

# BlackLine

## Investor Presentation | 1Q'24

As of May 7<sup>th</sup>, 2024



# Safe Harbor

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

Forward-looking statements are based on information available at the time those statements are made and/or management’s good faith beliefs and assumptions as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to risks related to the Company’s ability to attract new customers and expand sales to existing customers; the extent to which customers renew their subscription agreements or increase the number of users; the impact of current and future economic uncertainty and other unfavorable conditions in the Company’s industry or the global economy; and other risks and uncertainties described in other filings we make with the Securities and Exchange Commission (the “SEC”) from time to time, including the risks described under the heading “Risk Factors” in our Annual Report on Form 10-K and our subsequent Quarterly Reports on Form 10-Q, which are available on our website at <http://investors.blackline.com> and on the SEC’s website at [www.sec.gov](http://www.sec.gov). In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Except as required by law, BlackLine does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

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

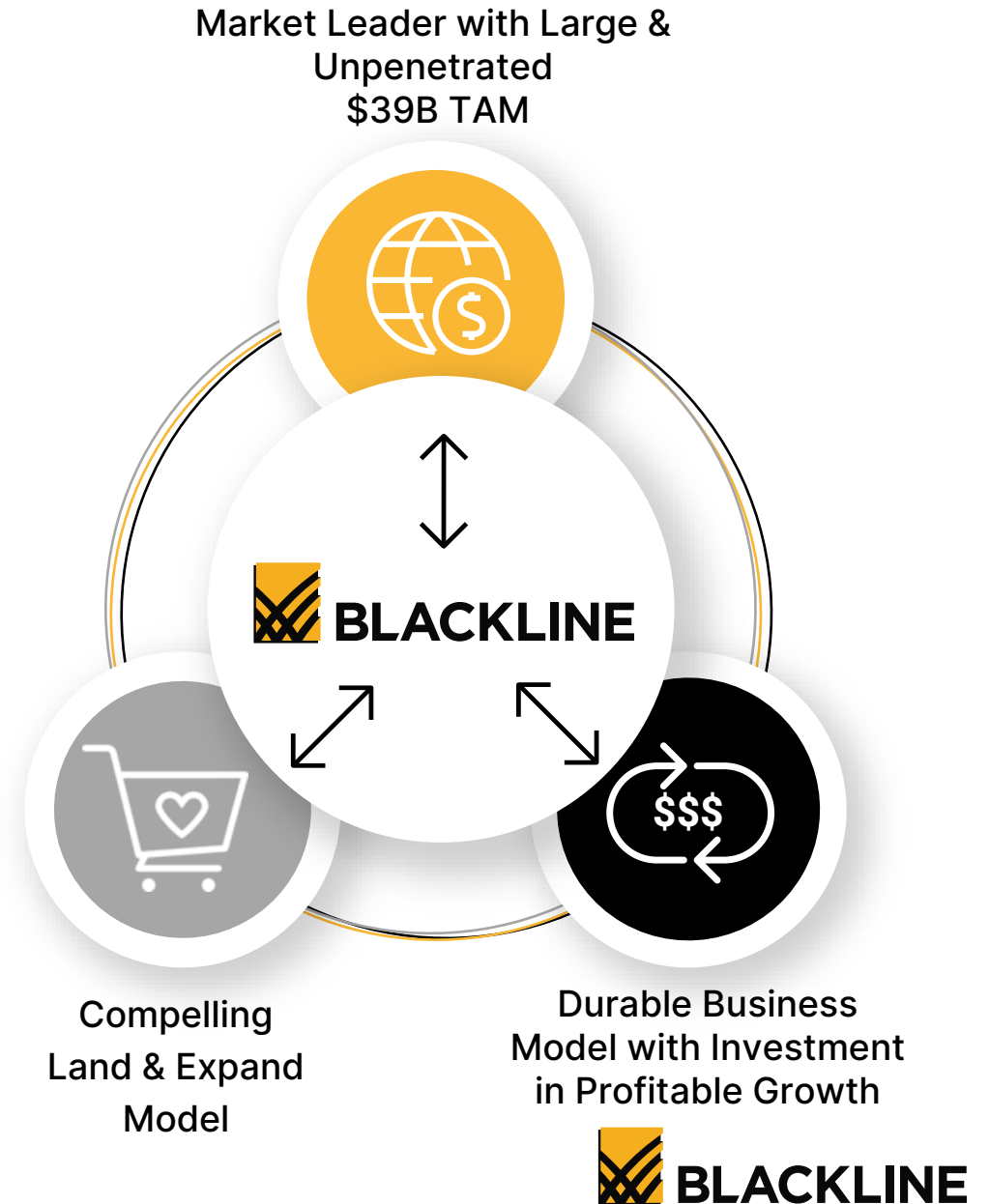
In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures, including non-GAAP gross profit, gross margin, free cash flow, sales and marketing expense, research and development expense, general and administrative expense, income (loss) from operations, operating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

## WHO WE ARE

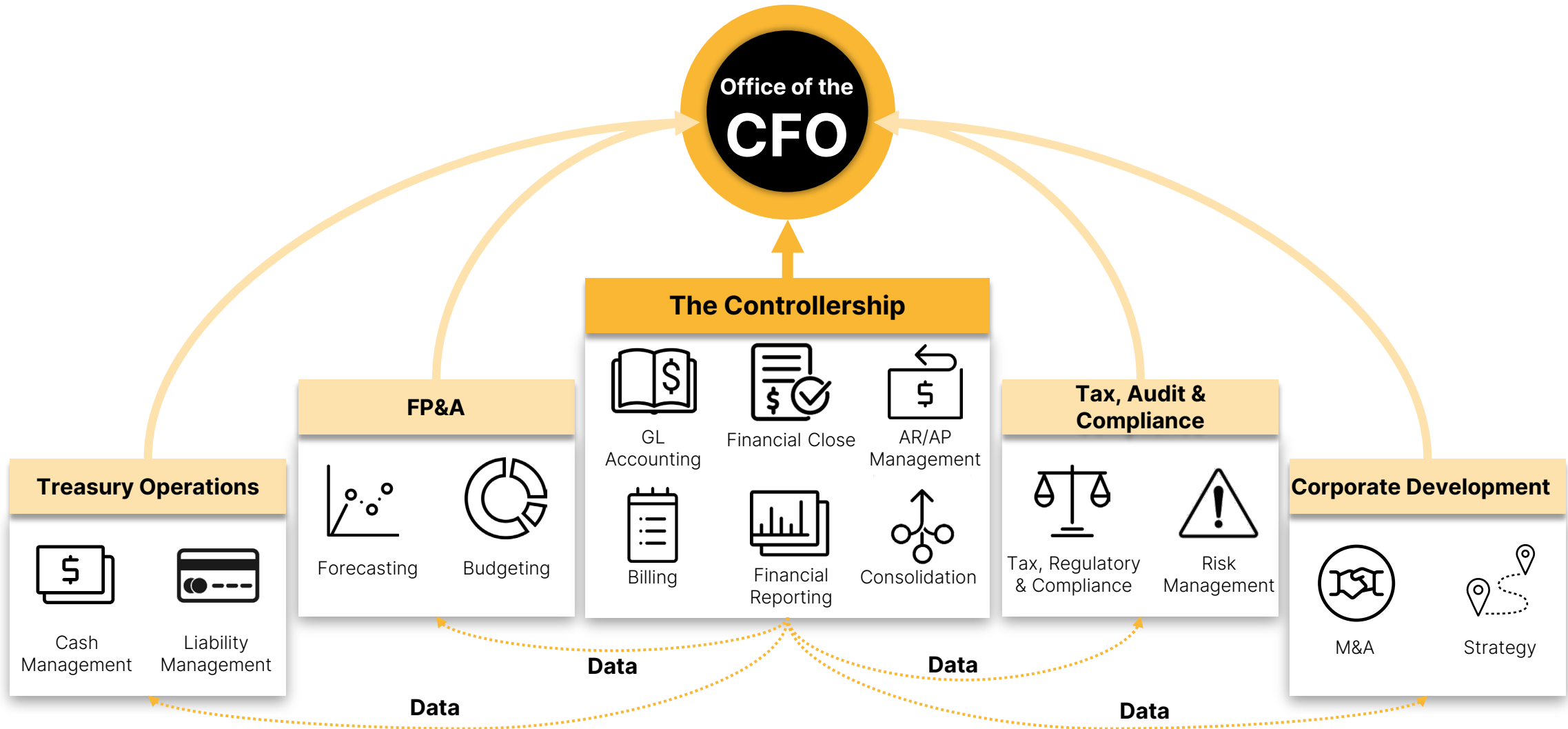
Champions of strategic accounting  
and finance transformation

## OUR WINNING ASPIRATION

To inspire, power, and guide  
digital finance transformation

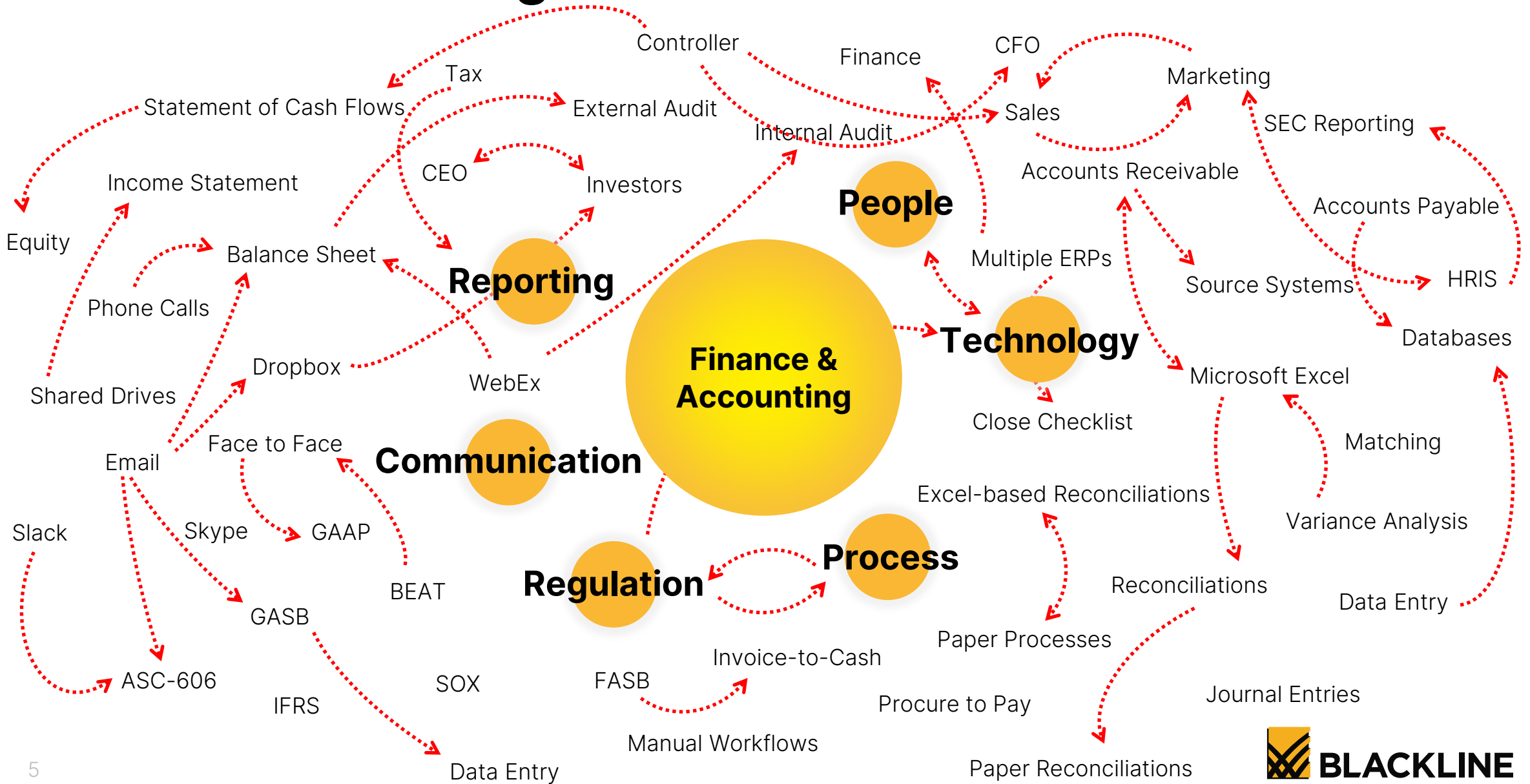


# BlackLine's Market: The Office of the CFO

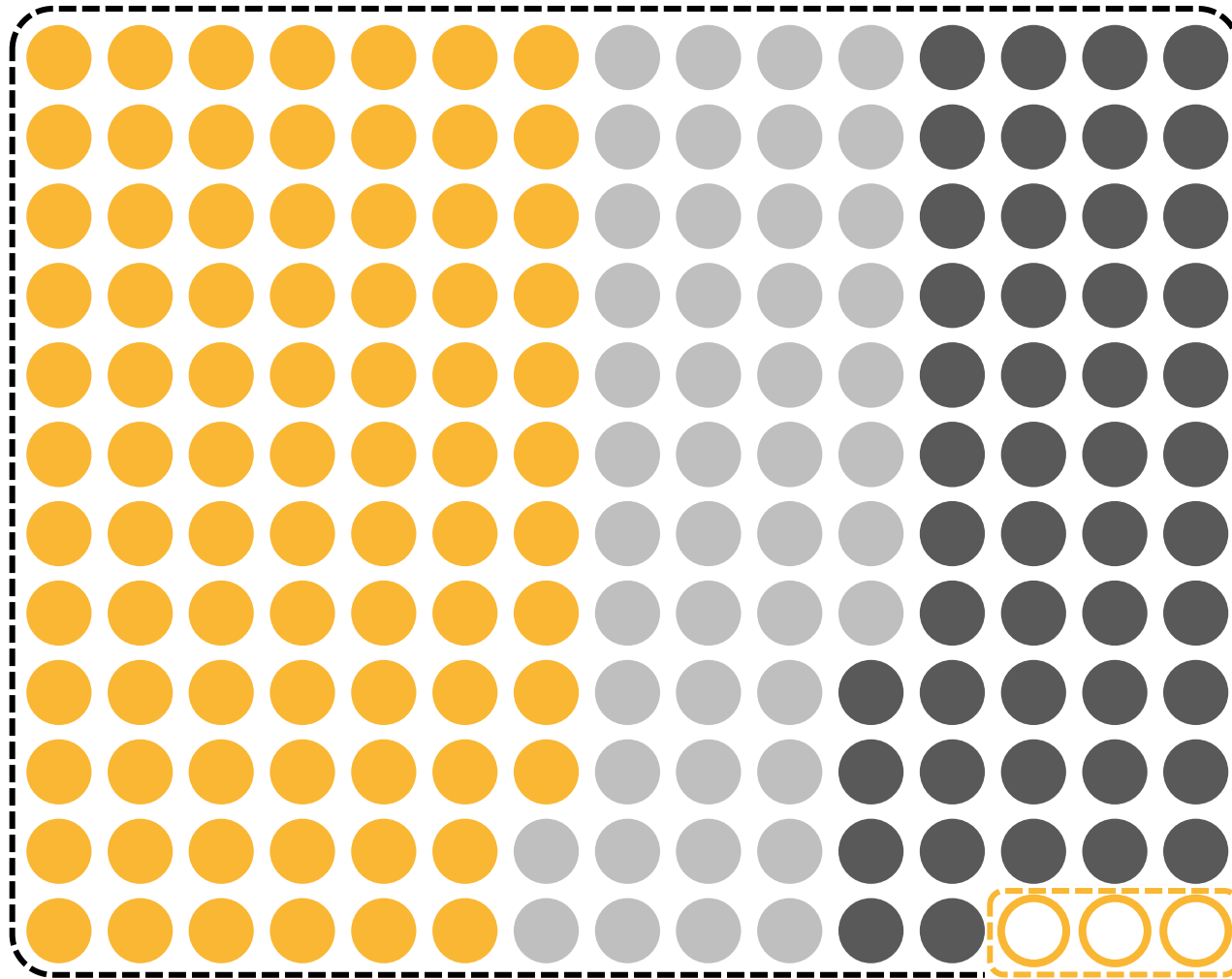


The controllership's **upstream position** makes it prime real estate within the office of the CFO

# Manual Accounting Processes Are Not Sustainable



# Market Leader with Large & Underpenetrated TAM



**\$39B+**

**\$18.5B** Financial Close Market <sup>1</sup>

**\$10B** Invoice-to-Cash Market <sup>2</sup>

**\$11B** Intercompany Financial Management <sup>3</sup>

Comprised of >200,000 Target Customers

**\$608M** BlackLine LTM Revenue  
Comprised of 4,400+ Customers <sup>4</sup>

**Note:** Excludes consolidation TAM.

<sup>1</sup> Source: Frost and Sullivan. TAM for Core Solutions.

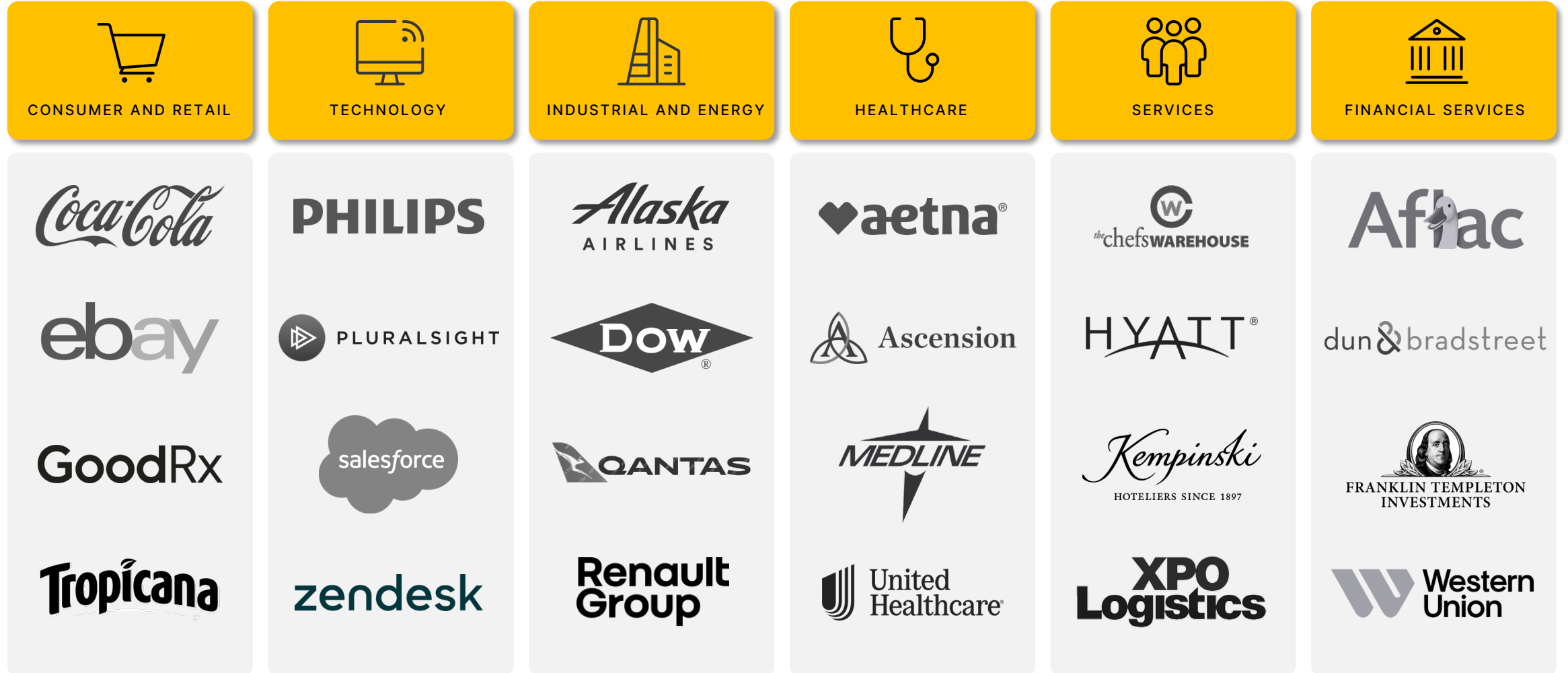
<sup>2</sup> Source: Independent third-party analysis. Assumes ~40,000 target customers in the US, UK & EMEA with a maximum ARR spend of \$250K.

<sup>3</sup> Source: Independent third-party analysis.

<sup>4</sup> As of March 31, 2024.

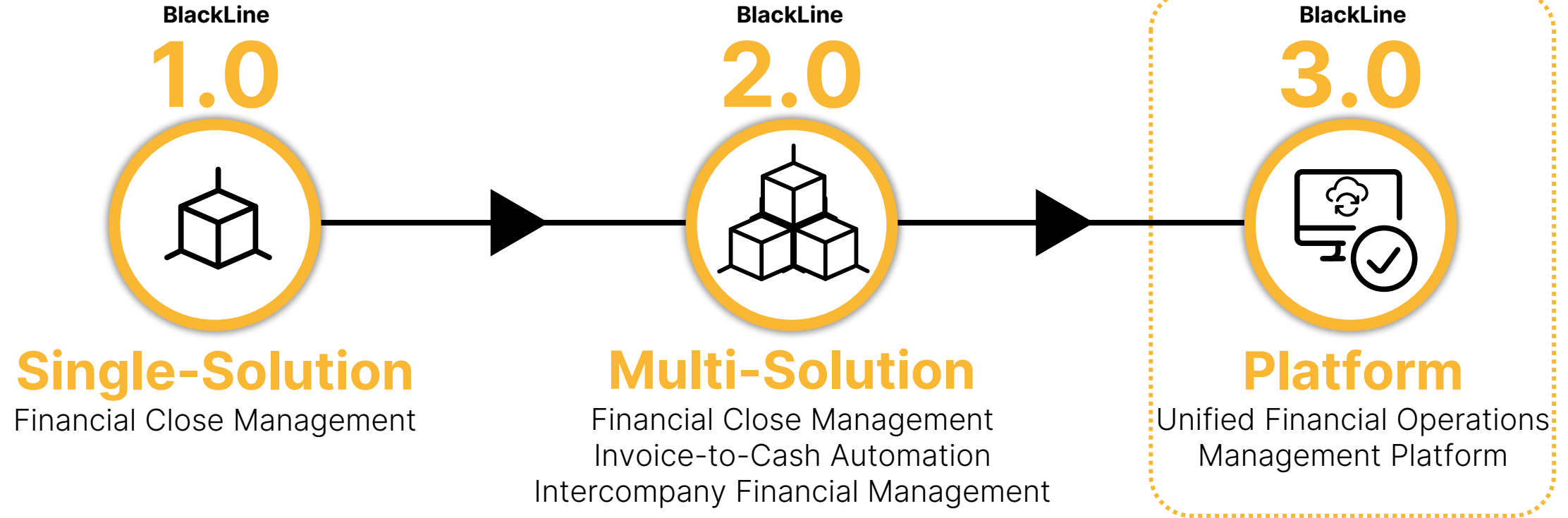


# Strength Across Geographies, Sectors & Sizes



# Building an Industry Leading Automation Platform

BlackLine is closer than ever before to realizing its plan to become a platform financial operations solution provider



**Drive accountability through visibility.** Reporting & Dashboards

**Build accuracy, control, and consistency into every process.** Financial Controls from Invoice-to-Cash to the Financial Close & Compliance

**Automate the repetitive to enable higher-value work.** Intelligent Automation

**Unify systems and data for a complete financial story.** Secure integrations, ERP connectors & APIs



# A Platform for the Future

BlackLine's platform drives modern accounting & optimizes financial operations

**Unify. Orchestrate. Automate.**

Embedded Intelligent Automation

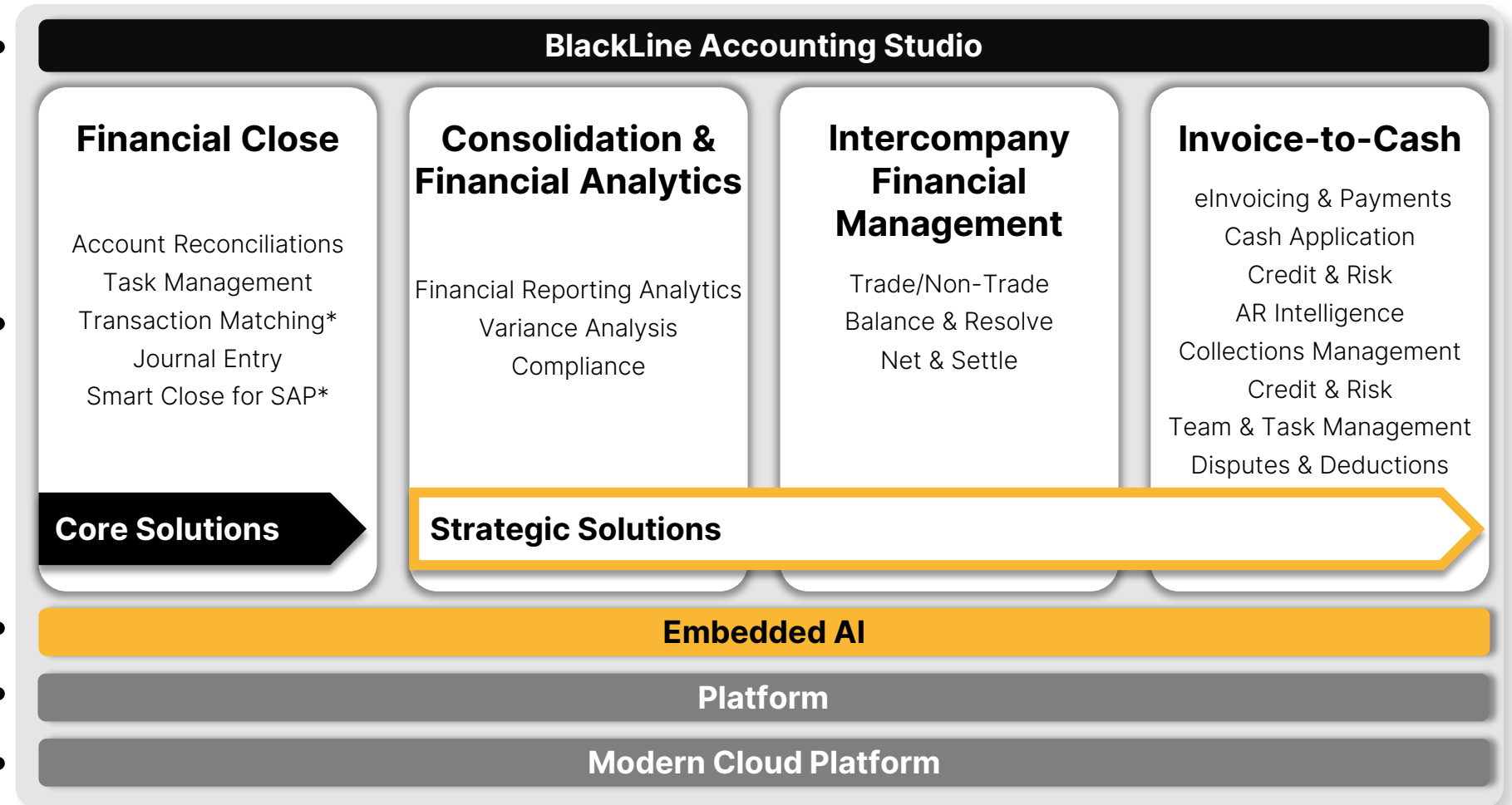
**Comprehensive**  
End-to-End Workflows

**AI Capabilities**  
Deep Automation & Enhanced Analytics

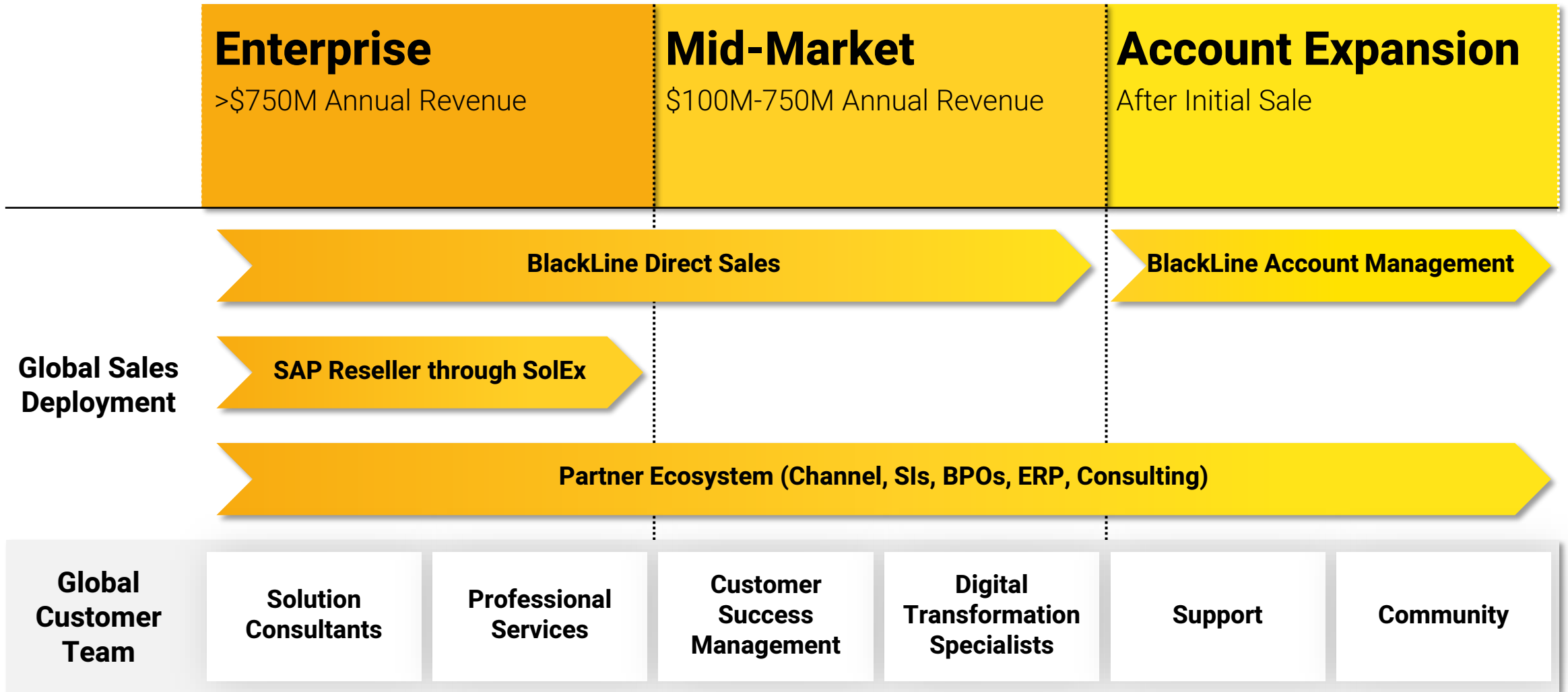
**Flexible**  
Configurable, Seamless Integration

**Scalable. Secure.**

## BlackLine's Financial Operations Management Platform:

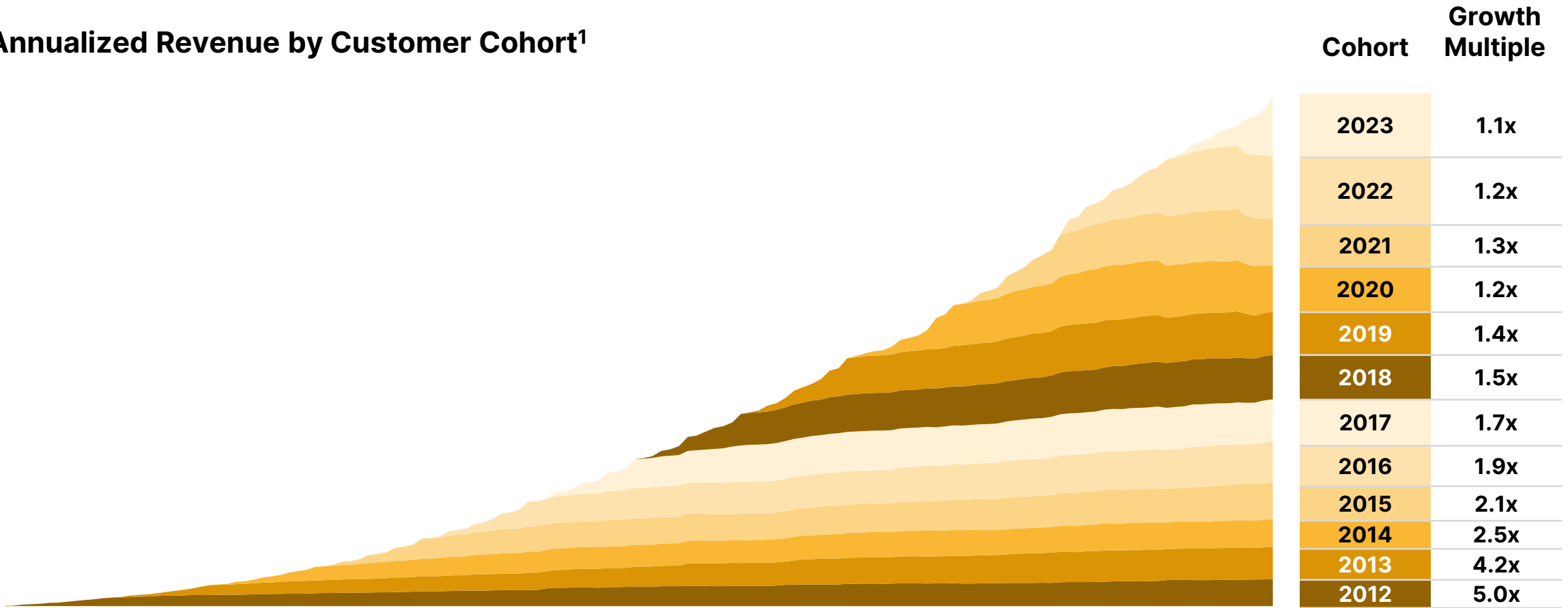


# Our Go-To-Market & Customer Strategy



# Proven Ability to Drive Land and Expand Platform

## Annualized Revenue by Customer Cohort<sup>1</sup>

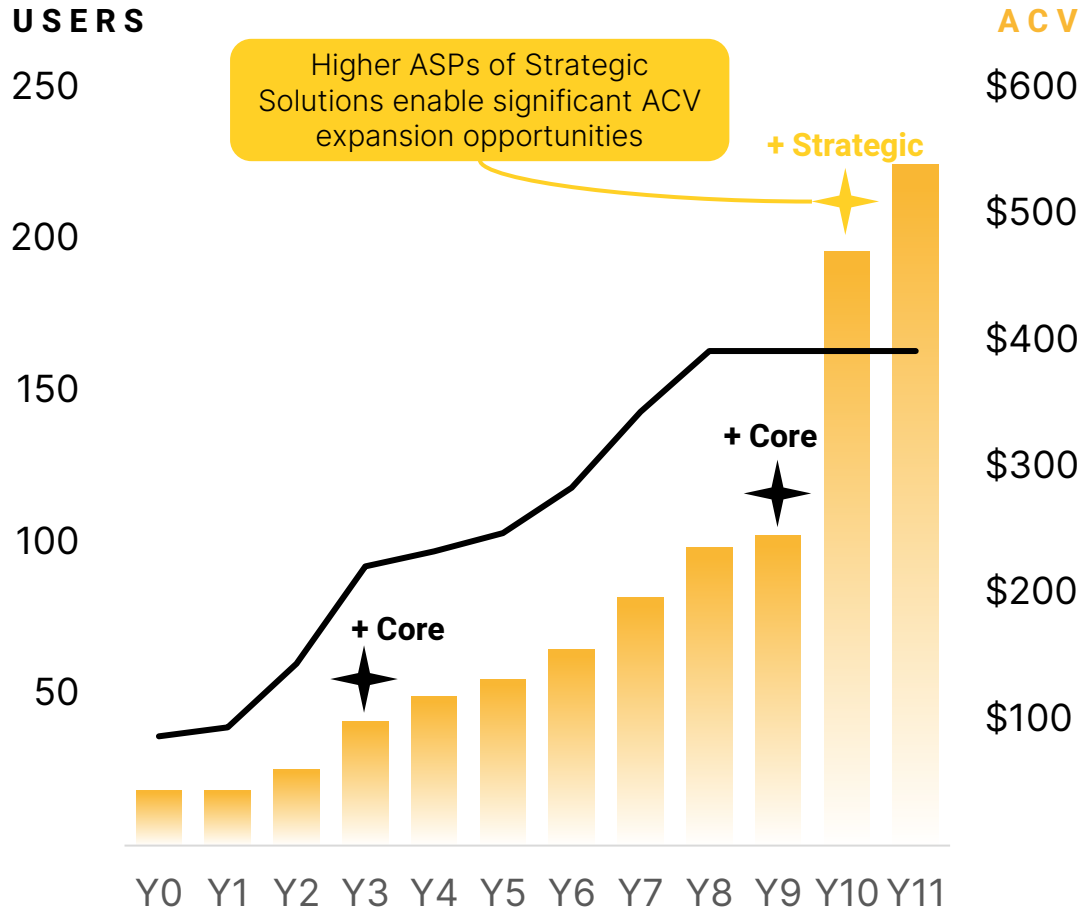


<sup>1</sup>Reflects annualized subscription and support revenue for the group of customers that became our customers in each respective cohort year. A “cohort” is a grouping of customers by the year specified. For instance, the 2012 cohort includes all customers whose contract start date is between January 1, 2012, and December 31, 2012. We calculate annualized subscription and support revenue at a particular date as the total amount of minimum subscription and support revenue contractually committed under each of our customer agreements for that month through the remaining term of the agreement, divided by the remaining number of months in the term of the agreement, multiplied by twelve. We calculate initial annualized subscription and support revenue for any given cohort year as the sum of annualized subscription and support revenue as of the first month of each customer agreement that was entered into within that given cohort year. Accordingly, in contrast to annualized subscription and support revenue, initial annualized subscription and support revenue does not reflect any changes in the payments due under or for the duration of customer agreements following the first month of the customer agreement. Our annualized subscription and support revenue as of March 31, 2024, for our customer cohorts for each of the years 2012 through 2023 represented an increase over the initial annualized subscription and support revenue for such customer cohorts, shown as the “Growth Multiple” above.

# Expanding Within Our Customers

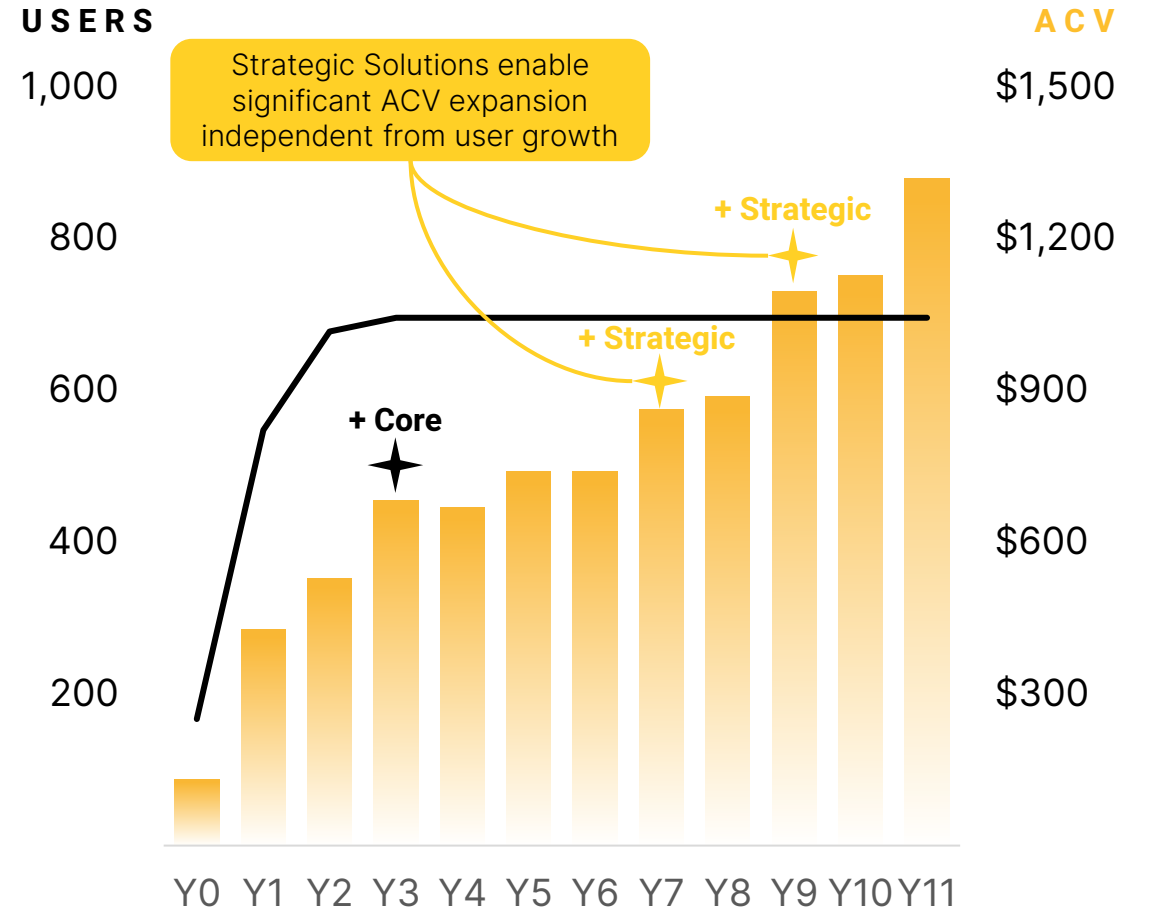
## Enterprise Consumer Retail Customer

Current ACV of ~\$540k



## Enterprise Global Industrials Customer

Current ACV of ~\$1.3M



# Extending the Competitive Moat Fuels Growth

## Indispensable Platform for the Office of the CFO

- **Expanded functionality for the controllership**
- SaaS-based platform
- End-to-end accounting automation technology
- Highly scalable and configurable
- ERP agnostic

## Strong Partner Ecosystem

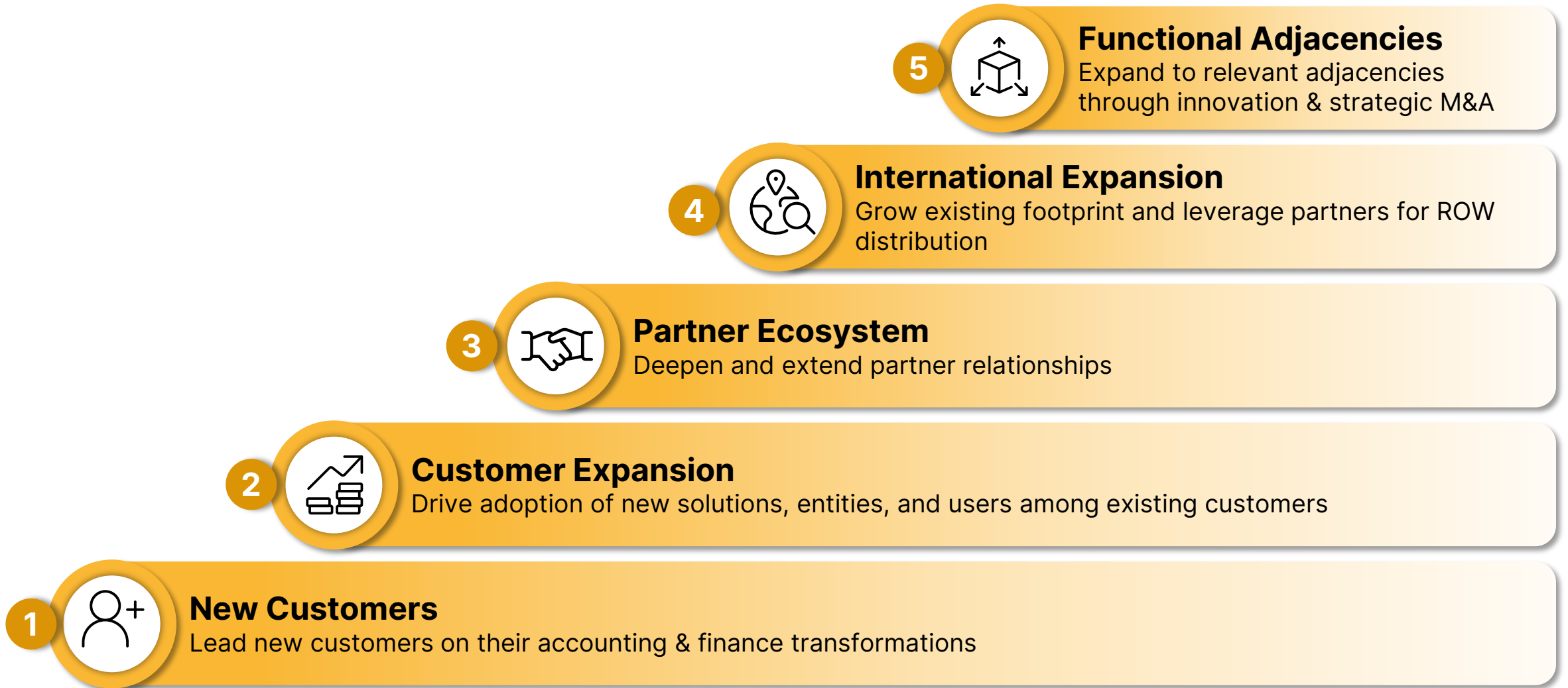
- Strategic reseller partnership with SAP Solution Extensions
- Global & regional consulting alliances
- Partner validation, C-Suite access & influence, and partner deployments
- Comprehensive partner enablement program

## Customer Engagement & Success

- Guide all 4,400+ customers along their path to digital transformation, accelerate platform adoption and expand net revenue retention via:
- Leveraging BlackLine expertise and best practices
  - Providing one-on-one and one-to-many optimization workshops
  - Hosting BeyondTheBlack user conference



# Numerous Levers to Drive Sustained Growth



# 1Q'24 Financial Highlights



**4,400+**

**Customers**

In 130+ countries



**13%**

**Revenue Growth**

95% SaaS recurring revenue



**\$605M**

**Total ARR<sup>1</sup>**

10% YoY increase



**28%**

**FCF Margin<sup>2</sup>**

\$44M of FCF generated



**\$1.5k**

**ARPU<sup>3</sup>**

On our 387,000+ user base



**79%**

**Gross Margin<sup>2</sup>**

Highly-profitable business model



**\$826M**

**RPO**

7% YoY increase



**105%**

**Net Revenue Retention**

Compelling value proposition

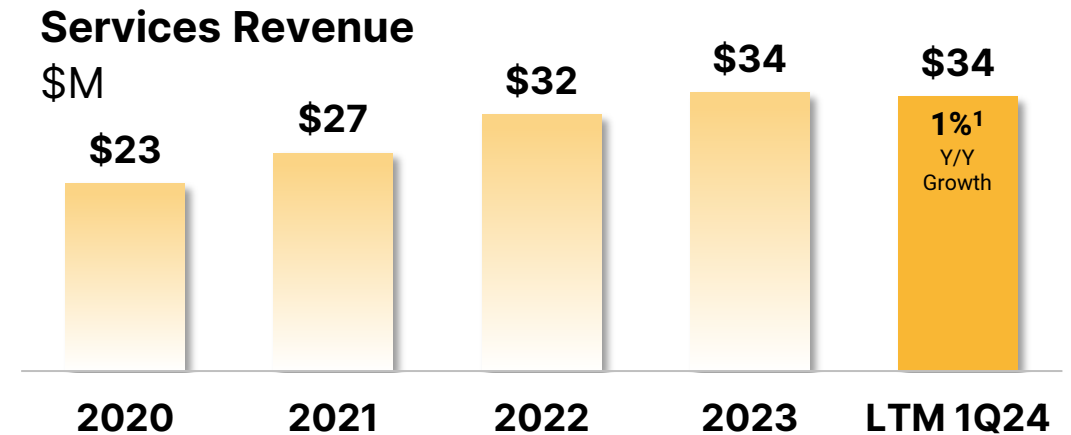
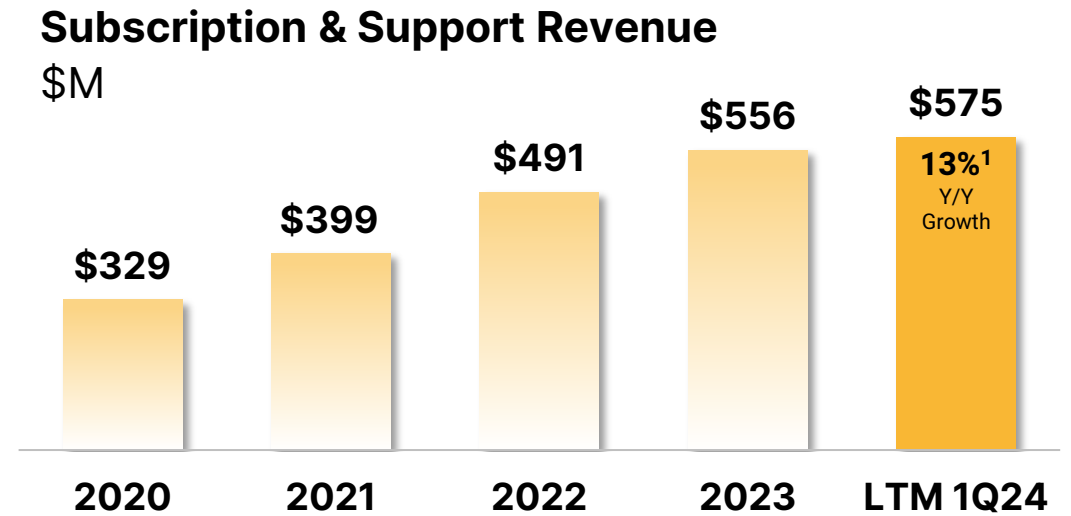
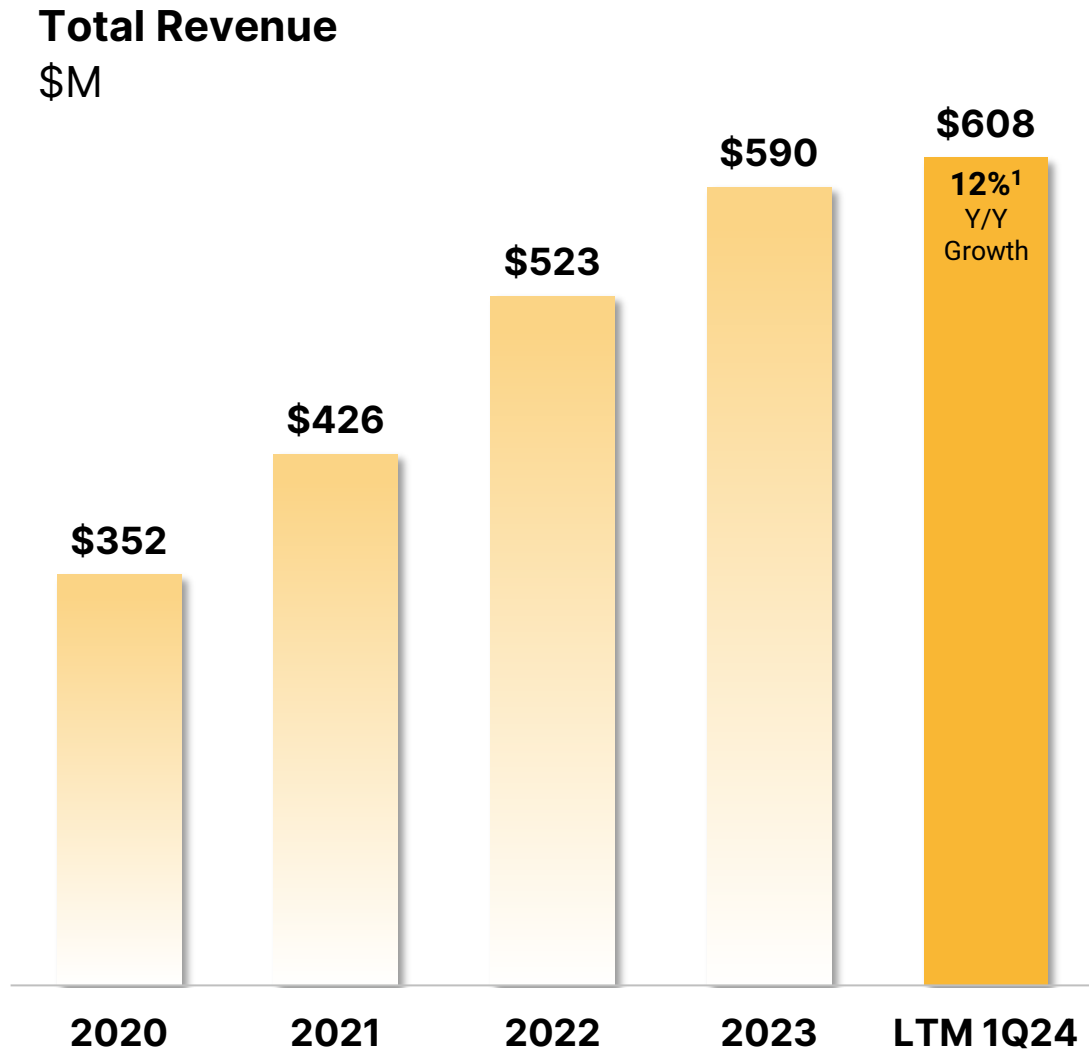
**Note:** YoY growth as of March 31, 2024.

<sup>1</sup>BlackLine defines ARR as: contracted recurring revenue components of term subscriptions and support normalized to a one-year period.

<sup>2</sup>Represents a Non-GAAP metric. See appendix for GAAP financial measures and reconciliations.

<sup>3</sup>Calculated as total ARR divided by total users as of March 31, 2024.

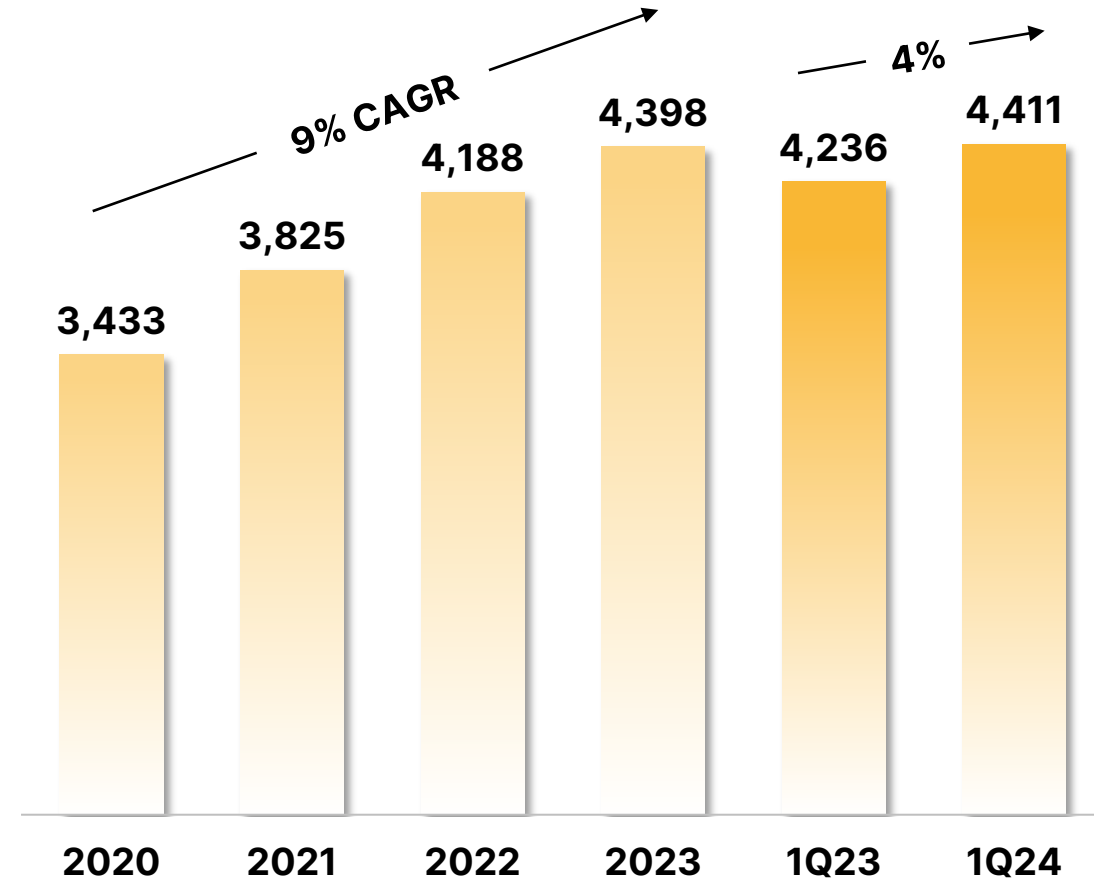
# Highly Visible Subscription Growth Model



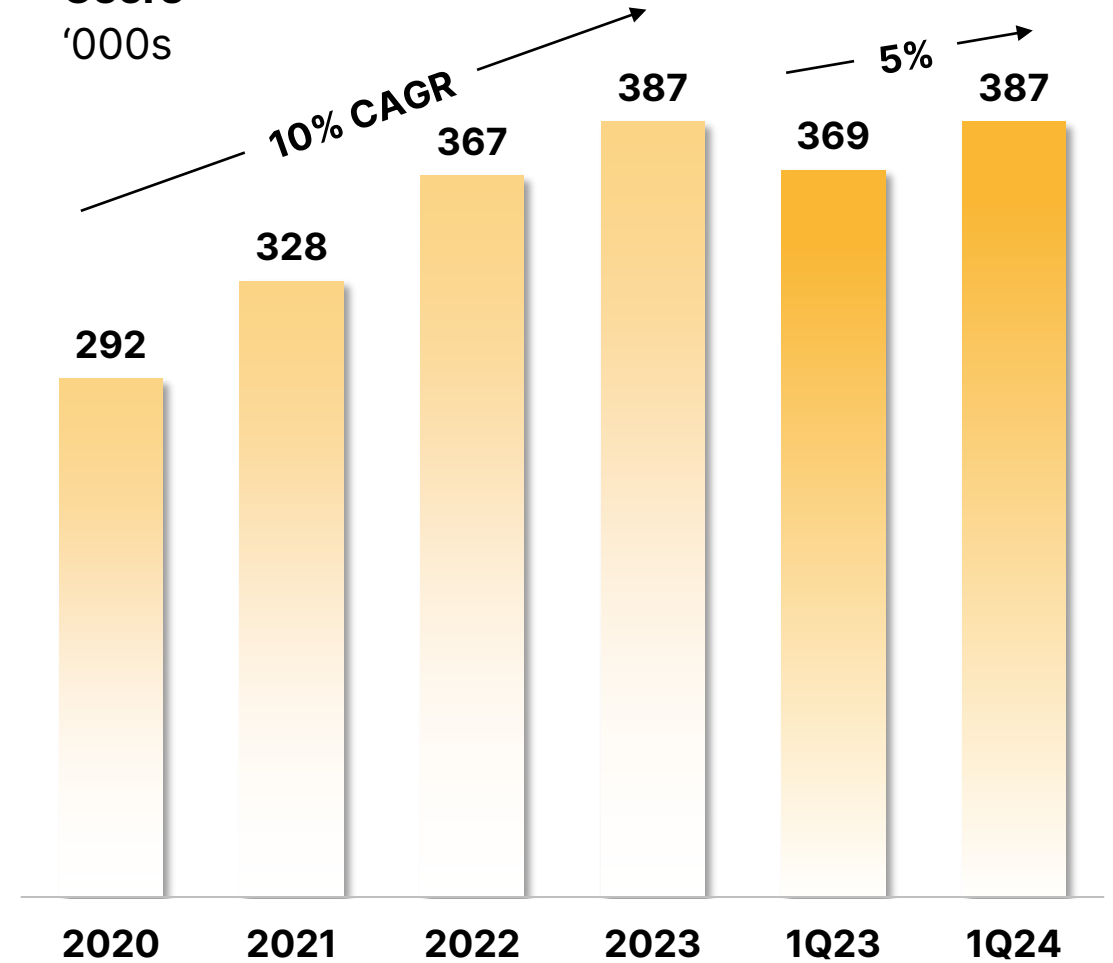


# Consistent Customer and User Growth

Customers

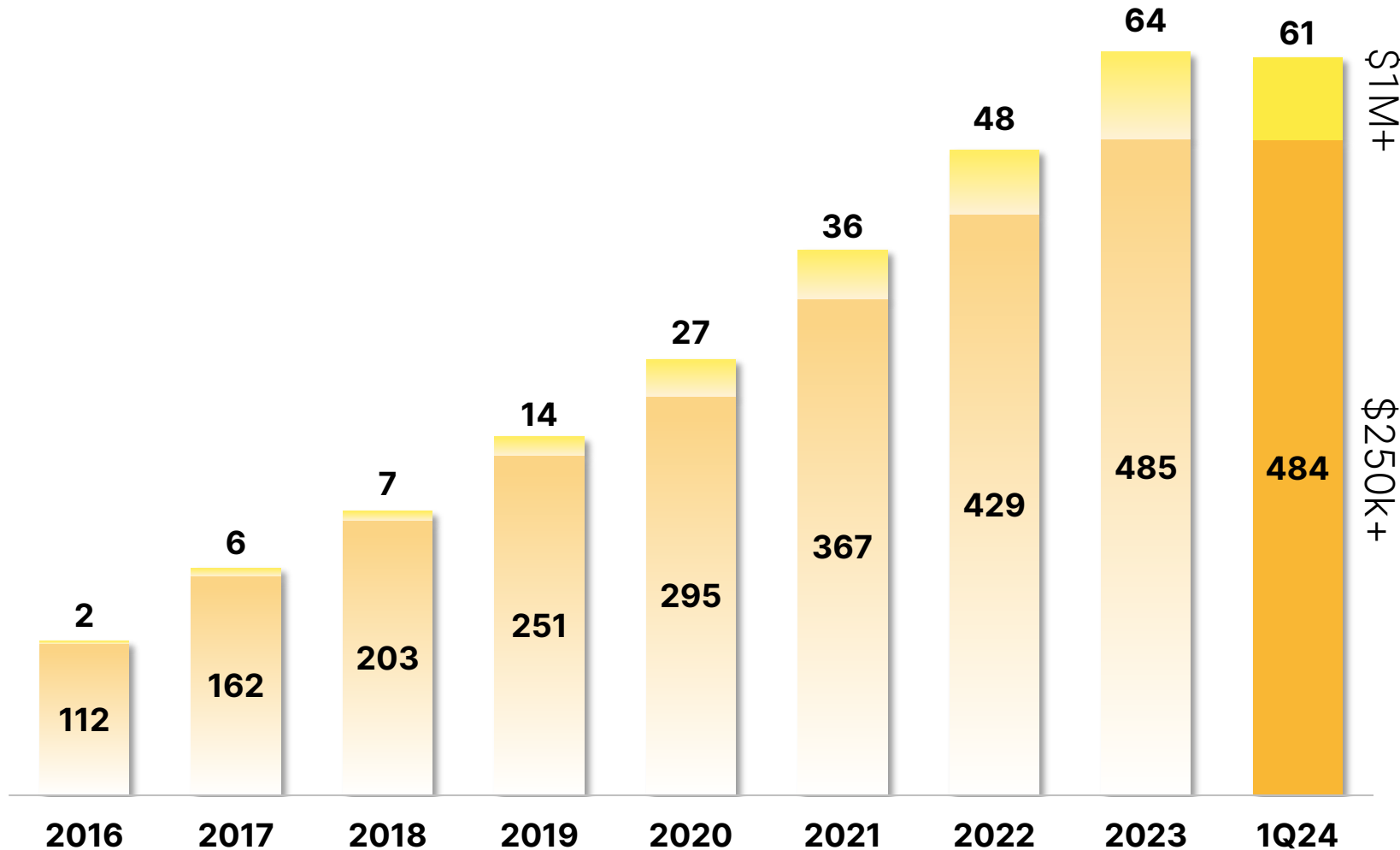


Users  
'000s



# Continuously Growing Our Customer Wallet Share

545 customers with an ARR<sup>1</sup> of \$250k+



**60%**

CAGR in customers spending \$1M or more

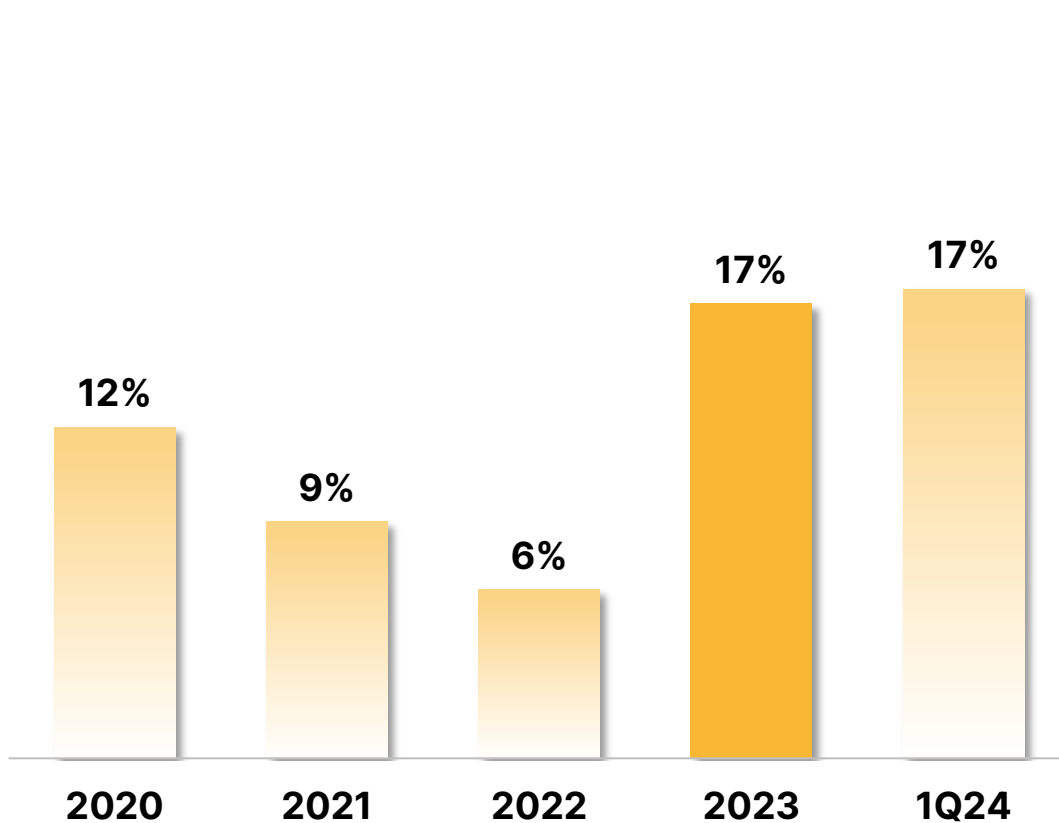
**22%**

CAGR in customers spending \$250K or more

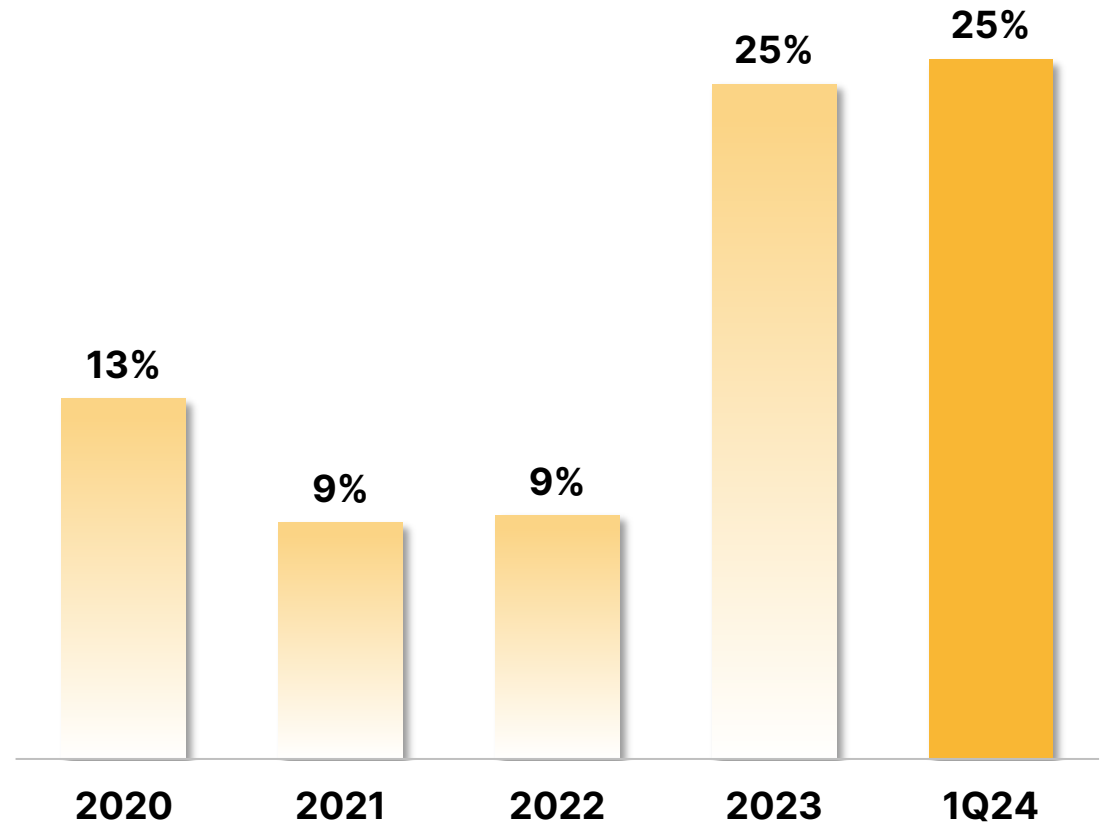
18 <sup>1</sup>ARR refers to annual subscription and support revenue. See appendix for BlackLine's full definition. Data as of March 31, 2024.

# Demonstrated Profitability

Non-GAAP Operating Income Margin<sup>1</sup>

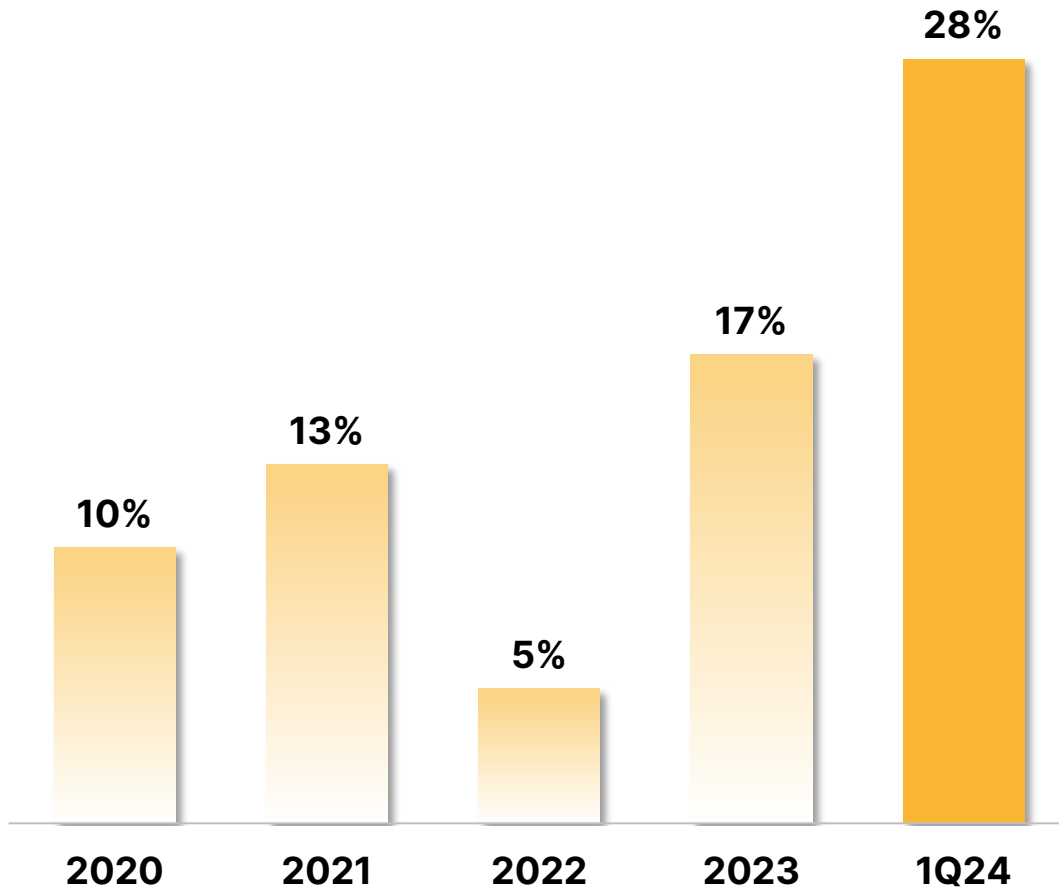


Non-GAAP Net Income Margin<sup>1</sup>

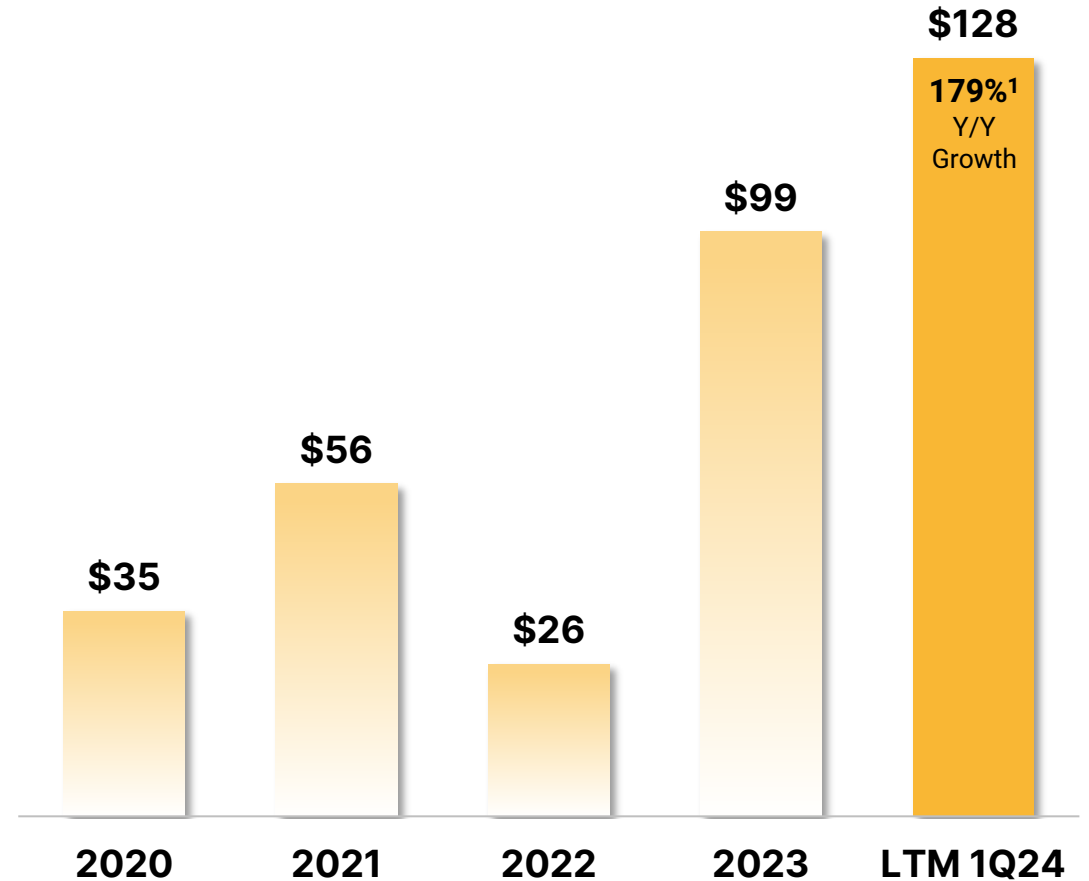


# Sustained Cash Flow Generation

## Free Cash Flow Margin



## Free Cash Flow \$M



20 **Note:** Free cash flow defined as cash flows from operating activities less capex.  
<sup>1</sup>LTM growth as of March 31, 2024.

# Medium-Term Targets & Long-Term Target Model

| Metric                          | 2020 | 2021 | 2022 | 2023 | MT <sup>1</sup> Target | LT Model         | Primary Drivers  |
|---------------------------------|------|------|------|------|------------------------|------------------|--|
| Total Revenue Growth            | 22%  | 21%  | 23%  | 13%  | <b>20% - 25%</b>       |                  | <b>Customer expansion, upsell/cross-sell, new logo growth</b>        |
| Gross Margin <sup>2</sup>       | 83%  | 80%  | 79%  | 79%  | <b>80% - 82%</b>       | <b>83%+</b>      | <b>Completion of cloud-transition, scaled expansion</b>              |
| S&M (% of revenue) <sup>2</sup> | 42%  | 41%  | 42%  | 36%  | <b>38% - 40%</b>       | <b>~38%</b>      | <b>Efficiency, shrinking CAC with evolving upsell/cross-sell mix</b> |
| R&D (% of revenue) <sup>2</sup> | 14%  | 16%  | 17%  | 15%  | <b>15% - 16%</b>       | <b>~15%</b>      | <b>Continue to fund solution &amp; innovation roadmap</b>            |
| G&A (% of revenue) <sup>2</sup> | 15%  | 15%  | 15%  | 12%  | <b>11% - 12%</b>       | <b>7% - 9%</b>   | <b>G&amp;A investment inflection point, economies of scale</b>       |
| Operating Margin <sup>2</sup>   | 12%  | 9%   | 6%   | 17%  | <b>15% - 20%</b>       | <b>21% - 23%</b> | <b>Operating efficiencies &amp; scale</b>                            |
| Free Cash Flow <sup>2</sup>     | 10%  | 13%  | 5%   | 17%  | <b>16% - 21%</b>       |                  | <b>Operating efficiencies &amp; scale</b>                            |



# Appendix

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

|   | Q1 2021         | Q2 2021          | Q3 2021          | Q4 2021          | Q1 2022          | Q2 2022          | Q3 2022          | Q4 2022          | Q1 2023          | Q2 2023          | Q3 2023          | Q4 2023          | Q1 2024          | 2019             | 2020             | 2021             | 2022             | 2023             |  |
|---|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| <b>Non-GAAP Revenues</b>                      |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
| GAAP Revenues                                 | \$98,856        | \$102,122        | \$109,402        | \$115,326        | \$120,236        | \$128,477        | \$134,268        | \$139,957        | \$138,984        | \$144,574        | \$150,708        | \$155,730        | \$157,461        | \$288,976        | \$351,737        | \$425,706        | \$522,938        | \$589,996        |  |
| Purchase accounting adjustment to revenue     | -               | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                |  |
| <b>Total Non-GAAP Revenues</b>                | <b>\$98,856</b> | <b>\$102,122</b> | <b>\$109,402</b> | <b>\$115,326</b> | <b>\$120,236</b> | <b>\$128,477</b> | <b>\$134,268</b> | <b>\$139,957</b> | <b>\$138,984</b> | <b>\$144,574</b> | <b>\$150,708</b> | <b>\$155,730</b> | <b>\$157,461</b> | <b>\$288,976</b> | <b>\$351,737</b> | <b>\$425,706</b> | <b>\$522,938</b> | <b>\$589,996</b> |  |
| <b>Non-GAAP Gross Profit</b>                  |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
| GAAP Gross Profit                             | \$76,966        | \$78,550         | \$84,965         | \$87,354         | \$89,563         | \$95,554         | \$101,842        | \$106,594        | \$103,713        | \$107,458        | \$113,914        | \$118,118        | \$118,364        | \$230,001        | \$282,765        | \$327,835        | \$393,553        | \$443,203        |  |
| Purchase accounting adjustment to revenue     | -               | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Amortization of acquired developed technology | 665             | 670              | 675              | 675              | 2,337            | 2,957            | 3,011            | 3,010            | 2,949            | 2,980            | 3,090            | 3,419            | 3,384            | 4,797            | 1,192            | 2,685            | 11,315           | 12,438           |  |
| Stock-based compensation expense              | 1,750           | 2,227            | 2,213            | 2,220            | 1,714            | 2,249            | 2,346            | 2,286            | 2,797            | 3,273            | 3,249            | 3,121            | 2,596            | 4,814            | 6,896            | 8,410            | 8,595            | 12,440           |  |
| Transaction-related costs                     | -               | -                | -                | -                | 272              | 374              | 352              | 357              | 213              | 174              | (41)             | 132              | 52               | -                | -                | -                | 1,355            | 478              |  |
| <b>Total Non-GAAP Gross Profit</b>            | <b>\$79,381</b> | <b>\$81,447</b>  | <b>\$87,853</b>  | <b>\$90,249</b>  | <b>\$93,886</b>  | <b>\$101,134</b> | <b>\$107,551</b> | <b>\$112,247</b> | <b>\$109,672</b> | <b>\$113,885</b> | <b>\$120,212</b> | <b>\$124,790</b> | <b>\$124,396</b> | <b>\$239,612</b> | <b>\$290,853</b> | <b>\$338,930</b> | <b>\$414,818</b> | <b>\$468,559</b> |  |
| <b>Total Non-GAAP Gross Profit Margin</b>     | <b>80.3%</b>    | <b>79.8%</b>     | <b>80.3%</b>     | <b>78.3%</b>     | <b>78.1%</b>     | <b>78.7%</b>     | <b>80.1%</b>     | <b>80.2%</b>     | <b>78.9%</b>     | <b>78.8%</b>     | <b>79.8%</b>     | <b>80.1%</b>     | <b>79.0%</b>     | <b>82.9%</b>     | <b>82.7%</b>     | <b>79.6%</b>     | <b>79.3%</b>     | <b>79.4%</b>     |  |
| <b>Free Cash Flow</b>                         |                 |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
| Cash flows from operating activities          | \$28,505        | \$12,388         | \$17,074         | \$22,126         | \$176            | \$5,907          | \$24,176         | \$25,754         | \$22,867         | \$24,551         | \$37,026         | \$42,169         | \$50,425         | \$29,724         | \$54,735         | \$80,093         | \$56,013         | \$126,613        |  |
| Capitalized software development costs        | (4,021)         | (3,542)          | (3,677)          | (3,296)          | (4,657)          | (5,109)          | (5,186)          | (4,256)          | (6,879)          | (5,439)          | (4,519)          | (4,807)          | (6,450)          | (5,060)          | (10,578)         | (14,536)         | (19,208)         | (21,644)         |  |
| Purchase of property and equipment            | (1,096)         | (626)            | (3,475)          | (3,532)          | (1,528)          | (5,775)          | (2,439)          | (1,232)          | (1,676)          | (1,153)          | (1,098)          | (2,026)          | (299)            | (4,632)          | (6,513)          | (8,729)          | (10,974)         | (5,953)          |  |
| Financed purchases of property and equipment  | (169)           | (252)            | (128)            | -                | -                | (84)             | -                | -                | -                | -                | -                | -                | -                | (427)            | (562)            | (549)            | (84)             | -                |  |
| Purchases of intangible assets                | -               | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | (2,333)          | -                | -                | -                |  |
| <b>Free Cash Flow</b>                         | <b>\$23,219</b> | <b>\$7,968</b>   | <b>\$9,794</b>   | <b>\$15,298</b>  | <b>(\$6,009)</b> | <b>(\$5,061)</b> | <b>\$16,551</b>  | <b>\$20,266</b>  | <b>\$14,312</b>  | <b>\$17,959</b>  | <b>\$31,409</b>  | <b>\$35,336</b>  | <b>\$43,676</b>  | <b>\$19,605</b>  | <b>\$34,749</b>  | <b>\$56,279</b>  | <b>\$25,747</b>  | <b>\$99,016</b>  |  |
| <b>Free Cash Flow Margin</b>                  | <b>23.5%</b>    | <b>7.8%</b>      | <b>9.0%</b>      | <b>13.3%</b>     | <b>(5.0%)</b>    | <b>(3.9%)</b>    | <b>12.3%</b>     | <b>14.5%</b>     | <b>10.3%</b>     | <b>12.4%</b>     | <b>20.8%</b>     | <b>22.7%</b>     | <b>27.7%</b>     | <b>6.8%</b>      | <b>9.9%</b>      | <b>13.2%</b>     | <b>4.9%</b>      | <b>16.8%</b>     |  |

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

|   | Q1 2021        | Q2 2021        | Q3 2021         | Q4 2021        | Q1 2022      | Q2 2022        | Q3 2022         | Q4 2022         | Q1 2023         | Q2 2023         | Q3 2023         | Q4 2023         | Q1 2024         | 2019            | 2020            | 2021            | 2022            | 2023             |
|---|----------------|----------------|-----------------|----------------|--------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| <b>Non-GAAP Income from Operations</b>                            |                |                |                 |                |              |                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| GAAP Income (Loss) from Operations                                | (\$18,705)     | (\$9,672)      | \$5,951         | (\$16,188)     | (\$25,364)   | (\$12,693)     | (\$21,419)      | \$3,278         | (\$15,313)      | \$17,920        | (\$1,074)       | \$12,815        | \$1,748         | (\$27,899)      | (\$19,891)      | (\$38,614)      | (\$56,198)      | \$14,348         |
| Amortization of intangible assets                                 | 2,893          | 2,907          | 2,630           | 2,049          | 4,162        | 5,206          | 5,182           | 5,181           | 5,085           | 5,134           | 5,140           | 5,249           | 5,196           | 10,265          | 7,679           | 10,479          | 19,731          | 20,608           |
| Stock-based compensation expense                                  | 14,794         | 17,065         | 16,930          | 17,081         | 15,902       | 20,609         | 20,899          | 18,474          | 20,883          | 20,451          | 20,633          | 18,101          | 19,196          | 34,052          | 49,690          | 65,870          | 75,884          | 80,068           |
| Change in fair value of contingent consideration                  | 7,702          | (782)          | (10,346)        | 668            | (1,816)      | (14,042)       | 1,745           | (21,017)        | 3,106           | (25,535)        | (11,120)        | -               | -               | 46              | 28              | (2,758)         | (35,130)        | (33,549)         |
| Legal settlement costs (gains)                                    | -              | -              | -               | -              | 690          | -              | 1,019           | -               | -               | -               | -               | -               | -               | (380)           | -               | -               | 1,709           | -                |
| Transaction-related costs   | -              | -              | -               | 1,586          | 7,033        | 3,676          | 3,272           | 2,850           | 790             | 1,219           | 1,823           | 1,246           | 216             | -               | 4,736           | 1,586           | 16,831          | 5,078            |
| Shelf offering costs  | -              | -              | -               | -              | -            | -              | -               | -               | -               | -               | -               | -               | -               | 212             | -               | -               | -               | -                |
| Impairment of capitalized software implementation costs           | -              | -              | -               | -              | -            | -              | -               | 5,330           | -               | -               | -               | -               | -               | -               | -               | -               | 5,330           | -                |
| Restructuring costs   | -              | -              | -               | -              | -            | -              | -               | 3,841           | 1,014           | 135             | 8,664           | 1,151           | 444             | -               | -               | -               | 3,841           | 10,964           |
| <b>Total Non-GAAP Income From Operations</b>                      | <b>\$6,684</b> | <b>\$9,518</b> | <b>\$15,165</b> | <b>\$5,196</b> | <b>\$607</b> | <b>\$2,756</b> | <b>\$10,698</b> | <b>\$17,937</b> | <b>\$15,565</b> | <b>\$19,324</b> | <b>\$24,066</b> | <b>\$38,562</b> | <b>\$26,800</b> | <b>\$16,296</b> | <b>\$42,242</b> | <b>\$36,563</b> | <b>\$31,998</b> | <b>\$97,517</b>  |
| <b>Total Non-GAAP Income From Operations Margin</b>               | <b>6.8%</b>    | <b>9.3%</b>    | <b>13.9%</b>    | <b>4.5%</b>    | <b>0.5%</b>  | <b>2.1%</b>    | <b>8.0%</b>     | <b>12.8%</b>    | <b>11.2%</b>    | <b>13.4%</b>    | <b>16.0%</b>    | <b>24.8%</b>    | <b>17.0%</b>    | <b>5.6%</b>     | <b>12.0%</b>    | <b>8.6%</b>     | <b>6.1%</b>     | <b>16.5%</b>     |
| <b>Non-GAAP Net Income attributable to BlackLine</b>              |                |                |                 |                |              |                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |
| Net income (loss) attributable to BlackLine <sup>1</sup>          | (\$38,964)     | (\$25,446)     | (\$13,741)      | (\$37,010)     | (\$10,011)   | (\$10,665)     | (\$20,019)      | \$11,304        | (\$12,008)      | \$30,849        | \$11,923        | \$22,069        | \$10,829        | (\$32,535)      | (\$46,911)      | (\$115,161)     | (\$29,391)      | \$52,833         |
| Provision for (benefit from) income taxes related to acquisitions | 81             | 146            | (636)           | (552)          | (13,136)     | 145            | 299             | (942)           | (181)           | 286             | (1,827)         | 526             | (583)           | 90              | (669)           | (961)           | (13,634)        | (1,196)          |
| Shelf offering costs  | -              | -              | -               | -              | -            | -              | -               | -               | -               | -               | -               | -               | -               | 212             | -               | -               | -               | -                |
| Stock-based compensation expense                                  | 14,787         | 17,031         | 16,877          | 17,028         | 15,840       | 20,517         | 20,802          | 18,417          | 20,740          | 20,364          | 20,503          | 17,981          | 19,085          | 34,052          | 49,690          | 65,723          | 75,576          | 79,588           |
| Amortization of debt discount and issuance costs                  | 7,651          | 15,590         | 16,031          | 16,266         | 1,357        | 1,373          | 1,389           | 1,392           | 1,362           | 1,379           | 1,396           | 1,398           | 1,385           | 8,410           | 22,689          | 55,538          | 5,511           | 5,535            |
| Amortization of acquired intangible assets                        | 2,893          | 2,907          | 2,630           | 2,049          | 4,162        | 5,206          | 5,182           | 5,181           | 5,085           | 5,134           | 5,140           | 5,249           | 5,196           | 10,265          | 7,679           | 10,479          | 19,731          | 20,608           |
| Change in fair value of contingent consideration                  | 7,702          | (782)          | (10,346)        | 668            | (1,816)      | (14,042)       | 1,745           | (21,017)        | 3,106           | (25,535)        | (11,120)        | -               | -               | 46              | 28              | (2,758)         | (35,130)        | (33,549)         |
| Transaction-related costs   | -              | -              | -               | 1,586          | 7,033        | 3,676          | 3,272           | 2,850           | 790             | 1,219           | 1,823           | 1,246           | 216             | -               | 4,736           | 1,586           | 16,831          | 5,078            |
| Legal settlement costs (gains)                                    | -              | -              | -               | -              | 690          | -              | 1,019           | -               | -               | -               | -               | -               | -               | (380)           | -               | -               | 1,709           | -                |
| Impairment of capitalized software implementation costs           | -              | -              | -               | -              | -            | -              | -               | 5,330           | -               | -               | -               | -               | -               | -               | -               | -               | 5,330           | -                |
| Restructuring costs   | -              | -              | -               | -              | -            | -              | -               | 3,841           | 1,014           | 135             | 8,664           | 1,151           | 444             | -               | -               | -               | 3,841           | 10,964           |
| Adjustment to redeemable non-controlling interest                 | 5,937          | 154            | 4,275           | 4,711          | (3,417)      | (1,185)        | 1,375           | (904)           | 5,192           | (3,103)         | 1,355           | 1,890           | 3,503           | 1,833           | 8,858           | 15,077          | (4,131)         | 5,334            |
| Loss on extinguishment of convertible senior notes                | 7,012          | -              | -               | -              | -            | -              | -               | -               | -               | -               | -               | -               | -               | -               | -               | 7,012           | -               | -                |
| <b>Total Non-GAAP Net Income attributable to BlackLine</b>        | <b>\$7,099</b> | <b>\$9,600</b> | <b>\$15,090</b> | <b>\$4,746</b> | <b>\$702</b> | <b>\$5,025</b> | <b>\$15,064</b> | <b>\$25,452</b> | <b>\$25,100</b> | <b>\$30,728</b> | <b>\$37,857</b> | <b>\$51,510</b> | <b>\$40,075</b> | <b>\$21,993</b> | <b>\$46,100</b> | <b>\$36,535</b> | <b>\$46,243</b> | <b>\$145,195</b> |
| <b>Total Non-GAAP Net Income Margin</b>                           | <b>7.2%</b>    | <b>9.4%</b>    | <b>13.8%</b>    | <b>4.1%</b>    | <b>0.6%</b>  | <b>3.9%</b>    | <b>11.2%</b>    | <b>18.2%</b>    | <b>18.1%</b>    | <b>21.3%</b>    | <b>25.1%</b>    | <b>33.1%</b>    | <b>25.5%</b>    | <b>7.6%</b>     | <b>13.1%</b>    | <b>8.6%</b>     | <b>8.8%</b>     | <b>24.6%</b>     |



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

|   | Q1 2021         | Q2 2021         | Q3 2021         | Q4 2021         | Q1 2022         | Q2 2022         | Q3 2022         | Q4 2022         | Q1 2023         | Q2 2023         | Q3 2023         | Q4 2023         | Q1 2024         | 2019             | 2020             | 2021             | 2022             | 2023             |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| <b>GAAP Sales and Marketing Expense</b>                 | <b>\$48,429</b> | <b>\$49,182</b> | <b>\$48,799</b> | <b>\$56,210</b> | <b>\$60,027</b> | <b>\$66,000</b> | <b>\$64,540</b> | <b>\$66,295</b> | <b>\$61,931</b> | <b>\$62,749</b> | <b>\$61,576</b> | <b>\$56,898</b> | <b>\$61,111</b> | <b>\$158,837</b> | <b>\$174,581</b> | <b>\$202,620</b> | <b>\$256,862</b> | <b>\$243,154</b> |
| Amortization of intangible assets                       | (1,750)         | (1,759)         | (1,477)         | (897)           | (1,347)         | (1,771)         | (1,694)         | (1,693)         | (1,659)         | (1,676)         | (1,705)         | (1,751)         | (1,733)         | (3,872)          | (4,655)          | (5,883)          | (6,505)          | (6,791)          |
| Stock-based compensation expense                        | (5,251)         | (5,861)         | (5,760)         | (5,884)         | (5,924)         | (7,438)         | (7,257)         | (5,691)         | (6,483)         | (6,182)         | (6,123)         | (5,364)         | (5,794)         | (15,389)         | (21,546)         | (22,756)         | (26,310)         | (24,152)         |
| Transaction-related costs                               | -               | -               | -               | -               | (620)           | (825)           | (714)           | (240)           | 15              | (206)           | (96)            | (110)           | 33              | -                | -                | -                | (2,399)          | (397)            |
| Impairment of capitalized software implementation costs | -               | -               | -               | -               | -               | -               | -               | (3,361)         | -               | -               | -               | -               | -               | -                | -                | -                | (3,361)          | -                |
| <b>Non-GAAP Sales and Marketing Expense</b>             | <b>\$41,428</b> | <b>\$41,562</b> | <b>\$41,562</b> | <b>\$49,429</b> | <b>\$52,136</b> | <b>\$55,966</b> | <b>\$54,875</b> | <b>\$55,310</b> | <b>\$53,804</b> | <b>\$54,685</b> | <b>\$53,652</b> | <b>\$49,673</b> | <b>\$53,617</b> | <b>\$139,576</b> | <b>\$148,380</b> | <b>\$173,981</b> | <b>\$218,287</b> | <b>\$211,814</b> |
| <b>% of Total Revenue</b>                               | <b>41.9%</b>    | <b>40.7%</b>    | <b>38.0%</b>    | <b>42.9%</b>    | <b>43.4%</b>    | <b>43.6%</b>    | <b>40.9%</b>    | <b>39.5%</b>    | <b>38.7%</b>    | <b>37.8%</b>    | <b>35.6%</b>    | <b>31.9%</b>    | <b>34.1%</b>    | <b>48.3%</b>     | <b>42.2%</b>     | <b>40.9%</b>     | <b>41.7%</b>     | <b>35.9%</b>     |
| <b>GAAP Research and Development Expense</b>            | <b>\$18,973</b> | <b>\$18,795</b> | <b>\$18,843</b> | <b>\$20,711</b> | <b>\$25,248</b> | <b>\$27,902</b> | <b>\$27,721</b> | <b>\$28,022</b> | <b>\$27,105</b> | <b>\$26,802</b> | <b>\$26,722</b> | <b>\$22,578</b> | <b>\$25,015</b> | <b>\$43,006</b>  | <b>\$56,464</b>  | <b>\$77,322</b>  | <b>\$108,893</b> | <b>\$103,207</b> |
| Stock-based compensation expense                        | (2,611)         | (2,865)         | (2,788)         | (2,846)         | (2,897)         | (3,810)         | (3,847)         | (3,828)         | (3,824)         | (3,708)         | (3,750)         | (1,813)         | (2,851)         | (4,729)          | (7,398)          | (11,110)         | (14,382)         | (13,095)         |
| Transaction-related costs                               | -               | -               | -               | -               | (1,542)         | (2,119)         | (2,057)         | (2,079)         | (506)           | (772)           | (746)           | (833)           | (171)           | -                | -                | -                | (7,797)          | (2,857)          |
| <b>Non-GAAP Research and Development Expense</b>        | <b>\$16,362</b> | <b>\$15,930</b> | <b>\$16,055</b> | <b>\$17,865</b> | <b>\$20,809</b> | <b>\$21,973</b> | <b>\$21,817</b> | <b>\$22,115</b> | <b>\$22,775</b> | <b>\$22,322</b> | <b>\$22,226</b> | <b>\$19,932</b> | <b>\$21,993</b> | <b>\$38,277</b>  | <b>\$49,066</b>  | <b>\$66,212</b>  | <b>\$86,714</b>  | <b>\$87,255</b>  |
| <b>% of Total Revenue</b>                               | <b>16.6%</b>    | <b>15.6%</b>    | <b>14.7%</b>    | <b>15.5%</b>    | <b>17.3%</b>    | <b>17.1%</b>    | <b>16.2%</b>    | <b>15.8%</b>    | <b>16.4%</b>    | <b>15.4%</b>    | <b>14.7%</b>    | <b>12.8%</b>    | <b>14.0%</b>    | <b>13.2%</b>     | <b>13.9%</b>     | <b>15.6%</b>     | <b>16.6%</b>     | <b>14.8%</b>     |
| <b>GAAP General and Administrative Expense</b>          | <b>\$28,269</b> | <b>\$20,245</b> | <b>\$11,372</b> | <b>\$26,621</b> | <b>\$29,652</b> | <b>\$14,345</b> | <b>\$31,000</b> | <b>\$5,158</b>  | <b>\$28,976</b> | <b>(\$148)</b>  | <b>\$18,026</b> | <b>\$24,676</b> | <b>\$30,046</b> | <b>\$56,057</b>  | <b>\$71,611</b>  | <b>\$86,507</b>  | <b>\$80,155</b>  | <b>\$71,530</b>  |
| Amortization of intangible assets                       | (478)           | (478)           | (478)           | (477)           | (478)           | (478)           | (477)           | (478)           | (477)           | (478)           | (345)           | (79)            | (79)            | (1,596)          | (1,832)          | (1,911)          | (1,911)          | (1,379)          |
| Stock-based compensation expense                        | (5,182)         | (6,112)         | (6,169)         | (6,131)         | (5,367)         | (7,112)         | (7,449)         | (6,669)         | (7,779)         | (7,288)         | (7,511)         | (7,803)         | (7,955)         | (9,120)          | (13,850)         | (23,594)         | (26,597)         | (30,381)         |
| Change in fair value of contingent consideration        | (7,702)         | 782             | 10,346          | (668)           | 1,816           | 14,042          | (1,745)         | 21,017          | (3,106)         | 25,535          | 11,120          | -               | -               | (46)             | (28)             | 2,758            | 35,130           | 33,549           |
| Legal settlement costs (gains)                          | -               | -               | -               | -               | (690)           | -               | (1,019)         | -               | -               | -               | -               | -               | -               | 380              | -                | -                | (1,709)          | -                |
| Transaction-related costs                               | -               | -               | -               | (1,586)         | (4,599)         | (358)           | (149)           | (174)           | (86)            | (67)            | (1,022)         | (171)           | (26)            | -                | (4,736)          | (1,586)          | (5,280)          | (1,346)          |
| Shelf offering costs                                    | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               | (212)            | -                | -                | -                | -                |
| Impairment of capitalized software implementation costs | -               | -               | -               | -               | -               | -               | -               | (1,969)         | -               | -               | -               | -               | -               | -                | -                | -                | (1,969)          | -                |
| <b>Non-GAAP General and Administrative Expense</b>      | <b>\$14,907</b> | <b>\$14,437</b> | <b>\$15,071</b> | <b>\$17,759</b> | <b>\$20,334</b> | <b>\$20,439</b> | <b>\$20,161</b> | <b>\$16,885</b> | <b>\$17,528</b> | <b>\$17,554</b> | <b>\$20,268</b> | <b>\$16,623</b> | <b>\$21,986</b> | <b>\$45,463</b>  | <b>\$51,165</b>  | <b>\$62,174</b>  | <b>\$77,819</b>  | <b>\$71,973</b>  |
| <b>% of Total Revenue</b>                               | <b>15.1%</b>    | <b>14.1%</b>    | <b>13.8%</b>    | <b>15.4%</b>    | <b>16.9%</b>    | <b>15.9%</b>    | <b>15.0%</b>    | <b>12.1%</b>    | <b>12.6%</b>    | <b>12.1%</b>    | <b>13.4%</b>    | <b>10.7%</b>    | <b>14.0%</b>    | <b>15.7%</b>     | <b>14.5%</b>     | <b>14.6%</b>     | <b>14.9%</b>     | <b>12.2%</b>     |