UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

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	**46-3354276**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

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

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding at October 30, 2026 was 57,108,894.

BlackLine, Inc.

Quarterly Report on Form 10-Q

For the Quarterly Period Ended September 30, 2026

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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,” “likely” 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 retention, 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 develop, deploy, and realize the expected benefits of agentic, generative, and other artificial intelligence and machine learning technologies; 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; the impact of war, armed conflict, or other hostilities; the impact of tariffs and trade regulations 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 under “Part II. Other Information, Item 1A. Risk Factors” and elsewhere herein. The forward-looking statements made in this Quarterly Report on Form 10-Q speak only as of the date of this report. 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. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

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

Part I. Financial Information

Item 1. ***Financial Statements***

BLACKLINE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except shares and par values)

	September 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 211,468	$ 390,034
Marketable securities (amortized cost of $320,726 and $387,936 at September 30, 2026 and December 31, 2025, respectively)	320,419	388,178
Accounts receivable, net of allowances of $3,281 and $2,970 at September 30, 2026 and December 31, 2025, respectively	174,240	218,100
Prepaid expenses and other current assets	25,170	28,897
Total current assets	731,297	1,025,209
Capitalized software development costs, net	53,190	49,494
Property and equipment, net	16,330	13,255
Intangible assets, net	47,046	49,352
Goodwill	476,816	465,804
Operating lease right-of-use assets	18,711	22,756
Deferred tax assets, net	31,160	39,341
Other assets	89,453	94,308
Total assets	$ 1,464,003	$ 1,759,519
LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST, AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 7,471	$ 15,523
Accrued expenses and other current liabilities	79,746	76,790
Deferred revenue, current	342,113	368,593
Finance lease liabilities, current	42	12
Operating lease liabilities, current	3,764	4,436
Convertible senior notes, net, current	—	230,023
Total current liabilities	433,136	695,377
Finance lease liabilities, noncurrent	2,225	40
Operating lease liabilities, noncurrent	15,502	19,850
Convertible senior notes, net, noncurrent	667,969	666,046
Deferred tax liabilities, net	7,435	5,244
Deferred revenue, noncurrent	1,230	922
Other long-term liabilities	669	593
Total liabilities	1,128,166	1,388,072
Commitments and contingencies (Note 14)		
Redeemable non-controlling interest (Note 4)	25,007	39,121
Stockholders' equity:		
Common stock, $0.01 par value, 500,000,000 shares authorized, 57,409,845 and 59,880,563 issued and outstanding at September 30, 2026 and December 31, 2025, respectively	574	599
Additional paid-in capital	313,773	356,841
Accumulated other comprehensive loss	(805)	(296)
Accumulated deficit	(2,712)	(24,818)
Total stockholders' equity	310,830	332,326
Total liabilities, redeemable non-controlling interest, and stockholders' equity	$ 1,464,003	$ 1,759,519

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

BLACKLINE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except per share data)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues				
Subscription and support	$ 183,127	$ 168,210	$ 534,697	$ 489,699
Professional services	10,269	10,080	29,676	27,547
Total revenues	193,396	178,290	564,373	517,246
Cost of revenues				
Subscription and support	38,900	37,130	112,845	106,449
Professional services	8,009	7,259	23,213	21,486
Total cost of revenues	46,909	44,389	136,058	127,935
Gross profit	146,487	133,901	428,315	389,311
Operating expenses				
Sales and marketing	64,888	67,493	200,798	195,268
Research and development	30,566	27,331	92,420	81,020
General and administrative	29,315	29,201	93,344	85,684
Restructuring costs	4,995	2,267	7,805	8,610
Total operating expenses	129,764	126,292	394,367	370,582
Income from operations	16,723	7,609	33,948	18,729
Other income (expense)				
Interest income	4,160	8,200	14,356	25,647
Interest expense	(2,377)	(2,545)	(7,231)	(7,600)
Other income, net	1,783	5,655	7,125	18,047
Income before income taxes	18,506	13,264	41,073	36,776
Provision for income taxes	7,310	4,653	16,718	15,500
Net income	11,196	8,611	24,355	21,276
Net income attributable to redeemable non-controlling interest	918	1,649	2,249	2,706
Adjustment attributable to redeemable non-controlling interest	(344)	1,677	(13,123)	(1,062)
Net income attributable to BlackLine, Inc.	$ 10,622	$ 5,285	$ 35,229	$ 19,632
Basic net income per share attributable to BlackLine, Inc.	$ 0.18	$ 0.09	$ 0.60	$ 0.32
Shares used to calculate basic net income per share	57,776	61,157	58,575	62,035
Diluted net income per share attributable to BlackLine, Inc.	$ 0.18	$ 0.09	$ 0.57	$ 0.31
Shares used to calculate diluted net income per share	67,817	63,197	68,729	64,008

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

BLACKLINE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in thousands)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 11,196	$ 8,611	$ 24,355	$ 21,276
Other comprehensive income (loss):				
Net change in unrealized gains (losses) on marketable securities, net of (provision for) benefit from taxes of $0 and $56 for the quarter and nine months ended September 30, 2026, and $(40) for the quarter and nine months ended September 30, 2025.	(85)	145	(483)	121
Foreign currency translation	301	(151)	(2)	267
Other comprehensive income (loss)	216	(6)	(485)	388
Comprehensive income	11,412	8,605	23,870	21,664
Less comprehensive income attributable to redeemable non-controlling interest:				
Net income attributable to redeemable non-controlling interest	918	1,649	2,249	2,706
Foreign currency translation attributable to redeemable non-controlling interest	140	(72)	24	127
Comprehensive income attributable to redeemable non-controlling interest	1,058	1,577	2,273	2,833
Comprehensive income attributable to BlackLine, Inc.	$ 10,354	$ 7,028	$ 21,597	$ 18,831

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

BLACKLINE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

(in thousands)

	Quarter Ended September 30, 2026					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount				
Balance at June 30, 2026	58,377	$ 584	$ 329,461	$ (881)	$ (12,990)	$ 316,174
Stock option exercises	105	1	1,504	—	—	1,505
Vesting of restricted stock units	235	2	—	—	—	2
Adjustment to common stock issued for acquisition	—	—	(13)	—	—	(13)
Repurchases of common stock, including excise taxes	(1,307)	(13)	(39,358)	—	—	(39,371)
Acquisition of common stock for tax withholding obligations	—	—	(1,052)	—	—	(1,052)
Stock-based compensation	—	—	22,887	—	—	22,887
Other comprehensive income	—	—	—	76	—	76
Net income attributable to BlackLine, Inc., including adjustment to redeemable non-controlling interest	—	—	344	—	10,278	10,622
Balance at September 30, 2026	57,410	$ 574	$ 313,773	$ (805)	$ (2,712)	$ 310,830

	Nine Months Ended September 30, 2026					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount				
Balance at December 31, 2025	59,881	$ 599	$ 356,841	$ (296)	$ (24,818)	$ 332,326
Stock option exercises	124	1	1,904	—	—	1,905
Stock option exercises - redeemable non-controlling interest	—	—	85	—	—	85
Vesting of restricted stock units	982	10	—	—	—	10
Issuance of common stock through employee stock purchase plan	156	2	4,084	—	—	4,086
Adjustment to common stock issued for acquisition	—	—	(13)	—	—	(13)
Repurchases of common stock, including excise taxes	(3,733)	(38)	(124,659)	—	—	(124,697)
Acquisition of common stock for tax withholding obligations	—	—	(14,155)	—	—	(14,155)
Stock-based compensation	—	—	76,563	—	—	76,563
Other comprehensive loss	—	—	—	(509)	—	(509)
Net income attributable to BlackLine, Inc., including adjustment to redeemable non-controlling interest	—	—	13,123	—	22,106	35,229
Balance at September 30, 2026	57,410	$ 574	$ 313,773	$ (805)	$ (2,712)	$ 310,830

	Quarter Ended September 30, 2025					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount				
Balance at June 30, 2025	61,881	$ 619	$ 450,975	$ (166)	$ (37,381)	$ 414,047
Stock option exercises	14	—	131	—	—	131
Vesting of restricted stock units	194	2	—	—	—	2
Repurchases of common stock, including excise taxes	(2,147)	(22)	(113,993)	—	—	(114,015)
Acquisition of common stock for tax withholding obligations	—	—	(1,874)	—	—	(1,874)
Stock-based compensation	—	—	24,658	—	—	24,658
Other comprehensive income	—	—	—	66	—	66
Net income attributable to BlackLine, Inc., including adjustment to redeemable non-controlling interest	—	—	(1,677)	—	6,962	5,285
Balance at September 30, 2025	59,942	$ 599	$ 358,220	$ (100)	$ (30,419)	$ 328,300

	Nine Months Ended September 30, 2025					
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount				
Balance at December 31, 2024	62,813	$ 628	$ 495,391	$ (361)	$ (48,989)	$ 446,669
Stock option exercises	144	2	5,142	—	—	5,144
Vesting of restricted stock units	746	7	—	—	—	7
Issuance of common stock through employee stock purchase plan	102	1	4,591	—	—	4,592
Repurchases of common stock, including excise taxes	(3,863)	(39)	(203,244)	—	—	(203,283)
Acquisition of common stock for tax withholding obligations	—	—	(14,865)	—	—	(14,865)
Stock-based compensation	—	—	70,143	—	—	70,143
Other comprehensive income	—	—	—	261	—	261
Net income attributable to BlackLine, Inc., including adjustment to redeemable non-controlling interest	—	—	1,062	—	18,570	19,632
Balance at September 30, 2025	59,942	$ 599	$ 358,220	$ (100)	$ (30,419)	$ 328,300

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

BLACKLINE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities		
Net income attributable to BlackLine, Inc.	$ 35,229	$ 19,632
Net income and adjustment attributable to redeemable non-controlling interest (Note 4)	(10,874)	1,644
Net income	24,355	21,276
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	37,253	34,623
Amortization of debt issuance costs	2,096	2,535
Stock-based compensation	72,959	66,625
Noncash lease expense	5,436	4,083
Reductions in noncash lease liabilities	(351)	—
Losses on disposal of fixed assets, net	141	—
Realized gains on sales of marketable securities	(7)	—
Accretion of purchase discounts on marketable securities, net	(6,543)	(8,504)
Net foreign currency (gains) losses	(251)	753
Deferred income taxes	8,374	8,758
Provision for credit losses	21	101
Changes in operating assets and liabilities:		
Accounts receivable	43,110	24,086
Prepaid expenses and other current assets	3,647	4,406
Other assets	4,871	(1,226)
Accounts payable	(5,731)	1,222
Accrued expenses and other current liabilities	1,464	3,145
Deferred revenue	(26,918)	(14,327)
Operating lease liabilities	(5,663)	(4,592)
Lease incentive receipts	—	30
Other long-term liabilities	102	(107)
Net cash provided by operating activities	158,365	142,887
Cash flows from investing activities		
Purchases of marketable securities	(312,328)	(607,614)
Proceeds from maturities of marketable securities	384,472	232,000
Proceeds from sales of marketable securities	1,626	—
Capitalized software development costs	(21,992)	(20,420)
Purchases of property and equipment	(6,627)	(7,451)
Acquisition, net of cash acquired	(17,477)	—
Net cash provided by (used in) investing activities	27,674	(403,485)
Cash flows from financing activities		
Purchase of additional redeemable non-controlling interest	(3,291)	—
Repayment of convertible senior notes	(230,196)	—
Principal payments under finance lease obligations	(9)	(63)
Lease incentive receipts - finance leases	37	—
Repurchases of common stock	(123,142)	(200,727)
Proceeds from exercises of stock options	1,915	5,151
Proceeds from exercises of stock options - redeemable non-controlling interest	152	—
Proceeds from employee stock purchase plan	4,086	4,592
Acquisition of common stock for tax withholding obligations	(14,155)	(14,865)
Net cash used in financing activities	(364,603)	(205,912)
Effect of foreign currency exchange rate changes on cash, cash equivalents, and restricted cash	(5)	263
Net decrease in cash, cash equivalents, and restricted cash	(178,569)	(466,247)
Cash, cash equivalents, and restricted cash, beginning of period	390,220	886,147
Cash, cash equivalents, and restricted cash, end of period	$ 211,651	$ 419,900
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets		
Cash and cash equivalents at end of period	$ 211,468	$ 419,900
Restricted cash included within prepaid expenses and other current assets at end of period	183	—
Total cash, cash equivalents, and restricted cash at end of period shown in the condensed consolidated statements of cash flows	$ 211,651	$ 419,900

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

BLACKLINE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

SUPPLEMENTAL CASH FLOWS DISCLOSURE

(in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Non-cash financing and investing activities		
Stock-based compensation capitalized for software development	$ 3,604	$ 3,516
Capitalized software development costs included in accounts payable and accrued expenses and other current liabilities at end of period	$ 1,540	$ 1,731
Purchases of property and equipment included in accounts payable and accrued expenses and other current liabilities at end of period	$ 405	$ 634
Accrued liabilities for repurchases of common stock	$ 734	$ 1,050
Excise tax on repurchases of common stock	$ 821	$ 1,506
Adjustment to common stock issued for acquisition	$ (13)	$ —

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

BLACKLINE, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – The Company

BlackLine, Inc. and its subsidiaries (the "Company" or "BlackLine") offer BlackLine's Agentic Financial Operations Platform that drives digital finance transformation by empowering organizations with accurate, efficient, and intelligent financial operations. Built on the Studio360 platform, and using intelligence powered by Verity - a comprehensive suite of embedded, auditable AI capabilities - BlackLine unifies data, streamlines processes, and delivers real-time insights. BlackLine's platform is built on an architecture that separates the system processing transactions from the system that independently validates and controls them.

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

On September 18, 2026, the Company acquired NetNow Financial Inc. ("NetNow" and such acquisition, the "NetNow Acquisition"), a provider of AI-enabled business-to-business customer onboarding and credit risk management solutions, to expand BlackLine's Invoice-to-Cash capabilities.

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

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2025, which was filed with the Securities and Exchange Commission ("SEC") on February 26, 2026. The unaudited condensed consolidated financial statements are unaudited and have been prepared on a basis consistent with that used to prepare the audited annual consolidated financial statements and include, in the opinion of management, all adjustments, consisting of normal and recurring items, necessary for the fair statement of the unaudited condensed consolidated financial statements. The unaudited condensed consolidated balance sheet at December 31, 2025 was derived from audited financial statements, but does not include all disclosures required by GAAP. The operating results for the quarter and nine months ended September 30, 2026 are not necessarily indicative of the results expected for the full year ending December 31, 2026.

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 performance obligations 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 1.00% Convertible Senior Notes due in 2029 (the "2029 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 September 30, 2026 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 unaudited condensed consolidated financial statements for the quarter and nine months ended

September 30, 2026, 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.

Significant accounting policies

The Company's significant accounting policies are detailed in "Note 2 - Basis of Presentation, Significant Accounting Policies, and Recently-Issued Accounting Pronouncements" of the Company's Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes to the Company's significant accounting policies during the nine months ended September 30, 2026.

Recently-adopted accounting pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued ASU No. 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which the Company adopted during the quarter ended March 31, 2026. The adoption did not have a material impact on the Company's condensed consolidated financial statements.

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 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 ASU No. 2025-01, *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 annual 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 annual reporting periods beginning after December 15, 2026, and interim periods within 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 consistent with those discussed in "Note 2 - Basis of Presentation, Significant Accounting Policies, and Recently-Issued Accounting Pronouncements" in the Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

The Company's Chief Operating Decision Maker ("CODM") is its Chief Executive Officer, who 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, restructuring costs, interest expense, and the provision for (benefit from) income taxes, all of which are presented in the unaudited condensed consolidated statements of operations for the quarters and nine months ended September 30, 2026 and 2025. During the quarter and nine months ended September 30, 2026, other significant expenses included depreciation expense of $8.8 million and $25.8 million, respectively, as well as amortization expense of $3.8 million and $11.4 million, respectively. During the quarter and nine months ended September 30, 2025, other significant expenses included

depreciation expense of $8.1 million and $24.0 million, respectively, as well as amortization expense of $3.5 million and $10.6 million, 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):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
United States	$ 130,877	$ 122,755	$ 381,675	$ 358,383
International	62,519	55,535	182,698	158,863
	$ 193,396	$ 178,290	$ 564,373	$ 517,246

For the quarter and nine months ended September 30, 2026, no countries outside the United States ("U.S.") represented 10% or more of total revenues.

The measure of segment assets is reported in the unaudited condensed 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):

	September 30, 2026	December 31, 2025
United States	$ 11,737	$ 14,467
International	23,304	21,544
	$ 35,041	$ 36,011

Note 4 – Redeemable Non-Controlling Interest

The Company operates in Japan through BlackLine K.K., in which it holds a 53% controlling interest. The non-controlling interests are held by Japanese Cloud Computing, M30 LLC, and Masamune Mimura (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, which is reflected as an adjustment to redeemable non-controlling interest in the table below, are recorded within retained earnings or, in the absence of retained earnings, additional paid-in capital.

Under the terms of the agreement with the Investors, all of the common stock is callable or puttable with an exercise date of January 1, 2029.

During the quarter ended March 31, 2026, employees of BlackLine K.K. exercised stock options with a total exercise price of $0.2 million, resulting in the issuance of 0.1 million shares of BlackLine K.K. common stock. The Company subsequently purchased these shares of common stock for an aggregate price of $3.3 million, which increased the majority ownership of BlackLine K.K. from 51% to 53%.

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Balance at beginning of period	$ 24,293	$ 35,000	$ 39,121	$ 36,483
Net income attributable to redeemable non-controlling interest (excluding adjustment to non-controlling interest)	918	1,649	2,249	2,706
Foreign currency translation	140	(72)	22	127
Adjustment to redeemable non-controlling interest	(344)	1,677	(13,123)	(1,062)
Proceeds from stock option exercises – redeemable non-controlling interest	—	—	74	—
Purchase of additional redeemable non-controlling interest	—	—	(3,336)	—
Balance at end of period	$ 25,007	$ 38,254	$ 25,007	$ 38,254

Note 5 – Business Combinations

NetNow Acquisition

On September 18, 2026, the Company acquired all of the common stock of NetNow for total purchase consideration, paid in cash, of $20.1 million. The Company acquired NetNow to add AI-enabled customer onboarding and credit risk management to its Invoice-to-Cash offerings and extend those offerings into the broader order-to-cash process.

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. This acquisition was not a significant acquisition under Regulation S-X, and the purchase consideration allocation is preliminary and subject to change as the Company finalizes the closing completion accounts adjustment to the purchase consideration.

Transaction costs related to the acquisition and accounted for separately from the assets acquired and liabilities assumed were $0.8 million. These costs were expensed as incurred in general and administrative expenses in the unaudited condensed consolidated statements of operations.

The purchase consideration and major classes of assets and liabilities to which the Company allocated the purchase consideration of $20.1 million were as follows (in thousands):

Total purchase consideration	$ 20,096
Cash and cash equivalents	$ 2,619
Accounts receivable, net	141
Prepaids and other current assets	28
Property and equipment	18
Intangible assets	9,125
Goodwill	11,101
Other assets	2
Accounts payable	(7)
Accrued liabilities	(103)
Deferred revenue	(767)
Deferred tax liabilities, net	(2,061)
Total purchase consideration	$ 20,096

The Company believes the amount of goodwill resulting from the acquisition is primarily attributable to expected future synergies from integrating NetNow's technology with the Company's Invoice-to-Cash offerings. The goodwill resulting from the acquisition is not tax deductible.

The Company, with assistance from a third-party specialist, determined the fair value of the acquired intangible assets using the income approach, specifically the relief-from-royalty method for developed technology and the multi-period excess earnings method for customer relationships. 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, *Fair Value Measurement*. The acquired intangible asset categories, fair value, and amortization periods, were as follows:

	Amortization Period	Fair Value
	(in years)	(in thousands)
Developed technology	6	$ 6,260
Customer relationships	8	2,865
		$ 9,125

The weighted average life of intangible assets at the acquisition date was 6.6 years.

The revenue and earnings of NetNow were included in the Company's results since the acquisition date. Neither these amounts nor pro forma revenue and results of operations are presented separately, as their impact is not material to the Company's unaudited condensed consolidated financial statements for the periods presented.

Note 6 – Intangible Assets and Goodwill

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

	September 30, 2026		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade name	$ 15,977	$ (15,977)	$ —
Developed technology[(1)]	147,978	(104,067)	43,911
Customer relationships[(1)]	29,644	(26,791)	2,853
Defensive patent	2,333	(2,051)	282
	$ 195,932	$ (148,886)	$ 47,046

[(1)] Reflects additions to the gross carrying amount of $6.3 million and $2.9 million of developed technology and customer relationships, respectively, related to the NetNow Acquisition during the quarter ended September 30, 2026. Refer to "Note 5 - Business Combinations" for additional information.

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

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

Balance at December 31, 2025	$ 465,804
Additions from acquisitions[(1)]	11,101
Measurement period adjustments	(89)
Balance at September 30, 2026	$ 476,816

[(1)] Relates to the NetNow Acquisition during the quarter ended September 30, 2026. 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 unaudited condensed consolidated balance sheets, consisted of the following (in thousands):

	September 30, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Marketable securities				
U.S. treasury securities	$ 280,852	$ 6	$ (293)	$ 280,565
Commercial paper	19,880	—	—	19,880
Corporate bonds	19,994	—	(20)	19,974
	$ 320,726	$ 6	$ (313)	$ 320,419

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

The Company's marketable securities at September 30, 2026 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 $2.1 million and $6.5 million for the quarter and nine months ended September 30, 2026, respectively, and $3.1 million and $8.5 million for the quarter and nine months ended September 30, 2025, respectively, each recorded in interest income in the unaudited condensed consolidated statement of operations.

Net gains and losses are determined using the specific identification method. During the quarter ended September 30, 2026, there were no realized gains or losses recognized and during the nine months ended September 30, 2026, nominal realized gains were recognized in the unaudited condensed consolidated statement of operations from the sales of marketable securities. During the quarter and nine months ended September 30, 2025, the Company had no sales of marketable securities, and therefore, no related realized gains or losses were recognized in the unaudited condensed consolidated statements of operations.

Marketable securities in a continuous loss position for less than 12 months had an estimated fair value of $285.5 million and unrealized losses were $0.3 million at September 30, 2026. There were no marketable securities in a continuous loss position for greater than 12 months at September 30, 2026.

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 September 30, 2026.

Other Assets

Deferred customer contract acquisition costs are included in other assets in the unaudited condensed consolidated balance sheets and totaled $85.2 million and $89.3 million at September 30, 2026 and December 31, 2025, respectively.

Accrued Expenses and Other Current Liabilities

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

	September 30, 2026	December 31, 2025
Accrued salaries and employee benefits	$ 34,982	$ 39,301
Accrued income and other taxes payable	10,191	13,764
Accrued restructuring costs	3,460	4,215
Other accrued expenses and current liabilities	31,113	19,510
	$ 79,746	$ 76,790

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 contracts 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 expenses and other current assets or accrued expenses and other current liabilities in the unaudited condensed consolidated balance sheets. At September 30, 2026, the total gross notional amount of forward contracts was $57.7 million. Refer to “Note 8 - Fair Value Measurements” for additional information on the fair value classification of the forward contracts.

For the quarter and nine months ended September 30, 2026, the net gains from the forward contracts were $0.4 million and $1.9 million, respectively, which were recorded in general and administrative expenses in the unaudited condensed consolidated statements of operations.

For the quarter ended September 30, 2025, the net gain from the forward contracts was $0.4 million, and for the nine months ended September 30, 2025, the net loss from the forward contracts was $0.9 million, both of which were recorded in general and administrative expenses in the unaudited condensed consolidated statements of operations.

Cash flows from the settlement of the forward contracts are classified as operating activities in the unaudited condensed 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):

	September 30, 2026			
	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$ 6,293	$ —	$ —	$ 6,293
Marketable securities				
U.S. treasury securities	280,565	—	—	280,565
Commercial paper	—	19,880	—	19,880
Corporate bonds	—	19,974	—	19,974
Total assets	$ 286,858	$ 39,854	$ —	$ 326,712
Liabilities				
Foreign currency forward contracts	$ —	$ 219	$ —	$ 219
Total liabilities	$ —	$ 219	$ —	$ 219

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

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.

Note 9 – Convertible Senior Notes

2029 Notes

At September 30, 2026, the Company had $675.0 million aggregate principal amount of the 1.00% 2029 Notes outstanding. The 2029 Notes consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Liability:		
Principal	$ 675,000	$ 675,000
Unamortized debt issuance costs	(7,031)	(8,954)
Net carrying amount	$ 667,969	$ 666,046

The effective interest rate of the 2029 Notes, excluding the conversion option, remained 1.40% at September 30, 2026.

The Company carries the 2029 Notes at face value less unamortized debt issuance costs in the unaudited condensed 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 September 30, 2026, was approximately $613.7 million, which represents a Level 2 valuation.

During the quarter ended September 30, 2026, the Company recognized $0.7 million of interest expense related to the amortization of debt issuance costs and $1.7 million of coupon interest expense. During the quarter ended September 30, 2025, the Company recognized $0.6 million of interest expense related to the amortization of debt issuance costs and $1.7 million of coupon interest expense.

During the nine months ended September 30, 2026, the Company recognized $1.9 million of interest expense related to the amortization of debt issuance costs and $5.1 million of coupon interest expense. During the nine months ended September 30, 2025, the Company recognized $1.9 million of interest expense related to the amortization of debt issuance costs and $5.1 million of coupon interest expense.

The 2029 Notes were not convertible at September 30, 2026. 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.

In connection with the offering of the 2029 Notes, the Company entered into privately-negotiated capped call transactions (the "2029 Capped Calls" and together with the 2026 Capped Calls (as defined below), the "Capped Calls"). There have been no changes to the condition of the 2029 Notes since December 31, 2025, and the 2029 Capped Calls were unchanged and still outstanding at September 30, 2026.

2026 Notes

On March 15, 2026, the scheduled maturity date of the 0.00% 2026 Notes (the "2026 Notes"), the Company repaid the total outstanding $230.2 million aggregate principal amount pursuant to the terms of the 2026 Notes with cash on hand.

During the quarters ended September 30, 2026 and 2025, the Company recognized no interest expense and $0.2 million interest expense related to the amortization of debt issuance costs, respectively.

During the nine months ended September 30, 2026 and 2025, the Company recognized interest expense related to the amortization of debt issuance costs of $0.2 million and $0.6 million, respectively.

All privately-negotiated capped call transactions entered into with the offering of the 2026 Notes (the "2026 Capped Calls") expired upon the maturity of the 2026 Notes on March 15, 2026.

Note 10 – Restructuring Costs

During the quarters ended March 31, 2025 and September 30, 2026, the Company initiated global restructuring programs to align resources with strategic priorities and enhance operational efficiency through talent optimization (the "Fiscal 2025 restructuring program" and the "Fiscal 2026 restructuring program", respectively). The liabilities for the Fiscal 2025 and Fiscal 2026 restructuring programs were included in accrued expenses and other current liabilities in the unaudited condensed consolidated balance sheets.

The following tables summarize the related activity for the Fiscal 2025 and Fiscal 2026 restructuring programs for the quarter and nine months ended September 30, 2026 (in thousands):

	Quarter Ended September 30, 2026		
	Restructuring Programs		
	Fiscal 2026	Fiscal 2025	Total
Accrual balance at June 30, 2026	$ —	$ 1,215	$ 1,215
Restructuring charges	3,349	365	3,714
Cash payments and adjustments	(483)	(986)	(1,469)
Accrual balance at September 30, 2026	$ 2,866	$ 594	$ 3,460

	Nine Months Ended September 30, 2026		
	Restructuring Programs		
	Fiscal 2026	Fiscal 2025	Total
Accrual balance at December 31, 2025	$ —	$ 4,215	$ 4,215
Restructuring charges	3,349	3,175	6,524
Cash payments and adjustments	(483)	(6,796)	(7,279)
Accrual balance at September 30, 2026	$ 2,866	$ 594	$ 3,460

In addition, the Company incurred $1.3 million of accelerated amortization of right-of-use lease assets and other lease asset disposal costs recorded to restructuring costs in the unaudited condensed consolidated statements of operations in connection with the Fiscal 2026 restructuring program.

At September 30, 2026, the Company incurred cumulative costs of $22.4 million for one-time termination benefits related to the Fiscal 2025 and Fiscal 2026 restructuring programs, which occurred in the U.S. and various international locations. The charges were recorded pursuant to ASC 420, *Exit or Disposal Obligations*. The Company expects to settle substantially all remaining cash payments related to the Fiscal 2025 and Fiscal 2026 programs within the next 12 months.

Note 11 – Stockholders' Equity

Common Stock Repurchases

Under the Company's stock repurchase program, which authorizes the periodic repurchase of its common stock, the Board of Directors (the "Board") approved two $100 million increases, on March 13, 2026 and July 31, 2026, raising the total authorization from $400 million to $500 million, and subsequently to $600 million.

The Company repurchased and retired approximately 1.3 million shares of common stock for $39.1 million during the quarter ended September 30, 2026, and 3.7 million shares for $123.9 million during the nine months ended September 30, 2026. At September 30, 2026, $240.6 million remained available for repurchases under this program.

Stock-based compensation expense

Stock-based compensation expense was as follows (in thousands):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cost of revenues	$ 2,936	$ 3,423	$ 9,813	$ 9,845
Sales and marketing	6,726	7,051	22,041	19,995
Research and development	4,741	4,195	14,944	11,996
General and administrative	7,334	8,725	26,161	24,789
	$ 21,737	$ 23,394	$ 72,959	$ 66,625

For the quarters ended September 30, 2026 and 2025, stock-based compensation capitalized as an asset was $1.2 million and $1.3 million, respectively. For the quarters ended September 30, 2026 and 2025, amortization of capitalized stock-based compensation was $1.1 million and $1.0 million, respectively.

For the nine months ended September 30, 2026 and 2025, stock-based compensation capitalized as an asset was $3.6 million and $3.5 million, respectively. For the nine months ended September 30, 2026 and 2025, amortization of capitalized stock-based compensation was $3.2 million and $2.7 million, respectively.

Stock options - service-only vesting conditions

The following table summarizes activity for awards that contain service-only vesting conditions (in thousands):

Outstanding at December 31, 2025	746
Exercised	(144)
Forfeited/canceled	(6)
Outstanding at September 30, 2026	596

Restricted stock units - service-only vesting conditions

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

Nonvested at December 31, 2025	3,267
Granted	2,939
Vested	(1,185)
Forfeited/canceled	(480)
Nonvested at September 30, 2026	4,541

Restricted stock units - performance and service conditions

The following table summarizes activity for restricted stock units with performance and service vesting conditions with grant dates established (in thousands):

Nonvested at December 31, 2025	218
Granted	244
Performance adjustment	(21)
Vested	(197)
Nonvested at September 30, 2026	244

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

Nonvested at December 31, 2025	235
Granted (legal grant with no accounting grant date established)	220
Granted (accounting grant date established)	(146)
Nonvested at September 30, 2026	309

Restricted stock units - market and service conditions

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

Nonvested at December 31, 2025	377
Granted	270
Nonvested at September 30, 2026	647

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

Nonvested at December 31, 2025	19
Granted (legal grant with no accounting grant date established)	23
Granted (accounting grant date established)	(19)
Nonvested at September 30, 2026	23

Note 12 – Income Taxes

In determining quarterly provisions for income taxes, the Company uses the annual estimated effective tax rate applied to the actual year-to-date income, adjusted for discrete items arising in that quarter. The Company's 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, foreign taxes, and changes in the Company's valuation allowance for income taxes.

For the quarters ended September 30, 2026 and 2025, the Company recorded $7.3 million and $4.7 million in income tax expense, respectively. For the nine months ended September 30, 2026 and 2025, the Company recorded $16.7 million and $15.5 million in income tax expense, respectively. The increase in income tax expense for the quarter ended September 30, 2026, compared to the quarter ended September 30, 2025, resulted primarily from the 2025 release of valuation allowance with respect to the BlackLine K.K. deferred tax assets. The increase in income tax expense for the nine months ended September 30, 2026, compared to nine months ended September 30, 2025, resulted primarily from the 2025 release of valuation allowance with respect to BlackLine K.K. deferred tax assets, along with changes in the mix of profitable jurisdictions, partially offset by a one-time tax benefit associated with the base erosion and anti-abuse tax recognized during the quarter ended June 30, 2026.

Note 13 – 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):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Basic net income per share				
Numerator:				
Net income attributable to BlackLine, Inc.	$ 10,622	$ 5,285	$ 35,229	$ 19,632
Denominator:				
Weighted average shares	57,776	61,157	58,575	62,035
Basic net income per share attributable to BlackLine, Inc.	$ 0.18	$ 0.09	$ 0.60	$ 0.32
Diluted net income per share				
Numerator:				
Net income attributable to BlackLine, Inc.	$ 10,622	$ 5,285	$ 35,229	$ 19,632
Interest expense, net of taxes	1,378	99	4,129	354
Net income attributable to BlackLine, Inc. for diluted calculation	$ 12,000	$ 5,384	$ 39,358	$ 19,986
Denominator:				
Weighted average shares	57,776	61,157	58,575	62,035
Dilutive effect of securities	183	655	296	588
Dilutive effect of convertible senior notes	9,858	1,385	9,858	1,385
Shares used to calculate diluted net income per share	67,817	63,197	68,729	64,008
Diluted net income per share attributable to BlackLine, Inc.	$ 0.18	$ 0.09	$ 0.57	$ 0.31

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):

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Stock options - service-only vesting conditions	584	292	574	383
Restricted stock units - service-only vesting conditions	4,075	1,178	3,711	1,445
Restricted stock units - performance and service conditions	244	139	189	106
Restricted stock units - market and service conditions	647	377	562	316
Contingently returnable common shares	220	—	221	—
Total shares excluded from net income per share	5,770	1,986	5,257	2,250

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 2029 Notes, shares delivered to the Company under the Capped Calls would offset the dilutive effect of the shares that the Company would issue. Refer to “Note 9 - Convertible Senior Notes” for additional information on the 2029 Notes and the related Capped Calls.

Note 14 – 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 September 30, 2026 and December 31, 2025, 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.

Operating Leases — At September 30, 2026, the Company committed $25.0 million for a lease signed but not yet commenced. This lease is expected to commence within the next six months and has an initial non-cancellable term of ten years with an option to extend for an additional five years, which the Company is reasonably certain to exercise.

Note 15 – Deferred Revenue and Performance Obligations

Revenue totaling $331.9 million and $302.8 million was recognized during the nine months ended September 30, 2026 and 2025, respectively, that was previously included in the deferred revenue balance at December 31, 2025 and 2024, respectively.

Remaining performance obligations, representing contracted revenue not yet recognized, were $1.1 billion at September 30, 2026, of which the Company expects to recognize approximately 53% over the next 12 months and the remainder thereafter.

Note 16 – Subsequent Events

The Company continued its execution of the stock buyback program authorized by the Board. Refer to "Note 11 - Stockholders' Equity" for additional information regarding the stock buyback program. For the period from October 1, 2026 through October 15, 2026, the Company repurchased and retired 0.3 million shares of common stock for an aggregate amount of $8.7 million.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

You should read the following discussion and analysis of our financial condition and results of operations together with the financial statements and related notes that are included elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the U.S. Securities and Exchange Commission (the "SEC") on February 26, 2026 ("Annual Report on Form 10-K"). This discussion contains forward-looking statements based upon current plans, expectations and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, those discussed in the section entitled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q.

Overview

BlackLine's Agentic Financial Operations Platform drives digital finance transformation by empowering organizations with accurate, efficient, and intelligent financial operations. Powered by Studio360 and using intelligence powered by Verity - a comprehensive suite of embedded, auditable artificial intelligence ("AI") capabilities - BlackLine unifies data, streamlines processes, and delivers real-time insights. Our platform is built on an architecture that separates the system processing transactions from the system that independently validates and controls them.

The platform is comprised of four primary functional layers that work as one:

- **The Unified Financial Data Foundation:** Aggregates and harmonizes transactional data from disparate enterprise resource planning ("ERP") and banking systems into a consolidated, extensible data model.
- **The Auditable Trust and Governance Layer:** Enforces configurable rules, permissions, and financial controls to ensure system and user actions remain traceable and compliant.
- **The Event-Driven Orchestration Engine:** Sequences and automates workflows in real time across systems, personnel, and AI agents.
- **The Embedded Intelligence Layer (Verity AI):** Integrates machine learning, generative AI, and agentic reasoning directly into financial workflows to assist with risk detection, proposing solutions, and automating decision-making under the direction and oversight of finance and accounting teams.

We are a holding company and conduct our operations through our wholly-owned subsidiary, BlackLine Systems, Inc.

At September 30, 2026, we had 4,316 customers, exclusive of on-premise software. Additionally, we continue to build strategic relationships with technology vendors, providers of large language models, professional services firms, business process outsourcers, and resellers.

Our cloud-based solutions, delivered through our Agentic Financial Operations Platform, span three primary areas: Financial Close and Consolidation, Intercompany, and Invoice-to-Cash. These solutions help organizations automate, standardize, and manage critical financial and accounting processes, including financial close and reporting, account reconciliations, financial consolidation, intercompany accounting and settlement, and accounts receivable management.

On September 18, 2026, we acquired NetNow Financial Inc. ("NetNow" and such acquisition, the "NetNow Acquisition"), a provider of AI-enabled business-to-business customer onboarding and credit risk management solutions, to expand our Invoice-to-Cash capabilities.

We derived approximately 95% of our revenue from subscriptions to our cloud-based software platform and approximately 5% from professional services for the nine months ended September 30, 2026. 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 during the nine months ended September 30, 2026 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 and use 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 have seen and 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 a significant number of contracts have renewal terms of one year, 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 quarters ended September 30, 2026 and 2025, we had revenues totaling $193.4 million and $178.3 million, respectively. We generated net income attributable to BlackLine, Inc. of $10.6 million and $5.3 million for the quarters ended September 30, 2026 and 2025, respectively.

For the nine months ended September 30, 2026 and 2025, we had revenues totaling $564.4 million and $517.2 million, respectively. We generated net income attributable to BlackLine, Inc. of $35.2 million and $19.6 million for the nine months ended September 30, 2026 and 2025, respectively.

Global Macroeconomic Factors

Our operating results may vary due to the impact of industry or global economic conditions on us or our customers. General macroeconomic conditions, such as political conflicts, recession, inflation or rising interest rates, an economic downturn in the United States ("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, and protracted vendor selection processes associated with our customers' analysis of our, and others' AI offerings, we may see customers delay and defer purchasing decisions, which could adversely impact our near-term demand.

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.

	Sep. 30, 2025	Dec. 31, 2025	Mar. 31, 2026	Jun. 30, 2026	Sep. 30, 2026
Dollar-based net revenue retention rate	103%	105%	105%	102%	103%
Platform pricing ARR as a percentage of eligible ARR	N/A	11%	13%	17%	23%
Number of customers	4,424	4,394	4,301	4,260	4,316

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 September 30, 2026, our dollar-based net revenue retention rate increased from the quarter ended June 30, 2026, primarily due to reductions in churn and attrition. Our ability to maximize the lifetime value of our customer relationships will depend, in part, on the willingness of the customer to purchase additional 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 ("ARR") divided by our eligible ARR. We define eligible ARR as total ARR, 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 quarters and nine months ended September 30, 2026 and 2025, no single customer accounted for more than 10% of our total revenues.

The total number of customers at September 30, 2026 declined marginally compared to September 30, 2025, primarily due to our strategic prioritization of enterprise and mega-enterprise customers, partially offset by the customers acquired in the NetNow Acquisition.

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. generally accepted accounting principles ("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.

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands, except percentages)			
GAAP gross profit	$ 146,487	$ 133,901	$ 428,315	$ 389,311
GAAP gross margin	75.7%	75.1%	75.9%	75.3%
GAAP operating income	$ 16,723	$ 7,609	$ 33,948	$ 18,729
GAAP operating margin	8.6%	4.3%	6.0%	3.6%
GAAP net income attributable to BlackLine, Inc.	$ 10,622	$ 5,285	$ 35,229	$ 19,632
Diluted net income per share attributable to BlackLine, Inc.	$ 0.18	$ 0.09	$ 0.57	$ 0.31

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands, except percentages)			
Non-GAAP gross profit	$ 154,139	$ 141,526	$ 452,036	$ 411,505
Non-GAAP gross margin	79.7%	79.4%	80.1%	79.6%
Non-GAAP operating income	$ 50,093	$ 38,135	$ 133,509	$ 111,095
Non-GAAP operating margin	25.9%	21.4%	23.7%	21.5%
Non-GAAP net income attributable to BlackLine, Inc.	$ 44,725	$ 37,590	$ 127,240	$ 111,816
Diluted non-GAAP net income per share attributable to BlackLine, Inc.	$ 0.64	$ 0.51	$ 1.81	$ 1.51

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 of gross profit 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 1.00% Convertible Senior Notes due in 2029 (the “2029 Notes”) and 0.00% Convertible Senior Notes, which matured and were paid off in 2026 (the “2026 Notes” and, together with the 2029 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:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands, except percentages)			
Non-GAAP Gross Profit:				
Gross profit	$ 146,487	$ 133,901	$ 428,315	$ 389,311
Amortization of acquired developed technology	3,615	3,243	10,678	9,623
Stock-based compensation	4,037	4,382	13,043	12,563
Transaction-related costs	—	—	—	8
Total non-GAAP gross profit	$ 154,139	$ 141,526	$ 452,036	$ 411,505
Gross margin	75.7%	75.1%	75.9%	75.3%
Non-GAAP gross margin	79.7%	79.4%	80.1%	79.6%
Non-GAAP Operating Income:				
Operating income	$ 16,723	$ 7,609	$ 33,948	$ 18,729
Amortization of intangible assets	3,847	3,505	11,431	10,623
Stock-based compensation	22,838	24,353	76,189	69,343
Transaction-related costs	1,251	—	4,174	3,138
Restructuring and legal settlement costs	5,434	2,668	7,767	9,262
Total non-GAAP operating income	$ 50,093	$ 38,135	$ 133,509	$ 111,095
GAAP operating margin	8.6%	4.3%	6.0%	3.6%
Non-GAAP operating margin	25.9%	21.4%	23.7%	21.5%
Non-GAAP Net Income Attributable to BlackLine, Inc.:				
Net income attributable to BlackLine, Inc.	$ 10,622	$ 5,285	$ 35,229	$ 19,632
Provision for (benefit from) income taxes	427	(632)	3,477	(1,298)
Amortization of intangible assets	3,847	3,505	11,431	10,623
Stock-based compensation	22,838	24,231	76,189	68,986
Amortization of debt issuance costs	650	856	2,096	2,535
Transaction-related costs	1,251	—	4,174	3,138
Restructuring and legal settlement costs	5,434	2,668	7,767	9,262
Adjustment to redeemable non-controlling interest	(344)	1,677	(13,123)	(1,062)
Total non-GAAP net income attributable to BlackLine, Inc.	$ 44,725	$ 37,590	$ 127,240	$ 111,816

Results of Operations

The following table sets forth our statements of operations information for each of the periods indicated:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(in thousands)			
Revenues				
Subscription and support	$ 183,127	$ 168,210	$ 534,697	$ 489,699
Professional services	10,269	10,080	29,676	27,547
Total revenues	193,396	178,290	564,373	517,246
Cost of revenues				
Subscription and support	38,900	37,130	112,845	106,449
Professional services	8,009	7,259	23,213	21,486
Total cost of revenues	46,909	44,389	136,058	127,935
Gross profit	146,487	133,901	428,315	389,311
Operating expenses				
Sales and marketing	64,888	67,493	200,798	195,268
Research and development	30,566	27,331	92,420	81,020
General and administrative	29,315	29,201	93,344	85,684
Restructuring costs	4,995	2,267	7,805	8,610
Total operating expenses	129,764	126,292	394,367	370,582
Income from operations	16,723	7,609	33,948	18,729
Other income (expense)				
Interest income	4,160	8,200	14,356	25,647
Interest expense	(2,377)	(2,545)	(7,231)	(7,600)
Other income, net	1,783	5,655	7,125	18,047
Income before income taxes	18,506	13,264	41,073	36,776
Provision for income taxes	7,310	4,653	16,718	15,500
Net income	11,196	8,611	24,355	21,276
Net income attributable to redeemable non-controlling interest	918	1,649	2,249	2,706
Adjustment attributable to redeemable non-controlling interest	(344)	1,677	(13,123)	(1,062)
Net income attributable to BlackLine, Inc.	$ 10,622	$ 5,285	$ 35,229	$ 19,632

Comparison of Quarters and Nine Months Ended September 30, 2026 and 2025

Revenues

	Quarter Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
	(in thousands, except percentages)							
Subscription and support	$ 183,127	$ 168,210	$ 14,917	9%	$ 534,697	$ 489,699	$ 44,998	9%
Professional services	10,269	10,080	189	2%	29,676	27,547	2,129	8%
Total revenues	$ 193,396	$ 178,290	$ 15,106	8%	$ 564,373	$ 517,246	$ 47,127	9%

	September 30,	
	2026	2025
Dollar-based net revenue retention rate	103%	103%
Platform pricing ARR as a percentage of eligible ARR	23%	N/A
Number of customers	4,316	4,424

The increase in revenues for the quarter and nine months ended September 30, 2026, compared to the quarter and nine months ended September 30, 2025, was primarily driven by revenue from product expansion from existing customers and bookings from new customers. The total number of customers at September 30, 2026 declined marginally compared to September 30, 2025, primarily due to our strategic prioritization of enterprise and mega-enterprise customers, partially offset by the customers acquired in the NetNow Acquisition.

Cost of revenues

	Quarter Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
	(in thousands, except percentages)							
Subscription and support	$ 38,900	$ 37,130	$ 1,770	5%	$ 112,845	$ 106,449	$ 6,396	6%
Professional services	8,009	7,259	750	10%	23,213	21,486	1,727	8%
Total cost of revenues	$ 46,909	$ 44,389	$ 2,520	6%	$ 136,058	$ 127,935	$ 8,123	6%
Gross margin	75.7%	75.1%			75.9%	75.3%		

The increase in total cost of revenues for the quarter ended September 30, 2026, compared to the quarter ended September 30, 2025, was primarily due to the following:

- $2.4 million increase in computer software expenses and our embedded product solutions due to higher cloud hosting costs that deliver our platform to customers;
- $0.6 million increase in amortization of developed technology due to net additions to software placed into service; and
- $0.3 million increase in amortization due to the addition of developed technology from the 2025 acquisition of WiseLayer (“WL”), net of certain assets becoming fully amortized in prior periods; partially offset by
- $0.8 million decrease in employee compensation and benefits.

The increase in total cost of revenues for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, was primarily due to the following:

- $8.4 million increase in computer software expenses and our embedded product solutions due to higher cloud hosting costs that deliver our platform to customers;
- $1.9 million increase in amortization of developed technology due to net additions to software placed into service; and
- $0.7 million increase in amortization due to the addition of developed technology from the 2025 acquisition of WL, net of certain assets becoming fully amortized in prior periods; partially offset by
- $2.6 million decrease in employee compensation and benefits; and
- $0.6 million decrease in professional fees.

Sales and marketing

	Quarter Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
	(in thousands, except percentages)							
Sales and marketing	$ 64,888	$ 67,493	$ (2,605)	(4%)	$ 200,798	$ 195,268	$ 5,530	3%
Percentage of total revenues	33.6%	37.9%			35.6%	37.8%		

The decrease in sales and marketing expenses for the quarter ended September 30, 2026, compared to the quarter ended September 30, 2025, was primarily due to the following:

- $2.6 million decrease primarily due to a change in the timing of our annual user conference; partially offset by
- $0.7 million increase in employee compensation and benefits.

The increase in sales and marketing expenses for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, was primarily due to the following:

- $8.8 million increase in employee compensation and benefits; and
- $1.5 million increase in travel-related expenses from in-person customer engagements; partially offset by
- $3.1 million decrease primarily due to a change in the timing of our annual user conference, partially offset by an increase in digital advertising and regional events; and
- $1.3 million decrease in professional fees and partner referral fees.

Research and development

	Quarter Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
	(in thousands, except percentages)							
Research and development, gross	$ 37,909	$ 33,978	$ 3,931	12%	$ 113,950	$ 100,357	$ 13,593	14%
Capitalized internally developed software costs	(7,343)	(6,647)	(696)	10%	(21,530)	(19,337)	(2,193)	11%
Research and development, net	$ 30,566	$ 27,331	$ 3,235	12%	$ 92,420	$ 81,020	$ 11,400	14%
Percentage of total revenues	15.8%	15.3%			16.4%	15.7%		

The increase in research and development expenses for the quarter ended September 30, 2026, compared to the quarter ended September 30, 2025, was primarily due to the following:

- $3.1 million increase in employee compensation and benefits; and
- $1.1 million increase in computer software expenses due to higher spend on AI tools and data warehouse services supporting our development activities; partially offset by
- $0.7 million increase in capitalized software costs primarily due to the continued development of new solution offerings. Collectively, these increases resulted in a decrease in net expenses; and
- $0.4 million decrease in professional fees.

The increase in research and development expenses for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, was primarily due to the following:

- $11.1 million increase in employee compensation and benefits;
- $2.9 million increase in computer software expenses due to higher spend on data services and continued investment in AI and automation tools; and
- $0.4 million increase in travel-related expenses; partially offset by
- $2.2 million increase in capitalized software costs primarily due to the continued development of new solution offerings. Collectively, these increases resulted in a decrease in net expenses; and
- $1.2 million decrease in professional fees.

General and administrative

	Quarter Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
	(in thousands, except percentages)							
General and administrative	$ 29,315	$ 29,201	$ 114	—%	$ 93,344	$ 85,684	$ 7,660	9%
Percentage of total revenues	15.2%	16.4%			16.5%	16.6%		

The increase in general and administrative expenses for the quarter ended September 30, 2026, compared to the quarter ended September 30, 2025, was primarily due to the following:

- $1.6 million increase in advisory and legal-related expenses, including transaction-related costs for the NetNow Acquisition; and
- $0.7 million increase in professional fees; partially offset by
- $2.2 million decrease in employee compensation and benefits.

The increase in general and administrative expenses for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, was primarily due to the following:

- $4.1 million increase primarily due to lower net foreign currency gains, after the effect of our foreign currency forward contracts;
- $2.1 million increase in advisory and legal-related expenses, including transaction-related costs for the NetNow Acquisition; and
- $1.3 million increase in professional fees; partially offset by
- $0.4 million decrease in employee compensation and benefits.

Restructuring costs

	Quarter Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
	(in thousands, except percentages)							
Restructuring costs	$ 4,995	$ 2,267	$ 2,728	120%	$ 7,805	$ 8,610	$ (805)	(9%)

Restructuring costs increased during the quarter ended September 30, 2026, compared to the quarter ended September 30, 2025, primarily due to higher additional one-time termination benefits under the Fiscal 2026 restructuring program. The decrease in restructuring costs during the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, was primarily due to lower additional one-time termination benefits under the Fiscal 2025 restructuring program.

Refer to “Note 10 - Restructuring Costs” in our unaudited condensed consolidated financial statements for additional information.

Interest income

	Quarter Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
	(in thousands, except percentages)							
Interest income	$ 4,160	$ 8,200	$ (4,040)	(49%)	$ 14,356	$ 25,647	$ (11,291)	(44%)

The decrease in interest income during the quarter and nine months ended September 30, 2026, compared to the quarter and nine months ended September 30, 2025, was primarily due to decreased average balances on our investments and cash balances, and to a lesser extent, a decrease in average interest rates on our investments and cash balances.

Interest expense

	Quarter Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
	(in thousands, except percentages)							
Interest expense	$ 2,377	$ 2,545	$ (168)	(7%)	$ 7,231	$ 7,600	$ (369)	(5%)

Interest expense for the quarter and nine months ended September 30, 2026, compared to the quarter and nine months ended September 30, 2025, decreased slightly due to the repayment of our 2026 Notes in March 2026. Refer to “Note 9 - Convertible Senior Notes” in our unaudited condensed consolidated financial statements for additional information.

Provision for income taxes

	Quarter Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
	(in thousands, except percentages)							
Provision for income taxes	$ 7,310	$ 4,653	$ 2,657	57%	$ 16,718	$ 15,500	$ 1,218	8%

We are subject to federal and state income taxes in the U.S. and taxes in foreign jurisdictions. For the quarter ended September 30, 2026, 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, foreign taxes, and changes in our valuation allowance for income taxes.

For the quarters ended September 30, 2026 and 2025, we recorded $7.3 million and $4.7 million in income tax expense, respectively. For the nine months ended September 30, 2026 and 2025, we recorded $16.7 million and $15.5 million in income tax expense, respectively. The increase in income tax expense for the quarter ended September 30, 2026, compared to the quarter ended September 30, 2025, resulted primarily from the 2025 release of valuation allowance with respect to the BlackLine K.K. deferred tax assets. The increase in income tax expense for the nine months ended September 30, 2026, compared to nine months ended September 30, 2025, resulted primarily from the 2025 release of valuation allowance with respect to BlackLine K.K. deferred tax assets, along with changes in the mix of profitable jurisdictions, partially offset by a one-time tax benefit associated with the base erosion and anti-abuse tax recognized in 2026.

Liquidity and Capital Resources

At September 30, 2026, our principal sources of liquidity were an aggregate of $531.9 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

At September 30, 2026, we had $675.0 million aggregate principal amount of 2029 Notes outstanding. We plan to, and believe we are able to, make all expected interest payments on the 2029 Notes 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”) 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 September 30, 2026, all of the 2029 Capped Calls remained outstanding.

Lease Liabilities

At September 30, 2026, we have obligations totaling $21.5 million related to existing property and equipment leases. As of September 30, 2026, we committed $25.0 million for a lease signed but not yet commenced. This lease is expected to commence within the next six months and has an initial non-cancellable term of ten years with an option to extend for an additional five years, which we are reasonably certain to exercise.

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 September 30, 2026, we had $143 million of contractual obligations, with approximately $63 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 September 30, 2026, while we have liabilities for unrecognized tax benefits of $23.9 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.

Letters of Credit

Commitments under letters of credit at September 30, 2026 were scheduled to expire as follows (in thousands):

	Total	Less than 1 Year	1-3 Years	3-5 Years	Thereafter
Letters of credit	$ 1,010	$ 824	$ 186	$ —	$ —

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

Under our stock repurchase program, which authorizes the periodic repurchase of our common stock, the Board of Directors (the "Board") approved two $100 million increases, on March 13, 2026 and July 31, 2026, raising the total authorization from $400 million to $500 million, and subsequently to $600 million.

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 "Exchange Act"). 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.

We repurchased and retired approximately 1.3 million shares of common stock for $39.1 million during the quarter ended September 30, 2026, and 3.7 million shares for $123.9 million during the nine months ended September 30, 2026. At September 30, 2026, $240.6 million remained available for repurchases under this program.

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:

	Nine Months Ended September 30,	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	$ 158,365	$ 142,887
Net cash provided by (used in) investing activities	$ 27,674	$ (403,485)
Net cash used in financing activities	$ (364,603)	$ (205,912)

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 purchase discounts on marketable securities, and deferred taxes.

For the nine months ended September 30, 2026, cash provided by operating activities was $158.4 million, resulting from net non-cash expenses of approximately $119.1 million and net income of $24.4 million, and net cash flows provided as a result of changes in operating assets and liabilities of $14.9 million. The $14.9 million of net cash flows provided as a result of changes in our operating assets and liabilities reflected primarily the following:

- $43.1 million decrease in accounts receivable primarily due to increased collections and lower billings;
- $4.9 million decrease in other assets primarily due to a net decrease in prepaid commissions;
- $3.6 million decrease in prepaid expenses and other current assets primarily due to the amortization of annual contracts renewed in the prior year and a reduction in prepaid subscription fees and partner referral fees; and
- $1.5 million increase in accrued expenses and other current liabilities primarily due to higher accrued vendor and professional fees, the timing of payroll, and accrued interest on our convertible senior notes, partially offset by lower accrued bonuses and commissions.

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

- $26.9 million decrease in deferred revenue primarily due to revenue recognized on subscription and support contracts exceeding billings during the period, including billings from new and expanded customer contracts;
- $5.7 million decrease in accounts payable due to timing of payments; and
- $5.7 million decrease in operating lease liabilities.

For the nine months ended September 30, 2025, cash provided by operating activities was $142.9 million, resulting from net non-cash expenses of approximately $109.0 million, net income of $21.3 million, and net cash flows provided as a result of changes in operating assets and liabilities of $12.6 million. The $12.6 million of net cash flows provided as a result of changes in our operating assets and liabilities reflected primarily the following:

- $24.1 million decrease in accounts receivable primarily due to increased collections;
- $4.4 million decrease in prepaid expenses and other current assets primarily due to timing of renewals for IT and insurance contracts, partially offset by timing of tax payments;
- $3.1 million increase in accrued expenses and other current liabilities due primarily to employee termination benefits and other exit costs related to the Fiscal 2025 restructuring programs in addition to other current liabilities, partially offset by a decrease in bonus accruals; and
- $1.2 million increase in accounts payable due to timing of payments.

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

- $14.3 million decrease in deferred revenue primarily due to lower billings and higher revenue recognition;
- $4.6 million decrease in operating lease liabilities; and
- $1.2 million increase in other assets due to net capitalization related to strategic projects and software upgrades.

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 combinations, and capital expenditures for property and equipment.

For the nine months ended September 30, 2026, cash provided by investing activities was $27.7 million primarily as a result of the following:

- $73.8 million of proceeds from maturities and sales of marketable securities, net of purchases; partially offset by
- $22.0 million for capitalized software development costs;
- $17.5 million paid for the NetNow Acquisition, net of cash acquired; and
- $6.6 million in purchases of property and equipment.

For the nine months ended September 30, 2025, cash used in investing activities was $403.5 million primarily as a result of the following:

- $375.6 million of purchases of marketable securities, net of proceeds from maturities;
- $20.4 million for capitalized software development costs; and
- $7.5 million in purchases of property and equipment.

Net Cash Used In Financing Activities

For the nine months ended September 30, 2026, cash used in financing activities was $364.6 million primarily as a result of the following:

- $230.2 million for the repayment of the 2026 Notes with cash on hand;
- $123.1 million for repurchases of common stock;
- $14.2 million for acquisitions of common stock for tax withholding obligations; and
- $3.3 million for the purchase of additional shares of common stock in BlackLine K.K., resulting in a decrease in the redeemable non-controlling interest; partially offset by
- $4.1 million of proceeds from the employee stock purchase plan; and
- $1.9 million of proceeds from exercises of stock options.

For the nine months ended September 30, 2025, cash used in financing activities was $205.9 million primarily as a result of the following:

- $200.7 million for repurchases of common stock; and
- $14.9 million for acquisitions of common stock for tax withholding obligations; partially offset by
- $5.2 million of proceeds from exercises of stock options; and
- $4.6 million of proceeds from the employee stock purchase plan.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with GAAP, which requires us to make estimates and assumptions about future events that affect the amounts reported in our unaudited condensed consolidated financial statements and the accompanying notes included elsewhere in this Quarterly Report on Form 10-Q. During the quarter ended September 30, 2026, there were no significant changes to our critical estimates as detailed in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025.

Recent Accounting Pronouncements

Refer to “Note 2 - Basis of Presentation, Significant Accounting Policies, and Recently-Issued Accounting Pronouncements” contained in the “Notes to Unaudited Condensed Consolidated Financial Statements” in Part I, Item 1 of this Quarterly Report on Form 10-Q 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 3. ***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 2029 Notes will increase as interest rates fall and decrease as interest rates rise. In addition, the fair value of the 2029 Notes is affected by our common stock price. The fair value of the 2029 Notes will generally increase as our common stock price increases and will generally decrease as our common stock price declines. Additionally, we carry the 2029 Notes at face value less unamortized issuance costs on our consolidated balance sheet, and we present the fair value for required disclosure purposes only.

We had cash and cash equivalents and marketable securities of $531.9 million at September 30, 2026. 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 $9.0 million or increased by approximately $9.0 million, respectively, our cash balances at September 30, 2026.

In 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 Accounting Standards Codification (“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 4. ***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 September 30, 2026, the last day of the period covered by this Quarterly Report. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, at September 30, 2026, 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.

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 September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, 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 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 Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited condensed 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 risks 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 agentic, generative, and other 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, which 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. The decline in revenue growth rate 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, our shift to a platform pricing model that is not based on the number of users 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 have shifted to a platform pricing model, which is no longer tied to the number 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, including increased energy and commodity price volatility. 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, the current U.S. administration has proposed or enacted significant new tariffs on imports from numerous trading partners. The ongoing uncertainty in this tariff environment, along with potential retaliatory measures by our trading partners, may adversely impact trade relations, increase costs, and reduce our customers' purchasing power. These could also increase 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 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.

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, including the conflict in Iran and surrounding nations, 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 compromised, or that they do not contain exploitable defects or bugs that could result in a compromise 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 agentic AI, 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, including agentic AI, may be used to identify vulnerabilities and build exploitations 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 or critical infrastructure. 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 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 in the future 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 (the "FTC"), 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 agentic, generative, and other 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.

We have incorporated and may continue to incorporate AI/ML solutions and features into our platform, such as agentic AI, 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, including agentic AI, may expose us to claims, demands, and proceedings by private parties and regulatory authorities, and could subject us to legal liability or 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 be adversely affected, or we could incur liability for the violation of contractual or regulatory obligations. Agentic AI introduces risks that are distinct from other types of AI, including the potential for agentic AI to operate in unexpected ways, act beyond their prescribed authorizations, or fail to align with our internal policies or applicable legal obligations. Errors or unintended actions taken by agentic AI could result in material financial impact, data breaches or incidents, contractual breaches, or regulatory non-compliance. Moreover, the use of AI/ML capabilities, including agentic AI or tools to improve internal functions and operations, may introduce other legal, financial, and strategic risks. We may overestimate the ability of such capabilities and tools to yield the anticipated benefits, and we may be required to make additional investments in technology and systems. In addition, the development, training, and operation of our AI/ML solutions and features require significant computing capacity, which we obtain primarily from our public cloud providers and other third parties. Global demand for this capacity has at times exceeded available supply, and we have experienced constraints on our access to it that have affected the timing and costs of certain product releases, although these constraints have not had a material impact on our business to date. If these constraints persist or worsen, we may need to delay or limit the introduction of certain new AI/ML solutions and features or pay higher prices to secure capacity, and to the extent we are unable to pass those costs on to our customers, our cost of revenue could increase and our gross margins and operating results could be adversely affected. 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, and these obligations are being phased in over several years. 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. 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 harmed. 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 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 to the extent or on the timing we anticipate, 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, increased energy and commodity price volatility, 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, including the conflict in Iran and surrounding nations, 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 business and 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, including agentic AI, particularly to the extent that our potential customers are more easily able to develop their own solutions with AI/ML technologies. 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 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 distribution 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 equity-linked 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, for example, due to a cybersecurity incident or human error, 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 positive free cash flow in recent periods, this metric may not be indicative of our future GAAP profitability. We had an accumulated deficit of $2.7 million at September 30, 2026. 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, increased energy and commodity price volatility, 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 initial terms of three years. 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 that agreement. As a result, growth in the number of our customers could 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 September 30, 2026, we had goodwill and intangible assets with a net book value of $523.9 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 may 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 would 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 rely on GCP to serve our Financial Close & Consolidation clients, which increases 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. We have experienced, and may continue to experience, occasional planned or unplanned downtime for our cloud-based software solutions, data loss, and potential service delays, all of which have impacted, and may in the future impact, our customers' ability to use our solutions. 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 moved, and expect to continue to move or transfer in the future, 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 continue 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. In addition to our organic growth, we have also executed acquisitions and strategic transactions outside the U.S. as part of our ongoing international expansion strategy. We derived approximately 32% and 31% of our revenues from sales outside the U.S. during the nine months ended September 30, 2026 and 2025, respectively. Any international expansion efforts that we may undertake, including acquisitions of businesses outside the U.S., may not be successful.

Conducting international operations, particularly in new markets, subjects us to additional risks. 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, such as the conflict in Iran and surrounding nations, 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 EEA. 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 traverses their networks have been implemented in many countries, including across the EU. Furthermore, favorable laws may change, including for example, in the U.S. where net neutrality regulations have been repealed and federal court challenges to reinstatement have been unsuccessful. 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. Further, California has recently amended its sales tax law to subject certain retail sales of digital prewritten software, cloud-based applications, and software services to sales tax in California, effective January 1, 2027, which may increase the cost to our California-based customers of purchasing our products and similarly, may increase the costs to us of purchasing software products we use in our business. In addition, the Organization for

Economic Cooperation and Development (the "OECD") 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, but does not provide an exemption from the "qualified domestic minimum top-up taxes," which many countries have enacted or have begun enacting laws based on Pillar 2 proposals. The safe harbor must be adopted into the domestic laws of the relevant jurisdictions and the timing and the degree of adoption may vary by jurisdiction. 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 2029 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 have experienced significant price and volume fluctuations. Stock prices of many companies, and technology companies in particular, have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. 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 prevent 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 Securities Exchange Act of 1934, as amended (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 1.00% Convertible Senior Notes due in 2029 (the "2029 Notes") may require a significant amount of cash and we may not have sufficient cash to settle conversions of the 2029 Notes in cash, to repurchase the 2029 Notes upon a fundamental change, or to repay the principal amount of the 2029 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 2029 Notes.

At September 30, 2026, we had $675.0 million aggregate principal amount of the 2029 Notes outstanding.

Holders of the 2029 Notes will have the right to require us to repurchase all or a portion of the 2029 Notes upon the occurrence of a fundamental change before the maturity date at a repurchase price equal to 100% of the principal amount of the 2029 Notes to be repurchased, plus accrued and unpaid interest or special interest, if any, as described in the indenture governing the 2029 Notes. In addition, upon conversion of the 2029 Notes, 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 the 2029 Notes being converted, as described in the indenture governing the 2029 Notes. Moreover, we will be required to repay the 2029 Notes in cash at 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 the 2029 Notes surrendered therefor or pay cash with respect to the 2029 Notes being converted or at their respective maturity. Our ability to repay or refinance the 2029 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 the 2029 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 2029 Notes or to pay cash upon conversions of the 2029 Notes or at maturity may be limited by law, regulatory authority, or agreements governing our future indebtedness. Our failure to repurchase the 2029 Notes at a time when the repurchase is required by the indenture governing the 2029 Notes or to pay cash upon conversion of the 2029 Notes or at maturity as required by the indenture governing the 2029 Notes would constitute a default under the indenture. A default under the 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 indenture governing the 2029 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 the 2029 Notes or pay cash with respect to the 2029 Notes being converted or at maturity of the 2029 Notes, which could harm our business, results of operations, or financial condition.

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 2029 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 2029 Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the 2029 Notes is triggered, holders of the 2029 Notes will be entitled under the indenture governing the 2029 Notes to convert the 2029 Notes at any time during the specified periods at their option. At September 30, 2026, the conditional conversion feature of the 2029 Notes was not triggered. If the conditional conversion feature of the 2029 Notes is triggered and one or more holders elects to convert their 2029 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 2029 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The 2029 Capped Calls may affect the value of our common stock and we are subject to counterparty risk with respect to the 2029 Capped Calls.

In connection with the issuance of the 2029 Notes, we entered into certain capped call transactions (the “2029 Capped Calls”) with the counterparties with respect to the 2029 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 maturity of the 2029 Notes (and are likely to do so on each exercise date of the 2029 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 2029 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 2029 Capped Calls. If a counterparty to one or more 2029 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 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, makes some activities more difficult, time-consuming, or costly, and increases 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 result 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, including the conflict in Iran and surrounding nations, 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 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Unregistered Sales of Equity Securities

None.

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 September 30, 2026 (in thousands, except per share data):

Period	Total Number of Shares Purchased and Retired[1]	Average Price Paid Per Share[2]	Total Number of Shares Purchased as Part of Publicly Announced Program[1]	Approximate Dollar Value of Shares That May Yet Be Purchased Under Publicly Announced Program[1]
July 1 - 31, 2026	252	$ 29.67	252	$ 172,202
August 1 - 31, 2026	478	$ 30.89	478	$ 257,450
September 1 - 30, 2026	577	$ 29.21	577	$ 240,581
Total	1,307		1,307	

[1] Under the Company's stock repurchase program, which authorizes the periodic repurchase of its common stock, the Board approved two $100 million increases, on March 13, 2026 and July 31, 2026, raising the total authorization from $400 million to $500 million, and subsequently to $600 million. The repurchase program has no expiration date and may be suspended or discontinued at any time.

[2] 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 5. ***Other Information***

No officers or directors, as defined in Rule 16a-1(f), adopted, modified, or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as defined in Regulation S-K Item 408, during the quarter ended September 30, 2026.

Item 6. ***Exhibits***

The documents listed in the Exhibit Index of this Quarterly Report on Form 10-Q are incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

EXHIBIT INDEX

Exhibit Number	Description	Form	File No.	Exhibit	Filing Date
31.1	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				
31.2	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				
32.1*	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				
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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)				

* The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BlackLine, Inc.

By: /s/ Owen Ryan
Owen Ryan
Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2026

By: /s/ Patrick Villanova
Patrick Villanova
Chief Financial Officer
(Principal Financial Officer)

Date: November 6, 2026

Exhibit 31.1

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 Quarterly Report on Form 10-Q 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: November 6, 2026

BLACKLINE, INC.

By: /s/ Owen Ryan

Name: Owen Ryan

Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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 Quarterly Report on Form 10-Q 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: November 6, 2026

BLACKLINE, INC.

By: /s/ Patrick Villanova
Name: Patrick Villanova
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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 Quarterly Report on Form 10-Q of BlackLine, Inc. for the quarter ended September 30, 2026 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 Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of BlackLine, Inc.

Date: November 6, 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 Quarterly Report on Form 10-Q of BlackLine, Inc. for the quarter ended September 30, 2026 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 Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of BlackLine, Inc.

Date: November 6, 2026

By: /s/ Patrick Villanova
Name: Patrick Villanova
Title: Chief Financial Officer
(Principal Financial Officer)