regarding the DPF also provides that the DPF will be subject to future reviews and may be subject to suspension, amendment, repeal, or limitations in scope by the European Commission. More generally, uncertainty may continue about the legal requirements for transferring customer personal data to and from the EEA, UK, Switzerland, and other regions, a process integral to our business. Countries have passed, or are considering passing, laws imposing varying degrees of restrictive data residency or cloud sovereignty requirements, which have created or could create additional costs and complexity, and any new requirements may result in additional costs and complexity.

In addition, the UK has established its own domestic regime with the UK GDPR and amendments to the Data Protection Act. While the UK GDPR imposes obligations and penalties similar to the GDPR, the UK government enacted the UK Data (Use and Access) Act 2025 on June 19, 2025, which made targeted amendments to the UK GDPR and the Data Protection Act. This has introduced additional compliance complexity. Further, if UK regulation of data protection diverges further from the EU, new obligations and data flow issues could emerge, creating costs and complexity. Actual or alleged failure to comply with the GDPR or the UK GDPR can result in private lawsuits, reputational damage, loss of customers, and regulatory enforcement actions, which can result in significant fines, including, under the GDPR, fines of up to EUR 20 million (or GBP 17.5 million under the UK GDPR) or four percent (4%) of global revenue, whichever is greater.

Further, cybersecurity laws and regulations continue to evolve worldwide. For example, the EU's Digital Operational Resilience Act ("DORA") creates an information and communication technology ("ICT") risk management framework for financial institutions and their critical ICT service providers. DORA introduces obligations regarding risk assessments, technical standards, mandatory penetration testing, staff training, and incident notification. It also requires due diligence on third-party ICT service providers and the inclusion of specific provisions in ICT service agreements. DORA took effect on January 17, 2025, and compliance with the regulation may require changes in our services and related policies and practices and may require us to incur significant costs. Further, the EU revised its Cybersecurity Directive ("NIS2"), with EU member states having been obligated to transpose it into national law by October 17, 2024, but with some member states' transpositions yet to be finalized. NIS2, among other things, obligates companies to adopt or update policies and procedures on issues such as incident handling and supply chain security, implementing certain administrative measures, and requires top management's involvement in cybersecurity risk management measures, with top management potentially held liable for noncompliance.

Regulatory developments in the U.S. present additional risks. For example, the California Consumer Privacy Act, as amended by the California Privacy Rights Act, gives California consumers, including employees, certain rights similar to those provided by the GDPR, and also provides for statutory damages or fines on a per violation basis that could be very large depending on the severity of the violation. Numerous other states have also enacted or are in the process of enacting or considering state-level data privacy and security laws, rules and regulations. Furthermore, the U.S. Federal Trade Commission continues to use its enforcement authority under Section 5 of the FTC Act against companies for privacy and cybersecurity practices alleged to be unfair or deceptive.

Globally, virtually every jurisdiction in which we operate has established its own frameworks governing privacy, data protection, cybersecurity, and cloud offerings generally with which we, and/or our customers, must comply. These laws and regulations often are more restrictive than those in the U.S. Regulatory developments in these countries may require us to modify our policies, procedures, and data processing measures in order to address requirements under these or other applicable privacy, data protection, or cybersecurity regimes, and we may face claims, litigation, investigations, or other proceedings regarding them, initiated by private parties and governmental authorities, and may incur related liabilities, expenses, costs, and operational losses. Our compliance efforts are further complicated by the fact that laws and regulations relating to privacy, data protection, cybersecurity, and cloud offerings generally around the world are rapidly evolving, may be subject to uncertain or inconsistent interpretations and enforcement, and may conflict among various jurisdictions. For example, the European Union's Data Act ("EU Data Act"), which became applicable on September 12, 2025, imposes certain data and cloud service interoperability and switching obligations to enable users to switch between providers without undue delay or cost, as well as certain requirements concerning cross-border international transfers of, and government access to, non-personal data outside the European Economic Area. Depending on how the EU Data Act is implemented and interpreted, we may be required to adjust contract terms and technical measures for data portability in order to comply. These changes may result in additional compliance and operational costs, which may affect our business.

In addition to government activity, privacy advocacy and other industry groups have established or may establish various new, additional, or different self-regulatory standards that may place additional burdens on us. Our customers may require us, or we may find it advisable, to meet voluntary certifications or adhere to other standards established by them or third parties, such as the SSAE 18, SOC1, and SOC2 audit processes. If we are unable to maintain such certifications, comply with such standards, or meet such customer requests, it could reduce demand for our services and adversely affect our business.

Compliance with applicable laws and regulations relating to privacy, data protection, cybersecurity, and cloud offerings generally may require changes in our services, practices, or internal systems that result in increased costs, lower revenue, reduced efficiency, or negative effects on our ability to attract and retain customers in certain industries and foreign countries, which could adversely affect our business. The costs of compliance with, and other obligations imposed by, these laws and regulations may require modification of our services, limit use and adoption of our services, reduce overall demand for our services, lead to significant fines, penalties, or liabilities for actual or alleged noncompliance, or slow the pace at which we close sales transactions, any of which could harm our

business. Privacy, data protection, and cybersecurity concerns, whether valid or not valid, may inhibit the market adoption, effectiveness, or use of our services, particularly in certain industries and foreign countries.

***We are subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in full compliance with applicable laws.***

Our solutions are subject to export controls, including the Commerce Department's Export Administration Regulations and various economic and trade sanctions regulations established by the Treasury Department's Office of Foreign Assets Control. Obtaining the necessary authorizations, including any required license, for a particular export or sale may be time-consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. The U.S. export control laws and economic sanctions laws prohibit the export, re-export or transfer of specific products and services to U.S. embargoed or sanctioned countries, regions, governments and persons. Even though we take precautions to prevent our solutions from being provided to U.S. sanctions targets, our solutions could be sold by resellers or could be used by persons in sanctioned regions despite such precautions. Failure to comply with the U.S. export control, sanctions and import laws could have negative consequences, including government investigations, penalties and reputational harm. We and our employees could be subject to civil or criminal penalties, including the possible loss of export or import privileges, fines, and, in extreme cases, the incarceration of responsible employees or managers. In addition, if our resellers fail to obtain appropriate import, export or re-export licenses or authorizations, we may also be adversely affected through reputational harm and penalties.

In addition, various countries could enact laws that could limit our ability to distribute our solutions or could limit our customers' ability to implement or access our solutions in those countries. Changes in our solutions or changes in export and import regulations may create delays in the introduction and sale of our solutions in international markets, prevent our customers with international operations from accessing our solutions or, in some cases, prevent the export or import of our solutions to some countries, governments or persons altogether. Any change in export or import regulations, economic sanctions or related laws, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our solutions, or in our decreased ability to export or sell our solutions to current or potential customers with international operations. Any decreased use of our solutions or limitation on our ability to export or sell our solutions would likely adversely affect our business, financial condition and results of operations.

***Changes in laws and regulations related to the internet and cloud computing or changes to internet infrastructure may diminish the demand for our solutions and could have a negative impact on our business.***

The success of our business depends upon the continued use of the internet as a primary medium for commerce, communication, and business applications. Federal, state, or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. Regulators in some industries have also adopted and may in the future adopt regulations or interpretive positions regarding the use of SaaS and cloud computing solutions. For example, some financial services regulators have imposed guidelines for the use of cloud computing services that mandate specific controls or require financial services enterprises to obtain regulatory approval prior to utilizing such software. The EU Data Act includes certain data and cloud service interoperability and switching obligations to enable users to switch between providers without undue delay or cost. Changes in these laws or regulations and to their interpretation by courts, regulators, and market participants could require us to modify our solutions in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees, or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally, or result in reductions in the demand for internet-based solutions and services such as ours. In addition, the use of the internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility, and quality of service. The performance of the internet and its acceptance as a business tool has been adversely affected by "viruses," "worms," and similar malicious programs and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for our solutions could decline.

Changes in laws or regulations that adversely affect the growth, popularity, or use of the internet, including laws impacting net neutrality or requiring payment of network access fees, could decrease the demand for our service and increase our cost of doing business. Certain laws intended to prevent network operators from discriminating against the legal traffic that traverse their networks have been implemented in many countries, including across the European Union. Furthermore, favorable laws may change, including for example, in the U.S. where net neutrality regulations were recently repealed. Given uncertainty around these rules, including changing

interpretations, amendments, or repeal, coupled with potentially significant political and economic power of local network operators, we could experience discriminatory or anti-competitive practices that could impede our growth, cause us to incur additional expense, or otherwise negatively affect our business.

***Our international operations may subject us to potentially adverse tax consequences.***

We report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our intercompany relationships are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The relevant taxing authorities may disagree with our determinations as to the value of assets sold or acquired or income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. We believe that our financial statements reflect adequate reserves to cover such a contingency, but there can be no assurances in that regard.

***The enactment of legislation implementing changes in the U.S. and global taxation of international business activities or the adoption of other tax reform policies could materially impact our financial position and results of operations.***

Any changes in the U.S. or global taxation of our activities may increase our worldwide effective tax rate and adversely affect our financial position and results of operations. For example, the Inflation Reduction Act includes, among other provisions, an alternative minimum tax on adjusted financial statement income and a 1% excise tax on stock buybacks. On July 4, 2025, H.R. 1, also known as the "One Big Beautiful Bill Act," was enacted into law, making a number of changes to U.S. federal income tax law, including permanently suspending the requirement to capitalize and amortize domestic research and development expenditures and permitting such deductions on a current basis. In addition, the Organization for Economic Cooperation and Development has proposed a global minimum tax of 15% ("Pillar 2"), which has been adopted by or is being considered by EU member states and certain other jurisdictions. On January 5, 2026, the OECD announced a "side-by-side" elective safe harbor that exempts U.S.-parented multinational entities from certain provisions of Pillar 2 for fiscal years beginning on or after January 1, 2026. These and other proposed or implemented changes in the U.S. and global taxation could adversely impact our financial position and results of operations.

***Taxing authorities may successfully assert that we should have collected, or in the future should collect, sales and use, value-added or similar taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our results of operations.***

Sales and use, value-added and similar tax laws and rates vary greatly by jurisdiction and are subject to change from time to time. Some jurisdictions in which we do not collect such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties and interest or future requirements may adversely affect our results of operations.

**Risks Related to Our Intellectual Property**

***Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.***

Our success and ability to compete depend, in part, upon our intellectual property. We currently have two patents and primarily rely on copyright, trade secret and trademark laws, trade secret protection, and confidentiality or license agreements with our employees, customers, partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. In the past, we have utilized demand letters as a means to assert and resolve claims regarding potential misuse of our proprietary or trade secret information. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and adversely impact our business.

***Lawsuits or other claims by third parties for alleged infringement of their proprietary rights could cause us to incur significant expenses or liabilities.***

There is considerable patent and other intellectual property development activity in our industry. Our success depends, in part, on not infringing upon the intellectual property rights of others. From time to time, our competitors

or other third parties may claim that our solutions and underlying technology infringe or violate their intellectual property rights, and we may be found to be infringing upon such rights. We may be unaware of the intellectual property rights of others that may cover some or all of our technology. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our solutions or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or other companies in connection with any such litigation and to obtain licenses, modify our solutions, or refund subscription fees, which could further exhaust our resources. In addition, we may incur substantial costs to resolve claims or litigation, whether or not successfully asserted against us, which could include payment of significant settlement, royalty or license fees, modification of our solutions, or refunds to customers of subscription fees. Even if we were to prevail in the event of claims or litigation against us, any claim or litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and other employees from our business operations. Such disputes could also disrupt our solutions, adversely impacting our customer satisfaction and ability to attract customers.

***We use open source software in our products, which could subject us to litigation or other actions.***

We use open source software in our products and may use more open source software in the future. From time to time, there have been claims challenging the use of open source software against companies that incorporate open source software into their products. As a result, we could be subject to suits by parties claiming misuse of, or a right to compensation for, what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our products. In addition, if we were to combine our proprietary software products with open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary software products. If we inappropriately use open source software, we may be required to re-engineer our products, discontinue the sale of our products or take other remedial actions.

**Risks Related to Ownership of Our Common Stock**

***The market price of our common stock may be volatile, and you could lose all or part of your investment.***

The market price of our common stock has been and may continue to be subject to wide fluctuations in response to various factors, some of which are beyond our control and may not be related to our operating performance. Factors that could cause fluctuations in the market price of our common stock include the following:

- actual or anticipated fluctuations in our operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- changes in estimates by any securities analysts who follow BlackLine or our failure to meet the estimates or expectations of analysts and investors;
- ratings changes by any securities analysts who follow BlackLine or failure of such analysts to initiate or maintain coverage of BlackLine;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic relationships, joint ventures, or capital commitments;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- price and volume fluctuations in the overall stock market from time to time, including as a result of trends in the economy as a whole;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- actual or perceived privacy, security, data protection, or cybersecurity incidents;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- developments or disputes concerning our intellectual property, or our products or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations, or new interpretations of existing laws or regulations applicable to our business;

- any major change in our Board of Directors (the “Board”) or management;
- sales of shares of our common stock by us or our stockholders;
- issuances of shares of our common stock, including in connection with an acquisition or upon conversion of some or all of our outstanding Notes (as defined below);
- lawsuits threatened or filed against us;
- actual or rumored stockholder activism; and
- other events or factors, including macroeconomic uncertainty, instability or uncertainty in the banking and financial services sector, geopolitical events and political uncertainty, including war and political and social upheaval, incidents of terrorism, outbreaks of pandemic diseases, presidential elections, civil unrest, or responses to these events.

In addition, the stock markets, and in particular the Nasdaq market on which our common stock is listed, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become the target of this type of litigation in the future, it could subject us to substantial costs, divert resources and the attention of management, and adversely affect our business, results of operations, financial condition and cash flows.

***Provisions of our corporate governance documents could make an acquisition of BlackLine more difficult and may impede attempts by our stockholders to replace or remove our current management, even if beneficial to our stockholders.***

Our amended and restated certificate of incorporation and amended and restated bylaws and the Delaware General Corporation Law (the “DGCL”) contain provisions that could make it more difficult for a third-party to acquire us or preventing a change in our management, even if doing so might be beneficial to our stockholders. Among other things:

- we have authorized but unissued shares of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include supermajority voting, special approval, dividend, or other rights or preferences superior to the rights of stockholders;
- we have a classified board of directors with staggered three-year terms;
- stockholder action by written consent is prohibited;
- any amendment, alteration, rescission or repeal of our amended and restated bylaws or of certain provisions of our amended and restated certificate of incorporation by our stockholders requires the affirmative vote of the holders of at least 75% of the voting power of our stock entitled to vote thereon, voting together as a single class outstanding; and
- stockholders are required to comply with advance notice requirements for nominations for elections to our Board or for proposing matters that can be acted upon by stockholders at stockholder meetings.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board, which is responsible for appointing the members of our management. In addition, institutional stockholder representative groups, stockholder activists and others may disagree with our corporate governance provisions or other practices, including anti-takeover provisions, such as those listed above. We generally will consider recommendations of institutional stockholder representative groups, but we will make decisions based on what our Board and management believe to be in the best long-term interests of our company and stockholders; however, these groups could make recommendations to our stockholders against our practices or our Board members if they disagree with our positions. Further, as a Delaware corporation, we are also subject to provisions of Delaware law, which may impair a takeover attempt that our stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of BlackLine, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our common stock.

***We do not intend to pay dividends on our common stock so any returns will be limited to changes in the value of our common stock.***

We have never declared or paid cash dividends on our common stock. We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business, and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to the increase, if any, of our stock price, which may never occur.

***Our amended and restated bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, and also provide that the federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, each of which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.***

Pursuant to our amended and restated bylaws, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation, or our amended and restated bylaws, or (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants and provided that this exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws also provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our federal forum provision. If the federal forum provision is found to be unenforceable, we may incur additional costs associated with resolving such matters.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to this provision. This exclusive forum provision in our amended and restated bylaws may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. If a court were to find the exclusive forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we could incur additional costs associated with resolving such action in other jurisdictions, which could harm our results of operations.

#### **Risks Related to Our Outstanding Convertible Senior Notes**

***Servicing our Notes may require a significant amount of cash and we may not have sufficient cash to settle conversions of the Notes in cash, to repurchase the Notes upon a fundamental change, or to repay the principal amount of the Notes in cash at their maturity, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the Notes.***

At December 31, 2025, we had \$230.2 million aggregate principal amount of our 0.00% Convertible Senior Notes due in 2026 (the "2026 Notes") and \$675.0 million aggregate principal amount of our 1.00% Convertible Senior Notes due in 2029 (the "2029 Notes" and, together with the 2026 Notes, the "Notes" or "convertible senior notes") outstanding.

Holders of each series of the Notes will have the right to require us to repurchase all or a portion of such Notes upon the occurrence of a fundamental change before the applicable maturity date at a repurchase price equal to 100% of the principal amount of such Notes to be repurchased, plus accrued and unpaid interest or special interest, if any, as described in the applicable indenture governing such Notes. In addition, upon conversion of the Notes of the applicable series, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of such Notes being converted, as described in the applicable indenture governing such Notes. Moreover, we will be required to repay the Notes of the applicable series in cash at their respective maturity unless earlier converted, redeemed, or repurchased. However, we may not have enough available cash on hand or be able to obtain financing at the time we are required to make repurchases of such Notes surrendered therefor or pay cash with respect to such series of Notes being converted or at their respective maturity. Our ability to repay or refinance the Notes will depend on market conditions and our future performance, which is subject to economic, financial,

competitive, and other factors beyond our control. Further, if any series of the Notes convert and we elect to issue common stock in lieu of cash upon conversion, our existing stockholders could suffer significant dilution.

In addition, our ability to repurchase the Notes of the applicable series or to pay cash upon conversions of the Notes or at their respective maturity may be limited by law, regulatory authority, or agreements governing our future indebtedness. Our failure to repurchase such Notes at a time when the repurchase is required by the applicable indenture governing such Notes or to pay cash upon conversions of such Notes or at their respective maturity as required by the applicable indenture governing such Notes would constitute a default under such indenture. A default under such indenture or the fundamental change itself could also lead to a default under agreements governing our existing and future indebtedness. Moreover, the occurrence of a fundamental change under the applicable indenture governing the Notes could constitute an event of default under any such agreement. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay such indebtedness and repurchase such series of Notes or pay cash with respect to such series of Notes being converted or at maturity of such series of Notes, which could harm our business, results of operations, or financial conditions.

***Our current and future indebtedness may limit our operating flexibility or otherwise affect our business.***

Our existing and future indebtedness could have important consequences to our stockholders and significant effects on our business. For example, it could:

- make it more difficult for us to satisfy our debt obligations, including the Notes;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flows from operations to payments on our indebtedness, thereby reducing the availability of our cash flows to fund working capital and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict us from exploiting business opportunities;
- place us at a competitive disadvantage compared to our competitors that have less indebtedness; and
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other general purposes.

Any of the foregoing could have a material adverse effect on our business, results of operations or financial condition.

***The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.***

In the event the conditional conversion feature of any series of Notes is triggered, holders of the Notes of such series will be entitled under the applicable indenture governing the Notes to convert such Notes at any time during the specified periods at their option. At December 31, 2025, the conditional conversion feature of the 2029 Notes was not triggered. If the conditional conversion feature of any series of Notes is triggered and one or more holders of a series elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation in cash, which could adversely affect our liquidity. In addition, in certain circumstances, such as conversions by holders or redemption, we could be required under applicable accounting rules to reclassify all or certain of the outstanding principal of such series of Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

***The Capped Calls may affect the value of our common stock and we are subject to counterparty risk with respect to the Capped Calls.***

In connection with the issuance of the Notes, we entered into the Capped Calls with the counterparties with respect to each series of Notes.

The counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions at any time prior to the respective maturity of the Notes (and are likely to do so on each exercise date of the Capped Calls). This activity could also cause or prevent an increase or a decrease in the market price of our common stock.

In addition, global economic conditions have in the past resulted in the actual or perceived failure or financial difficulties of many financial institutions. The counterparties to the Capped Calls are financial institutions and we will be subject to the risk that one or more of the counterparties may default or otherwise fail to perform, or may exercise certain rights to terminate, their obligations under the Capped Calls. If a counterparty to one or more Capped Calls becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at the time under such transaction. Our exposure will depend on many factors but, generally, it will increase if the market price or the volatility of our common stock increases. Upon a default or other failure to perform, or a termination of obligations, by a counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the counterparties.

### **General Risk Factors**

***We may require additional capital to support business growth, and this capital may not be available on acceptable terms, if at all.***

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, such as refinancing needs, the need to develop new features or enhance our existing solutions, or to improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, from time to time we have engaged in, and we may in the future need to engage in, equity or debt financing to secure additional funds, or we may opportunistically decide to raise capital. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity or convertible debt securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing or refinancing on terms favorable to us, or at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired.

***The requirements of being a public company may strain our resources, divert management's attention, and affect our ability to attract and retain executive management and qualified board members.***

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of Nasdaq, and other applicable securities rules and regulations. Compliance with these rules and regulations increases our legal and financial compliance costs, make some activities more difficult, time-consuming, or costly, and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. We are required to disclose changes made in our internal control and procedures on a quarterly basis and are required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting on an annual basis. Additionally, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could adversely affect our business and operating results. Although we have hired additional employees to assist us in complying with these requirements, we may need to hire more employees or engage outside consultants, which will increase our operating expenses.

In addition, as a public company we have been targeted by activist stockholders from time to time. Responding to actions by activist stockholders could be costly and time-consuming and could disrupt our operations and divert the attention of management and our employees. Additionally, perceived uncertainties as to our future direction as a result of stockholder activism, or changes to the composition of our Board, may lead to the perception of a change in the direction of our business or other instability, which may be exploited by our competitors, cause concern to our current or potential customers, and make it more difficult to attract and retain qualified personnel. If customers choose to delay, defer or reduce transactions with us or do business with our competitors instead of us, then our business, financial condition and operating results would be adversely affected. In addition, our share price could experience periods of increased volatility as a result of stockholder activism.

Furthermore, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business, financial conditions, and operating results may be adversely affected.

***If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.***

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, the trading price for our common stock would be negatively affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline.

***We may fail to maintain an effective system of internal control over financial reporting in the future and may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and the price of our common stock.***

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on internal control over financial reporting.

The process of designing and implementing internal control over financial reporting required to comply with Section 404 of the Sarbanes-Oxley Act has been and will continue to be time-consuming, costly and complicated. If, during the evaluation and testing process, we identify one or more material weaknesses in our internal control over financial reporting, our management will be unable to assert that our internal control over financial reporting is effective. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may conclude that there are material weaknesses with respect to our internal controls or the level at which our internal controls are documented, designed, implemented, or reviewed. If we are unable to assert that our internal control over financial reporting is effective, or when required in the future, if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected, and we could become subject to stockholder lawsuits, litigation or investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources, and cause investor perceptions to be adversely affected and potentially resulting in restatement of our financial statements for prior periods and a decline in the market price of our stock.

***Natural disasters, climate change, and other events beyond our control could harm our business.***

Natural disasters, climate change, political instability, or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, climate-related events, pandemics, terrorism, political unrest, geopolitical instability, war, and other events beyond our control. As we increasingly locate our business operations in countries outside of the U.S., our exposure to these risks may be heightened. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our solutions to our customers, could decrease demand for our solutions, and could cause us to incur substantial expense. A significant portion of our research and development activities, corporate headquarters, information technology systems and other critical business operations are located in California, which has experienced, and is projected to continue to experience, major earthquakes, floods, droughts, heat waves, wildfires, and power shutoffs associated with wildfire prevention. Significant recovery time could be required to resume operations and our business could be harmed in the event of a major earthquake or other catastrophic event. Our insurance may not be sufficient to cover related losses or additional expenses that we may

sustain. In addition, we may be subject to increased regulations, reporting requirements, standards, or expectations regarding the environmental impacts of our business, and failure to comply with such regulations, requirements, standards or expectations could adversely affect our reputation, business or financial performance.

#### **Item 1B. *Unresolved Staff Comments***

None.

#### **Item 1C. *Cybersecurity***

Cybersecurity is a key component of BlackLine's overall cross-functional approach to risk management. Our cybersecurity risk management practices are integrated into our overall risk management practices, and cybersecurity risks are among the core enterprise risks identified for oversight by our Board through our annual enterprise risk assessment. Our cybersecurity policies and practices are designed with the cybersecurity framework of the National Institute of Standards and Technology and certain other applicable industry standards in mind, and BlackLine maintains an information security management system that is certified against certain international standards, such as ISO 27001 and ISO 27017.

Our cybersecurity program includes:

- **Vigilance:** We maintain a global cybersecurity threat operation that endeavors to detect, contain, and respond to cybersecurity threats and incidents in a prompt and effective manner with the goal of minimizing disruptions to the business.
- **Collaboration:** We have established collaboration mechanisms with public and private entities, including intelligence and enforcement agencies, industry groups, and third-party service providers to identify and assess cybersecurity risks.
- **Systems Safeguards:** We deploy technical safeguards that are designed to protect our information systems from cybersecurity threats, including firewalls, intrusion detection systems, anti-malware functionality, access controls, and ongoing vulnerability assessments.
- **Third-Party Management:** We maintain a risk-based approach to identifying and overseeing cybersecurity risks with respect to third parties, including third parties who provide solutions we rely upon for our security measures. This includes contractually obligating third-party service providers with access to our systems or processing sensitive data on our behalf to implement and maintain reasonable security measures in connection with their work with us, and to promptly report any suspected security breach that may affect BlackLine.
- **Education:** Employees outside of our corporate information security organization also have a role in our cybersecurity defenses, which we believe improves our cybersecurity. We provide training when onboarding, and annually thereafter, for all personnel regarding cybersecurity threats, with additional role-based security training as applicable. We also provide periodic cybersecurity newsletters and updates to all employees, have a phishing awareness program that includes monthly simulations, and periodically host tabletop exercises with management and other employees to practice rapid cyber incident response.
- **Incident Response Planning:** We have established and maintain an incident response plan that addresses our response to suspected cybersecurity incidents and is tested periodically.
- **Communication and Coordination:** We utilize a cross-functional approach to addressing the risk from cybersecurity threats, involving management personnel from the information security, technology, operations, legal, risk management, internal audit, and other key business functions, as well as members of our Board and the Audit Committee of the Board (the "Audit Committee") and Technology and Cybersecurity Committee of the Board (the "Technology and Cybersecurity Committee") regarding cybersecurity threats and incidents.
- **Governance:** The Board's oversight of cybersecurity risk management is supported by the Audit Committee, which regularly interacts with our risk management function and Chief Information Security Officer ("CISO"). In February 2024, the Board formed a standing Technology and Cybersecurity Committee, which is comprised of independent members of the Board and assists the Board in fulfilling its oversight responsibilities with respect to risks relating to our information security, data privacy and disaster recovery capabilities.

A key part of our strategy for managing risks from cybersecurity threats is the ongoing assessment and testing of our processes and practices through auditing, assessments, tabletop exercises, and other exercises focused on evaluating effectiveness. We periodically engage third parties to perform assessments on our cybersecurity measures, including information security maturity assessments and independent reviews of our information security control environment and operating effectiveness. Based on these findings, we adjust our cybersecurity processes and practices, as necessary. The results of such assessments and reviews are reported to the Board, the Audit Committee, and the Technology and Cybersecurity Committee.

The Audit Committee and the Technology and Cybersecurity Committee are responsible for oversight relating to cybersecurity. The Board, the Audit Committee, and the Technology and Cybersecurity Committee regularly receive presentations and reports on cybersecurity risks from the CISO, which address a wide range of topics including, for example, recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends, and cybersecurity considerations arising with respect to our peers and vendors. Our incident response process includes escalation of potentially material cybersecurity incidents to relevant members of our executive management team. The Board, the Audit Committee, and the Technology and Cybersecurity Committee are updated as appropriate. Periodically, the Audit Committee discusses our approach to cybersecurity risk management with our CISO. Our Technology and Cybersecurity Committee receives regular reports from our CISO as part of its assessment of our cybersecurity threat landscape, and the quality and effectiveness of our information security programs.

Our CISO is the member of our management who is principally responsible for overseeing our cybersecurity risk management program, in partnership with other business leaders across BlackLine. She has over 15 years of experience as a chief information security officer responsible for enterprise-wide oversight of information security programs. She holds CISSP and CISM certifications, and a BS in Computer Science. She leads a team of information security professionals, and works in coordination with the Chief Information Officer, the Chief Legal and Administrative Officer, the Chief Technology Officer, the Senior Vice President, Cloud Engineering and Operations, and other members of management.

The CISO, in coordination with the other members of the executive management team, works collaboratively across BlackLine to implement programs designed to protect our information systems from cybersecurity threats and to promptly respond to cybersecurity incidents. To facilitate the success of such programs, we designate certain employees as security champions throughout BlackLine to respond to cybersecurity incidents in accordance with our incident response plan. Through communications with these employees, the CISO monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents, and reports such incidents to the Board, the Audit Committee, and the Technology and Cybersecurity Committee, when appropriate, as discussed above.

As of the date of this report, and based on facts currently known, the risks from previously occurring cybersecurity threats have not materially affected, nor do we believe that they are reasonably likely to materially affect BlackLine, including its business strategy, results of operations or financial condition. Notwithstanding our investment in cybersecurity, however, we may not be successful in identifying a cybersecurity risk or preventing or mitigating a cybersecurity incident or product security vulnerability that could have a material adverse effect on our business, results of operations, or financial condition.

We are at risk for cybersecurity breaches and incidents, including as a result of third-party action, employee, vendor or contractor error, cyberattacks (including from nation states and affiliated actors) and other forms of hacking, malfeasance, ransomware, and other malicious software, or other factors. If our security controls are breached or circumvented, or unauthorized or inadvertent access to, modification to, or processing of customer, employee, or other confidential data otherwise occurs, our software solutions may be perceived as insecure, or may become unavailable or inaccessible to our end users. As a result, we may lose existing customers or fail to attract new customers, our business may be harmed, and we may incur significant liabilities. These and other risks could affect BlackLine, including our business strategy, results of operations, or financial condition. For more detailed information about these and other cybersecurity risks, please see Part I, Item 1A, "Risk Factors", including the risk factor entitled *"If our security controls are breached or unauthorized, or inadvertent access to customer, employee or other confidential data is otherwise obtained, our software solutions may be perceived as insecure, we may lose existing customers or fail to attract new customers, our business may be harmed and we may incur significant liabilities."*

## **Item 2. Properties**

Our principal executive offices are located in Woodland Hills, California where we occupy approximately 89,000 square feet of space under a lease that expires in January 2029. We have additional offices in North America, Europe, and the Asia-Pacific region. We believe that our properties are generally suitable to meet our

needs for the foreseeable future. In addition, to the extent we require additional space in the future, we believe that it would be readily available on commercially reasonable terms.

**Item 3. *Legal Proceedings***

From time to time, we may be subject to legal proceedings, including claims, litigation, investigations, and inquiries arising in the ordinary course of business. In addition, from time to time, third parties may assert intellectual property infringement claims against us in the form of letters and other forms of communication. As of the date of this Annual Report on Form 10-K for the year ended December 31, 2025, we are not a party to any litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our results of operations, prospects, cash flows, financial position or brand.

**Item 4. *Mine Safety Disclosures***

Not applicable.

## PART II

### Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

#### **Market for Our Common Stock and Related Stockholder Matters**

Our common stock trades on the Nasdaq Global Select Market under the symbol "BL".

#### **Holders of Record**

At February 19, 2026, there were 6 stockholders of record. The number of record holders does not include beneficial holders who hold their shares in "street name," meaning that the shares are held for their accounts by a broker or other nominee. Accordingly, we believe that the total number of beneficial holders is higher than the number of our stockholders of record.

#### **Dividend Policy**

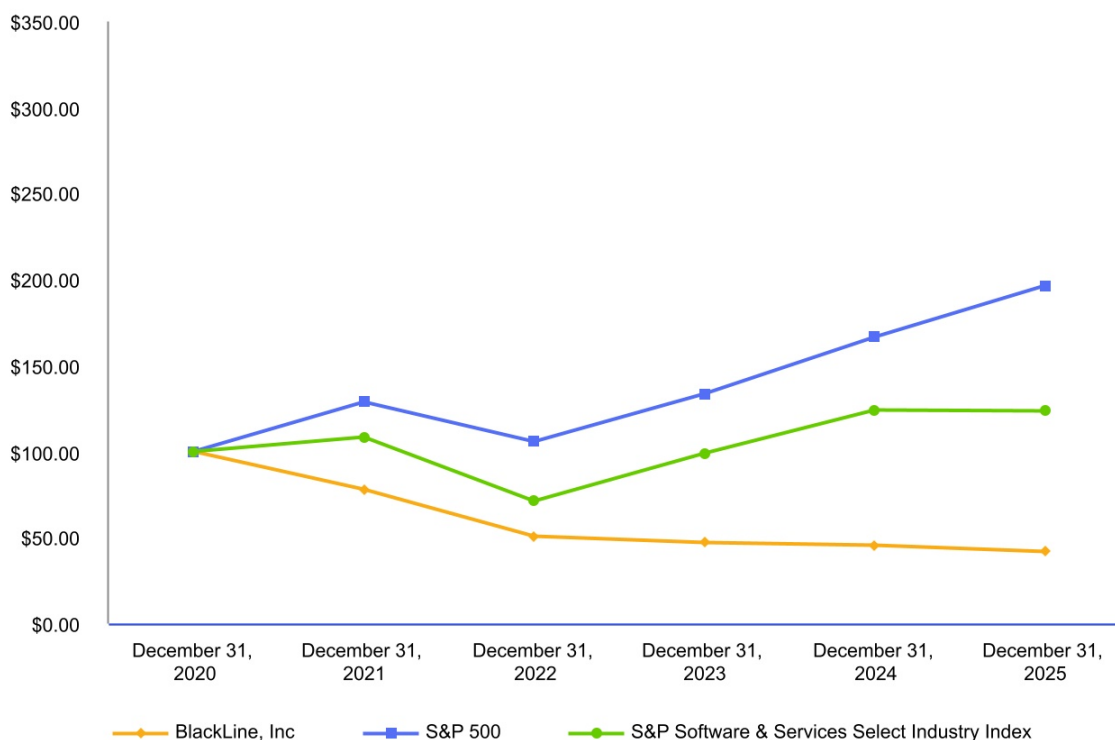
We have never declared or paid any cash dividends on our common stock. We currently intend to retain our future earnings, if any, primarily to finance our operations and effect share repurchases and do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our Board may deem relevant.

#### **Stock Price Performance Graph**

*This performance graph shall not be deemed "soliciting material" or to be "filed" with the Securities and Exchange Commission, or the SEC, for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act of 1933, as amended, or the Securities Act.*

The following graph compares (i) the cumulative total stockholder return on our common stock with (ii) the cumulative total return of the S&P 500 Index and (iii) the cumulative total return of the S&P Software & Services Select Industry Index, all over the period from December 31, 2020 through December 31, 2025, assuming the investment of \$100 in our common stock and in both of the other indices on December 31, 2020 and the reinvestment of dividends. The graph uses the closing market price on December 31, 2020 of \$133.38 per share as the initial value of our common stock. As discussed above, we have never declared or paid a cash dividend on our common stock and do not anticipate declaring or paying a cash dividend in the foreseeable future.

## COMPARISON OF CUMULATIVE TOTAL RETURN\*



\*Returns are based on historical results and are not necessarily indicative of future performance. See the disclosure in Part I, Item 1A. "Risk Factors."

### Unregistered Sales of Equity Securities

In December 2025, we issued 315,640 shares of our common stock to the founders of WL as partial consideration for the acquisition of WL, of which 220,948 shares are subject to the satisfaction of customary service-based vesting conditions by the applicable recipients. The issuance of the shares was deemed to be exempt from the registration requirement of the Securities Act in reliance on Section 4(a)(2) of the Securities Act because the issuance of the securities did not involve a public offering.

### Use of Proceeds

None.

### Issuer Purchases of Equity Securities

The following table presents information with respect to our repurchases of common stock during the quarter ended December 31, 2025 (in thousands, except per share data):

Period	Total Number of Shares Purchased and Retired <sup>(1)</sup>	Average Price Paid Per Share <sup>(2)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Program <sup>(1)</sup>	Approximate Dollar Value of Shares That May Yet Be Purchased Under Publicly Announced Program <sup>(1)</sup>
October 1 - 31, 2025	455	\$ 52.22	455	\$ 174,457
November 1 - 30, 2025	98	\$ 55.26	98	\$ 169,069
December 1 - 31, 2025	80	\$ 57.95	80	\$ 164,457
Total	633		633	

<sup>(1)</sup> On November 17, 2024, our Board authorized the repurchase of up to \$200 million of our common stock. On September 4, 2025, our Board approved an increase to our stock buyback program of an additional \$200 million, for a total overall authorization to repurchase up to \$400 million of our common stock. Our Board also approved the elimination of the expiration date of the program, which was previously set to expire on March 31, 2027.

<sup>(2)</sup> Average price paid per share excludes cash paid for commissions.

Repurchases may be made from time to time through open market repurchases or through privately-negotiated transactions subject to market conditions, applicable legal requirements and other relevant factors. Open market repurchases may be structured to occur in accordance with the requirements of Rule 10b-18 of the Securities Exchange Act of 1934, as amended. We may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of our shares under this authorization. The repurchase program does not obligate us to acquire any particular amount of our common stock, and it may be suspended at any time in our discretion. The timing and actual number of shares repurchased may depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities.

## **Item 6. [Reserved]**

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion of our financial condition and results of operations should be read together with the financial statements and the related notes set forth in Item 8, "Financial Statements and Supplementary Data." The following discussion also contains forward-looking statements, which are based upon current plans, expectations, and beliefs. These statements involve risks and uncertainties. See Part I, "Special Note Regarding Forward-Looking Statements" for a discussion of the forward-looking statements contained below and Part I, Item 1A, "Risk Factors" for a discussion of certain risks that could cause our actual results to differ materially from the results anticipated in such forward-looking statements.*

*This discussion and analysis deals with comparisons of material changes in the consolidated financial statements for fiscal 2025 and fiscal 2024. For the comparison of fiscal 2024 and fiscal 2023, see Management's Discussion and Analysis of Financial Condition and Results of Operations in Part II, Item 7 of our 2024 Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 21, 2025.*

### **Overview**

We provide a unified, scalable, and flexible platform tailored to the evolving needs of the Office of the CFO and deliver a purpose-built suite of applications that address critical processes, including record-to-report and invoice-to-cash. Our software and services provide critical technology and industry-leading practices that deliver accurate, efficient, and intelligent financial operations. We are a holding company and conduct our operations through our wholly-owned subsidiary, BlackLine Systems.

At December 31, 2025, we had 4,394 customers, exclusive of on-premise software. Additionally, we continue to build strategic relationships with technology vendors, professional services firms, business process outsourcers, and resellers.

Our cloud-based solutions, delivered by our BlackLine Studio360 Platform, include Account Reconciliations, Transaction Matching, Task Management, Reporting & Analysis, Journal Entry, Journals Risk Analyser, Account Analysis, Consolidation, Compliance, Smart Close for SAP, Cash Application, Credit & Risk Management, Collections Management, Disputes & Deductions Management, Team & Task Management, AR Intelligence, Electronic Invoicing & Payments, Intercompany Create, Intercompany Balance & Resolve, and Intercompany Net & Settle.

In September 2025, we launched Verity, a comprehensive suite of AI capabilities that provides finance and accounting teams with a digital workforce of embedded and auditable AI. Verity is integrated throughout our solutions and supports a broad range of use cases across our customers' financial operations, offering flexible capabilities that help deliver best practices across end-to-end record-to-report and invoice-to-cash processes.

We derived approximately 95% of our revenue from subscriptions to our cloud-based software platform and approximately 5% from professional services for the year ended December 31, 2025. Our subscription contracts have initial non-cancellable terms of one year to three years with renewal options. The majority of new contracts in 2025 and 2024 carried an initial non-cancellable term of three years. In 2025, we updated our pricing model to reflect the value of our solutions based on factors such as product mix, organization size, and volumetrics (e.g. number of transactions or entities). We typically invoice subscription fees annually in advance, which are initially recorded as deferred revenue and recognized ratably over the contract term. First-year subscription fees are generally payable within 30 days of contract execution, with subsequent fees due upon renewal.

Professional services consist primarily of implementation and consulting services. Our products are available for immediate use upon granting customer access. We typically assist customers with implementation and provide consulting services to help them optimize the use of our solutions. We invoice customers for our consulting services

on a time-and-materials basis and recognize that revenue as services are performed. A limited number of our customers are provided professional services for a fixed fee, for which we invoice in advance. The fee is initially recorded as deferred revenue and recognized on a proportional-performance basis as the services are rendered.

We sell our solutions primarily through our direct sales force, which leverages our relationships with technology vendors, professional services firms, and business process outsourcers. Our solutions integrate with SAP's ERP systems, and SAP resells our product as SAP SolEx, for which we receive a percentage of the related revenues. We also maintain a strategic agreement with Google Cloud through which we jointly engage in selling and go-to-market activities to bring enhanced automation capabilities to customers.

Our ability to maximize the lifetime value of our customer relationships depends, in part, on the willingness of customers to purchase additional licenses and products from us. Our sales and customer success teams focus on maintaining high satisfaction and educating customers on the value of our full product portfolio to support account expansion.

The length of our sales cycle depends on the size of a potential customer and contract, as well as the type of solution or product being purchased. Sales cycles for global enterprise customers are generally longer than those for mid-size customers, and cycle duration increases for larger or more strategic products, such as our Intercompany solutions. As we focus on increasing average contract size and expanding adoption of strategic products, we expect the sales cycle to lengthen and remain less predictable which may contribute to variability in period-to-period results.

We have historically signed a high percentage of agreements with new customers, as well as renewal agreements with existing customers, in the fourth quarter of each year and usually during the last month of the quarter. Because most contracts have annual terms, agreements entered into late in the year typically renew during the same period in subsequent years. While this seasonality is reflected in our billings and bookings, the impact on overall revenue is minimal due to our ratable revenue recognition model.

For the years ended December 31, 2025, 2024, and 2023, we had revenues totaling \$700.4 million, \$653.3 million, and \$590.0 million, respectively. We generated net income attributable to BlackLine, Inc. of \$24.5 million, \$161.2 million, and \$52.8 million for the years ended December 31, 2025, 2024, and 2023, respectively.

### ***Global Macroeconomic Factors***

Our operating results may vary due to the impact of industry or global economic changes on us or our customers. General macroeconomic conditions, such as a recession, inflation or rising interest rates, an economic downturn in the U.S. or internationally, adverse business conditions and liquidity concerns, have and could continue to adversely affect demand for our products and make it difficult to accurately forecast and plan our future business activities. As a result of economic uncertainty, we have seen customers delay and defer purchasing decisions, which has adversely impacted our near-term demand.

### ***WiseLayer Acquisition***

On December 15, 2025, we acquired WL for total purchase consideration of \$23.7 million, comprising \$18.3 million in cash and \$5.4 million in common stock issued at closing. The acquisition was driven by WL's unique value proposition in developing a digital workforce of AI-powered agents to automate complex, judgment-based finance and accounting processes. Transaction-related costs, which include, but are not limited to, accounting, legal, and advisory fees, totaled \$1.2 million and were expensed as incurred during the year ended December 31, 2025.

We accounted for the transaction as a business combination using the acquisition method of accounting. The total purchase price was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their respective estimated fair values on the acquisition date. The purchase consideration allocation is preliminary as of the filing date of this Annual Report on Form 10-K for the year ended December 31, 2025.

## Restructuring Costs

### Fiscal 2025 Restructuring Programs

On March 4, 2025, we initiated a global restructuring program that was designed to reduce our workforce by approximately 130 total positions, or 7%. During September 2025 and December 2025, we approved additional workforce reductions of 25 and 75 positions, respectively, including the planned closure of selected facilities (the “Fiscal 2025 restructuring programs”). All of the actions are part of our global restructuring program to align resources with strategic priorities and enhance operational efficiency through talent optimization.

### Fiscal 2023 Restructuring Program

On August 23, 2023, we announced a restructuring plan that was designed to support our growth, scale, and profitability objectives. As part of the restructuring, we reduced our global workforce by approximately 166 total positions, or 9.0%. Restructuring costs related to the August 2023 restructuring consisted of one-time termination benefits. Refer to “Note 12 - Restructuring Costs” for additional information.

### Key Metrics

We regularly review a number of metrics, including the following key metrics, to evaluate our business and performance, identify trends affecting our business, formulate financial projections, and make strategic decisions.

	Year Ended December 31,		
	2025	2024	2023
Dollar-based net revenue retention rate	105%	102%	106%
Platform pricing ARR as a percentage of eligible ARR	11%	—	—
Number of customers	4,394	4,443	4,398

**Dollar-based net revenue retention rate.** We believe that dollar-based net revenue retention rate is an important metric to measure the long-term value of customer agreements and our ability to retain and grow our relationships with existing customers over time. We calculate dollar-based net revenue retention rate as the implied monthly subscription and support revenue at the end of a period for the base set of customers from which we 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. We define implied monthly subscription and support revenue as the total amount of minimum subscription and support revenue contractually committed to, under each of our customer agreements over the entire term of the agreement, divided by the number of months in the term of the agreement. At December 31, 2025, our dollar-based net revenue retention rate increased from the year ended December 31, 2024 due to the impact of favorable foreign exchange rates and account expansion with existing customers, particularly those adopting our platform pricing model. Our ability to maximize the lifetime value of our customer relationships will depend, in part, on the willingness of the customer to purchase additional licenses and products from us. We rely on our customer success and sales teams to support and grow our existing customers by maintaining high customer satisfaction and educating the customer on the value our products provide.

**Platform pricing ARR as a percentage of eligible ARR.** Platform pricing ARR as a percentage of eligible ARR is calculated as platform annual recurring revenue divided by our eligible annual recurring revenue. We define eligible ARR as total annual recurring revenue, excluding revenue from SAP SolEx and the public sector. Management believes that this metric is useful for tracking the progress of the new pricing strategy launched in 2025.

**Number of customers.** We believe that our ability to expand our customer base is an indicator of our market penetration and the growth of our business. We define a customer as a company that contributes to our subscription and support revenue as of the measurement date. In situations where an organization has multiple subsidiaries or divisions, each entity that is invoiced as a separate entity is treated as a separate customer. However, where an existing customer requests its invoice be divided for the sole purpose of restructuring its internal billing arrangement without any incremental increase in revenue, such customer continues to be treated as a single customer. For the years ended December 31, 2025, 2024, and 2023, no single customer accounted for more than 10% of our total revenues.

**Users.** Effective during the quarter ended December 31, 2025, we ceased using “users” as a key metric following the introduction of an updated pricing model that is based on other factors, including product mix, customer size, and volumetrics, such as transactions or entities.

## Key Components of our Results of Operations

### Revenues

**Subscription and support.** Our subscription contracts have initial non-cancellable terms of one year to three years with renewal options. The majority of new contracts in 2025 and 2024 had an initial non-cancellable term of three years. Fees are based on a number of factors, including the solutions subscribed to by the customer. The first year of subscription fees are typically payable within 30 days after execution of a contract, and thereafter upon renewal. We initially record the subscription fees as deferred revenue and recognize revenue ratably over the term of the contract. At any time during the subscription period, customers may add products. Additional fees are payable for the remainder of the initial or renewed contract term. Customers may only reduce their subscription to products upon renewal of their arrangement. Revenues from subscriptions to our cloud-based software platform composed approximately 95% of our revenues for the year ended December 31, 2025.

Subscription and support revenues also include revenues associated with sales of on-premise software licenses and related support, but we no longer develop any new applications or functionality for our legacy on-premise software, and anticipate that this component of our revenues will continue to decline relative to total revenue.

**Professional services.** We offer our customers implementation and consulting services. With the exception of our intercompany accounting solutions acquired from the FourQ Acquisition, our product offerings are available for immediate use on our platform after granting access to a new customer. We typically help customers implement our solutions, and we also provide consulting and training services to help customers optimize the use of our products. These services are considered distinct performance obligations. Professional services do not result in significant customization of the subscription service. We apply the practical expedient to recognize professional services revenue when we have the right to invoice based on time and materials incurred. A limited number of our customers are provided professional services for a fixed fee, which is initially recorded as deferred revenue and recognized on a proportional-performance basis as the services are rendered. Professional services revenues composed approximately 5% of our revenues for the year ended December 31, 2025.

For a description of our revenue accounting policies, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates.”

### Cost of Revenues

**Subscription and support cost of revenues.** Subscription and support cost of revenues primarily consist of amortization of acquired developed technology costs, salaries, benefits, and stock-based compensation associated with our hosting operations and support personnel, amortization of capitalized internal-use software costs, cloud hosting costs, and data center costs related to hosting our cloud-based software. We also allocate a portion of overhead to subscription and support cost of revenues.

**Professional services costs of revenues.** Costs associated with providing professional services primarily consist of salaries, benefits and stock-based compensation associated with our implementation personnel. These costs are expensed as incurred when the services are performed. We also allocate a portion of overhead to professional services cost of revenues.

### Operating Expenses

**Sales and marketing.** Sales and marketing expenses consist primarily of compensation and employee benefits, including stock-based compensation of sales and marketing personnel and related sales support teams, sales and partner commissions, marketing events, advertising costs, computer software-related costs, travel, trade shows, other marketing materials, transaction-related costs, and allocated overhead. Sales and marketing expenses also include amortization of customer relationship intangible assets and impairment of cloud computing implementation costs. We defer sales and partner commissions and amortize them over an estimated period of benefit of five years. We expect a decrease in sales and marketing expenses as a percentage of revenue in 2026 as we continue to rationalize our sales initiatives and improve productivity.

**Research and development.** Research and development expenses are comprised primarily of salaries, benefits and stock-based compensation associated with our engineering, product and quality assurance personnel, and transaction-related costs. Research and development expenses also include third-party contractors and supplies, computer software-related costs and allocated overhead. Other than software development costs that qualify for capitalization, as discussed above, research and development costs are expensed as incurred. We expect a modest increase in research and development as a percentage of revenue in 2026 as we further invest in strategic initiatives, including AI, to accelerate our growth.

**General and administrative.** General and administrative expenses consist primarily of personnel costs associated with our executive, finance, legal, human resources, compliance, and other administrative personnel, as well as accounting and legal professional fees, other corporate-related expenses and allocated overhead. General and administrative expenses also include amortization of trade name intangible assets, the change in the fair value of contingent consideration, if any, transaction-related costs, and impairment of cloud computing implementation costs. Excluding the impact of foreign exchange, we expect general and administrative costs to remain consistent in 2026.

**Restructuring costs.** Restructuring costs consist of one-time termination benefits. Refer to “Note 12 - Restructuring Costs” for additional information.

**Interest income.** Interest income primarily consists of earnings on our cash and cash equivalents and our marketable securities.

**Interest expense.** Interest expense consists primarily of interest expense associated with our 2026 and 2029 Notes.

**Provision for (benefit from) income taxes.** We are subject to federal and state income taxes in the U.S. and taxes in foreign jurisdictions. We use the liability method of accounting for income taxes. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities, using tax rates expected to be in effect during the years in which the bases differences are expected to reverse.

We record a valuation allowance against our deferred tax assets to the extent that realization of the deferred tax assets, including consideration of our deferred tax liabilities, is not more likely than not. During the year ended December 31, 2025, we determined that the BlackLine K.K. valuation allowance was no longer required. This determination was based on an evaluation of positive and negative factors, including, but not limited to, our achievement of adjusted pre-tax income resulting in a three-year cumulative income position and our projections of future pre-tax income. We have also recorded a valuation allowance against certain other foreign deferred tax assets. Refer to “Results of Operations—Provision for (benefit from) income taxes” for additional information.

### Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the non-GAAP measures below are useful to us and our investors in evaluating our business. These non-GAAP financial measures are useful because they provide consistency and comparability with our past performance, facilitate period-to-period comparisons of operations and facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

	Year Ended December 31,	
	2025	2024
	(in thousands, except percentages)	
GAAP gross profit	\$ 527,042	\$ 491,371
GAAP gross margin	75.2%	75.2%
GAAP operating income	\$ 25,552	\$ 18,536
GAAP operating margin	3.6%	2.8%
GAAP net income attributable to BlackLine, Inc.	\$ 24,518	\$ 161,174
Diluted net income per share attributable to BlackLine, Inc.	\$ 0.39	\$ 1.45
	Year Ended December 31,	
	2025	2024
	(in thousands, except percentages)	
Non-GAAP gross profit	\$ 557,187	\$ 518,239
Non-GAAP gross margin	79.5%	79.3%
Non-GAAP operating income	\$ 156,279	\$ 126,807
Non-GAAP operating margin	22.3%	19.4%
Non-GAAP net income attributable to BlackLine, Inc.	\$ 157,035	\$ 162,067
Diluted non-GAAP net income per share attributable to BlackLine, Inc.	\$ 2.13	\$ 2.18

*Non-GAAP Gross Profit and Non-GAAP Gross Margin.* Non-GAAP gross profit is defined as GAAP revenues less GAAP cost of revenue adjusted for amortization of acquired developed technology, stock-based compensation, and transaction-related costs (including, but not limited to, accounting, legal, and advisory fees related to the transaction, as well as transaction-related retention bonuses). Non-GAAP gross margin is defined as non-GAAP gross profit divided by GAAP revenues. We believe that presenting non-GAAP gross profit and non-GAAP gross margin is useful to investors as it eliminates the impact of certain non-cash expenses and allows a direct comparison between periods.

*Non-GAAP Income from Operations and Non-GAAP Operating Margin.* Non-GAAP income from operations is defined as GAAP income from operations adjusted for amortization of intangible assets, stock-based compensation, change in fair value of contingent consideration, transaction-related costs, restructuring costs, and legal settlement gains or costs. Non-GAAP operating margin is defined as non-GAAP income from operations divided by GAAP revenues. We believe that presenting non-GAAP income from operations and non-GAAP operating margin is useful to investors as it eliminates the impact of items that have been impacted by our acquisitions and other related costs in order to allow a direct comparison of income from operations between all periods presented.

*Non-GAAP Net Income Attributable to BlackLine and Diluted Non-GAAP Net Income Per Share Attributable to BlackLine, Inc.* Non-GAAP net income attributable to BlackLine is defined as GAAP net income attributable to BlackLine adjusted for the income tax effects of acquisitions, stock-based compensation shortfalls and windfalls, and the discrete tax impact of other non-GAAP adjustments, amortization of intangible assets, stock-based compensation, amortization of debt issuance costs from our 0.00% Convertible Senior Notes due in 2026 (the "2026 Notes") and 1.00% Convertible Senior Notes due in 2029 (the "2029 Notes" and, together with the 2026 Notes, the "Notes" or "convertible senior notes"), change in fair value of contingent consideration, transaction-related costs, restructuring costs, legal settlement gains or costs, adjustment to the redeemable non-controlling interest to the redemption amount, and gain on extinguishment of convertible senior notes. Diluted non-GAAP net income per share attributable to BlackLine, Inc. includes the adjustment for shares resulting from the elimination of stock-based compensation. We believe that presenting non-GAAP net income attributable to BlackLine is useful to investors as it eliminates the impact of items that have been impacted by our acquisitions and other related costs to allow a direct comparison of net income between all periods presented.

### Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of gross profit, gross margin, operating income, operating margin, and net income, the most comparable GAAP measures, to non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income, non-GAAP operating margin, and non-GAAP net income:

	Year Ended December 31,	
	2025	2024
(in thousands, except percentages)		
<b>Non-GAAP Gross Profit:</b>		
Gross profit	\$ 527,042	\$ 491,371
Amortization of acquired developed technology	12,905	13,370
Stock-based compensation	17,232	13,347
Transaction-related costs	8	151
Total non-GAAP gross profit	<u>\$ 557,187</u>	<u>\$ 518,239</u>
Gross margin	75.2%	75.2%
Non-GAAP gross margin	79.5%	79.3%
<b>Non-GAAP Operating Income:</b>		
Operating income	\$ 25,552	\$ 18,536
Amortization of intangible assets	14,168	19,886
Stock-based compensation	96,325	86,097
Transaction-related costs	4,780	568
Restructuring and legal settlement costs	15,454	1,720
Total non-GAAP operating income	<u>\$ 156,279</u>	<u>\$ 126,807</u>
GAAP operating margin	3.6%	2.8%
Non-GAAP operating margin	22.3%	19.4%
<b>Non-GAAP Net Income Attributable to BlackLine, Inc.:</b>		
Net income attributable to BlackLine, Inc.	\$ 24,518	\$ 161,174
Benefit from income taxes	(782)	(50,948)
Amortization of intangible assets	14,168	19,886
Stock-based compensation	95,850	85,654
Amortization of debt issuance costs	3,394	4,486
Transaction-related costs	4,780	568
Restructuring and legal settlement costs	15,454	1,720
Adjustment to redeemable non-controlling interest	(347)	4,639
Gain on extinguishment of convertible senior notes	—	(65,112)
Total non-GAAP net income attributable to BlackLine, Inc.	<u>\$ 157,035</u>	<u>\$ 162,067</u>

### Results of Operations

The following tables set forth selected historical consolidated statements of operations data, which should be read in conjunction with Critical Accounting Estimates, Liquidity and Capital Resources, and Contractual Obligations and Commitments included in this Item 7, as well as Quantitative and Qualitative Disclosures About Market Risk and the Consolidated Financial Statements and Notes thereto included elsewhere in this Annual Report on Form 10-K.

	Year Ended December 31,	
	2025	2024
	(in thousands)	
<b>Revenues</b>		
Subscription and support	\$ 662,928	\$ 619,287
Professional services	37,499	34,049
Total revenues	700,427	653,336
<b>Cost of revenues</b>		
Subscription and support	144,038	135,308
Professional services	29,347	26,657
Total cost of revenues	173,385	161,965
<b>Gross profit</b>	527,042	491,371
<b>Operating expenses</b>		
Sales and marketing	258,930	248,347
Research and development	109,202	100,973
General and administrative	118,732	121,795
Restructuring costs	14,626	1,720
Total operating expenses	501,490	472,835
Income from operations	25,552	18,536
<b>Other income (expense)</b>		
Interest income	32,825	49,808
Interest expense	(10,149)	(8,758)
Gain on extinguishment of convertible senior notes	—	65,112
Other income, net	22,676	106,162
Income before income taxes	48,228	124,698
Provision for (benefit from) income taxes	20,971	(43,067)
Net income	27,257	167,765
Net income attributable to redeemable non-controlling interest	3,086	1,952
Adjustment attributable to redeemable non-controlling interest	(347)	4,639
Net income attributable to BlackLine, Inc.	\$ 24,518	\$ 161,174

## Revenues

	Year Ended December 31,		Change	
	2025	2024	\$	%
	(in thousands, except percentages)			
Subscription and support	\$ 662,928	\$ 619,287	\$ 43,641	7%
Professional services	37,499	34,049	3,450	10%
Total revenues	\$ 700,427	\$ 653,336	\$ 47,091	7%

	Year Ended December 31,	
	2025	2024
Dollar-based net revenue retention rate	105%	102%
Platform pricing ARR as a percentage of eligible ARR	11%	—
Number of customers	4,394	4,443

The increase in revenues for the year ended December 31, 2025, compared to the year ended December 31, 2024, was primarily driven by revenue from product expansion from existing customers and bookings from new customers. The total number of customers at December 31, 2025 remained relatively flat as compared to December 31, 2024.

### Cost of revenues

	Year Ended December 31,		Change	
	2025	2024	\$	%
	(in thousands, except percentages)			
Subscription and support	\$ 144,038	\$ 135,308	\$ 8,730	6%
Professional services	29,347	26,657	2,690	10%
Total cost of revenues	<u>\$ 173,385</u>	<u>\$ 161,965</u>	<u>\$ 11,420</u>	<u>7%</u>
Gross margin	75.2%	75.2%		

The increase in total cost of revenues for the year ended December 31, 2025, compared to the year ended December 31, 2024, was primarily due to the following:

- \$6.6 million increase in computer software expenses due to upgrades to support business growth and penetration in the public sector and overseas markets;
- \$3.8 million increase in amortization of developed technology due to net additions to software placed into service;
- \$1.5 million increase in professional fees; and
- \$1.5 million increase in employee compensation and benefits; partially offset by
- \$2.2 million decrease in depreciation and amortization due to certain assets becoming fully amortized in prior periods and an overall operational shift from traditional data centers to a cloud environment.

### Sales and marketing

	Year Ended December 31,		Change	
	2025	2024	\$	%
	(in thousands, except percentages)			
Sales and marketing	\$ 258,930	\$ 248,347	\$ 10,583	4%
Percentage of total revenues	37.0%	38.0%		

The increase in sales and marketing expenses for the year ended December 31, 2025, compared to the year ended December 31, 2024, was primarily due to the following:

- \$13.7 million increase in employee compensation and benefits;
- \$1.1 million increase in computer software expenses to support internal automation and scalability initiatives; and
- \$1.0 million increase in digital marketing expenses, partially offset by streamlined marketing efforts; partially offset by
- \$5.3 million decrease in depreciation and amortization due to certain assets becoming fully amortized in prior periods.

### Research and development

	Year Ended December 31,		Change	
	2025	2024	\$	%
	(in thousands, except percentages)			
Research and development, gross	\$ 134,977	\$ 126,643	\$ 8,334	7%
Capitalized internally-developed software costs	(25,775)	(25,670)	(105)	—%
Research and development, net	<u>\$ 109,202</u>	<u>\$ 100,973</u>	<u>\$ 8,229</u>	<u>8%</u>
Percentage of total revenues	15.6%	15.5%		

The increase in research and development expenses for the year ended December 31, 2025, compared to the year ended December 31, 2024, was primarily due to the following:

- \$8.0 million increase in employee compensation and benefits, partially offset by a decrease in average compensation per employee due to an increase in offshore headcount; and

- \$1.2 million increase in computer software expenses due to higher spend on cloud hosting services, as well as upgrades to support business growth; partially offset by
- \$1.9 million decrease in professional fees.

We remain committed to innovation and investing in AI to enhance our platform and business.

### General and administrative

	Year Ended December 31,		Change	
	2025	2024	\$	%
	(in thousands, except percentages)			
General and administrative	\$ 118,732	\$ 121,795	\$ (3,063)	(3%)
Percentage of total revenues	17.0%	18.6%		

The decrease in general and administrative expenses for the year ended December 31, 2025, compared to the year ended December 31, 2024, was primarily due to the following:

- \$8.2 million decrease primarily due to a favorable change in foreign currency, net of the impact of foreign currency forward contracts; and
- \$0.5 million decrease in employee compensation and benefits; partially offset by
- \$5.1 million increase in advisory and legal-related expenses; and
- \$0.7 million increase in computer software expenses due to higher spend to enhance automation and support scalability of our operations.

### Restructuring costs

	Year Ended December 31,		Change	
	2025	2024	\$	%
	(in thousands, except percentages)			
Restructuring costs	\$ 14,626	\$ 1,720	\$ 12,906	N/M

Restructuring costs of \$14.6 million were incurred during the year ended December 31, 2025, primarily related to one-time termination benefits under the Fiscal 2025 restructuring programs, while restructuring costs of \$1.7 million were incurred during the year ended December 31, 2024 related to one-time termination benefits under the Fiscal 2023 restructuring program. Refer to “Note 12 - Restructuring Costs” for additional information.

### Interest income

	Year Ended December 31,		Change	
	2025	2024	\$	%
	(in thousands, except percentages)			
Interest income	\$ 32,825	\$ 49,808	\$ (16,983)	(34%)

The decrease in interest income during the year ended December 31, 2025, compared to the year ended December 31, 2024, was primarily due to decreased average balances on our investments, as well as a decrease in average interest rates on our investments and cash balances.

### Interest expense

	Year Ended December 31,		Change	
	2025	2024	\$	%
	(in thousands, except percentages)			
Interest expense	\$ 10,149	\$ 8,758	\$ 1,391	16%

The increase in interest expense during the year ended December 31, 2025, compared to the year ended December 31, 2024, was primarily due to the cash interest expense and amortization of debt issuance costs related to our 2029 Notes issued in May 2024, partially offset by a decrease in interest expense from the partial repurchase of our 2026 Notes and the repayment of our 2024 Notes in August 2024. Refer to “Note 11 - Convertible Senior

Notes” for additional information. We do not expect interest expense to fluctuate significantly over the next 12 months as the interest rates on our Notes are fixed.

#### **Gain on extinguishment of convertible senior notes**

	Year Ended December 31,		Change	
	2025	2024	\$	%
	(in thousands, except percentages)			
Gain on extinguishment of convertible senior notes	\$ —	\$ 65,112	\$ (65,112)	(100%)

The gain on extinguishment of convertible senior notes during the year ended December 31, 2024 resulted from the partial repurchase of our 2026 Notes in May 2024. Refer to “Note 11 - Convertible Senior Notes” for additional information.

#### **Provision for (benefit from) income taxes**

	Year Ended December 31,		Change	
	2025	2024	\$	%
	(in thousands, except percentages)			
Provision for (benefit from) income taxes	\$ 20,971	\$ (43,067)	\$ 64,038	(149%)

For the year ended December 31, 2025, our annual estimated effective tax rate differed from the U.S. federal statutory rate of 21% primarily as a result of non-deductible officer compensation, stock-based compensation shortfalls, changes in the mix of profitable foreign jurisdictions, and changes in our valuation allowance for income taxes. For the years ended December 31, 2025 and 2024, we recorded \$21.0 million in income tax expense and \$43.1 million in income tax benefit, respectively. The increase in income taxes for the year ended December 31, 2025, compared to the year ended December 31, 2024, resulted primarily from the 2024 release of the \$89.1 million U.S. valuation allowance, as compared with the 2025 release of \$2.3 million of the BlackLine K.K. valuation allowance, increases in non-deductible officer compensation and stock-based compensation shortfalls, and changes in the mix of profitable foreign jurisdictions.

On July 4, 2025, the legislation formally titled “An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14” and commonly referred to as the “One Big Beautiful Bill” (“OBBB”) was enacted. The OBBB adjusted a number of provisions affecting businesses, including the immediate expensing of domestic research and development costs, limitations on deductions for interest expense, and accelerated fixed asset depreciation. The OBBB provisions did not have a material impact on our effective tax rate; however, several timing provisions results in significant 2025 cash savings.

### **Liquidity and Capital Resources**

At December 31, 2025, our principal sources of liquidity were an aggregate of \$778.2 million of cash and cash equivalents and marketable securities, which primarily consist of short-term, money market mutual funds, U.S. treasury securities, commercial paper, and corporate bonds.

We believe our existing cash and cash equivalents, investments in marketable securities, and cash from operations will be sufficient to meet our working capital needs, capital expenditures, financing obligations, and share repurchases for at least the next 12 months.

#### **Contractual Obligations and Commitments**

##### *Convertible senior notes and capped calls*

We had \$905.2 million aggregate principal amount of Notes outstanding at December 31, 2025, of which \$230.2 million is due in March 2026. We plan to, and believe we are able to, make all expected principal and interest payments in the next 12 months.

In connection with the offering of the 2029 Notes, we entered into privately-negotiated capped call transactions (the “2029 Capped Calls” and together with the 2026 Capped Calls (as defined below), the “Capped Calls”) with certain counterparties covering, subject to anti-dilution adjustments, approximately 9.9 million shares of our common stock, and are generally expected to offset the potential economic dilution of our common stock upon any conversions of the 2029 Notes up to the initial cap price. The 2029 Capped Calls have an initial strike price of \$68.47 per share subject to certain adjustments, which corresponds to the initial conversion price of the 2029 Notes

and an initial cap price of \$92.17 per share, subject to certain adjustments. At December 31, 2025, all of the 2029 Capped Calls remained outstanding.

In connection with the offering of the 2026 Notes, we entered into privately-negotiated capped call transactions (the “2026 Capped Calls”) with certain counterparties covering, subject to anti-dilution adjustments, approximately 6.9 million shares of our common stock, and are generally expected to offset the potential economic dilution of our common stock upon any conversions of the 2026 Notes up to the initial cap price. The 2026 Capped Calls have an initial strike price of \$166.23 per share subject to certain adjustments, which corresponds to the initial conversion price of the 2026 Notes and an initial cap price of \$233.31 per share, subject to certain adjustments. At December 31, 2025, all of the 2026 Capped Calls remained outstanding.

#### *Lease Liabilities*

At December 31, 2025, we have obligations totaling \$24.3 million related to existing property and equipment leases.

#### *Purchase Obligations*

Purchase obligations represent our most significant contractual obligations in the ordinary course of business for which we have not received the related goods or services, in whole or in part. At December 31, 2025, we have \$176 million of contractual obligations, with approximately \$60 million payable within 12 months, and have additional contractual obligations with other vendors that are individually immaterial and which we can readily settle given our liquidity position and capital resources.

#### *Unrecognized Tax Liabilities*

At December 31, 2025, while we have liabilities for unrecognized tax benefits of \$22.0 million, due to their nature, there is a high degree of uncertainty regarding the timing of future cash outflows and other events that extinguish these liabilities.

#### *OBBB*

The OBBB provisions did not have a material impact on our effective tax rate, but several timing provisions resulted in significant 2025 cash tax savings. Refer to “Note 14 – “Income Taxes” for additional information.

#### *Letters of Credit*

Commitments under letters of credit at December 31, 2025 were scheduled to expire as follows (in thousands):

	Total	Less than 1 Year	1-3 Years	3-5 Years	Thereafter
Letters of credit	\$ 354	\$ —	\$ 354	\$ —	\$ —

Letters of credit are maintained pursuant to certain of our lease arrangements. The letters of credit remain in effect at varying levels through the terms of the related agreements.

#### *Repurchase Program*

On November 17, 2024, our Board authorized the repurchase of up to \$200 million of our common stock. On September 4, 2025, our Board approved an increase to our stock buyback program of an additional \$200 million, for a total overall authorization to repurchase up to \$400 million of our common stock. Our Board also approved the elimination of the expiration date of the program, which was previously set to expire on March 31, 2027.

Repurchases may be made from time to time through open market repurchases or through privately-negotiated transactions subject to market conditions, applicable legal requirements and other relevant factors. Open market repurchases may be structured to occur in accordance with the requirements of Rule 10b-18 of the Securities Exchange Act of 1934, as amended. We may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its shares under this authorization. The repurchase program does not obligate us to acquire any particular amount of our common stock, and it may be suspended at any time in our discretion. The timing and actual number of shares repurchased may depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities.

We repurchased and retired approximately 4.5 million shares of common stock for \$235.5 million during the year ended December 31, 2025. At December 31, 2025, \$164.5 million of buyback capacity remained under this program.

### Off-Balance Sheet Arrangements

As part of our ongoing business, we do not have any relationships with other entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities that have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We are therefore not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in those types of relationships.

In the ordinary course of business, we may provide indemnification of varying scope and terms to customers, vendors, investors, directors and officers with respect to certain matters, including, but not limited to, losses arising out of our breach of such agreements, services to be provided by us, or from intellectual property infringement claims made by third parties. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments we could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments we could be required to make under these indemnification provisions is indeterminable. We have never paid a material claim, nor have we been sued in connection with these indemnification arrangements. At December 31, 2025, we have not accrued a liability for these indemnification arrangements because the likelihood of incurring a payment obligation, if any, in connection with these indemnification arrangements is not probable or reasonably estimable.

### Future Capital Requirements

Our future capital requirements will depend on many factors, including our growth rate, strategic relationships and international operations, the timing and extent of spending to support research and development efforts, future merger and acquisition activities, repurchase or refinancing of our existing indebtedness, repurchases of our common stock, and the continuing market acceptance of our solutions. From time to time, we have required, and may in the future require or opportunistically raise, additional equity or debt financing. Sales of additional equity or equity-linked securities could result in dilution to our stockholders. If we raise funds by borrowing from third parties, the terms of those financing arrangements would require us to incur interest expense and may include negative covenants or other restrictions on our business that could impair our operating flexibility. We can provide no assurance that financing will be available at all or, if available, that we would be able to obtain financing on terms favorable to us. If we are unable to raise additional capital when needed, we would be required to curtail our operating activities and capital expenditures, and our business operating results and financial condition would be adversely affected.

### Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	Year Ended December 31,	
	2025	2024
	(in thousands)	
Net cash provided by operating activities	\$ 169,567	\$ 190,836
Net cash provided by (used in) investing activities	\$ (425,289)	\$ 924,440
Net cash used in financing activities	\$ (240,113)	\$ (500,145)

### Net Cash Provided By Operating Activities

Our cash flows provided by operating activities are primarily driven by net income, and cash generated from collections in accordance with our subscription-based revenue model wherein billings occur in advance of revenue recognition, adjusted for significant non-cash activity. Non-cash activity primarily includes depreciation and amortization, stock-based compensation, non-cash lease expense, amortization of debt issuance costs, accretion of premiums on marketable securities, and deferred taxes.

For the year ended December 31, 2025, cash provided by operating activities was \$169.6 million, resulting from net non-cash expenses of \$152.5 million and net income of \$27.3 million, partially offset by net cash outflow from changes in our operating assets and liabilities of \$10.2 million. The \$10.2 million net cash outflow from changes in our operating assets and liabilities reflected primarily the following:

- \$38.2 million increase in accounts receivable primarily due to billings outpacing cash collections from customers;
- \$5.9 million decrease in operating lease liabilities; and
- \$3.7 million increase in other assets primarily due to net increase in prepaid commissions and capitalization related to strategic IT projects and software upgrades.

These changes in our operating assets and liabilities were partially offset by the following:

- \$29.2 million increase in deferred revenue primarily due to the higher bookings in 2025 coupled with timing of billings for subscription and support;
- \$5.3 million increase in accounts payable due to timing of payments; and
- \$3.2 million increase in accrued expenses and other current liabilities. This was primarily driven by costs for employee termination benefits and other exit activities related to our Fiscal 2025 restructuring programs and increased accrued commissions, partially offset by decreased bonus accruals.

For the year ended December 31, 2024, cash provided by operating activities was \$190.8 million, resulting from net income of \$167.8 million, net cash flow provided by changes in our operating assets and liabilities of \$16.8 million, and net non-cash expenses of \$6.3 million. The \$16.8 million net cash flow provided by changes in our operating assets and liabilities reflected primarily the following:

- \$19.0 million increase in deferred revenue was primarily driven by customer and user growth, and timing of collections for subscription and support;
- \$7.1 million increase in accrued expenses and other current liabilities primarily due to annual bonus accruals, cloud-based data storage services, and timing of foreign tax payments;
- \$2.7 million net decrease in prepaid expenses and other current assets primarily due to a decrease in accrued interest and amortization of prepaid balances, partially offset by the timing of tax payments and prepaid cloud-based data storage costs to support our suite of solutions; and
- \$2.5 million decrease in other assets due to a net decrease in prepaid commissions, partially offset by cloud computing costs.

These changes in our operating assets and liabilities were partially offset by the following:

- \$7.6 million increase in accounts receivable primarily due to increased sales, partially offset by customer payments;
- \$6.0 million decrease in operating lease liabilities; and
- \$1.1 million decrease in accounts payable due to timing of payments.

#### ***Net Cash Provided By (Used In) Investing Activities***

Our investing activities consist primarily of investments in, and maturities and sales of marketable securities, capitalized software development costs, business acquisitions, and capital expenditures for property and equipment.

For the year ended December 31, 2025, cash used in investing activities was \$425.3 million, primarily as a result of the following:

- \$374.4 million of purchases of marketable securities, net of proceeds from maturities and sales;
- \$26.6 million for capitalized software development costs;
- \$16.2 million paid for the WL Acquisition, net of cash acquired; and
- \$8.1 million in purchases of property and equipment.

For the year ended December 31, 2024, cash provided by investing activities was \$924.4 million, primarily as a result of the following:

- \$951.3 million of proceeds from maturities and sales, net of purchases of marketable securities; partially offset by
- \$24.7 million for capitalized software development costs; and
- \$2.1 million in purchases of property and equipment.

#### ***Net Cash Used In Financing Activities***

For the year ended December 31, 2025, cash used in financing activities was \$240.1 million, primarily as a result of the following:

- \$235.5 million for repurchases of common stock; and
- \$16.9 million for acquisitions of common stock for tax withholding obligations; partially offset by

- \$7.2 million of proceeds from the employee stock purchase plan; and
- \$5.2 million of proceeds from exercises of stock options.

For the year ended December 31, 2024, cash used in financing activities was \$500.1 million, primarily as a result of the following:

- \$848.5 million for the partial repurchase of the 2026 Notes;
- \$250.0 million for the repayment of the 2024 Notes with cash on hand;
- \$59.7 million for the purchase of the associated Capped Calls for the 2029 Notes; and
- \$17.5 million for acquisitions of common stock for tax withholding obligations; partially offset by
- \$662.0 million of proceeds, net of debt issuance costs, from the issuance of the 2029 Notes;
- \$7.6 million of proceeds from exercises of stock options; and
- \$7.0 million of proceeds from the employee stock purchase plan.

### **Backlog**

We enter into both single and multi-year subscription contracts for our solutions. The timing of our invoices to the customer is a negotiated term and thus varies among our subscription contracts. For multi-year agreements, it is common to invoice an initial amount at contract signing followed by subsequent annual invoices. Backlog represents remaining revenue to be recognized under a non-cancelable contract with customers. At December 31, 2025 and 2024, we had backlog of approximately \$1.1 billion and \$879.4 million, respectively. We expect backlog will change from period to period for several reasons, including the timing and duration of customer agreements, varying billing cycles of subscription agreements, and the timing and duration of customer renewals. Because revenue for any period is a function of revenue recognized from deferred revenue under contracts in existence at the beginning of the period, as well as contract renewals and new customer contracts during the period, backlog at the beginning of any period is not necessarily indicative of future revenue performance. We do not utilize backlog as a key management metric internally.

### **Critical Accounting Estimates**

Our consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 10-K are prepared in accordance with GAAP. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We believe that the following critical accounting policies and estimates involve a greater degree of judgment or complexity than our other accounting policies and estimates, and are essential to a full understanding and evaluation of our consolidated financial condition and results of operations. Refer to “Note 2 - Basis of Presentation, Significant Accounting Policies, and Recently-Issued Accounting Pronouncements” of the accompanying notes to our consolidated financial statements for additional information.

### **Deferred Customer Acquisition Costs**

We recognize an asset for the incremental and recoverable costs of obtaining a contract with a customer if we expect the benefit of those costs to be one year or longer. We have determined that certain sales incentive programs to our employees (“deferred customer contract acquisition costs”) and our partners (“partner referral fees”) meet the requirements to be capitalized. Deferred customer acquisition costs related to new revenue contracts and upsells are deferred and then amortized on a straight-line basis over the expected period of benefit that we have determined to be five years, based upon both the product turnover rate and estimated customer life, which involves some level of judgment in terms of the inherent assumptions used. Partner referral fees are deferred and then amortized on a straight-line basis over a period ranging from one year to five years. Deferred customer acquisition costs and partner referral fees are included within other assets in the consolidated balance sheets. There were no impairment losses in relation to the costs capitalized for the periods presented.

### **Capitalized Software Costs**

We account for the costs of computer software obtained or developed for internal use in accordance with Accounting Standards Codification 350, *Intangibles—Goodwill and Other*. We capitalize certain implementation costs incurred in a hosting arrangement that is a service contract. These capitalized costs exclude training costs,

project management costs, and data migration costs. We capitalize certain costs in the development of our SaaS subscription solutions when (i) the preliminary project stage is completed, (ii) management has authorized further funding for the completion of the project, and (iii) it is probable that the project will be completed and performed as intended. These capitalized costs include estimated personnel and related expenses for employees as well as costs of third-party contractors who are directly associated with and who devote time to internal-use software projects and, when material, interest costs incurred during the development. Capitalization of these costs ceases once the project is substantially complete and the software is ready for its intended purpose. Costs incurred for significant upgrades and enhancements to our SaaS software solutions are also capitalized. Costs incurred for post-configuration training, maintenance and minor modifications or enhancements are expensed as incurred. Capitalized software development costs are amortized on a straight-line basis over an estimated useful life of three years.

### **Business Combinations**

The results of businesses acquired in business combinations are included in our consolidated financial statements from the date of the acquisition. Purchase accounting results in assets and liabilities of an acquired business being recorded at their estimated fair values on the acquisition date. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill.

We perform valuations of assets acquired and liabilities assumed and allocate the purchase price to its respective assets and liabilities. Determining the fair value of assets acquired and liabilities assumed requires our management to use significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenue, costs and cash flows, discount rates, and selection of comparable companies. We engage the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in business combinations.

Contingent consideration, if any, payable in cash arising from business combinations is recorded at fair value as a liability on the acquisition date and remeasured at each reporting date. Changes in fair value are recorded in general and administrative expenses in the consolidated statements of operations. Determining the fair value of the contingent consideration each period requires management to make assumptions and judgments. These estimates involve inherent uncertainties, and if different assumptions had been used, the fair value of contingent consideration could have been materially different from the amounts recorded. The significant inputs used in the fair value measurement of contingent consideration was the amount and timing of new and incremental combined bookings from FourQ and BlackLine, and revenues from a specified FourQ customer over a three-year period subsequent to the acquisition.

Significant changes in these estimates and the periods in which they are generated would significantly impact the fair value of the contingent consideration liability. At January 26, 2025, the financial performance milestones were not met, and we were no longer obligated to pay the contingent consideration of \$73.2 million.

Transaction-related costs incurred by us are expensed as incurred and are included in general and administrative expenses in our consolidated statements of operations.

### **Recent Accounting Pronouncements**

Refer to “Note 2 - Basis of Presentation, Significant Accounting Policies, and Recently-Issued Accounting Pronouncements” contained in the “Notes to Consolidated Financial Statements” in Part II, Item 8 of this Annual Report on Form 10-K for a full description of the recent accounting pronouncements, and our expectation of their impact, if any, on our results of operations and financial condition.

### **Item 7A. Quantitative and Qualitative Disclosures About Market Risks**

We have operations both within the U.S. and internationally, and we are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate, foreign exchange, and inflation risks, as well as risks relating to changes in the general economic conditions in the countries where we conduct business. To reduce these risks, we monitor the financial condition of our customers and limit credit exposure by collecting in advance and setting credit limits as we deem appropriate. In addition, our investment strategy is focused on financial instruments that are highly liquid and readily convertible into cash for use in our operations. We use foreign currency forward contracts to mitigate exposure to foreign currency exchange rate fluctuations associated with certain foreign currency-denominated monetary assets.

#### **Interest Rate Risk**

We are exposed to market risk related to changes in interest rates.

In May 2024, we issued \$675.0 million aggregate principal amount of the 2029 Notes. The 2029 Notes have a fixed annual interest rate of 1.00%; therefore, we do not have economic interest rate exposure with respect to the 2029 Notes. However, the fair value of the 2029 Notes is exposed to interest rate risk. Generally, the fair market value of the Notes will increase as interest rates fall and decrease as interest rates rise. In addition, the fair value of the Notes is affected by our common stock price. The fair value of the Notes will generally increase as our common stock price increases and will generally decrease as our common stock price declines. Additionally, we carry the Notes at face value less unamortized issuance costs on our consolidated balance sheet, and we present the fair value for required disclosure purposes only.

In March 2021, we issued \$1.150 billion aggregate principal amount of the 2026 Notes and partially repurchased \$919.8 million aggregate principal amount in May 2024. The 2026 Notes have a fixed annual interest rate of 0.0%; therefore, we do not have economic interest rate exposure with respect to the 2026 Notes. However, the fair value of the 2026 Notes is exposed to interest rate risk.

We had cash and cash equivalents and marketable securities of \$778.2 million at December 31, 2025. Our cash equivalents and marketable securities consist of highly liquid money market mutual funds, U.S. treasury securities, commercial paper, and corporate bonds.

The carrying amount of our cash equivalents and marketable securities reasonably approximates fair value due to the highly liquid nature of these instruments. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. We do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to fluctuations in interest rates, which may affect our interest income and the fair market value of our investments. Due to the short-term nature of our investment portfolio, however, we do not believe an immediate 10% increase or decrease in interest rates would have a material effect on the fair market value of our portfolio. We therefore do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

We do not believe our cash equivalents and marketable securities have significant risk of default or illiquidity. While we believe our cash equivalents and marketable securities do not contain excessive risk, we cannot provide absolute assurance that in the future, our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits. We cannot be assured that we will not experience losses on these deposits.

#### **Foreign Currency Risk**

While we primarily transact with customers in the U.S. Dollar, we are exposed to foreign currency exchange rate risk arising from our international operations denominated in the Australian Dollar, British Pound, Canadian Dollar, Euro, Indian Rupee, Japanese Yen, Mexican Peso, Romanian Leu, and Singapore Dollar. We expect to continue to expand our international operations and customer sales. Our international subsidiaries maintain certain asset and liability balances that are denominated in currencies other than the functional currencies of these subsidiaries, which is the U.S. Dollar for all international subsidiaries, with the exception of our Japanese subsidiary, for which the Japanese Yen is the functional currency. Changes in the value of foreign currencies relative to the U.S. Dollar can result in fluctuations in our total assets, liabilities, revenue, operating expenses, and cash flows, and may increase the costs of international expansion. The effect of a hypothetical 10% increase or decrease in the value of the U.S. Dollar relative to foreign-denominated currencies applicable to our business would have reduced by approximately \$6.4 million or increased by approximately \$6.4 million, respectively, our cash balances at December 31, 2025.

During the year ended December 31, 2025, we initiated a program to hedge exposures to cash fluctuations in the British Pound and the Euro using foreign currency forward contracts. The forward contracts are not designated as hedging instruments under ASC 815, *Derivatives and Hedging*. We do not enter into derivative financial contracts for speculative or trading purposes.

Our hedging program aims to reduce, but does not entirely eliminate, the impact of currency exchange rate movements. We consider the counterparty to the foreign currency forward contracts to be a creditworthy multinational commercial bank, and therefore, the risk of counterparty non-performance is not material. While we strive to mitigate foreign currency exchange rate risks, there is no assurance that our hedging activities will fully protect us against the risks associated with foreign currency fluctuations. We believe a substantial portion of any fluctuation would be offset by monetary assets maintained in local currency.

#### **Inflation Risk**

Inflationary pressures may affect our customers' purchasing power and budget allocations, particularly for discretionary technology spending. If our customers experience increased costs in other areas of their operations, they may delay or reduce their investment in software solutions, which could impact our sales cycle and overall

demand. Furthermore, if our own costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases, and this could also adversely affect our financial condition or results of operations. While we have not experienced a material inflationary impact on customer engagement or our own operations, we continue to monitor macroeconomic conditions closely.

**Item 8. Financial Statements and Supplementary Data**

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## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of BlackLine, Inc.

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of BlackLine, Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations, of comprehensive income, of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### ***Revenue Recognition – Certain Subscription and Support Revenue***

As described in Note 2 to the consolidated financial statements, customers pay subscription and support fees for access to the Company's software as a service (SaaS) platform. Subscription contracts typically have initial terms of one year to three years with renewal options. Historically, fees were based on a number of factors, such as the solutions subscribed for and the number of users with access to the solutions. In 2025, the Company launched a new pricing model that incorporates additional factors, such as product mix, organization size, and volumetrics (e.g., number of transactions or entities). Subscription services, which includes support, is recognized on a straight-line basis over the non-cancellable contractual term of the arrangement, generally beginning on the date that the Company's service is made available to the customer. The Company's subscription and support revenue for the year ended December 31, 2025 was \$662.9 million, of which a majority pertains to certain of the Company's subscription and support revenue.

The principal consideration for our determination that performing procedures relating to revenue recognition for certain subscription and support revenue is a critical audit matter is a high degree of auditor effort in performing procedures related to the recognition of certain of the Company's subscription and support revenue.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the initiation, billing and recording of certain new and recurring subscriptions and the related subscription and support revenue. These procedures also included, among others (i) for certain subscription and support revenue, (a) testing the revenue recognized for a sample of new and modified contracts by obtaining and inspecting source documents, such as executed contracts, invoices, and cash receipts, and recalculating revenue recognized for the year ended December 31, 2025 and the deferred revenue balance as of December 31, 2025 and (b) testing the revenue recognized for the year ended December 31, 2025 from prior year unmodified contracts by recalculating the revenue recognized; (ii) confirming a sample of outstanding customer invoice balances as of December 31, 2025 and, for confirmations not returned, obtaining and inspecting source documents, such as executed contracts, invoices, subsequent cash receipts, and other source documents to support collectability of outstanding customer invoice balances; and (iii) testing the issuance of a sample of credit memos by obtaining and inspecting source documents, such as credit memos, original invoices, and re-issued invoices.

/s/ PricewaterhouseCoopers LLP  
Los Angeles, California  
February 25, 2026

We have served as the Company's auditor since 2014.

**BLACKLINE, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except shares and par values)

	December 31, 2025	December 31, 2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 390,034	\$ 885,915
Marketable securities (amortized cost of \$387,936 and \$0 at December 31, 2025 and 2024, respectively)	388,178	—
Accounts receivable, net of allowances of \$2,970 and \$2,964 at December 31, 2025 and 2024, respectively	218,100	178,141
Prepaid expenses and other current assets	28,897	28,348
Total current assets	<u>1,025,209</u>	<u>1,092,404</u>
Capitalized software development costs, net	49,494	45,448
Property and equipment, net	13,255	11,840
Intangible assets, net	49,352	59,520
Goodwill	465,804	448,965
Operating lease right-of-use assets	22,756	22,772
Deferred tax assets, net	39,341	53,208
Other assets	94,308	90,879
Total assets	<u>\$ 1,759,519</u>	<u>\$ 1,825,036</u>
<b>LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST, AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 15,523	\$ 8,463
Accrued expenses and other current liabilities	76,790	71,574
Deferred revenue, current	368,593	338,615
Finance lease liabilities, current	12	66
Operating lease liabilities, current	4,436	3,525
Convertible senior notes, net, current	230,023	—
Total current liabilities	<u>695,377</u>	<u>422,243</u>
Finance lease liabilities, noncurrent	40	53
Operating lease liabilities, noncurrent	19,850	20,283
Convertible senior notes, net, noncurrent	666,046	892,675
Deferred tax liabilities, net	5,244	4,532
Deferred revenue, noncurrent	922	1,390
Other long-term liabilities	593	708
Total liabilities	<u>1,388,072</u>	<u>1,341,884</u>
Commitments and contingencies (Note 16)		
Redeemable non-controlling interest (Note 4)	39,121	36,483
Stockholders' equity:		
Common stock, \$0.01 par value, 500,000,000 shares authorized, 59,880,563 and 62,813,352 issued and outstanding at December 31, 2025 and 2024, respectively	599	628
Additional paid-in capital	356,841	495,391
Accumulated other comprehensive loss	(296)	(361)
Accumulated deficit	(24,818)	(48,989)
Total stockholders' equity	<u>332,326</u>	<u>446,669</u>
Total liabilities, redeemable non-controlling interest, and stockholders' equity	<u>\$ 1,759,519</u>	<u>\$ 1,825,036</u>

The accompanying notes are an integral part of these consolidated financial statements.

**BLACKLINE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share data)

	Year Ended December 31,		
	2025	2024	2023
<b>Revenues</b>			
Subscription and support	\$ 662,928	\$ 619,287	\$ 555,516
Professional services	37,499	34,049	34,480
Total revenues	<u>700,427</u>	<u>653,336</u>	<u>589,996</u>
<b>Cost of revenues</b>			
Subscription and support	144,038	135,308	121,308
Professional services	29,347	26,657	25,485
Total cost of revenues	<u>173,385</u>	<u>161,965</u>	<u>146,793</u>
Gross profit	<u>527,042</u>	<u>491,371</u>	<u>443,203</u>
<b>Operating expenses</b>			
Sales and marketing	258,930	248,347	243,154
Research and development	109,202	100,973	103,207
General and administrative	118,732	121,795	71,530
Restructuring costs	14,626	1,720	10,964
Total operating expenses	<u>501,490</u>	<u>472,835</u>	<u>428,855</u>
Income from operations	<u>25,552</u>	<u>18,536</u>	<u>14,348</u>
<b>Other income (expense)</b>			
Interest income	32,825	49,808	52,059
Interest expense	(10,149)	(8,758)	(5,898)
Gain on extinguishment of convertible senior notes	—	65,112	—
Other income, net	<u>22,676</u>	<u>106,162</u>	<u>46,161</u>
Income before income taxes	48,228	124,698	60,509
Provision for (benefit from) income taxes	20,971	(43,067)	1,450
Net income	<u>27,257</u>	<u>167,765</u>	<u>59,059</u>
Net income attributable to redeemable non-controlling interest (Note 4)	3,086	1,952	892
Adjustment attributable to redeemable non-controlling interest (Note 4)	(347)	4,639	5,334
Net income attributable to BlackLine, Inc.	<u>\$ 24,518</u>	<u>\$ 161,174</u>	<u>\$ 52,833</u>
Basic net income per share attributable to BlackLine, Inc.	<u>\$ 0.40</u>	<u>\$ 2.59</u>	<u>\$ 0.87</u>
Shares used to calculate basic net income per share	<u>61,430</u>	<u>62,129</u>	<u>60,849</u>
Diluted net income per share attributable to BlackLine, Inc.	<u>\$ 0.39</u>	<u>\$ 1.45</u>	<u>\$ 0.81</u>
Shares used to calculate diluted net income per share	<u>65,921</u>	<u>73,503</u>	<u>72,045</u>

The accompanying notes are an integral part of these consolidated financial statements.

**BLACKLINE, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 27,257	\$ 167,765	\$ 59,059
Other comprehensive income (loss):			
Net change in unrealized gains (losses) on marketable securities, net of (provision for) benefit from taxes of \$(56), \$123, and \$(123), for the years ended December 31, 2025, 2024, and 2023, respectively	175	(393)	1,755
Foreign currency translation	(211)	(355)	(136)
Other comprehensive income (loss)	(36)	(748)	1,619
Comprehensive income	27,221	167,017	60,678
Less comprehensive income attributable to redeemable non-controlling interest:			
Net income attributable to redeemable non-controlling interest	3,086	1,952	892
Foreign currency translation attributable to redeemable non-controlling interest	(101)	(182)	(58)
Comprehensive income attributable to redeemable non-controlling interest	2,985	1,770	834
Comprehensive income attributable to BlackLine, Inc.	<u>\$ 24,236</u>	<u>\$ 165,247</u>	<u>\$ 59,844</u>

The accompanying notes are an integral part of these consolidated financial statements.

**BLACKLINE, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Shares	Amount				
Balance at December 31, 2022	60,017	\$ 600	\$ 385,709	\$ (1,472)	\$ (272,969)	\$ 111,868
Stock option exercises	583	7	19,749	—	—	19,756
Vesting of restricted stock units	738	6	—	—	—	6
Issuance of common stock through employee stock purchase plan	177	2	8,008	—	—	8,010
Acquisition of common stock for tax withholding obligations	—	—	(15,029)	—	—	(15,029)
Stock-based compensation	—	—	81,760	—	—	81,760
Other comprehensive income	—	—	—	1,677	—	1,677
Net income attributable to BlackLine, Inc., including adjustment to redeemable non-controlling interest	—	—	(5,334)	—	58,167	52,833
Balance at December 31, 2023	61,515	615	474,863	205	(214,802)	260,881
Stock option exercises	386	3	7,580	—	—	7,583
Vesting of restricted stock units	756	8	—	—	—	8
Issuance of common stock through employee stock purchase plan	156	2	7,004	—	—	7,006
Acquisition of common stock for tax withholding obligations	—	—	(17,465)	—	—	(17,465)
Stock-based compensation	—	—	87,786	—	—	87,786
Other comprehensive loss	—	—	—	(566)	—	(566)
Purchase of capped calls	—	—	(59,738)	—	—	(59,738)
Net income attributable to BlackLine, Inc., including adjustment to redeemable non-controlling interest	—	—	(4,639)	—	165,813	161,174
Balance at December 31, 2024	62,813	628	495,391	(361)	(48,989)	446,669
Stock option exercises	148	2	5,204	—	—	5,206
Vesting of restricted stock units	942	9	—	—	—	9
Repurchases of common stock, including excise taxes	(4,495)	(45)	(237,077)	—	—	(237,122)
Issuance of common stock through employee stock purchase plan	157	2	7,171	—	—	7,173
Issuance of common stock for acquisition	316	3	5,407	—	—	5,410
Acquisition of common stock for tax withholding obligations	—	—	(16,892)	—	—	(16,892)
Stock-based compensation	—	—	97,290	—	—	97,290
Other comprehensive income	—	—	—	65	—	65
Net income attributable to BlackLine, Inc., including adjustment to redeemable non-controlling interest	—	—	347	—	24,171	24,518
Balance at December 31, 2025	59,881	\$ 599	\$ 356,841	\$ (296)	\$ (24,818)	\$ 332,326

The accompanying notes are an integral part of these consolidated financial statements.

**BLACKLINE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
<b>Cash flows from operating activities</b>			
Net income attributable to BlackLine, Inc.	\$ 24,518	\$ 161,174	\$ 52,833
Net income and adjustment attributable to redeemable non-controlling interest (Note 4)	2,739	6,591	6,226
Net income	27,257	167,765	59,059
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	46,535	50,345	50,099
Change in fair value of contingent consideration	—	—	(33,549)
Amortization of debt issuance costs	3,394	4,486	5,535
Stock-based compensation	92,590	83,251	77,970
Gain on extinguishment of convertible senior notes	—	(65,112)	—
Noncash lease expense	5,923	6,221	6,453
Accretion of purchase discounts on marketable securities, net	(11,690)	(18,441)	(33,884)
Net foreign currency losses	605	279	853
Deferred income taxes	15,047	(54,802)	(1,525)
Provision for (benefit from) credit losses	107	84	(18)
Changes in operating assets and liabilities, net of impact of acquisition:			
Accounts receivable	(38,159)	(7,552)	(20,855)
Prepaid expenses and other current assets	(251)	2,742	(6,599)
Other assets	(3,663)	2,505	(595)
Accounts payable	5,346	(1,123)	(5,104)
Accrued expenses and other current liabilities	3,209	7,087	(924)
Deferred revenue	29,236	18,968	41,271
Contingent consideration paid in excess of original estimates	—	—	(2,393)
Operating lease liabilities	(5,872)	(5,963)	(7,171)
Lease incentive receipts	30	—	240
Other long-term liabilities	(77)	96	(2,250)
Net cash provided by operating activities	169,567	190,836	126,613
<b>Cash flows from investing activities</b>			
Purchases of marketable securities	(747,644)	(396,104)	(1,343,331)
Proceeds from maturities of marketable securities	373,000	1,023,286	1,319,821
Proceeds from sales of marketable securities	200	324,098	—
Capitalized software development costs	(26,597)	(24,714)	(21,644)
Purchases of property and equipment	(8,074)	(2,126)	(5,953)
Acquisition, net of cash acquired	(16,174)	—	(11,376)
Net cash provided by (used in) investing activities	(425,289)	924,440	(62,483)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of convertible senior notes, net of issuance costs	—	661,979	—
Partial repurchase of convertible senior notes	—	(848,519)	—
Repayment of convertible senior notes	—	(250,000)	—
Purchase of capped calls related to convertible senior notes	—	(59,738)	—
Principal payments under finance lease obligations	(66)	(999)	(990)
Repurchases of common stock	(235,543)	—	—
Proceeds from exercises of stock options	5,215	7,591	19,762
Proceeds from employee stock purchase plan	7,173	7,006	8,010
Acquisition of common stock for tax withholding obligations	(16,892)	(17,465)	(15,029)
Payment of contingent consideration for the 2013 Acquisition	—	—	(5,607)
Net cash provided by (used in) financing activities	(240,113)	(500,145)	6,146
Effect of foreign currency exchange rate changes on cash, cash equivalents, and restricted cash	(92)	(347)	(120)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(495,927)	614,784	70,156
Cash, cash equivalents, and restricted cash, beginning of period	886,147	271,363	201,207
Cash, cash equivalents, and restricted cash, end of period	\$ 390,220	\$ 886,147	\$ 271,363
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets			
Cash and cash equivalents at end of period	\$ 390,034	\$ 885,915	\$ 271,117
Restricted cash included within prepaid expenses and other current assets at end of period	186	—	—
Restricted cash included within other assets at end of period	—	232	246
Total cash, cash equivalents, and restricted cash at end of period shown in the consolidated statements of cash flows	\$ 390,220	\$ 886,147	\$ 271,363

The accompanying notes are an integral part of these consolidated financial statements.

**BLACKLINE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**SUPPLEMENTAL CASH FLOWS DISCLOSURE**  
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Supplemental disclosures of cash flow information			
Cash paid for interest	\$ 6,750	\$ 3,819	\$ 313
Non-cash financing and investing activities			
Stock-based compensation capitalized for software development	\$ 4,700	\$ 4,534	\$ 3,481
Capitalized software development costs included in accounts payable and accrued expenses and other current liabilities at end of period	\$ 2,004	\$ 2,813	\$ 1,510
Purchases of property and equipment included in accounts payable and accrued expenses and other current liabilities at end of period	\$ 1,666	\$ 2,400	\$ 60
Accrued liabilities for business acquisition purchase consideration holdback	\$ 1,727	\$ —	\$ —
Issuance of common stock for acquisition	\$ 5,410	\$ —	\$ —
Leased assets obtained in exchange for new financing lease liabilities	\$ —	\$ 385	\$ —
Leased assets obtained in exchange for new operating lease liabilities	\$ 5,834	\$ 10,092	\$ 10,438
Leasehold improvements paid directly by landlord	\$ —	\$ —	\$ 271
Excise tax on repurchases of common stock	\$ 1,579	\$ —	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

**BLACKLINE, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 – The Company**

BlackLine, Inc. and its subsidiaries (the “Company” or “BlackLine”) offer a future-ready platform that drives digital finance transformation by empowering organizations with accurate, efficient, and intelligent financial operations. Built on the Studio360 platform, BlackLine unifies data, streamlines processes, and delivers real-time insights through automation and intelligence powered by Verity - a comprehensive suite of embedded, auditable AI capabilities that provides finance and accounting teams with a new digital workforce.

The Company is a holding company and conducts its operations through its wholly-owned subsidiary, BlackLine Systems, Inc. (“BlackLine Systems”).

On December 15, 2025, the Company acquired WiseLayer (“WL” and such acquisition, the “WL Acquisition”). WL has developed a digital workforce of AI-powered agents to automate complex, judgment-based finance and accounting processes. The Company acquired WL because of its unique value proposition in developing an agentic AI platform that is focused on accounting and which accelerates the Company’s own AI roadmap. This acquisition was not a significant acquisition under Regulation S-X, and the purchase accounting allocation is preliminary.

The Company is headquartered in Woodland Hills, California, with additional offices in North America, Europe, and the Asia-Pacific region.

**Note 2 – Basis of Presentation, Significant Accounting Policies, and Recently-Issued Accounting Pronouncements**

**Principles of consolidation and basis of presentation**

The accompanying consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and include the operating results of its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated on consolidation.

**Use of estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, management evaluates its estimates, primarily those related to determining the stand-alone selling price for separate deliverables in the Company’s subscription revenue arrangements, allowance for doubtful accounts, cancellations and credits, fair value of assets and liabilities assumed in a business combination, recoverability of goodwill and long-lived assets, useful lives associated with long-lived assets and right-of-use assets, income taxes, contingencies, fair value of the 0.00% Convertible Senior Notes due in 2026 (the “2026 Notes”) and 1.00% Convertible Senior Notes due in 2029 (the “2029 Notes” and, together with the 2026 Notes, the “Notes” or “convertible senior notes”), redemption value of redeemable non-controlling interest, and the valuation and assumptions underlying stock-based compensation. These estimates are based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances. Actual results could differ from those estimates.

The Company assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to the Company at December 31, 2025 and through the date of this report. The accounting matters assessed included, but were not limited to, the allowance for credit losses, and the carrying value of goodwill and other long-lived assets. While there was not a material impact to the Company’s consolidated financial statements for the year ended December 31, 2025, the Company’s future assessment of these accounting matters and other factors could result in material impacts to the Company’s consolidated financial statements in future reporting periods.

**Segments**

Management has determined that the Company has one operating segment. The Company’s Chief Executive Officer is the Chief Operating Decision Maker (“CODM”) and reviews the financial information on a consolidated and aggregate basis, together with certain operating metrics principally to make decisions about how to allocate resources and measure the Company’s performance.

**Concentration of credit risk and significant customers**

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents, investments in marketable securities, accounts receivable, and foreign currency forward contracts.

The Company maintains the majority of its cash balances with one major commercial bank in interest-bearing accounts, which exceeds the Federal Deposit Insurance Corporation, or FDIC, federally insured limits. The Company invests its excess cash in money market mutual funds, U.S. treasury securities, commercial paper, and corporate bonds, with two major investment banks. To date, the Company has not experienced any impairment losses on its investments.

For the years ended December 31, 2025, 2024, and 2023, no single customer comprised 10% or more of the Company's total revenues. No single customer had an accounts receivable balance of 10% or greater of total accounts receivable at December 31, 2025 or 2024.

The Company enters into foreign currency forward contracts, in which a credit risk exists to the extent that the counterparty may be unable to meet the terms of the arrangement. The Company mitigates this credit risk by transacting with a major financial institution with high credit ratings and entering into master netting arrangements, which permit net settlement of transactions with the same counterparty. The Company is not required to pledge, and are not entitled to receive, cash collateral related to these derivative instruments.

**Cash and cash equivalents**

The Company considers all highly liquid investments with an original or remaining maturity of three months or less at the date of purchase to be cash equivalents. Cash includes cash held in checking and savings accounts. Cash equivalents are comprised of investments in money market mutual funds. The carrying value of cash and cash equivalents approximates fair value.

**Restricted cash**

Included in prepaid expenses and other current assets in the consolidated balance sheets was \$0.2 million of restricted cash at December 31, 2025. The cash is required to be restricted for use and collateralizes the Company's corporate card program.

Included in other assets in the consolidated balance sheets was \$0.2 million of restricted cash at December 31, 2024. The cash was required to be restricted for use by the Company's office leaseholder to collateralize a standby letter of credit.

**Investments in marketable securities**

The Company periodically assesses its portfolio of marketable securities for impairment. For debt securities in an unrealized loss position, this assessment first takes into account the Company's intent to sell, or whether it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of these criteria are met, the debt security's amortized cost basis is written down to fair value through other income (expense), net.

For debt securities in an unrealized loss position that do not meet the aforementioned criteria, the Company assesses whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and any adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss may exist, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses will be recorded through other income (expense), net, limited by the amount that the fair value is less than the amortized cost basis. Any additional impairment not recorded through an allowance for credit losses is recognized in accumulated other comprehensive loss in the consolidated statements of stockholders' equity.

Changes in the allowance for credit losses are recorded as provision for (or reversal of) credit loss expense. Losses are charged against the allowance when the Company believes the uncollectibility of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met. The Company has not recorded any credit losses for the years ended December 31, 2025, 2024, and 2023. The Company has not recorded any impairment charges for unrealized losses in the periods presented.

**Accounts receivable and credit losses**

Accounts receivable are recorded and carried at the original invoiced amount less an allowance for any potential uncollectible amounts. The Company makes estimates of expected credit losses and cancellations and

credits based upon its assessment of various factors, including historical experience, the age of the accounts receivable balances, credit quality of its customers, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from customers. The estimated credit loss allowance is recorded as general and administrative expenses, while the estimated credit loss allowance for cancellations and credits is recorded as a reduction in revenue in the consolidated statements of operations.

### **Leases**

The Company has leases for office space, equipment, and data centers. The Company determines whether an arrangement is a lease, or contains a lease, at inception if the Company is both able to identify an asset and can conclude it has the right to control the identified asset for a period of time. Leases are included in property and equipment, operating lease right-of-use ("ROU") assets, finance lease liabilities, and operating lease liabilities in the consolidated balance sheets.

The Company has made accounting policy elections, including a short-term lease exception policy, permitting the Company to not apply the recognition requirements of this standard to short-term leases (i.e. leases with expected terms of 12 months or less), and an accounting policy to account for lease and certain non-lease components as a single component for certain classes of assets. The portfolio approach, which allows a lessee to account for its leases at a portfolio level, was elected for certain equipment leases in which the difference in accounting for each asset separately would not have been materially different from accounting for the assets as a combined unit.

Finance lease assets and operating lease ROU assets represent the Company's right to control an underlying asset for the lease term. Finance lease liabilities and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease, both of which are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date or remeasurement date to determine the discount rate used to present value lease payments for finance and operating leases. The incremental borrowing rate used is estimated based on what the Company would be required to pay for a collateralized loan over a similar term. Additionally, the Company generally uses the portfolio approach when applying the discount rate selected based on the dollar amount and term of the obligation. The Company's leases typically do not include any residual value guarantees, bargain purchase options, or asset retirement obligations.

The Company's lease terms are only for periods in which it has enforceable rights. The Company generally uses the base, non-cancellable lease term when assessing leasing agreements. A lease is no longer enforceable when both the lessee and the lessor each have the right to terminate the lease without permission from the other party with no more than an insignificant penalty. The Company's lease terms are impacted by options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

The Company's agreements may contain variable lease payments. The Company includes variable lease payments that depend on an index or a rate and excludes those which depend on facts or circumstances occurring after the commencement date, other than the passage of time. Additionally, for certain equipment leases, the Company applies a portfolio approach to effectively account for the lease assets and liabilities.

The Company evaluates its data center contracts to identify leases. A contract contains a lease if it grants us control over a specified asset and allows us to direct its use and obtain substantially all of its economic benefits over the term of the lease.

### **Property and equipment**

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is generally three to five years for machinery and equipment and purchased software, and five years for furniture and fixtures. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or seven years. Expenditures for repairs and maintenance are expensed as incurred, while renewals and improvements are capitalized. Depreciation expense is charged to operations on a straight-line basis over the estimated useful lives of the assets.

### **Capitalized internal-use software costs**

The Company capitalizes certain costs in the development of its Software as a Service ("SaaS") subscription solution when (i) the preliminary project stage is completed, (ii) management has authorized further funding for the completion of the project, and (iii) it is probable that the project will be completed and performed as intended. These capitalized costs include personnel and related expenses for employees and costs of third-party contractors who are directly associated with and who devote time to internal-use software projects. Capitalization of these costs

ceases once the project is substantially complete and the software is ready for its intended purpose. Costs incurred for significant upgrades and enhancements to the Company's SaaS software solutions are also capitalized. Costs incurred for training, maintenance and minor modifications or enhancements are expensed as incurred. Capitalized software development costs are amortized using the straight-line method over an estimated useful life of three years.

During the years ended December 31, 2025, 2024, and 2023, the Company amortized \$26.4 million, \$22.6 million, and \$19.1 million, respectively, of internal-use software development costs to subscription and support cost of revenues. At December 31, 2025 and 2024, the accumulated amortization of capitalized internal-use software development costs was \$109.6 million and \$83.2 million, respectively.

The Company capitalizes certain implementation costs incurred in a hosting arrangement that is a service contract. These capitalized costs exclude training costs, project management costs, and data migration costs. Capitalized software implementation costs are amortized using the straight-line method over the terms of the associated hosting arrangements.

### ***Intangible assets***

Intangible assets primarily consist of developed technology, customer relationships, and trade names, which were acquired as part of purchase business combinations, as well as a defensive patent that was acquired through a purchase agreement. The Company determines the appropriate useful life of its intangible assets by performing an analysis of expected cash flows of the acquired assets. Intangible assets are amortized on a straight-line basis over their estimated useful lives, ranging from three to 11 years.

### ***Impairment of long-lived assets***

Management evaluates the recoverability of the Company's property and equipment, finite-lived intangible assets and capitalized internal-software costs when events or changes in circumstances indicate a potential impairment exists. Events and changes in circumstances considered by the Company in determining whether the carrying value of long-lived assets may not be recoverable include, but are not limited to, significant changes in performance relative to expected operating results, significant changes in the use of the assets, significant negative industry or economic trends, and changes in the Company's business strategy. Impairment testing is performed at an asset level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (an "asset group"). In determining if impairment exists, the Company estimates the undiscounted cash flows to be generated from the use and ultimate disposition of the asset group. If the undiscounted cash flows for the asset group are less than its net book value, an impairment loss is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. For the years ended December 31, 2025, 2024, and 2023, the Company did not record any impairment charges.

### ***Business combinations***

The results of businesses acquired in business combinations are included in the Company's consolidated financial statements from the date of the acquisition. Purchase accounting results in assets and liabilities of an acquired business generally being recorded at their estimated fair values on the acquisition date. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill.

Transaction costs associated with business combinations are expensed as incurred and are included in general and administrative expenses in the consolidated statements of operations.

The Company performs valuations of assets acquired and liabilities assumed and allocates the purchase price to its respective assets and liabilities. Determining the fair value of the identifiable assets acquired, liabilities assumed, and contingent consideration liability, if any, requires management to use significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenue, costs and cash flows, discount rates, and selection of comparable companies. The Company engages the assistance of valuation specialists in assessing fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in a business combination.

### ***Goodwill***

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in a business combination. Goodwill is tested for impairment at least annually at the reporting unit level or whenever events or changes in circumstances indicate that goodwill might be impaired. Events or changes in circumstances which could trigger an impairment review include a significant adverse change in legal factors or in the business climate, unanticipated competition, loss of key personnel, significant changes in the use of the acquired assets or the Company's strategy, significant negative industry or economic trends, or significant underperformance relative to expected historical or projected future results of operations.

An entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then additional impairment testing is not required. However, if an entity concludes otherwise, then it is required to perform an impairment test.

The first step involves comparing the estimated fair value of a reporting unit with its book value, including goodwill. If the estimated fair value exceeds book value, goodwill is considered not to be impaired and no additional steps are necessary. If, however, the fair value of the reporting unit is less than book value, then an impairment charge is recorded for the difference between the reporting unit's fair value and carrying amount, not to exceed the carrying amount of the goodwill.

The Company has one reporting unit, and it tests its goodwill for impairment annually, during the fourth quarter of the calendar year. At December 31, 2025 and 2024, the Company used the quantitative approach to perform its annual goodwill impairment test. The fair value of the Company's reporting unit significantly exceeded the carrying value of its net assets and, accordingly, goodwill was not impaired.

#### ***Redeemable non-controlling interest***

The Company's Japanese subsidiary ("BlackLine K.K.") is not wholly owned. The agreements with the minority investors of BlackLine K.K. contain redemption features whereby the interest held by the minority investors are redeemable either (i) at the option of the minority investors or (ii) at the option of the Company, both beginning on January 1, 2029. If the interest of the minority investors were to be redeemed under these agreements, the Company would be required to redeem the interest based on a prescribed formula derived from the relative revenue of BlackLine K.K. and the Company. The balance of the redeemable non-controlling interest is reported at the greater of the initial carrying amount adjusted for the redeemable non-controlling interest's share of earnings or losses and other comprehensive income or loss, or its estimated redemption value. The resulting changes in the estimated redemption amount (increases or decreases) are recorded with corresponding adjustments against retained earnings or, in the absence of retained earnings, additional paid-in capital. These interests are presented in the consolidated balance sheets outside of equity under the caption "Redeemable non-controlling interest."

#### ***Convertible senior notes***

The Company accounts for the Notes as liabilities at face value, less unamortized debt issuance costs. The debt issuance costs are being amortized to expense over the respective term of the Notes. To the extent that the Company receives conversion requests prior to the maturity of the Notes, upon settlement of the conversion requests, the difference between the fair value and the amortized book value of the Notes requested for conversion is recorded as a gain or loss on early conversion. The fair value of the Notes are measured based on a similar liability that does not have an associated convertible feature based on the remaining term of the Notes, which requires significant judgment.

#### ***Restructuring costs***

The Company records a charge for restructuring when management commits to a restructuring plan, the restructuring plan identifies all significant actions, the period of time to complete the restructuring plan indicates that significant changes to the restructuring plan are not likely, and employees who are impacted have been notified of the pending involuntary termination.

#### ***Fair value of financial instruments***

ASC 820, *Fair Value Measurement* requires entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

**Level 1:** Quoted prices in active markets for identical or similar assets and liabilities.

**Level 2:** Quoted prices for identical or similar assets and liabilities in markets that are not active or observable inputs other than quoted prices in active markets for identical or similar assets or liabilities.

**Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

At December 31, 2025 and 2024, the carrying values of cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate their fair values due to the short-term nature of such instruments.

Contingent consideration, if any, related to acquisitions is recorded at fair value as a liability on the acquisition date and is remeasured at each reporting date, based on significant inputs not observable in the market, which represents a Level 3 measurement within the fair value hierarchy. The valuation of contingent consideration uses assumptions management believes would be made by a market participant. Management assesses these estimates on an ongoing basis as additional data impacting the assumptions becomes available. Changes in the fair value of contingent consideration related to updated assumptions and estimates are recognized within general and administrative expenses in the consolidated statements of operations.

Certain assets, including goodwill and long-lived assets, are also subject to measurement at fair value on a non-recurring basis if they are deemed to be impaired as a result of an impairment review. Refer to "Impairment of long-lived assets" section above for additional information.

#### **Derivative Instruments**

The Company uses foreign currency forward contracts with an approximate maturity of one month to mitigate foreign currency exchange rate fluctuations on certain foreign currency-denominated monetary assets. Under ASC 815, *Derivatives and Hedging*, these transactions are not designated as hedging instruments.

The fair value of the forward contracts, estimated based on prevailing exchange rates of the various hedged currencies at the end of the period, is reported as either prepaid and other current assets or accrued expenses and other current liabilities in the consolidated balance sheets.

#### **Revenue recognition**

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company enters into contracts that can include various combinations of subscription and support services and professional services, which are generally capable of being distinct and accounted for as separate performance obligations. The Company's agreements do not contain any refund provisions other than in the event of the Company's non-performance or breach.

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to performance obligations in the contract; and
- Recognition of revenue when, or as, performance obligations are satisfied.

Revenue excludes amounts collected on behalf of third parties, such as sales and value-added taxes.

**Subscription and support revenue** – Customers pay subscription and support fees for access to the Company's SaaS platform. Subscription contracts typically have initial terms of one year to three years with renewal options. Historically, fees were based on a number of factors, such as the solutions subscribed for and the number of users with access to the solutions. In 2025, the Company launched a new pricing model that incorporates additional factors, such as product mix, organization size, and volumetrics (e.g., number of transactions or entities). Subscription services, which includes support, is recognized on a straight-line basis over the non-cancellable contractual term of the arrangement, generally beginning on the date that the Company's service is made available to the customer.

Subscription and support revenue also includes software and related maintenance and support fees on perpetual licenses. Revenues from perpetual licenses are recognized immediately at the time the Company provides the customer with a right to use the software as it exists when made available to the customer. Customers may have purchased perpetual licenses or term-based licenses, which provide customers with the same functionality and differ mainly in the duration over which the customer benefits from the software.

**Professional services revenue** – Professional services consist of implementation and consulting services to assist customers as they deploy the Company's platform. These services are considered distinct performance obligations. Professional services do not result in significant customization of the subscription service. The

Company applies the practical expedient to recognize professional services revenue when it has the right to invoice based on time and materials incurred. The Company applies the optional exemption and has excluded the variable consideration from the disclosure of remaining performance obligations.

**Contracts with Multiple Performance Obligations** – The Company’s contracts with customers often contain multiple performance obligations. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price (“SSP”) basis. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together, as well as the determination of SSP for each distinct performance obligation, may require significant judgment. The Company typically has more than one SSP for its SaaS solutions and professional services. Additionally, management has determined that there are no third-party offerings reasonably comparable to the Company’s solutions. Therefore, the Company determines the SSPs of subscriptions to the SaaS solutions and professional services based on numerous factors including the Company’s overall pricing objectives, geography, customer size, and discounting practices. The Company uses historical maintenance renewal fees to estimate SSP for maintenance and support fees bundled with software licenses. The Company uses the residual method to estimate SSP of software licenses, because license pricing is highly variable and not sold separately from maintenance and support.

**Contract balances** – Timing of revenue recognition may differ from the timing of invoicing to customers. The Company records an unbilled receivable when revenue is recognized prior to invoicing, and deferred revenue when revenue is recognized subsequent to invoicing. The Company generally invoices customers annually at the beginning of each annual contract period.

Deferred revenue is comprised mainly of billings in advance of revenue being recognized related to the Company’s subscription and support services and professional services arrangements.

Changes in deferred revenue for the years ended December 31, 2025, 2024, and 2023 were primarily due to additional billings in the periods, partially offset by revenue recognized of \$335.5 million, \$316.7 million, and \$274.3 million, respectively, that was previously included in the deferred revenue balance at December 31, 2024, 2023, and 2022, respectively.

The transaction price is generally determined by the stated fixed fees in the contract, excluding any related sales taxes. Transaction price allocated to remaining performance obligations represents contracted revenue that has not yet been recognized (“contracted not recognized”), which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. Contracted not recognized revenue was \$1.1 billion at December 31, 2025, of which the Company expects to recognize approximately 53% over the next 12 months and the remainder thereafter.

Fees are generally due and payable within 30 days. None of the Company’s contracts include a significant financing component.

**Assets recognized from the costs to obtain a contract with a customer** – The Company recognizes an asset for the incremental and recoverable costs of obtaining a contract with a customer if the Company expects the benefit of those costs to be one year or longer. The Company has determined that certain sales incentive programs to the Company’s employees (“deferred customer contract acquisition costs”) and its partners (“partner referral fees”) meet the requirements to be capitalized. Deferred customer acquisition costs related to new revenue contracts and upsells are deferred and then amortized on a straight-line basis over the expected period of benefit, which the Company has determined to be five years, based upon both the product turnover rate and estimated customer life. The Company enters into partnership arrangements where partner referral fees are paid either on the initial contract or on both the initial contract and renewal of the contract. The Company assesses whether the renewal fee is commensurate with the initial fee. When the renewal fee is commensurate with the initial fee, the Company amortizes the deferred costs over the initial year of the contract. Otherwise, the initial fee is amortized over five years. Deferred customer acquisition costs and partner referral fees are included within other assets in the consolidated balance sheets. There were no impairment losses in relation to the costs capitalized for the periods presented.

Amortization expense related to the asset recognized from the costs to obtain a contract with a customer is included in sales and marketing expenses in the consolidated statements of operations and was \$38.5 million, \$37.0 million, and \$34.1 million for the years ended December 31, 2025, 2024, and 2023, respectively.

#### **Cost of revenues**

Cost of revenues primarily consists of costs related to hosting the Company’s cloud-based application suite, salaries and benefits of operations and support personnel, including stock-based compensation, professional fees, and amortization of capitalized internal-use software costs. The Company allocates a portion of overhead, such as

rent, information technology costs and depreciation and amortization to cost of revenues. Costs associated with providing professional services are expensed as incurred when the services are performed. In addition, subscription and support cost of revenues includes amortization of acquired developed technology.

### **Sales and marketing**

Sales and marketing expenses consist primarily of compensation and employee benefits, including stock-based compensation, of sales and marketing personnel and related sales support teams, sales and partner commissions, marketing events, advertising costs, computer software-related costs, travel, trade shows, other marketing materials, and allocated overhead. Sales and marketing expenses also include amortization of customer relationship intangible assets, transaction-related costs, and impairment of cloud computing implementation costs. Advertising costs are expensed as incurred and totaled \$14.2 million, \$11.6 million, and \$11.8 million for the years ended December 31, 2025, 2024, and 2023, respectively.

### **Research and development**

Research and development expenses are comprised primarily of salaries, benefits and stock-based compensation associated with the Company's engineering, product and quality assurance personnel. Research and development expenses also include third-party contractors and supplies, computer software-related costs, transaction-related costs, and allocated overhead. Other than software development costs that qualify for capitalization, as discussed above, research and development costs are expensed as incurred.

### **General and administrative**

General and administrative expenses consist primarily of personnel costs associated with the Company's executive, finance, legal, human resources, compliance, and other administrative personnel, as well as accounting and legal professional fees, other corporate-related expenses and allocated overhead. General and administrative expenses also include amortization of covenant not-to-compete and trade name intangible assets, the change in value of the contingent consideration, if any, transaction-related costs, and impairment of cloud computing implementation costs.

### **Stock-based compensation**

The Company accounts for stock-based compensation awards granted to employees and directors based on the awards' estimated grant date fair value. The Company estimates the fair value of its stock options using the Black-Scholes option-pricing model. For awards that vest solely based on continued service ("service-only vesting conditions"), the resulting fair value is recognized on a straight-line basis over the period during which an employee is required to provide service in exchange for the award, usually the vesting period, which is generally four years.

The Company recognizes the fair value of restricted stock units with performance and service conditions based upon the probability of the performance conditions being met, using the graded vesting method. The Company recognizes the fair value of restricted stock units with market and service conditions based upon the achievement of total stockholder return ("TSR") relative to an industry index being met, using the graded vesting method. The Company estimates the fair value of its restricted stock units with market and service conditions using the Monte Carlo simulation valuation model, which requires the use of various assumptions, including the stock price volatility and risk-free interest rate as of the valuation date corresponding to the length of time remaining in the performance period. The Company accounts for forfeitures when they occur rather than estimating a forfeiture rate.

The Company recognizes the fair value of ESPP shares using the Black-Scholes option valuation model based on the following assumptions:

*Expected volatility.* The expected volatility is based on a weighted average of the historical volatility of the Company's common stock over the expected term.

*Expected term.* The expected term represents the amount of time remaining in the offering period.

*Risk-free interest rate.* The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of the grant corresponding to the expected term of the ESPP share.

*Estimated dividend yield.* The estimated dividend yield is zero, as the Company has not and does not intend to declare dividends in the foreseeable future.

### **Share Repurchase Program**

On November 17, 2024, the Board of Directors ("the Board") authorized the repurchase of up to \$200 million of the Company's common stock. On September 4, 2025, the Board approved an increase to the Company's stock buyback program of an additional \$200 million, for a total overall authorization to repurchase up to \$400 million of

common stock. The Board also approved the elimination of the expiration date of the program, which was previously set to expire on March 31, 2027.

Repurchases may be made from time to time through open market repurchases or through privately-negotiated transactions subject to market conditions, applicable legal requirements and other relevant factors. Open market repurchases may be structured to occur in accordance with the requirements of Rule 10b-18 of the Securities Exchange Act of 1934, as amended. The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its shares under this authorization. The repurchase program does not obligate the Company to acquire any particular amount of its common stock, and it may be suspended at any time at the Company's discretion. The timing and actual number of shares repurchased may depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities.

### ***Income taxes***

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the consolidated statements of operations in the period that includes the enactment date. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized. The Company recognizes interest and penalties accrued with respect to uncertain tax positions, if any, in the provision for income taxes in the consolidated statements of operations.

### ***Net income (loss) per share***

Basic net income per share is calculated by dividing net income attributable to BlackLine, Inc. by the weighted average number of shares of common stock outstanding.

For periods where the Company reports net income, the Company will calculate diluted net income per share attributable to BlackLine, Inc. by adjusting the denominator for potentially dilutive common shares, which are based on the weighted average number of shares of common stock underlying stock options and unvested stock awards using the treasury stock method, as well as for the potential impact of the Notes using the if-converted method or the treasury stock method, as applicable. Under the if-converted method, the numerator is adjusted by adding back interest expense, net of any tax impact.

For periods where the Company reports net losses, the Company will calculate diluted net loss per share attributable to BlackLine, Inc. by excluding from the denominator potentially dilutive common shares, which are based on the weighted average number of shares of common stock underlying stock options and unvested stock awards, as well as the potential impact of the Notes, as they are antidilutive. For these periods, basic net loss per share attributable to BlackLine, Inc. is equivalent to diluted net loss per share attributable to BlackLine, Inc.

### ***Foreign currency***

The Company's functional currency for its foreign subsidiaries is the U.S. Dollar ("USD"), with the exception of its BlackLine K.K. subsidiary, for which the Japanese Yen is the functional currency. Monetary assets and liabilities of foreign operations are remeasured at balance sheet date exchange rates, non-monetary assets and liabilities and equity are remeasured at the historical exchange rates, while results of operations are remeasured at average exchange rates in effect for the period. The foreign exchange impacts of remeasuring the local currency of the foreign subsidiaries to the functional currency is recorded in general and administrative expenses in the Company's consolidated statements of operations. Translation gains and losses are recorded in accumulated other comprehensive income (loss) as a component of stockholders' equity in the consolidated balance sheets.

Foreign currency transaction gains and losses consist of both realized and unrealized gains and losses. Foreign currency transaction gains totaled \$4.6 million for the year ended December 31, 2025, foreign currency transaction losses totaled \$3.6 million for the year ended December 31, 2024, and foreign currency transaction gains totaled \$0.9 million for the year ended December 31, 2023.

The financial statements of BlackLine K.K. are translated to USD using balance sheet date exchange rates for assets and liabilities, historical rates of exchange for equity, and average exchange rates in the period for revenues and expenses.

### **Recently-adopted accounting pronouncements**

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures* (“ASU 2023-09”), which requires that an entity, on an annual basis, disclose additional income tax information, primarily related to the rate reconciliation and income taxes paid. The amendment in the ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. For public business entities, it is effective for annual periods beginning after December 15, 2024. The Company adopted the standard for the year ended December 31, 2025 on a prospective basis. Refer to “Note 14 - Income Taxes” for the new disclosures.

### **Recently-issued accounting pronouncements not yet adopted**

In September 2025, the FASB issued ASU No. 2025-06, *Intangible - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* (“ASU 2025-06”). ASU 2025-06 removes all references to prescriptive and sequential software development stages. ASU 2025-06 requires entities to begin capitalizing software costs when management authorizes and commits to funding the software project, and it is probable that the project will be completed and the software will be used for its intended purpose. For public business entities, ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2025-06 on its consolidated financial statements and related disclosures. The Company does not intend to early adopt.

In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* (“ASU 2025-05”), which provides a practical expedient to measure credit losses on current accounts receivable and current contract assets under Accounting Standards Codification 606, *Revenue from Contracts with Customers*. The practical expedient assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. For public business entities, ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption of ASU 2025-05 is permitted. The Company does not expect ASU 2025-05 to have a material impact on the Company’s consolidated financial statements. The Company does not intend to early adopt.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (“ASU 2024-03”), and in January 2025, the FASB issued *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* (“ASU 2025-01”). ASU 2024-03 requires public companies to disclose, in interim and reporting periods, additional information about certain expenses in the financial statements. For public business entities, ASU 2024-03, as clarified by ASU 2025-01, is effective for the first annual reporting period beginning after December 15, 2026, and interim reporting periods within those annual reporting periods beginning after December 15, 2027. Early adoption of ASU 2024-03 is permitted. The Company is currently evaluating the impact that the standard will have on the disclosures within its consolidated financial statements. The Company does not intend to early adopt.

### **Note 3 – Segment Information**

Management has concluded that the Company has one operating and reportable segment. The Company provides subscription and support services that consist of a cloud-based platform that drives digital finance transformation and also provides professional services that consist of implementation and consulting services. The technology used in the subscription and support services is based on a single software platform that is deployed to and implemented by customers. The Company manages the business activities on a consolidated basis, and operating segments have not been aggregated. The accounting policies for the operating segment are the same as those described in the summary of significant accounting policies.

The Company’s Chief Operating Decision Maker (“CODM”) assesses performance for the operating segment and decides how to allocate resources based on the review of net income. The CODM uses net income, among other measures, for budgeting and resource allocation purposes. Expenses significant to the segment were determined to be cost of revenues, sales and marketing expenses, research and development expenses, general and administrative expenses, interest expense, and the provision for (benefit from) income taxes, all of which are presented in the consolidated statements of operations for the years ended December 31, 2025, 2024, and 2023. Other significant expenses included depreciation expense of \$32.4 million, \$30.5 million, and \$29.5 million for the years ended December 31, 2025, 2024, and 2023, respectively, as well as amortization expense of \$14.2 million, \$19.9 million, and \$20.6 million for the years ended December 31, 2025, 2024, and 2023, respectively.

The Company's intra-entity sales are eliminated upon consolidation. The Company disaggregates its revenue from contracts with customers by geographic location, as it believes it best depicts how the nature, amount, timing, and uncertainty of its revenues and cash flows are affected by economic factors.

The following table sets forth the Company's revenues by geographic region (in thousands):

	Year Ended December 31,		
	2025	2024	2023
United States	\$ 482,549	\$ 457,955	\$ 422,192
International	217,878	195,381	167,804
	<u>\$ 700,427</u>	<u>\$ 653,336</u>	<u>\$ 589,996</u>

No countries outside the United States ("U.S.") represented 10% or more of total revenues.

The measure of segment assets is reported in the consolidated balance sheets as total consolidated assets. The following table sets forth the Company's long-lived assets, which consist of property and equipment, net, and lease right-of-use assets by geographic region (in thousands):

	December 31,	
	2025	2024
United States	\$ 14,467	\$ 18,399
International	21,544	16,213
	<u>\$ 36,011</u>	<u>\$ 34,612</u>

#### Note 4 – Redeemable Non-Controlling Interest

The Company operates in Japan through BlackLine K.K., in which it holds a 51% controlling interest. The noncontrolling interests are held by Japanese Cloud Computing and M30 LLC (the "Investors"). As the Company continues to control a majority stake in BlackLine K.K., the entity has been consolidated.

All of the common stock held by the Investors is callable by the Company or puttable by the Investors upon certain contingent events. Should the call or put option be exercised, the redemption value will be determined based upon a prescribed formula derived from the discrete revenues of BlackLine K.K. and the Company, and may be settled, at the Company's discretion, with Company stock or cash. As a result of the put right available to the Investors in the future, the redeemable non-controlling interest in BlackLine K.K. is classified outside of permanent equity in the consolidated balance sheets, and the balance is reported at the greater of the initial carrying amount adjusted for the redeemable non-controlling interest's share of earnings, or its estimated redemption value. The resulting changes in the estimated redemption amount are recorded within retained earnings or, in the absence of retained earnings, additional paid-in capital.

Under the original terms of the agreement with Investors, all of the common stock was callable or puttable with an exercise date of January 1, 2026 (the "Exercise Date"). The Company and the Investors signed an agreement dated October 11, 2025, moving the Exercise Date to January 1, 2029.

Activity in the redeemable non-controlling interest was as follows (in thousands):

	December 31,		
	2025	2024	2023
Balance at beginning of period	\$ 36,483	\$ 30,063	\$ 23,895
Net income attributable to redeemable non-controlling interest (excluding adjustment to non-controlling interest)	3,086	1,952	892
Foreign currency translation	(101)	(171)	(58)
Adjustment to redeemable non-controlling interest	(347)	4,639	5,334
Balance at end of period	<u>\$ 39,121</u>	<u>\$ 36,483</u>	<u>\$ 30,063</u>

## Note 5 – Business Combinations

### Acquisition of WiseLayer

On December 15, 2025, the Company acquired WL through a series of mergers for total purchase consideration of \$23.7 million, comprising \$18.3 million in cash and 0.1 million shares of common stock, which were valued at \$5.4 million based on the closing market price on the acquisition date. The acquisition was driven by WL's unique value proposition in developing a digital workforce of AI-powered agents to automate complex, judgment-based finance and accounting processes.

The Company accounted for the transaction as a business combination using the acquisition method of accounting. The purchase consideration was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their respective estimated fair values on the acquisition date. The purchase consideration allocation is preliminary as of the filing date of this Annual Report on Form 10-K for the year ended December 31, 2025.

The purchase consideration and major classes of assets and liabilities to which the Company allocated the purchase consideration of \$23.7 million were as follows (in thousands):

Cash consideration	\$	18,254
Equity consideration		5,410
Total purchase consideration	\$	<u>23,664</u>
Cash and cash equivalents	\$	353
Available-for-sale securities		1,813
Accounts receivable		271
Prepays and other current assets		11
Property and equipment		19
Intangible assets		4,000
Goodwill		16,839
Deferred tax assets, net		637
Other assets		12
Accounts payable		(115)
Accrued liabilities		(12)
Deferred revenue		(164)
Total purchase consideration	\$	<u>23,664</u>

Per the terms of the acquisition, the Company issued an additional 0.2 million shares of common stock, with a grant-date fair value of \$12.6 million, to specified employees of the acquired entity. The awards are subject to continued employment and will be recognized as post-combination stock-based compensation expense over the requisite service period.

The Company believes the amount of goodwill resulting from the acquisition is primarily attributable to increased offerings to customers, and enhanced opportunities for growth and innovation. The goodwill resulting from the acquisition is not tax deductible.

The Company, with assistance from a third-party specialist, determined the fair value of acquired intangible assets using the cost approach. All estimates, key assumptions, and forecasts were either provided by, or reviewed by the Company. While the Company chose to utilize a third-party valuation specialist for assistance, the fair value analysis and related valuations reflect the conclusions of the Company and not those of any third party. The fair value measurements of the intangible assets were based primarily on significant unobservable inputs and thus represent a Level 3 measurement as defined in ASC 820. The acquired intangible assets consist of developed technology, which will be amortized over three years.

Transaction-related costs, which include, but are not limited to, accounting, legal, and advisory fees, totaled approximately \$1.2 million, and were expensed as incurred during the year ended December 31, 2025.

The revenue and earnings of the acquired business were included in the Company's results since the acquisition date, and have not been presented separately using pro forma revenues and results of operations as its impact is not material to the Company's consolidated financial statements for the periods presented.

**Note 6 – Intangible Assets and Goodwill**

The carrying value of intangible assets was as follows (in thousands):

	December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade name	\$ 15,977	\$ (15,977)	\$ —
Developed technology <sup>(1)</sup>	141,718	(93,304)	48,414
Customer relationships	26,779	(26,360)	419
Defensive patent	2,333	(1,814)	519
	<u>\$ 186,807</u>	<u>\$ (137,455)</u>	<u>\$ 49,352</u>

<sup>(1)</sup> Reflects additions to the gross carrying amount of \$4.0 million related to the WL Acquisition during the quarter ended December 31, 2025. Refer to “Note 5 - Business Combinations” for additional information.

	December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade name	\$ 15,977	\$ (15,977)	\$ —
Developed technology	137,718	(80,284)	57,434
Customer relationships	26,779	(25,528)	1,251
Defensive patent	2,333	(1,498)	835
	<u>\$ 182,807</u>	<u>\$ (123,287)</u>	<u>\$ 59,520</u>

Amortization expense is included in the following functional statements of operations expense categories. Amortization expense was as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Cost of revenues	\$ 12,905	\$ 13,370	\$ 12,438
Sales and marketing	948	6,201	6,791
General and administrative	315	315	1,379
	<u>\$ 14,168</u>	<u>\$ 19,886</u>	<u>\$ 20,608</u>

The following table presents the Company’s estimate of remaining amortization expense for each of the five succeeding fiscal years and thereafter for finite-lived intangible assets at December 31, 2025 (in thousands):

2026	\$ 15,067
2027	14,510
2028	13,686
2029	2,615
2030	1,981
Thereafter	1,493
	<u>\$ 49,352</u>

The following table represents the changes in goodwill (in thousands):

Balance at December 31, 2023	\$ 448,965
Additions from acquisitions	—
Balance at December 31, 2024	448,965
Additions from acquisitions <sup>(1)</sup>	16,839
Balance at December 31, 2025	<u>\$ 465,804</u>

<sup>(1)</sup> Relates to the WL Acquisition during the quarter ended December 31, 2025. Refer to “Note 5 - Business Combinations” for additional information.

## Note 7 – Balance Sheet Components

### Investments in Marketable Securities

Investments in marketable securities, which are presented within current assets in the consolidated balance sheets, consisted of the following (in thousands):

	December 31, 2025			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Marketable securities				
U.S. treasury securities	\$ 205,472	\$ 232	\$ —	\$ 205,704
Commercial paper	152,792	—	—	152,792
Corporate bonds	29,672	10	—	29,682
	<u>\$ 387,936</u>	<u>\$ 242</u>	<u>\$ —</u>	<u>\$ 388,178</u>

The Company had no marketable securities at December 31, 2024.

The Company's marketable securities at December 31, 2025 have a contractual maturity of less than one year. All of the Company's available-for-sale securities are available for use in current operations and are categorized as current assets. Refer to "Note 8 - Fair Value Measurements" for additional information.

The Company recognized accretion on its marketable securities of \$11.7 million in interest income in the consolidated statement of operations for the year ended December 31, 2025. The Company recognized accretion on its marketable securities in interest income, and also recognized net gains and losses related to maturities of marketable securities that were reclassified from accumulated other comprehensive loss in interest income of \$18.4 million and \$33.9 million for the years ended December 31, 2024 and 2023, respectively.

Net gains and losses are determined using the specific identification method. During the year ended December 31, 2025, no related realized gains or losses were recognized in the consolidated statements of operations from the sales of marketable securities. During the years ended December 31, 2024 and 2023, there were nominal realized gains and losses related to sales of marketable securities recognized in the Company's accompanying consolidated statements of operations. There were no marketable securities in a continuous loss position for greater than or less than 12 months at December 31, 2025.

The Company's marketable securities are considered to be of high credit quality and accordingly, there was no allowance for credit losses related to marketable securities at December 31, 2025 or 2024.

### Other Assets

Deferred customer contract acquisition costs are included in other assets in the accompanying consolidated balance sheets and totaled \$89.3 million and \$86.1 million at December 31, 2025 and 2024, respectively.

### Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities were comprised of the following (in thousands):

	December 31,	
	2025	2024
Accrued salaries and employee benefits	\$ 39,301	\$ 41,833
Accrued income and other taxes payable	13,764	11,297
Accrued restructuring costs	4,215	—
Other accrued expenses and current liabilities	19,510	18,444
	<u>\$ 76,790</u>	<u>\$ 71,574</u>

### Derivative Instruments

At December 31, 2025, the total gross notional amount of forward contracts was \$45.0 million. Refer to "Note 8 - Fair Value Measurements" for additional information on the fair value classification of the forward contracts.

For the year ended December 31, 2025, the net realized loss from the forward contracts was \$0.8 million, which was recorded in general and administrative expenses. This activity was substantially offset by unrealized gains from remeasurements of various hedged currencies.

Cash flows from the settlement of the forward contracts are classified as operating activities in the consolidated statements of cash flows.

**Note 8 – Fair Value Measurements**

The following table summarizes the Company’s financial assets and liabilities measured at fair value on a recurring basis by level, within the fair value hierarchy. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement (in thousands):

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
<b>Cash equivalents</b>				
Money market funds	\$ 173,099	\$ —	\$ —	\$ 173,099
<b>Marketable securities</b>				
U.S. treasury securities	205,704	—	—	205,704
Commercial paper	—	152,792	—	152,792
Corporate bonds	—	29,682	—	29,682
<b>Total assets</b>	<b>\$ 378,803</b>	<b>\$ 182,474</b>	<b>\$ —</b>	<b>\$ 561,277</b>
<b>Liabilities</b>				
Foreign currency forward contracts	\$ —	\$ 37	\$ —	\$ 37
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ 37</b>	<b>\$ —</b>	<b>\$ 37</b>

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Cash equivalents</b>				
Money market funds	\$ 809,906	\$ —	\$ —	\$ 809,906
<b>Total assets</b>	<b>\$ 809,906</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 809,906</b>
<b>Liabilities</b>				
Contingent consideration	\$ —	\$ —	\$ —	\$ —
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

The following table summarizes the changes in the contingent consideration liability (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Beginning fair value	\$ —	\$ —	\$ 41,549
Additions in the period	—	—	—
Payments in the period	—	—	(8,000)
Change in fair value	—	—	(33,549)
<b>Ending fair value</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

The Company classified the marketable debt securities as available-for-sale debt securities at the time of purchase and reevaluated such classification at each balance sheet date. The valuation techniques used to measure the fair values of instruments that were classified as Level 1 were derived from quoted market prices for identical instruments in active markets. The valuation techniques used to measure the fair values of Level 2 instruments were derived from broker reports that utilized quoted market prices for similar instruments.

Foreign currency forward contracts are classified within the Level 2 value hierarchy, as the valuation inputs are not actively traded, and the valuation inputs are based on quoted market prices for similar instruments, including currency spot and forward rates.

As a condition of the FourQ Acquisition that occurred on January 26, 2022, the Company agreed to pay additional cash consideration if FourQ realized certain firm-specific targets over a three-year period subsequent to the acquisition date. The maximum cash consideration to be distributed was \$73.2 million. At December 31, 2025, the related liability was zero, and the Company is no longer obligated to pay the contingent consideration of \$73.2 million.

Increases and decreases in the fair value of contingent consideration, if any, are recorded as expense or reversals of expense, respectively, within general and administrative expenses in the consolidated statements of operations.

**Note 9 – Property and Equipment**

Property and equipment, net consisted of the following (in thousands):

	December 31,	
	2025	2024
Computers and equipment	\$ 23,259	\$ 23,354
Purchased software	15,227	13,990
Furniture and fixtures	5,554	4,511
Leasehold improvements	21,444	16,316
Data center equipment - finance lease	66	1,297
Building - finance lease	—	1,521
Construction in progress	—	2,638
Property and equipment, gross	65,550	63,627
Less: accumulated depreciation and amortization	(52,295)	(51,787)
Property and equipment, net	\$ 13,255	\$ 11,840

Depreciation and amortization expense related to property and equipment was \$5.9 million, \$7.9 million, and \$10.4 million for the years ended December 31, 2025, 2024, and 2023, respectively.

**Note 10 – Leases**

The Company has entered into various operating and finance lease agreements for office space and data centers. At December 31, 2025, the Company had 19 leased properties with remaining lease terms of less than one year to approximately nine years, some of which include options to extend or terminate the leases.

The components of the lease expense recorded in the consolidated statements of operations were as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Finance lease cost:			
Amortization of assets	\$ 66	\$ 1,007	\$ 1,020
Interest on lease liabilities	3	19	45
Operating lease cost	7,467	7,519	6,663
Short-term lease cost	864	532	378
Variable cost	1,344	1,343	1,237
Total lease cost	\$ 9,744	\$ 10,420	\$ 9,343

Cash flow and other information related to leases was as follows (in thousands, except percentages):

	Year Ended December 31,		
	2025	2024	2023
<b>Cash paid for amounts included in the measurement of lease liabilities</b>			
Financing cash flows from finance leases	\$ 66	\$ 1,046	\$ 1,036
Operating cash flows from operating lease liabilities	\$ 7,673	\$ 7,899	\$ 7,467
<b>Weighted average remaining lease term at end of period (in years):</b>			
Finance leases	3.8	2.6	0.8
Operating leases	6.3	6.2	4.2
<b>Weighted average discount rate:</b>			
Finance leases	8.1%	7.8%	3.5%
Operating leases	7.7%	7.4%	5.7%

Maturities of lease liabilities at December 31, 2025, for each of the five succeeding fiscal years and thereafter, were (in thousands):

	Finance Leases	Operating Leases
2026	\$ 16	\$ 5,434
2027	16	6,567
2028	16	5,105
2029	12	2,693
2030	—	1,748
Thereafter	—	9,613
Total lease payments	60	31,160
Less imputed interest	(8)	(6,874)
Total lease obligations	\$ 52	\$ 24,286

Refer to “Note 9 - Property and Equipment” for additional information on finance leases.

## Note 11 – Convertible Senior Notes

### 2029 Notes

On May 24, 2024 and June 5, 2024, the Company issued \$600.0 million aggregate principal amount, and an additional aggregate principal amount in connection with the initial purchasers’ option of \$75.0 million, respectively, of the 2029 Notes in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933 (the “Securities Act”). The 2029 Notes were sold to the initial purchasers pursuant to an exemption from the registration requirements of the Securities Act afforded by Section 4(a)(2) of the Securities Act. The 2029 Notes were issued pursuant to an indenture (the “2029 Indenture”), by and between the Company and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

Interest on the 2029 Notes is payable semi-annually in cash at a rate of 1.00% per annum on June 1 and December 1 of each year, beginning on December 1, 2024. The 2029 Notes will mature on June 1, 2029, unless redeemed, repurchased, or converted prior to such date in accordance with their terms.

The initial conversion rate of the 2029 Notes is 14.6047 shares of common stock per \$1,000 principal amount of the 2029 Notes, equivalent to an initial conversion price of approximately \$68.47 per share of common stock.

The conversion rate is subject to adjustment for certain events. Upon conversion, the Company will pay, or deliver, as the case may be, cash, shares of its common stock or a combination of cash and shares of its common stock, at its election. It is the Company’s current intent to settle conversions of the 2029 Notes through “combination settlement”, which involves repayment of the principal portion in cash and any excess of the conversion value over the principal amount in shares, cash, or a combination for any further value.

Prior to the close of business on the business day immediately preceding March 1, 2029, the 2029 Notes will be convertible only under the following circumstances:

- (1) during any calendar quarter and only during such calendar quarter, if the last reported sale price of the Common Stock for at least 20 trading days (whether or not consecutive) in a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the 2029 Notes on each applicable trading day;
- (2) during the five business-day period after any five consecutive trading-day period in which the trading price per \$1,000 principal amount of 2029 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Common Stock and the conversion rate on each such trading day;
- (3) if the Company calls any or all of the 2029 Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or
- (4) upon the occurrence of specified corporate events set forth in the 2029 Indenture.

If the Company undergoes a fundamental change, as described in the 2029 Indenture, prior to the maturity date, holders may require the Company to repurchase all or a portion of the 2029 Notes for cash at a price equal to 100% of the principal amount of the 2029 Notes to be repurchased, plus any accrued and unpaid special interest, if any, to, but excluding, the fundamental change repurchase date.

The 2029 Notes are the Company's senior unsecured obligations and will rank senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the 2029 Notes; equal in right of payment to any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of current or future subsidiaries of the Company.

The 2029 Indenture contains customary events of default with respect to the 2029 Notes and provides that upon certain events of default occurring and continuing, the Trustee may, and the Trustee at the request of holders of at least 25% in principal amount of the 2029 Notes shall, declare all principal and accrued and unpaid interest, if any, of the 2029 Notes to be due and payable. In case of certain events of bankruptcy, insolvency or reorganization, involving the Company, all of the principal of, and accrued and unpaid interest on the 2029 Notes will automatically become due and payable.

The 2029 Notes consisted of the following (in thousands):

	December 31,	
	2025	2024
<b>Liability:</b>		
Principal	\$ 675,000	\$ 675,000
Unamortized debt issuance costs	(8,954)	(11,494)
Net carrying amount	<u>\$ 666,046</u>	<u>\$ 663,506</u>

The effective interest rate of the 2029 Notes, excluding the conversion option, was 1.40% at December 31, 2025.

The Company carries the 2029 Notes at face value less unamortized debt issuance costs on the accompanying consolidated balance sheets and presents the fair value for disclosure purposes only. The estimated fair value was determined based on the actual bids and offers of the 2029 Notes in an over-the-counter market on the last trading day of the period. The estimated fair value of the 2029 Notes, based on a market approach at December 31, 2025, was approximately \$726.3 million, which represents a Level 2 valuation.

During the year ended December 31, 2025, the Company recognized \$2.5 million of interest expense related to the amortization of debt issuance costs and \$6.8 million of coupon interest expense. During the year ended December 31, 2024, the Company recognized \$1.5 million of interest expense related to the amortization of debt issuance costs and \$4.1 million of coupon interest expense.

The 2029 Notes were not convertible at December 31, 2025.

#### **2026 Notes**

In March 2021, the Company issued \$1.150 billion aggregate gross proceeds, which included the initial purchasers' option of \$150.0 million aggregate principal amount, of the 2026 Notes in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. The 2026 Notes were sold to the initial purchasers pursuant to an exemption from the registration requirements of the Securities Act afforded by Section

4(a)(2) of the Securities Act. The 2026 Notes were issued pursuant to an indenture (the “2026 Indenture”), by and between the Company and the Trustee.

The 2026 Notes do not bear regular interest, and the principal amount of the 2026 Notes does not accrete. The 2026 Notes may bear special interest under specified circumstances related to the Company’s failure to comply with its reporting obligations under the 2026 Indenture or if the 2026 Notes are not freely tradeable as required by the 2026 Indenture. The 2026 Notes will mature on March 15, 2026, unless redeemed, repurchased, or converted prior to such date in accordance with their terms.

The initial conversion rate of the 2026 Notes is 6.0156 shares of common stock per \$1,000 principal amount of the 2026 Notes, equivalent to an initial conversion price of approximately \$166.23 per share of common stock.

The conversion rate is subject to adjustment for certain events. Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of its common stock, or a combination of cash and shares of its common stock, at its election. If the Company undergoes a fundamental change, as described in the 2026 Indenture, prior to the maturity date, holders may require the Company to repurchase all or a portion of the 2026 Notes for cash at a price equal to 100% of the principal amount of the 2026 Notes to be repurchased, plus any accrued and unpaid special interest, if any, to, but excluding, the fundamental change repurchase date.

The 2026 Notes are the Company’s senior unsecured obligations and will rank senior in right of payment to any of the Company’s indebtedness that is expressly subordinated in right of payment to the 2026 Notes; equal in right of payment to any of the Company’s unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company’s secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of current or future subsidiaries of the Company.

The 2026 Indenture contains customary events of default with respect to the 2026 Notes and provides that upon certain events of default occurring and continuing, the Trustee may, and the Trustee at the request of holders of at least 25% in principal amount of the 2026 Notes shall, declare all principal and accrued and unpaid interest, if any, of the 2026 Notes to be due and payable. In case of certain events of bankruptcy, insolvency or reorganization, involving the Company, all of the principal of, and accrued and unpaid interest on the 2026 Notes will automatically become due and payable.

In connection with the issuance of the 2029 Notes, the Company used approximately \$662.6 million of the net proceeds from the offering of the 2029 Notes, as well as liquid investments on hand of \$185.9 million to repurchase \$919.8 million aggregate principal amount of the 2026 Notes. The difference between the consideration paid and the carrying value of the repurchased 2026 Notes, inclusive of any unamortized debt issuance costs, was recognized as a gain on extinguishment of \$65.1 million in other income in the consolidated statements of operations for the year ended December 31, 2024.

The 2026 Notes consisted of the following (in thousands):

	December 31,	
	2025	2024
<b>Liability:</b>		
Principal	\$ 230,196	\$ 230,196
Unamortized debt issuance costs	(173)	(1,027)
Net carrying amount <sup>(1)</sup>	<u>\$ 230,023</u>	<u>\$ 229,169</u>

<sup>(1)</sup> Net carrying amount at December 31, 2025 presented within total current liabilities in the consolidated balance sheet.

The effective interest rate of the 2026 Notes, excluding the conversion option, remained unchanged at 0.37% for December 31, 2025 and 2024.

The Company carries the 2026 Notes at face value less unamortized debt issuance costs on the accompanying consolidated balance sheets and presents the fair value for disclosure purposes only. The estimated fair value was determined based on the actual bids and offers of the 2026 Notes in an over-the-counter market on the last trading day of the period. The estimated fair value of the 2026 Notes, based on a market approach at December 31, 2025, was approximately \$227.3 million, which represents a Level 2 valuation.

During the years ended December 31, 2025 and 2024, the Company recognized \$0.9 million and \$2.2 million of interest expense related to the amortization of debt issuance costs, respectively.

The Company will settle conversions of the 2026 Notes through “combination settlement”, which involves repayment of the principal portion in cash and any excess of the conversion value over the principal amount in shares, cash, or a combination for any further value

The 2026 Notes became convertible on December 15, 2025 and will remain convertible until maturity.

### **2029 Capped Calls**

In connection with the offering of the 2029 Notes, the Company entered into capped call transactions (the “2029 Capped Calls” and together with the 2026 Capped Calls, the “Capped Calls”) with certain counterparties at a cost of approximately \$59.7 million, which was recorded as a reduction of the Company’s additional paid-in capital in the accompanying consolidated financial statements.

Under the 2029 Capped Calls, the Company purchased capped call options that initially cover in the aggregate the total number of shares of the Company’s common stock that initially underlie the 2029 Notes, with an exercise price equal to the initial conversion price of the 2029 Notes, and a cap price of \$92.17 per share of common stock, subject to certain adjustments under the terms of the 2029 Capped Calls.

By entering into the 2029 Capped Calls, the Company expects to reduce the potential dilution to its common stock upon any conversion of the 2029 Notes (or, in the event a conversion of the 2029 Notes is settled in cash, to reduce its cash payment obligation) in the event that at the time of conversion of the 2029 Notes, the market value per share of its common stock exceeds the conversion price of the 2029 Notes, with such reduction subject to the cap price.

The cost of the 2029 Capped Calls is not expected to be tax deductible as the Company did not elect to integrate the 2029 Capped Calls into the 2029 Notes for tax purposes.

At December 31, 2025, all of the 2029 Capped Calls remained outstanding.

### **2026 Capped Calls**

In connection with the offering of the 2026 Notes, the Company entered into privately-negotiated capped call transactions (the “2026 Capped Calls”) with certain counterparties covering, subject to anti-dilution adjustments, approximately 6.9 million shares of the Company’s common stock and are generally expected to offset the potential economic dilution of the Company’s common stock up to the initial cap price. The 2026 Capped Calls have an initial strike price of \$166.23 per share - subject to certain adjustments, which corresponds to the initial conversion price of the 2026 Notes - and an initial cap price of \$233.31 per share, subject to certain adjustments.

The Company entered into the 2026 Capped Calls at a cost of approximately \$102.4 million, which was recorded as a reduction of the Company’s additional paid-in capital in the accompanying consolidated financial statements. By entering into the 2026 Capped Calls, the Company expects to reduce the potential dilution to its common stock upon any conversion of the 2026 Notes (or, in the event a conversion of the 2026 Notes is settled in cash, to reduce its cash payment obligation) in the event that at the time of conversion of the 2026 Notes, the market value per share of its common stock exceeds the conversion price of the 2026 Notes, with such reduction subject to the cap price. The cost of the 2026 Capped Calls is not expected to be tax deductible as the Company did not elect to integrate the 2026 Capped Calls into the 2026 Notes for tax purposes.

At December 31, 2025, all of the 2026 Capped Calls remained outstanding.

## **Note 12 – Restructuring Costs**

### **Fiscal 2025 Restructuring Programs**

On March 4, 2025, the Company initiated a global restructuring program to align resources with strategic priorities and enhance operational efficiency through talent optimization. These actions occurred in three phases:

- March 2025: A reduction of approximately 130 positions, or 7% of the global workforce;
- September 2025: A further reduction of approximately 25 positions, or 1% of the global workforce, and the closure of select facilities; and
- December 2025: A final reduction of approximately 75 positions, or 4% of the global workforce.

In connection with this program, the Company recorded charges of \$14.6 million during the year ended December 31, 2025. These charges were primarily for severance and other employee termination benefits, as well as accelerated and incremental amortization of ROU assets for facilities that were or will be terminated. All charges were recorded as one-time termination benefits pursuant to ASC 420, *Exit or Disposal Obligations* (“ASC 420”).

The liability for the Fiscal 2025 restructuring programs was included in accrued expenses and other current liabilities in the consolidated balance sheets. The following table summarizes the related activity for the year ended December 31, 2025 (in thousands):

Accrual balance at December 31, 2024	\$	—
Restructuring charges		14,626
Cash payments and adjustments		(10,411)
Accrual balance at December 31, 2025	\$	<u>4,215</u>

The Company anticipates additional charges related to these actions for employee termination benefits. The Company expects to have substantially completed the planned actions during the first and second quarters of fiscal 2026.

#### **Fiscal 2023 Restructuring Program**

On August 23, 2023, the Company announced its intention to reduce its global workforce by approximately 166 total positions, or 9%. The actions were designed to support the Company's growth, scale and profitability objectives.

During the years ended December 31, 2025, 2024, and 2023 the Company recorded zero, \$1.7 million, and \$9.8 million, respectively, for severance and other termination benefits. The charges were recorded as one-time termination benefits pursuant to ASC 420. The liability for the Fiscal 2023 restructuring programs was included in accrued expenses and other current liabilities in the consolidated balance sheets. The Company completed its Fiscal 2023 restructuring program during the year ended December 31, 2024 and all remaining restructuring liabilities were settled as of that date.

#### **Note 13 – Stockholders' Equity**

##### **Common Stock Repurchases**

On November 17, 2024, the Company's Board authorized the repurchase of up to \$200 million of the Company's common stock. On September 4, 2025, the Board approved an increase to the Company's stock buyback program of an additional \$200 million, for a total overall authorization to repurchase up to \$400 million of the Company's common stock. The Board also approved the elimination of the expiration date of the program, which was previously set to expire on March 31, 2027.

The Company repurchased and retired 4.5 million shares of common stock for \$235.5 million during the year ended December 31, 2025. At December 31, 2025, \$164.5 million of buyback capacity remained under this program.

##### **2016 and 2014 Equity Plans**

The Company's principal equity compensation plan is the 2016 Equity Incentive Plan (the "2016 Plan"), adopted in November 2016. The 2016 Plan authorizes the grant of stock options and restricted stock units to the Company's employees, directors, and consultants. It succeeded the 2014 Stock Incentive Plan (the "2014 Plan") from which no new awards are granted, but whose terms continue to govern all outstanding awards previously granted thereunder.

Upon its adoption, the share reserve for the 2016 Plan was 6.2 million shares, supplemented by any shares subject to awards granted under the 2014 Plan that remained outstanding and unexercised following the termination of the 2014 Plan. The number of shares available for issuance under the 2016 Plan and the number of shares subject to outstanding options automatically adjusts for any changes in the Company's outstanding common stock by reason of any recapitalization, spin-off, reorganization, reclassification, stock dividend, stock split, reverse stock split, or similar transaction. Stock options and restricted stock units generally vest over three to four years and have contractual terms of ten years.

At December 31, 2025, 22.3 million shares were available for issuance under the 2016 Plan.

### Stock options - service-only vesting conditions

The following table summarizes activity for awards that contain service-only vesting conditions:

	Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2024	1,237	\$ 50.96	4.1	\$ 18,242
Exercised	(258)	\$ 41.99		
Forfeited/canceled	(233)	\$ 65.88		
Outstanding at December 31, 2025	746	\$ 49.41	3.0	\$ 9,216
Exercisable at December 31, 2025	746	\$ 49.41		

There were no stock options granted during the years ended December 31, 2025, 2024, and 2023. The aggregate intrinsic value of options exercised that contain service only vesting conditions during the years ended December 31, 2025, 2024, and 2023 was \$2.7 million, \$14.3 million, and \$15.2 million, respectively. Cash received from the exercise of stock options for the years ended December 31, 2025, 2024, and 2023 was \$5.2 million, \$7.6 million, and \$19.8 million, respectively.

Unrecognized compensation expense relating to stock options that contain service only vesting conditions was zero at December 31, 2025.

### Restricted stock units - service-only vesting conditions

The following table summarizes activity for restricted stock units that contain service-only vesting conditions:

	Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2024	2,811	\$ 64.40
Granted	2,182	\$ 50.10
Vested	(1,163)	\$ 65.86
Forfeited/canceled	(563)	\$ 60.72
Nonvested at December 31, 2025	3,267	\$ 54.97

At December 31, 2025, the intrinsic value of service-based nonvested restricted stock units was \$180.6 million. At December 31, 2025, total unrecognized compensation cost related to nonvested restricted stock units was \$153.9 million and was expected to be recognized over a weighted-average period of 2.7 years.

### Restricted stock units - performance and service conditions

Grants of performance and service-based restricted stock units vest over a three-year period. The total fair value of the grants made during the year ended December 31, 2025 was \$12.7 million.

The following table summarizes activity for restricted stock units with performance and service vesting conditions with grant dates:

	Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2024	198	\$ 60.51
Granted	248	\$ 51.16
Performance adjustment	(97)	\$ 62.54
Vested	(101)	\$ 58.57
Forfeited/canceled	(30)	\$ 51.94
Nonvested at December 31, 2025	218	\$ 51.06

The following table summarizes activity for restricted stock units with performance and service vesting conditions with no grant dates established:

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
	(in thousands)	
Nonvested at December 31, 2024	244	N/A
Granted (legal grant with no grant date established)	173	N/A
Granted (accounting grant date established)	(171)	N/A
Forfeited/canceled	(11)	N/A
Nonvested at December 31, 2025	235	N/A

At December 31, 2025, the intrinsic value of performance and service-based nonvested restricted stock units with established grant dates was \$12.0 million. At December 31, 2025, total unrecognized compensation cost related to performance and service-based nonvested restricted stock units with established grant dates was \$1.4 million and was expected to be recognized over a weighted-average period of 0.2 years.

At December 31, 2025, the intrinsic value of performance and service-based nonvested restricted stock units with no grant dates established was \$13.0 million.

**Restricted stock units - market and service conditions**

Grants of market and service-based restricted stock units vest subject to the achievement of TSR relative to an industry index over a three-year period. The total fair value of the grants made during the year ended December 31, 2025 was \$13.7 million.

The following table summarizes activity for restricted stock units with market and service-based conditions with grant dates:

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
	(in thousands)	
Nonvested at December 31, 2024	202	\$ 93.89
Granted	208	\$ 66.13
Vested	—	N/A
Forfeited/canceled	(33)	\$ 97.48
Nonvested at December 31, 2025	377	\$ 78.26

The following table summarizes activity for restricted stock units with market and service-based conditions with no grant dates established:

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
	(in thousands)	
Nonvested at December 31, 2024	—	N/A
Granted	19	N/A
Vested	—	N/A
Forfeited/canceled	—	N/A
Nonvested at December 31, 2025	19	N/A

At December 31, 2025, the intrinsic value of market and service-based nonvested restricted stock units was \$20.8 million. At December 31, 2025, total unrecognized compensation cost related to market and service-based

nonvested restricted stock units was \$16.4 million and was expected to be recognized over a weighted-average period of 1.8 years.

At December 31, 2025, the intrinsic value of market and service-based nonvested restricted stock units with no grant dates established was \$1.1 million.

### **Employee Stock Purchase Plan**

Under the Company's 2018 Employee Stock Purchase Plan ("ESPP"), eligible employees are granted the right to purchase shares at the lower of 85% of the fair value of the stock at the time of grant or 85% of the fair value at the time of exercise. The right to purchase shares is granted twice yearly for six month offering periods in May and November and exercisable on or about the succeeding November and May, respectively, of each year. Under the ESPP, 0.4 million shares remained available for issuance at December 31, 2025. The Company recognized stock-based compensation expense related to the ESPP of \$2.8 million, \$3.2 million, and \$3.3 million for the years ended December 31, 2025, 2024, and 2023, respectively.

The fair value of ESPP shares granted was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Year Ended December 31,		
	2025	2024	2023
Risk-free interest rate	3.6% - 4.2%	4.4% - 5.4%	4.5% - 5.4%
Expected term (in years)	0.5 - 1	0.5 - 1	0.5 - 1
Volatility	29.5% - 45.1%	33.4% - 41.5%	39.8% - 58.5%

At December 31, 2025, total unrecognized compensation cost related to the 2018 ESPP was \$2.5 million and was expected to be recognized over a weighted-average period of approximately one year.

### **Stock-based compensation expense**

Stock-based compensation expense recorded in the Company's consolidated statements of operations was as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Cost of revenues	\$ 13,497	\$ 10,501	\$ 10,342
Sales and marketing	27,238	25,428	24,152
Research and development	16,633	13,345	13,095
General and administrative	35,222	33,977	30,381
	<u>\$ 92,590</u>	<u>\$ 83,251</u>	<u>\$ 77,970</u>

Stock-based compensation capitalized as an asset was \$4.7 million, \$4.5 million, and \$3.5 million during the years ended December 31, 2025, 2024, and 2023, respectively.

The Company recorded \$0.7 million and \$0.8 million of foreign tax provisions attributable to equity awards for the years ended December 31, 2025 and 2024, respectively, and \$0.1 million of foreign tax benefits attributable to equity awards for the year ended December 31, 2023, respectively.

### **Note 14 – Income Taxes**

The components of loss before income taxes were as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
United States	\$ 36,399	\$ 126,341	\$ 62,745
International	11,829	(1,643)	(2,236)
	<u>\$ 48,228</u>	<u>\$ 124,698</u>	<u>\$ 60,509</u>

The components of the total provision for (benefit from) income taxes were as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
<b>Current</b>			
Federal	\$ 738	\$ 4,474	\$ 272
State	1,887	3,872	859
Foreign	3,298	3,361	1,844
<b>Total current tax expense</b>	<b>5,923</b>	<b>11,707</b>	<b>2,975</b>
<b>Deferred</b>			
Federal	15,076	(35,071)	202
State	886	(17,791)	100
Foreign	(914)	(1,912)	(1,827)
<b>Total deferred tax provision</b>	<b>15,048</b>	<b>(54,774)</b>	<b>(1,525)</b>
<b>Total provision for (benefit from) income taxes</b>	<b>\$ 20,971</b>	<b>\$ (43,067)</b>	<b>\$ 1,450</b>

A reconciliation of the statutory U.S. federal income tax rate to the Company's effective tax rate pursuant to the disclosure requirements of ASU 2023-09 adopted on a prospective basis for the year ended December 31, 2025 was as follows (in thousands, except percentages):

	Year Ended December 31,	
	2025	
Federal statutory income tax rate	\$ 10,128	21.0 %
State tax, net of federal benefit <sup>(1)</sup>	2,379	4.9 %
Change in valuation allowance	(86)	(0.2)%
Foreign tax effects:		
Japan		
Change in valuation allowance	(2,344)	(4.9)%
Other	658	1.4 %
Netherlands		
Statutory tax rate difference	463	1.0 %
Other	109	0.2 %
Other foreign jurisdictions	990	2.1 %
Cross-border tax laws:		
Base erosion and anti-abuse tax	1,280	2.7 %
Subpart F income	1,115	2.3 %
Tax credits	(3,857)	(8.0)%
Nondeductible items:		
Officer compensation	5,188	10.8 %
Meals & entertainment	625	1.3 %
Stock-based compensation	4,547	9.4 %
Other	(224)	(0.5)%
<b>Total</b>	<b>\$ 20,971</b>	<b>43.5 %</b>

<sup>(1)</sup> State and local taxes in California, Minnesota, New York City, Pennsylvania, and Texas made up the majority (greater than 50 percent) of the state tax effect.

A reconciliation of the statutory U.S. federal income tax rate to the Company's effective tax rate for the years ended December 31, 2024 and 2023 prior to the adoption of ASU 2023-09 was as follows:

	Year Ended December 31,	
	2024	2023
Federal statutory income tax rate	21.0 %	21.0 %
State tax, net of federal benefit	(11.8)%	2.7 %
Federal tax credits	(2.5)%	(9.8)%
De-recognized tax credit carryforwards	2.6 %	— %
Unrecognized tax benefit remeasurement	4.3 %	— %
Change in valuation allowance	(53.2)%	(13.8)%
Foreign tax differential	0.9 %	2.0 %
Windfall tax benefits, net related to stock-based compensation	1.8 %	4.1 %
Nondeductible officer compensation	3.9 %	6.8 %
Nondeductible transaction costs	— %	0.3 %
Contingent consideration	— %	(11.6)%
Nondeductible meals and entertainment	0.5 %	0.7 %
Foreign-derived intangible income tax benefit	(1.8)%	— %
Other	(0.2)%	— %
	<u>(34.5)%</u>	<u>2.4 %</u>

On July 4, 2025, the legislation formally titled “An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14” and commonly referred to as the “One Big Beautiful Bill” (“OBBB”) was enacted. The OBBB adjusted a number of provisions affecting businesses, including the immediate expensing of domestic research and development costs, limitations on deductions for interest expense, and accelerated fixed asset depreciation. The OBBB provisions did not have a material impact on the Company’s effective tax rate.

The summary of income taxes paid by jurisdiction pursuant to the disclosure requirements of ASU 2023-09 adopted on a prospective basis for the year ended December 31, 2025 (in thousands):

	Year Ended December 31,	
	2025	
Federal	\$	650
State		2,676
Foreign		
France		424
India		873
Mexico		409
Netherlands		1,751
United Kingdom		(810)
All other foreign		550
Total	\$	<u>6,523</u>

The amount of cash income taxes paid by the Company during the years ended December 31, 2024 and 2023 was \$11.5 million and \$3.1 million, respectively.

Significant components of the Company's deferred tax assets and liabilities were as follows (in thousands):

	December 31,	
	2025	2024
<b>Deferred tax assets</b>		
Net operating loss carryforwards	\$ 34,022	\$ 14,906
Research and other credits	21,991	17,288
Capitalized R&D	3,049	40,131
Stock-based compensation	8,028	7,570
Operating and finance leases	2,496	3,382
Accrued expenses and other current liabilities	5,948	7,300
Other	1,114	2,962
<b>Total deferred tax assets</b>	<b>76,648</b>	<b>93,539</b>
Less: valuation allowance	(2,247)	(4,677)
<b>Deferred tax assets, net of valuation allowance</b>	<b>74,401</b>	<b>88,862</b>
<b>Deferred tax liabilities</b>		
Intangible assets	(11,499)	(13,801)
Prepaid expenses	(26,236)	(23,194)
Operating lease right-of-use and finance lease assets	(2,453)	(3,191)
Other	(116)	—
<b>Total deferred tax liabilities</b>	<b>(40,304)</b>	<b>(40,186)</b>
<b>Net deferred taxes</b>	<b>\$ 34,097</b>	<b>\$ 48,676</b>

ASC 740, *Income Taxes*, requires that the tax benefit of net operating losses, temporary differences, and credit carryforwards be recorded as an asset to the extent that management assesses that realization is "more likely than not." A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized. Realization of future tax benefits is dependent on the Company's ability to generate sufficient taxable income within the carryforward period. Accordingly, the Company provided a valuation allowance against certain foreign deferred tax assets.

The changes in the valuation allowance were as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Valuation allowance, at beginning of year	\$ 4,677	\$ 92,079	\$ 99,476
Decrease in valuation allowance recorded through earnings	(2,430)	(87,402)	(7,063)
Decrease in valuation allowance recorded through equity	—	—	(334)
Valuation allowance, at end of year	<b>\$ 2,247</b>	<b>\$ 4,677</b>	<b>\$ 92,079</b>

The decrease in valuation allowance recorded through earnings of \$2.4 million during the year ended December 31, 2025 resulted primarily from the release of valuation allowance previously recorded against its BlackLine K.K. deferred tax assets.

The decrease in valuation allowance recorded through earnings of \$87.4 million during the year ended December 31, 2024 resulted primarily from the release of valuation allowance previously recorded against its U.S. deferred tax assets, partially offset by an increase in valuation allowance recorded against certain foreign deferred tax assets.

The decrease in valuation allowance recorded through earnings of \$7.1 million for the year ended December 31, 2023 resulted primarily from the utilization of federal and state net operating loss carryforwards due to domestic profitability, along with the valuation allowance decrease associated with net deferred tax liabilities from the DI Acquisition, which are a source of taxable income to support the recognition of existing UK deferred tax assets. The valuation allowance release resulted in a UK deferred tax benefit of \$1.7 million for the year ended December 31, 2023.

The decrease in valuation allowance recorded through equity of \$0.3 million during the year ended December 31, 2023 is related to unrealized gains reported in other comprehensive income.

The Company did not provide for U.S. income taxes on the undistributed earnings and other outside temporary differences of foreign subsidiaries at December 31, 2025 and 2024, as they are considered indefinitely reinvested outside the U.S. and determination is not practicable. Upon distribution of those earnings in the form of a

dividend or otherwise, the Company may be subject to both state income taxes and withholding taxes payable to various foreign countries. The amounts of such tax liabilities that might be payable upon repatriation of foreign earnings are not material.

At December 31, 2025, the Company had consolidated federal and state net operating loss carryforwards available to offset future taxable income of approximately \$81.4 million and \$82.9 million, respectively. The federal losses do not expire, and the state losses will begin to expire between 2031 and 2045, depending on the jurisdiction. The Company has federal research and development credits of \$9.8 million, which begin to expire in 2041. The Company has state research and development credits of \$12.1 million, which are indefinite in expiration. Pursuant to Internal Revenue Code Section 382, use of the Company's net operating loss carryforwards may be limited if the Company experiences a cumulative change in ownership of more than 50% over a three-year period.

The following is a rollforward of the Company's total gross unrecognized tax benefits (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Beginning gross unrecognized tax benefits	\$ 18,698	\$ 7,104	\$ 5,513
Increases related to prior year tax positions	695	9,243	274
Increases related to current year tax positions	2,665	2,351	1,317
Settlements	(84)	—	—
Ending gross unrecognized tax benefits	\$ 21,974	\$ 18,698	\$ 7,104

At December 31, 2025, included in the balance of unrecognized tax benefits is \$22.0 million, that if recognized, would affect the effective tax rate. The Company recorded less than \$0.1 million interest and penalties in its provision for income taxes for the years ended December 31, 2025, 2024, and 2023, respectively. No interest and penalties were accrued for at December 31, 2025, and less than \$0.1 million was accrued in interest and penalties at December 31, 2024.

The Company files U.S. federal, various state, and foreign income tax returns. In the normal course of business, the Company is subject to examination by taxing authorities. The tax years from 2013 forward remain subject to examination for federal purposes. Generally, state and foreign tax authorities may examine the Company's tax returns for four years and five years, respectively, from the date an income tax return is filed. However, the taxing authorities may continue to examine the Company's federal and state net operating loss carryforward until the statute of limitations closes on the tax years in which the federal and state net operating losses are utilized.

The Company does not anticipate material changes in the total amount or composition of its unrecognized tax benefits within 12 months of the reporting date.

**Note 15 – Net Income per Share**

The following table sets forth the computation of basic and diluted net income per share (in thousands, except per share amounts):

	Year Ended December 31,		
	2025	2024	2023
Basic net income per share			
Numerator:			
Net income attributable to BlackLine, Inc.	\$ 24,518	\$ 161,174	\$ 52,833
Denominator:			
Weighted average shares	61,430	62,129	60,849
Basic net income per share attributable to BlackLine, Inc.	\$ 0.40	\$ 2.59	\$ 0.87
Diluted net income per share			
Numerator:			
Net income attributable to BlackLine, Inc.	\$ 24,518	\$ 161,174	\$ 52,833
Interest expense, net of taxes	1,073	7,804	5,716
Gain on extinguishment of convertible senior notes, net of taxes	—	(62,147)	—
Net income attributable to BlackLine, Inc. for diluted calculation	\$ 25,591	\$ 106,831	\$ 58,549
Denominator:			
Weighted average shares	61,430	62,129	60,849
Dilutive effect of securities	686	691	872
Dilutive effect of convertible senior notes	3,805	10,683	10,324
Shares used to calculate diluted net income per share	65,921	73,503	72,045
Diluted net income per share attributable to BlackLine, Inc.	\$ 0.39	\$ 1.45	\$ 0.81

The Company computes basic earnings per share attributable to BlackLine, Inc. using the weighted average number of common shares outstanding. The Company computes diluted earnings per share attributable to BlackLine, Inc. using the weighted average number of common shares outstanding plus the effect of potentially dilutive shares, which is based on the weighted-average shares of common stock underlying stock options and unvested stock awards using the treasury stock method, and the effect of the convertible senior notes using the if-converted method.

The weighted average impact of potentially dilutive securities that were excluded from the diluted per share calculations because they were anti-dilutive were as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Stock options - service-only vesting conditions	355	330	1,062
Restricted stock units - service-only vesting conditions	1,345	1,813	1,834
Restricted stock units - performance and service conditions	79	55	16
Restricted stock units - market and service conditions	237	153	—
Restricted stock units - performance, market, and service conditions	—	—	73
WL contingently returnable common shares	10	—	—
Total shares excluded from net income per share	2,026	2,351	2,985

The denominator for diluted net income per share attributable to BlackLine, Inc. does not include any effect from the Capped Calls as this effect would be anti-dilutive. In the event of conversion of the Notes, shares delivered to the Company under the Capped Calls would offset the dilutive effect of the shares that the Company would issue under the Notes. Refer to "Note 11 - Convertible Senior Notes" for additional information on the Notes and the related Capped Calls.

**Note 16 – Commitments and Contingencies**

**Litigation**—From time to time, the Company may become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The Company is not currently a party to any legal proceedings, nor is it

aware of any pending or threatened litigation that would have a material adverse effect on the Company's business, operating results, cash flows, or financial condition should such litigation be resolved unfavorably.

**Indemnification**—In the ordinary course of business, the Company may provide indemnification of varying scope and terms to customers, vendors, investors, directors, and officers with respect to certain matters, including, but not limited to, losses arising out of its breach of such agreements, services to be provided by the Company, or from intellectual property infringement claims made by third parties. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments the Company could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is indeterminable. The Company has never paid a material claim, nor has it been sued in connection with these indemnification arrangements. At December 31, 2025 and 2024, the Company has not accrued a liability for these indemnification arrangements because the likelihood of incurring a payment obligation, if any, in connection with these indemnification arrangements was not probable or reasonably estimable.

#### **Note 17 – Defined Contribution Plan**

The Company sponsors a defined contribution retirement plan (the "Plan") that covers substantially all domestic employees. The Company makes matching contributions of 100% of each \$1 of the employee's contribution up to the first 3% of the employee's semi-monthly compensation and 50% of each \$1 of the employee's contribution up to the next 2% of the employee's semi-monthly compensation. Matching contributions to the Plan recorded in the Company's consolidated statements of operations totaled \$7.8 million, \$7.2 million, and \$7.6 million for the years ended December 31, 2025, 2024, and 2023, respectively.

#### **Note 18 – Subsequent Events**

The Company continued its execution of the stock buyback program authorized by the Board. Refer to "Note 13 – Stockholders' Equity" for additional information regarding the stock buyback program. For the period from January 1, 2026 through February 23, 2026, the Company repurchased and retired 0.4 million shares of common stock for an aggregate amount of \$18.5 million.

On February 11, 2026, the Company's Compensation Committee approved restricted stock unit grants to employees totaling 0.1 million shares. Each restricted stock unit entitles the recipient to receive one share of common stock upon vesting of the award. The restricted stock units are service-based and will vest as to one-fourth of the total number of units awarded on the first anniversary of February 20, 2026 and quarterly thereafter for 12 consecutive quarters.

On February 11, 2026, the Compensation Committee approved the performance metrics for the 2026 performance period, resulting in the establishment of accounting grant dates for the third tranche of the 2024 performance and service-based restricted stock units, the second tranche of the 2025 market and service-based restricted stock units, and the first tranche of performance and service-based restricted stock units granted in November 2025, totaling 0.1 million target shares.

On February 11, 2026, the Compensation Committee approved the performance metrics for the market and service-based restricted stock units totaling 19,000 target shares. The awards are tied to relative total shareholder return measured over a three-year performance period with vesting occurring in February of the year following the end of the performance period. The grant date fair value per share was estimated using the Monte Carlo valuation simulation model that incorporates various assumptions, including stock price volatility, risk-free interest rate, and the performance of our stock price relative to the applicable peer group.

#### **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

None.

#### **Item 9A. Controls and Procedures**

##### **Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or "the Exchange Act" means controls and other procedures of a company that are designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms; and that such information is accumulated and communicated to the

company's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures at December 31, 2025, the last day of the period covered by this Annual Report. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, at December 31, 2025, our disclosure controls and procedures were effective at a reasonable assurance level.

***Limitations on the Effectiveness of Controls and Procedures***

In designing and evaluating our disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and our management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. The design of any disclosure controls and procedures and internal control over financial reporting is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

***Management's Annual Report on Internal Control over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act).

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in "Internal Control - Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective at December 31, 2025. The effectiveness of the Company's internal control over financial reporting at December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

***Changes in Internal Control over Financial Reporting***

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) under the Exchange Act that occurred during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

***Item 9B. Other Information***

On November 21, 2025, Thomas Unterman, a member of our Board of Directors, terminated a "Rule 10b5-1 trading arrangement," as defined in Regulation S-K Item 408. The arrangement was entered into on November 21, 2024, and was intended to satisfy the affirmative defense in Rule 10b5-1(c). It provided for the sale, from time to time, of an aggregate of up to 9,100 shares of our common stock.

No other officers or directors, as defined in Rule 16a-1(f), adopted, modified, or terminated a Rule 10b5-1 trading arrangement as defined in Regulation S-K Item 408, during the last fiscal quarter.

***Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not Applicable.

## PART III

### **Item 10. *Directors, Executive Officers, and Corporate Governance***

The Company has adopted an insider trading policy applicable to our directors, officers, and employees, that we believe is reasonably designed to promote compliance with insider trading laws, rules, and regulations, as well as applicable listing standards. A copy of our insider trading policy is filed as Exhibit 19 to this Annual Report on Form 10-K. From time to time, we may engage in transactions in our own securities. We comply with all applicable securities laws when engaging in transactions in our securities.

The information required by this item will be included in our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission, or the SEC, within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

### **Item 11. *Executive Compensation***

The information required by this item will be included in our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

### **Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this item will be included in our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

### **Securities Authorized for Issuance under Equity Compensation Plan**

The information required by this item will be included in our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

### **Item 13. *Certain Relationships and Related Transactions, and Director Independence***

The information required by this item will be included in our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

### **Item 14. *Principal Accountant Fees and Services***

Our independent registered public accounting firm is PricewaterhouseCoopers LLP, Los Angeles, CA.

The information required by this item will be included in our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

With the exception of the information incorporated in Items 10, 11, 12, 13, and 14 of this Annual Report on Form 10-K, our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025 is not deemed "filed" as part of this Annual Report on Form 10-K.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules

Documents filed as part of this report are as follows:

1. Consolidated Financial Statements:

Our Consolidated Financial Statements are listed in the “Index to Consolidated Financial Statements” under Part II, Item 8 of this Annual Report on Form 10-K.

2. Financial Statement Schedules:

Financial Statement Schedules have been omitted as information required is inapplicable or the information is presented in the consolidated financial statements and the related notes.

3. Exhibits:

The documents listed in the accompanying index to exhibits are filed or incorporated by reference as part of this Annual Report on Form 10-K.

### Exhibit Index

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
2.1	<a href="#">Agreement and Plan of Merger, by and among SLS Breeze Holdings, Inc., SLS Breeze Intermediate Holdings, Inc., SLS Breeze Merger Sub, Inc. and BlackLine Systems, Inc., dated as of August 9, 2013.</a>	S-1	333-213899	2.1	September 30, 2016
3.1	<a href="#">Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Registrant, effecting a one-for-five reverse stock split.</a>	S-1/A	333-213899	3.2	October 17, 2016
3.2	<a href="#">Amended and Restated Certificate of Incorporation of the Registrant.</a>	10-Q	001-37924	3.2	December 12, 2016
3.3	<a href="#">Amended and Restated Bylaws of the Registrant.</a>	8-K	001-37924	3.1	March 13, 2023
4.1	<a href="#">Specimen Common Stock Certificate of the Registrant.</a>	S-1	333-213899	4.1	September 30, 2016
4.2	<a href="#">Description of Registrant's Securities.</a>	10-K	001-37924	4.2	February 23, 2023
4.3	<a href="#">Amended and Restated Stockholders' Agreement, by and among the Registrant, Silver Lake Sumeru, Iconiq, Therese Tucker and Mario Spanicciati.</a>	10-Q	001-37924	4.2	December 12, 2016
4.4	<a href="#">Amended and Restated Registration Rights Agreement, by and among the Registrant, Silver Lake Sumeru, Iconiq, Therese Tucker and Mario Spanicciati.</a>	10-Q	001-37924	4.3	December 12, 2016
4.5	<a href="#">Indenture, dated May 15, 2021, between BlackLine, Inc. and U.S. National Association.</a>	8-K	001-37924	4.1	March 15, 2021
4.6	<a href="#">Indenture, dated May 24, 2024, between BlackLine, Inc. and U.S. Bank Trust Company, National Association.</a>	8-K	001-37924	4.1	May 24, 2024
4.7	<a href="#">Form of 0.00% Convertible Senior Note due 2026 (included in Exhibit 4.1).</a>	8-K	001-37924	4.2	March 15, 2021
4.8	<a href="#">Form of 1.00% Convertible Senior Note due 2029 (included in Exhibit 4.1).</a>	8-K	001-37924	4.2	May 24, 2024
10.1+	<a href="#">2014 Equity Incentive Plan and form of equity agreements thereunder.</a>	S-1	333-213899	10.6	September 30, 2016
10.2+	<a href="#">Amendment No. 1 to the 2014 Equity Incentive Plan.</a>	S-1	333-213899	10.7	September 30, 2016
10.3+	<a href="#">Amendment No. 2 to the 2014 Equity Incentive Plan.</a>	S-1	333-213899	10.8	September 30, 2016
10.4+	<a href="#">Amendment No. 3 to the 2014 Equity Incentive Plan.</a>	S-1	333-213899	10.9	September 30, 2016
10.5+	<a href="#">2016 Equity Incentive Plan and the form of equity award agreements thereunder.</a>	S-1/A	333-213899	10.10	October 17, 2016
10.6+	<a href="#">Employee Incentive Compensation Plan of the Company.</a>	S-1	333-213899	10.11	September 30, 2016
10.7+	<a href="#">2018 Employee Stock Purchase Plan, as amended February 12, 2025.</a>	10-Q	001-37924	10.2	May 7, 2025

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
10.8+**	<a href="#">Change of Control and Severance Policy.</a>				
10.9+	<a href="#">Employment Offer Letter, by and between the Company and Karole Morgan-Prager, dated as of May 4, 2015.</a>	S-1	333-213899	10.16	September 30, 2016
10.10+	<a href="#">Confirmatory Offer Letter, by and between the Registrant and Karole Morgan-Prager, dated as of September 29, 2016.</a>	S-1	333-213899	10.18	September 30, 2016
10.11+	<a href="#">Employment Offer Letter, by and between the Company and Mark Partin, dated as of December 25, 2014.</a>	S-1	333-213899	10.19	September 30, 2016
10.12+	<a href="#">Confirmatory Offer Letter, by and between the Registrant and Mark Partin, dated as of September 29, 2016.</a>	S-1	333-213899	10.20	September 30, 2016
10.13+	<a href="#">Employment Agreement between the Company and Therese Tucker, signed March 5, 2023.</a>	8-K	001-37924	10.1	March 6, 2023
10.14+	<a href="#">Employment Agreement between the Company and Owen Ryan, signed March 5, 2023.</a>	8-K	001-37924	10.2	March 6, 2023
10.15+**	<a href="#">Offer Letter, by and between the Company and Jimmy Duan, dated as of April 2, 2024.</a>				
10.16+**	<a href="#">Offer Letter, by and between the Company and Jeremy Ung, dated as of March 5, 2024.</a>				
10.17+**	<a href="#">Offer Letter, by and between the Company and Stuart Van Houten, dated as of December 20, 2024.</a>				
10.18+	<a href="#">Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.</a>	S-1	333-213899	10.22	September 30, 2016
10.19^	<a href="#">Office Lease, by and between the Company and Douglas Emmet 2008, LLC, dated November 22, 2010.</a>	S-1	333-213899	10.25	September 30, 2016
10.20^	<a href="#">First Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated August 14, 2012.</a>	S-1	333-213899	10.26	September 30, 2016
10.21^	<a href="#">Second Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated December 26, 2013.</a>	S-1	333-213899	10.27	September 30, 2016
10.22^	<a href="#">Third Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated June 24, 2014.</a>	S-1	333-213899	10.28	September 30, 2016
10.23	<a href="#">Fourth Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated January 29, 2015.</a>	S-1	333-213899	10.29	September 30, 2016
10.24	<a href="#">Fifth Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated October 6, 2016.</a>	S-1/A	333-217981	10.26	May 22, 2017
10.25	<a href="#">Sixth Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated May 10, 2017.</a>	S-1/A	333-217981	10.27	May 22, 2017
10.26	<a href="#">Seventh Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated May 18, 2017.</a>	S-1/A	333-217981	10.28	May 22, 2017
10.27	<a href="#">Eighth Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated May 26, 2021.</a>	10-K	001-37924	10.29	February 23, 2024
10.28	<a href="#">Ninth Amendment to Office Lease, by and between the Company and Douglas Emmett 2008, LLC, dated June 15, 2023.</a>	10-Q	001-37924	10.1	August 9, 2023
10.29	<a href="#">Form of Capped Call Confirmation.</a>	8-K	001-37924	10.2	March 15, 2021
10.30	<a href="#">Form of Capped Call Confirmation.</a>	8-K	001-37924	10.2	May 24, 2024
10.31	<a href="#">Cooperation Letter Agreement, dated March 9, 2025, between the Company, Scalar Gauge Fund, L.P. and certain other parties.</a>	8-K	001-37924	10.1	March 10, 2025
10.32	<a href="#">Employment Agreement between the Company and Therese Tucker, signed August 8, 2025.</a>	10-Q	001-37924	10.1	November 7, 2025

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
19.1	<a href="#">BlackLine, Inc. Insider Trading Policy.</a>	10-K	001-37924	19.0	February 21, 2025
21.1**	<a href="#">List of subsidiaries of the Company.</a>				
23.1**	<a href="#">Consent of Independent Registered Public Accounting Firm.</a>				
24.1**	<a href="#">Power of Attorney (included in signature pages hereto).</a>				
31.1**	<a href="#">Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				
31.2**	<a href="#">Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				
32.1†	<a href="#">Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>				
97.1+	<a href="#">Registrant's Compensation Recovery Policy dated November 7, 2023.</a>	10-K	001-37924	97.1	February 23, 2024
101.INS**	Inline XBRL Instance Document				
101.SCH**	Inline XBRL Taxonomy Extension Schema Document				
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)				

^ Portions of this exhibit (such portions indicated by “[\*\*\*]”) have been omitted as the Company has determined the omitted information (i) is not material and (ii) would be competitively harmful to Registrant if publicly disclosed.

\*\* Filed herewith.

+ Indicates management contract or compensatory plan.

† The certifications attached as Exhibit 32.1 that accompany this Annual Report on Form 10-K are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of BlackLine, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

#### Item 16. Form 10-K Summary

Not applicable.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, on February 25, 2026.

### BLACKLINE, INC.

By: /s/ Owen Ryan  
Name: Owen Ryan  
Title: Chief Executive Officer

## POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Owen Ryan and Patrick Villanova, and each of them, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated:

<b>Signature</b>	<b>Title</b>	<b>Date</b>
<u>/s/ Owen Ryan</u> Owen Ryan	Chief Executive Officer and Director (Principal Executive Officer)	February 25, 2026
<u>/s/ Patrick Villanova</u> Patrick Villanova	Chief Financial Officer (Principal Financial Officer)	February 25, 2026
<u>/s/ Michelle Stalick</u> Michelle Stalick	Chief Accounting Officer (Principal Accounting Officer)	February 25, 2026
<u>/s/ Saranga Balaji</u> Saranga Balaji	Director	February 25, 2026
<u>/s/ Scott Davidson</u> Scott Davidson	Director	February 25, 2026
<u>/s/ Camille Drummond</u> Camille Drummond	Director	February 25, 2026
<u>/s/ David Henshall</u> David Henshall	Director	February 25, 2026
<u>/s/ Gregory Hughes</u> Gregory Hughes	Director	February 25, 2026
<u>/s/ Brunilda Rios</u> Brunilda Rios	Director	February 25, 2026
<u>/s/ Therese Tucker</u> Therese Tucker	Director	February 25, 2026
<u>/s/ Thomas Unterman</u> Thomas Unterman	Director	February 25, 2026
<u>/s/ Sophia Velastegui</u> Sophia Velastegui	Director	February 25, 2026
<u>/s/ Barbara Whye</u> Barbara Whye	Director	February 25, 2026
<u>/s/ Mika Yamamoto</u> Mika Yamamoto	Director	February 25, 2026

**BlackLine, Inc.**  
**Change of Control and Severance Policy**  
*(as amended and restated through February 14, 2024)*

This Change of Control and Severance Policy (the “**Policy**”) is designed to provide certain protections to a select group of key employees of BlackLine, Inc. (“**BlackLine**” or the “**Company**”) or any of its subsidiaries in connection with a change of control of BlackLine or in connection with the involuntary termination of their employment under the circumstances described in this Policy. The Policy is designed to be an “employee welfare benefit plan” (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”)), and this document is both the formal plan document and the required summary plan description for the Policy.

**Eligible Employee:** An individual is only eligible for protection under this Policy if he or she is an Eligible Employee and complies with its terms (including any terms in the Eligible Employee’s Participation Agreement (as defined below)). To be an “**Eligible Employee**,” an employee must (a) have been designated by the Board or an authorized committee of the Board (in either case, the “**Committee**”) as eligible to participate in the Policy, whether individually or by position or category of position and (b) have executed a participation agreement in the form attached hereto as Exhibit A (a “**Participation Agreement**”).

**Policy Benefits:** An Eligible Employee will be eligible to receive the payments and benefits set forth in his or her Participation Agreement if his or her employment with BlackLine and all of its subsidiaries terminates as a result of a Qualified Termination. All benefits under this Policy and the Participation Agreement will be subject to the Eligible Employee’s compliance with the Release Requirement and any timing modifications required to avoid adverse taxation under Section 409A.

**Death of Eligible Employee:** If the Eligible Employee dies before all payments or benefits he or she is entitled to receive have been paid, such unpaid amounts will be paid to his or her designated beneficiary, if living, or otherwise to his or her personal representative in a lump-sum payment as soon as possible following his or her death.

**Forfeiture/Clawback:** If the Company discovers after the Eligible Employee’s receipt of payments or benefits under this Policy that grounds for the termination of the Eligible Employee’s employment for Cause existed, then the Eligible Employee will cease receiving any further payments or benefits under this Policy and, to the extent permitted under applicable laws, will be required to repay to the Company any payments or benefits he or she received under the Policy (or any financial gain derived from such payments or benefits). Additionally, to the extent that any payments or benefits under this Policy would be subject to recovery under the Company’s compensation recovery (clawback) policy, that policy will not be superseded by this Policy.

**Release:** The Eligible Employee’s receipt of any severance payments or benefits under this Policy is subject to the Eligible Employee signing and not revoking the Company’s then-standard separation agreement and release of claims (which may include an agreement not to disparage the Company, non-solicit provisions, and other standard terms and conditions) (the “**Release**” and such requirement, the “**Release Requirement**”), which must become effective and irrevocable no later than the 60th day following the Eligible Employee’s Qualified Termination (the “**Release Deadline**”). If the Release does not become effective and irrevocable by the Release Deadline, the Eligible Employee will forfeit any right to severance payments or benefits under this Policy. In no event will severance payments or benefits under the Policy be paid or provided until the Release actually becomes effective and irrevocable. Notwithstanding any other payment schedule set forth in this Policy or the Eligible Employee’s Participation Agreement, none of the severance payments and benefits payable upon such Eligible Employee’s Qualified Termination under this Policy will be paid or otherwise provided prior to the 60th day following the Eligible Employee’s Qualified Termination. Except as otherwise set forth in an Eligible Employee’s Participation Agreement or to the extent that payments are delayed under the paragraph below entitled “Section 409A,” on the first regular payroll pay day following the 60th day following the Eligible Employee’s Qualified Termination, the Company will pay or provide the Eligible Employee the severance payments and benefits that the Eligible Employee would otherwise have received under this Policy on or prior to such date, with the balance of such severance payments and benefits being paid or provided as originally scheduled.

**Section 409A:** The Company intends that all payments and benefits provided under this Policy or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated thereunder (collectively, “**Section 409A**”) so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted in accordance with this intent. No payment or benefits to be paid to an Eligible Employee, if any, under this Policy or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the “**Deferred Payments**”) will be paid or otherwise provided until such Eligible

Employee has a "separation from service" within the meaning of Section 409A. If, at the time of the Eligible Employee's termination of employment, the Eligible Employee is a "specified employee" within the meaning of Section 409A, then the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Eligible Employee will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following his or her termination of employment. The Company reserves the right to amend the Policy as it deems necessary or advisable, in its sole discretion and without the consent of any Eligible Employee or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under this Policy is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company reimburse any Eligible Employee for any taxes that may be imposed on him or her as a result of Section 409A.

#### **Parachute Payments:**

**Reduction of Severance Benefits.** Notwithstanding anything set forth herein to the contrary, if any payment or benefit that an Eligible Employee would receive from the Company or any other party whether in connection with the provisions herein or otherwise (the "**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**"), and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment will be equal to the Best Results Amount. The "**Best Results Amount**" will be either (x) the full amount of such Payment or (y) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Eligible Employee's receipt, on an after-tax basis, of the greater amount notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Eligible Employee's Equity Awards unless the Eligible Employee elects in writing a different order for cancellation. The Eligible Employee will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Policy, and the Eligible Employee will not be reimbursed by the Company for any such payments.

**Determination of Excise Tax Liability.** The Company will select a professional services firm to make all of the determinations required to be made under these paragraphs relating to parachute payments. The Company will request that firm provide detailed supporting calculations both to the Company and the Eligible Employee prior to the date on which the event that triggers the Payment occurs if administratively feasible, or subsequent to such date if events occur that result in parachute payments to the Eligible Employee at that time. For purposes of making the calculations required under these paragraphs relating to parachute payments, the firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith determinations concerning the application of the Code. The Company and the Eligible Employee will furnish to the firm such information and documents as the firm may reasonably request in order to make a determination under these paragraphs relating to parachute payments. The Company will bear all costs the firm may reasonably incur in connection with any calculations contemplated by these paragraphs relating to parachute payments. Any such determination by the firm will be binding upon the Company and the Eligible Employee, and the Company will have no liability to the Eligible Employee for the determinations of the firm.

**Administration:** The Policy will be administered by the Committee or its delegate (in each case, an "**Administrator**"). The Administrator will have full discretion to administer and interpret the Policy. Any decision made or other action taken by the Administrator with respect to the Policy and any interpretation by the Administrator of any term or condition of the Policy, or any related document, will be conclusive and binding on all persons and be given the maximum possible deference allowed by law. The Administrator is the "plan administrator" of the Policy for purposes of ERISA and will be subject to the fiduciary standards of ERISA when acting in such capacity.

**Attorneys' Fees:** The Company and each Eligible Employee will bear their own attorneys' fees incurred in connection with any disputes between them.

**Exclusive Benefits:** Except as may be set forth in an Eligible Employee's Participation Agreement, this Policy is intended to be the only agreement between the Eligible Employee and the Company regarding any change of control or severance payments or benefits to be paid to the Eligible Employee on account of a termination of employment whether unrelated to, concurrent with, or following, a Change of Control. Accordingly, by executing a Participation Agreement, an Eligible Employee hereby forfeits and waives any rights to any severance or change of control benefits set forth in any employment agreement, offer letter, and/or Equity Award agreement, except as set forth in this Policy and in the Eligible Employee's Participation Agreement.

**Tax Withholding:** All payments and benefits under this Policy will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local and/or foreign taxes required to be withheld therefrom and any other required payroll deductions. The Company will not pay any Eligible Employee's taxes arising from or relating to any payments or benefits under this Policy.

**Amendment or Termination:** The Committee may amend or terminate the Policy at any time without advance notice to any Eligible Employee or other individual and without regard to the effect of the amendment or termination on any Eligible Employee or on any other individual. Notwithstanding the preceding, (a) any amendment to the Policy that causes an individual to cease to be an Eligible Employee will not be effective with respect to a Qualified Termination unless it is both approved by the Administrator and communicated to the affected individual(s) in writing at least 6 months prior to the effective date of the amendment or termination, and (b) no amendment or termination of the Policy will be made within 12 months following a Change of Control if such amendment or reduction would reduce the benefits provided hereunder or impair an Eligible Employee's eligibility under the Policy (unless the affected Eligible Employee consents to such amendment or termination). Any action in amending or terminating the Policy will be taken in a non-fiduciary capacity.

**Claims Procedure:** Any Eligible Employee who believes he or she is entitled to any payment under the Policy may submit a claim in writing to the Administrator. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also describe any additional information needed to support the claim and the Policy's procedures for appealing the denial. The denial notice will be provided within 90 days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial 90-day period. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision on the claim.

**Appeal Procedure:** If the claimant's claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within 60 days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant (or representative) then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing. The Administrator will provide written notice of the decision on review within 60 days after it receives a review request. If additional time (up to 60 days) is needed to review the request, the claimant (or representative) will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant's right to bring an action under Section 502(a) of ERISA.

**Successors:** Any successor to the Company of all or substantially all of the Company's business and/or assets (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or other transaction) will assume the obligations under the Policy and agree expressly to perform the obligations under the Policy in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under the Policy, the term "Company" will include any successor to the Company's business and/or assets which becomes bound by the terms of the Policy by operation of law, or otherwise.

**Applicable Law:** The provisions of the Policy will be construed, administered, and enforced in accordance with ERISA and, to the extent applicable, the internal substantive laws of the state of California (but not its conflict of laws provisions).

**Definitions:** Unless otherwise defined in an Eligible Employee's Participation Agreement, the following terms will have the following meanings for purposes of this Policy and the Eligible Employee's Participation Agreement:

**"Annual Bonus"** mean the Eligible Employee's target annual incentive under the Company's annual incentive plan as established for the year in which a Qualified Termination occurs.

**"Base Salary"** means the greater of: Eligible Employee's annual base salary as in effect immediately prior to (a) such Eligible Employee's Qualified Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Eligible Employee's annual base salary in effect immediately prior to such reduction) or (b) the Change of Control.

**"Board"** means the Board of Directors of the Company.

**"Cause"** means the occurrence of any of the following as determined in good faith by the Administrator: (a) the Eligible Employee's gross negligence or willful misconduct in the performance of duties to the Company that has resulted or is reasonably likely to result in damage to the Company or its subsidiaries as determined in good faith by the Administrator; (b) commission of any act of fraud, embezzlement, or dishonesty that has caused or is reasonably expected to result in injury to the Company (or any of its subsidiaries); (c) any material unauthorized use or disclosure of confidential and proprietary information or trade secrets of the Company (or a successor, if appropriate) or any other party to whom you owe an obligation of nondisclosure as a result of relationship with the Company (or any of its subsidiaries) as determined in good faith the Administrator; (d) conviction of, or plea of nolo contendere to, a felony or a crime involving moral turpitude or commission of any act of fraud with respect to the Company (or any of its subsidiaries); or (e) the Eligible Employee's material breach of any of his or her obligations under any written agreement or covenant with the Company (or any of its subsidiaries).

**"Change of Control"** means the occurrence of any of the following events:

- (a) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of the stock of the Company that, with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, that for this subsection, the acquisition of additional stock by any one Person, who prior to such acquisition is considered to own more than 40% of the total voting power of the stock of the Company will not be considered a Change of Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company, such event shall not be considered a Change of Control under this clause (a). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or
- (b) Change in Effective Control of the Company. If the Company has a class of securities registered under Section 12 of the Exchange Act, a change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (b), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change of Control; or
- (c) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (1) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (2) a transfer of assets by the Company to: (a) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's

stock, (b) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (c) a Person, that owns, directly or indirectly, 40% or more of the total value or voting power of all the outstanding stock of the Company, or (d) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person.

For this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For this definition, persons will be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A (as defined below).

**“Change of Control Period”** will mean the period beginning 3 months prior to a Change of Control and ending 12 months following the Change of Control.

**“COBRA”** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Disability”** means the Eligible Employee (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) is, by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering Company employees.

**“Equity Award”** means, unless otherwise specified in an Eligible Employee’s Participation Agreement, any equity compensation award covering shares of the Company’s common stock that was issued to the Eligible Employee.

**“Exchange Act”** means the Securities and Exchange Act of 1934, as amended.

**“Qualified Termination”** has the meaning set forth in the Eligible Employee’s Participation Agreement.

**Additional Information:**

**Plan Name:** BlackLine, Inc. Change of Control and Severance Policy

**Plan Sponsor**  
BlackLine, Inc.  
21300 Victory Boulevard, 12th Floor  
Woodland Hills, CA 91367

**Identification Numbers:** 501

**Plan Year:** Company’s Fiscal Year

**Plan Administrator:** BlackLine, Inc.  
*Attention:* Chief Legal Officer  
21300 Victory Boulevard, 12th Floor  
Woodland Hills, CA 91367

**Agent for Service of Legal Process:** BlackLine, Inc.  
*Attention:* Chief Legal Officer  
21300 Victory Boulevard, 12th Floor  
Woodland Hills, CA 91367

**Type of Plan:** Severance Plan/Employee Welfare Benefit Plan

**Plan Costs:** The cost of the Policy is paid by the Company.



**Statement of ERISA Rights:**

Eligible Employees have certain rights and protections under ERISA:

They may examine (without charge) all Policy documents, including any amendments and copies of all documents filed with the U.S. Department of Labor, such as the Policy's annual report (Internal Revenue Service Form 5500). These documents are available for review in the Company's Human Resources Department.

They may obtain copies of all Policy documents and other Policy information upon written request to the Plan Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Eligible Employees, ERISA imposes duties upon the people who are responsible for the operation of the Policy. The people who operate the Policy (called "fiduciaries") have a duty to do so prudently and in the interests of Eligible Employees. No one, including the Company or any other person, may fire or otherwise discriminate against an Eligible Employee in any way to prevent them from obtaining a benefit under the Policy or exercising rights under ERISA. If an Eligible Employee's claim for a severance benefit is denied, in whole or in part, they must receive a written explanation of the reason for the denial. An Eligible Employee has the right to have the denial of their claim reviewed. (The claim review procedure is explained above.)

Under ERISA, there are steps Eligible Employees can take to enforce the above rights. For instance, if an Eligible Employee requests materials and does not receive them within 30 days, they may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay the Eligible Employee up to \$110 a day until they receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If an Eligible Employee has a claim which is denied or ignored, in whole or in part, he or she may file suit in a state or federal court. If it should happen that an Eligible Employee is discriminated against for asserting their rights, he or she may seek assistance from the U.S. Department of Labor, or may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If the Eligible Employee is successful, the court may order the person sued to pay these costs and fees. If the Eligible Employee loses, the court may order the Eligible Employee to pay these costs and fees, for example, if it finds that the claim is frivolous.

If an Eligible Employee has any questions regarding the Policy, please contact the Plan Administrator. If an Eligible Employee has any questions about this statement or about their rights under ERISA, they may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in the telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. An Eligible Employee may also obtain certain publications about their rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

**EXHIBIT A****Change of Control and Severance Policy****Participation Agreement**

This Participation Agreement (“Agreement”) is made and entered into by and between \_\_\_\_\_ on the one hand, and BlackLine, Inc. (the “Company”) on the other.

You have been designated as eligible to participate in the Policy, a copy of which is attached hereto, under which you are eligible to receive the following severance payments and benefits upon a Qualified Termination, subject to the terms and conditions of the Policy.

**COC Qualified Termination.** Upon your COC Qualified Termination, you will be entitled to the following benefits, subject to your compliance with the Policy:

- **Equity Vesting:** 100% of the then-unvested shares subject to each of your then-outstanding Equity Awards will immediately vest and, in the case of options and stock appreciation rights, will become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the outstanding portion of an Equity Award may vest and become exercisable under this provision). In the case of Equity Awards with performance-based vesting, unless otherwise determined by the Company and set forth in your Equity Award agreement, all performance goals and other vesting criteria will be deemed achieved at 100% of target levels. Any restricted stock units, performance shares, performance units, and similar full value awards that vest under this paragraph will be settled on the 61st day following your COC Qualified Termination.

- **Salary and Bonus Severance:** You will be eligible to receive a single cash payment equal to the sum of (a) 150% of your Base Salary and (b) a pro-rata portion of your Annual Bonus for the year of termination, pro-rated based on the number of completed months of service during such year. This payment will be made in a single lump sum on the 61st day following your Qualified Termination.

- **COBRA Benefit:** Upon a Qualified Termination, if you make a valid election under COBRA to continue your health coverage, the Company will pay or reimburse you for the cost of such continuation coverage for you and any of your eligible dependents that were covered under the Company’s health care plans immediately prior to the date of such Qualified Termination until the earliest of (a) the end of the 18-month period following your Qualified Termination or (b) the date upon which you and/or your eligible dependents become covered under similar plans or (c) the date upon which you cease to be eligible for coverage under COBRA (the “**COBRA Coverage**”). Notwithstanding the preceding, if the Company determines in its sole discretion that it cannot provide the COBRA Coverage without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will instead provide you a taxable lump-sum payment on the 61st day following your Qualified Termination, in an amount equal to 18 months of COBRA Coverage multiplied by the monthly COBRA premium that you would be required to pay to continue group health coverage for you and your eligible dependents, in each case, in effect on the date of the Qualified Termination based on the premium for the first month of COBRA coverage (whichever of such taxable payments or the COBRA Coverage that the Company actually provides, the “**COBRA Benefit**”). If the Company provides for a taxable cash payment in lieu of the COBRA Coverage, then such cash payment will be made regardless of whether you elect COBRA continuation coverage and such payment will be made in full on the 61st day following your Qualified Termination.

**Non-COC Qualified Termination.** Upon your Non-COC Qualified Termination, you will be entitled to the following benefits, subject to your compliance with the Policy.

- **Salary Severance:** You will be eligible to receive a single cash payment equal to 100% of your Base Salary. This payment will be made in a single lump sum on the 61st day following your Qualified Termination.

- **COBRA Benefit:** Upon a Qualified Termination, if you make a valid election under COBRA to continue your health coverage, the Company will pay or reimburse you for the cost of such continuation coverage for you and any of your eligible dependents that were covered under the Company’s health care plans immediately prior to the date of such Qualified Termination until the earliest of (a) the end of the 12-month period following your Qualified Termination or (b) the date upon which you and/or your eligible dependents become covered under similar plans or

(c) the date upon which you cease to be eligible for coverage under COBRA (the "Non-COC COBRA Coverage"). Notwithstanding the preceding, if the Company determines in its sole discretion that it cannot provide the COBRA Coverage without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will instead provide you a taxable lump-sum payment on the 61st day following your Qualified Termination, in an amount equal to 12 months of COBRA Coverage multiplied by the monthly COBRA premium that you would be required to pay to continue group health coverage for you and your eligible dependents, in each case, in effect on the date of the Qualified Termination based on the premium for the first month of COBRA coverage (whichever of such taxable payments or the Non-COC COBRA Coverage that the Company actually provides, the "Non-COC COBRA Benefit"). If the Company provides for a taxable cash payment in lieu of the Non-COC COBRA Coverage, then such cash payment will be made regardless of whether you elect COBRA continuation coverage, and such payment will be made in full on the 61st day following your Qualified Termination.

**Definitions**

**"Qualified Termination"** means either (i) a termination of your employment by the Company (or any of its subsidiaries) other than for Cause, death, or Disability or by you for Good Reason, in either case, during the Change of Control Period (a **"COC Qualified Termination"**) or (ii) a termination of your employment by the Company (or any of its subsidiaries) other than for Cause, death, or Disability outside the Change of Control Period (a **"Non-COC Qualified Termination"**).

**"Good Reason"** means your termination of employment with the Company (or any of its subsidiaries) in accordance with the next sentence after the occurrence of one or more of the following events without your consent: (a) a material reduction in your authority, duties, or responsibilities with the Company or a subsidiary of the Company in effect immediately prior to such reduction, provided that, neither a mere change in title alone nor reassignment following a Change of Control to a position that is substantially similar to the position held prior to the Change of Control in terms of job authority, duties, and responsibilities shall constitute grounds for "Good Reason" by itself; (b) a material change in the geographic location at which you must be principally located, provided that a change in office location of greater than 40 miles from your home will be such a material change in geographic location; (c) a material reduction by the Company or a subsidiary of the Company in your base compensation or annual target bonus, in each case, as in effect immediately prior to such reduction other than in connection with a general reduction of base compensation and/or annual target bonus for officers at the Company or its subsidiaries; or (d) any material breach by the Company or a subsidiary of the Company of the agreement under which you provide services to the Company or such subsidiary. To terminate for Good Reason, you must first provide the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within 90 days of the initial existence of the grounds for "Good Reason" and a cure period of 30 days following the date of written notice (the **"Cure Period"**), such grounds must not have been cured during such time, and you must terminate your employment within 60 days following the Cure Period.

**Other Provisions**

You agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties and will specifically supersede any severance and/or change of control provisions of any offer letter, employment agreement, or Equity Award agreement entered into between you and the Company.

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

By its signature below, each of the parties signifies its acceptance of the terms of this Agreement, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

**BLACKLINE, INC.**

**ELIGIBLE EMPLOYEE**

By:

Signature:

Date:

Date:

**EXHIBIT A****Change of Control and Severance Policy****Participation Agreement**

This Participation Agreement (“**Agreement**”) is made and entered into by and between \_\_\_\_\_ on the one hand, and BlackLine, Inc. (the “**Company**”) on the other.

You have been designated as eligible to participate in the Policy, a copy of which is attached hereto, under which you are eligible to receive the following severance payments and benefits upon a Qualified Termination, subject to the terms and conditions of the Policy.

**COC Qualified Termination.** Upon your COC Qualified Termination, you will be entitled to the following benefits, subject to your compliance with the Policy:

- **Equity Vesting:** 100% of the then-unvested shares subject to each of your then-outstanding Equity Awards will immediately vest and, in the case of options and stock appreciation rights, will become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the outstanding portion of an Equity Award may vest and become exercisable under this provision). In the case of Equity Awards with performance-based vesting, unless otherwise determined by the Company and set forth in your Equity Award agreement, all performance goals and other vesting criteria will be deemed achieved at 100% of target levels. Any restricted stock units, performance shares, performance units, and similar full value awards that vest under this paragraph will be settled on the 61st day following your COC Qualified Termination.

- **Salary and Bonus Severance:** You will be eligible to receive a single cash payment equal to the sum of (a) 100% of your Base Salary and (b) a pro-rata portion of your Annual Bonus for the year of termination, pro-rated based on the number of completed months of service during such year. This payment will be made in a single lump sum on the 61st day following your Qualified Termination.

- **COBRA Benefit:** Upon a Qualified Termination, if you make a valid election under COBRA to continue your health coverage, the Company will pay or reimburse you for the cost of such continuation coverage for you and any of your eligible dependents that were covered under the Company’s health care plans immediately prior to the date of such Qualified Termination until the earliest of (a) the end of the 12-month period following your Qualified Termination or (b) the date upon which you and/or your eligible dependents become covered under similar plans or (c) the date upon which you cease to be eligible for coverage under COBRA (the “**COBRA Coverage**”). Notwithstanding the preceding, if the Company determines in its sole discretion that it cannot provide the COBRA Coverage without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will instead provide you a taxable lump-sum payment on the 61st day following your Qualified Termination, in an amount equal to 12 months of COBRA Coverage multiplied by the monthly COBRA premium that you would be required to pay to continue group health coverage for you and your eligible dependents, in each case, in effect on the date of the Qualified Termination based on the premium for the first month of COBRA coverage (whichever of such taxable payments or the COBRA Coverage that the Company actually provides, the “**COBRA Benefit**”). If the Company provides for a taxable cash payment in lieu of the COBRA Coverage, then such cash payment will be made regardless of whether you elect COBRA continuation coverage and such payment will be made in full on the 61st day following your Qualified Termination.

**Non-COC Qualified Termination.** Upon your Non-COC Qualified Termination, you will be entitled to the following benefits, subject to your compliance with the Policy.

- **Salary Severance:** You will be eligible to receive a single cash payment equal to 50% of your Base Salary. This payment will be made in a single lump sum on the 61st day following your Qualified Termination.

- **COBRA Benefit:** Upon a Qualified Termination, if you make a valid election under COBRA to continue your health coverage, the Company will pay or reimburse you for the cost of such continuation coverage for you and any of your eligible dependents that were covered under the Company’s health care plans immediately prior to the date of such Qualified Termination until the earliest of (a) the end of the 6-month period following your Qualified Termination or (b) the date upon which you and/or your eligible dependents become covered under similar plans or

(c) the date upon which you cease to be eligible for coverage under COBRA (the “**Non-COC COBRA Coverage**”). Notwithstanding the preceding, if the Company determines in its sole discretion that it cannot provide the COBRA Coverage without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will instead provide you a taxable lump-sum payment on the 61st day following your Qualified Termination, in an amount equal to 6 months of COBRA Coverage multiplied by the monthly COBRA premium that you would be required to pay to continue group health coverage for you and your eligible dependents, in each case, in effect on the date of the Qualified Termination based on the premium for the first month of COBRA coverage (whichever of such taxable payments or the Non—COC COBRA Coverage that the Company actually provides, the “**Non-COC COBRA Benefit**”). If the Company provides for a taxable cash payment in lieu of the Non-COC COBRA Coverage, then such cash payment will be made regardless of whether you elect COBRA continuation coverage, and such payment will be made in full on the 61st day following your Qualified Termination.

### **Definitions**

“**Qualified Termination**” means either (i) a termination of your employment by the Company (or any of its subsidiaries) other than for Cause, death, or Disability or by you for Good Reason, in either case, during the Change of Control Period (a “**COC Qualified Termination**”) or (ii) a termination of your employment by the Company (or any of its subsidiaries) other than for Cause, death, or Disability outside the Change of Control Period (a “**Non-COC Qualified Termination**”).

“**Good Reason**” means your termination of employment with the Company (or any of its subsidiaries) in accordance with the next sentence after the occurrence of one or more of the following events without your consent: (a) a material reduction in your authority, duties, or responsibilities with the Company or a subsidiary of the Company in effect immediately prior to such reduction, provided that, neither a mere change in title alone nor reassignment following a Change of Control to a position that is substantially similar to the position held prior to the Change of Control in terms of job authority, duties, and responsibilities shall constitute grounds for “Good Reason” by itself; (b) a material change in the geographic location at which you must be principally located, provided that a change in office location of greater than 40 miles from your home will be such a material change in geographic location; (c) a material reduction by the Company or a subsidiary of the Company in your base compensation or annual target bonus, in each case, as in effect immediately prior to such reduction other than in connection with a general reduction of base compensation and/or annual target bonus for officers at the Company or its subsidiaries; or (d) any material breach by the Company or a subsidiary of the Company of the agreement under which you provide services to the Company or such subsidiary. To terminate for Good Reason, you must first provide the Company with written notice of the acts or omissions constituting the grounds for “Good Reason” within 90 days of the initial existence of the grounds for “Good Reason” and a cure period of 30 days following the date of written notice (the “**Cure Period**”), such grounds must not have been cured during such time, and you must terminate your employment within 60 days following the Cure Period.

### **Other Provisions**

You agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties and will specifically supersede any severance and/or change of control provisions of any offer letter, employment agreement, or Equity Award agreement entered into between you and the Company.

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

By its signature below, each of the parties signifies its acceptance of the terms of this Agreement, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

**BLACKLINE, INC.**

**ELIGIBLE EMPLOYEE**

By:

Signature:

Date:

Date:

April 1, 2024

VIA EMAIL

Jimmy Duan

Dear Jimmy:

BlackLine Systems, Inc. ("BlackLine"), located at 21300 Victory Blvd. 12th Floor, Woodland Hills, CA 91367, is pleased to make this offer of employment to you.

Your employment will begin on or before May 6, 2024. You will hold the title of Chief Customer Officer reporting to Owen Ryan, Co-CEO, and be expected to perform the job duties assigned to this role.

1. As compensation for your services, BlackLine will pay you wages in the gross amount of \$425,000.00 ("Wages") annually, subject to legally required withholding and payable bi-weekly and in accordance with BlackLine's usual payroll policies and practices.
2. Subject to the approval of the BlackLine, Inc. Compensation Committee, you will be granted equity of an approximate value of \$6,000,000.00, which will be composed of 50% in restricted stock units (the "RSUs") and 50% in performance stock units (the "PSUs") under the BlackLine Equity Incentive Plan (as amended from time to time) (the "Plan"). The grant of RSUs and PSUs will be subject to the terms of this paragraph, the Plan and the form of RSU and PSU agreement approved by the BlackLine, Inc. Board of Directors for use under the Plan. The RSUs and PSUs will vest consistent with BlackLine's standard vesting schedules and on the terms set forth in the Plan and related documentation. In 2025, you will be eligible for an annual refresh of equity; the equity value and terms of the award are at the discretion of and subject to the approval of the Compensation Committee (awards are generally made by the Compensation Committee in February or March each year).
3. You will be eligible to participate in the Annual Bonus Plan with a target bonus of 70% of your annual base salary. Bonus earnings are subject to the achievement of financial targets for overall performance of the Company and discretionary objectives established by the Compensation Committee. Bonus plans are generally reevaluated on an annual basis to ensure alignment with our "pay for performance" philosophy. The details of the Annual Bonus Plan will be provided to you at a later date during the plan year, and that documentation will govern your eligibility for bonus earnings.
4. As a Regular, Full-Time Employee (as defined by BlackLine's Employee Handbook), you will become eligible for such employee benefits as are generally provided to similarly situated BlackLine employees under the terms and conditions established by the policy and/or plan document governing each benefit. As a material term of your employment and continuing employment with BlackLine, you will be required to sign, if requested to do so, BlackLine's Employee Confidentiality and Inventions Agreement and BlackLine's Mutual Arbitration Agreement, as either may be modified from time to time.
5. You will receive a one-time, Signing Bonus in the gross amount of \$120,000.00 paid after your first day of employment and subject to legally required withholding and the following retention repayment terms in paragraph 6.
6. If, within two years after you commence working at BlackLine, you voluntarily resign from your employment or you are terminated from your employment for "Cause" (which, for purposes of this offer letter means willful misconduct, failure to carry out your duties, or failure to obey lawful rules or directives), BlackLine will be entitled to recoup its payment of the Signing Bonus Expenses in accordance with the following schedule:

RESIGNATION TERMINATION DATERECOUPMENT AMOUNT

Within 6 months after you start employment

100% of the Signing Bonus

More than 6 months and less than 12 months after you start employment

75% of the Signing Bonus

More than 12 months and less than 18 months after you start employment

50% of the Signing Bonus

Between 18 and 24 months after you start employment

25% of the Signing Bonus

7. You will be employed as an “at-will employee” of BlackLine, which means that you or BlackLine may terminate your employment at any time, with or without cause and with or without advance notice. This at-will employment arrangement cannot be modified in any way except by a written agreement signed by you and one of BlackLine’s Chief Executive Officers.
8. If your employment at BlackLine is terminated at any time for any reason, and whether by you, BlackLine, or by mutual agreement, BlackLine’s sole obligation will be to provide you with the following: (a) your earned Wages through your termination date; (b) payment for any Paid Time Off accrued and unused, if any, as of your termination date; and (c) any other payment or benefit required by law.
9. **Severance.** Subject to the approval of the Committee, you will be entitled to participate in the Company’s Change of Control and Severance Policy (the “Policy”) under which you will be eligible to receive severance payments and benefits upon certain qualifying terminations of your employment based on your senior level position within the Company, subject to the terms and conditions of the Policy. Additional details will be provided to you about the Policy at a later date. In addition, if the company initiates and terminates your employment during the first twelve (12) months of your employment and prior to the first vesting date of the RSUs for any reason other than Cause (as defined below) or a Change in Control (as described in the Policy), the first vesting of the RSU shall accelerate to the last day of your employment.
10. **“Cause” Definition.** For purposes of this letter, “Cause” means the occurrence of one or more of the following events or circumstances as determined in good faith by the Committee: (i) your gross negligence or willful misconduct in the performance of duties to the Company that has resulted or is reasonably likely to result in damage to the Company or its subsidiaries as determined in good faith by the Board, (ii) your commission of any act of fraud, embezzlement, or dishonesty that has caused or is reasonably expected to result in injury to the Company (or any of its subsidiaries), (iii) any material unauthorized use or disclosure of any confidential and proprietary information or trade secrets of the Company (or a successor, if appropriate) or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company (or a successor, if appropriate) as determined in good faith by the Committee, (iv) conviction of, or plea of nolo contendere to, a felony or a crime involving moral turpitude or commission of any act of fraud with respect to the Company, or (v) your material breach of any of your obligations under any written agreement or covenant with the Company (or any of its subsidiaries).
11. **Business Travel.** As a member of the senior executive team, you will be eligible for above-coach seating pursuant to the terms of the Company’s global travel policy.

This offer letter constitutes the entire and complete understanding between you and BlackLine concerning the subject matter referenced herein. All prior representations, agreements, arrangements, and understandings between or among you and any representative of BlackLine, whether oral or written, have been fully and completely merged herein and are fully superseded by this letter.

Commencement of your employment at BlackLine, even if you accept this offer, is conditioned upon: (a) verification that your employment with any other employer has ended; (b) satisfactory verification of any employment references you have provided; (c) satisfactory completion of a background check; and (d) verification of your legal entitlement to work in the United States.

If you wish to accept this offer, please sign below and return this letter to me. We look forward to hearing back from you at your earliest convenience, and in no case later than 5pm pacific on or before April 5, 2024. If we have not received your written acceptance of this offer by then, this offer shall be deemed to have expired.

Sincerely,

/s/ Mary Ainsworth

\_\_\_\_\_  
Mary Ainsworth  
Chief People Officer

AGREED AND ACCEPTED.

/s/ Jimmy Duan

\_\_\_\_\_  
Jimmy Duan

April 2, 2024

\_\_\_\_\_  
Date

February 29, 2024  
Updated: March 4, 2024

VIA EMAIL

Jeremy Ung

Dear Jeremy:

BlackLine Systems, Inc. ("BlackLine"), located at 21300 Victory Blvd. 12th Floor, Woodland Hills, CA 91367, is pleased to make this offer of employment to you.

Your employment will begin on or before April 15, 2024. You will hold the title of Chief Technology Officer reporting to Therese Tucker, Co-CEO, and be expected to perform the job duties assigned to this role.

1. As compensation for your services, BlackLine will pay you wages in the gross amount of \$425,000 ("Wages") annually, subject to legally required withholding and payable bi-weekly and in accordance with BlackLine's usual payroll policies and practices.
2. Subject to the approval of the BlackLine, Inc. Compensation Committee, you will be granted equity of an approximate value of \$7,000,000.00, which will be composed of 50% in restricted stock units (the "RSUs") and 50% in performance stock units (the "PSUs") under the BlackLine Equity Incentive Plan (as amended from time to time) (the "Plan"). The grant of RSUs and PSUs will be subject to the terms of this paragraph, the Plan and the form of RSU and PSU agreement approved by the BlackLine, Inc. Board of Directors for use under the Plan. The RSUs and PSUs will vest consistent with BlackLine's standard vesting schedules and on the terms set forth in the Plan and related documentation. In 2025, you will be eligible for an annual refresh of equity; the equity value and terms of the award are at the discretion of and subject to the approval of the Compensation Committee (awards are generally made by the Compensation Committee in February or March each year).
3. You will be eligible to participate in the Annual Bonus Plan with a target bonus of 70% of your annual base salary. Bonus earnings are subject to the achievement of financial targets for overall performance of the Company and discretionary objectives established by the Compensation Committee. Bonus plans are generally reevaluated on an annual basis to ensure alignment with our "pay for performance" philosophy. The details of the Annual Bonus Plan will be provided to you at a later date during the plan year, and that documentation will govern your eligibility for bonus earnings.
4. As a Regular, Full-Time Employee (as defined by BlackLine's Employee Handbook), you will become eligible for such employee benefits as are generally provided to similarly situated BlackLine employees under the terms and conditions established by the policy and/or plan document governing each benefit. As a material term of your employment and continuing employment with BlackLine, you will be required to sign, if requested to do so, BlackLine's Employee Confidentiality and Inventions Agreement and BlackLine's Mutual Arbitration Agreement, as either may be modified from time to time.
5. You will receive a one-time, Signing Bonus in the gross amount of \$150,000.00 paid after your first day of employment and subject to legally required withholding and the following retention repayment terms in paragraph 6.
6. If, within two years after you commence working at BlackLine, you voluntarily resign from your employment or you are terminated from your employment for "Cause" (which, for purposes of this offer letter means willful misconduct, failure to carry out your duties, or failure to obey lawful rules or directives), BlackLine will be entitled to recoup its payment of the Signing Bonus Expenses in accordance with the following schedule:

RESIGNATION TERMINATION DATERECOUPMENT AMOUNT

Within 6 months after you start employment

100% of the Signing Bonus

More than 6 months and less than 12 months after you start employment

75% of the Signing Bonus

More than 12 months and less than 18 months after you start employment

50% of the Signing Bonus

Between 18 and 24 months after you start employment

25% of the Signing Bonus

7. You will be employed as an “at-will employee” of BlackLine, which means that you or BlackLine may terminate your employment at any time, with or without cause and with or without advance notice. This at-will employment arrangement cannot be modified in any way except by a written agreement signed by you and one of BlackLine’s Chief Executive Officers.
8. If your employment at BlackLine is terminated at any time for any reason, and whether by you, BlackLine, or by mutual agreement, BlackLine’s sole obligation will be to provide you with the following: (a) your earned Wages through your termination date; (b) payment for any Paid Time Off accrued and unused, if any, as of your termination date; and (c) any other payment or benefit required by law.
9. **Severance.** Subject to the approval of the Committee, you will be entitled to participate in the Company’s Change of Control and Severance Policy (the “Policy”) under which you will be eligible to receive severance payments and benefits upon certain qualifying terminations of your employment based on your senior level position within the Company, subject to the terms and conditions of the Policy. Additional details will be provided to you about the Policy at a later date. In addition, if the company initiates and terminates your employment during the first twelve (12) months of your employment and prior to the first vesting date of the RSUs for any reason other than Cause (as defined below) or a Change in Control (as described in the Policy), the first vesting of the RSU shall accelerate to the last day of your employment.
10. **“Cause” Definition.** For purposes of this letter, “Cause” means the occurrence of one or more of the following events or circumstances as determined in good faith by the Committee: (i) your gross negligence or willful misconduct in the performance of duties to the Company that has resulted or is reasonably likely to result in damage to the Company or its subsidiaries as determined in good faith by the Board, (ii) your commission of any act of fraud, embezzlement, or dishonesty that has caused or is reasonably expected to result in injury to the Company (or any of its subsidiaries), (iii) any material unauthorized use or disclosure of any confidential and proprietary information or trade secrets of the Company (or a successor, if appropriate) or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company (or a successor, if appropriate) as determined in good faith by the Committee, (iv) conviction of, or plea of nolo contendere to, a felony or a crime involving moral turpitude or commission of any act of fraud with respect to the Company, or (v) your material breach of any of your obligations under any written agreement or covenant with the Company (or any of its subsidiaries).
11. **Business Travel.** As a member of the senior executive team, you will be eligible for above-coach seating pursuant to the terms of the Company’s global travel policy.

This offer letter constitutes the entire and complete understanding between you and BlackLine concerning the subject matter referenced herein. All prior representations, agreements, arrangements, and understandings between or among you and any representative of BlackLine, whether oral or written, have been fully and completely merged herein and are fully superseded by this letter.

Commencement of your employment at BlackLine, even if you accept this offer, is conditioned upon: (a) verification that your employment with any other employer has ended; (b) satisfactory verification of any employment references you have provided; (c) satisfactory completion of a background check; and (d) verification of your legal entitlement to work in the United States.

If you wish to accept this offer, please sign below and return this letter to me. We look forward to hearing back from you at your earliest convenience, and in no case later than 5pm pacific on or before March 5, 2024. If we have not received your written acceptance of this offer by then, this offer shall be deemed to have expired.

Sincerely,

/s/ Mary Ainsworth

\_\_\_\_\_  
Mary Ainsworth  
Chief People Officer

AGREED AND ACCEPTED.

/s/ Jeremy Ung

\_\_\_\_\_  
Jeremy Ung

March 5, 2024

\_\_\_\_\_  
Date

December 20, 2024

VIA EMAIL

Stuart Van Houten

Dear Stuart:

BlackLine Systems, Inc. ("BlackLine"), located at 21300 Victory Blvd. 12th Floor, Woodland Hills, CA 91367, is pleased to make this offer of employment to you.

Your employment will begin on or before February 17, 2025. You will hold the title of Chief Commercial Officer reporting to Owen Ryan, Co-CEO, and be expected to perform the job duties assigned to this role. We anticipate that the BlackLine, Inc. Board of Directors will formalize your appointment as an executive officer and Section 16 Officer following confirmation of your employment start date.

1. As compensation for your services, BlackLine will pay you wages in the gross amount of \$485,000.00 ("Wages") annually, subject to legally required withholding and payable bi-weekly and in accordance with BlackLine's usual payroll policies and practices.
2. You will be granted equity of an approximate value of \$6,000,000.00 which will be composed of 50% in restricted stock units (the "RSUs") and 50% in performance stock units (the "PSUs") under the BlackLine Equity Incentive Plan (as amended from time to time) (the "Plan"). The grant of RSUs and PSUs will be subject to the terms of this paragraph, the Plan and the form of RSU and PSU agreement approved by the BlackLine, Inc. Board of Directors for use under the Plan. The RSUs and PSUs will vest consistent with BlackLine's standard vesting schedules and on the terms set forth in the Plan and related documentation. We anticipate that the grant of the stock units will be made by our Compensation Committee on or about May 20, 2025. In 2026, you will be eligible for an annual refresh of equity; the equity value and terms of the award are at the discretion of and subject to the approval of the Compensation Committee and are typically half the value of your new hire award (awards are generally made by the Compensation Committee in February or March each year).
3. You will be eligible to participate in the Annual Bonus Plan with a target bonus of 100% of your annual base salary. Bonus earnings are subject to the achievement of financial targets for overall performance of the Company and discretionary objectives established by the Compensation Committee. Bonus plans are generally reevaluated on an annual basis to ensure alignment with our "pay for performance" philosophy. The details of the Annual Bonus Plan will be provided to you at a later date during the plan year, and that documentation will govern your eligibility for bonus earnings.
4. As a Regular, Full-Time Employee (as defined by BlackLine's Employee Handbook), you will become eligible for such employee benefits as are generally provided to similarly situated BlackLine employees under the terms and conditions established by the policy and/or plan document governing each benefit. As a material term of your employment and continuing employment with BlackLine, you will be required to sign, if requested to do so, BlackLine's Employee Confidentiality and Inventions Agreement and BlackLine's Mutual Arbitration Agreement, as either may be modified from time to time.
5. You will receive a one-time, Signing Bonus in the gross amount of \$200,000.00 paid after your first day of employment and subject to legally required withholding and the following retention repayment terms in paragraph 6.
6. If, within two years after you commence working at BlackLine, you voluntarily resign from your employment or you are terminated from your employment for "Cause" (which, for purposes of this offer letter means willful misconduct, failure to carry out your duties, or failure to obey lawful rules or directives), BlackLine will be entitled to recoup its payment of the Signing Bonus Expenses in accordance with the following schedule:

RESIGNATION TERMINATION DATERECOUPMENT AMOUNT

Within 6 months after you start employment	100% of the Signing Bonus
More than 6 months and less than 12 months after you start employment	75% of the Signing Bonus
More than 12 months and less than 18 months after you start employment	50% of the Signing Bonus
Between 18 and 24 months after you start employment	25% of the Signing Bonus

7. You will be employed as an “at-will employee” of BlackLine, which means that you or BlackLine may terminate your employment at any time, with or without cause and with or without advance notice. This at-will employment arrangement cannot be modified in any way except by a written agreement signed by you and one of BlackLine’s Chief Executive Officers.
8. If your employment at BlackLine is terminated at any time for any reason, and whether by you, BlackLine, or by mutual agreement, BlackLine’s sole obligation will be to provide you with the following: (a) your earned Wages through your termination date; (b) payment for any Paid Time Off accrued and unused, if any, as of your termination date; and (c) any other payment or benefit required by law.
9. **Severance.** Subject to the approval of the Committee, you will be entitled to participate in the Company’s Change of Control and Severance Policy (the “Policy”) under which you will be eligible to receive severance payments and benefits upon certain qualifying terminations of your employment based on your senior level position within the Company, subject to the terms and conditions of the Policy. Additional details will be provided to you about the Policy at a later date. In addition, if the company initiates and terminates your employment during the first twelve (12) months of your employment and prior to the first vesting date of the RSUs for any reason other than Cause (as defined below) or a Change in Control (as described in the Policy), the first vesting of the RSU shall accelerate to the last day of your employment subject to severance terms and conditions.
10. **“Cause” Definition.** For purposes of this letter, “Cause” means the occurrence of one or more of the following events or circumstances as determined in good faith by the Committee: (i) your gross negligence or willful misconduct in the performance of duties to the Company that has resulted or is reasonably likely to result in damage to the Company or its subsidiaries as determined in good faith by the Board, (ii) your commission of any act of fraud, embezzlement, or dishonesty that has caused or is reasonably expected to result in injury to the Company (or any of its subsidiaries), (iii) any material unauthorized use or disclosure of any confidential and proprietary information or trade secrets of the Company (or a successor, if appropriate) or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company (or a successor, if appropriate) as determined in good faith by the Committee, (iv) conviction of, or plea of nolo contendere to, a felony or a crime involving moral turpitude or commission of any act of fraud with respect to the Company, or (v) your material breach of any of your obligations under any written agreement or covenant with the Company (or any of its subsidiaries).
11. **Business Travel.** As a member of the senior executive team, you will be eligible for above-coach seating pursuant to the terms of the Company’s global travel policy.

This offer letter constitutes the entire and complete understanding between you and BlackLine concerning the subject matter referenced herein. All prior representations, agreements, arrangements, and understandings between or among you and any representative of BlackLine, whether oral or written, have been fully and completely merged herein and are fully superseded by this letter.

Commencement of your employment at BlackLine, even if you accept this offer, is conditioned upon: (a) verification that your employment with any other employer has ended; (b) satisfactory verification of any employment references you have provided; (c) satisfactory completion of a background check; and (d) verification of your legal entitlement to work in the United States.

To accept this offer, please sign below and return this letter to me. We look forward to hearing back from you at your earliest convenience, and in no case later than 2pm pacific time on or before December 24, 2024. If we have not received your written acceptance of this offer by then, this offer shall be deemed to have expired.

Sincerely,

/s/ Mary Ainsworth

\_\_\_\_\_  
Mary Ainsworth

Chief People Officer

AGREED AND ACCEPTED.

/s/ Stuart Van Houten

\_\_\_\_\_  
Stuart Van Houten

December 20, 2024

\_\_\_\_\_  
Date

## LIST OF SUBSIDIARIES OF THE COMPANY

Name of Subsidiary	Jurisdiction of Incorporation
BlackLine Systems, Inc.	California
BlackLine Intermediate, Inc.	Delaware
BlackLine WL, LLC	Delaware
FourQ Systems Inc.	Delaware
FourQ Systems International LLC	Delaware
BlackLine Systems Pty Ltd.	Australia
BlackLine Systems, Ltd.	Canada
BlackLine Systems SARL	France
BlackLine Systems GmbH	Germany
BlackLine Systems Development & Services Private Limited	India
BlackLine K.K.	Japan
BlackLine Systems Middle East LLC	Kingdom of Saudi Arabia
BlackLine Modern Accounting Solutions, S. de R.L. de C.V.	Mexico
BlackLine C.V.	Netherlands
BlackLine Holdings B.V.	Netherlands
BlackLine International B.V.	Netherlands
BlackLine Sp. z.o.o.	Poland
BlackLine Systems SRL	Romania
BlackLine Systems Pte. Ltd.	Singapore
BlackLine Systems Limited	United Kingdom
Data Interconnect Ltd.	United Kingdom
Rimilia Holdings Ltd.	United Kingdom

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-214309, 333-217985, 333-223528, 333-226818, 333-229968, 333-236715, 333-253522, 333-263045, 333-269957, 333-277328, and 333-285144) and Form S-3 (No. 333-221500) of BlackLine, Inc. of our report dated February 25, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
Los Angeles, California  
February 25, 2026

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO  
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Owen Ryan, certify that:

1. I have reviewed this Annual Report on Form 10-K of BlackLine, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2026

BLACKLINE, INC.

By: /s/ Owen Ryan  
Name: Owen Ryan  
Title: Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO  
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Patrick Villanova, certify that:

1. I have reviewed this Annual Report on Form 10-K of BlackLine, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2026

BLACKLINE, INC.

By: /s/ Patrick Villanova  
Name: Patrick Villanova  
Title: Chief Financial Officer (Principal  
Financial Officer)

**CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Owen Ryan, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of BlackLine, Inc. for the fiscal year ended December 31, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of BlackLine, Inc.

Date: February 25, 2026

By: /s/ Owen Ryan  
Name: Owen Ryan  
Title: Chief Executive Officer  
(Principal Executive Officer)

I, Patrick Villanova, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of BlackLine, Inc. for the fiscal year ended December 31, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of BlackLine, Inc.

Date: February 25, 2026

By: /s/ Patrick Villanova  
Name: Patrick Villanova  
Title: Chief Financial Officer (Principal  
Financial Officer)