

Risk Factors Comparison 2025-02-21 to 2024-02-23 Form: 10-K

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Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including “ Management’s Discussion and Analysis of Financial Condition and Results of Operations ” and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risk and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. If any of the events or circumstances described in the following risk factors actually occurs, our business, operating results, financial condition, cash flows, and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment. Summary Risk Factors Our business is subject to numerous risks and uncertainties that you should consider before investing in BlackLine, as fully described below. The principal factors and uncertainties that make investing in BlackLine risky include, among others: • If we are unable to attract new customers and expand sales to existing customers, our growth could be slower than we expect and our business may be harmed. • Our business and growth depend substantially on customers renewing their subscription agreements with us, and any decline in our customer renewals could adversely affect our operating results. • ~~Current and future economic~~ **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 have a history of losses and we fail may not be able to manage~~ **generate sufficient revenue to achieve or sustain profitability.** • ~~We continue to experience growth in our operations~~ **and organizational change and if we fail to manage our growth** effectively, we may be unable to execute our business plan. ~~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.~~ • If we are not able to provide successful enhancements, new features or modifications to our software solutions, our business could be adversely affected. • We derive substantially all of our revenues from a limited number of software solutions, and our growth is dependent on their success. • If our relationships with technology vendors and business process outsourcers are not successful, our business and growth may be harmed. • If our security controls are breached or if unauthorized, or inadvertent access to customer, employee or other confidential data is otherwise obtained, our software solutions may be perceived as insecure, we may lose existing customers or fail to attract new customers, our business may be harmed and we may incur significant liabilities. • **We depend and rely upon Software as a Service (“ SaaS ”) applications from third parties to operate our business and provide our software solutions, and interruptions, outages, or performance problems with these technologies may adversely affect our business and operating results.** • Our increased focus on the development and use of generative artificial intelligence and machine learning technologies (“ AI / ML ”) in our platform and our business, as well as our 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 have a history of losses and we may not be able to generate sufficient revenue to achieve or sustain profitability.** • 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 Our growth depends in part upon increasing our customer base. Our ability to ~~increase our~~ **achieve significant growth in** revenues will depend, in large part, upon the effectiveness of our sales and marketing efforts, both domestically and internationally. We may have difficulty attracting potential customers that rely on ~~inexpensive~~ **tools such as Excel, or that have already invested substantial personnel and financial resources to integrate** ~~on-internally - premise developed~~ **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. Our growth also depends upon our ability to add users and sell additional products to our existing customers. It is important for the growth of our business that our existing customers make additional significant purchases of our products and add additional users to our platform. Although our customers, users, and revenue have grown rapidly in the past, in recent periods our slower growth rates have reflected the size and scale of our business. **In addition, our growth rates may be impacted by changing customer preferences, such as well as our customer preference for platform offerings that unify upstream and downstream activities versus less broadly- focus focused on solutions, increased competition across many of our strategic products- product offerings, and diversion of IT budgets toward other technologies and priorities.** We cannot be assured that we will achieve similar growth rates in future periods as our customers, users, and revenue could decline, or grow more slowly than we expect. 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 ~~or we do not add additional users to our platform~~, 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, particularly in the current macroeconomic environment. There can be no assurance that our efforts will result in increased sales to existing customers or additional revenues. Our sales and marketing efforts have been and may continue to be impacted by geopolitical developments and other events beyond our control, including economic market price volatility and macroeconomic trends. Such events have can increase levels of political and economic unpredictability globally, which has 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. 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 structure or changes in pricing structures, the pricing or capabilities of products or services offered by our competitors, the effects of economic conditions, or reductions in our customers' budgets and spending levels. For example, macroeconomic trends and changing customer preferences 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 If this were to occur, it is possible that we would have may in the future be required to change our pricing model, offer price incentives or reduce our prices or accept other unfavorable contract terms, any of which could affect our revenue. For example, we recently introduced a platform pricing model, which is no longer tied to the amount of users and is instead driven by the size and complexity of the customer. We are uncertain as to how this new model will be received by our customers and certain customers may view this model unfavorably and decline to renew their agreements. If our customers do not renew their agreements with us or renew on terms less favorable to us, our revenues may decline. 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 are currently have been operating in a period of economic uncertainty and cannot predict the timing, strength, or duration of any economic downturn recovery. The global economy has been, and continues to may in the future be adversely affected by concerns of inflation and rising fluctuating interest rates, adverse business conditions and liquidity concerns, as well as macroeconomic volatility and uncertainty in the banking and financial services sector. These 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. For example, since the second quarter of 2022, we have observed certain customers delaying and deferring purchasing decisions, which has resulted in the deterioration of near-term demand. 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 persist or worsen, our business could be harmed as negatively impacted. current Current and potential customers may reduce their budgets for accounting, finance, and technology budgets and spending, or they may postpone or choose decide not to purchase or renew subscriptions to our products, which they may consider might view as discretionary. Weakening economic conditions, This would limit our ability to grow and related 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 the rate of accounting and finance and information technology spending and adversely affect our current or our potential customers' ability or willingness to purchase our cloud platform, as well as further delay purchasing decisions, reduce the value or duration of their subscription contracts, or affect 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. Unfavorable trends in the national or global economy, such as rising interest rates and conditions resulting from financial and credit market fluctuations, may cause our customers and prospective customers to decrease their accounting and finance and information technology budgets, which would limit our ability to grow our business and negatively 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. In addition, our customers may be affected by changes in trade policies, treaties, government regulations and tariffs, as well as geopolitical volatility. Trade protection measures, retaliatory actions, tariffs and increased barriers, policies favoring domestic industries, or increased import or export

licensing requirements or restrictions, such as trade sanctions against Russia in response to the war in Ukraine, 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. ~~The aftermath of Brexit also continues to cause significant political and economic uncertainty in both the UK and the European Union (“EU”). As a result, the level of economic activity generally in this region could be adversely impacted, negatively affecting customer demand for our products and our operating results. 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. As a result, we may be unable to continue to grow in the event of prolonged economic uncertainty or future economic slowdowns. See Risks Related to Our Dependence on Third Parties. We continue to experience growth in our operations, and organizational change, and if we fail to manage our growth 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 ~~the workforce reduction~~ **reductions we** initiated in December 2022 ~~and the more recent reduction in force announced as part of a broader restructuring plan in~~ August 2023. 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 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 ~~will~~ need to continuously modify and enhance our solutions to keep pace with changes in internet- related hardware and other software, communication, browser and database technologies. 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 currently derive **, and expect to continue to derive, a majority significant portion** of our revenue from our **Financial Close Process Management & Consolidation solution solutions**, ~~and expect to continue to derive a majority of our revenues from our Close Process Management solution~~. As a result, the continued growth in market demand for ~~this~~ **these solution solutions** is critical to our continued success. We cannot be certain that any new software solutions or products we introduce will generate significant revenues. Accordingly, our business and financial results have been and will be substantially dependent on a limited number of solutions. If our security controls are breached or unauthorized, or inadvertent access to customer, employee or other confidential data is otherwise obtained, our software solutions may be perceived as insecure, we may lose existing customers or fail to attract new customers, our business may be harmed and we may incur significant liabilities. Use of our platform involves the storage, transmission and processing of our customers’ proprietary data, including highly confidential financial information regarding their business and personal or identifying information of their customers or employees. Additionally, we maintain our own proprietary, confidential and otherwise sensitive information. Our platform is at risk for security breaches and incidents as a result of third- party action, employee, vendor or contractor error **or malfeasance**, cyberattacks (including from nation states and affiliated actors) and other forms of hacking, **denial of service attacks**, malfeasance, ransomware, **viruses** and other malicious software, or other factors. The risk of a cybersecurity incident occurring has increased as more companies and individuals work remotely, potentially exposing us to new, complex threats **and increasing the potential for security breaches or incidents relating to phishing and other social engineering attacks, use of personal devices, and employee, vendor, or service provider error or malfeasance**. Additionally, geopolitical events ~~such as the~~ **and an uncertain political climate, including war and political and social upheaval** in Ukraine ~~certain regions of the world~~, may create heightened risks of

cyber attacks, **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 or 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, ~~such as Google Cloud Platform, and other third- party service providers,~~ we **are increasingly will become more** 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' ~~data- security~~ **measures** is limited, and in any event, attackers may be able to circumvent our third- party service providers' ~~data- security~~ measures. There have been and may continue to be significant attacks on certain third- party **service** providers, and we cannot guarantee that our or our third- party **service** providers' systems and networks have not been breached or otherwise compromised, or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our platform. We **have experienced incidents targeting our internal systems, and we** may also **in the future** suffer breaches of, or incidents impacting, our internal systems. Security breaches or incidents impacting our platform or our internal systems could ~~also 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 and, repair of system damage ~~that may have been caused~~, 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 into our platform and otherwise within our business, which may create additional cybersecurity risks or increase cybersecurity risks, including risks of security breaches and incidents. Further, AI / ML technologies may be used for certain cybersecurity attacks, and may increase their frequency and intensity, resulting in heightened risks of security breaches and incidents. Additionally, many jurisdictions have enacted or may enact laws and regulations requiring companies to notify individuals of data security breaches involving certain types of personal data. These or other disclosures regarding a security breach or incident could result in negative publicity to us, which may cause our customers to lose confidence in the effectiveness of our data security measures which could impact our operating results. We incur significant expenses **in our efforts** to minimize the ~~risk~~ **risks of 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 high profile** security breach or incident occurs with respect to another **Software as a Service ("SaaS")** provider or other technology ~~companies~~ **company**, our current and potential customers may lose trust in the security of our platform or in the SaaS business model generally, which could adversely impact our ability to retain existing customers or attract new ones. Such a breach or incident, or series of breaches or incidents, could also result in regulatory or contractual security requirements that could make compliance challenging. Even in the absence of any **actual or perceived** security breach or incident, customer concerns about privacy, security, or data protection may deter them from using our platform for activities that involve personal or other sensitive information. Because the techniques used to obtain unauthorized access or to sabotage systems change frequently, and often are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. We may also experience security breaches and incidents that may remain undetected for an extended period of time. Periodically, we experience cyber security events including "phishing" attacks targeting our employees, web application and infrastructure attacks, and other information technology incidents. These threats continue to evolve in sophistication and volume and are difficult to detect and predict due to advances in electronic warfare techniques, advances in cryptography and other technologies including AI / ML, and new and sophisticated methods used by criminals including phishing, social engineering or other illicit acts. We **have and** may experience security breaches ~~and~~ **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 - party related incidents**. However, there can be no assurance that our defensive measures will prevent cyber ~~-attacks~~ or other security breaches or incidents, ~~and any~~ **or allow us to identify, remediate, or otherwise respond to them in a timely or effective manner. Any** such attacks, breaches or incidents, **or perception that any have occurred**, could damage our brand and reputation and negatively impact our business. Our customers upload sensitive data to our platform, and data security is therefore a critical competitive factor in our industry. We make numerous statements in our privacy policy and customer

agreements, through our certifications to standards and in our marketing materials, providing assurances about the security of our platform, including descriptions of security measures we employ. Should any of these statements be untrue, be perceived to be untrue, or become untrue, even through circumstances beyond our reasonable control, we may face claims of misrepresentation or deceptiveness by the U. S. Federal Trade Commission, state and foreign regulators and private litigants. Our errors and omissions insurance policies covering certain security and privacy damages and claim expenses may not be sufficient to compensate for all potential liability. Although we maintain cyber liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred, or that insurance will continue to be available to us on economically reasonable terms, or at all. Our increased focus on the development and use of generative artificial intelligence and machine learning technologies in our platform and our business, as well as our 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, 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 properly 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. Additionally, our AI / ML solutions and features may expose us to additional claims, demands, and proceedings by private parties and regulatory authorities and subject us to legal liability as well as brand and reputational harm. For example, the AI / ML models that we use are trained using various data sets, and if our models are incorrectly designed, the data we use to train them is incomplete or inadequate, or we do not have sufficient rights to use the data on which our models rely, the performance of our AI / ML solutions and features, as well as our reputation, could suffer or we could incur liability through the violation of contractual or regulatory obligations. The legal, regulatory, and policy environments around AI / ML are evolving rapidly. **For example, the EU AI Act (the “ AI Act ”), which achieved approval by the European Council on February 2, 2024, and the European Parliament on March 13, 2024, will impose obligations on providers and users of artificial intelligence technologies. The AI Act may impact the development and adoption of our AI / ML solutions in Europe. Additionally, several U. S. states have proposed, and in certain cases have enacted, legislation imposing obligations in connection with the development or use of, or otherwise regulating, AI / ML technologies. Other countries also are contemplating laws regulating AI / ML technologies.** We may become subject to new legal and other obligations in connection with our use of AI / ML, which could require us to make significant changes to our policies and practices, necessitating expenditure of significant time, expense, and other resources. 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. ~~In addition, our infrastructure does not currently include the real-time mirroring of data.~~ 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. Complex software such as ours often contains errors or defects, particularly when first introduced or when new versions or enhancements are released. Despite internal and third-party testing and testing by our customers, our current and future software may contain serious defects, which could result in lost revenue or a delay in market acceptance. Since our customers use our platform for critical business functions such as assisting in the financial close or account reconciliation process, errors, defects or other performance problems could result in damage to our customers. They could seek significant compensation from us for the losses they suffer. Although our customer agreements typically contain provisions designed to limit our exposure to product liability claims, existing or future laws or unfavorable judicial decisions could negate these limitations. Even if not successful, a product liability claim brought against us would likely be time-consuming and costly and could seriously damage our reputation in the marketplace, making it harder for us to sell our products. We depend on our executive officers and other key employees and the loss of one or more of these employees or an inability to attract and retain highly-skilled employees could adversely affect our business. Our success depends largely upon the continued services of our executive officers and other key employees. We rely on our leadership team, some of whom are new, in the areas of research and development, operations, security, marketing, sales and general and administrative functions. Changes in our executive management team resulting from the hiring or departure of executives, or our leadership structure, could disrupt our business, and could impact our ability to preserve our culture, which could negatively affect our ability to recruit and retain personnel. For example, **we recently announced certain transitions in our finance department, including the promotion of our Chief Accounting Officer to Chief Financial Officer, in connection with the planned retirement of our Chief Financial Officer, to be effective March 1, 2023-2025** ~~we appointed co-Chief Executive Officers, our founder Therese Tucker and former Lead Independent Director Owen Ryan, which is a unique structure for BlackLine, and such structure may not~~

~~achieve the benefits we intend~~. 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-qualified 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. ~~Our~~ **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~~ **For example, we have recently announced an** ~~some of our solutions now incorporate~~ **AI-enabled features** ~~solution that will be integrated into our Interecompany Financial Management solution~~. 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 that could reduce or eliminate the need for our solutions**. If organizations do not increasingly allocate their budgets to financial automation software as we expect or if we do not succeed in convincing potential customers that our platform should be an integral part of their overall approach to their accounting processes, our sales may not grow as quickly as anticipated, or at all. Our business is substantially dependent on enterprises recognizing that accounting errors and inefficiencies are pervasive and are not effectively addressed by legacy solutions. During the past twelve months, ~~primarily due to the uncertain macroeconomic environment, we have seen certain~~ **continue to observe** new and existing customers halt or decrease investment in work transformation, **including the decision to continue operating legacy solutions**, which has negatively impacted our business. ~~Further~~ **In addition,** deterioration in general economic conditions in the U. S. or worldwide, including as a result of ~~continued~~ uncertainty in the financial markets, ~~increased~~ **fluctuating** inflation or interest rates, or uncertainty in the financial services markets associated with ~~bank failures, or~~ geopolitical events **and political uncertainty**, such as ~~the war~~ **and political and social upheaval** in Ukraine ~~certain regions of the world~~, may also cause our customers to reduce their overall information technology spending, and such reductions may disproportionately affect software solutions like ours to the extent customers view our solutions as discretionary. If our sales and revenue do not increase for any of these reasons, or any other reason, our business, financial condition and operating results may be materially adversely affected. The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed. The market for accounting and financial software and services is highly competitive and rapidly evolving. Our competitors vary in size and in the breadth and scope of the products and services they offer. We often compete with other vendors of financial automation software, and we also compete with large, well-established, enterprise application software vendors whose software contains components that compete with our platform. In the future, a competitor offering ERP software could include a free service similar to ours as part of its standard offerings or may offer a free standalone version of a service similar to ours. 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. ~~Our~~ **Some of our** competitors ~~may~~ have greater name recognition, longer operating histories, more established customer and marketing relationships, larger marketing budgets and significantly greater resources than we do. They may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or customer requirements. In addition, some of our competitors have partnered with, or have acquired, and may in the future partner with or acquire, other competitors to offer services, leveraging their collective competitive positions, which makes, or would make, it more difficult to compete with them. Market acceptance of our products may also be affected by customer confusion associated with the introduction of new and emerging technologies by us and our competitors, or changes in technological trends, such as the increase in the use of AI / ML. With the introduction of new technologies, the evolution of our platform and new market entrants, we expect competition to intensify in the future. Increased competition generally could result in reduced sales, reduced margins, losses or the failure of our platform to achieve or maintain more widespread market acceptance, any of which could harm our business. Failure to effectively organize and motivate our sales resources could harm our ability to increase our customer base. Increasing our customer base and sales will depend, to a significant extent, on our ability to effectively organize and drive our sales and

marketing operations and activities. As we have grown and scaled our operations, we have aligned our sales team to help streamline the customer experience. We rely on our direct sales force, which includes an account management team, to obtain new customers and to maximize the lifetime value of our customer relationships through retention and upsell efforts. Our success will depend, in part, on our ability to support new and existing customer growth and maintain customer satisfaction. As we and many of our customers have transitioned to a hybrid or fully remote workplace, our sales and marketing teams have continued to primarily engage with customers online and through other communication channels, including virtual meetings. There is no guarantee that our sales and marketing teams will be as successful or effective using these other communication channels as they try to build relationships. If we cannot provide our teams with the tools and training to enable them to do their jobs efficiently and satisfy customer demands, we may not be able to achieve anticipated revenue growth as quickly as expected. In addition, we believe that there is significant competition for experienced sales professionals with the sales skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in part, on our success in recruiting, training, and retaining a sufficient number of experienced sales professionals. New hires require significant training and time before they achieve full productivity, particularly in new sales segments and territories. Sales professionals that we hire may not become as productive as quickly as we expect, or they may not achieve the levels of productivity we anticipate, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business. Our business will be harmed if our sales professionals are not as successful as we anticipate at driving and completing sales. If we are not able to maintain and enhance our brand, our business, operating results and financial condition may be adversely affected. We believe that maintaining and enhancing our reputation for accounting and finance software is critical to our relationships with our existing customers and to our ability to attract new customers. The successful promotion of our brand attributes will depend on a number of factors, including our marketing efforts, our ability to continue to develop high- quality software, and our ability to successfully differentiate our platform from competitive products and services. Our brand promotion activities may not ultimately be successful or yield increased revenue. In addition, independent industry analysts provide reviews of our platform, as well as products and services offered by our competitors, and perception of our platform in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' products and services, our brand may be adversely affected. The promotion of our brand requires us to make substantial expenditures, and we anticipate that the expenditures will increase as our market becomes more competitive, as we expand into new markets and as more sales are generated. To the extent that these activities yield increased revenue, this revenue may not offset the increased expenses we incur. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors, and we could lose customers or fail to attract potential customers, all of which would adversely affect our business, results of operations and financial condition. We may be unable to integrate acquired businesses and technologies successfully, or achieve the expected benefits of these transactions and other strategic transactions. We regularly evaluate and consider potential strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products, and other assets. ~~For example, we recently completed the acquisition of DL.~~ We also may enter into relationships with other businesses to expand our products and services, which could involve preferred or exclusive licenses, additional channels of distributions or discount pricing. Negotiating these transactions can be time-consuming, difficult, and expensive, and our ability to complete these transactions may be subject to approvals **and conditions** that are beyond our control. Consequently, these transactions, even if announced, may not be completed. In connection with a strategic transaction, we may: • issue additional equity or convertible debt securities that would dilute our existing stockholders; • use cash that we may need in the future to operate our business; • incur large charges or substantial liabilities; • incur debt on terms unfavorable to us or that we are unable to repay ; • **become subject to new or conflicting laws, regulations or legal requirements**; or • become subject to adverse tax consequences, substantial depreciation, and amortization, or deferred compensation charges. Any acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties and incur significant costs assimilating or integrating the businesses, technologies, products, policies, personnel or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to work for us, their software is not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise. Acquisitions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing business. Moreover, the anticipated benefits of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown risks or liabilities, which may lead to additional expenses, impairment charges or write- offs, restructuring charges, or other adverse impacts to our business, results of operations, or financial condition. Incorrect or improper implementation or use of our solutions could result in customer dissatisfaction and negatively affect our business, results of operations, financial condition, and growth prospects. Our platform is deployed in a wide variety of technology environments and into a broad range of complex workflows. Our platform has been integrated into large- scale, enterprise- wide technology environments, and specialized use cases, and our success depends on our ability to implement our platform successfully in these environments. We often assist our customers in implementing our platform, but many customers attempt to implement even complex deployments themselves or use a third- party service firm. If we or our customers are unable to implement our platform successfully, or are unable to do so in a timely manner, customer perceptions of our platform and company may be impaired, our reputation and brand may suffer, and customers may choose not to renew or expand the use of our platform. Our customers and third- party resellers may need training in the proper use of our platform to maximize its potential. If our platform is not implemented or used correctly or as intended, including if customers input incorrect or incomplete financial data into our platform, inadequate performance may result. Because our customers rely on our platform to manage their financial close and other financial tasks, the incorrect or improper implementation or use of our platform, our failure to train customers on how to use our platform efficiently and effectively, or our failure to provide adequate

product support to our customers, may result in negative publicity or legal claims against us. Also, as we continue to expand our customer base, any failure by us to properly provide these services will likely result in lost opportunities for additional subscriptions to our platform. Any failure to offer high- quality product support may adversely affect our relationships with our customers and our financial results. In deploying and using our solutions, our customers depend on our support services team to resolve complex technical and operational issues. We may be unable to respond quickly enough to accommodate short- term increases in customer demand for product support. We also may be unable to modify the nature, scope and delivery of our product support to compete with changes in product support services provided by our competitors. Increased customer demand for product support, without corresponding revenue, could increase costs and adversely affect our operating results. Our sales are highly dependent on our business reputation and on positive recommendations from our existing customers. Any failure to maintain high- quality product support, or a market perception that we do not maintain high- quality product support, could adversely affect our reputation, our ability to sell our solutions to existing and prospective customers, our business, operating results, and financial condition. We provide service level commitments under our customer contracts, and if we fail to meet these contractual commitments, our revenues could be adversely affected. Our customer agreements typically provide service level commitments. If we are unable to meet the stated service level commitments or suffer extended periods of unavailability for our applications, we may be contractually obligated to provide these customers with service credits, refunds for prepaid amounts related to unused subscription services, or we could face contract terminations. Our revenues could be significantly affected if we suffer unscheduled downtime that exceeds the allowed downtimes under our agreements with our customers. Any extended service outages could adversely affect our reputation, revenues and operating results.

Risks Related to Our Financial Performance or Results

~~We The year ended December 31, 2023 was our first profitable full fiscal year. However, we may not achieve or maintain profitability in future periods, or if we are profitable, we may not fully achieve our profitability targets. We have incurred net losses attributable to BlackLine, Inc. in recent periods, including \$ 29. 4 million and \$ 115. 2 million for the years- year ended December 31, 2022 -, and 2021, respectively. We had an accumulated deficit of \$ 214. 49. 8-0 million at December 31, 2023- 2024.~~ 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 related to being a public company. 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 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;
- **long the length of** sales cycles and the timing of large contracts;
- changes in our or our competitors' pricing policies; ~~• the amount and timing of operating costs and capital expenditures related to the operations and expansion of our business~~;
- new products, features or functionalities introduced by us and our competitors;
- significant security breaches, technical difficulties or interruptions to our platform;
- the timing of customer payments and payment defaults by customers;
- general economic conditions that may adversely affect either our customers' ability or willingness to purchase additional products or services, delay a prospective customer' s purchasing decision or affect customer retention, including the macroeconomic environment, uncertainty in the financial services market, inflation, **rising fluctuating** interest rates or geopolitical events **such as the war in Ukraine**;
- 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 typically add fewer customers in the first quarter of the year than other quarters. We also 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 and users 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 ~~midsize- mid- size~~ customers. In addition, the length of the sales cycle tends to increase for larger contracts and for more complex, strategic products like Intercompany Financial Management. 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. **Recently, as a result of uncertainty, Uncertainty around general macroeconomic conditions, has in the past and may in the future cause customers to have been delaying, delay and deferring, defer purchasing decisions, which has and may lead-lead to a deterioration in near-term demand.** In addition, we may devote greater research and development, sales, product support, and professional services resources to potential customers that do not result in actual sales or revenue, resulting in increased costs and reduced profitability, and which could strain our resources. We recognize subscription revenue over the term of our customer contracts and, consequently, downturns or upturns in new sales may not be immediately reflected in our operating results and may be difficult to discern. We recognize subscription revenue from our platform ratably over the terms of our customers' agreements, most of which have one- year terms but an increasing number of which have up to three- year terms. As a result, most of the revenue we report in each quarter is derived from the recognition of deferred revenue related to subscriptions entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any single quarter may have a small impact on our revenue results for that quarter. However, such a decline will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our platform, and potential changes in our pricing policies or rate of expansion or retention, may not be fully reflected in our results of operations until future periods. We may also be unable to reduce our cost structure in line with a significant deterioration in sales. In addition, a significant majority of our costs are expensed as incurred, while revenue is recognized over the life of the agreement with our customer. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of our agreements. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term. We face exposure to foreign currency exchange rate fluctuations that could harm our results of operations. We conduct transactions, particularly intercompany transactions, in currencies other than the U. S. Dollar, primarily the British Pound and the Euro. As we grow our international operations, we expect the amount of our revenues that are denominated in foreign currencies to increase in the future. Accordingly, changes in the value of foreign currencies relative to the U. S. Dollar could affect our revenue and operating results due to transactional and translational remeasurements that are reflected in our results of operations. As a result of such foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and results of operations. In addition, to the extent that fluctuations in currency exchange rates cause our results of operations to differ from our expectations or the expectations of our investors, the trading price of our common stock could be adversely affected. We do not currently maintain a program to hedge ~~transactional~~ exposures in foreign currencies. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments. If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings. We review our goodwill and intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. At December 31, **2023-2024**, we had goodwill and intangible assets with a net book value of \$ **528.508.05** 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. As of December 31, **2023-2024**, we had **federal and state net operating loss carryforwards ("NOLs") of \$ 177.68.20 million and \$ 127.9 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 recently 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. The legislation commonly referred to as the Tax Cuts and Jobs Act of 2017, as modified by the Coronavirus Aid, Relief, and Economic Security Act, includes changes to the U. S. federal corporate income tax rate and changes to the rules governing the deductibility of certain NOLs, which may impact our ability to utilize such NOLs. **Risks Related to Our Dependence on Third Parties** If our relationships with technology vendors and business process outsourcers are not successful, our business and growth will be harmed. We depend on, and anticipate that we will continue to depend on, various strategic relationships in order to sustain and grow our business. We have established strong relationships with technology vendors such as SAP and Microsoft Dynamics to market our solutions to users of their ERP solutions, and professional services firms such as Deloitte and Ernst & Young, and business process outsourcers such as Cognizant, Genpact and IBM to 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, if our customers that use an SAP ERP solution do not renew their subscriptions directly with us and instead purchase our solution through the SAP reseller channel or if we are unsuccessful in supporting or expanding our relationships with other companies, our business would be adversely affected. Additionally, while we continue to build relationships with a variety of third-party partners **and will continue to support all ERP solutions**, to the extent that our partnership with SAP continues to expand, this partnership may be a deterrent to other potential partners. Identifying, negotiating and documenting relationships with other companies require significant time and resources. Our agreements with technology vendors are typically limited in duration, non-exclusive, cancellable upon notice and do not prohibit the counterparties from working with our competitors or from offering competing services. For example, our agreement with SAP can be terminated by either party upon six months' notice and there is no assurance that our relationship with SAP will continue. If our solution is no longer resold by SAP as a solution extension, our business could be adversely affected. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce subscriptions to our platform. If we are unsuccessful in establishing or maintaining our relationships, or if the counterparties to our relationships offer competing solutions, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results could suffer. Even if we are successful, we cannot assure you that these relationships will result in improved operating results. We rely on **Google Cloud 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-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 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 cloud-based infrastructure that has historically been operated in a limited number of third-party data center facilities in North America and Europe. We are currently migrating some of all Financial Close & Consolidation clients from our third-party data centers to GCP, increasing our reliance on this cloud provider. Additionally, we rely on Azure to serve Rimitia Invoice-to-Cash customers, and we rely on AWS to serve FourQ-- our intercompany customers. As we implement the transition to GCP, there could be occasional planned or unplanned downtime for our cloud-based software solutions and potential service delays, all of which will 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. Additionally, if the costs to migrate to GCP are greater than we expect or take significantly more time than we anticipate, our business could be harmed. 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, **DDoS 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

risks that we have not generally faced in the U. S. These risks include: • localization of our solutions, including translation into foreign languages and adaptation for local practices and regulatory requirements; • 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, such as sanctions against Russia in response to the war in Ukraine; • 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, including the war and political and social upheaval in Ukraine** **certain regions in the world**, and public health pandemics, on employees, customers, partners, third- party contractors, travel and the global economy; and • reduced or varied protection for intellectual property rights in some countries. These factors may cause our international costs of doing business to exceed our comparable domestic costs. Operating in international markets also requires significant management attention and financial resources. Any negative impact from our international business efforts could negatively impact our business, results of operations and financial condition as a whole. Privacy and cybersecurity concerns and evolving domestic or foreign laws and regulations, including increased 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, and cybersecurity 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 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 **EU-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 make use of 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 **and**, **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** from privacy advocacy groups or others. **The**, **and 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, an integral process of our business. Other countries **such as Russia, China, and India** have passed or are considering passing laws imposing varying degrees of restrictive data residency requirements, which have created 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 so far mirrors the obligations in the GDPR and imposes similar penalties, the UK government is considering amending its data protection legislation. If UK regulation of data protection diverges significantly 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 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 (“CCPA”), as amended by the California Privacy Rights Act (“CPRA”), 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 comprehensive state-level data privacy and security laws, rules and regulations. Furthermore, the U. S. Congress is considering privacy legislation, and 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, ~~and may undertake its own privacy rule-making exercise~~. Globally, virtually every jurisdiction in which we operate has established its own frameworks governing privacy, data protection, and cybersecurity 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, and cybersecurity around the world are rapidly evolving, may be subject to uncertain or inconsistent interpretations and enforcement, and may conflict among various jurisdictions. 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, and cybersecurity may require changes in our services, business 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. Changes in these laws or regulations 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 the adoption of any laws or regulations that adversely affecting affect the growth, popularity, or use of the internet, including laws impacting internet net neutrality or requiring payment of network access fees**, could decrease the demand for our **products service** and increase our **operating costs cost**. The current legislative and regulatory landscape regarding the regulation of the **doing business. Certain laws internet intended and, in particular, internet neutrality, in to prevent network operators from discriminating against the legal traffic that traverse the their networks have been implemented** U. S. is subject to uncertainty. The Federal Communications Commission (“FCC”) had previously passed Open Internet rules in February 2015 **many countries**, which generally provided **including across the European Union**. **Furthermore, favorable laws may change, including for example internet neutrality with respect to fixed and mobile broadband internet service. On December 14, in 2017, the FCC voted to repeal Open Internet rules generally providing for internet neutrality with respect to fixed and mobile broadband internet service regulations and return to a “light-touch” regulatory framework known as the “Restoring Internet Freedom Order.” The FCC’s new rules, which took effect on June 11, 2018, repealed the neutrality obligations imposed by the 2015 rules and granted providers of broadband internet access services greater freedom to make changes to their the United States where services, including, potentially, changes that may discriminate against or otherwise harm our business. However, a number of parties have appealed this order. The D. C. Circuit Court of Appeals recently upheld the FCC’s repeal, but ordered the FCC to reconsider certain elements of the repeal; thus the future impact of the FCC’s repeal and any changes thereto remains uncertain. In addition, in September 2018, California enacted the California Internet Consumer Protection and Net Neutrality Act of 2018, making California the fourth state to enact a state-level net neutrality regulations were recently law since the FCC repealed its nationwide regulations. This act mandated 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 all broadband services in California be provided in accordance with California’s net neutrality requirements. The U. S. Department of Justice has sued to block the law going into effect, and California has agreed to delay enforcement until the resolution of the FCC’s repeal of the federal rules. A number of other states are considering legislation or execution action that would could impede regulate the conduct of broadband providers. In its recent decision on the FCC’s repeal, the D. C. Circuit Court our growth, of Appeals also ruled that the FCC does not have the authority to bar states from passing their own net neutrality rules. It is uncertain whether the FCC will argue that some state net neutrality laws are preempted by federal law and challenge such state net neutrality laws on a case-cause us to incur by- case basis. We cannot predict whether the FCC order or state initiatives will be modified, overturned or vacated by legal action. Additional additional expense changes in the legislative and regulatory landscape regarding internet neutrality, or otherwise negatively affect regarding the regulation of the internet, could also harm 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. Further, beginning in 2022, Section 174 of the Code eliminates the right to deduct research and development expenditures and requires taxpayers to capitalize and amortize U. S. and foreign research and development expenditures over five and fifteen years, respectively. However, recently proposed tax legislation, if enacted, would restore the ability to deduct currently domestic research and development expenditures through 2025 and would retroactively restore this benefit for 2022 and 2023. In addition, the Organization for Economic Cooperation and Development has proposed a global minimum tax of 15 %, which has been adopted by the or is being considered by EU member states and certain other jurisdictions, effective as of January 1, 2024. 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 since our initial public offering 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;
- **failure of securities analysts to initiate or maintain coverage of BlackLine**, changes in financial estimates by any securities analysts who follow BlackLine or our failure to meet these ~~the~~ estimates or the expectations of **analysts and investors**;
- ratings changes by any securities analysts who follow BlackLine **or failure of such analysts to initiate or maintain coverage of BlackLine**;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic relationships, joint ventures, or capital commitments;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- price and volume fluctuations in the overall stock market from time to time, including as a result of trends in the economy as a whole;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- actual or perceived privacy, security, data protection, or cybersecurity incidents;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- developments or disputes concerning our intellectual property, or our products or third- party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations, or new interpretations of existing laws or regulations applicable to our business;
- any major change in our Board of Directors (the " Board ") or management;
- sales of shares of our common stock by us or our stockholders;
- issuances of shares of our common stock, including in connection with an acquisition or upon conversion of some or all of our outstanding Notes (as defined below);
- lawsuits threatened or filed against us;
- **actual or rumored stockholder activism**; and
- other events or factors, including instability in the banking and financial services sector, geopolitical events ~~such as Russia' s invasion of Ukraine~~ **and political uncertainty, including war and political and social upheaval**, incidents of terrorism, outbreaks of pandemic diseases, presidential elections, civil unrest,

or responses to these events. In addition, the stock markets, and in particular the Nasdaq market on which our common stock is listed, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become the target of this type of litigation in the future, it could subject us to substantial costs, divert resources and the attention of management, and adversely affect our business, results of operations, financial condition and cash flows. Provisions of our corporate governance documents could make an acquisition of BlackLine more difficult and may impede attempts by our stockholders to replace or remove our current management, even if beneficial to our stockholders. Our amended and restated certificate of incorporation and amended and restated bylaws and the Delaware General Corporation Law (the “ DGCL ”) contain provisions that could make it more difficult for a third- party to acquire us **or preventing a change in our management**, even if doing so might be beneficial to our stockholders. Among other things: • we have authorized but unissued shares of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include supermajority voting, special approval, dividend, or other rights or preferences superior to the rights of stockholders; • we have a classified ~~our~~ **Board 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 of Directors, 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 ~~. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire.~~ 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 any cash dividends on our common stock. We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business, and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to the increase, if any, of our stock price, which may never occur. Our amended and restated bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, and also provide that the federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, each of which could limit our stockholders’ ability to choose the judicial forum for disputes with us or our directors, officers, or employees. Pursuant to our amended and restated bylaws, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation, or our amended and restated bylaws, or (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants and provided that this exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws also provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are “ facially valid ” under Delaware law, there is uncertainty as to whether other courts will enforce our federal forum provision. If the federal forum provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to this provision. This exclusive forum provision in our amended and restated bylaws may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. If a court were to find the exclusive forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we could incur additional costs associated with resolving such action in other jurisdictions, which could harm our results of operations. Risks Related to

Our Outstanding Convertible **Senior** Notes Servicing our Notes may require a significant amount of cash and we may not have sufficient cash to settle conversions of the Notes in cash, to repurchase the Notes upon a fundamental change, or to repay the principal amount of the Notes in cash at their maturity, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the Notes. As of December 31, ~~2023~~ **2024**, we had \$ ~~250.230~~ **0.2** million aggregate principal amount of our **0.125 % Convertible Senior Notes due in 2024 (the “2024 Notes”)** outstanding and \$ ~~1.150~~ billion aggregate principal amount of our **0.00 % Convertible Senior Notes due in 2026 (the “2026 Notes”)** and **\$ 675.0 million aggregate principal amount of our 1.00 % Convertible Senior Notes due in 2029 (the “2029 Notes”)** and, together with the ~~2024-2026~~ Notes, the “Notes” or “convertible senior notes”) outstanding. Holders of ~~either each~~ series of the Notes will have the right to require us to repurchase all or a portion of such Notes upon the occurrence of a fundamental change before the applicable maturity date at a repurchase price equal to 100 % of the principal amount of such Notes to be repurchased, plus accrued and unpaid interest or special interest, if any, as described in the applicable indenture governing such Notes. In addition, upon conversion of the Notes of the applicable series, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of such Notes being converted, as described in the applicable indenture governing such Notes. Moreover, we will be required to repay the Notes of the applicable series in cash at their respective maturity unless earlier converted, redeemed, or repurchased. However, we may not have enough available cash on hand or be able to obtain financing at the time we are required to make repurchases of such Notes surrendered therefor or pay cash with respect to such series of Notes being converted or at their respective maturity. Our ability to repay or refinance the Notes will depend on market conditions and our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Further, if ~~either any~~ series of the Notes convert and we elect to issue common stock in lieu of cash upon conversion, our existing stockholders could suffer significant dilution. In addition, our ability to repurchase the Notes of the applicable series or to pay cash upon conversions of the Notes or at their respective maturity may be limited by law, regulatory authority, or agreements governing our future indebtedness. Our failure to repurchase such Notes at a time when the repurchase is required by the applicable indenture governing such Notes or to pay cash upon conversions of such Notes or at their respective maturity as required by the applicable indenture governing such Notes would constitute a default under such indenture. A default under such indenture or the fundamental change itself could also lead to a default under agreements governing our existing and future indebtedness. Moreover, the occurrence of a fundamental change under the applicable indenture governing the Notes could constitute an event of default under any such agreement. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay such indebtedness and repurchase such series of Notes or pay cash with respect to such series of Notes being converted or at maturity of such series of Notes, **which could harm our business, results of operations, or financial conditions**. Our current and future indebtedness may limit our operating flexibility or otherwise affect our business. Our existing and future indebtedness could have important consequences to our stockholders and significant effects on our business. For example, it could: • make it more difficult for us to satisfy our debt obligations, including the Notes; • increase our vulnerability to general adverse economic and industry conditions; • require us to dedicate a substantial portion of our cash flows from operations to payments on our indebtedness, thereby reducing the availability of our cash flows to fund working capital and other general corporate purposes; • limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; • restrict us from exploiting business opportunities; • place us at a competitive disadvantage compared to our competitors that have less indebtedness; and • limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other general purposes. Any of the foregoing could have a material adverse effect on our business, results of operations or financial condition. The conditional conversion feature of ~~each series of~~ the Notes, if triggered, may adversely affect our financial condition and operating results. In the event the conditional conversion feature of ~~either any~~ series of Notes is triggered, holders of the Notes of such series will be entitled under the applicable indenture governing the Notes to convert such Notes at any time during the specified periods at their option. **Our 0.125 % Convertible Senior Notes became convertible on May 1, 2024 and were repaid on August 1, 2024.** As of December 31, ~~2023~~ **2024**, the conditional conversion features of the **remaining** Notes were not triggered. If the conditional conversion feature of ~~either any~~ series of Notes is triggered and one or more holders of a series elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation in cash, which could adversely affect our liquidity. In addition, in certain circumstances, such as conversions by holders or redemption, we could be required under applicable accounting rules to reclassify all or certain of the outstanding principal of such series of Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital. ~~We~~ **The Capped Calls may affect the value of our common stock and we** are subject to counterparty risk with respect to the Capped Calls. In connection with the issuance of the Notes, we entered into the Capped Calls with the counterparties with respect to each series of Notes. The counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market transactions at any time prior to the respective maturity of the Notes (and are likely to do so on each exercise date of the Capped ~~Call~~ **Calls**). This activity could also cause or prevent an increase or a decrease in the market price of our common stock. In addition, global economic conditions have in the past resulted in the actual or perceived failure or financial difficulties of many financial institutions. The counterparties to the Capped Calls are financial institutions and we will be subject to the risk that one or more of the counterparties may default or otherwise fail to perform, or may exercise certain rights to terminate, their obligations under the Capped Calls. If a counterparty to one or more Capped Calls becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at the time under such transaction. Our exposure will

depend on many factors but, generally, it will increase if the market price or the volatility of our common stock increases. Upon a default or other failure to perform, or a termination of obligations, by a counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the counterparties.

General Risk Factors We may require additional capital to support business growth, and this capital may not be available on acceptable terms, if at all. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, such as refinancing needs, the need to develop new features or enhance our existing solutions, or to improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, **from time to time** we **have engaged in, and we** may **in the future** need to engage in equity or debt financing to secure additional funds, or we may opportunistically decide to raise capital. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity or convertible debt securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing or refinancing on terms favorable to us, or at all. ~~Recently there has been a tightening of the credit markets and rising interest rates, as well as instability in the financial services sector, which have negatively impacted the capital raising environment.~~ If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired. The requirements of being a public company may strain our resources, divert management's attention, and affect our ability to attract and retain executive management and qualified board members. As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") the Sarbanes- Oxley Act of 2002 (the "Sarbanes- Oxley Act"), the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of Nasdaq, and other applicable securities rules and regulations. Compliance with these rules and regulations increases our legal and financial compliance costs, make some activities more difficult, time- consuming, or costly, and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. We are required to disclose changes made in our internal control and procedures on a quarterly basis and are required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting on an annual basis. Additionally, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could adversely affect our business and operating results. Although we have hired additional employees to assist us in complying with these requirements, we may need to hire more employees or engage outside consultants, which will increase our operating expenses. In addition, **as a public company we have been targeted by activist stockholders from time to time. Responding to actions by activist stockholders could be costly and time- consuming, and could disrupt our operations and divert the attention of management and our employees. Additionally, perceived uncertainties as to our future direction as a result of stockholder activism, or changes to the composition of our Board of Directors, may lead to the perception of a change in the direction of our business or other instability, which may be exploited by our competitors, cause concern to our current or potential customers, and make it more difficult to attract and retain qualified personnel. If customers choose to delay, defer or reduce transactions with us or do business with our competitors instead of us, then our business, financial condition and operating results would be adversely affected. In addition, our share price could experience periods of increased volatility as a result of stockholder activism. Furthermore**, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time- consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business, financial conditions, and operating results may be adversely affected. If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline. The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, the trading price for our common stock would be negatively affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline. We may fail to maintain an effective system of internal control over financial reporting in the future and may not be able to accurately or timely report our financial condition or results of

operations, which may adversely affect investor confidence in us and the price of our common stock. As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes- Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on internal control over financial reporting. The process of designing and implementing internal control over financial reporting required to comply with Section 404 of the Sarbanes- Oxley Act has been and will continue to be time- consuming, costly and complicated. If, during the evaluation and testing process, we identify one or more material weaknesses in our internal control over financial reporting, our management will be unable to assert that our internal control over financial reporting is effective. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may conclude that there are material weaknesses with respect to our internal controls or the level at which our internal controls are documented, designed, implemented, or reviewed. If we are unable to assert that our internal control over financial reporting is effective, or when required in the future, if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected, and we could become subject to stockholder lawsuits, litigation or investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources, and cause investor perceptions to be adversely affected and potentially resulting in restatement of our financial statements for prior periods and a decline in the market price of our stock. Natural disasters, climate change, and other events beyond our control could harm our business. Natural disasters, climate change, political instability, or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, climate- related events, pandemics, terrorism, political unrest, geopolitical instability, war, ~~such as the war in Ukraine,~~ and other events beyond our control. 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. The majority 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.