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Blackline Safety reports record first quarter revenue

Service revenue drives top line growth despite tough economy

Calgary, AB – Blackline Safety Corp. (TSX Venture: BLN) ("Blackline" or "Company"), a leading manufacturer of lone worker safety monitoring solutions today announced results for its first quarter ending January 31, 2016.

Highlights

- Total revenue of $2.1M, a 21% increase over the prior year's first quarter
- Service revenue of $1.3M, a 55% increase over the $0.8M in the prior year's first quarter
- Gross margin of $1.0M, a 22% increase over the prior year's first quarter
- Completed development of Loner M6, Blackline's first 3G safety monitoring device with LiveResponse and new two-way voice communication
- Began the international certification process for Loner M6i—the intrinsically safe version of the M6 for use within hazardous environments where explosive atmosphere may exist
- Expansion of Loner Complete lease program to include Loner M6 and Loner M6i
- Seventh quarter in a row of double-digit growth, quarter over prior year's quarter

"Blackline's ability to post strong first quarter growth even though one of our core markets is suffering demonstrates our customer diversification and the strength of our service-based business model." said Cody Slater, CEO and Chairman of Blackline Safety. "Blackline has the industry's most-complete safety monitoring program for employees working alone and the introduction of Loner M6 Series will further strengthen our competitive advantage. Customers have shown strong interest in these solutions—internationally and across all industries—and we look forward to bringing these new products to the global market."

Financial Highlights

Values in this release are in thousands except for percentages and per share data.

	Quarter Ended January 31		
	2016	2015	Change
Revenue	$2,063	$1,700	21%
Gross Margin	$1,001	$822	22%
Gross Margin percentage	49%	48%	2%
Adjusted EBITDA	($137)	($64)	(28)%
Net Loss	($1,339)	($822)	(56)%
Loss per Share	($0.05)	($0.04)	(25)%

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Key Financial Information
First quarter revenue was $2,063, an increase of $363 from $1,700 in the same three month period of the last fiscal year. The 21% increase was driven by the sales of work-alone safety monitoring products through the past year and their recurring service revenue, including Blackline's increasingly popular Loner Complete leasing program.

Gross margin for the quarter was $1,001 compared to $822 in the comparable three month period of the prior year. The gross margin percentage was 49% in the first quarter of fiscal 2016 compared to 48% in the fiscal 2015—the increase is attributable to service margin improvement.

Adjusted EBITDA for period ended January 31, 2016 was $(137) compared to $(64) for the comparable period in the prior year. The decrease in the adjusted EBITDA in the period was a result of increased wages and benefits due to the additional staff required to support sales growth, offset by the increased sales revenue generated in the period.

Blackline's unaudited condensed consolidated interim financial statements and management's discussion and analysis on financial condition and results of operations for the quarter ended January 31, 2016 are available at www.sedar.com. All results are reported in Canadian dollars. To learn more about Blackline Safety, visit www.blacklinesafety.com and follow Blackline on Twitter @blacklinesafety.

About Blackline: Blackline Safety Corp. (TSX VENTURE:BLN) is a wireless location leader that develops, manufactures, and markets products and services for lone worker safety monitoring. Targeting every industry, employee role and location, our Loner® solutions are promoted through offices in Canada, the United States and the United Kingdom, and sold through a growing network of international distributors. Loner products alert monitoring personnel of a safety incident, locate the employee and empower the most efficient emergency response—Alert. Locate. Respond.™ Our vision is to become the leading supplier of wirelessly connected lone worker safety monitoring products in the world. For more information, visit www.BlacklineSafety.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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